



To the shareholder of

Value-Holdings AG

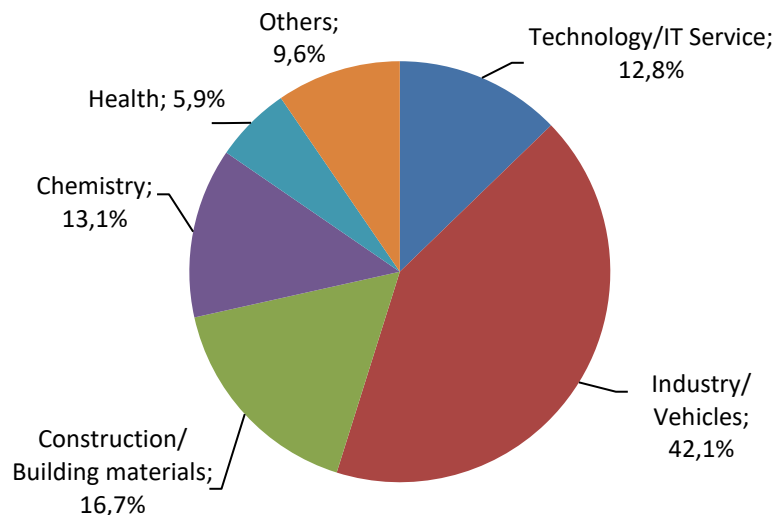
## Letter to the shareholders II-2024

Dear Ladies and Gentlemen,

following the pleasing price gains in the first quarter, the German stock market index DAX only moved sideways on balance from April to June. Although it reached a new all-time high of 18,869 points on May 15, prices then fell back to 18,235 points by the end of the quarter. The DAX performance in the first half of the year was therefore +8.9%. In contrast, the performance of small and mid-caps was less pleasing. The MDAX has fallen by -7.2% since the beginning of the year and the Scale 30, which includes the smaller stocks below the DAX family, was only able to recover by 6% after the high losses of the previous year. In June, the European Central Bank cut interest rates for the first time since 2019. Falling inflation gave the ECB this room for maneuver and the slack economy in Europe urgently needs this stimulus. The good news of rising orders from abroad was followed by reports of a recent decline in consumer sentiment. In our opinion, there is still a long and difficult road ahead before a broad economic upturn sets in, which will require a lot of patience from investors. However, share valuations are currently favorable, which already gives us good opportunities to position our portfolio for the next upswing.

### Portfolio

The net asset value of the Value-Holdings AG portfolio also increased in the second quarter, reaching € 7.53 as at June 30, 2024. Including the dividend payment of € 0.04 per share, this corresponds to an increase of 10.5% compared to the NAV at the end of 2023. The sector weightings have changed only slightly. Delight and Mercedes were sold in the industrial/vehicle sector, while Wacker Neuson was newly acquired. Therefore the sector weighting has been reduced slightly. We have included another new investment, Hugo Boss, under "Others". The remaining sectors are almost unchanged. The following chart shows the sector allocation of our investments:



## Result 2nd quarter 2024

Figures in T€	01.01.24-30.06.24	01.01.23-30.06.23
Revenues	3.149	997
Cost price of sales	2.621	699
<b>Gross profit</b>	<b>528</b>	<b>298</b>
Other income	15	15
Dividend income	396	344
Personnel costs	-95	-80
SG&A costs	-80	-53
<b>EBITDA</b>	<b>764</b>	<b>524</b>

Value-Holdings AG's revenue increased significantly in the first half of 2024. The sales relate to Siltronic, Indus, Delignit and Mercedes, for example. We reinvested in Indus in Q2, which was sold in the first quarter, and also built up a further position in another stock. However, both positions were sold again as the share prices jumped very quickly and we did not reach the planned position size. As in the previous year, sales revenue includes T€ 88 in fees from our service activities. The realized capital gains amount to T€ 440. In the 2nd quarter, we received high dividend income. This amounted to T€ 396 compared to T€ 344 in the same period of the previous year. Personnel costs increased to T€ 95 due to the strengthening of our team. There was also a significant increase in material costs to T€ 80, due in particular to higher investor relations and PR expenses. EBITDA for the first half of the year amounts to T€ 764 (previous year: T€ 524).

### Development of the subsidiaries:

Value-Holdings International AG:

The NAV of Value-Holdings International AG (VHI) was € 3.14 on June 30, 2024. Taking into account the dividend of € 0.09 per share paid in June, it rose by 7.3 % in the first 6 months of the year. VHI has already realized capital gains of over € 500 thousand. These stem primarily from the sales of Siltronic, Sogefi and Keller. Fortunately, we also succeeded in eliminating some problematic positions with almost no impact on earnings. High dividend income was also realized by VHI in the 2nd quarter. They amounted to just under T€ 400 and once again exceeded the previous year's already high amount of T€ 389. On June 19, VHI's Annual General Meeting approved all items on the agenda, including the distribution of an unchanged dividend of € 0.09 per

share, with large majorities. The distributed dividend corresponds to a yield of around 3.3 % based on the last year-end share price.

Value-Holdings Capital Partners AG:

The funds managed by VHC performed positively in the first half of 2024. Value Holdings Germany achieved an increase in value of 9.0 %, which is slightly above the DAX performance of 8.9 %. The performance is particularly pleasing because almost 90 % of the portfolio is invested in small caps, which, measured by the SDAX (+2.6 %) or the MDAX (-7.2 %), underperformed significantly. The Value Holdings Dividenden Fund gained by 6.4 %. It thus underperformed the Euro-Stoxx 50 (+8.3 %), but almost matched the performance of the broader Stoxx 600 (+6.8 %).

### Outlook 2024:

After a strong start in the first quarter, the stock markets took a breather in the second quarter. However, the ECB's interest rate cut is improving the mood among equity investors and should also gradually revive the still weakening economy, especially if there are further interest rate cuts. This could be the initial spark for small caps, which are often more sensitive to interest rates than large corporations and whose business activities are mainly focused on the European domestic market. If this scenario materializes, we could imagine further capital gains over the rest of the year. Unless unforeseeable negative developments thwart our plans, this would lead to a very positive annual result in 2024.

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