

THE  
FUTURE  
IS  
**NOW.**

# KEY FIGURES

## BALANCE SHEET

in € millions	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Fixed assets	4,522.6	5,200.8	6,488.0	7,430.9	8,546.2
Current assets	1,164.1	899.5	712.7	2,053.1	1,127.3
<b>Total assets</b>	<b>5,686.7</b>	<b>6,100.3</b>	<b>7,200.7</b>	<b>9,484.0</b>	<b>9,673.5</b>
Equity	2.0	2.0	2.0	2.0	2.0
Provisions	4,502.3	4,925.3	5,364.6	7,909.2	8,012.6
Liabilities	1,178.1	1,169.6	1,834.1	1,572.8	1,658.9
<b>Total liabilities</b>	<b>5,686.7</b>	<b>6,100.3</b>	<b>7,200.7</b>	<b>9,484.0</b>	<b>9,673.5</b>

## INCOME STATEMENT

in € millions	2015	2016	2017	2018	2019
Annual profit (= allocated to the provision for perpetual obligations)	334.3	392.8	430.6	911.8	413.6

## THE FUTURE IS NOW.

The RAG-Stiftung was established in 2007 to pursue two main goals: discontinuing hard coal mining in Germany in a socially acceptable manner and funding the perpetual obligations after the last mines ceased to operate. The first task was successfully completed in late 2018, while the second, which is the future task, commenced in the financial year 2019. The RAG-Stiftung covers the costs of the perpetual obligations of the post-mining era. In line with its articles of association, the foundation also provides funding for a number of other targeted projects in order to help create a liveable environment for tomorrow today.

Because of its responsibility to provide the people in the former coalfields with a bright future, the RAG-Stiftung is now laying the groundwork for making this possible.



# The RAG-Stiftung at a Glance



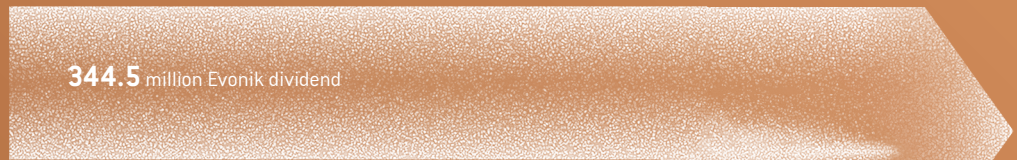
**RAG**  
100% (operationally responsible for the perpetual obligations)

**Evonik**  
64.3%  
(8.2 billion)

**Vivawest**  
40%  
(2.1 billion)

**RSBG**  
100%  
(1.4 billion)

The RAG-Stiftung bears the responsibility for financing the perpetual obligations resulting from hard coal mining in Germany. To fulfil this responsibility, it continually builds up its assets. In addition, the RAG-Stiftung supports projects in the areas of education, science and culture in the former mining regions along the Ruhr and Saar Rivers and in Ibbenbüren.

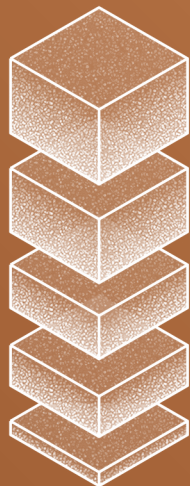


## CAPITAL INFLOW IN 2019

In 2019 the RAG-Stiftung invested a net balance of 1,115 million euros into fixed assets. It provided 243 million euros for the RAGS-FundMaster special fund. Net capital injections to securities and companies through which the RAG-Stiftung owns real estate, private equity, infrastructure and holdings in medium-sized enterprises accounted for 391 million euros. The foundation increased its share of Vivawest GmbH by 481 million euros.

More than 525 million euros were generated from dividends, distribution of profits and interest income during 2019. At the end of 2019, the assets of the RAG-Stiftung amounted to 18.7 billion euros.

## INVESTMENTS, incl. RSBG 8.4 billion



**Government and corporate bonds**  
31.1%

**Private equity/equity investments**  
27.1%

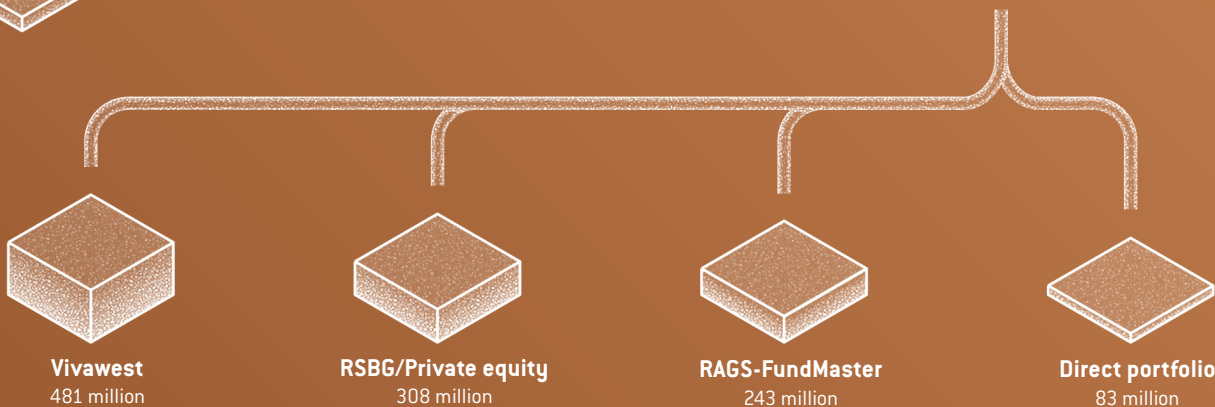
**Shares**  
18.5%

**Real estate/infrastructure**  
17.2%

**Liquidity and other**  
6.1%



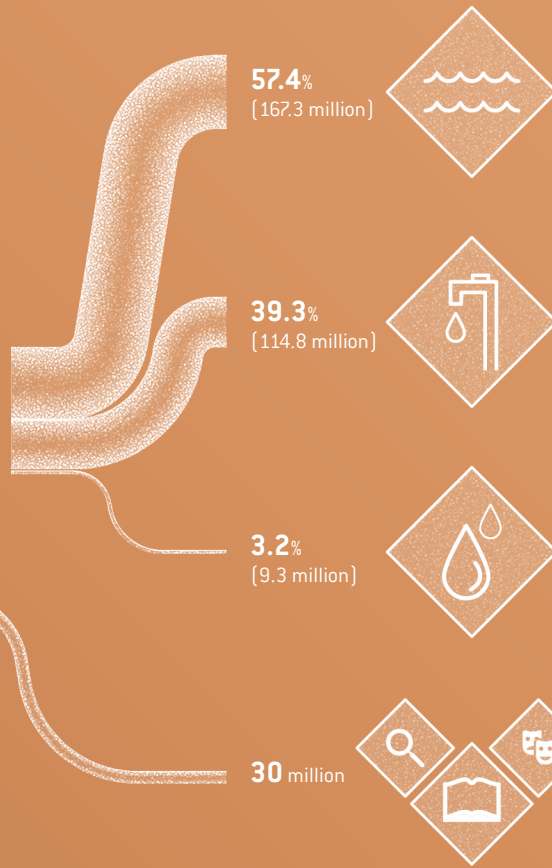
## INVESTMENTS



**PERPETUAL OBLIGATIONS**  
**291.4\*** million in 2019  
 Gradually decreasing

**SUPPORT**

\* Plus the interest element for investments that RAG AG made in past years for the RAG-Stiftung



**PIT WATER MANAGEMENT**

Pumping up the pit water that has accumulated in the coal mines underground. The pit water is pumped up to the surface, in particular in order to protect deposits of drinking water.

**POLDER MEASURES**

Mining activities cause the surface to subside. Water would collect in these depressions if the water boards, in particular, didn't continuously pump the surface water away.

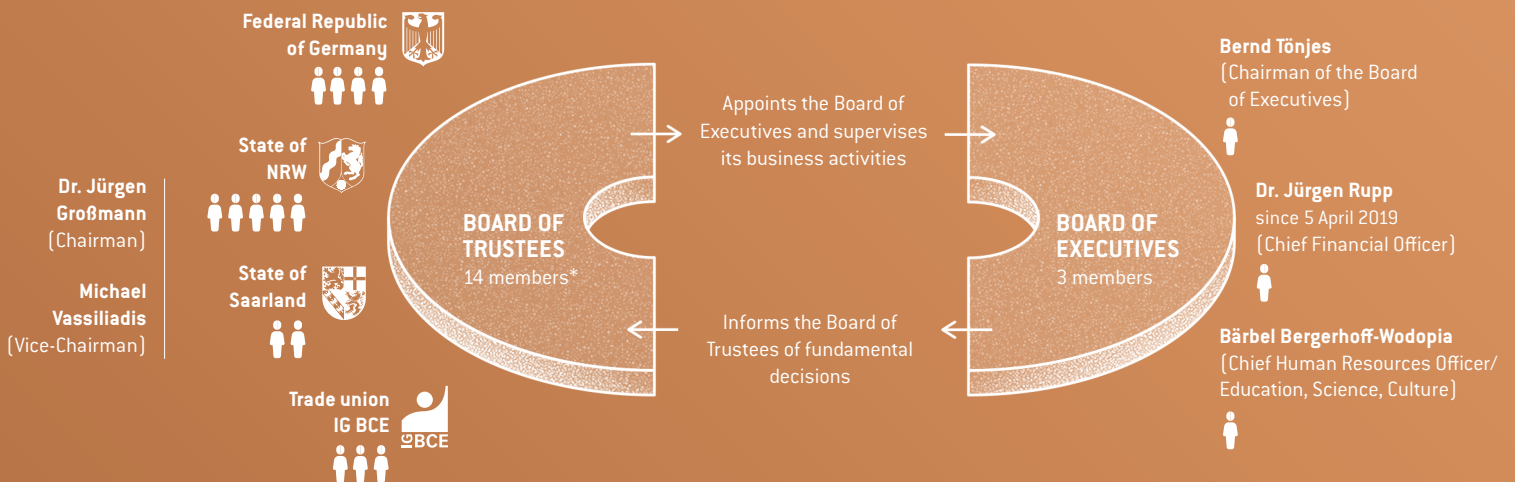
**GROUND WATER PURIFICATION**

The purification of contaminated water on some sites of former related operations of the coal mining industry, in particular former coking plants

**SUPPORT FOR EDUCATION, SCIENCE AND CULTURE**

Project funding is for mining-related activities in the Ruhr and Saar regions and in Ibbenbüren. The focus is on supporting children and young people with limited opportunities.

**BODIES OF THE RAG-STIFTUNG**



\* 5 ex officio members  
 9 appointed members

## OUR RESPONSIBILITY

The RAG-Stiftung has now taken over the financing of the perpetual obligations resulting from hard coal mining in Germany by RAG Aktiengesellschaft: pit water management, polder measures and groundwater purification. In order to safeguard the long-term financing of these activities, the RAG-Stiftung is building up assets through a secure but profitable programme of capital investment. This programme is reliably providing us with the necessary returns.

In addition, the RAG-Stiftung promotes projects in the areas of education, science and culture that are related to the hard coal mining industry in Germany. Through these projects the RAG-Stiftung is generating long-term momentum for the transformation of the regions along the Ruhr and Saar Rivers and in Ibbenbüren.





# CONTENTS



## 20 “THE SUPPORT MUST BENEFIT THE FUTURE”

Successful projects: Board of Executives member Bärbel Bergerhoff-Wodopia talks about developments in the funding areas of education, science and culture.



## 10 “WE HAVE SYSTEMATICALLY PREPARED FOR THE FUTURE”

Well-equipped: An interview with the Chairman of the Board of Executives, Bernd Tönjes, about the successes and challenges of the RAG-Stiftung in 2019



## 22 SUPPORTING EDUCATION

The RAG-Stiftung supports projects along the entire education chain, from measures in childcare centres to scholarships for university students.



## 14 THE CENTRE OF POST-MINING ACTIVITIES

Digital and innovative: The Pluto control centre at the Herne location, which was opened in 2019, is the crucial control point for all the measures of water management in the Ruhr and Saar regions and in Ibbenbüren.



## 24 STRENGTHENING SCIENCE

Putting data to better use: The Data Hub project promotes digital collaboration between startups and well-established companies.

## 17 THE PERPETUAL OBLIGATIONS

As of financial year 2019, the RAG-Stiftung finances the three perpetual tasks of the post-mining era: pit water management, polder measures and groundwater purification.



## 26 SHAPING CULTURE

From the mining traditions to the preservation of industrial monuments and the German Mining Museum Bochum, the RAG-Stiftung's support for mining culture is building a bridge between the past and the future.



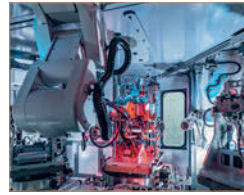


### 30 “THE FINANCING OF OUR OBLIGATIONS IS ASSURED”

Assets were increased and promising new investments were made: Chief Financial Officer Dr. Jürgen Rupp reports on the positive balance of the financial year 2019.

### 32 THE BASIS FOR THE FUTURE

RAG AG, Evonik Industries AG, Vivawest Wohnen GmbH and RSBG SE: An overview of the RAG-Stiftung’s equity investments



### 34 GEARED FOR THE FUTURE: A FOUNDATION GROUP

Shares, private equity, real estate—the RAG-Stiftung invests worldwide in many different asset classes in order to safeguard the financing of the perpetual obligations of the post-mining era.

### 38 REPORT BY THE CHAIRMAN OF THE BOARD OF TRUSTEES

Dr. Jürgen Großmann looks back on the reporting year 2019

### 39 MANAGEMENT REPORT

Basic principles of the company	40
Economic report	45
Significant non-financial issues	64
Risks and opportunities report	64
Outlook report	75

### 79 ANNUAL FINANCIAL STATEMENTS

Balance sheet	80
Income statement	82
Management bodies	83
List of shareholdings	84
Notes	100
Auditors’ Certificate	114
Imprint	118



### 121 A TRIBUTE TO DR. WERNER MÜLLER



**DR. JÜRGEN RUPP**  
CHIEF FINANCIAL OFFICER

**BERND TÖNJES**  
CHAIRMAN OF THE BOARD  
OF EXECUTIVES

**BÄRBEL BERGERHOFF-WODOPIA**  
CHIEF HUMAN RESOURCES OFFICER  
EDUCATION, SCIENCE, CULTURE



The Board of Executives of the RAG-Stiftung is responsible for the operational management and strategic orientation of the foundation's activities. Since the beginning of 2019, the foundation's primary responsibilities have included the permanent financing of the perpetual obligations of Germany's hard coal mining industry: pit water management, polder measures and groundwater purification. All of the channels for water management come together here at the control centre at the Pluto location in Herne. This building, which also serves as an information centre for visitors, is a visible expression of the responsibility borne by the RAG-Stiftung during the post-mining era.



# “WE HAVE SYSTEMATICALLY PREPARED FOR THE FUTURE”

The RAG-Stiftung first took on the responsibility for financing the perpetual obligations in 2019. In this interview held in the new control centre in Herne, where all the water management activities come together, Bernd Tönjes, the Chairman of the Board of Executives of the RAG-Stiftung, talks about the successes and challenges of the past financial year.

**“Mr. Tönjes, we’re standing together in the Pluto control centre in Herne, which was opened in the 2019 financial year. What role does it play in the fulfilment of the post-mining obligations?”**

It’s the centre of the activities related to the perpetual obligations, whose financing is the purpose of our foundation. All of the water management—in other words, pit water management, polder measures and groundwater purification—is monitored and controlled here. The most sophisticated control technology in the world is installed in this building. That makes the control centre a symbol of the innovative strength that has always been a driving force in the mining industry and will continue to play this role in the post-mining era. You could call it a flagship project with a focus on the environment.

**How is the control centre focusing on the environment?**

For one thing, its architecture as well as the technology it uses make its operations energy-efficient. For another, our plans call for the control centre to move into the area of energy management as well. That includes doing the pumping outside the periods of peak demand whenever possible. This would be a very concrete contribution to network stability. Finally, this approach would help to reduce the costs of the post-mining activities.

**Apropos costs, since 2019, the RAG-Stiftung has taken on the responsibility for financing the perpetual obligations. The title of the annual report, “The Future Is Now”, sounds like a reference to a turning point, but also like a promise...**

The RAG-Stiftung was founded in 2007 to pursue two key objectives. The first goal was to support the discontinuation of Germany’s hard coal mining industry; the second one was to finance the perpetual obligations of the post-mining era after the closure of the last mines. In addition, we promote projects in the areas of education, science and culture that are related to the hard coal mining industry in Germany. Through these commitments we are generating strong momentum for the transformation of the Ruhr and Saar regions and Ibbenbüren. The challenge of taking on responsibility for the bulk of a whole industrial sector’s follow-up costs is unique in economic history. In 2018

we already successfully achieved the first of our two key objectives. In the 2019 financial year we have begun to work toward the second one. I am confident that we will master this challenge as well, because we have systematically prepared for precisely this future over a long period of time.

**How is the RAG-Stiftung accumulating the assets it needs in order to meet the annual costs?**

Ever since it was founded, the RAG-Stiftung has been able to continuously increase its assets in order to have sufficient funding available. Our biggest asset is the specialty chemicals group Evonik Industries AG, in which the foundation currently holds an almost 59 per cent share. This is followed by the real estate company Vivawest GmbH, in which we hold a roughly 58 per cent\* share. In the 2019 financial year we increased our share in Vivawest GmbH by ten per cent. In addition, we have various other assets such as shares in other companies, real estate investments and equity and other investments from which we reliably receive the revenue we need.

**Did the costs for the financial year stay within the calculated framework?**

We had calculated expenses amounting to 300 million euros for the year 2019. I’m happy to report that our expenditures, amounting to 291.4 million euros, stayed within the calculated framework. The foundation’s revenue is far greater than its expenditures for the perpetual obligations, and I’m optimistic that things will stay that way in the future.

**The RAG-Stiftung makes investments all over the world. To what extent does it also specifically promote the settling of new companies in this region?**

The RAG-Stiftung invests its funds in line with a yield-oriented strategy, as its articles of association require. Through funds, we hold shares in about 20,000 companies all over the world. But we would also like to promote the transformation of the former mining areas, if possible, by means of our investment activities—here in the Ruhr region, in Ibbenbüren and in the Saarland. In order to do that, we founded the company RAG-Stiftung Innovation GmbH at the end >

\* Including the 18 per cent RAG share



## “WE ARE AN ENTREPRENEURIALY MANAGED FOUNDATION GROUP.”

BERND TÖNJES

- > of 2019. It's a wholly owned subsidiary of the foundation, and it focuses more strongly on these regions.

### **A growing economy needs space. Do the former hard coal mining regions have this kind of potential?**

They do, and that's why we are actively promoting land development in these regions. The German hard coal mining industry has traditionally owned large parcels of land, and these are being cleaned up, developed and marketed by RAG Montan Immobilien GmbH, which is part of the Group. The approximately 7,000 hectares that are still available offer tremendous potential for modern commercial and technology parks, residential buildings and urban districts, for instance. One current example is the Freiheit Emscher<sup>1</sup> project, which will create a showpiece urban district on 1,700 hectares that mostly consist of former mining areas between the northern suburbs of Essen and the southern suburbs of Bottrop. On the one hand, jobs have been created by the arrival of businesses and industries, and on the other, residential areas and leisure facilities are being developed.

### **The activities of the RAG-Stiftung that you've mentioned sound more like those of a company than those of a typical foundation.**

It's true that many people associate the concept of a foundation with public utility. However, we are an entrepreneurially managed foundation group—in other words, a foundation under private law that in the first

instance has been mandated to permanently safeguard the financing of post-mining activities and thus save the taxpayers from having to shoulder these costs. The total assets of the RAG-Stiftung increased to 18.7 billion euros by the end of 2019. We must continue to invest our assets with a yield-oriented strategy in the future. To this end, we employ a small team of experts who are performing this task extremely well. We are not slackening our pace. You can see that, among other things, in the fact that at the beginning of 2020 we bought shares in Thyssenkrupp Elevator as part of a consortium led by Advent and Cinven.

### **At the beginning of 2020 you also joined forces with E.ON to buy the Essen Colosseum. Can you tell us something about your plans for this listed property, which is located in the city centre?**

This investment is part of the capital investment strategy of the RAG-Stiftung, whose goals include targeted investments in profitable real estate values. We're going to fill the former Krupp factory hall with fresh new life, and we look forward to seeing the Colosseum generate new positive momentum for the entire region in the future. The current plans call for a business incubator modelled on the Factory Berlin, which we have invested in for some time now. We want the Colosseum to become an innovation location that reinforces the startup scene in the Ruhr region, which is currently developing very well.

### **What makes the Ruhr region especially attractive for startups?**

For one thing, it's characterized by a unique cluster of universities, which has developed over the past five decades. Our 22 universities and about 60 non-university research institutes enjoy an outstanding international reputation and are drivers of progress. By way of com-

<sup>1</sup> The river Emscher has been extensively environmentally restored in recent years

parison, in 1957 we had about 600,000 miners and no students in this region. Today we have about 270,000 students in 400 different degree programmes. These figures clearly show that the transformation of this region is moving in a promising direction. From a historical perspective, the Ruhr region has always been a startup location. But in the past these success stories were written by major capital-intensive companies from the mining industry. What we lack is smaller and mid-sized companies as well as innovative startups. And this is where the social commitment of the RAG-Stiftung comes in. We want to boost the startup scene, students and other people who have good business ideas, and encourage and enable them to establish their own companies. We are supporting them with projects such as the Gründerallianz, an alliance of company founders that was created in cooperation with the Initiativkreis Ruhr. The Colosseum is another part of this mix that is helping us generate significant momentum. Our goal is to get the business and science communities to cooperate even more closely to accelerate the region's economic growth.

**What other kinds of challenges do the former hard coal mining regions have to master?**

Mobility, for example, is certainly an important topic—and in the Ruhr region it's one of the biggest bottle-



necks. That applies to the road network as well as public transportation, which only about ten per cent of residents use to get to work. As a result, in this region traffic congestion is part of people's daily life. Sustainable improvements in mobility are essential, also in order to position the Ruhr region as an attractive conurbation. The focus on sustainability is also fundamental to all of the RAG-Stiftung's business activities. The control centre we're standing in is a good example of that.



**“OUR REVENUE IS FAR  
GREATER THAN OUR  
EXPENDITURES FOR THE  
PERPETUAL OBLIGATIONS.”**

BERND TÖNJES

# THE CENTRE OF POST-MINING ACTIVITIES

**At the Pluto control centre, all the channels for controlling and monitoring the tasks of the post-mining era come together. Concealed behind the building's façade is state-of-the-art technology that guarantees uninterrupted operation at all times.**

All systems nominal. The employees, who keep a close eye on a whole row of monitors and a ten-metre-wide video wall, have everything under control. In spite of the routine, they're constantly on watch. That's because they are controlling important tasks of the post-mining era, in particular water management in the Ruhr and Saar regions and in Ibbenbüren. All the information about pit water management, polder systems and groundwater purification at some of the former coking plant locations comes together here. If a warning message should ever start flashing on one of their displays, they would promptly initiate the required measures.

The employees call themselves controllers, in line with the name of their workplace: the control centre at RAG AG's Pluto location in Herne. Ever since the building was opened in March 2019, the control room on the top floor has been staffed around the clock, 365 days a year. The centrists' tasks include monitoring the weather conditions affecting those mine workings that remain open. That's because people are still working underground on the dismantling measures, and their safety must be guaranteed.

The control centre is visible proof that the activities of the post-mining era are ongoing. The costs of the water management and monitoring have been borne by the RAG-Stiftung since the beginning of 2019. The foundation is thus taking on the financial responsibility for the fulfilment of the perpetual obligations of the post-mining era—and guaranteeing that taxpayers will not have to bear this burden.

Anyone approaching the control centre immediately notices its subtle yet striking design. "Especially in terms of its functionality, the control centre is a symbol of our post-mining activities. It brings together the past and the present," says Dr. Michael Drobniowski, the plant director of the Water Management unit of RAG AG. When the building was being designed and constructed, the top priority was to minimize energy consumption during its operational phase, Drobniowski says. "We took into account everything that makes sustainable operation possible," he explains. That includes optimal damping and insulation. In addition, the building is heated by means of environmentally friendly air-source heat pumps.

The architects had designed the building as a cross between a vault and a showcase. It safely encases the core of the control centre but also makes it look accessible. Whereas the computer centre remains hidden

behind concrete on the ground floor, the control room has a broad window façade that opens up to the outside world. The shape of the building exemplifies not only an aesthetic sense but also the efficient use of space. "Square, practical, good. The ratio of the façade surface to the usable interior surface is most efficient in a cube," says Marcus Kampen, who heads the Civil Engineering/Industrial Construction department at one of the service segments at RAG AG. So a total area of 1,700 square metres accommodates the control room, offices, two conference rooms and the visitor centre. "When we planned this building, we prioritized a high-quality work environment and a generously proportioned visitors' area," says Kampen. That's because the control centre stands for transparency and approachability, as well as being an information centre for the public.

On the ground floor of the control centre, state-of-the-art media technology is used to explain the challenges of the post-mining era to visitor groups. A split screen and six different digital information stations offer a wealth of in-depth knowledge. Visitors can use gesture control to decide for themselves which topics and areas they want to explore in greater detail. The video wall at the rear of the foyer, which presents the history of mining, is also interactive. Here, contemporary witnesses from various generations, ranging from workers to members of the RAG Executive Board, share their memories and tell about their lives in and with the coal mining industry. The oral history video project "Menschen im Bergbau"<sup>1</sup>, which was lavishly produced by the "Stiftung Geschichte des Ruhrgebiets"<sup>2</sup>, was supported by the RAG-Stiftung in order to preserve knowledge of the miners' achievements and values.

A glass door leads from the foyer to the control centre's computer centre. This is a high-security area that can be entered only by authorized employees by means of a three-stage lock system with doors rated in the highest burglar resistance class and an additional biometric access control. "These extensive measures comply with the security standards that apply to the entire control centre," explains Marc Tetzlaff, who heads the Control Centre/Process Control Technology and Automation department at RAG AG. "The building is practically bristling with installed technology. IT, the energy supply, the water supply—everything is state-of-the-art" >

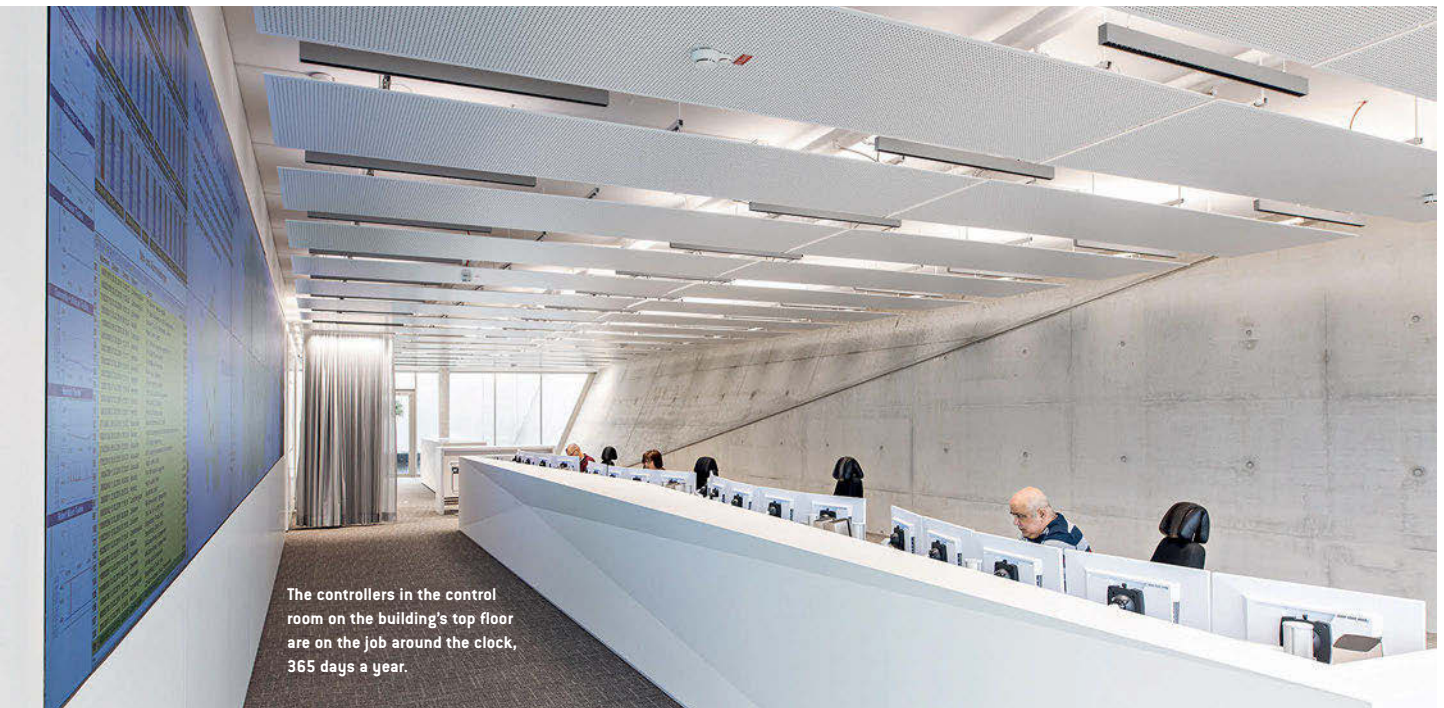
<sup>1</sup> People in Mining

<sup>2</sup> History of the Ruhr Foundation





The control centre at the Pluto location in Herne exemplifies efficiency, sustainability and digitalization in the post-mining era.



The controllers in the control room on the building's top floor are on the job around the clock, 365 days a year.

- > Before the building was opened, all the building technology was tested in cooperation with the technical inspection association TÜV Rheinland to see if it could deal with all eventualities. “The TÜV experts also gave us advice on how the control centre could protect itself from possible disruptions,” Tetzlaff adds. Such disruptions might include power cuts or a fire in the building. “We’ve made sure that the supply processes will continue no matter what,” says Tetzlaff. This is ensured by the redundancy concept—in other words, there are at least two of every system. For example, if a server room fails, a second identical one immediately takes over; if a cooling system breaks down, a second one is available. And if the power supply is interrupted, a diesel-powered emergency generator is standing by to provide electricity for weeks at a time. If a fire should ever actually break out in one of the server rooms, the room would be flooded with nitrogen within 30 seconds. That would preserve the expensive hardware, which would not be the case if foam or other extinguishing agents were used.

In addition to the sophisticated hardware, the control centre also uses state-of-the-art software to gather, transmit and document post-mining data. This software was specially programmed by experts from RAG AG in order to ensure a high degree of complexity and user-friendliness. Ever since the installation, the programmers have been continuously working to optimize the software, always aiming for maximum data security.

Dr. Frank Dudda, the Mayor of the city of Herne, has called the control centre “an example of transformation, innovation and digitalization”. Bernd Tönjes, the Chairman of the Board of Executives of the RAG-Stiftung, says, “In everything we do, our top priority is always the safety of people and the environment, especially the protection of drinking water. To my mind, the control centre is sustainability translated into a digital form.”



The visitors' foyer: At interactive touchpoints, visitors to the control centre can find lots of information, including all they'd like to know about the post-mining era.

## THE TASKS OF THE CONTROL CENTRE

- controlling and monitoring post-mining activities
- ensuring the safety of the employees still working underground
- informing the public about the post-mining era
- conducting checks at gates and doors

## FACTS, FIGURES, DATA

- 1,700 square metres of floor space
- 2 server rooms, 70 servers
- 30 kilometres of fibre-optic cables
- the controllers work at the control centre around the clock, 365 days a year.
- a 150-square-metre visitor centre
- RAG AG pumps 110 million cubic metres of pit water away every year in NRW and the Saarland.

## The perpetual obligations of the post-mining era

After the discontinuation of hard coal mining, three obligations must be fulfilled for the foreseeable future. All of them are related to the management and control of water. The RAG-Stiftung is financing these activities.



### PIT WATER MANAGEMENT

RAG AG is responsible for pit water management in the former hard coal mining regions. Here, at the bottom of a former mineshaft hundreds of metres under the surface, the pit water is collected and transported to the surface by powerful pumps and pipes, then channelled into watercourses. The pumping system is designed redundantly. In case of a malfunction, each pump can be quickly replaced by another. The new pit water concept of RAG AG for the post-mining era will in the medium term require only six central pit water management stations in the Ruhr region.



### POLDER MEASURES

Centuries of mining operations have also changed the local landscape. Entire regions have subsided, in extreme cases by as much as 25 metres. The surface water at these locations must be actively regulated now and in the future in order to prevent the accumulation of water in these hollows. Special pumping facilities must be operated and maintained and bodies of water must be deepened or barricaded with dykes to ensure that the water is drained off.



