

Az OXO Technologies Holding

Public Limited
Company

Established at Ganz utca 12-14., 1027 Budapest, Hungary
COMPANY REGISTRATION NUMBER: 01-10-140670)

Semiannual Report H1 2022

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Introduction

The operations of OXO Technologies Holding showed successful and rapid adaptation to the radically changing business environment in the first half of 2022. While the external conditions could be characterized by unfavorable changes in inflation and the interest environment, and in general the increased growth of macroeconomic risks, the Company could manage to turn its operations profitable in a relatively early period, still during its portfolio expansion, investment phase, as its asset under management and net asset value increased by 22 percent from 4.4 billion to 5.4 billion Forints. This can be due on one hand to the successful sale of companies at attractive valuation during the first half of the year, and on the other hand to the fact that the Company could carry out a previously planned fundraising round by increasing its share capital in a private placement, the significant proportion of which was provided by foreign investors in Euros despite the difficult market and financing conditions in the same period.

Nevertheless, the Company wishes to get prepared to operate in a substantially changed business environment, which includes increased return expectations, exchange rate risks, the decreasing liquidity of domestic and regional capital markets, significant consolidation of asset valuations, and even the risk of a possibly approaching recession. For this purpose, the Company started to take technical steps that serve to make its operations more flexible, to involve further international institutional and private investors, should it become necessary, to ensure the diversification of its portfolio, and maintain its liquidity.

In its investment activities in the first half of the year, the Company preferred to acquire mature and liquid companies capable of generating profit, and in the second half of 2022, it will continue to consider it a priority. Furthermore, the Company successfully invested in early-stage target companies using the previously acquired grants, the activity the Company will maintain in any case, in the near future. In the second half of 2022, the Company prefers to expand its growth stage portfolio by share swap transactions, where in exchange for the acquired shares, new shares can be issued by private placements, thus maintaining its operational liquidity at the same time. On the other hand, the Company started to set up specialized VC funds for certain predefined sectors, which can address specialized institutional investors and raise further capital from them even if capital markets' activity is limited, thus the Company can maintain, or even expand its growth stage investments in the future.

As for the financial performance, OXO Technologies Holding closed the first half of 2022 with a profit of 207 million Forints. Alongside the profits of the successful sale of companies, in line with the prudence principle, the Company implemented a write-down on all its investments and accounts receivables which bear risk in the current market environment.

Company Data

Name of the Company	OXO Technologies Holding Nyilvánosan Működő Részvénytársaság
Short name of the Company	OXO Technologies Holding Nyrt.
Name of the Company in foreign language	OXO Technologies Holding Public Limited Company
Short name of the Company in foreign language	OXO Technologies Holding PLC
Registered office of the company	1027 Budapest, Ganz utca 12-14.
Central e-mail contact	info@oxoholdings.eu
Company website	www.oxoholdings.eu
Main business activity of the Company	Vagyonkezelés (holding)
Company registration number of the Company	01-10-140670
Tax registration number of the Company	27306660-4-41
Group identification number of the Company	17783202-5-41
Statistical code of the Company	27306660-6420-114-01
Registered share capital of the Company at the end of H1 2022 (June 30, 2022)	1,873,050,000.- Forints
Date of current Articles of Incorporation	2022.05.13.
Auditor of the Company	TRUSTED ADVISER Könyvvizsgáló és Tanácsadó Kft.
Registered office: HU-1082 Budapest, Baross utca 66-68.	
Company registration number: 01-09-279282	
Auditor personally responsible for the audit, member of the Chamber, appointed by Audit Company: Zsolt Szovics	
Appointed Consultant of the Company	DLA Piper Business Advisory Korlátolt Felelősségű Társaság
Registered office: 1124 Budapest, Csörsz utca 49-51. Hungary	
company registration number: 01-09-334862	
Investor Relations	Dávid Pongrác
Position: Member of the Board of Directors Mailing address: 1027 Budapest, Ganz utca 12-14.	
Phone number: +36203884673 E-mail address: pongrac.david@oxoholdings.eu	

The Company is listed on the List of companies with no public debt of NAV
(Hungarian National Tax and Customs Office)

Distribution of the Share capital by types of shares

Share capital and shares of the Company as of June 30, 2022:

Series of Shares	Face value (HUF/piece)	Pieces	Total face value (HUF)
Ordinary Share (OTH Ordinary Share) ISIN: HU0000175542	1,000	1,873,049	1,873,049,000
Series "B" (OTH Preference Share) ISIN: HU0000183454	1,000	1	1,000
Total Share Capital		1,873,050	1,873,050,000

Ownership structure

List of owners with more than 5% ownership, as of June 30, 2022, relating to listed series, based on statements of the owners

Name of shareholder	Percentage of ownership	Number of shares (pieces)
OXO Personal Holding Kft.	20.91	391,730
Docler Holding S. à r.l.	13.88	260,000
National Fund for Stock Exchange Development Sub-fund Nr. II.	10.32	193,392

Management of the Company

The management of the company is carried out by the Board of Directors which has fourteen members, elected by the General Assembly for a fixed term of five years. This body determines the investment strategy and makes decisions on Growth and Late-stage investments.

The following lists show the composition of the Boards at the end of H1, 2022 (June 30, 2022)

Board of Directors

Dr. Péter Oszkó	Chairman of the Board of Directors
Mr. Kornél Bóbits	Member of the Board of Directors
Mr. András Domonkos	Member of the Board of Directors
Ms. Valéria Siliga	Member of the Board of Directors
Mr. Péter Farkas	Member of the Board of Directors
Mr. Szabolcs Botond	Member of the Board of Directors
Dr. András László Polgár	Member of the Board of Directors
Mr. Dávid Pongrác	Member of the Board of Directors
Mr. Gergely Freész	Member of the Board of Directors
Mr. Gábor Ujlaki	Member of the Board of Directors
Ms. Anna Ágnes Apró	Member of the Board of Directors
Dr. Róbert István Héjja	Member of the Board of Directors
Dr. Tamás Hajnal	Member of the Board of Directors
Dr. Balázs Rátai	Member of the Board of Directors

Supervisory Board

Ms. Zsuzsanna Pető	Member of the Supervisory Board
Dr. Dávid Gere	Chairman of the Supervisory Board
Mr. András Fábián	Member of the Supervisory Board
Mr. Krisztián Kőrösi	Member of the Supervisory Board

Audit Committee

Ms. Zsuzsanna Pető	Member of the Audit Committee
Dr. Dávid Gere	Chairman of the Audit Committee
Mr. András Fábián	Member of the Audit Committee

Global and domestic environments of the technology sector

Observations and tendencies of the past period

The past one-and-a-half decades of the technology sector, including the past few years, were fundamentally determined by economic policy responses given to external challenges and its artificially created and maintained excess of funds, the low yield environment, and the continuously available, inexpensive funding with significant risk appetite. In this artificially maintained financial environment, the accelerated digitization and innovation processes that resulted from the global pandemic that emerged in 2020, brought about the golden age of the technology sector for a short period. 2021 was an outstanding year for the global venture capital market both in terms of deal value and number of investments. According to the 2021 report by KPMG, the sum of more than 671 billion dollars was invested in nearly 35,000 private equity deals. Early stage startup investments accounted for most of the investment value, closely followed by growth, and lastly late stage investments. In terms of geographical distribution, still, the US market is by far the most active, preceding those of Asia and Europe. Because of record fundraising by technology companies, the valuation of companies skyrocketed, thus the market of technology papers broke historic records repeatedly. Examining the global median of pre-money valuations of different investment stages, we can conclude that seed and early stage projects produced significantly lower percentage growth than companies of growth and late stage investments (KMPG, 2021). Most of the deals focused on e-commerce, fintech, and digital medical solutions, which were in high demand amidst the pandemic. The funds raised by projects of different stages were to finance growth again, contrary to the lows of the lockdowns of the epidemic, when several companies were forced to focus on their survival.

