



To the shareholders of

Value Holdings AG

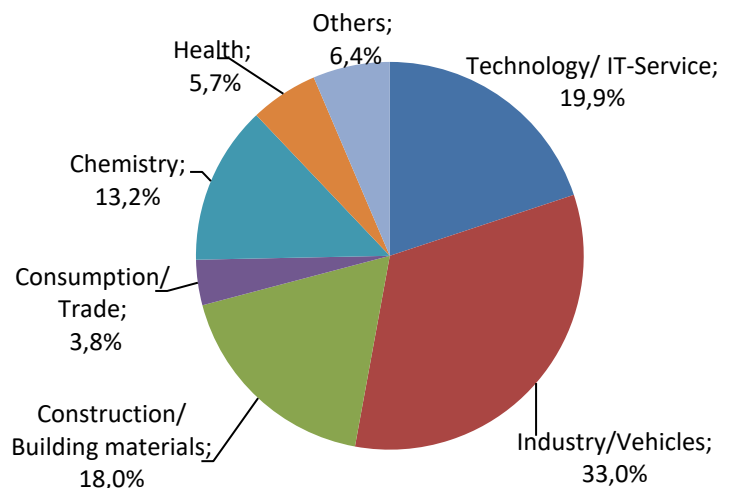
Letter to the shareholders II-2023

Dear Ladies and Gentlemen,

after the brilliant start in the first quarter, the overall positive mood on the stock markets continued in the second quarter. The German share index DAX increased by a further 3.3 % from April to June. It reached 16,148 points on 30 June, which corresponds to an increase of 16.0 % since the beginning of the year. However, the news situation in recent months has not only been positive. The central banks' interest rate hikes are now showing clear signs of slowing down the economy, while inflation is not yet easing to the targeted level. The gross domestic product in Germany has fallen for two quarters in a row, indicating a recession. Companies from the manufacturing industry have suffered particularly, while service-related sectors have developed better. The hoped for recovery of the Chinese economy, which was supposed to become the locomotive for the global economy again in the 2nd half of the year, is not gaining momentum. In this environment, some companies have given up hope of a business revival in the second half of the year and have therefore revised their profit targets downwards. This has also affected stocks in our portfolio. However, we currently have a high level of liquidity, which gives us the opportunity to use the depressed prices to increase our holdings or to make new investments.

Portfolio

The net asset value of our portfolio fell slightly in the second quarter. As of 30 June 2023, it was € 6.69 and thus 9.5 % higher than at the end of 2022. The sector weightings changed significantly in the second quarter. In the construction/buildings materials sector, Hochtief was sold and Friedrich Vorwerk was bought. As a result, the weighting of construction stocks has decreased. The share of the "Other" sector was reduced due to the sale of Freenet, while the participation in the capital increase of SDM has slightly increased the weighting again. The other changes are only due to the price developments in the second quarter. The following chart shows the sector weighting of our participations:



Result 2nd quarter 2023

Figures in T€	01.01.23- 30.06.23	01.01.22- 30.06.22
Revenues	997	1.233
Cost price of sales	699	916
Gross profit	298	317
Other income	15	15
Dividend income	344	187
Personnel costs	-80	-65
SG&A costs	-53	-49
EBITDA	524	405

In the first half of 2023, Value-Holdings AG generated revenues of T€ 997 (T€ 1,233). Of this amount, T€ 87 came from fees for services provided. Capital gains of T€ 211 were generated by the sales of Hochtief and Freenet. Dividend and investment income increased significantly to T€ 344 (T€ 187). However, it should be noted that the distribution of T€ 90 by VHI last year was only made in the third quarter. Personnel costs increased to T€ 80. SG&A costs increased slightly to T€ 53. In the first half of 2023, the EBITDA amounted to T€ 524 (previous year: T€ 405).

Development of the subsidiaries:

Value-Holdings International AG:

The NAV of Value-Holdings International AG (VHI) is € 2.95 per share at the end of June, which already includes the dividend distribution of € 0.09 per share. In the second quarter VHI realised further profits, in particular through the sale of the positions Hochtief, Carlo Gavazzi and Heidelberg Materials. The dividend payments expected by VHI were also received to a great extent. Due to the good development in the first half of the year, VHI expects to close the financial year 2023 with a positive result. It is planned to continue to adhere to the sustainable dividend policy.

Value-Holdings Capital Partners AG:

The two funds managed by VHC developed positively in the first half of the year. The performance of the Value-Holdings Deutschland Fund was 9.4 %. The performance weakened slightly in the second quarter due to the high weighting of industrial and chemical stocks and therefore did not quite match the increase of the DAX, which rose by 16.0 %. In general, the relative weakness of small caps compared to the DAX has been noticeable in recent months, which is reflected in

the performance of the MDAX with + 9.9 % and the SDAX with + 12.4 %. The Value-Holdings Dividend Fund recorded an increase of 12.3 % from January to June, while the EuroStoxx 50 rose by 16.0 % in the same period.

Outlook 2023:

Value-Holdings AG can look back on a good first half of 2023. Most of the dividend income expected for this year has already been received. In the case of Hochtief and Freenet, we were able to achieve pleasing profits after both stocks reached price targets. The share prices of some other investments are not far below the fair values determined by us. With a correspondingly positive share price development, there could therefore be opportunities for further capital gains realisations in the second half of the year. We therefore expect a positive annual result for the 2023 financial year, provided this is not prevented by unexpected negative events on the stock markets in the coming months.

Value-Holdings AG Postfach 25 10 54, 86015 Augsburg Bahnhofstr. 30, 86150 Augsburg Phone +49 (0)821/575394, Fax: +49 (0)821/574575 www.value-holdings.de info@value-holdings.de Registered in Augsburg, HRB 64 CEO: Georg Geiger Chairman of Board of Directors: Ludwig Lehmann
--