### GROUND WATER PURIFICATION

In some of the former mining regions, especially on the grounds of former coking plants, there are contaminated areas that must be cleaned up. After the contaminated groundwater has been located, it is drained off and purified in order to prevent contaminated water from mixing with clean water and spreading. The effectiveness of these measures is regularly monitored.



### COSTS

The total annual costs of the three perpetual obligations resulting from hard coal mining are expected to amount to about 300 million euros in the first few years and to subsequently taper off. The pit water management alone will account for around two thirds of these costs because of the uninterrupted operation of the high-powered pumps. The RAG-Stiftung is dedicated to permanently financing these perpetual obligations in order to reduce the costs for the public sector, and thus for the taxpayers.



# EDUCATION SCIENCE CULTURE



# “THE SUPPORT MUST BENEFIT THE FUTURE”

**Bärbel Bergerhoff-Wodopia, member of the RAG-Stiftung Board of Executives, is responsible for the promotion of education, science and culture. Through its funding activities, the RAG-Stiftung is playing a major role in shaping the future of the former mining areas in the Ruhr and Saar regions and in Ibbenbüren.**

## **Ms. Bergerhoff-Wodopia, what kinds of challenges arose in 2019?**

The very moving farewell ceremony for Germany’s hard coal mining industry in December 2018 marked the end of an era. The achievements of the coal mining industry received a great deal of recognition. Mining representatives were also honoured at a ceremony held in Schloss Bellevue by Germany’s President Frank-Walter Steinmeier in April 2019. A delegation of former miners from RAG AG and representatives of the RAG-Stiftung presented the President with the last piece of hard coal mined in this country. Since the beginning of 2019, the RAG-Stiftung has financed the tasks that are part of the mining industry’s legacy. Our support activities in the areas of education, science and culture are also continuing in the post-mining era, and they are facing special challenges. Now that active hard coal mining is only a memory, it’s more important than ever to transmit its legacy to future generations.

At the beginning of 2019 the RAG-Stiftung also assumed full responsibility for the institutional funding previously provided by RAG AG. We are continuing this funding without interruption, at the Technische Hochschule Georg Agricola, the German Mining Museum Bochum, the Stiftung Industriedenkmalspflege und Geschichtskultur<sup>1</sup>, the miners’ orchestras such as the Ruhrkohle Choir and the miners’ associations. The total funding budget of the RAG-Stiftung in the financial year 2019 amounted to 30 million euros.

Support for education is an essential mining tradition, and in 2019 it continued to be a priority, with a budget of about 11 million euros. One of our important tasks is to ensure that all children and young people—especially those coming from disadvantaged families—have access to the various education and training programmes in the former mining regions. A child’s social origins still play a major role in his or her educational success. That has to change, and we are playing a major role in this process. We also want to make sure there are no interruptions in the transitions from one stage of education to the next. That’s why we support projects along the entire education chain. For example, our pilot project “Zukunft früh sichern”<sup>2</sup>, which we initiated last year in cooperation with the city of Gelsenkirchen in seven municipal daycare centres in the Ückendorf district, aims to mitigate child poverty. Our flagship projects also

include the “RuhrTalente”, which supports young people from year nine until they transition into a vocational training programme or a degree course. This is the biggest scholarship programme for schoolchildren in North Rhine-Westphalia.

I’ve already mentioned the German Mining Museum Bochum and the Technische Hochschule Georg Agricola (THGA), which play a special role in the area of science. In 2019 about 13 million euros flowed into our funding for scientific institutions. We consider the THGA an important partner, for example in its function as a centre of future-oriented education for mining and post-mining engineering and as the only German university whose research focuses on the post-mining era. When the summer semester of 2019 began at the THGA, we established a second endowed professorship, for “Geomonitoring in Mining and Post-mining Areas”. We were also gratified by the full reopening of the German Mining Museum in the summer of 2019. Since then this research museum, which is part of the Leibniz Association, has attracted almost 200,000 visitors and received a renowned design award.

Another RAG-Stiftung project aimed at contributing to the transformation of the Ruhr region involves promoting the establishment of data-driven companies such as those in the areas of technology and logistics. These activities are combined in the Gründerallianz Ruhr organization to promote startups, which was founded by the RAG-Stiftung, RAG AG and Evonik Industries AG together with the labour union IG BCE.

“The future is now” is the motto of this Annual Report. For us, it also means that we are doing our utmost to make the former mining regions an attractive place to live, study and work, especially for young people. For many people in these regions, the legacy of mining will continue to be the basis of their identity.

“Glück auf!”—The best of luck to you!

*Bärbel Bergerhoff-Wodopia*

<sup>1</sup> Foundation for the preservation of industrial monuments and historical culture

<sup>2</sup> Safeguarding the future early

# A PIONEERING PROJECT

The RAG-Stiftung is providing around two million euros for “Zukunft früh sichern”. This initiative is helping disadvantaged children in seven municipal kindergartens in Gelsenkirchen-Ückendorf by preparing them for primary school.



The prevention of poverty will always be one of society’s main tasks. Children, in particular, need assistance early on to prevent and effectively alleviate the consequences of child poverty. On this basis, the RAG-Stiftung has teamed up with the kindergarten operator Gelsenkirchener Kindertagesbetreuung (GeKita) to initiate a pilot project titled “Zukunft früh sichern”<sup>1</sup>. This project will provide more than 500 children in Gelsenkirchen-Ückendorf with educational support under close scientific supervision for three years.

Half of all of the children in this district of Gelsenkirchen live in poverty. Moreover, 22 per cent already have elementary developmental deficits in primary school and over 40 per cent are later recommended for lower secondary education. “That’s precisely why we initiated and launched this project,” says Bärbel Bergerhoff-Wodopia, member of the Board of Executives of the RAG-Stiftung. “The challenges in Ückendorf are considerable.”

The figures are alarming, agrees Gelsenkirchen Mayor Frank Baranowski, who confirms the project’s urgency. “A child’s development, educational opportunities and future prospects shouldn’t depend on his or her parents’ origins, income or level of education,” he says. However, this is still a reality for poor children. Their marks are already significantly below average in primary school, they have to repeat years more often, and they are far less likely to attend grammar school. The longer poverty lasts, the more severe the effect on personal development. That’s why the initiative starts helping children from seven kindergartens in Ückendorf to discover and develop their talents and potentials when they are just four years old.

Since the autumn of 2019, seven additional educational assistants have been assigned to the kindergartens. These trained child educators assist the children from the time they are four years old until they begin first grade. They will continue to serve as contact partners for the children during their initial period in primary school. The project focuses on the children’s language development, because language is the key to a successful education and lays the foundation for the course of a person’s subsequent education.

In addition to language development, the project concentrates on promoting the love of learning, social skills,

**Z U**  
**S i** **ZUKUNFT**  
**FRÜH**  
**SICHERN**

“Zukunft früh sichern”: This pilot project assists daycare children from the time they are four years old until they begin year one.

**“A CHILD’S DEVELOPMENT, EDUCATIONAL OPPORTUNITIES AND FUTURE PROSPECTS SHOULDN’T DEPEND ON HIS OR HER PARENTS’ ORIGINS, INCOME OR LEVEL OF EDUCATION.”**

FRANK BARANOWSKI,  
MAYOR OF GELSENKIRCHEN





At the launch of the “Zukunft früh sichern” project (from left): Gelsenkirchen Mayor Frank Baranowski, Holle Weiß, Operations Manager of GeKita, Bärbel Bergerhoff-Wodopia, member of the RAG-Stiftung Board of Executives, and Annette Berg, Gelsenkirchen’s Head of Culture, Youth, Education, Sport and Integration.

**“THE PROJECT CAN PLAY A PIONEERING ROLE FOR THE FUTURE AND ONLY MARKS THE BEGINNING OF THE RAG-STIFTUNG’S LONG-TERM INVOLVEMENT IN POVERTY PREVENTION ACROSS CITIES AND LOCAL AUTHORITIES.”**

**BÄRBEL BERGERHOFF-WODOPIA,  
MEMBER OF THE BOARD OF EXECUTIVES  
OF THE RAG-STIFTUNG**

and a knowledge of culture. “Zukunft früh sichern” also strives to improve the children’s eating habits, boost their motor skills and increase their mental resilience.

The RAG-Stiftung has commissioned the Institut für Sozialarbeit und Sozialpädagogik<sup>2</sup> to conduct the research that will enable the project to produce solid findings that can benefit other municipalities. Thus the project will be scientifically supported throughout its duration and will yield recommendations for improving the work in this field on a broad basis throughout the Ruhr region and all of Germany in the future. “Because the foundation has its roots in the coal mining industry, it wants to improve the opportunities of disadvantaged children and young people who do not receive sufficient support in their personal environment,” states BergerhoffWodopia. “The project can play a pioneering role for the future and only marks the beginning of the RAG-Stiftung’s long-term involvement in poverty prevention across cities and local authorities.”

<sup>1</sup> Safeguarding the future early on

<sup>2</sup> Institute for Social Work and Social Education

# SUPPORT FOR YOUNG PEOPLE

In the Saarland, the RAG-Stiftung has been supporting the work of the StudienStiftungSaar since 2014. This work aims to enable young people from non-academic families to get a good education.

The initiative StudienStiftungSaar provides four different scholarships in order to assist university students and young people who are interested in attending a university. Since 2015, it has also been offering the Future Coaching programme in order to provide pupils with orientation in the choice of their careers and degree courses. The StudienStiftungSaar offers a full range of services for disadvantaged young people from secondary school until they complete their degrees. By the end of 2019, the StudienStiftungSaar had invested approximately 6 million euros in its educational programmes. This money was used to provide more than 2,800 Saarland and Germany scholarships.

The RAG-Stiftung is one of the programme’s main funders, accounting for around half of the investments. When awarding Germany scholarships, the foundation mainly assists students from non-academic families. Moreover, it awards up to 10,000 euros for theses devoted to mining-related topics. “We believe it is important to smooth the path for talented young people from non-academic families at an early age and provide them with the help they need to study at a university,” says Bärbel Bergerhoff-Wodopia, member of the Board of Executives of the RAG-Stiftung. One example of this is the success story of Lisa Jessen, a medical technology engineer. Last year she earned a master’s degree in neural engineering at the University of Applied Science in Saarbrücken and was immediately hired by a globally leading manufacturer of dialysis products. “The Germany scholarship enabled me, the daughter of a single mother, to successfully complete a university degree,” says Jessen. “The assistance I received from the RAG-Stiftung and the Bergmannshilfswerk Luisenthal also acknowledges my family’s work in the mining industry over many generations.”



# GOOD START(UP)S

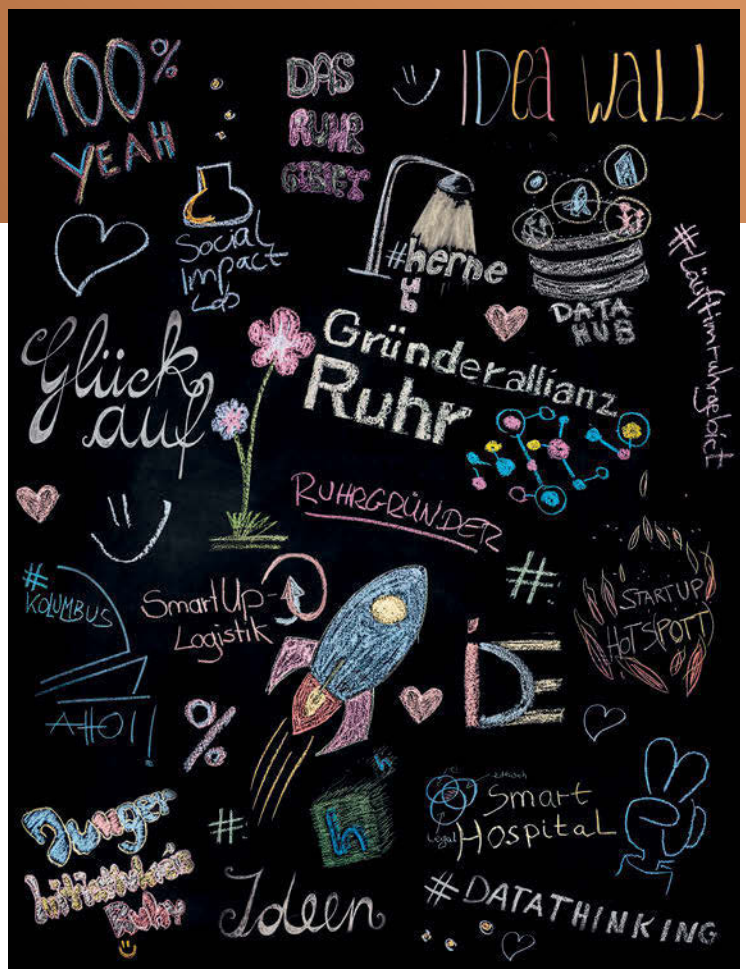
The RAG-Stiftung assists science-based projects for promoting startups. Examples include the Gründerallianz Ruhr, which is a future-oriented network that unites all of the players who want to foster the creation and expansion of the startup community in the Ruhr region. One of its key projects is the Data Hub Ruhr.

There's a strong feeling of optimism in the Ruhr district. This new entrepreneurial spirit is especially tangible in Haus 5 of the Zollverein UNESCO World Heritage site. Located only a five-minute walk from the RAG-Stiftung, this building houses the Gründerallianz Ruhr, a central point of contact for the region's expanding startup scene.

According to Bärbel Bergerhoff-Wodopia, member of the Board of Executives of the RAG-Stiftung, "The Gründerallianz is playing an important part in the transformation of the Ruhr district from an industry-focused economic region to a new, future-oriented one. The RAG-Stiftung believes it has a responsibility to support science-based projects for the promotion of startups." That's why the RAG-Stiftung helped to initiate the project as part of the "Glückauf Zukunft!" programme. To date, it has invested around 1.5 million euros in this project.

**"THE RAG-STIFTUNG BELIEVES IT HAS A RESPONSIBILITY TO SUPPORT SCIENCE-BASED PROJECTS FOR THE PROMOTION OF STARTUPS."**

**BÄRBEL BERGERHOFF-WODOPIA,  
MEMBER OF THE BOARD OF EXECUTIVES  
OF THE RAG-STIFTUNG**



Room for ideas: At the UNESCO World Heritage site Zollverein, visitors use chalk to express their creativity on the walls of the Gründerallianz office.

The Gründerallianz is a highly effective network of businesses and scientific organizations that is coming together with a big target group. There are more than 200 startups in the Ruhr region alone. They benefit from favourably priced office properties, economic policy initiatives and partnerships with well-established companies. The metropolitan region considers its diverse startup ecosystem a great opportunity that considerably boosts the former mining district's economic performance.

This leading project is jointly funded by the RAG-Stiftung, RAG AG and Evonik Industries AG. The Initiativkreis Ruhr also supports the project with its own funds.

A key project of the Gründerallianz, the Data Hub Ruhr, has been running since 2018. Now that hard coal mining has ceased, this project provides the region with significant momentum that is attracting entrepreneurs from throughout Germany and abroad. The project aims to exploit the fact that many well-established companies have lots of data. This pool is constantly growing, but is still too rarely used. That's where the startups come into play. During a three-month project phase, the established companies work together with startups to find solutions for specific use cases. Five such partnerships were formed in financial year 2019, with two of them receiving grants at the end of the project phase.

The Data Hub is also available for municipal institutions in the region. In 2019, the waste disposal company Entsorgung Herne took part in the project with a use case that optimized the removal of bulky waste with the help of cutting-edge data technology. In the course of a startup challenge, the institution was able to identify adiutaByte from Sankt Augustin as a suitable partner. This startup was awarded prize money amounting to 10,000 euros.

"The activities of the Gründerallianz and the Data Hub are attracting attention and radiating far beyond the confines of the Ruhr region," says Ersin Üstün, a project manager at the Gründerallianz. "There is also an increasing willingness to invest in the area." However, there is still a long way to go before a sustainably functioning B2B-focused startup ecosystem can be established. "We must not let up in our efforts. We have to take advantage of this momentum to turn the region into a hotspot for startups."



Presentation of an award to a winning project on Demo Day 2019 (from left): Dr. Christian Lütke from the Gründerallianz, Dustin Feld and Vanessa Wolff from adiutaByte, Daniel Linning from Entsorgung Herne and Pierre Golz, Digitalization Department of the City of Herne.

**"THE ACTIVITIES OF THE GRÜNDERALLIANZ AND THE DATA HUB ARE ATTRACTING ATTENTION AND RADIATING FAR BEYOND THE CONFINES OF THE RUHR REGION."**

**ERSIN ÜSTÜN,  
PROJECT MANAGER AT THE GRÜNDERALLIANZ**

**338**

**startups**

from 38 countries have applied to take part in the Data Hub

**1.5**

**million euros**

has been invested by the RAG-Stiftung as part of the "Glückauf Zukunft!" programme

**10**

**industrial partners**  
from the Ruhr region

# A TRADITION FOR THE FUTURE



At eye level: The German Mining Museum Bochum (DBM) uses cutting-edge educational methods to present the subject of coal mining to visitors.



At the ceremony marking the opening of the new permanent exhibition of the Leibniz Research Museum for Geo-resources [from left]: Ulrich Schüller, Federal Ministry of Education and Research, Bochum Mayor Thomas Eiskirch, Bärbel Bergerhoff-Wodopia, member of the Board of Executives of the RAG-Stiftung, Prof. Stefan Brüggerhoff, Director of the German Mining Museum Bochum, Isabel Pfeiffer-Poensgen, Minister of Culture and Science of the State of North Rhine-Westphalia, and Prof. Matthias Kleiner, President of the Leibniz Association.

## THE GERMAN MINING MUSEUM BOCHUM

The German Mining Museum Bochum/Leibniz Research Museum for Geo-resources is the world's largest mining museum. Its facilities bring together a top-notch research institute with a vibrant museum. The museum was rebuilt over a three-year period and its permanent exhibition has been reorganized. The RAG-Stiftung helped to fund this mammoth project with 15 million euros as part of its "Glückauf Zukunft!" programme. Two sections, "Hard Coal" and "Mining", were reopened in November 2018. The visitor experience was rounded out by the sections "Mineral Resources" and "Art" in July 2019. The reorganization of the museum was jointly funded by the Federal Ministry of Education and Research and the Ministry of Culture and Science of the State of North Rhine-Westphalia. The museum's more than 3,000 exhibits not only cover the history of mining but also focus strongly on the post-mining era and the future-oriented restructuring of the region. Multimedia stations, interactive games, video installations and hands-on exhibits supplement the traditional displayed objects. The German Mining Museum Bochum chose this new educational approach in order to transmit knowledge to people of all ages. Incidentally, the museum has developed an additional concept specifically for children. This "children's trail" uses cutting-edge educational methods to teach children about mining, literally at eye level.

The RAG-Stiftung has taken over the responsibility for providing the German Mining Museum Bochum with the funding that used to come from RAG AG.

Through its funding activities in the Ruhr and Saar regions and in Ibbenbüren, the RAG-Stiftung has for many years played a major role in conserving the mining culture. To prevent this support from being interrupted after coal mining operations ceased in Germany, in early 2019 the RAG-Stiftung also took over the funding that was formerly provided by RAG AG. Four examples from the portfolio:



The mining *orchestras* have always stood for solidarity and fellowship in the mining regions. The RAG-Stiftung supports concerts and performances by choirs and orchestras in order to keep these ideals, values and, above all, the miners' cultural heritage alive in the future. Examples in 2019 included the traditional spring, summer and Christmas concerts.



The *Stiftung Industriedenkmalpflege und Geschichtskultur*<sup>1</sup>, which was jointly founded by RAG AG and the State of North Rhine-Westphalia, maintains and operates 12 listed industrial historical monuments, including the Hansa coking plant in Dortmund, the Pattberg mine in Moers and the Schlägel & Eisen mine in Herten. The RAG-Stiftung has helped to fund this institution since 2010 in close cooperation with North Rhine-Westphalia's Ministry for Regional Identity, Communities and Local Government, Building and Gender Equality. A large six-digit sum will be provided for this purpose in 2020. About 4.4 million euros in funding has been provided to date.



The traditions and customs of the *miners' clubs* are essential elements of an active culture of remembrance. That's why the RAG-Stiftung helps to fund the clubs' activities. In 2019, for example, around 400 former miners from 42 clubs organized "Miner's Day" in the Saar region. A total of 800 visitors, many of them young people, took part in the event.

<sup>1</sup> Foundation for the preservation of industrial monuments and historical culture



# FINANCES





# “THE FINANCING OF OUR OBLIGATIONS IS ASSURED”

Since 2019 the RAG-Stiftung has borne the responsibility for financing the perpetual obligations resulting from hard coal mining in Germany: pit water management, polder measures and groundwater purification. In 2019 Dr. Jürgen Rupp became its Chief Financial Officer.

## Dr. Rupp, what areas did your work focus on during your first year in office?

At the end of my first year in office, I'm happy to report that 2019 was a very good financial year for the RAG-Stiftung. We're looking back at the best investment result in our history. Our assets increased to 18.7 billion euros, and we also made new investments amounting to 1.1 billion euros. What makes me especially optimistic is the 9.9 per cent value development of the RAGS-FundMaster—a leap the likes of which we haven't seen since the foundation was established.

I was already familiar with the RAG-Stiftung's issues and its people through my previous work as the Chief Financial Officer of RAG AG, and that made my transition easier. Together with my new colleagues, I initially set about analysing our investment strategy. We made some adjustments here and there and shifted a few focal points. Our investment strategy always pursues the goals defined in our articles of association, which oblige us to finance the long-term costs of the post-mining operations and promote education, science and culture in the former mining regions. As long as we operate successfully, taxpayers do not have to shoulder this burden.

In order to continue this success even during prolonged periods of low interest rates, the RAG-Stiftung adapted its General Investment Guidelines step by step. We are increasingly focusing on diversified investments, not just in Germany but all over the world. Our investments are broadly based and deliberately chosen from a variety of asset categories, ranging from government and corporate bonds to stocks and private equity, real estate and infrastructure projects. We are quite good at estimating our future expenditures, and we make our investments accordingly.

In addition, when I began my new job I acquired an overview of the various international companies we have invested in through our investment company RSBG SE. We continue to focus on companies that show potential for sustainable growth and operate within the four megatrends we have identified: infrastructure, healthcare, digitalization and media.

We are an entrepreneurially managed foundation group, and our assets have developed on the basis of a 100 per cent share in Evonik. In January 2020 we reduced this share to around 58 per cent. We are investing the entire proceeds from our sale of these shares, amounting to over 600 million euros, in diversified assets. In the future we want to continue being

a significant shareholder of Evonik—one that supports it on its course of sustainable growth.

In 2019 we increased our share in Vivawest to 40 per cent. We are convinced that this real estate company has tremendous growth potential here in the Ruhr region.

Last year we also began to confer with our long-term partners, the financial investors Advent and Cinven, about the possible acquisition of the elevator division of Thyssenkrupp. At the end of February 2020, our bidder consortium came out on top. We believe that Thyssenkrupp Elevator is a company that has good prospects of continued positive development, in large part because it serves one of the megatrends I've mentioned, namely infrastructure. Cities are growing, and they're mainly growing vertically. That increases the need for elevators and the associated services.

In 2019 the RAG-Stiftung took over the costs of the perpetual obligations for the first time. They amounted to 291.4 million euros—and that was yet another extremely positive result, because it was 8.3 million euros less than the budget we had calculated. There's a good likelihood that these costs will continue to decrease in the years ahead, for example because of innovative concepts for managing pit water.

I am optimistic that we will draw the finances for fulfilling our obligations over the long term not from the foundation's capital but from our ongoing revenue, and that we will have additional funds available for making new investments. The objective of the RAG-Stiftung must be to continue increasing the foundation's net worth.

“Glück auf!”—The best of luck to you!

Dr. Jürgen Rupp

# THE BASIS FOR THE FUTURE

---

## RAG AKTIENGESELLSCHAFT

### LONG-TERM RESPONSIBILITY IN THE MINING REGIONS

The discontinuation of hard coal mining in Germany in 2018 closed a chapter of the country's industrial history, but did not end the activities of RAG AG. This wholly owned subsidiary and close operational partner of the foundation performs the perpetual obligations. Its primary task is the optimization of pit water management.

The company also regulates mining-related damage, such as damage to buildings, plots of land or roads that is due to mining activities. These measures are non-perpetual obligations. Further examples include the renovation of old shafts, the dismantling of the operating equipment and the pension obligations.

In the 2019 financial year, the new RAG AG control centre was put into operation on the site of the former Pluto mine in Herne. This centre manages and controls the post-mining tasks. In this way, the company safeguards its water-related processes for the protection of human beings and the natural environment. In all of its activities, the focus is always on groundwater conservation and the protection of the environment.




---

## EVONIK INDUSTRIES AG

### SPECIALTY CHEMICALS AND STRONG MARKET POSITIONS

Evonik's dividend payments to the RAG-Stiftung currently account for the largest portion of the foundation's ongoing financing of the perpetual obligations. The Evonik Group, a leading global specialty chemicals company based in Essen, has more than 32,000 employees and operates in over 100 countries.

After selling approximately 5.4 per cent of its shares in Evonik in January 2020, the RAG-Stiftung now holds 58.9 per cent of the shares in this listed company. In the 2019 financial year Evonik generated sales of 13.1 billion euros and adjusted EBITDA of 2.15 billion euros. In 2019 the dividend payout to the RAG-Stiftung amounted to 344.5 million euros.

Since mid 2017, Evonik has been focusing on the goal of becoming the best specialty chemicals company in the world, with a focus on strong market positions, a pronounced culture of innovation, and sustainable operations. To this end, the Group aims to concentrate its portfolio on high-margin businesses that are less affected by cyclical fluctuations in the global markets. In 2019 Evonik took an important step in this direction by selling its cyclical methacrylates business.



Since early 2019, the RAG-Stiftung has borne the costs for the perpetual obligations of the post-mining era. This is made possible by its strategic equity investments, because Evonik Industries AG, Vivawest GmbH and RSBG SE provide the foundation with most of its income for these tasks. Meanwhile, RAG AG is responsible for the operational handling of the perpetual obligations.

---

#### VIVAWEST WOHNEN GMBH

### A TRADITION OF ATTRACTIVE HOUSING

The Vivawest Group, which has its roots in the construction of housing for miners, was created in 2012/13 through the merger of Evonik Immobilien and THS. The RAG-Stiftung is the company's biggest shareholder, holding 40 per cent of the shares. Today Vivawest is one of the leading providers of residential housing in North Rhine-Westphalia, with around 117,000 residential units for about 300,000 people, distributed among approximately 100 municipalities. The Group's services companies provide all of the key housing-related services and thus ensure high-quality housing conditions for the customers.

The company is expanding its real estate holdings in the Ruhr region and also at attractive locations along the Rhine and in the Münsterland region. In 2019 the property company once again considerably accelerated its investment programme for building new residential housing. It is planning to build almost 7,000 new residential units in North Rhine-Westphalia between 2020 and 2024 at a cost of over 1.2 billion euros. Around 20 per cent of these residential units will have fixed rents. Vivawest employs more than 2,200 people. In the 2019 financial year, the company generated sales of 927 million euros and adjusted EBITDA of 452 million euros.



---

#### RSBG SE

### A RELIABLE PARTNER

RSBG SE, which was founded in 2014, regards itself as a long-term partner of medium-sized companies. In line with this profile, the company is implementing a buy-and-build strategy for its investments in successful medium-sized companies. RSBG SE, a wholly owned subsidiary of the RAG-Stiftung, primarily invests in companies whose products and services are playing a significant role in global changes in the areas of demographic development, climate change and new technologies.

The business development of these companies is thus less strongly impacted by the consequences of economic and political crises. Against the background of the corresponding trends in the global market, RSBG and its partners from the SME sector will focus more strongly on special expertise in the areas of digitalization, Industry 4.0, cloud computing, cybersecurity and big data management in the future.



| a company of RAG-Stiftung |

# GEARED FOR THE FUTURE: A FOUNDATION GROUP

As of 31 December 2007, the year in which the RAG-Stiftung was established, the foundation's assets primarily consisted of its sole ownership of Evonik. Today, the RAG-Stiftung directly or indirectly owns equity investments in thousands of companies around the globe. In recent years, the ongoing low interest rates have greatly transformed the investment market. This has changed the RAG-Stiftung as well. This transformation was necessary so that the foundation could earn the income required to pay for its perpetual obligations, i.e. pit water management, polder measures and groundwater purification. In order to achieve an optimum level of security and yields, the RAG-Stiftung always makes its investments according to strict principles. Among other things, the investments are globally diversified, granular and flexible. In addition, they are allocation-based and managed with the help of risk budgets. The RAG-Stiftung's General Investment Guidelines provide a framework for these activities and specify how much of the foundation's assets may be invested in each asset class.

In one of the measures taken in 2019 the RAG-Stiftung increased its holding in Vivawest GmbH from 30 per cent to 40 per cent, because the foundation believes that the housing construction company offers a good

## EQUITY INVESTMENT PRINCIPLES

**Global diversification:** We invest in a variety of asset classes worldwide in order to exploit all types of risk premiums

**Allocation and risk budget-based management:** We stay within strategically defined maximums that take the risk budget into account

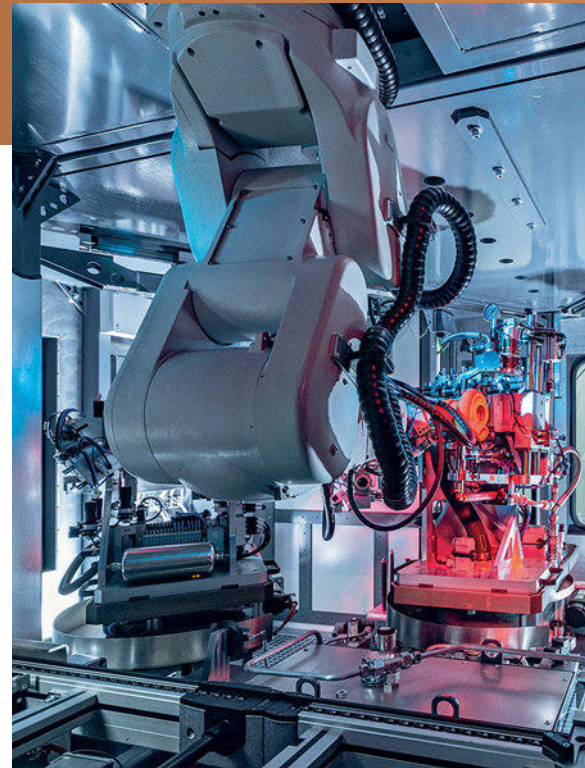
**Granular:** Many small, uncorrelated investments reduce risk.

**Different levels of liquidity:** This aims to ensure that we are still able to act even in times when capital markets are difficult

**Flexible:** The investment strategy is reviewed and enhanced each year

**Continuous:** Investments are made constantly

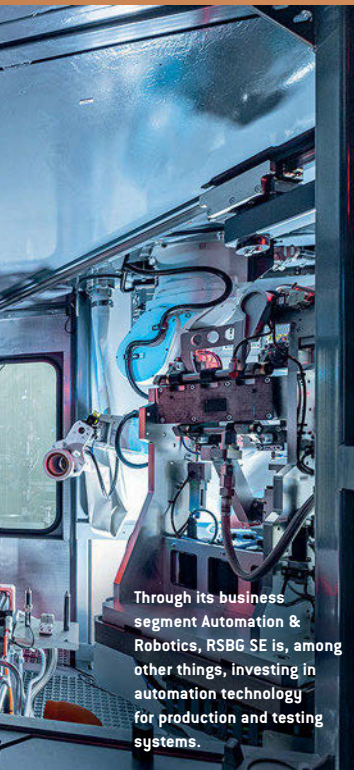
**Duration:** Because the investments are basically intended to be permanent, the foundation can also handle non-liquidity premiums



Through its Infrastructure holding, RSBG SE is implementing an urbanisation project in Qatar: this 38-square-kilometre lagoon will one day provide space for 450,000 people.



Since financial year 2019, the RAG-Stiftung has been responsible for funding the perpetual obligations of the post-mining era. To this end, it pursues a secure and profitable equity investment strategy in order to create assets from which it obtains the income needed for these obligations. As a foundation under private law, it operates according to business principles that enable it to post successes worldwide.



**“ORGANIZATIONS THAT ONLY INVEST IN BONDS WON’T ACHIEVE SUBSTANTIAL YIELDS—THIS IS NOT IN KEEPING WITH EITHER THE MISSION OR THE AIMS OF THE RAG-STIFTUNG.”**

**DR. JÜRGEN RUPP, CHIEF FINANCIAL OFFICER, RAG-STIFTUNG**



ratio between yield opportunities and crisis resilience. The RAG-Stiftung also remains a significant shareholder in Evonik Industries AG, even though it reduced its holding there from 64.3 per cent to 58.9 per cent in January 2020. The resulting increase in free float boosts the liquidity of the Evonik share and is intended to have a positive effect on the development of the specialty chemical company’s share price. This transaction also enabled the RAG-Stiftung to further diversify its equity investment portfolio.

