



To the shareholders of

Value Holdings AG

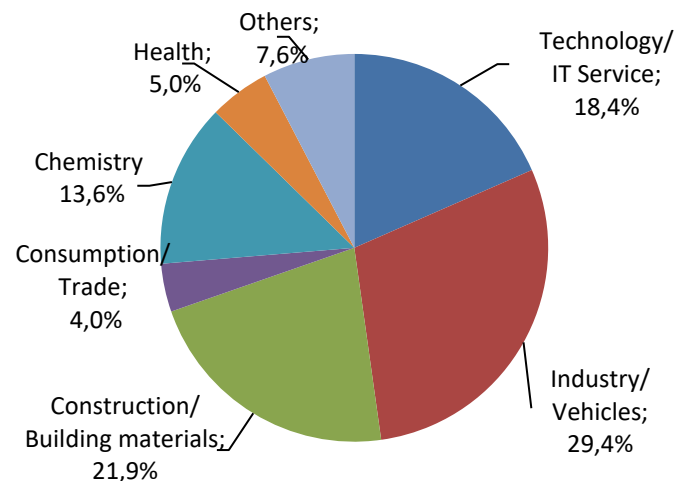
## Letter to the shareholders I-2023

Dear Ladies and Gentlemen,

the German stock market index DAX started positively into the year 2023 with an increase of 12.3 % to 15,629 points. The good development in the first quarter came as a surprise, as neither the Ukraine war has ended nor has inflation returned to an acceptable level. Therefore, the central banks have not yet given a clear signal for an end to interest rate hikes. In addition, the bankruptcy of the Silicon Valley Bank in the USA at the beginning of March triggered a quake on the financial markets and even caused trouble for the Swiss Credit Suisse. In the end, it was thanks to the rigorous actions of the central banks and regulators that a new financial crisis could be prevented. If interest rates remain high for a longer period of time, this will have an impact on the real economy and corporate profits. Therefore, in this environment, careful selection of companies will be particularly important for investments. We see opportunities above all in cyclical companies with a good market position and low debt. As their share prices are often still 50 % to 80 % below their historical highs, the valuations of these companies have already become very attractive again, which could result in good investment opportunities in the coming quarters.

### Portfolio

The net asset value of the portfolio of Value-Holdings AG increased to € 6.77 as of 31 March 2023. This corresponds to an increase of 10.8 % compared to the NAV at the end of 2022. The sector weightings shifted only insignificantly in the 1st quarter and in particular due to price changes. Within the highest weighted sector, industry/vehicles, we sold our entire stake in BMW at the end of last year and increased the position in Traton in return. The reduction in the weighting of the health sector is due to the sale of Siemens Healthineers at the end of last year. The following chart shows the sector weighting of our investments:



## Result 1st quarter 2023

Figures in T€	01.01.23- 31.03.23	01.01.22- 31.03.22
Revenues	44	264
Cost price of sales	0	210
<b>Gross profit</b>	<b>44</b>	<b>54</b>
Other income	7	3
Dividend income	0	0
Personnel costs	-40	-27
Material costs	-23	-26
<b>EBITDA</b>	<b>-12</b>	<b>4</b>

In the first three months of 2023, no sales have yet been made from the Value-Holdings AG portfolio. The reported sales revenues of T€ 44 stem entirely from fees for services rendered. As in the previous year, dividend and investment income was not yet received in the first quarter. Based on the published dividend dates, the first income is expected in the second quarter. Personnel costs increased to T€ 40, while material costs decreased to T€ 23. In the first three months of 2023, the EBITDA was T€ -12 (previous year: T€ 4).

### Development of the subsidiaries:

Value-Holdings International AG:

Value-Holdings International AG (VHI) was able to increase its NAV by 11 % to € 3.05 per share in the first quarter. Profits of T€ 159 have already been realised through the sale of the complete Swatch position and the remaining Eurokai shares. VHI also expects to be able to generate high earnings from the second quarter onwards due to the announced dividend proposals. The agenda of this year's Annual General Meeting, which will take place on 8 May, includes again the distribution of a stable dividend of € 0.09 per share, which corresponds to a dividend yield of around 3 %.

Value-Holdings Capital Partners AG:

The two funds managed by VHC developed positively in the first quarter in line with the market. At +10.3 %, the performance of the Value-Holdings Deutschland Fund did not fully match the increase of the DAX, but it did correspond to the price increases of the German small and mid caps included in the MDAX and SDAX, which form the investment focus of the fund with a share of around 85 %. The Value-Holdings Dividend Fund

increased by 10.7 % and thus almost reached the performance of the EuroStoxx 50 in the first quarter. We are pleased to report two awards for the Value-Holdings Deutschland Fund: In January, the business magazine "€uro" named the Value-Holdings Deutschland Fund the best equity fund in the category "Germany/Securities". In March 2023, Refinitiv Lipper announced the results of the Refinitiv Lipper Fund Awards for Germany and named the Value-Holdings Deutschland Fund as the winner in the category "Equities Germany" over a period of three years.

### Outlook 2023:

The start of 2023 has been successful on the German stock markets. Value-Holdings AG has benefited from this with a pleasing increase in NAV. Even though neither realized profits nor dividend income have been realised so far in the first quarter, we are very confident about the company's development. Due to the dividend proposals of our portfolio companies, we expect considerable inflows already in the second quarter. The prices of many of our investments have moved with great strides towards the fair values we have determined. Already in April we were able to sell an investment at a gratifying profit and we are convinced that further profits will be realised in the further course of the year. Based on the expected dividend and investment income as well as the realized profits, we also expect a positive result in the 2023 financial year, provided this is not prevented by unexpected negative events on the stock markets that could lead to high value adjustments.

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