



To the shareholders of

Value Holdings AG

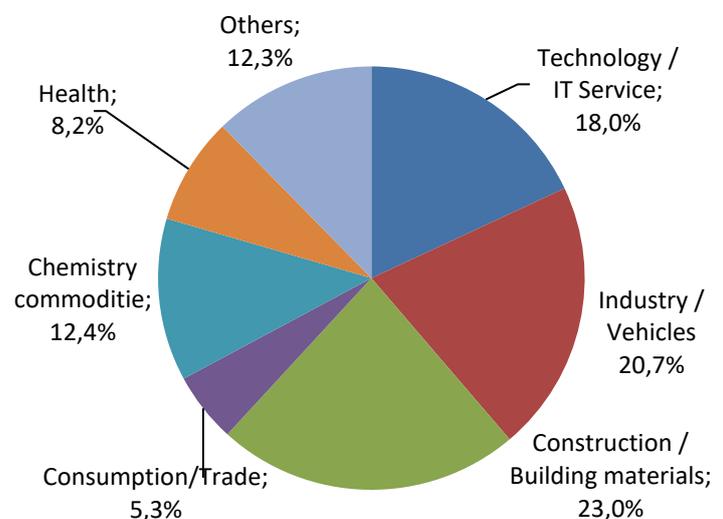
Letter to Shareholders I-2022

Dear Ladies and Gentlemen,

the German stock index DAX had a cautious start to 2022. Discussions about high inflation rates and possible interest rate hikes by central banks pushed the DAX down about 1,000 points in the first six weeks. The Russian invasion of Ukraine on 24 February shocked everyone. War in Europe was no longer imaginable for us. The stock markets then accelerated their downward slide. The DAX bottomed out at 12,832 points on 7 March, down 19 % since the beginning of the year. But Russia's invasion of Ukraine not only has an impact on the stock markets, it also changes the way and where we produce and from where we will source raw materials and input materials in the future. The dependence on Russian oil and gas has shown the vulnerability of the German economy. It is no longer only the shortage of chips that inhibits production; other important raw materials are also in limited supply and prices have multiplied in some cases. It is not yet clear what economic damage, not to mention the human suffering, the war will cause. We therefore fear that we are in for a prolonged period of uncertainty. However, the ups and downs of the stock markets also offer opportunities that we want to exploit through active portfolio management.

Portfolio

The war-related price declines are also reflected in the net asset value of the portfolio of Value-Holdings AG. It fell by 6.9 % to € 6.43 as at 31.03.2022. The sale of CAPCAD at the end of last year reduced the weighting of the Technology/IT sector. In the 1st quarter, it was increased again by additions at q.beyond and Cenit. The share of industrial sectors has increased due to purchases at SAF-Holland and Traton. The share of chemicals stocks has increased due to the purchase of Lanxess and Henkel. The other sectors are almost unchanged. The following chart shows the sector weighting of our investments:



Result 1st quarter 2022

In T€ (thousand €)	01.01.22- 31.03.22	01.01.21- 31.03.21
Revenues	264	671
Cost price	210	406
Gross profit	54	265
Other income	3	3
Dividends	0	20
Wages	-27	-27
SG & A-costs	-26	-18
EBITDA	4	243

Value-Holdings AG only sold two small positions (GBK and TeamViewer) in the first quarter and generated proceeds of € 221 thousand from the sale of securities. With acquisition costs of the sold positions of T€ 210 this resulted in capital gains of T€ 11. The service revenues amounted to T€ 43. Dividend and investment income did not yet accrue in the first quarter. Wages SG & A of T€ 27 are at the previous year's level. The costs have increased to 27 T€. This is due in particular to higher depreciation on the new office equipment acquired after the relocation, as well as higher rental costs due to the reallocation of space between the individual companies of the Value Holdings Group. EBITDA in the first quarter was T€ 4 (previous year T€ 243).

Development of the subsidiaries:

Value-Holdings International AG:

Value-Holdings International AG (VHI) was also affected by the war-related price declines in the stock markets in the 1st quarter of 2022. The NAV therefore decreased by 8.2 % to € 3.04 per share. In March, VHI was able to collect the first dividend income from the shareholding in Cecoinomy. If the dividend proposals announced by VHI's portfolio companies are approved, dividend income in 2022 should rise to a new record level, well above the previous high of T€361, provided there are no significant changes within the portfolio before the distribution dates. A dividend of € 0.09 per share will again be proposed at the Annual General Meeting of Value-Holdings International AG on 20 July.

Value-Holdings Capital Partners AG:

The two funds managed by VHC performed well against the relevant indices in the first quarter of 2022, but lost slightly in value due to the war.

The Value-Holdings Deutschland Fund is down 8.1 % year to date, while the DAX is down 9.3 %. The Value-Holdings Dividenden Fund is down 5.6 % in the first 3 months of the year, while the EuroStoxx50 is down 9.2 %. It is pleasing that both funds recorded inflows in the 1st quarter.

Outlook 2022:

The economic consequences of the war in Ukraine and their impact on the earnings situation of companies are as difficult to predict as the consequences of the scarce and increasingly expensive raw materials. The central banks have already announced that they will abandon their ultra-loose monetary policy of recent years in order to fight high inflation. Stock markets are likely to remain volatile in these uncertain times. Value-Holdings AG will attempt to exploit opportunities through active portfolio management, both in terms of profitable sales and new investments at prices significantly below the fair value of the companies. Back in April, we managed to realise a very pleasing capital gain through the sale of our stake in Freenet. We also expect high dividend income, even if the previous year's figure cannot be achieved after the sale of CAPCAD. Provided that there are no further slumps on the stock markets that result in high value adjustments, we expect to be able to close 2022 with a positive annual result.

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