In financial year 2019, the wholly owned subsidiary RSBG created a holding structure that divides its investment portfolio into four industrial segments: Automation & Robotics, Information & Communication, Advanced Manufacturing and Infrastructure. In addition, it changed its business form from a Gesellschaft mit beschränkter Haftung (GmbH/private limited company) to a Societas Europaea (SE). The legal status as an SE ensures a high level of market reputation, especially for holding companies of this type and size. Moreover, this status is recognized throughout Europe. It thus enables the company to act as a legal entity with national branches and offices everywhere in Europe. Ever since this subsidiary was founded, the companies in its portfolio have been represented in many EU countries with their own subsidiaries and branches. European medium-sized enterprises, especially those in Benelux, Scandinavia, France, Italy, Spain and the Czech Republic, offer outstanding investment opportunities in growth markets. As of 31 December 2019, 3,285 SEs, including RSBG SE, were registered in Europe.

In addition to owning equity investments in medium-sized enterprises as well as in Evonik and Vivawest, the RAG-Stiftung invests in all classes of assets worldwide, including government and corporate bonds, shares, and non-liquid investments such as private equity funds, prop- >

- > erty and infrastructure funds and individual properties. The investment in properties worldwide is part of the RAG-Stiftung's investment strategy. The General Investment Guidelines specify that holdings in property and infrastructure may not exceed 20 per cent of the foundation's assets. As of 31 December 2019, the assets tied up in property and infrastructure investments amounted to 1.5 billion euros and thus accounted for 17.2 per cent of the total assets. Since 2019, the portfolio of the RAG-Stiftung has been supplemented, among other things, by shares in two promising properties: "La Forgiatura" in northern Italy and "Killesberghöhe" in Stuttgart.

#### **La Forgiatura, Milan**

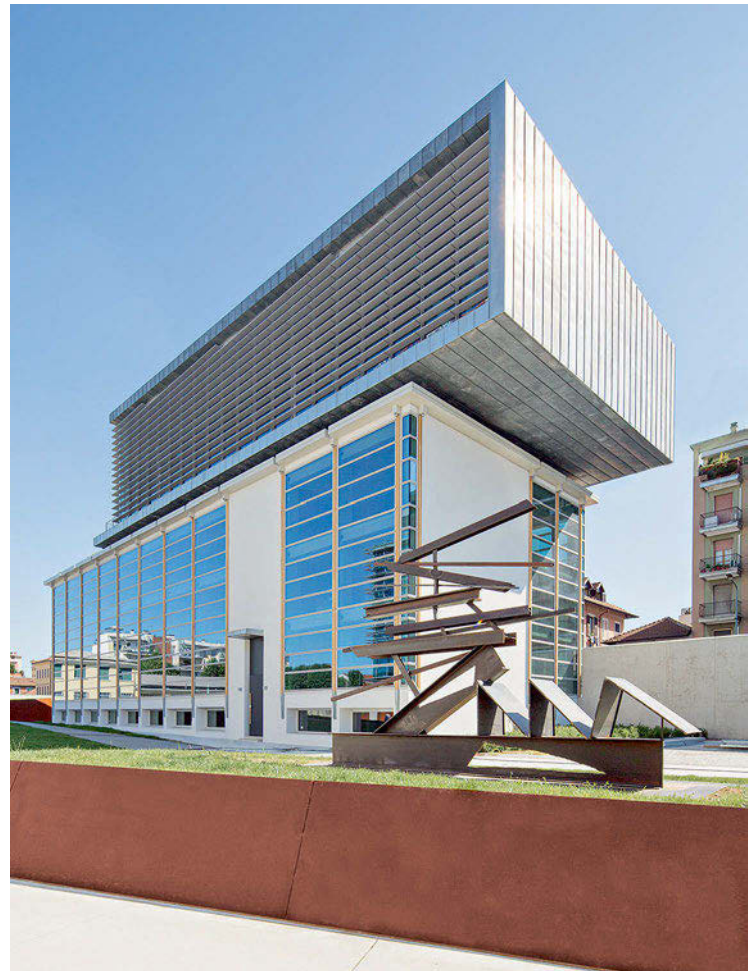
The former factory site "La Forgiatura" ("the Forge") in Italy's financial, commercial and industrial centre Milan was turned into a cutting-edge office park. The transformation largely retained the industrial style of the former factory. The eight-building complex is supplemented by many green areas. It has a total of 29,200 square metres of floor space and is very energy-efficient. The current tenants include international companies from the high-tech, IT and fashion sectors. The campus is located in north-western Milan, not far from Malpensa Airport and close to a suburban railway with very frequent connections to the city centre. Milan is at the top of Italy's consumer index and accounts for ten per cent of the country's gross domestic product.

#### **Killesberghöhe, Stuttgart**

In September 2019 the asset and investment management company Hahn Gruppe acquired the Killesberghöhe district centre for the RAG-Stiftung. This complex, which is located close to the famous Weißenhofsiedlung, which was erected in 1927 under the direction of Ludwig Mies van der Rohe, is one of the most important local supply locations in northern Stuttgart and situated in one of the city's most desirable areas. The building complex was jointly designed by several renowned architectural firms. The approximately 19,500-square-metre facility offers visitors a broad range of retailers—from the grocery trade to chemists' shops—as well as restaurants, gyms, wellness centres, doctors' practices and offices. The focus is on high-quality goods and services. For the RAG-Stiftung, this mix and the outstanding location indicate that this investment has good long-term prospects.

#### **Milk Building, New York**

An example of a successful property investment is the sale of the "Milk Building", which offers space for creative film and photography studios. This business complex is located right next to the famous Chelsea Market on the outskirts of Chelsea and the Meatpacking District in New York City. The RAG-Stiftung was able to successfully resell the property after holding it for a relatively short period.



A new addition to the RAG-Stiftung portfolio: the business campus La Forgiatura, which is located on a former factory site in Italy's economic powerhouse, Milan.





**Sold at a big profit in 2019: the Milk Building in New York City.**



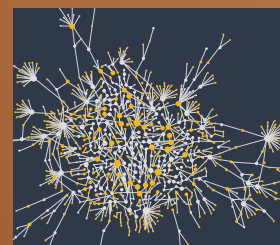
**Good prospects: The Killesberghöhe district centre in a popular residential area of Stuttgart puts retailers, restaurants, doctors' practices and offices under one roof.**

## IN DEMAND WORLDWIDE:

Maltego Technologies sells software throughout the world. These cybersecurity specialists are owned by Maxburg and are thus a part of the RAG-Stiftung portfolio.

In 2014 the RAG-Stiftung invested about 600 million euros in three funds that are managed exclusively for the foundation by the Munich-based financial investor Maxburg Capital Partners. With this capital, Maxburg currently holds shares in 15 companies. This investment model aims to provide medium-sized enterprises with flexible capital for long-term expansion and growth.

One of the very innovative companies in the Maxburg portfolio is Maltego Technologies GmbH. This software company focuses on the analysis and visualisation of big data with use cases in the area of cybersecurity in particular. Two years ago, Maltego transferred its headquarters from South Africa to Munich so that it could operate closer to its customers. Of the company's 35 employees worldwide, 20 work in Munich. Maltego sells its products to customers in more than 80 countries. The company generates its highest level of sales in the USA. Its software—an interactive data-mining tool—is used by several tech firms in Silicon Valley, but also by various research institutes such as the Tow Center for Digital Journalism at Columbia University, criminal investigation authorities such as the Federal Bureau of Investigation (FBI) and Germany's Bundeskriminalamt (BKA/Federal Criminal Police Office), and a number of international banks. "Our software provides researchers and investigators all over the world with a technology that enables them, in a sense, to find the needle in the digital haystack," says Maltego CEO Dr. Philip Mayrhofer. Among other things, researchers from the Tow Center have used the tool to examine the knowledge platform Wikipedia, where they discovered hundreds of fake accounts. Over the past five years, Maltego has seen its sales grow at double-digit rates every year.



Graphic depiction of a Maltego analysis conducted in cooperation with Wikipedia.

# REPORT BY THE CHAIRMAN OF THE BOARD OF TRUSTEES



Dear readers,

As the title of this annual report, “The Future Is Now”, implies, the reporting year 2019 marked the RAG-Stiftung’s entry into a new phase of its activities. Germany’s hard coal mining industry was discontinued at the end of 2018, and starting on 1 January 2019 the foundation began to finance the perpetual obligations of the post-mining era. Against this backdrop, it is extremely good news that the RAG-Stiftung can present an annual profit of about 414 million euros after the deduction of the expenses for fulfilling the perpetual obligations and funding its promotional programmes in the areas of education, science and culture. We have every right to say that the foundation structure that was created in 2007 has proved its worth. We’re ready for the future!

Concerning the work of the Board of Trustees: The 14 members of the Board of Trustees met twice in 2019—on 1 April and 25 November—to discuss in detail the foundation’s current situation and its concerns. The Board of Executives informed the Board of Trustees about the foundation’s current issues, and the necessary resolutions were passed. Among other matters, these resolutions concerned the appointment of the new Chief Financial Officer, Dr. Jürgen Rupp, the Consolidated Financial Statements and the Annual Financial Statements for 2018, the formal approval of the actions of the Board of Executives for 2018, the agreed targets of the Board of Executives, and the approval of the business plan of the RAG-Stiftung for 2020. The foundation’s business plan established, for the first time, a budget for its activities promoting education, science and culture that would disburse the same amount in each of the coming three years. The aim of this measure is to establish a sustainable flow of support for these activities.

During the meetings and on the basis of the quarterly reporting, the Board of Executives provided the Board of Trustees with in-depth information about all the relevant developments at the RAG-Stiftung. One focus of this information was the situation of the foundation’s strategic equity investments. The Board of Executives reported on Evonik Industries AG, RAG Aktiengesellschaft and Vivawest GmbH. During the past year, the RAG-Stiftung acquired an additional ten per cent of shares in Vivawest GmbH from Evonik Pensionstreuhand e.V. It also reported on the RAG-Stiftung Beteiligungsgesellschaft mbH company, which was suc-

cessfully transformed into a European joint stock company in 2019 and has since then operated under the name RSBG SE, as well as on the ongoing diversification of the foundation’s capital investments and its increasing accumulation of assets. The Board of Executives also informed the Board of Trustees about corporate governance issues and compliance structures at RAG-Stiftung Beteiligungsgesellschaft mbH. Between the meetings of the Board of Trustees, I discussed the development of the foundation’s business in the course of my regular communication with the members of the Board of Executives through personal meetings and telephone calls.

Furthermore, the Board of Executives informed the Board of Trustees about the status of the many different projects that were funded in 2019 in the areas of education, science and culture in the former coal mining regions along the Ruhr and Saar Rivers and in Ibbenbüren.

On behalf of the Board of Trustees, I would like to sincerely thank the Board of Executives and all the employees of the RAG-Stiftung for their committed and successful work and for our cooperation during 2019, which has been unfailingly constructive and based on mutual trust.

Yours sincerely,

**Dr. Jürgen Großmann**  
Chairman of the Board of Trustees  
of the RAG-Stiftung



# MANAGEMENT REPORT

- 40**      **BASIC PRINCIPLES OF THE COMPANY**  
Establishment, purpose and business model of the RAG-Stiftung  
Responsibilities to the RAG-Stiftung's management bodies  
Changes to the RAG-Stiftung's management bodies  
Investment portfolio
- 45**      **ECONOMIC REPORT**  
Overall statement on the course of business  
Economic conditions  
Development in the holding companies  
Earnings position  
Financial position  
Net assets
- 64**      **SIGNIFICANT NON-FINANCIAL ISSUES**  
Employees  
Occupational, health and environmental protection  
Research and development
- 64**      **RISKS AND OPPORTUNITIES REPORT**
- 75**      **OUTLOOK**

## Basic principles of the Company

### ESTABLISHMENT, PURPOSE AND BUSINESS MODEL OF THE RAG-STIFTUNG

On the basis of the agreements on coal policy, the RAG-Stiftung was established on 26 June 2007 with an endowment capital of EUR 2.0 million as a legally capable foundation under civil law with its headquarters in Essen. Using the principles of corporate responsibility, its mandate is to manage the transition process in German coal mining until the end of 2018 and, over and above this, ensure the further development of the now Evonik Group (Evonik). The closure of the last two producing mines, Prosper-Haniel and Ibbenbüren, in December 2018 represents a major milestone in the adjustment process.

- Transition process in German coal mining

The RAG-Stiftung's objective is the transition, management and support of the German coal mining industry bundled within the RAG Group (RAG), subject to the legal and other conditions for the socially responsible discontinuation of subsidised coal mining in Germany. This also involves support in eliminating and avoiding subsequent costs of coal mining within RAG to the environment within the framework of the legal obligations. A further purpose of the RAG-Stiftung is the promotion of education, science and culture in connection with German coal mining in the mining regions of North Rhine-Westphalia and Saarland.

The RAG-Stiftung's business model aims to ensure the financing of perpetual obligations of RAG's coal mining activities with the proceeds from the sale of shares in Evonik Industries AG and their reinvestment, with dividends from Evonik Industries AG and other income from investments, as well as with revenue generated from its diverse financial assets. In accordance with this business model, our primary objective is to finance the cash outflow, which has increased with the respective rate of price increases since 2019, for the sustainable financing of perpetual obligations from investment income and financial assets.

- Business model of sustainable financing of perpetual obligations with dividends from Evonik as well as other investment and capital income

### RESPONSIBILITIES TO THE RAG-STIFTUNG'S MANAGEMENT BODIES

According to the articles of association, the Board of Trustees monitors the Foundation's Board of Executives in its management of the RAG-Stiftung's operations.

The Foundation's Board of Executives manages the RAG-Stiftung's business operations and is its legal and extrajudicial representative. The Foundation's Board of Executives manages the RAG-Stiftung according to the Foundation's purpose and articles of association on its own responsibility.

### CHANGES TO THE RAG-STIFTUNG'S MANAGEMENT BODIES

The members of the RAG-Stiftung's Board of Trustees in 2019 were the following:

- Armin Laschet, MdL, Premier of the State of North Rhine-Westphalia
- Tobias Hans, MdL, Premier of the State of Saarland
- Peter Altmaier, MdB, Federal Minister of Economic Affairs and Energy
- Olaf Scholz, Federal Minister of Finance
- Michael Vassiliadis, Chairman of the mining, chemical and energy industries trade union

The group of other members of the Board of Trustees comprises:

- Dr-Ing Burckhard Bergmann, member of various supervisory boards
- Dr Jürgen Großmann, shareholder of Georgsmarienhütte Holding GmbH
- Ralf Hermann, Chairman of the Executive Board of the RCI professional association
- Ludwig Ladzinski, member of the Executive Board of the mining, chemical and energy industries trade union (IG BCE)
- Prof Dr Norbert Lammert, former President of the German Parliament, Chairman of the Konrad Adenauer Foundation
- Heiko Maas, MdB, Federal Minister of Foreign Affairs
- Thomas Kufen, Mayor of the City of Essen
- Dr Andreas Reichel, member of the Board of Executives of E.DIS AG
- Monika Schulz-Strelow, management consultant





The Board of Trustees is chaired by Dr Jürgen Großmann; Michael Vassiliadis is Deputy Chairman.

There were the following changes to the Board of Executives of the RAG-Stiftung. Its members are:

- Bernd Tönjes, Chairman of the Board of Executives
- Dr Helmut Linssen, Chief Financial Officer (until 1 April 2019)
- Dr Jürgen-Johann Rupp, Chief Financial Officer (from 5 April 2019)
- Bärbel Bergerhoff-Wodopia, Chief Human Resources Officer

● Three members of the Board of Executives manage the RAG-Stiftung

## BOARD OF TRUSTEES AND BOARD OF EXECUTIVES OF THE RAG-STIFTUNG

BOARD OF TRUSTEES	THE BOARD OF EXECUTIVES
<p><b>Chairman</b>                      Dr Jürgen Großmann                      Michael Vassiliadis (Deputy)</p>	<p><b>Chairman of the Board of Executives</b>                      Bernd Tönjes</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p> <b>Armin Laschet</b>                      Prof Dr Norbert Lammert                      Thomas Kufen                      Dr Andreas Reichel                      Monika Schulz-Strelow</p> </div> <div style="width: 45%;"> <p> <b>Olaf Scholz</b>  <b>Peter Altmaier</b>                      Dr Jürgen Großmann                      Dr-Ing Burckhard Bergmann</p> </div> </div>	<p><b>Chief Financial Officer</b>                      Dr Jürgen-Johann Rupp</p> <p><b>Chief Human Resources Officer                      Education, Science, Culture</b>                      Bärbel Bergerhoff-Wodopia</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p> <b>Tobias Hans</b>                      Heiko Maas</p> </div> <div style="width: 45%;"> <p> <b>Michael Vassiliadis</b>                      Ludwig Ladzinski                      Ralf Hermann</p> </div> </div>	

■ Members ex officio

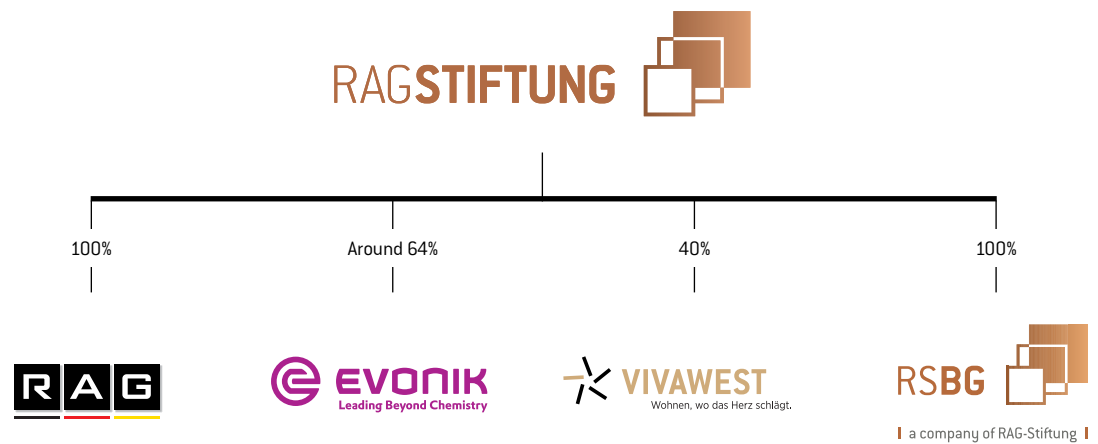
As of: 31/12/2019

- Strong portfolio made up of four strategic core holdings

### INVESTMENT PORTFOLIO

The RAG-Stiftung's strategic holdings are RAG Aktiengesellschaft (RAG), Essen; Evonik Industries AG, Essen; Vivawest GmbH (Vivawest), Essen; as well as RSBG (formerly RAG-Stiftung Beteiligungsgesellschaft mbH), Essen.

#### RAG-STIFTUNG: STRATEGIC INVESTMENTS



- The three direct holdings are supplemented ...

The RAG-Stiftung holds all direct and indirect shares in RAG. Coal mining was the RAG Group's primary business activity. Following the scheduled cessation of active mining in December 2018, the Company's focus has been on processing the residual pollution and perpetual obligations from mining.

On 31 December 2019 the RAG-Stiftung held approximately 64% (previous year: 64%) of the shares in Evonik Industries AG, 39% of which are intended to be sold. Evonik Industries AG is the holding company of the globally active Evonik Group, focusing on speciality chemicals.

The RAG-Stiftung has had a direct stake of 40% in Vivawest since 2019 (31 December 2018: 30%). With around 120,000 apartments in its portfolio, Vivawest is a large housing provider in Germany.

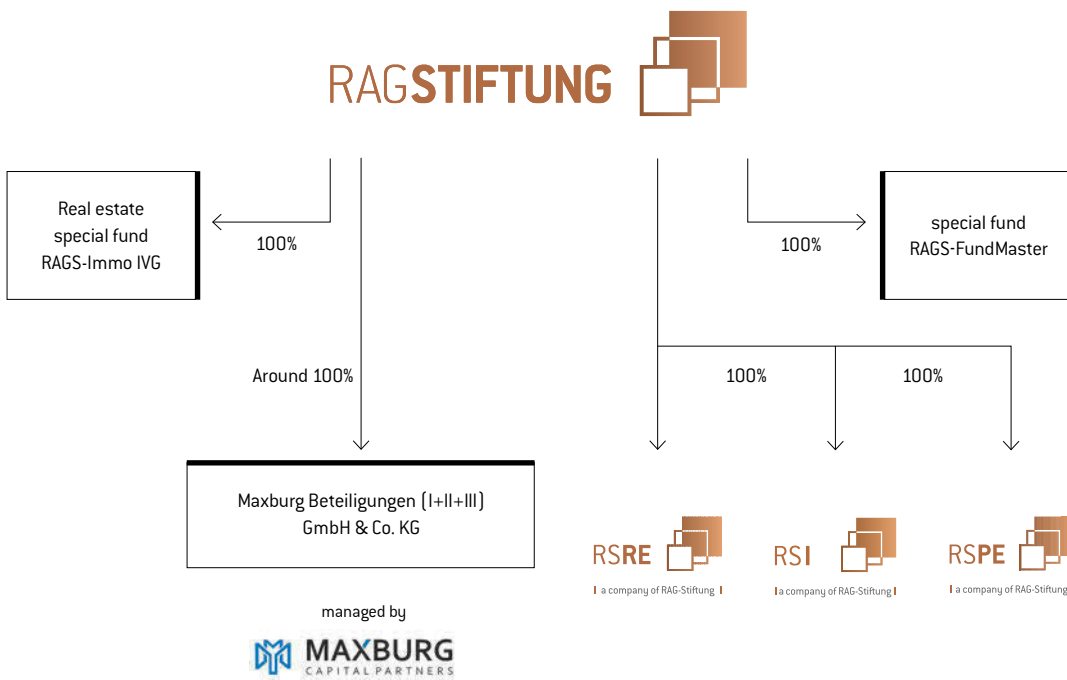
The RSBG SE is a traditional holding company. The RAG-Stiftung holds 100% of the shares (31 December 2018: 100%). The investment strategy of RSBG SE is to further expand the Company as a holding company that acquires minority or majority holdings in specialised, medium-sized engineering, automation and industrial service companies. The investment objective is to generate ongoing income and increase the value of the invested capital over the medium and long term.

- ... by a holding company for medium-sized companies in selected fields of technology.

Various investment vehicles are used for the RAG-Stiftung's financial assets:

**VEHICLES OF THE RAG-STIFTUNG FOR FINANCIAL ASSETS**

- Tailored vehicle for a diversified investment



- Focus on highly liquid bonds and shares

In the **RAGS-Fundmaster** special fund managed by capital investment company Deka Investment GmbH, assets with a market value of approximately EUR 3.5 billion are managed by external managers, each with their own specific investment order. The majority of the special fund is invested in liquid assets (liquid return portfolio). There are mandates issued to manage global government bonds; international corporate bonds from Europe, the USA and emerging markets; and global and European shares. There is also one mandate for global, inflation-linked bonds and another mandate for high-yield bonds. A small portion, the illiquid return portfolio, combines the aim of protecting against inflation with achieving returns above the money market interest rate. It includes investments in commercial real estate, which are performed as indirect investments via special funds.

- One investment focus is European real estate investments

In addition to this, investments in European real estate are made in the **special real estate fund RAGS-Immo IVG** managed by PATRIZIA Immobilien Kapitalverwaltungsgesellschaft mbH. Six investments have been made by **RAG-S Real Estate GmbH (RSRE)** up to the end of 2019. The RAG-S Lending S.C.S. SICAV-RAIF (vehicle for private debt investments) was integrated into **RAGS-S Innovation GmbH (RSI)** at the end of the year.

- Investment vehicle for PE, infrastructure and other real estate outside Europe

The RAG-Stiftung's international private equity, infrastructure activities and other non-European real estate investments are pooled in **RAG-S Private Equity GmbH & Co. KG (RSPE)**. In the case of investments in the "private equity" asset class, the RAG-Stiftung decides on investments in funds managed by external managers. Critical factors for success in this case include the selection of the managers and sufficient diversification across different managers, various investment styles and, above all, across various fund ages (vintage years). Decisions on investment in companies or other funds are made exclusively by the manager. Infrastructure and real estate activities of the RAG-Stiftung suitable for non-special funds are also held in the KG.

- Exclusive private equity fund

**Maxburg Beteiligungen GmbH & Co. KG<sup>1</sup> (Maxburg KG)** is also a private equity fund. However, this was set up exclusively for the RAG-Stiftung. Maxburg Capital Partners GmbH manages Maxburg KG. It assumes responsibility for identifying and assessing potential investment projects, preparing the decisions on acquisition and possible disposal and—following a positive decision by Maxburg KG's investment committee—also for implementing the acquisition and for the possible disposal of investments. Maxburg Capital Partners GmbH also carries out the risk management.

<sup>1</sup> And the almost identically structured Maxburg Beteiligungen II GmbH & Co. KG and Maxburg Beteiligungen III GmbH & Co. KG

# Economic report

## OVERALL STATEMENT ON THE COURSE OF BUSINESS

2019 was again a highly successful year for the RAG-Stiftung. We again fulfilled our primary task, which was to secure and increase the capital stock to finance the perpetual obligations.

● 2019 was a very successful financial year

The RAG-Stiftung was able to allocate EUR 413.6 million to the provision for perpetual obligations as a result of income from equity interests and financial assets.

## KEY PERFORMANCE INDICATORS: FORECAST AND ACTUAL VALUES

in EUR million	2019	Forecast for 2019	2018
<b>Financial performance indicators</b>			
Net profit for the year	0.0	constant	0.0
Addition to provision for perpetual obligations	413.6	Approx. 340	911.8

The significantly higher allocation to the provision for perpetual obligations compared with the forecast is primarily attributable to higher other operating income and higher income from other securities and long-term loans held as financial assets.

The RAG-Stiftung was able to allocate EUR 413.6 million to the provision for perpetual obligations as a result of income from equity interests and financial assets.

In our investments in the RAGS-FundMaster special fund, all asset classes performed quite well in 2019:

● Positive development of investments in RAGS-FundMaster

Political crises (trade conflict, Brexit and the global economic slowdown) were only of minor importance for the capital markets in 2019. Indeed, the rapid recovery of equity markets in January 2019, and the expansive monetary policy continuing to be pursued in Europe and the USA helped drive equities higher.

As in the previous year, global bond mandates again benefited from ever-lower interest rates brought on by central bank policy and lower global inflationary expectations. Global sovereign bond mandates trended positively between 2.7% and 2.8%. The global inflation mandate increased by 3.3% at the end of the year. The emerging markets debt mandate saw particularly pleasing returns of 15.7%.

The European corporate mandates also developed positively with returns of 7.0% and 6.3%, benefiting from lower interest rates and a narrowing of the credit risk. The US corporates segment also saw a positive development with 12.2%, as well as the global high-yield portfolio with 10.7%. The leveraged Credit Liquide special strategy was able to generate a very positive result with 55.7%.

Equities markets, which had come under pressure in the previous year, began experiencing a recovery in the first quarter of 2019. The European and global equities mandate appreciated significantly over the year under review, with rates of 26.8% and 25.9% respectively. The volatility mandate also increased by 3.5%. In addition, both tactical and liquid investments developed well with 8.4% and 9.3%. Overall, our liquid investments performed very well, achieving a return of 9.3% for 2019. This value was even beaten by the real estate mandates, which achieved a return of 14.2%. As such, the RAGS-FundMaster generated a very satisfactory return of 9.9% for 2019.

- Positive performance also for our illiquid investments

Our illiquid private equity companies also saw a positive development: RAG-S Private Equity GmbH & Co. KG achieved a net profit for the year of more than EUR 65.1 million. As at Maxburg KG, the hidden reserves were expanded there. Maxburg KG paid out EUR 25.1 million in the year under review, EUR 3.4 million of which as income and EUR 21.7 million of which from capital repayments.

- Trade disputes and Brexit weighed on the global economy in 2019

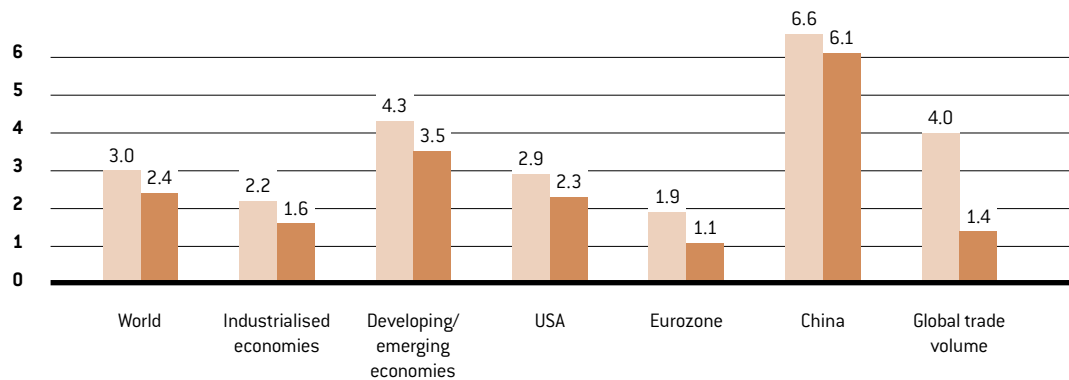
## ECONOMIC CONDITIONS

Global economic growth slowed down in 2019 with trade and investment levels remaining persistently low. The weakness had an impact on both developed economies, especially the eurozone, and on emerging and developing markets. According to estimates by the World Bank, the global economy expanded by 2.4% in 2019—a somewhat slower pace than in the previous year (2018: 3.0%). Various economic indicators, such as the Purchasing Managers' Index and industrial production, worsened progressively during the year, reaching their lowest levels since the financial crisis.

### GDP GROWTH RATES, WORLD AND COUNTRIES FOR 2018 AND 2019

in %

2018 2019



Source: World Bank, Global Economic Prospects, January 2020



Trade conflicts, stagnating global trade and the uncertainties caused by the repeated delays to the UK's exit from the European Union led to a decline in investment activity and industrial production, especially in industrialised countries. Early signs of economic growth beginning to stabilise at the end of 2019, however, helped brighten the economic outlook slightly. Behind this development were tentative signs of a rapprochement in the trade war between the USA and China, coupled with the decision of central banks to continue pursuing expansionary monetary policies.

The pace of economic growth in western Europe slowed further in 2019, with a significant drop in industrial production being registered. Reliance on exports and global trade flows had an impact here, particularly in Germany. On the other hand, the European Central Bank's expansionary policies, including the decision to resume bond purchases in September, as well as the healthy employment rate and the resulting robust consumer behaviour, were able to help spur on growth. It was on this foundation that the economic situation stabilised slightly at the end of the year.

● Declining industrial production in western Europe

Growth also slowed in Eastern Europe, largely due to waning momentum in Turkey and Russia. Individual economies such as Poland and Hungary, on the other hand, experienced robust growth, driven primarily by rising wages.

Growth in North America, which was very stable to begin with, was mainly driven by the US economy, yet this lost momentum towards the end of the year, due to the disappearance of the fiscal policy effects brought on by the 2018 tax reform together with falling export and investment levels. The deteriorating economic situation led the US Federal Reserve to make further interest rate cuts in the summer, lowering its key interest rate in three steps by a total of 0.75 percentage points to 1.5%.

In Central and South America, the pace of economic growth was very restrained in the year under review. The reasons for this included weak levels of global trade and falling demand around the world, which had a negative impact on export-oriented commodity suppliers. Political uncertainties also had their part to play in holding growth back. However, the interest rate cuts in the USA meant that many central banks in Central and South America were also able to lower their interest rates and thus counteract the economic downturn.

● Weaker growth also in the emerging markets

The Asia-Pacific region recorded slightly lower growth in 2019 than in the previous year. China's trade dispute with the USA in particular resulted in the former reporting its slowest growth since 1992, expected to be 6.1%. Economic momentum in Japan appeared to buck the trend, improving on the back of strong domestic demand.

## Industry situation of the strategic holdings

### Coal/mining

Since the end of subsidised German coal mining on 31 December 2018, RAG's core business has included not only dealing with residual pollution liabilities and perpetual obligations but also carrying out the process of shutting down operations, including the closure operations plans required in accordance with the provisions of the German Federal Mining Act. Observing strict discipline as regards costs as well as adhering to the provisions of the German Hard Coal Financing Act, the permit notices, the coal guidelines and the approval procedures for implementing pit water management concepts serve as a framework for the organisation's activities.

This is the reason why details of coal industry's development are no longer provided.

### Speciality chemicals

The global economic environment deteriorated to a greater extent in the past financial year than originally expected.

- Special chemicals in 2019 with mixed development depending on segment and region and somewhat lower commodity costs overall

The global development of Evonik's end customer industries varied greatly among the different regions and industries in 2019.

