



To the the shareholders of

Value Holdings AG

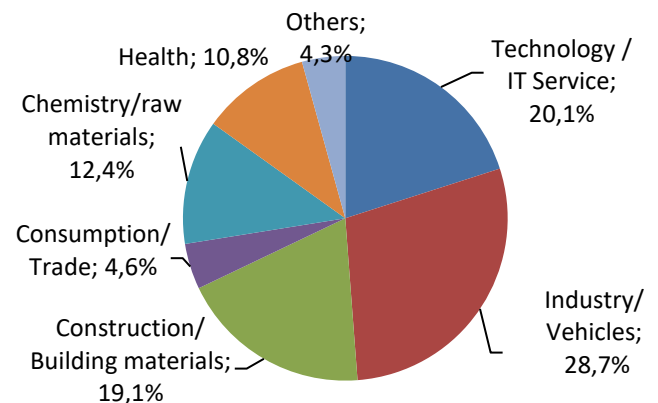
Letter to the shareholders II-2022

Dear Ladies and Gentlemen,

in the first half of 2022, the German share index DAX lost 19.5 %. In an international comparison, it was not even in last place. In view of the burdening factors, the negative development is not surprising. Stock markets like low interest rates, high liquidity, rising corporate profits and a high degree of security. But exactly the opposite was the case: high inflation rates already prompted central banks to think about interest rate hikes in the first quarter. In the second quarter, interest rates were raised in several countries and liquidity was withdrawn from the financial sector. The Russian invasion of Ukraine created a situation of uncertainty that affects all areas of life. From where can we obtain raw materials and energy in the future? Will there be enough gas for heating in winter? What can consumers still afford in view of the high inflation? Can our industry still produce at all? Consumer sentiment is in the doldrums and the profit outlook for companies has dimmed. But this uncertainty also offers opportunities. Excellent companies with stable business models are available at sell-out prices. This does not mean that prices cannot fall even further. But the current prices promise a good return on invested capital in a normal stock market environment.

Portfolio

The net asset value of the portfolio of Value-Holdings AG fell by 14.9 % to € 5.88 as of 30.06.2022. In the Technology/IT sector, Cenit was sold and in contrast SHS Viveon and Siltronic were bought, which slightly increased the weighting. The share of industrial sectors increased strongly due to purchases of SAF-Holland and Traton as well as the new investment in KION. The weighting of the chemicals stocks is unchanged, although we continued to buy Lanxess, but sold Henkel. The healthcare sector was strengthened by the purchase of Siemens Healthineers. The construction sector lost weight due to the sharp drop in Sto's share price. "Other" was significantly reduced by the sale of Freenet. The following chart shows the sector weighting of our investments:



Result 1st half 2022

Figures in T€	01.01.22- 30.06.22	01.01.21- 31.06.21
Revenues	1.233	1.332
Cost price of sales	916	984
Gross profit	317	348
Other income	15	7
Dividend income	187	256
Personnel costs	-65	-55
Material costs	-49	-39
EBITDA	405	517

In addition to the small positions GBK and TeamViewer sold at the beginning of the year, Value-Holdings AG also completely sold Freenet and Cenit in the second quarter after reaching the price targets. In total, proceeds from the sale of securities in the amount of € 1,155 thousand were generated in the first half of the year. With acquisition costs of the sold positions amounting to T€ 916, this resulted in realized profits of T€ 239. Income from services amounted to T€ 78. Dividend and investment income amounted to T€ 187 in the first six months of the year. Personnel costs increased to 65 T€. Material costs increased to 49 T€, in particular due to the reallocation of rental space. However, this is put into perspective by the fact that proceeds from subletting to companies of the Value-Holdings Group are to be taken into account in the other operating income. In the first half of the year, EBITDA was T€ 405 (previous year: T€ 517).

Development of the subsidiaries:

Value-Holdings International AG:

The NAV of Value-Holdings International AG (VHI) fell by 14.5 % to € 2.83 per share in the 1st half of 2022 due to the price declines on the stock markets caused by the war. Despite the poor stock market sentiment, some of VHI's investments have reached their price targets in the past six months. The sales have so far led to realised price gains of T€ 350. In addition, VHI has already collected a large part of the dividend income expected for 2022. At just under T€ 400, they are already above the value of the entire previous year of T€ 357 and will therefore reach a new record high in the current financial year. VHI will propose an unchanged dividend of € 0.09 per share at the Annual General Meeting on 20 July.

Value-Holdings Capital Partners AG:

The two funds managed by VHC lost value in the first half of 2022 due to the war in Ukraine. However, they lost significantly less compared to the relevant indices. In the case of the Value-Holdings Deutschland Fund, the decline in the first six months of the year was 13.8 %, while the DAX fell by 19.5 %. The Value-Holdings Dividenden Fund is down 10.7 % over the same period, while the EuroStoxx50 decreased 19.6 %. We are pleased with the confidence of our investors, which led to inflows for both funds in the first half of the year.

2022 preview:

The economic consequences of the war in Ukraine on the development of the economy as a whole and on the earnings situation of companies cannot yet be assessed. The shortages and increase in the price of raw materials has pushed up the inflation rate for both producers and consumers. The central banks are therefore beginning to abandon their loose monetary policy and fight inflation. Moreover, it is not clear how long consumers will be willing to accept the high prices or whether they will refrain from consumption, which is likely to lead to a further economic slowdown. We therefore fear that the stock markets will remain volatile in the coming months. Nevertheless, we will take advantage of all opportunities for profitable sales and favourable new investments through active portfolio management. On the basis of the price gains and dividend income already realised, we expect a positive result for the year, although it will not come close to the previous year's figure, which was influenced by the sale of CAPCAD. This forecast is subject to the proviso that no further slumps occur on the stock markets that would result in high value adjustments.

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