



To the shareholder of

Value-Holdings AG

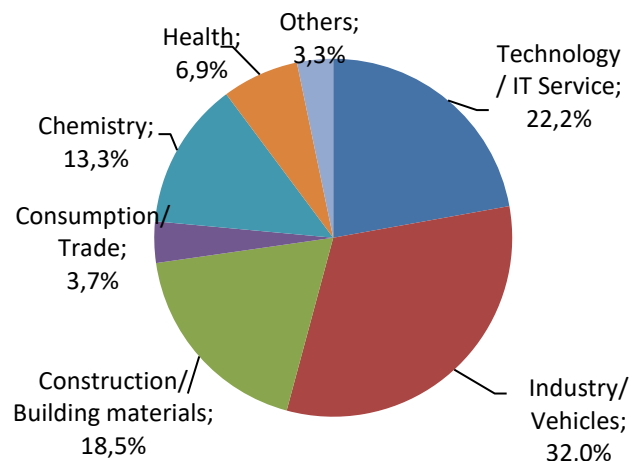
## Letter to the shareholders III-2023

Dear Ladies and Gentlemen,

the German share index DAX reached a new all-time high of 16,470 points at the end of July. After that, however, the positive mood on the stock markets faded. From July to September, share prices, as measured by the DAX, decreased by 4.7 %. For the year as a whole, however, there was still a positive performance of 10.5 %. What led to this change in sentiment? It was primarily the central banks that expressed the view that interest rates would remain at a higher level for some time to fight inflation. Investors' hopes that interest rates would soon be lowered because of the weakening global economy have been dashed. In Germany, the economic figures are weak and the economy is in recession. In combination with high interest rates, the weak economy is gradually being reflected in the profit development of companies. This is why some companies have had to lower their annual forecasts in recent weeks. In our opinion, however, the price losses of many individual stocks have gone too far, and valuations have become extraordinarily favourable in some cases. In recent months, we have built up a high level of liquid funds in order to invest. Experience shows that courageous investments in recessionary phases are rewarded with above average returns in the long run.

### Portfolio

The net asset value of the portfolio of Value-Holdings AG fell slightly in the third quarter in the wake of the weak stock markets. As of 30 September 2023, it stood at € 6.49, which is 6.2 % higher than at the end of 2022. The sector weightings hardly changed in the 3rd quarter. We have increased the position of Vorwerk, which is allocated to the construction/building materials sector. The other changes are mainly due to the share price fluctuations in the 3rd quarter. This is particularly visible in the increase in the share of technology companies, while the weighting of industrial stocks in the portfolio decreased due to the weakness of their share prices. The following chart shows the sector weighting of our participations:



## Result 9 month 2023

Figures in T€	01.01.23-30.09.23	01.01.22-30.09.22
Revenues	1.294	1.713
Cost price of sales	892	1.356
<b>Gross profit</b>	<b>402</b>	<b>357</b>
Other income	23	22
Dividend income	373	294
Personnel costs	-120	-102
SG&A costs	-80	-90
<b>EBITDA</b>	<b>595</b>	<b>481</b>

Value-Holdings AG only reduced some smaller positions in the third quarter. In the first nine months, sales revenues of T€ 1,294 (T€ 1,713) were generated. Of this amount, 132 T€ came from fees for services provided. Capital gains of T€ 270 were achieved, in particular through the sale of Hochtief and Freenet in the first half of the year. Dividend and investment income increased significantly to T€ 373 (T€ 294). Personnel costs amounted to T€ 120 compared to T€ 102 in the previous year. SG&A costs decreased from T€ 90 to T€ 80. The EBITDA for the first nine months is T€ 595 (previous year: T€ 481).

### Development of the subsidiaries:

Value-Holdings International AG:

The NAV of Value-Holdings International AG (VHI) was € 2.85 per share at the end of September. Including the distributed dividend of € 0.09 per share, this is an increase of 7.3 % since the beginning of the year. In the 3rd quarter, VHI sold its remaining position in Carlo Gavazzi shares, thereby increasing the Capital gains realised to date to T€ 630. VHI has already collected dividend income in a record amount of T€ 465 this year. Due to the good development in the first nine months, VHI expects to be able to close the financial year 2023 positively. It is planned to continue to adhere to the sustainable dividend policy.

Value-Holdings Capital Partners AG:

The two funds managed by VHC developed negatively in the third quarter in line with the weak stock markets. The funds with the focus on investments in small and mid caps were particularly affected by the negative development of this market segment relative to the highly capitalised DAX stocks. The high weighting of industrial

and chemical stocks also tended to hurt in the past quarter. Many of these stocks are now trading close to their long-term lows and have become very cheap at their current valuation ratios. The performance of the Value Holdings Deutschland Fund was 4.4 %. This is on a par with the MDAX, which has risen by 3.8 % so far this year. The Value-Holdings Dividend Fund recorded an increase of 10.1 % from January to September. The performance of the benchmark indices EuroStoxx 50 (+10.0 %) and DAX (+10.5 %) is at a comparable level.

### Outlook 2023:

Value-Holdings AG can look back on a good business performance in the first nine months of 2023. The dividend income expected for this year was collected in full. The sales of Hochtief and Freenet, which had reached their price targets, enabled us to achieve pleasing capital gains. In the half-year report we wrote that the prices of some investments are not far below the price targets, which could possibly enable further profit realisations. Due to the price declines in the third quarter, this seems less likely at present, unless the fourth quarter shows a considerably more positive stock market development. Based on the capital gains already realised and the high dividend income, we still expect a positive annual result for the 2023 financial year. However, this is subject to the condition that it is not prevented by unexpected negative events on the stock markets in the coming months.

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