Demand for consumer and personal care products increased significantly in Asia-Pacific in a year-on-year comparison, and grew slightly in Europe. On the other hand, it declined in North America as well as Central and South America. The pace of growth in the food and animal feed industry picked up across all regions and especially in Asia-Pacific. In contrast, production levels in the automotive and mechanical engineering sectors experienced a significant decline in both Europe and North America. Growth in the construction industry remained at a high level in Europe and Asia-Pacific.

Commodity prices fell slightly in the 2019 financial year, primarily as a result of the general weakness of the global economy and the associated decline in demand for commodities. Between May and August in particular, fossil-fuel-related commodity prices fell in line with the price of crude oil. Overall, Evonik's commodity price index for 2019 was down on the previous year.

In comparison to the most important foreign currency for Evonik, the US dollar, the euro lost considerably in value in 2019 with an average exchange rate of USD 1.12 per euro compared with the average level of the previous year of USD 1.18 per euro.

### Residential real estate in Germany

- The boom in the German residential market continued impressively in 2019

The residential investment market ended 2019 with a remarkable result: the transaction volume for residential real estate and residential real estate portfolios exceeded both the forecast of EUR 18 billion and the previous year's figure, coming in at around EUR 20 billion. This means that this was the fourth consecutive year of growth in the German residential investment market, with some 130,500 apartments changing hands in 2019.

The demand for residential space is directly connected to the number of private households and their available income. Due to the high level of immigration from abroad, the population and number of households in Germany have risen steadily in recent years. The trend of increasing household numbers is being reinforced by the ageing population and the associated increase in one and two-person households. By 2030, the number of households in Germany is expected to increase by 2.1%, a fact due to the ever-shrinking average number of persons living in a household. Forecasts suggest that the number of private households in NRW will increase by 3% by 2045.

Net basic rents for residential space continued to rise moderately in 2019 in terms of existing rents. The Federal Statistical Office expects an increase of 1.4%. The index of advertised rents is rising steadily for newbuilds. The year-on-year increase across Germany is 3%. The market for rented accommodation in Germany, however, is performing in varying ways. While markets in some rural and structurally weak regions are stagnating, demand for apartments in major cities and metropolitan areas continues to be very high. This effect is particularly noticeable in “swarm cities”, which are characterised by high migratory movements and inflows of young age groups.

● Demand for residential units remains very high in large cities and metropolitan areas

With 319,200 building permits issued in the period from January to November 2019, the number of apartments approved for construction and conversion remains at a high level when viewed over a longer period. Since the turn of the millennium, only 2016 saw a higher number of apartments being approved between January and November: over 340,000 approved apartments.

The significant rise in real estate prices and rents means that the residential market has increasingly become the focus of political attention. In Germany’s large cities and prospering metropolitan areas, affordable housing has turned into a key social issue, reflected in the fact that politicians have already taken steps to tighten the regulatory framework.

### Capital market situation

As a major investor, the situation on the capital markets is extremely relevant to the RAG-Stiftung.

After the difficult investment year of 2018, in which the fourth quarter in particular saw significant price corrections on the equities market, 2019 was a much more satisfactory year for investments. Equities markets developed positively across the board in 2019, with falling yields in the government bond markets, especially in emerging markets, and tighter spreads for corporate bonds contributing to the positive overall performance.

● Outstanding performance on the international stock markets in 2019

Equities rebounded quickly in the first quarter of 2019, a fact attributable to the assumption by market participants that central banks would continue to pursue an expansive monetary policy and that the prospect of interest rate hikes had vanished for the foreseeable future. The general economic environment in 2019 also developed more positively than originally expected. Lingering uncertainties in respect of trade conflicts, political crises and Brexit did not have a lasting impact on the stock market in 2019.

Ensuring that the global stock markets performed outstandingly in 2019. The MSCI stock market indices, for instance, achieved double-digit returns.

Stock markets and key currencies performed as follows in 2019:

The international stock markets developed extraordinarily positively across the board in 2019. The MSCI<sup>2</sup> World gained 27.34% in local currency and 30.2% in euros. In Europe, the stock market (MSCI Europe) increased by 26.05% in euros, and in the eurozone by 25.47%. German indices rose by 22.99%.

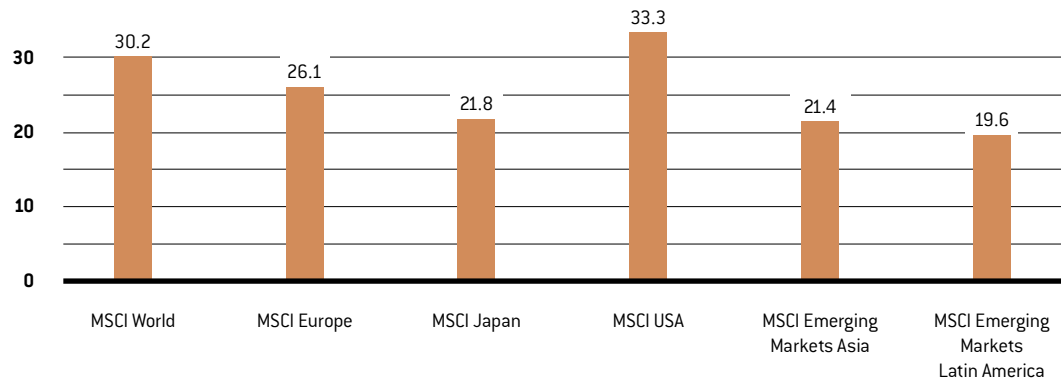
The MSCI Japan gained 18.48% in local currency and 21.81% in euros. American equities experienced the strongest growth with 30.88% in US dollars and 33.28% in euros.

Shares in emerging markets (EM) also developed positively: Asian EM shares gained 19.08% in local currency, and 21.44% in euros. South American EM shares gained 19.73% in local currency and 19.63% in euros.

#### PERFORMANCE OF STOCK MARKETS IN EUROS

in %

2019



- Euro devaluation, significant in some cases, compared with the previous year

In the year under review, the euro depreciated against most other currencies, and in some cases significantly.

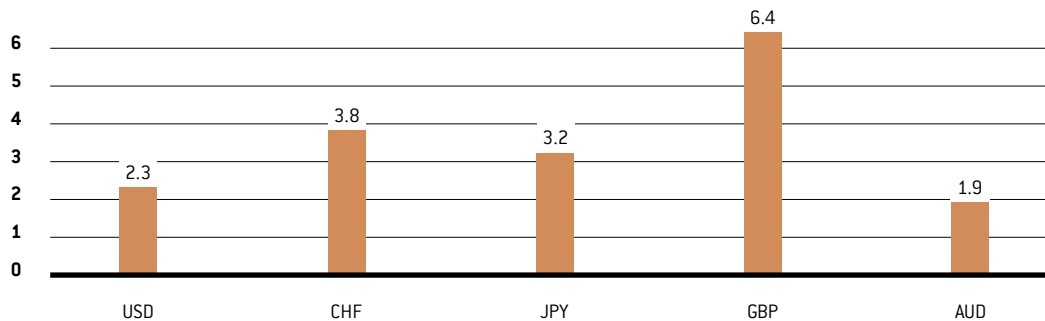
The US dollar appreciated by 2.31% against the euro to the end of 2019 compared to the end of the previous year. The Swiss franc also gained 3.75% and the Japanese yen 3.20%. Similarly, the British pound was able to recover and appreciated by 6.39% against the euro. The Australian dollar also gained 1.87% against the euro.

<sup>2</sup> Morgan Stanley Capital International (MSCI) is a US financial services provider that calculates and publishes numerous international stock market indexes.

## CHANGE IN KEY EXCHANGE RATES AGAINST THE EURO

at the end of 2019 against the end of 2018 in %

2019



The expansive monetary policy of 2019 ensured that yields on global government bonds continued to fall on the bond markets. The spreads for emerging markets and corporate bonds also narrowed appreciably.

● Loose central bank monetary policy also drove the bond markets in the year 2019

Development of the bond markets in 2019 in detail:

Performance on the global bond markets in 2019 was very positive on average (JPM<sup>3</sup> Global Bond Index), increasing by 6.05%. The negative currency development improved due to the euro weakness for euro-denominated investors.

The JPM Global Bond Index achieved a performance in euros of plus 7.97%.

- Those who invested exclusively in federal bonds saw a performance of 3.05% in 2019.
- The yield on the German ten-year benchmark bond fell significantly by 44 basis points<sup>4</sup> (bp) over the course of the year. After yielding 25 bp at the end of 2018, the return of the benchmark bond at the end of 2019 was negative at –19 bp.
- The spreads of the ten countries on the ten-year bond narrowed in almost all countries: Greece improved by 247 bp to 167 bp, while Italy's spread also narrowed by 92 bp to 161 bp. Spain's risk premium reduced from 118 bp to 66 bp at the end of the previous year. Eurozone bonds widely generated income of 6.93% in 2019.
- US Treasuries generated performance of 7.14%, in euros of 9.11%. Emerging market yields gained 12.34% in local currency and 15.56% in euros.
- The real interest rates in France and Germany over the ten-year period were minus 1.12% at the end of 2019 and therefore below the previous year-end value of minus 0.47%. A 30-year maturity term generated a real interest rate of minus 1.03% at the end of 2019, well below the value of the previous year of minus 0.65%.
- Inflation swaps, i.e. the course of inflation expected by the market, were at 1.20% at the end of December 2019 in the euro area for ten years, slightly below the previous year's value of 1.32%.

<sup>3</sup> J.P. Morgan is a US financial services provider that calculates and publishes numerous international stock market indexes.

<sup>4</sup> 100 bp = 1%

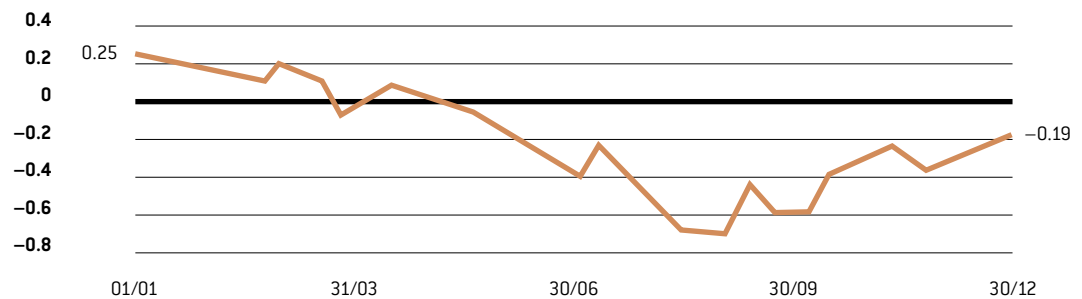
The developments outlined in the economic report relate to the situation before the outbreak of the coronavirus (SARS-CoV-2). The decision has been taken not to make any adjustments to the reports as it is not currently possible to make any meaningful forecasts as regards future developments. It is safe to say, however, that both global and local economic conditions, especially for the period until mid 2021, will be negatively influenced by this development.

---

#### YIELD DEVELOPMENT OF THE TEN-YEAR FEDERAL BOND

in %

2019



#### DEVELOPMENT IN THE HOLDING COMPANIES

##### RAG

The 2019 financial year developed satisfactorily, in line with expectations and given the regulations stipulated by the agreements on coal policy. The provisions for perpetual obligations were utilised for the first time in accordance with the agreements on coal policy. Investments in pit water management increased slightly. The financial year ended with a net loss of EUR 60 million. In accordance with the controlling and profit-and-loss transfer agreement between RAG and the RAG-Stiftung, the loss was balanced out by the RAG-Stiftung.

The programme of socially responsible workforce reduction was continued in 2019. The number of employees has fallen to a greater extent than originally planned thanks to the use of proven instruments.

Since the beginning of 2019, the Company has been in what is referred to as the shutdown phase, during which, in addition to closing operations, the focus is on managing the post-mining obligations in an effective and economic way (residual pollution liabilities and perpetual obligations). The transition from the production phase up to 2018, through the shutdown phase from 2019 until the end of 2021, to the post-mining phase from 2022 onwards has been carefully planned. In view of the forthcoming changes, necessary procedural, structural and personnel adjustments were made, the IT landscape was dismantled and a audit-proof accounting system was introduced to ensure the appropriate use of funds.

## Evonik

### KEY FIGURES FOR THE EVONIK GROUP

in EUR million	2019	2018	Change in %
Revenue	13,108	13,267	-1
EBITDA (adjusted)	2,153	2,150	0
Group's result	2,106	932	+126
Dividend (per share, in EUR)	1.15	1.15	-

Figures for the previous year adjusted: Figures for 2018 and 2019 include the methacrylates business as discontinued operation.

Strategically speaking, Evonik made significant progress in 2019. With the sale of its methacrylates business at the end of July, Evonik has successfully demonstrated its commitment to specialty chemicals. Evonik's strategic focus is on the four growth pillars of Specialty Additives, Animal Nutrition, Health & Care, and Smart Materials, in which Evonik makes targeted investments. Evonik has also announced that it will bring its corporate structure in line with the growth pillars on 1 July 2020.

● Focus further concentrated on four growth pillars

Important investments such as the construction of the methionine complex in Singapore and the AEROSIL® plant in Antwerp were completed. In 2019, Evonik began work on erecting a plant complex for the specialty plastic Polyamide 12 in Marl and erecting a modern gas-and-steam-fired turbine power plant in Marl. Evonik also expanded its hydrogen peroxide activities by acquiring the US company PeroxyChem in early 2020.

Operationally speaking, Evonik was able to cope well in the more difficult economic environment, achieving its forecast for key performance indicators. Demand for specialty chemical products remained strong worldwide. Overall, Group turnover decreased by 1% to EUR 13,108 million on the back of slightly lower sales volumes and prices.

● in the year 2019 with good operating performance

Adjusted EBITDA of EUR 2,153 million was on a par with the previous year. While the cost-cutting measures implemented and the first-time application of IFRS 16 "Leases" had a positive effect, earnings were negatively impacted by falling prices in the Nutrition & Care and Performance Materials segments.

The adjusted EBITDA margin improved to 16.4% (previous year: 16.2%), but remained below the medium-term target corridor of 18 to 20%.

The Group's result increased by 126% to EUR 2,106 million, primarily as a result of the proceeds from the sale of the methacrylates business, The Group's result from continuing operations adjusted for special items decreased by 11% to EUR 902 million. The Board of Executives and Supervisory Board are again proposing a dividend of EUR 1.15 per share to the general meeting of shareholders.

● Free cash flow increased in 2019

Evonik generated free cash flow<sup>5</sup> from the carve-out of the methacrylates business of EUR 717 million before one-off tax payments. The first-time application of IFRS 16 also contributed to the EUR 191 million year-on-year improvement. Free cash flow before these tax payments exceeded the dividend payment for 2018 of EUR 536 million.

The Evonik's financial profile continues to be good: the Company has a robust investment grade rating. Net financial indebtedness was reduced significantly thanks to the inflow of proceeds from the sale of the methacrylates business.

### Vivawest

#### KEY FIGURES FOR THE VIVAWEST GROUP

in EUR million	2019	2018	Change in %
Revenue	927	1,017	- 9
EBITDA (adjusted)	452	477	- 5
Earnings after taxes	168	212	- 20
FFO	244	241	1
NAV	4,658	4,325	8

Vivawest was able to continue its positive business development of recent years in the 2019 financial year. The positive development in the real estate segment was supported by stable income levels from portfolio management, together with the significant income and earnings contributions from real estate sales again generated as a result of an intensified process of portfolio restructuring. It was possible to significantly outperform business expectations in the Real Estate Services segment.

With an even better rental performance in connection with a reduced fluctuation rate, the demand-related vacancy rate at the end of 2019 declined to 1.2% (2018: 1.3%), while vacancy rates as a result of the modernisation measures under way and action being taken to prepare real estate for sale remained at the previous year's level of 1.6%. Vivawest was largely able to use the good management situation and significantly improved rental development, attributable to successful investments and taking every opportunity to raise rents as far as the potential would allow to further increase its spending to strengthen the quality of the portfolio.

<sup>5</sup> Cash flow from operating activities of continuing operations less payments for investments in real estate, plant and equipment and intangible assets



During the previous financial year, the Group generated sales revenue in accordance with IFRS of EUR 927 million (2018: EUR 1,017 million). The Group's adjusted EBITDA came to EUR 452 million (2018: EUR 477 million). As expected, both ratios were below the previous year's figures, which had benefited from even higher gains on disposal, but still above the forecast figures. Earnings after taxes (EAT) of EUR 168 million were down on the previous year's figure by EUR 43 million.

● Substantially large package sale realised

At EUR 244 million, the Group's funds from operations (FFO = performance data from existing business after net interest income and tax expense, not taking into account the book profit from the disposal of investment properties), a performance indicator usual in the industry, was above the forecast value of EUR 233 million and above the previous year's value of EUR 241 million.

● Further improvement in performance indicators usual in the industry

At EUR 4,658 million, the net asset value (NAV) as of 31 December 2019 increased by EUR 333 million compared with the end of the previous year. In addition to the market value of investment property, the NAV includes the Group's net financial indebtedness at the repayment value as well as non-current provisions for pensions and obligations from the mining follow-up management segment. The increase is mainly the result of the market value performance of the real estate portfolio as a consequence of the improved management situation and earnings from valuable investments and targeted divestments. The positive development was also driven by the market-related reduction of the discounting interest rate used to value real estate.

#### RSBG SE (formerly RAG-Stiftung Beteiligungsgesellschaft mbH)

##### KEY FIGURES RSBG SE

in EUR million	2019	2018	Change in %
Income from investments	40	32	26
Other income <sup>a</sup>	15	34	- 56
Net profit for the year	32	50	- 35

<sup>a</sup> Other income largely comprises proceeds from the sale of investments.

In our view, the 2019 financial year was a good one for RSBG SE. Income of around EUR 40.4 million was received from the holding companies. In addition to distributions and write-ups of EUR 1.6 million, income mainly included gains on disposal of EUR 14.8 million from the successful sale of shares held as fixed assets completed in the first half of 2019. Net profit for the year came to EUR 32.4 million after EUR 50.0 million in the previous year.

● Income from investments increased year-on-year

## EARNINGS POSITION

### Income statement

#### RAG-STIFTUNG: INCOME STATEMENT

in EUR million	2019	2018	Change
Sales revenue	0.2	0.4	-0.2
Other operating income	32.9	465.6	-432.7
Personnel expenses	-8.4	-10.1	+1.7
Amortisation of intangible assets and depreciation of property, plant and equipment	-0.2	-0.1	-0.1
Other operating expenses	-453.9	-945.4	+491.5
Investment income	437.8	464.5	-26.7
Expenses relating to the assumption of losses	-60.0		
Revenue from other securities and loans as financial assets including interest income and amortisation of financial assets and securities held as current assets	62.1	49.4	+12.7
Income taxes	-8.5	-23.8	+15.3
<b>Earnings after taxes</b>	<b>+2.0</b>	<b>+0.5</b>	<b>+1.5</b>
Other taxes	-2.0	-0.5	-1.5
<b>Net profit (+) or loss (-) for the year</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Other operating income of EUR 32.9 million in the year under review stemmed primarily from the sale of a share item.

Of the EUR 8.4 million reported for personnel expenses, EUR 1.2 million were attributable to the addition to the provisions for pensions and EUR 0.4 million for social security.

- Provision for perpetual obligations from operating activities increased by more than EUR 400 million

The other operating expenses amounting to EUR 453.9 million primarily concerned the addition to the provision for perpetual obligations of EUR 413.6 million (2018: EUR 911.8 million). Other operating expenses also include expenses for “education, science and culture”—one of the goals of the articles of association—in the amount of EUR 30 million.

The investment income of EUR 437.8 million primarily includes the dividend distribution of Evonik Industries AG of EUR 344.5 million and the profit distribution of Vivawest GmbH of EUR 36.4 million as well as profit distributions of RSBG SE (EUR 28.8 million) and Maxburg Beteiligungen GmbH & Co. KG (EUR 3.4 million).

The other financial income<sup>6</sup> amounted to EUR 62.1 million in the year under review. This stemmed from earnings from securities and special real estate funds in the direct ownership of the RAG-Stiftung and from a dividend of the RAGS-FundMaster of EUR 51.9 million.

Around EUR 4.1 million of the income taxes of EUR 8.5 million were attributable to the RAG-Stiftung's income in the current year. The remaining amount mainly results from tax accounting differences for the Group subsidiary RAG AG relating to previous years. Mainly the discrepancy between discounting rates required under tax law and called for under commercial law when calculating provisions, despite a net loss for the year of EUR minus 60 million before the assumption of losses pursuant to the German Commercial Code (HGB), led to a much higher taxable income.

As in the previous year, the RAG-Stiftung ended the 2019 financial year with a balanced budget as a result of the system of creating provisions.

As in the previous year, the RAG-Stiftung allocated the full amount to the provision for perpetual obligations in the amount of EUR 413.6 million (previous year: EUR 911.8 million) as a result of the system of creating provisions with its otherwise accrued earnings, ensuring that the result under commercial law was balanced.

## FINANCIAL POSITION

### Principles and objectives of the RAG-Stiftung's financial management

The RAG-Stiftung's principle task is to finance the perpetual obligations following the discontinuation of subsidised coal mining in Germany.

Pursuant to Section 3, Paragraph 6 of the articles of association, the RAG-Stiftung's assets must be invested in such a way as to ensure the greatest possible security and return with sufficient liquidity, whilst preserving an appropriate mix and diversification. The primary aim of the investment is the sustainable financing of the perpetual obligations. The risks and opportunities within the investment portfolio are optimised with the proviso that these obligations will remain covered. The cornerstones of the investment are therefore the assets and the expected inflow of funds, and the cash outflows covered by the perpetual obligations from 2019. The RAG-Stiftung's strategic capital investment is therefore based on an asset-liability approach, which takes into account the long-term payment obligations and the incoming payments expected on an ongoing basis.

The RAG-Stiftung's investment strategy also provides for a wide diversification of the investments across the various asset classes and investment markets and the systematic further development of the diversification strategy, in order to stabilise earnings and to be able to react to the current uncertainties on the financial markets. In response to the low rates of interest in general and to future inflation risks, the investments are to be further expanded into higher yielding tangible assets (including private equity, direct holdings and real estate/infrastructure).

The standards for capital investment, i.e. the principles of investment policy and risk controlling, are laid out in a set of "General Investment Guidelines for the RAG-Stiftung" (KARL).

<sup>6</sup> Revenue from other securities and loans as fixed assets, including interest income and amortisation of financial assets and securities held as current assets

According to carrying amounts at the end of 2019, around 40% of the financial assets were invested in the RAGS-FundMaster, a special fund managed by a capital investment company pursuant to the German capital investment act.

By using a single custodian bank as global custodian and a single master capital investment company for the liquid financial assets, the foundations have been laid for uniform risk controlling and transparent presentation.

- Annual review and adjustment of strategic asset allocation

As part of a regularly updated asset liability study, the structures of the liabilities from the perpetual obligations are analysed, and the profile of the payment streams to be paid by the RAG-Stiftung is determined. Against this background, the capital investment strategy of the RAG-Stiftung, which is strategic asset allocation (SAA), is reviewed and adjusted on an annual basis.

- Buy-and-hold strategy for own holdings

In own holdings, investments are made according to a buy-and-hold strategy. In addition to liquidity, it includes on the bond side both nominal securities predominantly of very good or good credit-worthiness and bonds coupled with the development of inflation, and thus interest income-generating bonds predominantly of sovereign borrowers. In addition to its own portfolio, apart from a real estate special fund set up exclusively for the RAG-Stiftung, there are also companies that invest in private equity investments and real estate.

The RAG-Stiftung's SME investments are made via RSBG SE (formerly RAG-Stiftung Beteiligungsgesellschaft mbH).

- Further growth in special asset fund in 2019—fair value well above carrying amount

Another EUR 243 million was added to the RAGS-FundMaster special fund managed by the master capital investment company in 2019, ensuring the carrying amount totalled EUR 2.8 billion as of 31 December 2019. The market value at the same time was around EUR 3.5 billion.

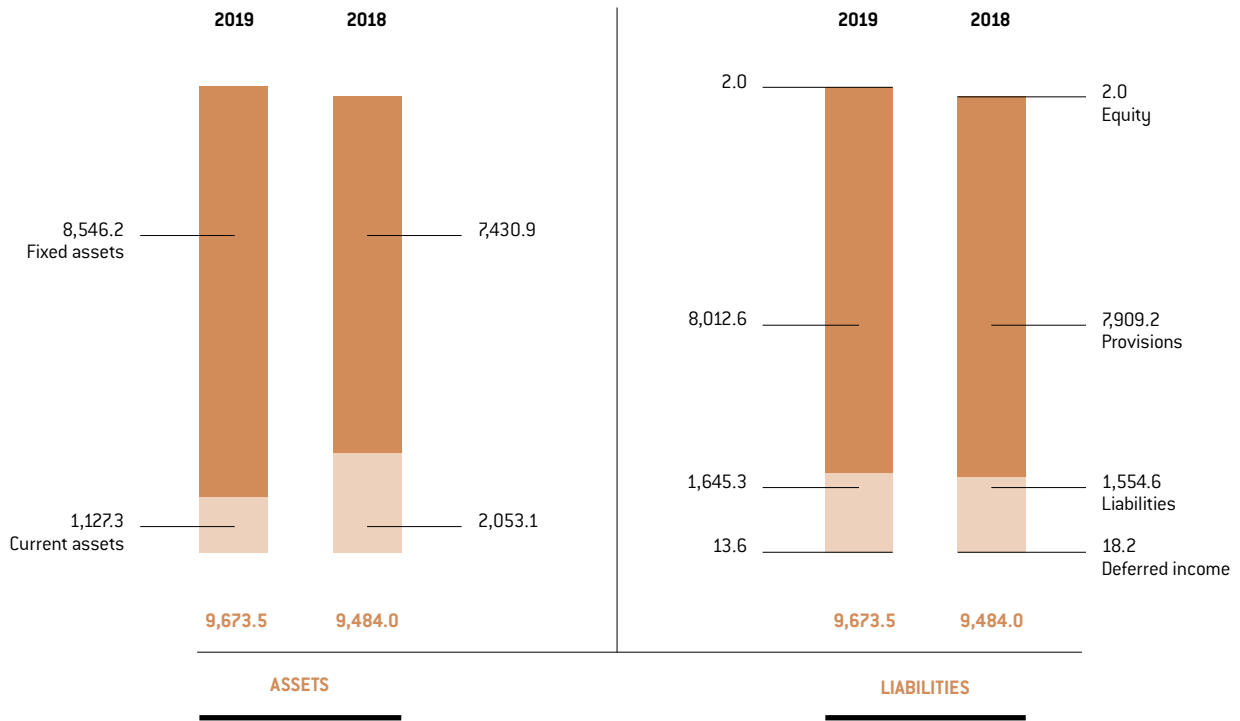
The objective of risk controlling is to manage the results of investments and to avoid value adjustments. Regular risk reporting is made in a weekly and monthly risk report. The risk budget forms the basis for the management of the return portfolio, which is oriented to the risk-bearing capability. The capacity of the risk budget is regularly calculated and documented, while the current risk of the investment is measured using the value-at-risk (VAR) approach. In addition to the analysis of the current risk budget, the RAG-Stiftung's financial assets are analysed monthly in relation to a number of key risk indicators such as rating, duration, modified duration and credit risk.

A coordinated capital investment takes place with the affiliated subsidiary RAG to optimise the available resources via the controlling agreement and profit-and-loss transfer agreement. The same bank limits therefore apply to the term deposit investments of the RAG-Stiftung and RAG, and are regularly reviewed. The RAG-Stiftung's risk reporting system was also extended to the financial assets of RAG.

Capital structure

**BALANCE SHEET STRUCTURE**

in EUR million



As of the end of 2019, the RAG-Stiftung recognised financial liabilities from three exchangeable bonds on Evonik shares of EUR 1.5 billion. The liabilities side of the balance sheet is dominated by the provision for perpetual obligations amounting to EUR 7.9 billion as a result of the business model of the RAG-Stiftung. The term of this obligation is infinite. The increase in the provision for perpetual obligations amounted to EUR 110 million compared with the previous year.

- Investments in 2019 increased to around EUR 1.1 billion

### Investments

The RAG-Stiftung invested EUR 1,115 million in the fixed assets in 2019. EUR 243 million was allocated to the RAGS fund; EUR 356 million to capital injections into our companies in which we hold real estate, private equity, infrastructure and SME investments. The stake in Vivawest was increased by ten percentage points at a cost of EUR 481 million.

### Liquidity

#### RAG-STIFTUNG: CASH FLOW STATEMENT (SUMMARY)

in EUR million	2019	2018	Change
Cash and cash equivalents at the start of the year	401.3	– 150.3	+551.6
Cash flow from operating activities	993.5	1,100.0	– 106.5
Cash flow from investing activities	– 1,111.2	– 448.0	– 663.2
Cash flow from financing activities	– 0.4	– 100.4	+100.0
Exchange rate-related change in cash funds	0.0	0.0	0.0
<b>Cash and cash equivalents as of 31 December.</b>	<b>283.2</b>	<b>401.3</b>	<b>– 118.1</b>

- Specific cash flow statement of the RAG-Stiftung

The above cash flow statement deviates from German Accounting Standard No. 21 (DRS 21) to the extent that interest and dividends received and assumed losses totalling some EUR 450.6 million are not recognised under cash flow from investment activities but rather cash flow from operating activities. This classification is better suited to the business model of the RAG-Stiftung and enables comparability with the previous year.

Starting from a balanced budget for the year, which was corrected for non-cash transactions, cash flow in 2019 from current operating activities amounted to EUR 993.5 million.

The negative cash flow from investing activities of EUR 1,111.2 million was due to the investments described above, along with cash inflows and outflows as part of short-term financial planning.

The negative cash flow from financing activities amounted to EUR 0.4 million in 2019.

Cash and cash equivalents as of 31 December 2019 amounted to EUR 283.2 million, of which EUR 10.0 million were bank balances. The balance was created on the financial account of RAG.

## NET ASSETS

At the end of the year under review, the total assets of the RAG-Stiftung amounted to EUR 9,673.5 million. This represents an increase of EUR 189.5 million in total assets over the previous year's value.

● Total assets slightly higher at the end of 2019

### ASSETS—FIXED AND CURRENT ASSETS

in EUR million	31/12/2019	31/12/2018	Change
<b>Fixed assets</b>	<b>8,546.2</b>	<b>7,430.9</b>	<b>+1,115.3</b>
Real estate, plant and equipment	0.4	0.3	+0.1
Financial assets	8,545.8	7,430.6	+1,115.2
<b>Current assets</b>	<b>1,127.3</b>	<b>2,053.1</b>	<b>– 925.8</b>
Receivables and other assets	367.2	1,476.2	–1,109.0
Securities	476.9	476.9	0.0
Liquid assets	283.2	100.0	+183.2
<b>Prepaid expenses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total assets</b>	<b>9,673.5</b>	<b>9,484.0</b>	<b>+189.5</b>

At EUR 2,843.1 million, financial assets include primarily the master capital investment company administered special asset fund and long-term held securities. Moreover, EUR 2,826.6 million was attributable to companies through which the RAG-Stiftung invests in private equity, real estate, infrastructure and SME investments. The 40% stake in Vivawest GmbH, with acquisition costs of EUR 1,390.0 million, was also reported in fixed assets. In 2019, the RAG-Stiftung acquired an additional 10% stake in Vivawest GmbH from Evonik Pensionstreuhand e.V. We list the 25.1% stake in Evonik Industries AG at EUR 305.5 million under financial assets because the shares are to be retained over the long term. The remaining Evonik shares are recognised under securities held as current assets because these shares are being held for sale.

● Diversified financial assets

Receivables and other assets primarily include receivables due from revenue authorities for imputable tax of EUR 322.9 million and a total of EUR 294.5 million in receivables due from affiliated companies; of this amount, EUR 273.2 million relates to the Group clearing account.

**EQUITY AND LIABILITIES—EQUITY, PROVISIONS AND OBLIGATIONS**

in EUR million	31/12/2019	31/12/2018	Change
<b>Equity</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>
Endowment capital	2.0	2.0	0.0
<b>Provisions</b>	<b>8,012.6</b>	<b>7,909.2</b>	<b>+103.4</b>
Pension provisions	11.6	11.0	+0.6
Tax provisions	77.6	79.9	-2.3
Provisions for perpetual obligations	7,896.7	7,786.4	+110.3
Other provisions	26.7	31.9	-5.2
<b>Liabilities</b>	<b>1,645.3</b>	<b>1,554.6</b>	<b>+90.7</b>
Bonds	1,500.0	1,500.0	0.0
Trade accounts payable	0.2	0.3	-0.1
Liabilities to affiliated companies.	140.5	46.1	+94.4
Other liabilities	4.6	8.2	-3.6
<b>Deferred income</b>	<b>13.6</b>	<b>18.2</b>	<b>-4.6</b>
<b>Total equity and liabilities</b>	<b>9,673.5</b>	<b>9,484.0</b>	<b>+189.5</b>

When the RAG-Stiftung was established it was endowed with an endowment capital (basic assets) of EUR 2.0 million, which has been retained in full.