The European region also broke records in the private equity market, in the fourth quarter of 2021 more than 2,000 investments were made with the value of 28 billion dollars. The number of unicorns increased significantly, in the fourth quarter, some 17 new startups exceeded the valuation of 1 billion dollars. Among the industries of the technology sector, fintech and HRtech solutions were standing out, the former due to the dramatic expansion of digital banking and services, the latter due to the effects of the fundamental changes that promoted the spread of home office and remote work, caused by the global pandemic. In the past few years, the Central-Eastern European region significantly caught up to the Western-European markets. In the year 2021, startups operating in the CEE region have raised more than 5.4 billion euros of equity investment which accounts for a growth rate of nearly 150% compared to 2020. The most active technological industries are healthcare, e-commerce, and fintech, however, in line with the global trends, ESG and projects aiming for sustainable solutions could also attract equity investments. (Vestbee, 2022)

Global and domestic environments of the technology sector

With all this, in the second half of 2021, the first changes could be observed in the macroeconomic trajectory, that had a significant impact on the economic environment in general and also on the market of technology investments. During the course of 2021, it became apparent, that the inflationary pressure had to bring about more and more inevitable and durable changes in the monetary policy of major economies, thus in its funding availability, its yield environment, and its capability for growth. These initial financial trends fundamentally determined the subsequent economic processes of 2022.

Developments in 2022 so far and expectations ahead

In the first few months of 2022, a significant correction occurred in the valuation of technology assets, firstly in the US market, where the valuation of companies showed exponential growth in value anyway, in the preceding period. Besides, the challenges of the macroeconomic environment, the rising cost of funds, and the ever-decreasing risk appetite affected the investment activity and showed signs of slow-down at the beginning of the year, in all major economic regions. The instability of the macroeconomic environment intensified because of the Russian-Ukrainian military conflict, which had an impact on several industries, including the technology sector. Besides the growing fragmentation of the supply chains and the energy crisis, the sector is facing a significant challenge of skyrocketing inflation due to the exploding energy prices in the global as well as the European markets alike. As a result of the durably high inflationary environment, the sector's potential to yield a positive real return may evaporate for a long time, which may radically decrease its ability to attract funding compared to the slow raising of institutional funds experienced at the beginning of the year. The unpredictable and decaying exchange rates even add to the challenges of technology investments, placing both private equity companies and technology startups in a very difficult situation. For the latter, the closing, fragmenting global markets and supply chains may become further constraining factors, by significantly setting back establishing trade relations, as well as scaling niche products, compared to the status quo. The rising interest rates adversely affect the funds invested in the sector, and the retail and institutional investors turn to safe havens more and more which provide more security during market turbulences. The economic slowdown resulting from the above factors showed its effects on the global private equity market in the second quarter of 2022. The invested value fell by more than 30% compared to the same quarter of 2021, parallelly, a significant decrease could be observed in the number of investment transactions, as well. Amidst the continuous geopolitical uncertainty, The US market showed the greatest resilience, and the European markets showed greater slow downs if we examine the regions, especially, in markets that need to catch up. Looking at the IPO activity of the technology sector we can observe stagnation as well as a slow set-

Global and domestic environments of the technology sector

back in the second quarter which can be attributed to the decreasing valuation of companies as well as the poor performance of technology companies on public markets. (KMPG, 2022)

In the second half of 2022, no major improvement can be expected in the economic climate. Thus, no substantial changes are likely in the tendencies of inflation and interest rates, so the private equity market is likely to stagnate or in a worse case, further setbacks can be predicted which adversely affect the fundraising and general growth capabilities of the technology sector. In an environment like this, it could be a continuous challenge to ensure stable funding to maintain investment activity, while besides more favorable evaluations and out of a broader range of potential target companies, attractive target companies could be available in even more mature markets. In general, a successful investment company in the technology sector in the next period will be the one, that can maintain or even enlarge its own group of investors, is able to maintain its liquidity, can develop and maintain a sufficiently diversified portfolio, moreover, can take advantage of favorable investment opportunities and can have a lasting industry and market edge in intensifying competition. Compared to last year, besides the most active industries in the technology sector, innovations and automation solutions in the area of supply chains and logistics, alternative energy resources and innovations to ease the energy crisis, as well as developments assisting energy transition and sustainability, in general, are expected to be in focus. ESG investments are expected to expand within the technology sector on one hand due to the increased ESG focus of the institutional investors and their investment value, on the other hand, due to the increased pressure from people concerned and consumers. (Deloitte, 2022) As a result of the increasing inflation and interest rate environment, the fundraising capabilities of companies with a Business-to-Consumer (B2C) business model and consumer focus are expected to decline, giving way to Business-to-Business (B2B) Software-as-a-Service (SaaS) type of solutions. With regards to geopolitical and macroeconomic uncertainties concerning the global private equity market, we can expect decreasing company valuations in the technology market in the second half of 2022, which may lead to a further setback in investment value, however, technology investors that can keep up their investment activities may even gain market advantage as a result.

State of the Hungarian Venture Capital Market¹

The technology sector in Hungary, though a bit lagging, follows Western trends. The international private equity market was characterized by an abundance of funds in 2021 due to the global economic policy, especially in tackling the economic setback caused by the COVID-19 epidemic. In the past few years, the private equity market in Hungary had a large government funding share in line with its gradual development following global trends, where market players were not particularly active besides the government rescue packages, and private investors restrained their activities during the period of crisis.

However, the activity of public, mainly government maintained funds cannot be regarded as a competition to the still active market investors, because neither their investment conditions nor their portfolio management practices could follow the best practices in the market, thus this government investment activity was no more than supplementary funding, fund substituting grant and financial assistance to the technology sector investors. No wonder, that among these funding programs the ones that were the most successful, the ones that could demonstrate tangible results were the ones that carried out their investment goals by partnering with market investors, supplementing their funding, and those programs that acted on their own, attempting to take the role of market investors were less efficient and less successful. Furthermore, the experienced slow-down of the investment activity connected to government rescue packages, and the general decreasing availability of government funding creates an opportunity for market investors to be more active.

The economic instability and the environment of skyrocketing interest rates and inflation, caused by the Russian-Ukrainian military conflict, and the consequential curbing of the monetary and fiscal stimuli end the years of abundance of government funding which will radically decrease the investment activity of the government in the next period in the domestic private equity market. These market trends may help the expansion of private investors in this region as well, as a primary source of funding, following Western patterns. This creates a more favorable environment for OXO Technologies Holding regarding investing in and funding new projects as well as expanding the whole investment portfolio.

Just like in international markets, sustainable investments and ESG financial products have appeared in the domestic market as well. The predominant capital market trend of the past few years appreciated in the aspect of private equity investments as well, more and more ESG funds are created to

¹The sources of data in this chapter are the quarterly statistics published by the Hungarian Private Equity and Venture Capital Association (<https://www.hvca.hu/statisztikak/>)

State of the Hungarian Venture Capital Market¹

invest specifically with such a focus. In decision making, greater emphasis is placed on non-financial information, compared to earlier times, instead of greenwashing, real environmental and social effects are given priority as crucial investor expectations. Accordingly, in the next years, the value and number of transactions to these projects can be forecasted along with the spread of technology companies developing sustainable and “green” solutions.

The Hungarian venture capital market went through a turbulent period during the past years. Although in the first 3 quarters of last year, the invested value overperformed the same period of 2020, for the total year, however, the value of invested capital decreased by 3.43%. In terms of the number of transactions, no significant difference can be observed in the periods 2020 and 2021. The invested value and the number of transactions made by players in the domestic venture capital market are illustrated by the figures below for the periods between 2019 and 2021.

