

OXO Technologies Holding

Public limited
company

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company registration number: 01-10-140670

Semi-Annual report 2024

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Introduction

Based on the business results for the first half of the year 2024, OXO Technologies Holding (hereinafter referred to as "the Company") has shown a stable and profitable management. Despite the significant challenges in the economic environment, the Company's portfolio and assets under management have proven to be sound. The Company's strategic experience and adaptability to date have enabled it to maintain and further strengthen its favourable market position in an increasingly competitive industry.

The Company closed the first six months of 2024 with a positive balance sheet, but the profit growth lagged behind the dynamic growth of previous years. This was influenced by several factors, with the most significant being the exchange rate fluctuations, especially those towards the end of the half-year. The Company plans to take measures in the second half of 2024 to close its open foreign exchange/forint positions, aiming to offset the unrealised losses from the first half of the year. This is expected to improve the annual financial performance, hence ensuring the maintenance of profitability.

Throughout 2023, the Company has paid particular attention to self-sustainability and liquidity to adapt to the new economic situation. During this period, the main priority was to further increase its ability to raise funds and to maximise the opportunities offered by the favourable investment environment. In particular, the Company sought mature, self-sustaining and profitable acquisition targets to expand its stable investment portfolio and achieve long-term sustainable growth. The Company continued to actively seek opportunities through innovative, early-stage investments to open new markets and secure its future growth. This has been supported in part by successful share swap transactions that have enabled the expansion of the growth stage portfolio while maintaining financial security and liquidity. The investment strategy aims to deliver on the Company's long-term plans, with a particular focus on expanding international relationships and preparing for further fundraising opportunities. To this end, the Company is already exploring investment opportunities in equity funds and considering a future foreign market launch of a new issue, which could be carried out through dual listing.

In the first half of 2024, the Company has taken significant steps to enter the international market and has successfully identified potential acquisition targets. As part of these efforts, specific acquisition and consolidation opportunities have emerged that offer further significant growth potential. A particularly important milestone was the announcement of the acquisition of 3TS Capital Partners Oy, a Finnish investment group active primarily in Central Europe. The Company plans to partly acquire and partly integrate 3TS Capital Partners, which could lead to the creation of a new regional market-leading venture capital and private equity investment group. The transaction is expected to be completed in one and a half to two years, with the first steps and completion of the acquisition expected in the second half of 2024.

Introduction

Financial results and shareholder value growth

The Company closed the first half of 2024 with a profit after tax of EUR 112 130 reflecting the company's solid financial performance. Assets increased by EUR 715 558 to a total of EUR 16.898 million. In addition to these results, the Company's total retained earnings amounted to EUR 1 971 418 representing retained earnings of EUR 1.008 per share. These results should provide an appropriate basis for the realisation of the dividend payment planned for 2024, which should further increase shareholder value and reinforce investor confidence in the Company.

In just four years since its establishment, the Company has demonstrated its ability to operate sustainably and profitably. Effective investment strategies and a diversified portfolio have ensured that the Company has been able to meet its financial targets in a stable manner even in its early years. Looking ahead, the Company plans to enter new markets through further acquisitions and strategic partnerships, further enhancing shareholder value. Access to international markets, the possibility of dual listing, and the strengthening role of regional venture capital and private equity investors are all expected to drive the Company's continued strong growth in the coming years.

The global and regional economic environment of the technology sector

Global economic environment

In the first half of 2024, the global economic environment showed a balance between cautious optimism and the challenges that remain from previous years. Although inflationary pressures have gradually eased, the return of investor interest has been modest in global markets. The technology sector, the engine of modern economies, continued to attract investment. However, capital allocation patterns were much more subdued compared to the enthusiasm of previous years and the temporary inflows were largely targeted at a narrower range of big tech firms.

The Artificial Intelligence (AI) segment remained as the focus of technology investment. Continued interest in AI-based innovations has played a key role in supporting technology stocks particularly in the US, where large technology companies have continued to outperform other sectors. This performance helped to further strengthen the market dominance of these industry giants. Nonetheless, the concentration of capital within a few large players has highlighted a general trend of uneven growth in the sector.