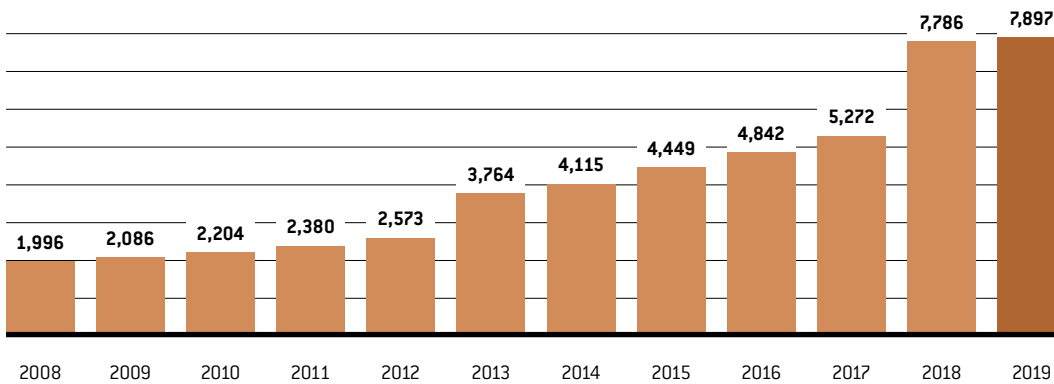
- The provision for perpetual obligations increased by EUR 110 million in 2019

For its obligations to RAG for the financing of perpetual obligations, the RAG-Stiftung reports as of 31 December 2019 a provision of EUR 7,896.7 million. This corresponds to a net increase of EUR 110.3 million over the previous year's figure of EUR 7,786.4 million. The allocation from the net profit for the year of EUR 413.6 million was offset by a utilisation of EUR 303.3 million. This is composed of payments to RAG for perpetual obligations in the amount of EUR 291.5 million and a payment to RAG in the amount of nearly EUR 11.8 million for the interest portion of the investments made by RAG in pit water management.



## PROVISIONS FOR PERPETUAL OBLIGATIONS (SINCE ESTABLISHMENT IN 2007)

in EUR million



Source: RAG-Stiftung

The total amount of the discounted payments for perpetual obligations is primarily dependent on the future development of price and interest rates, as well as the development of the assessment base. Changes to these parameters have a crucial influence on the amount of the corresponding obligation. Further details about the accounting methods can be derived from the notes to the financial statements.

Other provisions mainly include provisions for services received but not yet billed.

Liabilities of EUR 1,645.3 million mainly comprise EUR 1,500 million in three exchangeable bonds on Evonik shares and EUR 140.5 million in liabilities to affiliated companies, mainly for the assumption of losses by RAG in the amount of EUR 60.0 million, for perpetual obligations of EUR 41.3 million and from the income tax affiliation with RAG in the amount of EUR 35.4 million. Further liabilities of EUR 3.6 million exist for option premiums received, which are only recognised in profit or loss at the end of the term of the options.

## Significant non-financial issues

### EMPLOYEES

The number of employees at the end of 2019 was 26; in the previous year, it was 21. The average number of employees during the year was 24.

### OCCUPATIONAL, HEALTH AND ENVIRONMENTAL PROTECTION

We make use of a modern corporate health management programme, which goes beyond traditional occupational health promotion. In addition to the medical check-ups available to employees, the care also provides both individual consultations and innovative prevention schemes. Qualified cooperation partners—in particular Evonik's medical services—offer a comprehensive range of preventative measures and health promotion.

No occupational accidents occurred during the reporting period.

### RESEARCH AND DEVELOPMENT

Research and development does not take place at the RAG-Stiftung.

- Modern occupational healthcare management for our employees

## Risks and opportunities report

- Systematic monitoring and controlling of opportunities and risks

Risk and opportunities management (or simply: risk management) at the RAG-Stiftung is a continuous and dynamic process that begins with planning and systematically impacts all areas. The risk management system integrates all systematic measures into an overall approach for the purposes of identification, analysis, assessment, management and control of risks that could hinder the achievement of the RAG-Stiftung's objectives.

The standards for risk management are set out in the Risk Management Guidelines. In addition to organisational security measures, internal control systems and division-specific risks, the RAG-Stiftung's risk management also includes RAG's internal audit department as a process-independent supervisory authority.

The division head nominated by the Board of Executives assumes the role of risk manager. This person monitors the risk management system and coordinates reporting to the Board of Executives at the RAG-Stiftung about the opportunities and risks of the strategic holdings and of the RAG-Stiftung itself. The respective division heads of the RAG-Stiftung are responsible for the identification and assessment of risks, as well as the formulation and implementation of measures for risk management. The divisions of the RAG-Stiftung are charged with the following tasks and responsibilities with regard to risk management: reporting on opportunities and risks as part of the month report, presentation of opportunities and risks as part of medium-term planning and immediate reporting to the Board of Executives where necessary.

● Risk management organised with clearly defined responsibilities

In order to determine what risks most likely represent a threat to the objectives or the existence of the RAG-Stiftung, the risks are classified according to their probability of occurrence and their effects, in relation to financial position and financial performance. The scales for assessing both of these indicators are presented in the table below.

The RAG-Stiftung classifies the assessment of the probability of a risk occurring according to the criteria “rather unlikely”, “possible” or “likely”.

Probability of occurrence	Description
0%–32%	Rather unlikely
33%–65%	Possible
66%–100%	Likely

The possible effects are assessed according to qualitative criteria of increasing value: “low”, “moderate” and “significant”.

Degree of impact	Definition of impact
Low	<b>Low</b> negative impact on the financial position or financial performance
Moderate	<b>Moderate</b> negative impact on the financial position or financial performance
Significant	<b>Significant</b> negative impact on the financial position or financial performance

According to their estimated probability of occurrence and their effects on the financial position and financial performance of the RAG-Stiftung, risks are classified as “low”, “medium” or “high”.

#### RISK CLASSIFICATION MATRIX

PROBABILITY OF OCCURRENCE	66% to 100%	Low	Medium	High
	33% to 65%	Low	Medium	Medium
	0% to 32%	Low	Low	Medium
		Low	Moderate	Significant
		DEGREE OF IMPACT →		

The following major risk categories arise from the RAG-Stiftung’s main risk areas:

#### **RAG investment risk:**

The RAG-Stiftung and RAG concluded a controlling and profit-and-loss transfer agreement (BGAV) on 24 September 2007. RAG’s business risks therefore impact directly on the RAG-Stiftung.

RAG has an independent risk management system, as this is where the original risk responsibility for the business risks and their management lies. As a public limited company, RAG is subject to statutory monitoring requirements. This means that according to Section 107, Paragraph 3 of the German Stock Corporation Act (AktG), the Supervisory Board is responsible not only for monitoring the accounting process, but is also obliged to address the effectiveness of the internal controlling system, the risk management system and the internal audit system. These requirements are met by representatives of the RAG-Stiftung on RAG’s Supervisory Board. The RAG-Stiftung is kept informed by regular reports, and checks the effectiveness of the risk management system using analyses of the risks and measures.

Risks for the RAG-Stiftung have included the operating result risks from RAG's business activities and the cash outflows for perpetual obligations since 2019. They are dependent on development in costs and official approvals for the planned optimisation measures in the field of pit water management. Developments in interest rates and costs are decisive factors determining the amount of provision required at RAG. Unfavourable economic developments may lead to a situation where the funds approved in the 2019 "notification of approval to RAG" for financing residual pollution and other perpetual obligations are not sufficient.

In 2019, losses in the amount of EUR 60 million were balanced by the RAG-Stiftung pursuant to Article 3 of the controlling and profit-and-loss transfer agreement. The main factors impacting on RAG's earnings result from the interest-related need to make allocations to non-current provisions.

From today's perspective, we assume that, from 2020 to 2024, the controlling and profit-and-loss transfer agreement to balance RAG's earnings will probably have to be used every year. This is mainly due to higher charges as a result of the persistently low interest rates and the resulting higher interest expenses for provisions.

Overall, the risks arising from the participation in RAG have a significant effect. Due to the German hard coal financing act, the set of agreements on coal policy it is based on and the agreements made and approvals received, the risk should be manageable. However, following the end of German coal production, the accounting countermeasures available to RAG have been significantly reduced. As a result, we allocate the probability of occurrence of the risks described to the category "probable". Overall, we therefore continue to classify this risk as a "high risk". Nevertheless, despite this classification, we consider the risk to be manageable thanks to the financial resources available to the RAG-Stiftung.

**Evonik investment risk:**

The RAG-Stiftung is the majority stakeholder in Evonik Industries AG. The Evonik Group's business risks therefore also impact indirectly on the RAG-Stiftung. As a listed company, Evonik Industries AG has an elaborate, independent and Group-wide risk management system. Pursuant to Section 107, Paragraph 3 AktG, Evonik Industries AG's Supervisory Board is responsible not only for monitoring the accounting process but is also obliged to address the effectiveness of the internal controlling system and the internal audit system. These requirements are met by Evonik Industries AG's Supervisory Board. It is kept informed with regular reports and checks the effectiveness of the risk management system using analyses of the risks and measures. The RAG-Stiftung's employees support the chairman of the Supervisory Board in his analysis.

- Exchangeable bonds to reduce concentration risk

The RAG-Stiftung's stake in Evonik Industries AG of around 64% (31 December 2019) remains a key asset. For every change of one euro in the Evonik share price, there is a change in the assets of the RAG-Stiftung of around EUR 300 million. There is therefore a significant concentration risk associated with the Evonik holding. The RAG-Stiftung intends to meet this concentration risk by further reducing its investment in Evonik. This will be done, however, with due regard to the market. For example, the issue of exchangeable bonds on Evonik shares or a block sale are instruments with which this is possible. On 13 January 2020 we acquired a further 5.36% or 25 million shares in Evonik Industries AG by way of an accelerated book-building process.

Due to its areas of activity, Evonik Group is constantly confronted both nationally and internationally with changing political, societal, demographic, legal and economic conditions. Market risks occurring as a result of volatility and cyclicalities in the markets can generally arise in all segments. They can have a significant impact on the earnings situation. The occasional regional changes in economic demand can influence price and sales opportunities with a corresponding impact on results. Evonik confronts these risks by anticipating market developments and consistently developing its portfolio in accordance with its Group strategy.

Overall, the Board of Executives of Evonik comes to the following assessment: the risks identified across the Group, taking into account the measures taken and planned, pose no threat to the existence of Evonik as a whole, either individually or combined; this includes Evonik Industries AG as the Group holding company. This assessment is shared by the RAG-Stiftung.

- Evonik dividends are a major part of corporate earnings

The dividends the RAG-Stiftung receives from Evonik are a significant component of the RAG-Stiftung's income. A worsening in Evonik's economic situation, limiting Evonik Industries AG's ability to pay dividends, is a risk with significant ramifications for the RAG-Stiftung. Due to Evonik's diversified orientation as a speciality chemical company in the mid-range, we see the probability of occurrence of this risk as "possible". Overall, we therefore continue to classify the Evonik investment risk as a "medium risk".

**Vivawest investment risk:**

The RAG-Stiftung has a direct stake of 40% in Vivawest GmbH. RAG also holds an additional 18.2% of the shares in the company. Vivawest's business risks therefore also impact directly and indirectly on the RAG-Stiftung.

Vivawest has an independent risk management system, as this is where the original risk responsibility for the business risks and their management lies. Vivawest GmbH's Supervisory Board not only monitors the accounting process, but also addresses the effectiveness of the internal control, risk management and internal auditing systems. These tasks are carried out by the representatives of the RAG-Stiftung in Vivawest GmbH's Supervisory Board. The RAG-Stiftung is kept informed by regular reports, and checks the effectiveness of the risk management system using analyses of the risks and measures.

Due to its area of activities, Vivawest is highly dependent on the housing market in North Rhine-Westphalia and the underlying conditions for the housing sector. Risks could arise in the long term from demographic changes and from changes in interest rates.

The distribution of profits the RAG-Stiftung receives from Vivawest are a not insignificant component of the RAG-Stiftung's income. A worsening in Vivawest's economic situation is a risk with moderate repercussions for the RAG-Stiftung. Due to the non-volatile nature of Vivawest's business, we see the probability of occurrence as "rather unlikely". Overall, we therefore continue to classify the Vivawest investment risk as "low risk".

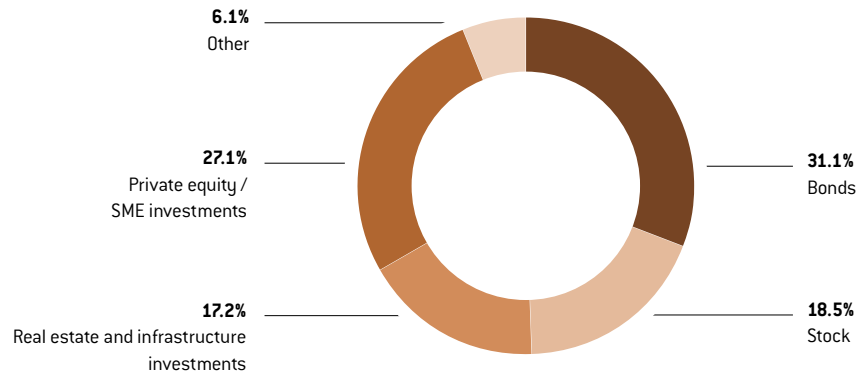
**Investment risks**

By resolution of 1 April 2019, the RAG-Stiftung's Board of Trustees approved and agreed to occasional adjustments to the general investment guidelines for the RAG-Stiftung (KARL) in 2008. The KARL guidelines set the standards for investment—with the exception of investments in Vivawest and Evonik—and define the principles of the investment policy as well as investment risk controlling.

As of the end of 2019, 31.1% of the RAG-Stiftung's financial assets were invested in bonds, around another 18.5% in shares and 17.2% in real estate and infrastructure investments. Altogether, some 27.1% were attributable to international private equity investments and SME investments. Around 6.1% were liquidity and "other investments". The latter relates partly to our volatility investments. This asset allocation results in a high interest sensitivity: rising market interest rates lead to negative market value changes, falling rates in contrast to price gains.

---

#### STRUCTURE OF FINANCIAL ASSETS (31/12/2019)



- Monitoring of financial assets is an integral part of daily business

Financial risks at the RAG-Stiftung generally concern borrowing and market price risks arising from the investment of financial resources to cover the provision for perpetual obligations. The aim of the Company's policy is to limit these risks with systematic risk management. This cannot mean the total exclusion of financial risks, but they are managed within defined limits. Monitoring its financial assets is an integral component of the RAG-Stiftung's daily business activities. The basis for managing



financial assets is the relevant risk budget, which is oriented to the risk-bearing capacity and which in turn is determined by the RAG-Stiftung's investment committee. The capacity of the risk budget is regularly calculated, documented and reported to the Board of Executives, while the current risk of the investment is measured using the value-at-risk (VAR) approach. In order to reduce financial risks, to carry out currency hedging and to flexibly adjust the asset classes in a risk-oriented way, derivative financial instruments can also be used at the RAG-Stiftung in the RAGS-FundMaster special fund.

As of the end of 2019, around 40% of our financial assets were invested in the RAGS-FundMaster, a special fund managed by a capital investment company pursuant to the German capital investment act (KAGB). Various asset managers in this special fund have received specific investment mandates from the RAG-Stiftung. Each of these investment mandates is subject to investment guidelines that have to be in accordance with the RAG-Stiftung's general investment guidelines (KARL). The capital investment company is also obliged to ensure that these investment guidelines are adhered to at all times. All liquid securities of the RAG-Stiftung are held in safe custody by a single global custodian bank, which creates the basis for uniform risk controlling and transparent presentation of the RAG-Stiftung's total holdings.

● 40% of financial assets invested in special assets

Of the remaining approximately 60% of financial assets, some are held directly in liquid securities. The rest are attributable to non-liquid investments in real estate and infrastructure funds on the one hand, and private equity funds and direct company investments on the other.

Private equity funds as well as real estate and infrastructure investments are characterised by a very low level of liquidity. This liquidity risk, which we are well able to manage due to our obligation structure, is compensated for by a corresponding illiquidity premium. The principle of high diversification also applies to illiquid investments as it does to all our investments. The RAG-Stiftung invests in different managers, different segments of the private equity market, different size categories and different regions. In particular, it invests consistently in order to achieve a wide diversification across the individual fund ages or "vintage years" to reduce risk. Similarly in the case of real estate and infrastructure investments, different managers are tasked with investing in different countries, regions and cities, and different classes of real estate (residential, office, hotel, high street, logistics, specialist stores, etc.).

● Generally very broad diversification for illiquid investments

The statements on limited liquidity also apply to the investments in SMEs by RSBG SE (formerly RAG-Stiftung Beteiligungsgesellschaft mbH). The management attempts to compensate for the higher risk resulting from significantly less granularity with intensive due diligence before the purchase of a holding, by further expanding investment controlling and by exercising greater influence on the Supervisory Board or Trustee Board in the case of minority holdings and by exercising direct influence on the management in the case of majority holdings.

The RAG-Stiftung uses a professional service provider, RMC Risk-Management-Consulting GmbH, Frankfurt, to assess and calculate investment risks.

When assessing investment risks overall, we classify the probability of occurrence as “possible” in view of the measures taken and the degree of impact as “moderate” given the wide diversification. Overall, we therefore continue to classify the investment risk as a “medium risk”.

**Perpetual obligations risk:**

On 14 August 2007, a legacy agreement relating to the socially responsible discontinuation of subsidised coal mining in Germany (Legacy Agreement) was concluded between the states of North Rhine-Westphalia, Saarland and the RAG-Stiftung. On the one hand, this agreement regulates the guarantees made by the states (and a third of which by the federal government) in the case that the assets of the RAG-Stiftung are not sufficient to finance the perpetual obligations and, on the other, defines the perpetual obligations of the mining operations of AG. Perpetual obligations in this sense mean measures for the implementation of pit water management, groundwater purification at contaminated sites and measures for the management, processing or elimination of permanent damage in the form of subsidence of the ground surface caused by mining.

On 13 November 2007, an agreement was signed between RAG and the RAG-Stiftung for the financing of the perpetual obligations arising from the mining operations of RAG (agreement on perpetual obligations). With this agreement, the RAG-Stiftung pledges to RAG that it will finance its perpetual obligations from 2019. The future development of the perpetual obligations and the resulting risks and opportunities are therefore especially important. This development is primarily determined by the premises on which the authoritative report is based that may develop a significant leverage effect, such as price index, interest rate and technical level. Under Section 4, Paragraph 2 of the agreement on perpetual obligations, RAG shall develop a concept for the long-term optimisation of pit water management. On the basis of this concept, steps were taken to apply for the necessary measures so as to subsequently implement them. Applications for approvals are delayed or have not yet been granted. However, approvals are a mandatory prerequisite for the implementation of the necessary withdrawal activities.

The economic value of the perpetual obligations as of the end of 2019 is, simplified, the present value of a perpetual series of payments, which will increase in line with the respective rate of price inflation from 2020. The cash value of a perpetual annuity is calculated by dividing the initial regular payment by the interest rate while taking the price increases resulting from the real interest rate, i.e. the difference between interest rate and price inflation, into account. The amount of the perpetual obligations is therefore particularly dependent on future developments in price and interest rates, in addition to the development of the assessment bases.

● Level of perpetual obligations particularly dependent on assessment basis and interest rate development

In the 2018 financial statements, the RAG-Stiftung was faced with a negative real interest rate. In order to provide a true and fair view of the Company's net assets, financial position and results of operations, the calculation of the perpetual obligations was changed as of the 2018 reporting year: Instead of the zero-coupon interest rate swap, the HGB interest rate was and is applied in accordance with Section 253 Paragraph 2 HGB.

This seven-year average interest rate for a term of 30 years amounts to 2.19% (2018: 2.51% at the end of the year under review (31 December 2019)). The expected price increase for the same term of 2.07% p.a. (2018: 2.07%) results in a real interest rate of 0.12% (2018: 0.44%). When calculating the perpetual annuity, this corresponds to a factor of approximately 833 (2018: 227) of the assessment basis. In view of persistently low interest rates, a negative real interest rate cannot be ruled out at the end of 2020. In this case, we will have to apply an alternative valuation method despite the principle of consistency of valuation.

In the overall assessment of the risks arising from perpetual obligations, we classify the probability of occurrence as "likely" but the degree of impact as only "moderate". The provision requirement for perpetual obligations is likely to first increase again over the coming years depending on interest rates, then prospectively move at a constant or even a slightly falling level. However, our ability to finance the cash outflow, which will increase with inflation for the sustainable financing of perpetual obligations from investment income and financial assets is independent of this. Overall, we therefore continue to classify the risk arising from the perpetual obligations as a "medium risk".

### Coronavirus pandemic

The coronavirus-induced crisis has caused severe turbulence on the global financial markets. Global equity markets were hit particularly hard, with significant price falls, yet other risk assets such as corporate bonds and high yields were also severely impacted. In addition, the risk premiums on government bonds of peripheral eurozone countries widened, in some cases significantly, until the end of March.

● Sever turbulence on the global financial markets in the first quarter of 2020

Only through the launching of comprehensive packages of support by central banks and governments has the situation on the financial markets been somewhat calmed. For example, the Fed plans to buy as many securities as necessary to stabilise the situation, and has thus made a de facto commitment to make unlimited purchases. For its new PEPP purchasing programme, the European Central Bank has abolished purchasing limits that were previously in place, thereby allowing itself maximum flexibility. In order to support the financially weaker peripheral countries, and as a measure of eurozone solidarity, Member States are discussing ways of jointly raising debt. Yields and risk premiums on short-term bonds have stabilised somewhat in the meantime.

In the case of illiquid financial investments such as real estate, there will be a time lag before the effects are seen. Many tenants have closed their shops in response to the curfews and have announced that they will reduce or stop paying rent or request deferrals. This factor will also be reflected in future property prices, depending on the duration of the lockdown.

- Economic consequences for the RAG-Stiftung remain uncertain

It is not possible to make any accurate forecasts in respect of the economic consequences for the RAG-Stiftung as the duration and extent of the crisis cannot be currently known.

The outbreak of the coronavirus (SARS-CoV-2) poses a risk to the RAG-Stiftung's investments not only through a decline in sales due to postponed or cancelled projects but also through infections within the workforce and among customers and suppliers. This means that there may be partial disruptions in individual operations in some areas of the RAG-Stiftung's investments. Given that the RAG-Stiftung has invested its assets in a global, broadly diversified portfolio, any negative developments on the financial markets may potentially be reflected in the investment. There is a risk that investments may have to be written down due to interest rate and share price developments.

There is a risk that the earnings position of the RAG-Stiftung, and thus its ability to allocate amounts to the provision for perpetual obligations, may deteriorate in the future.

- Liquidity for payment of the perpetual obligations secured

According to current assessments, the Company's supply of cash and ability to pay its perpetual obligations are secured.

However, given the uncertainties about how the course of infections will progress and the duration of the containment measures, the long-term economic and financial impact of the coronavirus pandemic cannot be conclusively determined at this stage.

In order to mitigate the risks posed by the outbreak of the coronavirus, the RAG-Stiftung has developed an emergency plan. As part of this, the RAG-Stiftung is not holding any essential meetings, and any it does hold are being conducted by way of video or conference calls. In addition, workers are increasingly being called upon to make use of the option of home office and divisions and departments are being divided into groups working in different locations.

#### **Overall assessment of the risk and opportunities situation**

The RAG-Stiftung must finance the perpetual obligations of subsidised coal mining of RAG in Germany following its discontinuation. From a current perspective, the cash inflows from the disposal of other shares in Evonik Industries AG, from Evonik dividends, the dividends of the Vivawest holding and RSBG SE, as well as from the income from financial assets, are all sufficient to cover the expected cash outflows. Opportunities arise from good performance of the Evonik share price and from a successful investment.

The overall assessment of the RAG-Stiftung's risk situation shows that the existing risks pose no threat to the existence of the RAG-Stiftung, either individually or combined given the measures taken and planned.

## **Outlook**

We expect difficult global economic conditions in 2020 due to the recent Covid-19 pandemic.

The coronavirus pandemic could stop much of the production and consumption and cause a recession as a result of global uncertainty and global (voluntary) restrictions on movement. As things stand today, however, it is not possible to estimate how long and to what extent the spread of the virus will paralyse the global economy and trade.

The extensive, worldwide measures taken by central banks and fiscal policy aid measures adopted by individual countries could provide stability and help bring a measure of calm to the currently panic-stricken financial markets. The situation may also be helped, particularly psychologically speaking for market participants, by falling infection rates in core countries and an end to the lockdown.

● Covid-19 pandemic negatively impacts the global economy

- Monetary and fiscal policy will prop up western Europe in 2020 ...

We assume that economic growth experience a significant year-on-year slowdown in western Europe due to the Covid-19 pandemic, at least in the first half of 2020. When contrasted with the uncertainty caused by the pandemic, the unresolved economic relationship between the European Union and the United Kingdom appears to be nothing more than a side note at the moment. However, this may change in the fourth quarter of 2020. In western Europe, on the other hand, the as yet unperturbed employment rate and robust private consumption against the backdrop of expansive monetary policy and fiscal stimuli are providing support. Once the crisis has been contained, this may result in an upswing driven by pent-up demand.

- ... and North America

In North America, we anticipate a temporary pause in its robust growth trajectory due to the coronavirus pandemic. North America was hit by the pandemic later than Europe and Asia, which means that the impacts are uncertain at this time. Growth is not expected to pick up again until after the pandemic has been contained, at which time it will then benefit from pent-up consumer demand. As with the fiscal policy measures announced, the expansive monetary policy is expected to provide additional impetus for growth.

- Pandemic puts pressure on emerging markets as well

Growth in Central and South America is not expected to recover until the second half of 2020 as a result of the Covid-19 pandemic. However, the lack of any tailwind from the global economy and political uncertainties in a number of countries are weighing on the prospects of region's economic outlook brightening. The underlying conditions have nevertheless improved, partly due to the easing of US monetary policy.

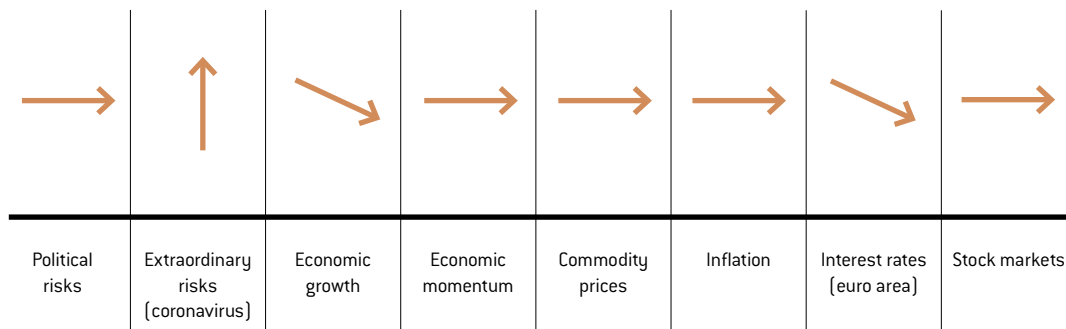
Growth in Asia-Pacific is also expected to decline in the first quarters. Despite the expansive monetary and fiscal policy in place, the Japanese economy is expected to develop less dynamically than in the previous year. Given the continuing trade policy risks in China, we expect the government to take further measures to support the economy and we anticipate slightly lower economic growth compared with the previous year. As things stand today, however, it is not possible to estimate how long and to what extent the coronavirus will paralyse the regional economy and trade.

- Global economy exposed to significant risks in 2020— inflation set to rise

Global economic forecasts are fraught with uncertainty due to the as yet unknown impact of the coronavirus pandemic. In addition to the economic effects of the pandemic mentioned above, and despite the partial agreement reached in the trade dispute between the USA and China, we see a risk that a renewed escalation could significantly slow down global economic activity. A direct extension of the conflict to other regions, especially to Europe, also continues to pose a risk to world trade and the global economy. Another risk facing the global economy lies in an escalation of the political conflicts in the Middle East, with potentially negative consequences for the oil price.

It is our opinion that global inflation is likely to increase as a result of the (at times) drastic fiscal and monetary policy measures. Commodity prices will trend unevenly and return to more stable levels after the crisis.

### EXPECTED DEVELOPMENT OF KEY GLOBAL PARAMETERS FOR 2020



We expect Evonik Industries AG to pay a stable dividend of EUR 1.15 per share. Given the fact that our stake in the company is lower than in the previous year the dividend inflow will be somewhat less in absolute terms than last year. In contrast, Vivawest GmbH's dividend payment for 2020 is expected to be significantly higher than in the previous year in line with our increased stake in the company. RSBG SE's dividend payment in 2020 is expected to be the same as in the previous year. We expect the profit-and-loss transfer agreement with RAG to have a significantly negative impact on earnings. We expect investment income of the RAG-Stiftung in 2020 to be slightly below the level of 2019. The income tax burden is expected to significantly exceed the previous year's figure due to a special effect for the Group subsidiary RAG.

● Robust dividend inflows expected in 2020

### PERFORMANCE INDICATORS FORECAST FOR 2020

in EUR million	Forecast for 2020	2019
<b>Financial performance indicators</b>		
Net profit for the year	constant	0.0
Addition to provision for perpetual obligations	Approx. 780	413.6

Overall we expect a balanced budget again for the RAG-Stiftung in 2020. We will probably be able to allocate about EUR 780 million to the provision for perpetual obligations. The utilisation of the provision by payments for perpetual obligations to AG in the amount of around EUR 300 million had the opposite effect.

The forecast presented above does not yet reflect any impacts from the coronavirus (SARS-CoV-2). The outbreak of the coronavirus in March 2020 may have an impact on the RAG-Stiftung affecting all areas of the RAG-Stiftung's investments.

However, given the uncertainties about how virus will progress and the duration of the containment measures, the economic and financial impact of the coronavirus pandemic for the RAG-Stiftung cannot be conclusively determined at this stage. It is to be assumed, however, that the earnings position could be subjected to an as yet unforeseeable burden and that the possibility of allocating amounts to provisions for perpetual obligations could therefore be impacted. Current analyses indicate that the RAG-Stiftung's supply of cash, and thus its ability to pay the perpetual obligations, remains secure.

Essen, 20 April 2020

This report contains forward-looking statements relating to the current expectations, assumptions and forecasts of the Board of Executives, as well as any information currently available to it. These forward-looking statements are not to be understood as guarantees of future developments or the events they describe. On the contrary, these future developments and events are dependent on a number of factors; they contain risks and uncertainties and are based on assumptions that may prove inaccurate.