INVESTMENT VALUE

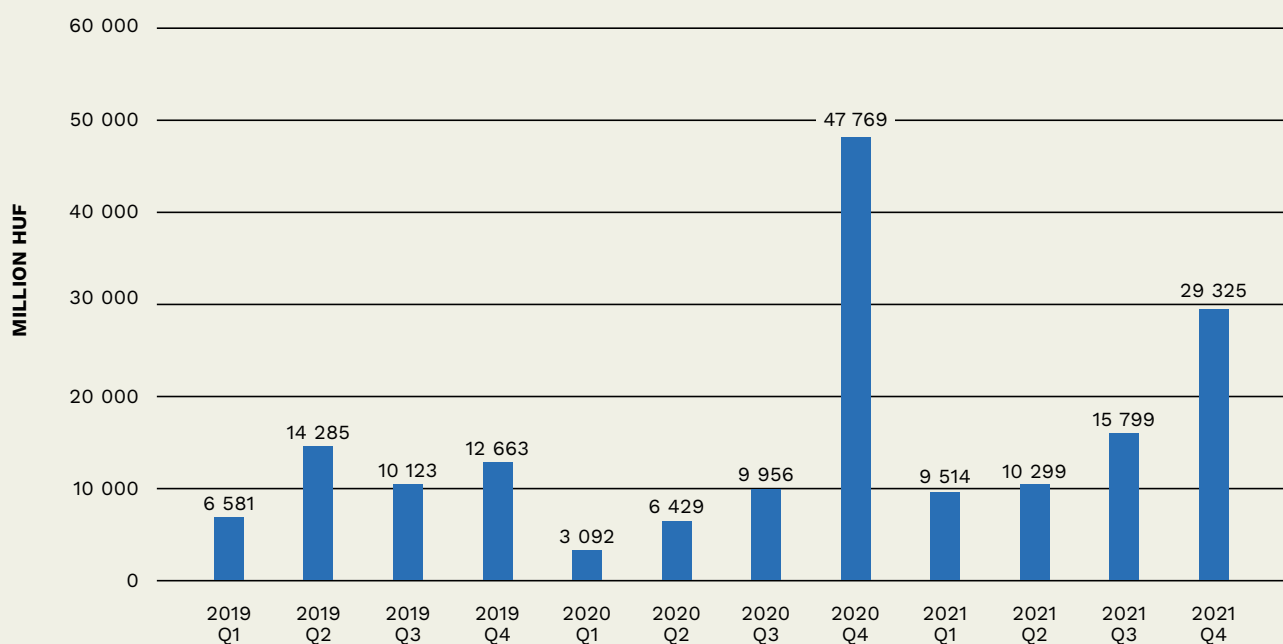


Figure 1: **Private equity market in Hungary - investment value**
(Source: Hungarian Private Equity and Venture Capital Association, 2019-2021)

State of the Hungarian Venture Capital Market¹

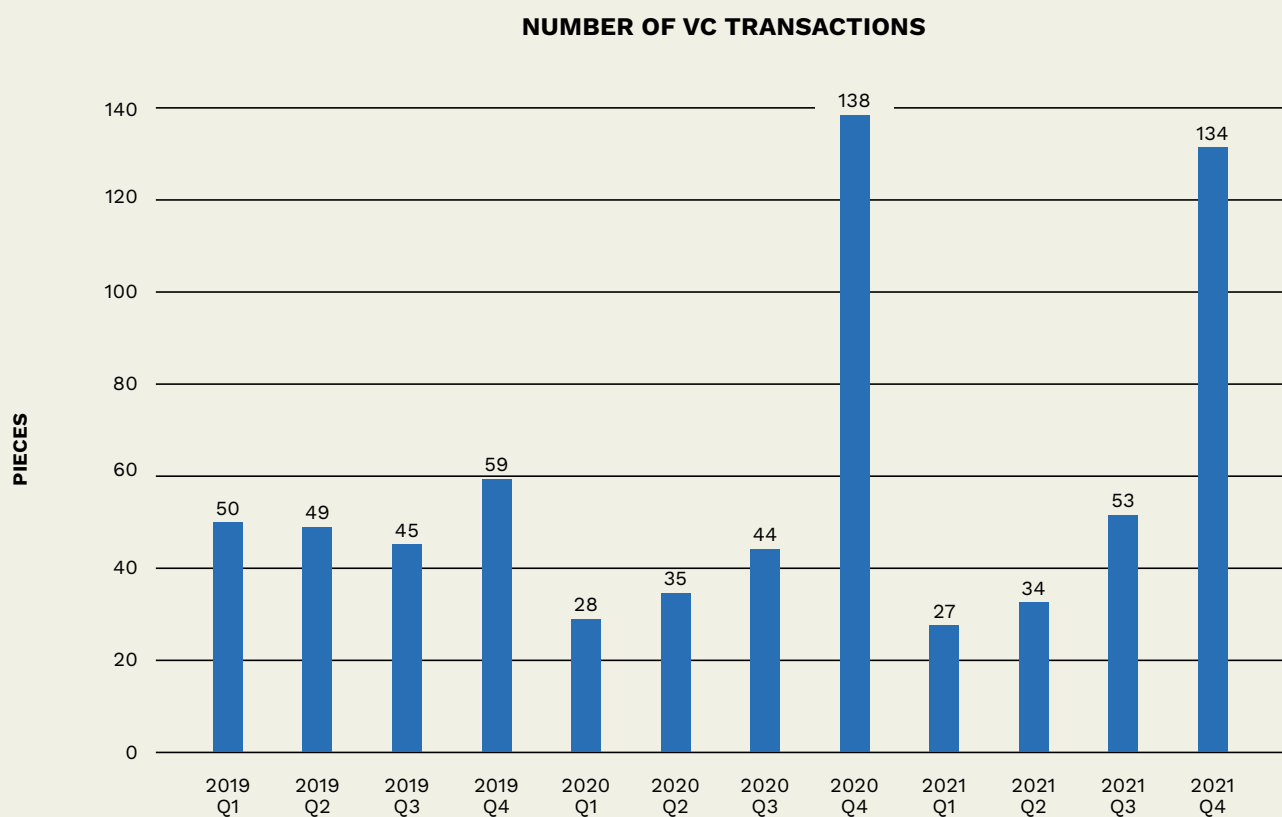


Figure 2: **Private equity market in Hungary - number of transactions**
(Source: Hungarian Private Equity and Venture Capital Association, 2019-2021)

Although there are no official statistical data available on the state of the Hungarian venture capital market for the year 2022, yet, however, a decrease in both investment value and the number of transactions is expected, in line with the regional and global trends. Besides the most active technology areas of the previous years, the spread of investments in energy innovations and with ESG focus can be forecasted.

Operation of OXO Technologies Holding, its business environment, and its strategy

Fundamental operations of the Company

OXO Technologies Holding is an investment holding company founded by private and institutional investors with the aim to carry out investments and acquisitions in the technology sector, and by developing the affected companies, increase their corporate value.

The investment activity is materialized in the following distinct stages:

- **Early Stage Investments:** at this stage the target company consists of a business and technology concept and a team that has already surveyed the market, started the development activities, and they have an idea and plan of how to step onto the market. Investments are also considered as early stage investments where companies already have a working prototype of their product and the first customers have already tested the solution but the company generally has minimal or no revenue. With these investments, the Company intends to build and expand its portfolio early at favorable valuations, as a result, it can shape its later, growth, and late stage portfolio from an advantageous position from its successful early stage investments.
- **Growth Stage Investments:** These companies have marketable products, and the development activity is aiming to create new versions of the product or expand their product range. They have an established, stable customer base, that proves the marketability of their solution. They need to raise funds fundamentally for growth, entering new markets, expansion, and improving scalability. The fundamental aim of these types of investments is to be able to sell them after exponential growth in value, thus contributing to the increase in shareholder value.
- **Publicly traded investments:** We have been differentiating our publicly traded investments as a separate category of mature stage investments since 2022, after having our portfolio expanded by this type of investment company in the past periods. It is a fundamental goal, that the larger proportion of Growth stage investments reach the publicly traded stage so the Company can keep a significant, rightly diversified, expanding, and at the same time liquid portfolio that is continuously valued by the markets.