# ANNUAL FINANCIAL STATEMENTS

80	BALANCE SHEET OF THE RAG-STIFTUNG
82	INCOME STATEMENT OF THE RAG-STIFTUNG
83	RAG-STIFTUNG MANAGEMENT BODIES
84	RAG-STIFTUNG LIST OF SHAREHOLDINGS
98	NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF THE RAG-STIFTUNG 2019
112	DEVELOPMENT OF FIXED ASSETS OF THE RAG-STIFTUNG

## BALANCE SHEET OF THE RAG-STIFTUNG

as of 31 December 2019

### ASSETS

in EUR million	Notes to the annual financial statements	31/12/2019	31/12/2018
<b>A. Fixed assets</b>	(1)		
I. Intangible assets		0.1	0.0
II. Real estate, plant and equipment		0.3	0.3
III. Financial assets		8,545.8	7,430.6
		<b>8,546.2</b>	<b>7,430.9</b>
<b>B. Current assets</b>			
I. Receivables and other assets	(2)	640.4	1,476.2
II. Securities	(3)	476.9	476.9
III. Bank balances		10.0	100.0
		<b>1,127.3</b>	<b>2,053.1</b>
<b>C. Prepaid expenses</b>		<b>0.0</b>	<b>0.0</b>
<b>Total assets</b>		<b>9,673.5</b>	<b>9,484.0</b>

**EQUITY AND LIABILITIES**

in EUR million	Notes to the annual financial statements	31/12/2019	31/12/2018
<b>A. Equity</b>	(4)		
I. Endowment capital		2.0	2.0
		<b>2.0</b>	<b>2.0</b>
<b>B. Provisions</b>	(5)		
1. Provisions for pensions and similar obligations		11.6	11.0
2. Tax provisions		77.6	79.9
3. Provision for perpetual obligations		7,896.7	7,786.4
4. Other provisions		26.7	31.9
		<b>8,012.6</b>	<b>7,909.2</b>
<b>C. Liabilities</b>	(6)	<b>1,645.3</b>	<b>1,554.6</b>
<b>D. Deferred income</b>		<b>13.6</b>	<b>18.2</b>
<b>Total equity and liabilities</b>		<b>9,673.5</b>	<b>9,484.0</b>

## INCOME STATEMENT OF THE RAG-STIFTUNG

from 1 January to 31 December 2019

in EUR million	Notes to the annual financial statements	2019	2018
1. Sales revenue	(7)	0.2	0.4
2. Other operating income	(8)	32.9	465.6
3. Personnel expenses	(9)	8.4	10.1
4. Amortisation of intangible assets and depreciation of real estate, plant and equipment		0.2	0.1
5. Other operating expenses	(10)	453.9	945.4
6. Investment income	(11)	+377.8	+464.5
7. Income from other securities and from loans held as financial assets	(12)	83.5	59.1
8. Interest income	(13)	+3.3	+2.6
9. Write-downs of financial assets and securities classified as current assets	(14)	24.7	12.3
10. Income taxes	(15)	- 8.5	- 23.8
<b>Earnings after taxes</b>		<b>2.0</b>	<b>0.5</b>
11. Other taxes	(15)	- 2.0	- 0.5
<b>Net profit (+) or loss (-) for the year</b>		<b>0.0</b>	<b>0.0</b>

## RAG-Stiftung management bodies

### BOARD OF TRUSTEES

**Armin Laschet, MdL**

Premier of the State of North Rhine-Westphalia

**Tobias Hans, MdL**

Premier of the State of Saarland

**Peter Altmaier, MdB**

Federal Minister of Economic Affairs  
and Energy

**Olaf Scholz**

Federal Minister of Finance

**Michael Vassiliadis**

Deputy Chairman of the Board of Trustees  
of the RAG-Stiftung  
CEO of IG BCE

**Dr Jürgen Großmann**

Chairman of the Board of Trustees of  
the RAG-Stiftung  
Shareholder of Georgsmarienhütte  
Holding GmbH

**Dr-Ing Burckhard Bergmann**

Member of various supervisory boards

**Ralf Hermann**

Chairman of the Executive Board of  
the RCI professional association

**Ludwig Ladzinski**

Member of the Executive Board of  
the mining, chemical and energy industries  
trade union (IG BCE)

**Prof Dr Norbert Lammert**

Former President of the German Parliament  
Chairman of the Konrad Adenauer Foundation

**Heiko Maas**

Federal Minister of Foreign Affairs

**Thomas Kufen**

Mayor of the City of Essen

**Dr Andreas Reichel**

Member of the Board of Executives of E.DIS AG

**Monika Schulz-Strelow**

Management consultant

### THE BOARD OF EXECUTIVES

**Bernd Tönjes**

Chairman of the Board of Executives of  
the RAG-Stiftung  
Chairman of the Supervisory Board of RAG AG  
Chairman of the Supervisory Board of  
Evonik Industries AG

**Bärbel Bergerhoff-Wodopia**

Member of the Board of Executives of  
the RAG-Stiftung  
Member of the Supervisory Board of RAG AG  
Chairwoman of the Supervisory Board of  
Vivawest GmbH (from 9/4/2019)

**Dr Jürgen-Johann Rupp (from 5/4/2019)**

Member of the Board of Executives of  
the RAG-Stiftung  
Member of the Supervisory Board of RAG AG  
Member of the Supervisory Board of  
Vivawest GmbH (from 9/4/2019)

**Dr Helmut Linssen (until 1/4/2019)**

Member of the Board of Executives of  
the RAG-Stiftung  
Member of the Supervisory Board of RAG AG  
Chairman of the Supervisory Board of  
Vivawest GmbH (from 9/4/2019)

# RAG-Stiftung list of shareholdings

as of 31 December 2019

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>		
		Direct in %	Indirect in %	Total in %					
<b>Consolidated affiliated companies</b>									
1	4way Consulting Ltd.	Warwick	GB		100.00	100.00	2019	1.2	0.4
2	4way Holding Ltd.	London	GB		100.00	100.00	2019	0.2	0.6
3	Aachener Bergmannsiedlungsgesellschaft mbH <sup>e</sup>	Hückelhoven	DE		100.00	100.00	2019	23.0	0.0
4	AHT GROUP AG	Essen	DE		97.62	97.62	2019	2.7	0.5
5	Artemis Stadt-sanierungsgesellschaft Objekt Benrath mbH & Co. KG	Essen	DE		94.90	94.90	2019	0.0	-1.2
6	Bauverein Glückauf GmbH <sup>e</sup>	Ahlen	DE		94.90	94.90	2019	11.2	0.0
7	BDC Dorsch Consult Ingenieurgesellschaft mbH	Berlin	DE		100.00	100.00	2019	-1.8	-0.5
8	Conseco International Ltd.	London	GB		100.00	100.00	2019	-0.3	0.0
9	Decad (Asia) Inc.	Makati City	PH		100.00	100.00	2019	0.0	0.0
10	Desco (2011) Ltd.	London	GB		100.00	100.00	2019	2.4	0.3
11	Desco (Design & Consultancy) Ltd.	London	GB		100.00	100.00	2019	3.4	0.5
12	Desco Qatar Mechanical and Electrical Consulting Engineers WLL	Doha	QA		49.00	49.00	2019	0.2	0.0
13	DOC S.r.l.	Milan	IT		100.00	100.00	2019	0.6	0.5
14	Dorsch Business Development JLT	Dubai	AE		100.00	100.00	2019	-1.8	0.0
15	Dorsch Consult (India) Private Limited	Mumbai	IN		85.00	85.00	2019	2.0	0.4
16	Dorsch Consult Asia Co. Ltd.	Bangkok	TH		95.00	95.00	2019	0.9	0.1
17	Dorsch Consult Asia Holding Co. Ltd.	Bangkok	TH		99.98	99.98	2019	0.0	0.0
18	Dorsch Consult Egypt LLC	Cairo	EG		100.00	100.00	2019	-0.7	-0.4
19	Dorsch Consult Verkehr und Infrastruktur GmbH	Wiesbaden	DE		100.00	100.00	2019	0.0	-0.3
20	Dorsch GmbH	Vienna	AT		100.00	100.00	2019	-0.7	-0.4
21	Dorsch Holding GmbH	Offenbach am Main	DE		100.00	100.00	2019	46.8	3.3
22	Dorsch Holding GmbH – KSA [Saudi] LLC	Riyadh	SA		100.00	100.00	2019	1.2	1.2
23	Dorsch International Consultants GmbH	Munich	DE		95.00	95.00	2019	7.2	0.4
24	Dorsch Qatar LLC	Doha	QA		49.00	49.00	2019	42.2	9.9
25	EBV Gesellschaft mit beschränkter Haftung <sup>e</sup>	Hückelhoven	DE		100.00	100.00	2019	85.7	0.0
26	Event Space Engineering Hong Kong Ltd.	Hong Kong	HK		100.00	100.00	2019	0.4	0.2
27	FORO TÉCNICO, S.L.	Sant Cugat del Vallès	ES		90.00	90.00	2019	0.5	0.1
28	FORO EMPRESARIAL, S.L.	Sant Cugat del Vallès	ES		90.00	90.00	2019	0.1	0.0
29	FP INDIA PROJECT MANAGEMENT CONSULTANCY SERVICES PRIVATE LIMITED	Mumbai	IN		100.00	100.00	2019	1.7	0.7
30	FRISCHMANN PRABHU INDIA DESIGN SERVICES PRIVATE LIMITED	Mumbai	IN		100.00	100.00	2019	0.8	0.2
31	GeKu Automatisierungssysteme GmbH	Diepenau	DE		80.00	80.00	2019	5.6	2.2

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>	
			Direct in %	Indirect in %	Total in %				
32	GSG Wohnungsbau Braunkohle GmbH <sup>e</sup>	Cologne	DE		94.90	94.90	2019	46.8	0.0
33	HAHN Automation GmbH	Rheinböllen	DE		64.39	64.39	2019	27.8	3.4
34	HAHN AUTOMATION Inc.	Hebron	US		100.00	100.00	2019	3.8	-0.3
35	HAHN Beteiligungs-GmbH	Rheinböllen	DE		100.00	100.00	2019	19.6	0.5
36	HAHN CO-INVEST GmbH	Bergisch Gladbach	DE		90.00	90.00	2019	3.2	0.0
37	HAHN CO-INVEST GmbH & Co. KG	Bergisch Gladbach	DE	90.00		90.00	2019	34.8	1.6
38	HAHN Digital GmbH	Frankfurt am Main	DE		100.00	100.00	2019	-0.3	-0.3
39	HAHN Group GmbH	Rheinböllen	DE		100.00	100.00	2019	166.2	5.1
40	HAHN Robotics AG	Bettlach	CH		100.00	100.00	2019	0.2	-0.1
41	HAHN Robotics GmbH	Reinheim	DE		60.00	60.00	2019	0.5	0.4
42	HAHN Robshare GmbH	Reinheim	DE		60.00	60.00	2019	-0.7	-0.3
43	Hefi SAS	Strasbourg	FR		80.00	80.00	2019	0.1	0.8
44	HEIDELBERG INSTRUMENTS Mikrotechnik GmbH	Heidelberg	DE		100.00	100.00	2019	21.0	3.8
45	Heinrich Schäfermeyer GmbH <sup>e</sup>	Hückelhoven	DE		100.00	100.00	2019	10.2	0.0
46	HMS GmbH	Halle (Saale)	DE		75.00	75.00	2019	1.1	0.8
47	HVG Grünflächenmanagement GmbH <sup>e</sup>	Gelsenkirchen	DE		100.00	100.00	2019	3.5	0.0
48	IES International Events Service GmbH	Büdingen	DE		65.00	65.00	2019	0.0	0.2
49	Invotec Engineering Inc.	Miamisburg	US		70.00	70.00	2019	4.9	1.9
50	Invotec GmbH	Villingen-Schwenningen	DE		100.00	100.00	2019	-0.4	-0.3
51	Landschaftsagentur Plus GmbH	Essen	DE		100.00	100.00	2019	1.7	0.7
52	Leslie Jones Architects Limited	London	GB		100.00	100.00	2019	2.6	0.0
53	Lünener Wohnungs- und Siedlungsgesellschaft mit beschränkter Haftung <sup>c</sup>	Lünen	DE		94.90	94.90	2019	28.3	0.0
54	Marienfeld Multimedia GmbH <sup>e</sup>	Gelsenkirchen	DE		100.00	100.00	2019	0.2	0.0
55	Masco Group S.r.l.	Milan	IT		80.00	80.00	2019	122.4	3.7
56	MBC Group Limited	London	GB		100.00	100.00	2019	1.4	0.5
57	McBains Consulting Ltd.	London	GB		100.00	100.00	2019	4.4	0.5
58	McBains Cooper Consulting Limited	London	GB		100.00	100.00	2019	0.0	0.0
59	McBains Cooper Hellas Technical Consulting SA	Kifisia	GR		100.00	100.00	2019	0.4	0.3
60	McBains Cooper International Limited	London	GB		100.00	100.00	2019	0.1	0.0
61	McBains Limited	London	GB		100.00	100.00	2019	4.2	0.8
62	MGG-Beteiligung Verwaltungs GmbH & Co. KG <sup>a</sup>	Bochum	DE		100.00	100.00	2019	-0.1	0.0
63	Olsa S.A.S	Sannois	FR		100.00	100.00	2019	0.9	0.1
64	Olsa S.p.A.	Milan	IT		100.00	100.00	2019	3.4	1.5
65	Olsa USA LLC	West Chester	US		100.00	100.00	2019	0.1	-0.2

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>	
			Direct in %	Indirect in %	Total in %				
66	Orgatent AG	Großwangen	CH		80.00	80.00	2019	4.1	2.1
67	Orwin Ltd.	Washington	GB		100.00	100.00	2019	1.6	0.6
68	Pell Frischmann Brown Beech Consulting Engineers Ltd.	London	GB		100.00	100.00	2019	0.0	0.0
69	Pell Frischmann Consultants Ltd.	London	GB		100.00	100.00	2019	4.3	0.7
70	Pell Frischmann Consulting Engineers Ltd.	London	GB		100.00	100.00	2019	18.8	1.3
71	Pell Frischmann Information Technology Ltd.	London	GB		100.00	100.00	2019	0.6	0.0
72	Pell Frischmann Ltd.	London	GB		100.00	100.00	2019	-0.4	-0.2
73	PG AC 2 GmbH	Aachen	DE		100.00	100.00	2019	0.0	-0.1
74	Projektgesellschaft Tannenstraße mbH <sup>e</sup>	Düsseldorf	DE		100.00	100.00	2019	0.3	0.0
75	Projektgesellschaft Zollverein im Welterbe 10 mbH & Co. KG <sup>a</sup>	Essen	DE	100.00		100.00	2019	56.6	0.8
76	Qvest Media FZ LLC	Dubai	AE		100.00	100.00	2019	13.5	8.2
77	Qvest Media GmbH	Cologne	DE		100.00	100.00	2019	7.7	-2.0
78	Qvest Media GmbH	Schaffhausen	CH		100.00	100.00	2019	0.8	0.4
79	Qvest Media Group GmbH	Cologne	DE		75.00	75.00	2019	119.4	-0.1
80	Qvest Media Pte. Ltd.	Singapore	SG		100.00	100.00	2019	-2.2	-0.4
81	RAG AKTIENGESELLSCHAFT <sup>e</sup>	Essen	DE	94.90	5.10	100.00	2019	285.4	0.0
82	RAG Anthrazit Ibbenbüren GmbH <sup>e</sup>	Ibbenbüren	DE		100.00	100.00	2019	27.0	0.0
83	RAG Beteiligungs-GmbH <sup>abc</sup>	Essen	DE		100.00	100.00	2019	20.9	0.0
84	RAG Finanz-GmbH & Co. KG <sup>a</sup>	Essen	DE		100.00	100.00	2019	981.7	1.6
85	RAG Mining Solutions GmbH <sup>bc</sup>	Herne	DE		100.00	100.00	2019	1.0	0.0
86	RAG Montan Immobilien GmbH	Essen	DE		100.00	100.00	2019	22.0	0.3
87	RAG Verkauf GmbH <sup>bc</sup>	Herne	DE		100.00	100.00	2019	0.5	0.0
88	RAG-Beteiligung Verwaltung GmbH & Co. KG	Düsseldorf	DE	100.00		100.00	2019	0.1	0.0
89	RAG-S Private Equity GmbH & Co. KG	Essen	DE	100.00		100.00	2019	1,266.0	65.2
90	RAG-S Real Estate GmbH <sup>a</sup>	Essen	DE	100.00		100.00	2019	146.9	6.0
91	Rethink Robotics GmbH	Rheinböllen	DE		100.00	100.00	2019	30.8	-3.9
92	Rhein Lippe Holding GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	537.7	0.0
93	Rhein Lippe Wohnen Gesellschaft mit beschränkter Haftung <sup>c</sup>	Duisburg	DE		94.84	94.84	2019	147.5	0.0
94	RHZ Handwerks-Zentrum GmbH <sup>c</sup>	Gelsenkirchen	DE		100.00	100.00	2019	0.3	0.1
95	RÖDER (UK) Ltd.	Cambridgeshire	GB		100.00	100.00	2019	2.5	0.1
96	RODER ARCHITECTURE TECHNOLOGY (SHANGHAI) CO., LTD.	Shanghai	CN		100.00	100.00	2019	7.5	1.3
97	RÖDER FRANCE STRUCTURES S.à.r.l.	Beauvais	FR		100.00	100.00	2019	-0.2	0.5
98	Röder 000	Moscow	RU		90.00	90.00	2019	11.2	0.8
99	Röder Space Design & Engineering (Shanghai) Co. Ltd.	Shanghai	CN		65.00	65.00	2019	0.8	0.1
100	Röder Yapi Sistemleri Sanayi Ticaret Limited Şirketi	Istanbul	TR		100.00	100.00	2019	0.0	-0.1
101	Röder Zelt- und Veranstaltungsservice GmbH <sup>c</sup>	Büdingen	DE		100.00	100.00	2019	3.5	0.0
102	Röder Zeltsysteme und Service GmbH	Büdingen	DE		100.00	100.00	2019	9.9	-7.1
103	ROEDER DE MÉXICO, S.A. DE C.V.	Toluca	MX		100.00	100.00	2019	-0.5	0.0
104	ROEDER ITALIA S.r.l.	Brixen	IT		100.00	100.00	2019	0.0	-0.1
105	Roschmann Glas GmbH	Gersthofen	DE		100.00	100.00	2019	1.9	1.3



Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
106 Roschmann Holding GmbH	Gersthofen	DE		76.00	76.00	2019	0.6	1.5
107 Roschmann IDL GmbH	Gersthofen	DE		100.00	100.00	2019	0.2	0.1
108 Roschmann Konstruktionen aus Stahl und Glas GmbH	Gersthofen	DE		100.00	100.00	2019	23.5	7.0
Roschmann Konstruktionen aus Stahl und Glas Schweiz AG	Zofingen	CH		100.00	100.00	2019	-0.1	-0.2
110 Roschmann Steel and Glass Constructions Inc.	New Haven	US		90.00	90.00	2019	5.8	0.2
111 RSBG Advanced Manufacturing Technologies GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	182.8	0.0
112 RSBG Information & Communication Technologies GmbH	Essen	DE		100.00	100.00	2019	157.5	-0.1
113 RSBG Infrastructure Technologies GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	387.4	0.0
114 RSBG INVESTMENT HOLDING LIMITED	London	GB		100.00	100.00	2019	63.1	3.0
115 RSBG SE	Essen	DE	100.00		100.00	2019	1,161.8	32.4
116 RSBG UK Ltd.	London	GB		85.00	85.00	2019	8.2	3.1
117 RSBG Ventures GmbH	Essen	DE		100.00	100.00	2019	12.5	-0.1
118 RSBGI Limited	London	GB		85.00	85.00	2019	0.0	0.0
119 Schnaitt Internationale Messe- und Ladenbau GmbH	Bergheim	DE		100.00	100.00	2019	3.7	0.9
120 Siedlung Niederrhein Gesellschaft mit beschränkter Haftung <sup>c</sup>	Duisburg	DE		100.00	100.00	2019	42.7	0.0
121 SKIBATRON Mess- und Abrechnungssysteme GmbH <sup>c</sup>	Gelsenkirchen	DE		100.00	100.00	2019	0.3	0.0
122 Stilmas Americas INC	Burlington	CA		100.00	100.00	2019	0.7	0.7
123 Stilmas S.p.A.	Milan	IT		100.00	100.00	2019	12.0	4.7
124 Stilmas Shanghai Water Treatment System Co. Ltd.	Shanghai	CN		100.00	100.00	2019	6.6	0.0
125 Stilmas USA LLC	West Chester	US		100.00	100.00	2019	0.7	-0.1
126 TBP S.C.S.	Luxembourg	LU	90.00		90.00	2019	31.0	-1.5
127 THS GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	228.4	0.0
128 THS Rheinland Beteiligungs GmbH & Co. KG	Essen	DE		94.12	94.12	2019	0.1	0.1
129 THS Rheinland GmbH <sup>c</sup>	Leverkusen	DE		100.00	100.00	2019	20.5	0.0
130 THS Westfalen GmbH <sup>c</sup>	Lünen	DE		100.00	100.00	2019	33.8	0.0
131 Urban: Kind Limited	London	GB		100.00	100.00	2019	2.0	0.0
132 Vestische Wohnungsgesellschaft mit beschränkter Haftung <sup>c</sup>	Herne	DE		94.90	94.90	2019	14.1	0.0
133 Vestisch-Märkische Wohnungsbaugesellschaft mit beschränkter Haftung <sup>c</sup>	Recklinghausen	DE		100.00	100.00	2019	69.5	0.0
134 Vivawest Dienstleistungen GmbH <sup>c</sup>	Gelsenkirchen	DE		100.00	100.00	2019	34.6	0.0
135 Vivawest GmbH	Essen	DE	40.00	33.20	73.20	2019	1,490.3	218.1
136 Vivawest Pensionen GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	0.0	0.0
137 Vivawest Ruhr GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	3.0	0.0
138 Vivawest Westfalen GmbH <sup>c</sup>	Dortmund	DE	5.10	94.90	100.00	2019	0.0	0.1
139 Vivawest Wohnen GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	39.1	0.0
140 WALDORF TECHNIK GmbH <sup>c</sup>	Engen	DE		100.00	100.00	2019	2.4	0.0
141 Walsum Immobilien GmbH <sup>c</sup>	Duisburg	DE		94.90	94.90	2019	24.5	0.0
142 Wemo Automation AB	Värnamo	SE		100.00	100.00	2019	3.1	-0.1
143 WEMO Automation GmbH	Reinheim	DE		100.00	100.00	2019	0.6	-1.1
144 Whiteley Murphy Ltd.	Washington	GB		80.00	80.00	2019	0.0	0.3

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>	
			Direct in %	Indirect in %	Total in %				
145	Windkraft Brinkfortsheide GmbH	Marl	DE	80.00	20.00	100.00	2019	4.3	0.2
146	Windkraft Lünen GmbH	Essen	DE		100.00	100.00	2019	0.6	0.1
147	Wohnbau Auguste Victoria GmbH <sup>e</sup>	Marl	DE		100.00	100.00	2019	33.9	0.0
148	Wohnbau Westfalen GmbH <sup>e</sup>	Dortmund	DE		100.00	100.00	2019	80.4	0.0
149	Wohnungsbaugesellschaft für das Rheinische Braunkohlenrevier Gesellschaft mit beschränkter Haftung <sup>e</sup>	Cologne	DE		94.90	94.90	2019	29.3	0.5
150	Wohnungsbaugesellschaft mit beschränkter Haftung "Glückauf" <sup>e</sup>	Moers	DE		100.00	100.00	2019	44.5	0.0
<b>Non-consolidated affiliated companies (equity-accounted)</b>									
151	Evonik Industries AG	Essen	DE	64.28		64.28	2019	6,416.7	982.1
152	Maxburg Beteiligungen GmbH & Co. KG	Grünwald	DE	97.70		97.70	2019	67.0	3.4
153	Maxburg Beteiligungen II GmbH & Co. KG	Grünwald	DE	97.01		97.01	2019	119.6	-0.4
154	Maxburg Beteiligungen III GmbH & Co. KG	Munich	DE	98.04		98.04	2019	114.4	0.7
<b>Associated companies (equity-accounted)</b>									
155	GAW Beteiligungs GmbH	Graz	AT		25.00	25.00	2018/2019	20.4	3.6
156	logport ruhr GmbH	Duisburg	DE		50.00	50.00	2019	4.0	2.6
157	Zeltbau Och GmbH	Ronneburg	DE		20.00	20.00	2018	0.0	0.0
<b>Non-consolidated affiliated companies</b>									
158	+ GfS + Gesellschaft für Sicherheitstechnik mit beschränkter Haftung	Schwarzenberg	DE		100.00	100.00	2018	0.4	0.1
159	40-30 Centre SAS	Seyssinet-Pariset	FR		52.00	52.00	2019	0.1	0.0
160	40-30 Développement SA	Seyssinet-Pariset	FR		99.37	99.37	2019	9.0	0.0
161	40-30 SAS	Seyssinet-Pariset	FR		100.00	100.00	2019	1.9	0.4
162	Advanced Technology Project Delivery, Inc.	San Jose	US		100.00	100.00	2019	NS	NS
163	Alfa Tech Consulting Engineers, Inc.	San Jose	US		100.00	100.00	2019	19.3	0.8
164	Alfa Tech Holding, Inc.	San Jose	US		100.00	100.00	2019	NS	NS
165	ASUP Beteiligungs Verwaltungs GmbH	Munich	DE		100.00	100.00	2018	0.0	0.0
166	ASUP GmbH <sup>e</sup>	Seevetal	DE		100.00	100.00	2018	9.7	0.0
167	ASUP Immobilien GmbH	Seevetal	DE		94.89	94.89	2018	2.2	0.3
168	ASUP Immobilien II GmbH	Seevetal	DE		94.89	94.89	2018	1.2	0.2
169	ASUP Schweiz GmbH	Herisau	CH		100.00	100.00	2018	2.6	0.8
170	ASUP Technik GmbH <sup>e</sup>	Seevetal	DE		100.00	100.00	2018	2.6	0.0
171	ATPD, Inc.	San Jose	US		100.00	100.00	2019	3.5	1.5
172	Bergbau-Verwaltungsgesellschaft mit beschränkter Haftung	Essen	DE		100.00	100.00	2018	0.1	0.0
173	Conflexia S.à.r.l.	Luxembourg	LU		100.00	100.00	2018	105.7	-0.1
174	Deutsche Montan Technologie für Rohstoff, Energie, Umwelt e. V. (DMT e. V.)	Essen	DE				2018	13.9	0.0
175	Deutsche Montan Technologie Verwaltungs GmbH	Essen	DE		100.00	100.00	2018	24.7	1.8
176	Deutsche Umwelttechnik GmbH	Schwerin	DE		100.00	100.00	2018	0.0	0.0
177	Deutsche Umwelttechnik Holding GmbH	Munich	DE		77.71	77.71	2019	NS	NS



Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>	
			Direct in %	Indirect in %	Total in %				
216	KGS Software Inc.	Snellville	US		100.00	100.00	2019	NS	-0.1
217	Lapro Environnement SAS	Goussainville	FR		100.00	100.00	2018	8.5	0.8
218	Leipold + Döhle GmbH	Eschwege	DE		100.00	100.00	2018	0.1	0.0
219	Maltego Technologies GmbH	Munich	DE		51.00	51.00	2018	0.2	0.2
220	Maxburg Beteiligungen III Beteiligungsverwaltungs GmbH	Munich	DE		100.00	100.00	2018	0.0	0.0
221	McBains Cooper Mexico SA de CV	Mexico City	MX		100.00	100.00	2019	NS	NS
222	McBains Cooper Mexico Services SA de CV	Mexico City	MX		100.00	100.00	2019	NS	NS
223	Medical IT Services GmbH & Co. KG	Lüneburg	DE		100.00	100.00	2018	0.0	0.0
224	Medical IT Systems GmbH	Lüneburg	DE		100.00	100.00	2018	0.0	0.0
225	montanSOLAR Erste Projektgesellschaft mbH	Ensdorf	DE		100.00	100.00	2018	0.0	0.0
226	montanSOLAR GmbH	Ensdorf	DE		54.00	54.00	2018	0.3	-0.2
227	montanWIND Planungs GmbH & Co.KG	Ensdorf	DE		100.00	100.00	2018	0.0	0.3
228	montanWIND Planungs Verwaltungs GmbH	Ensdorf	DE		100.00	100.00	2018	0.0	0.0
229	montanWIND Projekt 1 GmbH & Co. KG	Sulzbach	DE		100.00	100.00	2018	0.0	0.0
230	montanWIND Windpark Erkershöhe GmbH & Co. KG	Merchweiler	DE		100.00	100.00	2018	1.3	-0.1
231	montanWIND Windpark Fröhn GmbH & Co. KG	Riegelsberg	DE		100.00	100.00	2018	0.0	0.0
232	montanWIND Windpark Verwaltungs GmbH	Ensdorf	DE		100.00	100.00	2018	0.0	0.0
233	Multi Automation Ltd.	Washington	GB		100.00	100.00	2019	-0.1	0.0
234	Natural View Systems GmbH	Buttenheim	DE		66.67	66.67	2018	0.0	0.0
235	Nordsternurm GmbH <sup>e</sup>	Gelsenkirchen	DE		100.00	100.00	2019	0.0	0.0
236	Orwin Engineering Services Ltd.	Washington	GB		100.00	100.00	2019	-0.3	0.0
237	Paterva Proprietary Limited	Pretoria	ZA		51.00	51.00	2018	1.9	2.6
238	Peerless Systems Ltd.	Washington	GB		100.00	100.00	2019	-0.2	0.0
239	PERLKÖNIG Perlen & Schmuck & Zubehör GmbH	Erbes-Büdesheim	DE		100.00	100.00	2019	1.1	0.0
240	PG Projektentwicklungsgesellschaft Grimberg mbH & Co. KG	Essen	DE		100.00	100.00	2018	1.9	0.1
241	PG Projektentwicklungsgesellschaft Grimberg Verwaltungs-GmbH	Essen	DE		100.00	100.00	2018	0.0	0.0
242	Piranja IT Security GmbH	Munich	DE		100.00	100.00	2018	2.0	-0.7
243	Piranja IT Security Holding GmbH	Munich	DE		92.00	92.00	2018	2.7	0.0
244	Pixel Holding GmbH	Munich	DE		92.00	92.00	2018	1.4	0.5
245	Pixel Verwaltungs GmbH <sup>e</sup>	Munich	DE		100.00	100.00	2018	8.5	0.0
246	Projektgesellschaft Zollverein – Im Welterbe 10 Verwaltungs-GmbH	Essen	DE	100.00		100.00	2019	0.0	0.0
247	Prosto Tent LLC	Moscow	RU		25.00	25.00	2019	NS	NS
248	PSTW SAS	Forbach	FR		90.00	90.00	2018	0.0	0.0
249	Qvest Media ApS	Copenhagen	DK		100.00	100.00	2018	-0.2	0.0
250	QVEST MEDIA AUSTRALIA PTY LTD	Sydney	AU		100.00	100.00	2019	NS	NS
251	Qvest Media Belgium BV	Zaventem	BE		100.00	100.00	2019	NS	NS
252	Qvest Media France S.à.r.l.	Boulogne-Billancourt	FR		100.00	100.00	2019	NS	NS

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
253 Qvest Media Ltd.	Henley-on-Thames	GB		100.00	100.00	2018	-0.1	-0.1
254 Qvest Media South Europe S.L.	Madrid	ES		100.00	100.00	2018	-0.3	-0.2
255 Qvest Media Trading and Consulting LLC	Doha	QA		49.00	49.00	2019	NS	NS
256 RAG Finanz-Verwaltungs-GmbH	Essen	DE		100.00	100.00	2019	0.0	0.0
257 RAG-S Innovation GmbH	Essen	DE	100.00		100.00	2019	NS	NS
258 RAG-S Lending S.à.r.l.	Munsbach	LU		100.00	100.00	2019	NS	NS
259 RAG-S PE Verwaltungs-GmbH	Essen	DE	100.00		100.00	2019	0.0	0.0
260 REI Automation, Inc.	Columbia	US		80.00	80.00	2019	2.5	2.4
261 RODER Atlantic Halls Ltd.	Huntingdon	GB		100.00	100.00	2019	NS	NS
262 RODER Atlantic Ltd.	Huntingdon	GB		100.00	100.00	2019	NS	NS
263 RÖDER Espana S.L.	Dos Hermanas	ES		51.00	51.00	2019	NS	NS
264 Roder Global Events Maintenance WLL	Doha	QA		49.00	49.00	2019	NS	NS
265 RODER HTS (UK) Ltd.	Huntingdon	GB		100.00	100.00	2019	NS	NS
266 RODER HTS KG (UK) Ltd.	Huntingdon	GB		100.00	100.00	2019	NS	NS
267 RODER HTS Ltd.	Huntingdon	GB		100.00	100.00	2019	NS	NS
268 RSBG Building Solutions GmbH	Essen	DE		100.00	100.00	2019	0.0	0.0
269 Ruhrbotics GmbH	Recklinghausen	DE		60.00	60.00	2019	0.0	-0.3
270 Safety & Technical Supplies GmbH	Seevetal	DE		100.00	100.00	2018	13.6	2.5
271 Safety & Technical Supplies Holding GmbH	Munich	DE		46.62	46.62	2018	9.6	0.1
272 Salzbrenner Kommunikationstechnik GmbH i.L.	Buttenheim	DE		100.00	100.00	2018	0.0	0.0
273 SALZBRENNER media GmbH	Buttenheim	DE		70.00	70.00	2018	6.2	0.2
274 Saudi Consulting Services International GmbH	Frankfurt am Main	DE		100.00	100.00	2019	0.0	0.0
275 Securepoint GmbH	Lüneburg	DE		70.00	70.00	2018	6.2	2.8
276 Securepoint Schweiz GmbH	Baar	CH		100.00	100.00	2019	NS	NS
277 SecurView Inc.	Edison	US		65.00	65.00	2018/2019	3.3	0.5
278 SecurView Systems Private Limited	Pune	IN		99.00	99.00	2018/2019	1.0	0.0
279 SF Technologies Holding GmbH	Munich	DE		16.33	16.33	2019	NS	NS
280 SF Technologies Verwaltungs GmbH	Munich	DE		100.00	100.00	2019	NS	NS
281 SJ Brikett- und Extrazitfabriken GmbH <sup>e</sup>	Hückelhoven	DE		100.00	100.00	2019	1.8	0.0
282 SKIBA Ingenieurgesellschaft für Gebäudetechnik mbH <sup>e</sup>	Gelsenkirchen	DE		100.00	100.00	2019	0.1	0.0
283 Solaranlagen Blechhammer GmbH & Co. KG	Ensdorf	DE		100.00	100.00	2018	0.0	0.0
284 Solarpark Lauchhammer 1 GmbH & Co. KG	Ensdorf	DE		100.00	100.00	2018	0.0	0.0
285 Solarpark Schacht Eugen GmbH & Co. KG	Ensdorf	DE		100.00	100.00	2018	0.0	0.0
286 STARFACE GmbH	Karlsruhe	DE		100.00	100.00	2018	1.0	2.6
287 SwissLitho AG	Zurich	CH		70.00	70.00	2018	1.0	-0.4
288 Tenado GmbH <sup>e</sup>	Bochum	DE		100.00	100.00	2018	0.5	0.0
289 Tenado Holding GmbH	Munich	DE		84.50	84.50	2018	0.7	0.0
290 Tenado Verwaltungs GmbH	Munich	DE		100.00	100.00	2018	1.4	0.9
291 The Yard Creative Limited	London	GB		100.00	100.00	2019	0.5	0.2
292 Unterstützungseinrichtung „GSG/WBG“ Gesellschaft mit beschränkter Haftung	Cologne	DE		100.00	100.00	2019	0.2	0.0

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
293 Verre & Métal SA	Bonneuil-sur-Marne	FR		100.00	100.00	2019	2.6	-0.9
294 Vivawest Stiftung gemeinnützige GmbH	Gelsenkirchen	DE		100.00	100.00	2019	0.0	0.0
295 VMF SAS	Grenoble	FR		100.00	100.00	2019	0.1	0.0
296 Waldorf Technik Inc.	Geneva	US		100.00	100.00	2018	-0.2	0.0
297 WALTHER SYSTEMTECHNIK GMBH	Germersheim	DE		100.00	100.00	2018	4.0	2.9
298 Windpark Bitschberg Entwicklungs UG i.L. (limited liability)	Nonnweiler	DE		100.00	100.00	2018	0.0	0.0
299 Windpark Haltern AV 9 GmbH	Haltern am See	DE		80.00	80.00	2019	NS	NS
300 Windpark Hünxe GmbH	Hünxe	DE		60.00	60.00	2018	2.4	0.1
301 Windpark Sengert Entwicklungs UG i.L. (limited liability)	Nonnweiler	DE		100.00	100.00	2018	0.0	0.0
<b>Associated companies</b>								
302 40-30 Benelux BVBA	Rotselaar	BE		30.00	30.00	2018/2019	0.0	0.0
303 40-30 Iberica SL	Madrid	ES		30.00	30.00	2018	0.1	0.0
304 40-30 SEA Ltd.	Singapore	SG		20.00	20.00	2018	-0.4	0.1
305 40-30 UK Ltd.	Crawley	GB		35.00	35.00	2018/2019	-0.1	0.0
306 BAV Aufbereitung Herne GmbH	Herne	DE		49.00	49.00	2018	1.4	0.0
307 Clean AIR SAS	Goussainville	FR		50.00	50.00	2018	0.1	0.0
308 CPV Sun 26 SARL	Pérols	FR		50.00	50.00	2018	0.0	0.0
309 Cybellum Technologies Ltd.	Tel Aviv-Jaffa	IL		23.08	23.08	2017	0.8	-0.8
310 DAH1 GmbH	Duisburg	DE		50.00	50.00	2018	0.0	-0.2
311 Datumate Ltd.	Yokneam Illit	IL		29.63	29.63	2017	-2.0	-2.9
312 DiaMedCare AG	Basel	CH		39.95	39.95	2018	14.6	-0.6
313 ELE-RAG Montan Immobilien Erneuerbare Energien GmbH	Bottrop	DE		50.00	50.00	2018	0.0	0.0
314 ENNI RMI Windpark Kohlenhuck GmbH	Moers	DE		33.33	33.33	2018	4.8	0.7
315 Entwicklungsagentur CreativRevier Heinrich Robert GmbH	Hamm	DE		20.00	20.00	2018	0.0	0.0
316 Entwicklungsgesellschaft Mittelstandspark West Castrop-Rauxel mbH	Essen	DE		48.00	48.00	2018	0.0	0.0
317 Entwicklungsgesellschaft Schlägel & Eisen mbH	Herten	DE		48.00	48.00	2018	0.0	0.0
318 Factory Works GmbH	Berlin	DE	25.23		25.23	2017	0.0	-2.8
319 gate.ruhr GmbH	Marl	DE		49.00	49.00	2019	NS	NS
320 GP+Q GmbH	Dortmund	DE		50.00	50.00	2017	0.1	0.0
321 HAHN Automation R&D GmbH	Wiehl	DE		50.00	50.00	2019	0.2	0.0
322 IGI S.r.l.	Milan	IT	50.00		50.00	2019	NS	NS
323 Im Kreuzfeld GmbH & Co. KG	Monheim am Rhein	DE		50.00	50.00	2019	0.1	0.0
324 Im Kreuzfeld Verwaltungsgesellschaft mbH	Monheim am Rhein	DE		50.00	50.00	2019	0.0	0.0
325 L65 Grundbesitz GmbH	Berlin	DE	45.00		45.00	2019	NS	NS
326 Norafin Verwaltungs GmbH	Mildenau	DE		28.85	28.85	2018	23.6	1.8
327 Prasad Wemo Robot Systems Private Limited	Ammedabad	IN		40.00	40.00	2018	0.2	0.1
328 Projekt Ewald GmbH & Co. KG	Essen	DE		50.00	50.00	2018	0.2	0.0
329 Projekt Ewald Verwaltung GmbH	Essen	DE		50.00	50.00	2018	0.0	0.0

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>	
			Direct in %	Indirect in %	Total in %				
330	Projektgesellschaft „Radbod“ mbH	Hamm	DE		33.33	33.33	2018	0.0	0.0
331	Projektgesellschaft Gneisenau mbH	Dortmund	DE		49.00	49.00	2018	0.0	0.0
332	S.A.E.T.I. S.A.	Algiers	DZ		33.00	33.00	2019	NS	NS
333	SOLUXION ENR SARL	Pérols	FR		50.00	50.00	2018	0.0	0.0
334	Stadthausprojekt Düsseldorf Tannenstraße GmbH	Düsseldorf	DE		26.00	26.00	2018	0.3	-0.1
335	Windkraft Lohberg GmbH	Dinslaken	DE		33.33	33.33	2018	1.1	0.2
336	Windpark Hünxer Heide GmbH	Hünxe	DE		33.33	33.33	2018	3.3	-0.3
337	Wohnbau Dinslaken Gesellschaft mit beschränkter Haftung	Dinslaken	DE		46.45	46.45	2018	44.8	7.6
<b>Other companies</b>									
338	Constantia LUX Parent S.A.	Luxembourg	LU		11.31	11.31	2018	932.0	3.0
339	Deutsche Netzmarketing GmbH	Cologne	DE		2.56	2.56	2017	2.4	0.2
340	EBZ Service GmbH	Bochum	DE		3.57	3.57	2017	5.7	0.2
341	Entwicklungsgesellschaft Neu-Oberhausen mbH-ENO	Oberhausen	DE		0.16	0.16	2018	0.1	-0.2
342	Gesellschaft für Wirtschaftsförderung Duisburg mbH – GFW Duisburg –	Duisburg	DE		5.00	5.00	2018	0.7	0.0
343	Gründerfonds Ruhr GmbH & Co. KG	Essen	DE	7.69	5.80	13.49	2019	NS	NS
344	Hammer gemeinnützige Baugesellschaft mit beschränkter Haftung	Hamm	DE		5.42	5.42	2018	19.1	0.1
345	Innovation City Management GmbH	Bottrop	DE		10.00	10.00	2018	0.2	-0.2
346	Joblinge gemeinnützige AG Ruhr	Essen	DE	18.18		18.18	2019	NS	NS
347	Kitov Systems Ltd.	Kafr Qasim	IL		27.21	27.21	2018	1.9	-0.8
348	Landesgartenschau Kamp-Lintfort 2020 GmbH	Kamp-Lintfort	DE		5.56	5.56	2018	2.0	-0.5
349	Rheinwohnungsbau Gesellschaft mit beschränkter Haftung	Düsseldorf	DE		5.00	5.00	2018	80.9	4.6
350	Stadtmarketing Herne GmbH	Herne	DE		3.00	3.00	2018	0.5	-0.2
351	Stadtmarketing-Gesellschaft Gelsenkirchen mbH	Gelsenkirchen	DE		2.39	2.39	2018	0.1	0.0
352	STEAG Kraftwerks-Grundstücksgesellschaft mbH	Duisburg	DE		5.20	5.20	2018	0.1	0.0
353	TTL Real Estate GmbH	Frankfurt am Main	DE	33.33		33.33	2019	NS	NS
354	Wasserverbund Niederrhein Gesellschaft mit beschränkter Haftung	Moers	DE		8.00	8.00	2018	12.6	1.1
355	WiN Emscher-Lippe Gesellschaft zur Strukturverbesserung mbH	Herten	DE		0.83	0.83	2018	0.0	-0.4
356	WRW Wohnungswirtschaftliche Treuhand Rheinland-Westfalen Gesellschaft mit beschränkter Haftung	Düsseldorf	DE		6.60	6.60	2007	6.4	0.3
<b>Evonik</b>									
<b>Non-consolidated affiliated companies</b>									
357	BK-Wolfgang-Wärme GmbH	Hanau	DE		100.00	100.00	2019	2.7	0.4
358	CPM Netz GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	1.0	0.0
359	Degussa International, Inc.	Wilmington	US		100.00	100.00	2019	1,379.8	37.9
360	DSL Japan Co., Ltd.	Tokyo	JP		51.00	51.00	2019	13.6	3.8
361	Egesil Kimya Sanayi ve Ticaret A.S.	Istanbul	TR		51.00	51.00	2019	24.6	16.1
362	EGL Ltd.	Milton Keynes	GB		100.00	100.00	2019	0.0	0.0
363	Evonik (Philippines) Inc.	Taguig-Stadt	PH		99.99	99.99	2019	1.0	0.2
364	Evonik (SEA) Pte. Ltd.	Singapore	SG		100.00	100.00	2019	388.2	6.5

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
365 Evonik (Shanghai) Investment Management Co., Ltd.	Shanghai	CN		100.00	100.00	2019	3.6	0.4
366 Evonik (Thailand) Ltd.	Bangkok	TH		100.00	100.00	2019	7.9	1.8
367 Evonik Advanced Botanicals S.A.S.	Parcay Meslay	FR		100.00	100.00	2019	1.5	0.4
368 Evonik Aerosil France S.A.R.L.	Salaise-sur-Sanne	FR		100.00	100.00	2019	2.9	0.1
369 Evonik Africa (Pty) Ltd.	Midrand	ZA		100.00	100.00	2019	14.8	0.3
370 Evonik Amalgamation Ltd.	Milton Keynes	GB		100.00	100.00	2019	0.4	0.0
371 Evonik Animal Nutrition GmbH	Essen	DE		100.00	100.00	2019	23.0	- 5.0
372 Evonik Antwerpen NV	Antwerp	BE		100.00	100.00	2019	241.4	17.8
373 Evonik Argentina S.A.	Buenos Aires	AR		100.00	100.00	2019	9.7	1.3
374 Evonik Australia Pty Ltd.	Mount Waverley	AU		100.00	100.00	2019	4.8	0.6
375 Evonik Bangladesh Ltd.	Dhaka	BD		100.00	100.00	2019	0.1	0.1
376 Evonik Beteiligungs-GmbH <sup>e</sup>	Frankfurt am Main	DE		100.00	100.00	2019	0.7	0.0
377 Evonik Brasil Ltda.	São Paulo	BR		100.00	100.00	2019	207.4	20.4
378 Evonik Canada Inc.	Calgary	CA		100.00	100.00	2019	54.2	10.5
379 Evonik Catalysts India Pvt. Ltd.	Dombivli	IN		100.00	100.00	2019	23.9	4.2
380 Evonik Catering Services GmbH <sup>e</sup>	Marl	DE		100.00	100.00	2019	0.3	0.0
381 Evonik Chemicals Ltd.	Milton Keynes	GB		100.00	100.00	2019	123.8	13.1
382 Evonik Chile SpA	Santiago	CL		100.00	100.00	2019	0.4	0.2
383 Evonik Colombia S.A.S.	Medellín	CO		100.00	100.00	2019	0.2	0.1
384 Evonik Corporation	Parsippany	US		100.00	100.00	2019	3,334.2	623.1
385 Evonik Creavis GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	5.0	0.0
386 Evonik Dahlenburg GmbH <sup>e</sup>	Dahlenburg	DE		100.00	100.00	2019	1.8	0.0
387 Evonik Degussa (China) Co., Ltd.	Beijing	CN		100.00	100.00	2019	191.8	103.3
388 Evonik Degussa Africa (Pty) Ltd.	Midrand	ZA		100.00	100.00	2019	0.0	0.0
389 Evonik Digital GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	3.0	0.0
390 Evonik Dr. Straetmans GmbH <sup>e</sup>	Hamburg	DE		100.00	100.00	2019	15.4	0.0
391 Evonik Dutch Holding B.V.	Amsterdam	NL		100.00	100.00	2019	42.2	0.0
392 Evonik East Africa Limited	Nairobi	KE		100.00	100.00	2019	- 0.1	0.0
393 Evonik Eastern Europe GmbH	Essen	DE		100.00	100.00	2019	0.0	0.0
394 Evonik Ecuador S.A.	Quito	EC		100.00	100.00	2019	0.9	0.1
395 Evonik España y Portugal, S.A.U.	Granollers	ES		100.00	100.00	2019	30.3	2.3
396 Evonik Fermas s.r.o.	Slovenská Ľupča	SK		100.00	100.00	2019	24.7	2.7
397 Evonik Fibres GmbH	Schörfing	AT		100.00	100.00	2019	16.6	2.4
398 Evonik Finance B.V.	Amsterdam	NL		100.00	100.00	2019	244.4	- 1.3
399 Evonik France S.A.S.	Ham	FR		100.00	100.00	2019	53.4	1.7
400 Evonik Functional Solutions GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	19.9	0.0
401 Evonik Goldschmidt Rewo GmbH	Essen	DE		100.00	100.00	2019	- 6.2	- 68.6
402 Evonik Goldschmidt UK Ltd.	Milton Keynes	GB		100.00	100.00	2019	6.7	0.5
403 Evonik Gorapur GmbH	Wittenburg	DE		100.00	100.00	2019	25.4	- 2.7
404 Evonik Guatemala, S.A.	Guatemala City	GT		100.00	100.00	2019	1.1	0.1
405 Evonik Gulf FZE	Dubai	AE		100.00	100.00	2019	1.3	0.2
406 Evonik Gulf FZE/Jordan (Free Zone) LLC	Amman	JO		100.00	100.00	2019	0.6	0.0
407 Evonik Holding Egypt LLC	Cairo	EG		100.00	100.00	2019	0.0	0.0



Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
408 Evonik Hong Kong Ltd.	Hong Kong	HK		100.00	100.00	2019	2.7	0.4
409 Evonik India Pvt. Ltd.	Mumbai	IN		100.00	100.00	2019	29.0	10.0
410 Evonik Industries de Mexico, S.A. de C.V.	Mexico City	MX		100.00	100.00	2019	71.3	7.3
411 Evonik International AG	Zurich	CH		100.00	100.00	2019	1.2	0.1
412 Evonik International Costa Rica, S.A.	Santa Ana	CR		100.00	100.00	2019	2.6	0.5
413 Evonik International Holding B.V.	Amsterdam	NL		100.00	100.00	2019	4,959.2	314.0
414 Evonik International Trading (Shanghai) Co., Ltd.	Shanghai	CN		100.00	100.00	2019	1.9	1.5
415 Evonik IP GmbH	Gründau	DE		100.00	100.00	2019	141.7	78.7
416 Evonik Iran AG	Tehran	IR		100.00	100.00	2019	1.9	0.7
417 Evonik Italia S.r.l.	Pandino	IT		100.00	100.00	2019	11.0	0.8
418 Evonik Japan Co., Ltd.	Tokyo	JP		100.00	100.00	2019	128.4	26.9
419 Evonik Korea Ltd.	Seoul	KR		100.00	100.00	2019	13.8	9.7
420 Evonik LCL Limited	Milton Keynes	GB		100.00	100.00	2019	0.0	0.0
421 Evonik LIL Limited	Milton Keynes	GB		100.00	100.00	2019	3.1	0.5
422 Evonik Limited Egypt	Cairo	EG		100.00	100.00	2019	0.3	0.0
423 Evonik Logistics Services GmbH <sup>c</sup>	Marl	DE		100.00	100.00	2019	0.5	0.0
424 Evonik Malaysia Sdn. Bhd.	Kuala Lumpur	MY		100.00	100.00	2019	2.3	0.8
425 Evonik Materials GmbH <sup>c</sup>	Marl	DE		100.00	100.00	2019	13.5	0.0
426 Evonik Materials Netherlands B.V. i.L.	Utrecht	NL		100.00	100.00	2019	4.4	0.0
427 Evonik Membrane Extraction Technology Limited	Milton Keynes	GB		100.00	100.00	2019	- 6.0	0.1
428 Evonik Methionine SEA Pte. Ltd.	Singapore	SG		100.00	100.00	2019	427.6	- 13.3
429 Evonik Metilatos S.A.	Rosario	AR		100.00	100.00	2019	17.3	11.0
430 Evonik Mexico, S.A. de C.V.	Mexico City	MX		100.00	100.00	2019	11.8	0.6
431 Evonik Nutrition & Care GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	234.0	0.0
432 Evonik Oil Additives Asia Pacific Pte. Ltd.	Singapore	SG		100.00	100.00	2019	130.2	48.7
433 Evonik Oil Additives Canada Inc.	Morrisburg	CA		100.00	100.00	2019	12.9	5.7
434 Evonik Oil Additives S.A.S.	Lauterbourg	FR		100.00	100.00	2019	19.6	3.0
435 Evonik Oil Additives USA, Inc.	Horsham	US		100.00	100.00	2019	20.8	45.3
436 Evonik Operations GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	6,849.4	0.0
437 Evonik Oxeno Antwerpen NV	Antwerp	BE		100.00	100.00	2019	66.6	26.6
438 Evonik Pakistan (Private) Limited	Karachi	PK		100.00	100.00	2019	0.1	0.2
439 Evonik Para-Chemie GmbH in Liqu.	Gramatneusiedl	AT		100.00	100.00	2019	7.4	- 1.7
440 Evonik Pension Scheme Trustee Limited	Milton Keynes	GB		100.00	100.00	2019	0.0	0.0
441 Evonik Performance Materials GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	243.4	0.0
442 Evonik Peroxid GmbH	Weißenstein	AT		100.00	100.00	2019	13.9	3.3
443 Evonik Peroxide Africa (Pty) Ltd.	Umbogintwini	ZA		100.00	100.00	2019	7.1	0.6
444 Evonik Peroxide Holding B.V.	Amsterdam	NL		100.00	100.00	2019	193.8	0.2
445 Evonik Peroxide Ltd.	Morrinsville	NZ		100.00	100.00	2019	12.5	2.4
446 Evonik Peroxide Netherlands B.V.	Amsterdam	NL		100.00	100.00	2019	15.8	1.0
447 Evonik Perú S.A.C.	Lima	PE		100.00	100.00	2019	2.2	- 0.6
448 Evonik Porphyrio NV	Leuven	BE		100.00	100.00	2019	2.0	- 0.9
449 Evonik Re S.A.	Luxembourg	LU		100.00	100.00	2019	54.2	3.8
450 Evonik Real Estate GmbH & Co. KG <sup>c</sup>	Marl	DE		100.00	100.00	2019	183.6	0.0
451 Evonik Real Estate Verwaltungs-GmbH	Marl	DE		100.00	100.00	2019	0.0	0.0

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
452 Evonik Resource Efficiency GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	284.5	0.0
453 Evonik Rexim (Nanning) Pharmaceutical Co., Ltd.	Nanning	CN		100.00	100.00	2019	23.7	5.1
454 Evonik Rexim S.A.S.	Ham	FR		100.00	100.00	2019	3.4	-4.0
455 Evonik Risk and Insurance Services GmbH	Essen	DE		100.00	100.00	2019	1.3	0.0
456 Evonik Servicios, S.A. de C.V. <sup>c</sup>	Mexico City	MX		100.00	100.00	2019	2.0	0.0
457 Evonik Silica Belgium BVBA	Ostend	BE		100.00	100.00	2019	9.4	1.0
458 Evonik Silica Finland Oy	Hamina	FI		100.00	100.00	2019	12.4	1.4
459 Evonik Silquimica, S.A.U.	Zubillaga-Lantaron	ES		100.00	100.00	2019	12.3	1.2
460 Evonik Singapore Specialty Chemicals Pte. Ltd.	Singapore	SG		100.00	100.00	2019	-1.3	-0.3
461 Evonik Speciality Organics Ltd.	Milton Keynes	GB		100.00	100.00	2019	260.3	0.0
462 Evonik Specialty Chemicals (Jilin) Co., Ltd.	Jilin	CN		100.00	100.00	2019	51.9	-9.2
463 Evonik Specialty Chemicals (Nanjing) Co., Ltd.	Nanjing	CN		100.00	100.00	2019	83.4	11.2
464 Evonik Specialty Chemicals (Shanghai) Co., Ltd.	Shanghai	CN		100.00	100.00	2019	210.4	37.1
465 Evonik Specialty Silica India Pvt. Ltd.	Mumbai	IN		100.00	100.00	2019	23.6	2.4
466 Evonik Taiwan Ltd.	Taipei	TW		100.00	100.00	2019	5.9	4.1
467 Evonik Tasnee Marketing LLC	Riyadh	SA		75.00	75.00	2019	11.6	2.4
468 Evonik Technology & Infrastructure GmbH <sup>e</sup>	Essen	DE		100.00	100.00	2019	303.0	0.0
469 Evonik Tianda (Liaoyang) Chemical Additive Co., Ltd.	Liaoyang	CN		97.04	97.04	2019	28.4	1.5
470 Evonik Ticaret Ltd. Sirketi	Tuzla/Istanbul	TR		100.00	100.00	2019	9.0	4.6
471 Evonik Trustee Limited	Milton Keynes	GB		100.00	100.00	2019	0.0	0.0
472 Evonik UK Holdings Ltd.	Milton Keynes	GB		100.00	100.00	2019	491.4	-11.3
473 Evonik United Silica (Siam) Ltd.	Rayong	TH		70.00	70.00	2019	22.0	1.7
474 Evonik United Silica Industrial Ltd.	Taoyuan Hsien	TW		100.00	100.00	2019	35.2	6.9
475 Evonik Venture Capital GmbH <sup>e</sup>	Hanau	DE		100.00	100.00	2019	8.5	0.0
476 Evonik Vietnam Limited Liability Company	Ho Chi Minh City	VN		100.00	100.00	2019	2.3	-0.4
477 Evonik Wellink Silica (Nanping) Co., Ltd.	Nanping	CN		60.00	60.00	2019	32.6	11.3
478 Evonik Wynca (Zhenjiang) Silicon Material Co., Ltd.	Zhenjiang	CN		60.00	60.00	2019	14.4	-0.2
479 Granollers Química, S.L.U.	Granollers	ES		100.00	100.00	2019	0.0	0.0
480 HD Ceracat GmbH	Frankfurt am Main	DE		100.00	100.00	2019	90.9	5.2
481 Insilco Ltd.	Gajraula	IN		73.11	73.11	2019	10.5	-0.9
482 JIDA Evonik High Performance Polymers (Changchun) Co., Ltd.	Changchun	CN		84.04	84.04	2019	9.4	-1.8
483 KMV Vermögensverwaltungs-GmbH	Marl	DE		100.00	100.00	2019	9.7	0.0
484 Laporte Nederland (Holding) B.V.	Amsterdam	NL		100.00	100.00	2019	37.2	0.0
485 LLC "Evonik Ukraine" i.L.	Kiev	UA		100.00	100.00	2019	0.1	0.0
486 MedPalett AS	Sandnes	NO		100.00	100.00	2019	2.7	1.4
487 Nilok Chemicals Inc. (i.L.)	Parsippany	US		100.00	100.00	2019	-7.7	-0.8
488 Nippon Aerosil Co., Ltd.	Tokyo	JP		80.00	80.00	2019	68.4	16.3
489 OOO Evonik Chimia	Moscow	RU		100.00	100.00	2019	21.4	2.4
490 PKU Pulverkautschuk Union GmbH	Marl	DE		100.00	100.00	2019	-0.9	1.0
491 PT. Evonik Indonesia	Cikarang Bekasi	ID		99.98	99.98	2019	9.1	2.7

Name	Company headquarters		Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million <sup>d</sup>	Net profit or loss for the year in EUR million <sup>d</sup>
			Direct in %	Indirect in %	Total in %			
492 PT. Evonik Sumi Asih	Bekasi Timur	ID		75.00	75.00	2019	9.7	1.2
493 Qingdao Evonik Silica Materials Co., Ltd.	Qingdao	CN		100.00	100.00	2019	37.0	1.5
494 RBV Verwaltungs-GmbH	Essen	DE		100.00	100.00	2019	500.7	10.9
495 RCIV Vermögensverwaltungs-GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	25.9	0.0
496 RÜTGERS Dienstleistungs-GmbH <sup>c</sup>	Essen	DE		100.00	100.00	2019	5.7	0.0
497 RÜTGERS GmbH	Essen	DE		100.00	100.00	2019	313.4	4.2
498 Rutgers Organics LLC	Wilmington	US		100.00	100.00	2019	2.1	- 4.8
499 Silbond Corporation	Weston	US		100.00	100.00	2019	42.7	5.6
500 SKC Evonik Peroxide Korea Co., Ltd.	Ulsan	KR		55.00	55.00	2019	32.5	7.0
501 Stockhausen Nederland B.V.	Amsterdam	NL		100.00	100.00	2019	0.3	- 12.9
502 Stockhausen Unterstüzungseinrichtung GmbH	Hanau	DE		100.00	100.00	2019	0.0	0.0
503 Structured Polymers Inc.	Austin	US		100.00	100.00	2019	8.1	- 0.4
504 Studiengesellschaft Kohle mbH	Mülheim	DE		84.18	84.18	2018	0.0	0.0
505 Westgas GmbH <sup>c</sup>	Marl	DE		100.00	100.00	2019	8.1	0.0
<b>Other companies</b>								
506 ABCR Laboratorios, S.L.	Forcarei	ES		50.00	50.00	2019	8.1	0.8
507 ARG mbH & Co. KG	Oberhausen	DE		19.93	19.93	2019	7.8	38.0
508 ARG Verwaltungs GmbH	Duisburg	DE		20.00	20.00	2019	0.0	0.0
509 Daicel-Evonik Ltd.	Tokyo	JP		50.00	50.00	2019	18.9	4.4
510 dev.log GmbH	Niederkassel	DE		50.00	50.00	2019	0.6	0.0
511 Evonik Headwaters LLP i.L.	Milton Keynes	GB		50.00	50.00	2019	0.0	0.0
512 Evonik Lanxing (Rizhao) Chemical Industrial Co., Ltd.	Rizhao	CN		50.00	50.00	2019	6.0	0.5
513 Evonik Treibacher GmbH	Treibach/ Althofen	AT		50.00	50.00	2019	21.7	16.4
514 HPNow ApS	Copenhagen	DK		33.82	33.82	2019	2.3	1.2
515 LiteCon GmbH	Hönigsberg/ Mürzzuschlag	AT		49.00	49.00	2019	4.1	- 1.1
516 Neolyse Ibbenbüren GmbH	Ibbenbüren	DE		50.00	50.00	2019	18.1	1.1
517 OPTIFARM Ltd.	Great Chesterford	GB		40.00	40.00	2019	0.0	0.6
518 RSC Evonik Sweeteners Co., Ltd.	Bangkok	TH		50.00	50.00	2018	2.8	0.2
519 Rusferm Limited	Nicosia	CY		49.00	49.00	2019	28.3	0.0
520 San-Apro Ltd.	Kyoto	JP		50.00	50.00	2019	9.5	2.7
521 Saudi Acrylic Polymers Company, Ltd.	Jubail	SA		25.00	25.00	2019	- 76.8	- 40.4
522 StoHaas Management GmbH i.L.	Marl	DE		50.00	50.00	2019	0.0	0.0
523 TÜV NORD InfraChem GmbH & Co. KG	Marl	DE		49.00	49.00	2018	2.0	0.4
524 TÜV NORD InfraChem Verwaltungsgesellschaft mbH	Marl	DE		49.00	49.00	2018	0.0	0.0
525 Umschlag Terminal Marl GmbH & Co. KG	Marl	DE		50.00	50.00	2019	0.8	- 0.2
526 Umschlag Terminal Marl Verwaltungs-GmbH	Marl	DE		50.00	50.00	2019	0.0	0.0
527 Veramaris (USA) LLC	Blair	US		50.00	50.00	2019	51.8	0.1
528 Veramaris V.O.F.	Delft	NL		50.00	50.00	2019	21.7	- 7.8
529 Vestaro GmbH	Munich	DE		49.00	49.00	2019	0.4	- 0.2

<sup>a</sup> Application of simplified rules pursuant to Section 264 (3) and Section 264b of the German Commercial Code (HGB).

<sup>b</sup> Application of simplified rules pursuant to Section 291 and Section 293 of the German Commercial Code (HGB).

<sup>c</sup> There is a profit-and-loss transfer agreement with these companies.

<sup>d</sup> The foreign currency values are translated for equity using the mean rate on the balance sheet date, and using the average rate for the year for the profit/loss for the year.

# Notes to the annual financial statements of the RAG-Stiftung 2019

## GENERAL PRINCIPLES

The annual financial statements of the RAG-Stiftung for the financial year from 1 January to 31 December 2019 have been prepared in observance of the German Endowments and Foundations Act NRW and IDW RS HFA 5 in accordance with the accounting standards of the German Commercial Code (HGB).

The RAG-Stiftung was recognised by the State of North Rhine-Westphalia on 10 July 2007 in line with Section 2 of the Endowments and Foundations Act. Its headquarters are in Essen and it is registered in Commercial Register A at the Essen local court, no. HRA 9004.

As the topmost parent company of a group of companies, the RAG-Stiftung is a foundation under German law and prepares its consolidated financial statements both for the largest and the smallest group of companies in accordance with Section 11 et seq. of the German Disclosure Act (PublG) pursuant to Section 290, Paragraph 2–5 HGB. The consolidated financial statements are published in the electronic Federal Gazette under HR A no. 9004 at the Essen local court.

On 24 September 2007, a controlling and profit-and-loss transfer agreement was concluded between RAG AG and the RAG-Stiftung for a fixed term until at least 31 December 2027; the agreement became effective on its entry into the commercial register on 13 November 2007. According to the agreement, RAG AG subordinates the management of its company to the RAG-Stiftung. RAG AG is also obliged to transfer its profits to the RAG-Stiftung. The RAG-Stiftung is obliged to offset any net loss for the year incurred by RAG AG during the term of the agreement.

Similarly, a controlling and profit-and-loss transfer agreement was concluded on 15 July 2019 between the RAG-Stiftung and RAG-S Real Estate GmbH for a fixed term until at least 31 December 2023; the agreement became effective on its entry into the commercial register on 22 July 2019. According to the agreement, RAGS-S Real Estate GmbH subordinates the management of its company to the RAG-Stiftung. RAGS-S Real Estate GmbH is also obliged to transfer its profits to the RAG-Stiftung. The RAG-Stiftung is obliged to offset any net loss for the year incurred by RAGS-S Real Estate GmbH during the term of the agreement.

Reporting is made in EUR million with one decimal place, with amounts rounded to below EUR 0.1 million being presented as EUR 0.0 million.

## ACCOUNTING AND VALUATION PRINCIPLES

Intangible assets and real estate, plant and equipment are recognised at acquisition cost less depreciation, amortisation and impairment on the basis of the lower fair value. Depreciation and amortisation are calculated on a straight-line, pro-rata basis. The useful life is determined on the basis of the official depreciation tables and ranges from one year (low-value items) to 13 years (office furniture).

Low-value fixed assets with acquisition costs of up to EUR 250 are recognised as an expense in the year of acquisition. Low-value fixed assets whose net acquisition costs are greater than EUR 250 but do not exceed EUR 800 are immediately depreciated.

The shares in affiliated companies, the holdings, securities and other loans are recognised in financial assets at cost or at the lower fair value in the case of expected permanent impairment. Fixed income securities acquired “above par” are, where a permanent impairment of value is expected, recognised at least at the amount repayable (par).

The RAG-Stiftung intends to hold 25.1% of the shares in Evonik Industries AG for the long term; the additional existing shares of currently 39.2% are accounted for in current assets due to the intention to sell in the near term.

Receivables and other assets are recognised at nominal value. Assets and liabilities denominated in foreign currencies with a maturity term of over one year are valued at the exchange rate on the day of acquisition or at the lower respective average spot exchange rate on the balance sheet date. In the case of a maturity term of one year or less, assets and liabilities denominated in foreign currencies are recognised at the average spot exchange rate.