Operation of OXO Technologies Holding, its business environment, and its strategy

- Strategic investments and Buy-outs: Self-sustaining target companies operating with lasting business stability, where the investment is aiming to increase efficiency, utilize an existing growth potential, or buy out the existing owners fully or partially. The Company wishes to expand its strategic investments in this investment stage, with a majority stake or with direct control that can contribute to both the profitability and liquidity of the Group.

In the Early stage, OXO Technologies Holding carries out investments between 30 to 80 million Forints according to its established investment practice, through its subsidiary, OXO Labs Kft. In the Growth stage, investment size typically ranges between 150 million to one billion Forints, the financing of which is typically done as part of a consortium, or a co-financing structure, where the Company is willing to finance a sum of 100 to 500 million Forints. In the Late stage, during acquisitions, buy-outs, and IPOs, the used own funds are also in the 100 to 500 million Forint range, however, especially in the case of acquisitions, it is typical to use leverage for these deals so the transaction size can even reach 1 to 3 billion Forints.

For 2022 the Company defined its focus industries in order to expand its portfolio according to current economic trends, and focus its investments where it has the most practical knowledge, business network, and where the market shows the most favorable growth potential and the chance of highest returns. Thus, we categorize both the existing investment portfolio and future target companies based on these industries:

- Green technologies: All innovations and technology developments assisting environmental sustainability, including energy, agriculture, food industry, manufacturing and logistics, e-commerce, and in general, any development and any new business solution based on such innovation, concerning circular economy are included in this category.
- Financial, authentication and security solutions: Any innovation concerning the operations of the financial sector and its services, including classic fintech, insuretech, and regtech solutions form part of this category. Furthermore, it includes all developments that, in general, serve the purposes of cybersecurity.
- Enterprise software solutions (B2B SaaS): Any software-based solution, the users of which belong to business enterprises, use the solution on a service basis. Typical areas include financial, HR, and marketing, as well as solutions assisting sales, data analysis, and efficiency-improving

Operation of OXO Technologies Holding, its business environment, and its strategy

developments utilizing machine learning, but we also classify innovations of certain industries (e.g. industry 4.0) here.

- Medical technologies: Developments concerning the digitization of medical activities and services, modernizing the technology, including both software and hardware developments.
- Gaming, sport, tourism: Besides e-gaming and e-sport, it includes all innovations concerning any segment of tourism, organizing events, and related entertainment industry activities.

The above industry classification prevails in the Company's current portfolio management practice, in prioritizing new prospective investments, as well as in the fact, that the Group strives to develop investment instruments (specialized incubators, and possibly specialized investment funds) with specifically such industry focus in both Early stage and Growth stage of investments. OXO Cybersecurity Lab was set up with this in mind, and also it was behind the Company's Board of Directors' decision to start setting up a Greentech-focused specialized investment fund in the second half of 2022.

The Company's business environment and investment strategy

In 2022, OXO Technologies Holding examined with special emphasis that in its business and operational environment to what extent shall the challenges of the domestic and regional markets, described earlier, be noted, and to what extent shall the territorial focus of its certain activities be modified or possibly expanded. In the process, concerning certain areas of activities, such as (I.) raising funds, ensuring liquidity, widening the investor base, and expanding assets under management, (II.) Early stage investments, (III.) Growth stage, pre-IPO, and publicly traded investments, (IV.) strategic investments came to the following strategic conclusions.

I. Raising further funds, ensuring liquidity, and expanding assets under management

In the past period, the domestic capital market showed signs of significant disinvestment, and continuously decaying liquidity. Furthermore, it is a general tendency that the stock markets are less able to attract investors' funds in an unstable macro environment with rising inflation and interest rates, both private and institutional investors often look for other asset classes. In addition, in the current circumstances, it is especially true for technology stocks in the region, and more so in Hungary.

Operation of OXO Technologies Holding, its business environment, and its strategy

In parallel, OXO Technologies Holding could address private investors outside of Hungary in the first half of the year and could raise investors' funds in Euros during its recent raising of capital. Based on these experiences and impressions at other investor forums, it is obvious, that to expand the portfolio, in the future, it is realistic to raise capital primarily in international markets. The Company plans to carry out all the necessary technical preparations in the second half of 2022, including, among others, converting its owner's equity from Forints to Euros, which not only affects its future new investors but its current shareholders, as well.

II. Early stage investments

In the Early stage investments market, despite previous years, the era of capital abundance seems to be over, instead, decreasing investor activity can be forecasted due to the possibilities of the government funds and incubators managing government and EU funds. On the other hand, with regards to Early stage investments, their territorial proximity, the monitoring of their operations, and the possibility of their mentoring are crucial. Finally, the Company has made such Early stage, thus increased risk investments in a way that the financing need was covered in smaller part by its own funding, and in larger part by government grants previously gained in public tenders.

With regards to the above, the Company wishes to continue its successful Early stage investment practice primarily with Hungarian and regional territorial focus, in a way to continue to use available grants or other auxiliary financing funds, even utilizing crowd funding solutions, a practice that is increasingly being formed in this region as well. As a result, the significant growth and yield potential in the Early stage investments can be harnessed, nevertheless, this activity will require only limited funding, thus the risks will be limited as well.

III. Growth stage investments

Contrary to the strategy set for Early stage investments, it is an expressed goal and intention to expand the territorial distribution among Growth stage investments. This serves the right diversification of the portfolio, that the individual risk elements of each region should not affect the value of the total managed investment portfolio, and also that the Company can use its liquidity to finance the best possible target companies in a market that is increasingly scarce of funds. In that context, on the other hand, it is important to narrow the preferred industries of the target companies, and define the focus areas where the Company can provide the most efficient professional support to the portfolio

Operation of OXO Technologies Holding, its business environment, and its strategy

companies, and where the most favorable return can be expected in the current market conditions. In that regard did the Company define its current industrial focus areas, and broadened the territorial scope of potential target companies, dynamically widening its co-investor relations in the whole of the European market.

IV. Strategic investments

In the area of strategic investments, the Company wishes to place expressed emphasis on the attainable profitability potential of target companies, as it would support the maintenance of liquidity and profitability of the Group. In order for the Company to be able to control the operations of its acquired and directly managed subsidiaries as a coherent group, along with the right strategy, it wishes to carry out its acquisitions primarily in the domestic and regional markets, in the traditional technology services segment. By setting up this range of subsidiaries, besides the operation serving the common strategy, it is also an important aspect for the strategic investment companies within the Group to be able to continuously pay dividends in a predictable way, as well as to cover the costs of the active professional support and management provided by the Company in the form of regular management fee payments.

Risk factors and risk management

The Company's strategic vision is fundamentally based on technological advancement, as well as on the consensus of the necessity of technology and business innovations, and therefore, on the ever-increasing and recurring business and investment opportunities. The competitive advantage of the small startup businesses based on technology innovations over the current market players is the result of the rapidly changing consumer demands and habits that react to innovations in an accommodating way, when the solutions causing novel, varying, new stimuli, are attractive on their own, thus the large companies with settled corporate culture, ingrained innovation cycles, and attitudes, despite their capital strength and financing capabilities, are often defeated by emerging companies with non-conventional mindset and attitude. In this business paradigm, a finite financing capability is not necessarily a competitive disadvantage, but more of a competitive advantage because the given marketable solution, that can service or even generate consumer demand, obtains its advantage by its lower development and entry costs over its competitor.

Nevertheless, this market and business model is also threatened by strategic risks. The typical risks were detailed in earlier information documents of the Company, so they are only listed here, while the details of the newly identified risk factors are presented below. The market risks described earlier appear only as a list below, complemented by the newly identified risks, as well as their detailed reasoning.

- Risk of venture capital investments
- Regulatory risks
- Risk of hostile takeover
- Risks related to the availability of policymakers and professional associations
- Risk relating to investment and acquisition target companies
- Reporting, communication, and IT risk
- Risks related to the future performance of portfolio companies

Risk factors and risk management

Newly identified risks:

— Unfavorable macro environment

With the easing of the economic downturn, caused by the pandemic, the macroeconomic risks appearing at the beginning of 2022 could be negatively affected by the developments of the war, especially severely affecting the region. In the following period, it is expected that it simultaneously causes slowing economic growth and increasing inflationary and interest rate pressure, which burdens the cost of funds for investments, the attainable real yields, and the growth potential of certain investments. Asset valuations getting under pressure, make it remarkably harder to exit from investments in this period while making it possible to expand the investment portfolio besides adequate funding. Besides, operational liquidity becomes a crucially important issue for which an increasingly significant focus may be placed on investments capable of making profits even in the short run.

— Lengthening of the Russian-Ukrainian war conflict

The lengthening of the conflict may cause increased macroeconomic instability, which may easily turn into a recession. Such a situation may cause a serious disadvantage for the players of the venture capital market also. Private and institutional investors turn to safe-haven assets during economic downturns, avoiding high-risk investments. For that reason, institutional investors' ability to attract capital may significantly decrease, which also directly affects the amount of capital flowing into the technology sector negatively. With the deterioration of technology startups' ability to raise funds, we must consider the fragmented supply chains and the decrease in consumer demand, which are disadvantageous for their income-making potential and scaling possibilities.

— Uncertainty of EU and government funds

The economic instability and the environment of skyrocketing interest rates and inflation, caused by the Russian-Ukrainian military conflict, and the consequential curbing of the monetary and fiscal stimuli may end the years of abundance of EU and government funding which will radically decrease the funds available in the next period. For this reason, investment funds and incubators operating exclusively with such funding, face serious risk, and their capital investment opportunities may decline. OXO Technologies Holding manages government funds solely through its subsidiary, OXO Labs Kft., these funds represent a minuscule proportion compared to the total funds managed by the Holding. For this reason, the uncertainty of EU and government funds cannot be regarded as a significant risk for the Company.

Risk factors and risk management

— Exchange rate volatility

As an international investor, OXO Technologies Holding is significantly exposed to exchange rate volatility. Currencies in the region, due to their geographic and economic positions were especially sensitively affected first by the pandemic, and later by the Russian-Ukrainian military conflict. The trend-like but volatile devaluation of the Forint against even the regional currencies showed a unique trajectory, which may be problematic for the members of the business community in the long run. The Company's equity stakes denominated in Forints are exposed to the exchange rate fluctuations of the domestic currency.

— Rising interest rate environment

The lengthening of the Russian-Ukrainian war conflict may cause further inflationary and interest rate pressure, especially in the Central-Eastern European region. The rising interest rates adversely impact the players of the venture capital market, because parallelly with the rising risk-free yield, the expected yield of investors also increases. Therefore, institutional investors need to produce increasingly higher yields and exits providing such yields in an unstable economic environment, and at the same time, company valuations are under increasing pressure, which bears a growing risk.

Description of the Company's risk management mechanisms

The Company's group and its investor base have more than a decade-long professional experience in the technology sector and private equity investments, so regarding the risks that may arise, they have an established and regulated risk-management experience. The risk management practices described earlier appear only as a list, complemented by the newly identified mechanisms detailed below.

- Diversified portfolio
- Favorable cost of funds in case of Early stage investments
- Wide range of co-investors in the Growth stage
- Settled acquisition practice
- Choosing business models that are more resilient to risks
- The practice of using conservative valuations
- Market recognition
- Stable professional and analyst staff
- Active investor base
- Involving external experts, using detailed due diligence
- Settled contracting practice
- Existing, robust IT systems
- Protecting the management
- The direct business interest of decision-makers and professional associations
- Experience in investors relations
- Maintaining interest in the stock market continuously, further IPOs

Description of the Company's risk management mechanisms

Newly established risk management mechanisms:

— Addressing international institutional and private investors

The professional team of OXO Technologies Holding is actively working on possible alternatives for reaching regional and international institutional and private investors, thus ensuring free-use market funding for the Company to carry out Growth stage investments, and acquisitions. As a result, the liquidity of the Company can be significantly enhanced, and the geographic exposure of the portfolio can be decreased by international investments and acquisitions. International capital increases denominated in Euros also contribute to the mitigation of exchange rate risk.

— Introduction of IFRS and conversion to Euros

According to the prior decision made by OXO Technologies Holding's Board of Directors, the Company started the transition of its accounting to IFRS standards, furthermore, a decision is being prepared on whether its shares are to be issued and traded in Euros in the future. The corresponding General Assembly decisions may be made in the second half of 2022, with the effective date of January 1, 2023, at the earliest. These changes may assist the Company in addressing international investors at a wider scale, and following the capital increase made in Euros in the first half of 2022, the Company will be able to carry out further Euro-based fundraisings.

— Deepening of industry specialization

The Company has placed particular emphasis on identifying industry focus areas, where it has more favorable risk and yield expectations and can invest with a stronger professional background. It further develops its investment instruments, professional team, and investment portfolio in these industry areas, which enables it to broaden its asset under management with much more balanced risks.

— Setting up private and closed-end investment structures

As a result of the varying business and financial environment and macroeconomic uncertainties, interest in public market instruments has significantly declined compared to the previous period. By contrast, those institutional investors and so-called family offices, who predominantly invested their available resources in closed-end funds in the venture capital investment market, have so far maintained their investment activity. Accordingly, the Board of Directors of the Company has made a decision to set up primarily closed-end institutional funds in the next period, in order to further expand

Description of the Company's risk management mechanisms

its Growth stage investments which have been typically done in co-investment structures anyway, and direct its funds available to this purpose into these funds, so that it can expand its investment activity even exponentially.

— Share Buyback program






Liquidity of the Company's shares in trading may appear as a crucial aspect during the additional expansion of the investor base, particularly involving international institutional and private investors. In order to assist this, OXO Technologies Holding plans to develop the details of a Share Buyback program, about the conceptual parameters of which the Board of Directors has made a preliminary decision. As part of this, The Company may use 50% of its annual profits to repurchase shares in the future in a way, that is based on the offers of the shareholders of floating shares with regards to quantity ratio and pricing, once a year, after the Annual report's approval, the Company may decide on the actual shares to repurchase including quantities and pricing.

Description of the portfolio

Strategic portfolio

Servergarden, providing server hosting, virtual server, and related system administration and other expert services, could substantially increase its revenues compared to the year before, and also carried out some developments, preparing for the growth of the years ahead. Its primary goal is to increase its market share and carry out the developments that could increase its profitability. Servergarden was operating in line with its approved business plan in the first half of the year.

Investment portfolio

					
	Green technologies	Financial, authentication and security solutions	B2B SaaS	Medical technologies	Gaming, sport, tourism
Early Stage	Vilhemp	Hackrate	Scienceboost, Indivizo	zMed	Betme
Growth Stage	AgroNinja	PSC CEE, iconinchain, BitNinja,	Commsignia, Blue Colibri,		OmniCoach
Public Stage			Gloster Plc		

Description of the portfolio

Public traded investments

- **Gloster Infokommunikációs Plc** is providing complex IT services for international medium-sized and large companies as a single-point-of-contact, multilayered IT service provider. The company has doubled its revenue in 2021 from the previous year, and an even higher increase can be observed in the operating profit and after-tax profit, as well. The management's objective is to reach an EBDITA of 3 billion Forints by 2025 and has constantly over-performed its plans so far. Gloster shares were subscribed at an average price of 952 Forints, which in the following trading period was greatly exceeded, thus in the financial reports the shares were revalued.