Securities classified as current assets are recognised at cost or at fair value, whichever is lower, which corresponds to the closing rate of the listed securities.

Deposits with banks are reported at their nominal value with the value date.

Provisions are recognised at the amount necessary to settle the obligation according to prudent commercial assessment. The calculation of the provisions for perpetual obligations is explained under other information. Future price and cost increases are taken into account where there was sufficient objective indication on the reporting date that they will occur. In accordance with Section 253, Paragraph 2 HGB, short and long-term provisions are discounted using the average market interest rate with their respective expected maturity terms. With the amendment to commercial law on 17 March 2016, the average interest rate of the past ten financial years applies to provisions for pensions. The interest rate averaged over a seven-year period applies to pension-like obligations and all other provisions. Compounding and discounting effects arising from the change in the discount rate are always shown in the interest income. Changes in the discount rate for the pension provisions are reported in personnel expenses.

The provisions for company pensions are valued according to the modified entry age process. The expenditure for future pension payments is distributed equally throughout the entire period of service of the person entitled to benefit. Provisions for company pension obligations are discounted on a flat-rate basis with the average market interest rate arising from an assumed maturity term of 15 years. The interest rate of 2.72% (previous year: 3.21%) was used for the expert evaluation of the obligation as of 31 December. The valuation of the pension obligations include future changes in salaries (2.75%, previous year: 2.75%), pension increases (2.00%, previous year: 1.8%) and company-specific fluctuation, as well as mortality and disability probabilities according to the 2018 G mortality tables by Klaus Heubeck.

Liabilities are measured at the amount at which they will be repaid.

Prepaid expenses are recognised at nominal value.

Deferred taxes are recognised for differences between the commercial valuations of assets, debts and prepaid expenses and their tax valuations, which will likely be released in later financial years. In calculating deferred tax assets, tax losses carried forward and interest carried forward are recognised in the amount of offset expected within the next five years. The tax rates applicable on, or announced for—according to current legislation the date on which the temporary differences will likely be eliminated or the losses carried forward offset, are used to determine the deferred taxes. The balance sheet differences are measured with a tax rate of 30.0%. Deferred tax assets on corporation and trade tax losses carried forward are measured at 16.0% and 14.0% respectively. Where there is an overall lowering of tax burden (net asset position), the capitalisation option pursuant to Section 274, Paragraph 1(2) HGB was not exercised. A resulting tax burden is reported in the balance sheet as a deferred tax liability.

## NOTES TO THE BALANCE SHEET

### 1. Fixed assets

As regards the composition of fixed assets, we would first like to draw your attention to the development of fixed assets on page 112 and to the list of shareholdings on page 84 et seqq.

Financial assets include, among other things, the RAGS-FundMaster special fund, managed by a master capital investment company; there is no limit here in the daily return. A special investment fund managed by Investment KG is limited in its daily return. No securities held as fixed assets are recognised above their fair value. Of the financial assets, EUR 2.0 million (previous year: EUR 2.0 million) is allocated to endowment capital.

Other loans contains a loan of EUR 3.6 million.

in EUR million	Carrying amount	Value as defined by Section 36 of the Investment Com- pany Act (InvG)	Difference to the carrying amount	Distributions received in the financial year
Mixed fund	2,843.1	3,461.4	618.3	51.9
Real estate fund	380.4	409.1	28.7	8.0
	<b>3,223.5</b>	<b>3,870.5</b>	<b>647.0</b>	<b>59.9</b>

## 2. Receivables and other assets

in EUR million	Maturity term		31/12/2019	31/12/2018	of which with a maturity term of over 1 year
	up to 1 year	over 1 year			
Receivables due from affiliated companies	294.5	–	294.5	1,130.0	–
Other assets	339.9	6.0	345.9	346.2	3.1
	<b>634.4</b>	<b>6.0</b>	<b>640.4</b>	<b>1,476.2</b>	<b>3.1</b>

Receivables due from affiliated companies are other assets of EUR 294.5 million (previous year: EUR 1,130.0 million). The decline is mainly attributable to the fact that fewer receivables were due from RAG AG.

Assets and liabilities denominated in foreign currencies with a maturity term of over one year are valued at the exchange rate on the day of acquisition or at the lower respective average spot exchange rate on the balance sheet date. In the case of a maturity term of one year or less, assets and liabilities denominated in foreign currencies are recognised at the average spot exchange rate. The European Central Bank's reference rates, as published by the German central bank, are used for the conversion.

### 3. Securities

The securities are the shares in Evonik Industries AG intended for sale. Due to a pledge agreement, EUR 9.7 million of securities are limitedly available due to the options issued on Evonik shares.

### 4. Equity

The endowment capital (basic assets) of the RAG-Stiftung remains unchanged at EUR 2.0 million.

### 5. Provisions

#### Provisions for pensions and similar obligations

The difference for provisions for pensions and similar obligations between the recognition of provisions in accordance with the corresponding average market interest rate of the past ten financial years and the recognition of provisions in accordance with the corresponding average market interest rate of the past seven financial years is EUR 1.6 million.

#### Provision for the financing of perpetual obligations

The provision for the financing of perpetual obligations amounts to EUR 7,896.7 million (previous year: EUR 7,786.4 million).

Utilisation of EUR 303.3 million is set against additions of EUR 413.6 million in the 2019 financial year.

The provision is explained in more detail under “Other information”

### Other provisions

in EUR million	31/12/2019	31/12/2018
Provisions for services rendered (received)	24.5	29.1
Provisions for the workforce	2.1	2.5
Provisions for audit costs	0.1	0.1
Other provisions	0.0	0.2
	<b>26.7</b>	<b>31.9</b>

### 6. Liabilities

in EUR million	Maturity term			Total			
	up to 1 year	over 1 year	of which more than 5 years	31/12/2019	31/12/2018	of which with a maturity term of up to 1 year	of which with a maturity term of over 1 year
Bonds	–	1,500	–	1,500	1,500		1,500
(of which convertible)	(–)	(1,500)	–	(1,500)	(1,500)	–	(1,500)
Trade accounts payable	0.2	–	–	0.2	0.3	0.3	–
Liabilities to affiliated companies	138.5	1.9	–	140.5	46.1	44.8	1.3
Other liabilities	3.8	0.8	–	4.6	8.2	6.0	2.2
(of which from taxes)	(0.0)	(–)	(–)	(0.0)	(2.9)	(2.9)	(–)
associated with social security)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
	<b>142.5</b>	<b>1,502.7</b>	–	<b>1,645.3</b>	<b>1,554.6</b>	<b>51.1</b>	<b>1,503.5</b>



Bonds include three non-subordinated and unsecured exchangeable bonds on Evonik shares, one of EUR 500.0 million (previous year: EUR 500.0 million) with a term to 18 February 2021, one of EUR 500.0 million (previous year: EUR 500.0 million) with a term to 16 March 2023, and another exchangeable bond of EUR 500.0 million with a term to 2 October 2024 (previous year: EUR 500.0 million). The bonds can be exchanged for registered shares of Evonik Industries AG.

Liabilities due to affiliated companies comprise other liabilities of EUR 140.5 million (previous year: EUR 46.1 million).

## NOTES TO THE INCOME STATEMENT

### 7. Sales revenue

Sales revenue results from service agreements and can be apportioned from entirely within Germany.

### 8. Other operating income

Other operating income mainly includes income arising from the disposal of securities held as fixed assets of EUR 29.0 million (previous year: EUR 1.2 million). This item also includes income of EUR 0.1 million (previous year: EUR 0.3 million) not related to the accounting period from the reversal of provisions, as well as income of EUR 0.0 million (previous year: EUR 0.0 million) from currency translation.

### 9. Personnel expenses

in EUR million	2019	2018
Wages and salaries	6.8	7.8
Social security	0.4	0.3
Welfare benefits and support	1.2	2.0
[of which for pension schemes]	[1.2]	[2.0]
	<b>8.4</b>	<b>10.1</b>

### AVERAGE NUMBER OF EMPLOYEES OVER THE YEAR

	2019	2018
Salaried employees		
of which male	12	12
of which female	12	8
	<b>24</b>	<b>20</b>

**10. Other operating expenses**

Other operating expenses include expenses arising from the allocation of EUR 413.6 million (previous year: EUR 911.8 million) to the provision for perpetual obligations. This item also includes expenses from the currency translation amounting to EUR 0.0 million (previous year: EUR 0.0 million).

**11. Investment income**

in EUR million	2019	2018
Income from equity interests	416.8	464.5
(of which from affiliated companies)	(411.1)	(462.7)
Expenses relating to the assumption of losses	60.0	(-)
(of which from affiliated companies)	(60.0)	(-)
Income from profit-and-loss transfer agreements	21.0	(-)
(of which from affiliated companies)	(21.0)	(-)
	<b>377.8</b>	<b>464.5</b>

Income from affiliated companies consists of the Evonik Industries AG dividend at EUR 344.5 million (previous year: EUR 363.4 million), the dividend of Vivawest GmbH at EUR 36.4 million (previous year: EUR 36.4 million), the dividend of RAG-Stiftung Beteiligungsgesellschaft mbH at EUR 28.8 million (previous year: EUR 23.8 million), the dividend of Windkraft Brinkfortsheide GmbH at EUR 0.3 million (previous year: EUR 0.3 million) and the dividend of HAHN CO-INVEST GmbH & Co. KG. at EUR 1.1 million (previous year: EUR 1.0 million).

Expenses of EUR 60.0 million from the assumption of losses stem from the controlling and profit-and-loss transfer agreement with RAG AG, and of EUR 21.0 million from the profit-and-loss transfer agreements under the controlling and profit-and-loss transfer agreement with RAG-S Real Estate GmbH.

**12. Income from other securities and from loans held as financial assets**

This item includes income from other securities held as fixed assets amounting to EUR 83.5 million (previous year: EUR 59.1 million).

### 13. Interest income

in EUR million	2019	2018
Other interest and similar income from third parties and companies with which there is a participatory relationship	4.5	4.2
Other interest and similar income from affiliated companies	(–)	(–)
<b>Other interest and similar income</b>	<b>4.5</b>	<b>4.2</b>
Interest and similar expenses due to third parties and companies with which there is a participatory relationship	(–)	0.3
Interest expenses from the compounding of provisions	1.2	1.3
<b>Interest and similar expenses</b>	<b>1.2</b>	<b>1.6</b>
	<b>3.3</b>	<b>2.6</b>

### 14. Write-downs of financial assets and securities classified as current assets

Unscheduled write-downs of EUR 24.7 million (previous year: EUR 12.3 million) were incurred as a result of expected permanent impairment in financial assets during the reporting year.

### 15. Taxes

in EUR million	2019	2018
Income taxes	8.5	23.8
Other taxes	2.0	0.5
	<b>10.5</b>	<b>24.3</b>

Expenses for income taxes relate to the allocation to the provision for income taxes for the current year and previous years.

Other taxes include the allocation to the VAT provision for the current year and previous years as well as non-deductible input taxes.

The RAG-Stiftung does not levy an affiliation charge for income taxes.

The RAG-Stiftung is the parent company of an income tax affiliation, meaning that the deferred taxes are allocated to the Company on temporary differences of the subsidiary companies (formal approach). Deferred tax liabilities of EUR 1,922.2 million arising from temporary differences of the balance sheet items "Property, plant and equipment", "Other assets", and "Provision for perpetual obligations", were balanced with deferred tax assets of EUR 3,459.4 million arising from temporary differences of the balance sheet items "Receivables due from affiliated companies arising from perpetual obligations" and "Provisions for pensions", meaning that there are net assets of EUR 1,537.2 million, which are not recognised with the capitalisation option not being exercised.

#### OTHER INFORMATION

The annual review of transactions with affiliated persons and companies has shown that all transactions have come about at conditions normal for the market. No transactions with affiliated persons and affiliated companies at the RAG-Stiftung are subject to a duty of disclosure as defined by Section 285 No. 21 HGB.

#### Contingent liabilities

There are contingent liabilities arising from the provision of collateral for third-party liabilities amounting to EUR 1.4 million (previous year: EUR 1.1 million). EUR 1.4 million of this is attributable to affiliated companies. We estimate the risk of utilisation as low here because the borrower is not expected to default.

#### Other financial obligations

in EUR million	31/12/2019	31/12/2018
Obligations arising from letting and leasing agreements with a maturity term of over one year	(-)	9.7
Other financial obligations	247,763.9	55,100.9
(of which due to affiliated companies)	(247,763.9)	(55,100.9)
Obligations in connection with investments in financial assets	524.9	428.8
(of which due to affiliated companies)	(524.9)	(428.8)
	<b>248,288.8</b>	<b>55,539.4</b>

Other financial obligations are primarily the obligations arising from the agreement on perpetual obligations of 13 November 2007 in connection with the agreement of 16/21 December 2010 resulting from the discontinuation of subsidised coal mining operations.

### **Perpetual obligations**

The basis for the scope and determination of the perpetual obligations, the financing of which the RAG-Stiftung has assumed since 2019, is the KPMG report created in 2006 on the valuation of shutdown costs, residual pollution and the perpetual obligations of RAG AG's coal mining operations.

On the basis of the agreement on inherited liabilities concluded on 13 November 2007 in connection with the side letter of 16/21 December 2010, the RAG-Stiftung releases RAG in its internal relationship from all creditor claims arising from the perpetual obligations from the closure of the subsidised coal mining operations. Perpetual obligations as defined by the agreement are measures for the management, processing or elimination of permanent damage/polder measures, measures for groundwater purification, groundwater monitoring and post-closure obligations at contaminated sites and measures for the implementation of pit water management.

In the Legacy Agreement of 14 August 2007 between the RAG-Stiftung and the states of North Rhine-Westphalia and Saarland, the federal states undertake to assume responsibility for the financing of the perpetual obligations in the case that the RAG-Stiftung is not able to do so. Should the states claim under this contract, the federal government will provide one third of the amounts to be paid.

RAG AG has recognised the claim against the RAG-Stiftung resulting from the balancing of the perpetual obligations. The obligation, less the provision for perpetual obligations recognised as of 31 December 2019, is included in other financial obligations in the RAG-Stiftung's annual financial statements.

The total obligation as of the balance sheet date amounts to EUR 255,660.6 million (previous year: EUR 62,887.3 million). Of this, EUR 7,896.7 million (previous year: EUR 7,786.4 million) is allotted to the provision for the obligation to RAG for the financing of perpetual obligations, and EUR 247,736.9 million (previous year: EUR 55,100.9 million) is recognised under other financial obligations. The rise in the total obligation is primarily attributable to falling interest rates. The shares in Evonik Industries AG and Vivawest GmbH, as well as the existing financial assets and the resulting income, are designated to cover the total obligation. The allocation to the provision for perpetual obligations is made in the amount of the income realised minus expenses of the RAG-Stiftung.

### **Basis for the determination of the perpetual obligations of the mining unit of RAG**

The items to be reported comprise the provisions to be made under commercial law including the funding gaps outlined above and the corresponding equalisation claims to cover these. The residual pollution and perpetual obligations were reported as of 31 December 2019 using the following parameters stemming, except for the change in interest rates, from the pursuance of the KPMG

approach and the accounting switch to the provisions of the German Accounting Law Modernisation Act (BilMoG) in coordination with the RAG-Stiftung and the government:

- All provisions underwent discounting using the seven-year average interest rate corresponding to their residual term on the basis of the commercial interest rates published by the German central bank. The applicable yield curve is between 0.58% and 2.19%. In order to calculate the present value of the perpetual annuities, the interest rate is set at 2.19% with a 30-year residual term (previous year: 2.51%).
- As regards personnel-related obligations, pension growth of 2.00% (previous year: 2.00%) and income growth of 2.75% (previous year: 2.75%) were assumed. The price increases were determined on an individual basis for RAG, taking into account future anticipated inflation rates based on the long-term forecasts of the European Central Bank and possible company-specific changes in salaries. A price increase of 2.00% (previous year: 2.00%) was considered for all other personnel-related obligations.
- A price increase rate of 1.77% (previous year: 1.57%) was reported for non-cash benefit obligations. The price increase rate is calculated on the basis of the average Kelling index for 20 and 25 years.
- As regards the perpetual obligations being funded by the RAG-Stiftung from the time of closure of the subsidised coal mining operations, a special index has been determined as in the previous year that accounts for the particularities of the water-related obligations. This amounts to 2.07% (previous year: 2.07%).

RAG AG's provisions for permanent mine-related damage/polder measures, groundwater purification, groundwater monitoring and post-closure obligations and pit water management are non-cash benefit obligations. Because the obligations are a permanent liability for which there is no return, the non-cash benefit obligations are reported at their present value using a commercial interest rate. In view of the characteristics described and in line with commercial standards, the determination of the underlying interest rate must also account for the future price increase, ensuring the funding gaps are determined on the basis of a real interest rate. This arises on the respective balance sheet date from the difference between the German central bank's interest rate averaged over seven years for a 30-year term and future price inflation.

The perpetual obligations comprise the following:

**Permanent mine-related damage/polder measures**

The mining activities have altered the surface of the ground, which has led to areas of subsidence and has impacted on the natural drainage of water. This kind of damage cannot usually be repaired. The provision existing as of 31 December 2019 is calculated on the basis of a perpetuity with an interest rate of 2.19% and a price and cost increase of 2.07% (real interest rate 0.12%). The provision therefore stands at EUR 70,492.1 million. This provision includes the valuation difference of EUR 68,840.6 million

arising from the application of BilMoG as opposed to HGB (previous version). The provision continued under the regulation of HGB (previous version) thereby amounts to EUR 1,651.5 million.

#### **Groundwater purification, groundwater monitoring and post-closure obligations at former sites**

The processing of contaminated plant areas—in particular former coking plant areas—usually involves restorative measures including the construction of a sealed landfill in combination with a groundwater purification plant. Since the pollutants will evidently not fall below the legal limits for groundwater determined by the authorities, no end to the measures is foreseeable. The provision existing as of 31 December 2019, which was determined on the basis of a perpetual annuity with an interest rate of 2.19% and a price and cost increase of 2.07% (real interest rate 0.12%) and amounts to EUR 12,482.2 million. This provision includes the valuation difference of EUR 12,187.6 million arising from the application of BilMoG as opposed to HGB (previous version) and a funding gap of EUR 31.1 million. The provision continued under the regulation of HGB (previous version) thereby amounts to EUR 263.5 million.

#### **Pit water management**

Pit water management underground involved pumping the water that is accumulated during the production phase for maintaining coal output above ground and directing it to an outlet channel. Until the closure of the last mine, pit water management therefore had to be allocated to ongoing operations, and no provision was to be created. The need to create a provision resulted from the closure of the subsidised coal mining. The provision is covered by an equalisation claim against the RAG-Stiftung. The provision is measured on the basis of the expected expenses for pit water management, taking into account the operational planning for the first five years after the balance sheet date, development in the future volume of water to be pumped and the investment measures for the conversion of conventional water management to long-term optimised well water management. The present value of the perpetual annuity is calculated on the basis of an interest rate of 2.19% and a price and cost increase of 2.07% (real interest rate 0.12%) as of 31 December 2019. The provision therefore stands at EUR 172,686.3 million.

#### **Future development of perpetual obligations**

The amount of the perpetual obligations is dependent in particular on the future development of price and interest rates, in addition to the development of the assessment bases. In line with assumptions, a seven-year average interest rate for a 30-year residual term of 2.19% (previous year: 2.51%), calculated on the basis of the commercial interest rates published by the German central bank, and a price and cost increase of 2.07% (previous year: 2.07%) was set for water-related perpetual obligations as per 31 December 2019, corresponding to a real interest rate of 0.12% (previous year: 0.44%). When calculating the present values of perpetual annuities, this corresponds to a factor of approximately 833 (previous year: 227) of the assessment basis. The changes in the obligations compared with the previous year primarily result from the changed interest rates and from altered assessment bases for the perpetual obligations. If the price and interest rate assumptions develop differently it will lead to higher or lower provisions.

**Auditor's fees**

The following fees for the services rendered by the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, of the annual financial statements are reported in the income statement:

in EUR million	2019	2018
a. Auditing services	0.2	0.1
b. Tax consultation services	(-)	(-)
c. Other services	0.0	0.1
<b>Total fees charged for the financial year</b>	<b>0.2</b>	<b>0.2</b>
Correction for the previous year (+)/from the previous year (-)	(-)	(-)
<b>Total fees</b>	<b>0.2</b>	<b>0.2</b>

**Total remuneration of the Board of Executives, the Board of Trustees and former members of the Board of Executives**

The total remuneration of the Board of Executives for the 2019 financial year amounts to EUR 2.7 million (previous year: EUR 1.8 million).

The remuneration of the Board of Trustees for the 2019 financial year amounts to EUR 0.2 million (previous year: EUR 0.2 million).

**Report on events after the reporting period**

On 13 January 2020, RAG-Stiftung placed 25 million shares of Evonik Industries AG by way of an accelerated book-building process (ABB) at a price of EUR 25.30 per share. This corresponded to a discount of around 4.8% on the closing price on 13 January 2020. The discount was within the parameters usual for such transactions in the market. The final volume of shares placed was increased by 25% from 20 million to 25 million shares. The order books were oversubscribed several times over. The sale generated a gain on disposal of EUR 567.3 million.

The RAG-Stiftung carried out capital increases for the newly founded RAG-S Innovation GmbH and RAG-S Private Equity GmbH & Co. KG during the first two months of 2020 to refinance holding investments amounting to a total of EUR 70.0 million.

In January 2020, Projektgesellschaft Zollverein im Welterbe10 mbH & Co. KG was merged into the RAG-Stiftung as a result of the withdrawal of the general partner. This resulted in an accretion gain of EUR 1.6 thousand.



In March 2020, RAG-Beteiligung Verwaltung GmbH & Co. KG was merged into the RAG-Stiftung as a result of the withdrawal of the company's general partner. This resulted in an accretion loss of EUR 167 thousand.

In February 2020, the Board of Executives of the RAG-Stiftung decided to join a consortium led by the private equity firms Cinven and Advent to participate in the bidding process for thyssenkrupp Elevator AG. A corresponding equity commitment letter was signed by the RAG-Stiftung on 25 February 2020. On 27 February 2020, the Supervisory Board of thyssenkrupp AG decided to sell thyssenkrupp Elevator AG to the Cinven/Advent consortium. The transaction is expected to be completed in September 2020 at the latest, being mainly dependent on approval being granted by the competition authorities in various countries.

The outbreak of the coronavirus in March 2020 may have an impact on the RAG-Stiftung affecting all areas of the RAG-Stiftung's investments. However, given the uncertainties about how the virus will progress and the duration of the containment measures, the economic and financial impact of the coronavirus pandemic for the RAG-Stiftung cannot be conclusively determined at this stage. It is to be assumed, however, that the earnings position of the RAG-Stiftung could be subjected to an as yet unforeseeable burden and that the possibility of allocating amounts to provisions for perpetual obligations could therefore be impacted.

Current analyses indicate that the RAG-Stiftung's supply of cash, and thus its ability to pay the perpetual obligations, remains secure.

Aside from these, no other significant events affecting the RAG-Stiftung's financial position and financial performance occurred after 31 December 2019.

Essen, 20 April 2020

RAG-Stiftung  
The Board of Executives



Tönjes



Bergerhoff-Wodopia



Dr Rupp

## DEVELOPMENT OF FIXED ASSETS OF THE RAG-STIFTUNG, ESSEN

Appendix to the notes to the annual financial statements as of 31 December 2019

ACQUISITION AND PRODUCTION COSTS					
in EUR million	As of: 1/1/2019	Additions	Disposals	Transfers	As of: 31/12/2019
<b>A. Fixed assets</b>					
<b>I. Intangible assets</b>					
Acquired concessions, industrial property rights and similar rights and values as well as licences to such rights and values	0.0	0.1	0.0	0.0	0.1
	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.1</b>
<b>II. Real estate, plant and equipment</b>					
Other equipment, office and plant equipment	0.6	0.2	0.1	0.0	0.7
	<b>0.6</b>	<b>0.2</b>	<b>0.1</b>		<b>0.7</b>
<b>III. Financial assets</b>					
1. Shares in affiliated companies	3,640.2	1,006.4	44.0	0.0	4,602.6
2. Holdings	50.4	39.6	0.0	0.0	90.0
3. Securities held as fixed assets	3,749.9	324.6	187.8	0.0	3,886.7
4. Advance payments	2.5	0.0	2.5	0.0	0.0
5. Other loans	0.0	3.6	0.0	0.0	3.6
	<b>7,443.0</b>	<b>1,374.2</b>	<b>234.3</b>	<b>0.0</b>	<b>8,582.9</b>
	<b>7,443.6</b>	<b>1,374.4</b>	<b>234.4</b>	<b>0.0</b>	<b>8,583.7</b>

DEPRECIATION AND AMORTISATION							CARRYING AMOUNTS		
As of: 1/1/2019	Deprecia- tion and amortisa- tion	Write-ups	Changes to total depreciation and amortisation in relation to			Transfers/ other changes	As of: 31/12/2019	As of: 31/12/2019	As of: 31/12/2018
			Additions	Disposals					
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	
<b>0.0</b>	<b>0.0</b>				<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	
0.3	0.2	0.0	0.0	0.1	0.0	0.4	0.3	0.3	
<b>0.3</b>	<b>0.2</b>			<b>0.1</b>		<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	
0.1	0.0	0.0	0.0	0.0	0.0	0.1	4,602.5	3,640.1	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	90.0	50.4	
12.3	24.7	0.0	0.0	0.0	0.0	37.0	3,849.7	3,737.6	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.0	
<b>12.4</b>	<b>24.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>37.1</b>	<b>8,545.8</b>	<b>7,430.6</b>	
<b>12.7</b>	<b>24.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>37.5</b>	<b>8,546.2</b>	<b>7,430.9</b>	

# INDEPENDENT AUDITOR'S CERTIFICATE

To the RAG-Stiftung, Essen

## AUDIT OPINIONS

We have audited the annual financial statements of the RAG-Stiftung, Essen—comprising the balance sheet as of 31 December 2019 and the income statement for the financial year from 1 January to 31 December 2019 well as the notes to the annual financial statements, including the presentation of the accounting and valuation methods. Furthermore, we have audited the Management Report of the RAG-Stiftung for the financial year from 1 January to 31 December 2019.

According to our assessment, based on the findings gained in the audit,

- the accompanying annual financial statements comply with German commercial law in all material respects and, taking into account the German generally accepted accounting principles, give a true and fair view of the net assets and financial position of the Foundation as of 31 December 2019 and its results of operations for the financial year from 1 January to 31 December 2019 and
- the accompanying management report provides a true picture of the situation of the Foundation. In all material respects, this management report is consistent with the annual financial statements, complies with German statutory provisions and accurately presents the opportunities and risks of future development.

Pursuant to Section 322, Paragraph 3 (1) HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

## BASIS FOR THE AUDIT OPINIONS

We have conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB in compliance with the German principles of proper auditing of financial statements as stipulated by the Institute of Auditors (IDW). Our responsibilities under these rules and policies are described further in the section entitled “Auditors’ Responsibilities for the Audit of the Annual Financial Statements and the Management Report” of our certificate. We are independent of the Foundation in accordance with the German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the annual financial statements and management report.

## **OTHER INFORMATION**

The legal representatives are responsible for the other information.

The annual report is expected to be made available to us after the date of the certificate.

Our audit opinions on the annual financial statements and the management report do not extend to the other information and, accordingly, we provide neither an opinion nor any other form of audit conclusion.

In connection with our audit, we have the responsibility to read the other information and to assess whether the other information

- is materially inconsistent with the annual financial statements, the management report or our knowledge acquired during the audit, or
- appears to be otherwise substantially misrepresented.

## **RESPONSIBILITY OF THE LEGAL REPRESENTATIVES FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

The legal representatives are responsible for the preparation of the annual financial statements, which comply with German commercial law in all material respects and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Foundation in accordance with German generally accepted accounting principles. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatement, whether intentional or unintentional.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Foundation's ability to continue its business activities (going concern). Furthermore, they have the responsibility to state facts related to the continuation of business activities, if relevant. In addition, they are responsible for accounting for the continuation of business activities on the basis of the accounting principle, unless contrary to fact or law.

In addition, the legal representatives are responsible for the preparation of the management report, which collectively conveys an accurate picture of the situation of the Foundation, is in all material respects consistent with the annual financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. In addition, the legal representatives are responsible for the arrangements and measures (systems) that they considered necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to be able to provide sufficient suitable evidence for the statements in the management report.

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the management report gives a true and fair view of the situation of the Foundation overall and is in all material respects consistent with the annual financial statements and the findings of the audit, in accordance with German legal requirements and correctly reflects the opportunities and risks of future development, and to issue an audit certificate, which includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance gives a high degree of certainty, but no guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German generally accepted standards for the audit of financial statements as stipulated by the Institute of Auditors (IDW) will always uncover a material misstatement. Misstatements can result from any breach or inaccuracy and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these annual financial statements and management report.

During the audit, we exercise due discretion and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material misstatement, whether intentional or unintentional, in the financial statements and management report, and schedule and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements will not be detected is higher for violations than for inaccuracies, as violations may include fraudulent interaction, falsification, intentional incompleteness, misrepresentation or overriding of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the annual financial statements and the provisions and measures relevant to the audit of the management report, so as to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such systems.
- we assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by the legal representatives.
- we draw conclusions about the appropriateness of the accounting principle applied by the legal representatives for the continuation of business as well as, on the basis of the audit evidence obtained, whether there is material uncertainty related to events or circumstances that may raise significant doubts about the Foundation's ability to continue the business. If we conclude that there is material uncertainty, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and management report or, if these disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit certificate. However, future events or circumstances may result in the Foundation being unable to continue its business.

- We assess the overall presentation, structure and content of the annual financial statements including the information and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements provide a true and fair view of the net assets, financial position and results of operations of the Foundation in accordance with German generally accepted accounting principles.
- we assess the consistency of the management report with the annual financial statements, its legislation and the image it conveys of the situation of the Foundation.
- we conduct audits of the forward-looking statements presented by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we will in particular look closely at the significant assumptions on which the forward-looking statements presented by the legal representatives are based, and assess the proper derivation of the forward-looking statements from these assumptions. We do not issue an independent audit opinion on the forward-looking statements and the underlying assumptions. There is a significant, unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss the planned scope and timing of the audit with the responsible individuals, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Düsseldorf, 20 April 2020

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

Erik Hönig  
Auditor

Joachim Gorgs  
Auditor

## IMPRINT

### **Publisher**

RAG-Stiftung  
Im Welterbe 10  
45141 Essen, Germany  
www.RAG-Stiftung.de

### **Editor in Chief/Contact**

Communication and Sustainability (CR)  
Janine Simmann  
Telephone +49 201 378-3362  
Fax +49 201 378-3400  
Janine.Simmann@RAG-Stiftung.de

### **Concept, design and realisation**

Bissinger+ GmbH

### **Picture credits**

Fold-out and inside front cover illustration: Maximilian Nertinger; pages 8–9 pictures: Catrin Moritz; pages 10–13 pictures: Catrin Moritz; pages 14–16 pictures: Mike Henning; page 20 picture: Catrin Moritz; pages 22–23 pictures: mauritius images/Cavan Images, FUNKE Foto Services/Olaf Ziegler; pages 24–25 pictures: Initiativkreis Ruhr, Gründerallianz Ruhr; pages 26–27 pictures: DBM/Helena Grebe (2), Julica Bracht, Andreas Buck, Industriedenkmalpflege und Geschichtskultur/Werner Hannappel, Becker & Bredel; page 30 picture: Catrin Moritz; pages 34–35 pictures: Hahn Group/Andrej Justus, HOCHTIEF ViCon; pages 36–37 pictures: RealStep SICAF, Colin Miller, Hahn Group, illustration: Maltego; page 38 picture: Oliver Pracht; page 121 picture: Andreas Pohlmann

### **Printing**

WOESTE DRUCK+VERLAG GmbH & Co. KG  
Im Teelbruch 108  
45219 Essen-Kettwig, Germany







**DR. WERNER MÜLLER**

1 June 1946 to 15 July 2019

Dr. Werner Müller played a decisive role in the successful shaping of economic change in the mining regions in North Rhine-Westphalia and in the Saarland. It was only through his work that the socially acceptable withdrawal from coal mining in Germany became possible. The foundation model he set up enabled the separation of the black and white divisions of RAG AG, from which the globally operating specialty chemicals company Evonik as well as today's RAG AG emerged. Dr. Werner Müller, who was Chairman of the Board of Executives of the RAG-Stiftung from 2012 to 2018, was a remarkable person, whose outstanding reputation extended far beyond the borders of the region and who made a significant contribution to industrial history.

In remembrance

The Board of Trustees, Board of Executives and employees  
of the RAG-Stiftung