Growth stage investments

- **Blue Colibri**, a company selling mobile-first corporate communication systems, achieved its growth plans in terms of revenue and outperformed it in terms of profitability, it could also significantly increase its customer base and its income.
- In the case of **Commsignia**, selling unique solutions in the field of self-driving cars, in the first half of 2022 its revenue was slightly higher than its earlier plan, and the company is planning to have significant further revenue growth for 2022.
- **Bitninja**, operating in the server protection and cyber security market, continues to demonstrate stable growth, and in terms of profitability, it continues to exceed the expectations set out in the plan.
- The revenue of **iconicchain**, selling blockchain-based compliance services to the financial sector, falls a little behind the plan, however, regarding its portfolio of contracts it is expected to be just a time delay resulting from the slow operation of its banking clients, so for the whole year, the plans are expected to be met. Sales are increasing by large numbers, on an annual level, revenue is expected to be doubled, or nearly doubled.
- Although the sales of **PSC CEE**, selling smart cash-register systems, continues to fall behind expectations, however, on one the hand, in this past period some revival can be seen in the domestic market, and the company started opening to new, foreign markets, while a potential buyer is showing some interest to acquire the company.

Description of the portfolio

- The **OmniCoach** team was working on speeding up the sales processes in the first quarter of 2022, the effects of which are expected to be seen by the end of the year.
- The operations of Agroninja became critical due to the increased difficulties concerning the sector, so the Company decided to write off this investment.

Early stage investments

- **Vilhemp**, the innovative manufacturer of cutlery made of recyclable, compostable materials, successfully completed its plans for development and market entry, its current operation is in line with its business plan.
- **Hackrate**, the provider of traditional ethical hacking services, is operating in line with its approved plan and is preparing for the next round of equity investment.
- **Betme**, which is implementing betting and money-making solutions for the e-gaming market, is operating in line with its approved plans, it is dynamically increasing its active user base and achieving its development plans. Due to the uncertain domestic legal environment and regulations, the Founders decided to restructure the company by establishing its headquarters abroad. It can substantially contribute to its international expansion and to raising the next round of capital from institutional investors.
- **Scienceboost** is operating in line with its business plan that was the basis of its fundraising organized during a time of crisis, so far it could not compensate for the shortfall in revenue, so it offsets it with strict cost management. The potential sale of technologies available in the company was also raised by investors. Due to the shortfall in revenue, the Company wrote off its stake.
- **Indivizo**, operating in the recruitment market, is currently self-sustaining, the founder team, serving as the senior management team is shaping the new growth strategy adapted to the current market situation.
- **zMed**, developing new solutions in the field of 3D medical image processing, in order to close its ongoing developments, the settlement of received tenders was closed as part of a consultation with authorities, currently, the administrative tasks concerning the modified tender are underway, execution will resume in the second half of the year.

Events in the first half of 2022

The operation of OXO Technologies Holding on a group level was characterized by the rapid adaptation to the radically changing business and financial environment in the first half of 2022. As part of this, the Company successfully carried out a new capital increase, a dominant proportion of which was raised from external funds from European markets, in Euros, making the way for other possible fundraisings of this type. Besides, it also successfully performed a sale of its portfolio company, as known as exit, which was significant in terms of value and yield compared to the size and valuation of its portfolio, which substantially contributed to turning its operations profitable even at such an early stage of its investment period. All of this can significantly assist the Company to be in a stable state, and be prepared to manage the risks arising from the changes in the macroeconomic environment and for which it can adjust its further investment strategy. As part of this, in its investment activity, late stage investments and acquisitions were given primary emphasis, which could substantially contribute to the further profitable operation of the Company, and to maintaining its liquidity. Besides, the Company carried out its smaller-sized, early-stage investments with similar dynamics, which was posing a lighter burden in terms of risks, and liquidity.

Ensuring liquidity and stable funding, as well as expanding assets under management

In order to increase the funds available for further expanding the Company's investment portfolio, the General Assembly held on January 6, 2022, authorized the Board of Directors to further increase its share capital, in line with earlier plans, by issuing shares with the value of up to 2,000,000,000.- Forints, based on the value at issuing, with a deadline of April 30, 2022. The authorization includes all possible shapes or forms of increase in share capital as well as limiting or excluding preferential rights concerning subscription or takeover of shares.

According to the authorization of the General Assembly, the Board of Directors decided on the capital increase to be implemented in several steps during 2022. As part of this, in the first step, the Board of Directors made a written resolution on March 26, 2022, on a further capital increase in a way that 706,719,640 Forints additional capital was raised. Through the capital increase, the share capital of the Company was increased from 1,686,964,000 Forints to 1,873,050,000 Forints, by private placement as a monetary contribution, subscribing the shares with a premium.

Subsequently, the General Assembly on April 30, 2022, gave further authorization to the Board of Directors, beyond the already approved capital increases, further increase its share capital, by issuing shares with a value of up to 2,000,000,000.- Forints, based on the value at issuing, with a deadline of December 31, 2022. Also, in this case, the authorization includes all possible shapes or forms of

Events in the first half of 2022

increase in share capital as well as limiting or excluding preferential rights concerning subscription or takeover of shares. As part of this, during 2022, in order to expand the investment portfolio, the Board of Directors may make further decisions on the forms of capital raising, be it in cash or by taking over certain portfolio companies or even investment portfolios as a contribution in kind.

Applying ESG framework

The Board of Directors of OXO Technologies Holding decided on the implementation of the ESG framework on May 4, 2022. From this day forth during its investment decisions, the Company carries out a separate evaluation of the target companies on their ESG compliance, and enforces a detailed set of ESG requirements depending on the different investment stages, for its current and new investments alike.

Main events concerning the investment portfolio of the Company

- The Board of Directors of the Company gave its consent on January 7, 2022, for the founding owners of Gravity R&D Zrt. to buy out a share package representing a 33% stake in Gravity Zrt. currently owned by other financial investors with the deadline of January 31, 2022. In this transaction, regarding the commonly defined strategic goals, the Company did not wish to exercise its existing right of first refusal. Then the Board of Directors of the Company on March 4, 2022, discussed the other indicative offers to buy Gravity R&D Zrt. from other external market players, and regarding its evaluation and its own ownership stakes, it gave its preliminary approval to it. On March 26, 2022, the shareholders of Gravity R&D Zrt. signed a buyout agreement with Taboola Europe Ltd. The proportion of the sales price attributed to OXO Technologies Holding Nyrt. after its stake was denominated in Forints, at 1 billion Forints. The share sales deal is expected to be closed after the balance sheet day.
- The Board of Directors of the Company also discussed the opportunity to acquire InVenturio Zrt. on March 4, 2022, in the framework of which the company itself can acquire a 100% stake in the target company. At the same time, the Board of Directors approved the main conditions of its offer concerning the prospective acquisition, as well as the due diligence of the company, and subsequently started concluding the buyout agreement. The acquisition was concluded after the balance sheet day.

Events in the first half of 2022

- The Board of Directors of the Company on April 1, 2022, decided on the capital increase of 299,999,952 Forints in Gloster Infokommunikációs Nyrt. In this transaction, the price was set at 952 Forints a share which was the 180-day average price weighted by turnover at the time of the decision.
- The Board of Directors of the Company on May 13, 2022, made a policy decision that the Company intends to set up an investment fund with a special Greentech focus with other institutional investors following similar investment policies in the next 6-12 months period, in order to be able to carry out its Growth stage investments into this field with special focus from this fund in the future.

Extraordinary events concerning the operations of the Company in the first half of 2022

Another extraordinary event concerning the operation of the Company, the Single Resolution Board (SRB), the European resolution authority, initiated a liquidation procedure against Sberbank Europe AG, the parent company of Sberbank Magyarország Zrt. as an indirect result of the Russian-Ukrainian war. In this regard, the National Bank of Hungary withdrew the banking license of Sberbank Magyarország Zrt., and ordered its liquidation. The Company and some of its subsidiaries kept its accounts in part at Sberbank Magyarország Zrt., thus having receivables towards the bank. Measures against Sberbank Magyarország Zrt did not substantially affect the Company's financial situation, with regard to the fact that the decrease in liquidity is minor compared to the value of the company's investment portfolio. The loan drawn from Sberbank Magyarország Zrt., to finance the earlier acquisition of Servergarden Kft., the Company's 100% subsidiary, was offset by the receivables of the Company arising from its existing deposits, before the withdrawal of the Bank's banking license. The final payoff of the loan to acquire Servergarden Kft. was concluded successfully as a result of offsetting OXO Technologies Holding's deposit, which was initiated at the right time. Thus, the deposit offsetting the loan amounted to 481.1 million Forints, and the National Deposit Guarantee Fund (OBA) disbursed the Company and its subsidiaries the maximum compensation amount of 38 million Forints. With these altogether, the Company could minimize its damages resulting from the liquidation. Following the payoff and compensation, the amount of the remaining deposit is 102.4 million Forints, which was registered by the appointed liquidator, Pénzügyi Stabilitási és Felszámoló Nonprofit Kft., as a recognized, undisputed receivable. After this receivable, the Company has accounted for 100% write-down, in line with the prudence principle. Any possible recovery of any proportion could increase income for the Company.

Events in the first half of 2022

Other technical changes concerning the operation

Following Mr. Zoltán Kun's resignation from his membership in the Supervisory Board and Audit Committee, the General Assembly of the Company elected Mr. Krisztián Kőrösi to be a new member of the Supervisory Board.

On April 30, 2022, the General Assembly of the Company

- approved the Annual Report for 2021
- approved the Corporate Governance Report for 2021
- elected Dr. Balázs Rátaí to replace Dr. Ákos Becher, who resigned as a member of the Board of Directors
- Mr. József Bodor and Dr. Levente Torma resigned from their membership in the Supervisory Board and Audit Committee, thus, Dr. Dávid Gere and Mr. András Fábíán were elected as new members of the Supervisory Board and Audit Committee.
- elected Mr. Tamás Bojtor, as Managing Director
- changed the signatory rights in a way that the Chairman of the Board of Directors is authorized to sign representing the Company alone, and a member of the Board of Directors can do so jointly with the Managing Director.

Events after the balance sheet date

The Board of Directors of the Company voted on equity investment into Dicomlab Dental Kft., a Medtech company on December 3, 2021. The Company signed an investment contract on August 12, 2022, with Dicomlab Dental Kft. to increase its capital by the sum of 87.55 million Forints. OXO Labs Kft. the 100% subsidiary of OXO Technologies Holding, successfully concluded two early stage investment transactions in August 2022 by increasing capital in target companies Festivize Kft., and Green Drops Farm Kft.

Major expectations and further plans for 2022

In the second half of 2022, the Company, as part of its investment activity wishes to place emphasis on acquiring potential target companies that are mature, self-sustaining, and capable of generating profit, while as part of its early stage investment, it seeks to close the ongoing investment in Startup Factory to be carried out within the framework of a tender. The Company wishes to expand its Growth stage portfolio by the end of 2022 in a way, that in the framework of share swap transactions, with further possible capital increases and in exchange for the acquired shares, the Company gets hold of new portfolio companies by issuing new shares. This investment strategy properly serves the Company's secure management, maintaining its liquidity and achieving its long-term plans. Among the long-term plans, the expansion of international investor relations gets the primary focus, preparing for further fundraising rounds to specialized equity funds, or even to the Company itself, perhaps in a form of a later parallel IPO in a foreign public market (dual listing). In order to implement this strategy, upon issuing the current report, the Board of Directors has asked the Company to prepare the following strategic steps concerning the future:

- In order to access the international investors market easier, as well as for mitigating certain risks, the Company started its transition from the Hungarian Accounting Standards (HAS) to the International Financial Reporting Standards (IFRS) as well as converting the Company's equity from Forints to Euros, thus intends to change the quotation of the shares from Forints to Euros, in case of the General Assembly's later adequate approval, effective from January 1, 2023.
- The Company started to develop the details of a future Share Buyback program, according to which, the Company plans to repurchase its own shares after approving its Annual Report, up to 50% of its annual net income from shareholders of floating shares, in proper procedure, with regard to offered quantities within deadlines, with proportionate allocation and pricing procedures.

Financial Report for H1, 2022

The Company's financial report for the first half of 2022, just like its reports for previous periods, shows the tendencies of a normal, planned operation, it could increase its total assets by 941.7 million Forints from the end of last year. As a result, OXO Technologies Holding's net value of assets under management was 5.4 billion Forints and closed the first half of 2022 with a profit after tax of 207 million Forints.

It is important to emphasize, that OXO Technologies Holding aims to develop and manage an investment portfolio made fundamentally of technology companies in its industry and business strategy, the characteristic of the sector is, that in the investment period during which the investment portfolio is built, the given company does not generate profit, or it does, in a very moderate way, and its operations are inevitably lossmaking. In this industry, lasting profitable operation is typical after the first 3 to 5 years of the investment period (see the details later). In comparison, OXO Technologies Holding tried to shorten the inevitably lossmaking portfolio-building period of its operation, and its objective was that following its foundation in 2020, the lossmaking period should not exceed three years. The financial management of the Company in 2022 was in line with this plan.

The positive effects that may be the result of the successful investment and portfolio management operation of the Company can be observed in the first half of its third year of operation, and that can ensure continuous, profitable operation in an otherwise risky business environment.

The financial operation, in line with the original plan for 2022, showed major differences from the previous period in the following item:

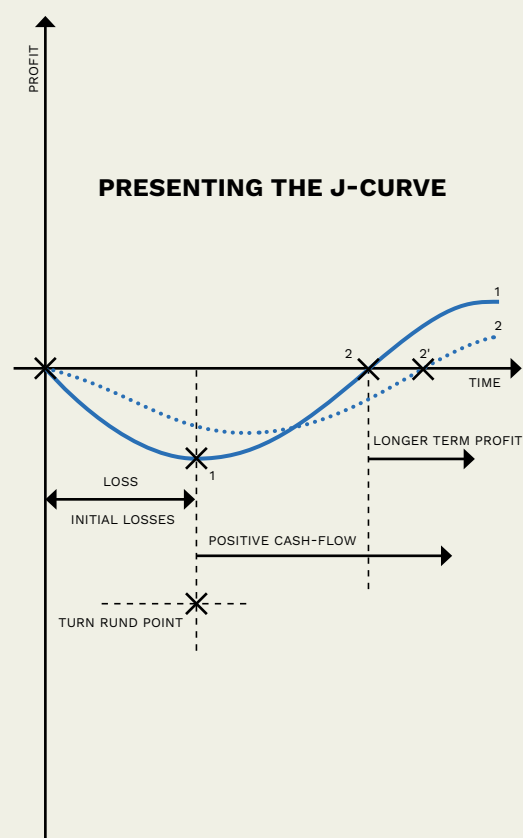
- The Company carried out a capital increase involving new shareholders on May 30, 2022. The value of the increase in capital was 706,719,640 Forints by issuing 186.,86 ordinary shares.
- The Company carried out a capital increase in Gloster Infokommunikációs Nyrt with the value of 299,999,952 Forints in April 2022 at 952 Forints a share.
- The Company revalued its stake in Gloster Infokommunikációs Nyrt. at the end of the first half of the year, thus assessing the share value based on the 180-day average price valid at the time of revaluation, to 1066 Forints a share.
- The Company wrote off its stakes in AgroNinja and Scienboost with regard to the arising operating risks.
- It can be seen in the the Company's balance sheet, that the value of Long-term loans to affiliated companies increased significantly among the assets. This increase originates from the ceding of funds, necessary for the final payoff of the acquisition loan relating to Servergarden Kft.

Financial Report for H1, 2022

- The Company could minimize its damages arising from the liquidation of Sberbank in a way described at the section Events in the first half of 2022. Following the payoff and compensation, the amount of the remaining deposit is 102.4 million Forints, which was registered by the appointed liquidator, Pénzügyi Stabilitási és Felszámoló Nonprofit Kft., as a recognized, undisputed receivable. The Company accounted for loss in value in the first half of 2022, by the amount of the remaining deposits, however, based on news appearing publicly it seems realistic to recover the sum in part or in full, which could benefit its profitability later.
- The sum in the line Other receivables consists of the income from the sale of Gravity R&D Zrt., which will be settled after the balance sheet date.

As a result, the Company's net income is positive despite of the fact that while the write-downs and write-offs appear in the income statement directly as expenses, the positive effects of appreciation do not appear in the income statement but in the equity line of the balance sheet. Nevertheless, the, carried out, sale of companies, as known as exits still contribute to profitability.

We find it important to demonstrate as an additional explanation to the above description that due to the unique characteristics of the industry, a young investment company is inevitably loss-making in its investment period, because the profits arising from the value increase of its portfolio, adequately offsetting its operating expenses, and possible early write-offs and write-down are realized in the income statement only later, at the time of exits, and not at the time of revaluations triggered by new investments. This practice is presented by the J-shaped yield curve, also referred to as the J-curve in the industry, which illustrates well that while the management and transaction costs in the investment period, as well as the possible early write-offs and write-downs, show a negative yield performance, even for a well-performing portfolio, at the time when the first sales happen, the yield curve starts its steep ascend, and in 3 to 5 years in general, the internal rate of return shows exactly the final internal return performance. This period is shorter for buyout funds, and somewhat longer for investment companies, active in Early stage and Growth stage investments.



Financial Report for H1, 2022

Assets of the Company as of June 30, 2022

Description	December 31, 2021	June 30, 2022
A Fixed Assets	3,399,938	3,919,490
I. Intangible Assets	52,412	46,389
Capitalized value of Foundation/Restructuring	52,412	46,389
II. Tangible Assets	134	80
Other equipment, vehicles	134	80
III. Fixed financial assets	3,347,392	3,873,021
Long-term equity investments in affiliated companies	1,659,862	1,688,586
Long-term loans to affiliated companies	20,756	596,851
Long-term equity in companies with significant stake	435,020	112,451
Other long-term equity investments	886,230	1,123,185
Other long-term lendings	29,500	0
Value adjustment of fixed financial assets	316,024	351,948
B Current assets	1,059,585	1,496,508
I. Inventories	-	-
II. Receivables	160,799	1,101,547
Accounts receivable	1,356	1,356
Receivables from affiliated companies	35,086	35,089
Receivables from companies with significant stake	10,000	10,000
Receivables from companies with other participation	93,304	99,959
Other receivables	21,053	966,643
III. Securities	139,903	51,436
Significant equity interest	50,993	51,436
Other equity interest	88,910	0
IV. Cash and cash equivalents	758,883	332,025
Cash, checks	5	0
Bank deposits	758,878	332,025
C Accrued income and deferred expenses	4,590	5,570
Accrued income	4,579	5,570
Deferred expenses	11	-
Total Assets	4,464,113	5,421,568

Financial Report for H1, 2022

Liabilities and Owner's Equity of the Company as of June 30, 2022

Description	December 31, 2021	June 30, 2022
D Owner's Equity	4,433,077	5,383,123
I. Subscribed capital	1,686,964	1,873,050
III. Capital reserves	2,900,342	3,420,976
IV. Retained earnings	-141,836	-516,641
V. Committed reserves	52,412	46,389
VI. Revaluation reserves	316,024	351,948
Value adjustment in revaluation reserves	316,024	351,948
VII. Net income	-380,829	207,401
E Provisions	-	-
F Liabilities	9,013	20,474
I. Subordinated liabilities	-	-
II. Long-term liabilities	-	-
Long-term liabilities to affiliated companies	-	-
III. Short-term liabilities	9,013	20,474
Accounts payable	2,833	18,088
Short-term liabilities to affiliated companies	6,038	2,386
Other short-term liabilities	142	-
G Deferred income and accrued expenses	22,023	17,971
Accrued expenses	2,238	444
Deferred income	19,785	17,527
Total liabilities and owner's equity	4,463,968	5,421,568

Financial Report for H1, 2022

Income Statement of the Company as of June 30, 2022

Description	June 30, 2022	June 30, 2021
I. Net sales revenue	9,500	4,536
II. Value of capitalized own performance	0	0
III. Other revenues	1,065	2,263
IV. Material expenses	81,353	179,929
V. Personnel expenses	0	0
VI. Depreciation and amortization	2,741	6,077
VII. Other expenses	16,285	102,371
A Operating profit	-89,814	-281,578
VIII. Income from financial transactions	53,010	685,058
IX. Expenses on financial transactions	173,417	196,079
B Net financial result	-120,407	488,979
C Earnings before taxes	-210,221	207,401
X. Tax liability	114	0
D Profit after taxation	-210,335	207,401

Disclosures in the first half of 2022

The Company publishes its disclosures in case Act V of 2013 on the Civil Code, or Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings, or Act CXX of 2001 on the Capital market, or other legislation obliges the Company to disclose an announcement, the Company fulfills its obligation by posting the announcement on the Company website (www.oxoholdings.eu), on the website of the Budapest Stock Exchange (www.bet.hu) and if the legislation specifically states, on the website operated by the National Bank of Hungary (www.kozzetetelek.hu).

Announcements published by the Company in the first half of 2022

Date of upload	Description of document
01.06.2022	Statement on the General Assembly
01.07.2022	Statement on possible changes concerning the portfolio
01.19.2022	Information on company registration
01.22.2022	Information on share purchase transaction of a senior manager
01.27.2022	Information on share purchase transaction of a senior manager
01.31.2022	Information on voting rights and composition of share capital
02.02.2022	Information on share purchase transaction of a senior manager
02.03.2022	Information on share purchase transaction of a senior manager
02.04.2022	Statement on possible changes concerning the portfolio
02.08.2022	Invitation to General Assembly
02.16.2022	Information on share purchase transaction of a senior manager
02.16.2022	Proposals for the General Assembly
02.22.2022	Information on share purchase transaction of a senior manager
02.28.2022	Information on voting rights and composition of share capital
02.28.2022	Information on share purchase transaction of a senior manager
03.02.2022	Extraordinary Information
03.03.2022	Information on share purchase transaction of a senior manager
03.04.2022	Statement on possible changes concerning the portfolio
03.09.2022	Information on share purchase transaction of a senior manager
03.21.2022	Information on share purchase transaction of a senior manager

Disclosures in the first half of 2022

Date of upload	Description of document
03.21.2022	Statement on increase of capital
03.21.2022	Statement on the General Assembly
03.21.2022	Invitation to General Assembly
03.22.2022	Information on share purchase transaction of a senior manager
03.29.2022	Proposals for the General Assembly
03.31.2022	Information on voting rights and composition of share capital
04.01.2022	Statement on possible changes concerning the portfolio
04.01.2022	Information on company registration
04.20.2022	Statement on the General Assembly
04.29.2022	Statement on possible changes concerning the portfolio
04.30.2022	Information on voting rights and composition of share capital
04.30.2022	Statement on the General Assembly
04.30.2022	Corporate Governance Report
04.30.2022	Annual Report, 2021
05.20.2022	Information on share purchase transaction of a senior manager
05.20.2022	Information on company registration
05.24.2022	Statement on the introduction of ESG aspects
05.26.2022	Statement on purchase of portfolio company
05.27.2022	Information on share purchase transaction of a senior manager
06.01.2022	Information on share purchase transaction of a senior manager
06.01.2022	Information on registration of capital increase
06.01.2022	Information on voting rights and composition of share capital
06.01.2022	Information on share purchase transaction of a senior manager
06.10.2022	Statement on possible changes concerning the portfolio
06.13.2022	Statement on changes concerning a portfolio company
06.21.2022	Extraordinary Information
06.30.2022	Information on voting rights and composition of share capital