Despite the continued growth of AI and related technologies, the broader macroeconomic environment remains challenging. Interest rates decreased slightly from the 2023 peaks, yet continued to influence investment decisions. Investors favoured assets offering stable yields, leading to increased activity in fixed income markets. Moreover, undervaluation in public technology equity markets continued, particularly in the first months of 2024, offering favourable entry opportunities for institutional investors and individual investors alike. The environment has also proved favourable for technology companies with strong liquidity management, as evidenced by the numerous share buyback programmes during this period.

Regional economic environment

Regional dynamics in the technology sector have varied considerably, reflecting local economic conditions and market characteristics.

In the US, the tech sector remains a dominant force, mainly thanks to the AI boom. The major equity indices, especially those rich in technology stocks, performed well despite broader economic uncertainties. Performance was largely driven by big tech companies, which attracted significant capital inflows. This concentration of investment has further widened the gap between large-cap technology companies and smaller, growth-stage firms, which have faced greater challenges in raising finance and sustaining growth in a high interest rate environment.

The global and regional economic environment of the technology sector

Meanwhile, European technology markets also benefited from the global AI wave, but showed more moderate growth. The economic environment in the region has been influenced by slower declining inflation and a more conservative approach to monetary policy compared to that of the US. As a result, European technology indices showed more subdued growth, with the healthcare sector contributing significantly to this growth. In the meantime, Central and Eastern European (CEE) markets outperformed their Western counterparts, largely due to their lower valuations. These markets offered attractive opportunities for investors seeking value-based investments in a region where growth potential is increasingly recognised.

The performance of the Hungarian technology sector in the first half of 2024 mirrored broader regional trends, particularly in adjusting to gradually declining interest rates and inflation. The Budapest Stock Exchange (BSE) posted a strong performance, particularly for blue-chip stocks, which benefited from growing investor confidence. However, mid-cap stocks remained under pressure due to the overall challenging economic environment despite the easing of some macroeconomic factors. The potential of the Hungarian market was further enhanced by its relative affordability compared to other European markets, making it an attractive investment destination for investors seeking value.

Forecast for the second half of 2024

Looking ahead to the second half of 2024, the global technology sector will continue to operate in a complex economic environment. Inflationary pressures are expected to ease slowly, leading to minimal expansion in market liquidity in the short term. Nevertheless, significant economic challenges remain especially in terms of global growth indicators, with persistent recession risks in developed markets that may continue to constrain growth opportunities for emerging companies.

In the US, the focus is likely to remain on AI and the big tech companies that will dominate the markets for the time being. However, there may be growing concerns about how sustainable this concentrated growth is, especially if broader economic indicators do not show significant improvement.

Growth in European markets could pick up slightly, especially if inflation rate continues to fall and monetary policy becomes more supportive of investments. Central and Eastern Europe, including Hungary, is likely to remain a priority area for investments with favorable valuations, and is likely to achieve further outperformance relative to Western Europe. Investors in the region may benefit from both lower valuations and a gradual stabilization of the economic environment.

The global and regional economic environment of the technology sector

Overall, there are reasons for cautious optimism for the second half of 2024. To thrive in these macroeconomic environments, the tech sector must continue to adapt in a world where easy capital raising is no longer the norm and strategic, value-based investments are the order of the day.

The state of the Hungarian venture capital market

In the first half of 2024, the Hungarian venture capital (VC) and private equity (PE) market faced serious challenges, which brought significant changes in investment activities. Compared to the previous year, the market continued to slow down, which was already observed in 2023. Both the number of investment transactions and the aggregate value of investments declined, indicating the pressures on the market.

The value of VC and PE investments in Hungary continued to decline in the first six months of the year, in line with the trends of the previous year. According to industry statistics, the majority of investments were made at the start-up stage, although growth capital investments also played a significant role. The average deal size continued to decline, suggesting that investors have become more cautious and reluctant to invest larger amounts.

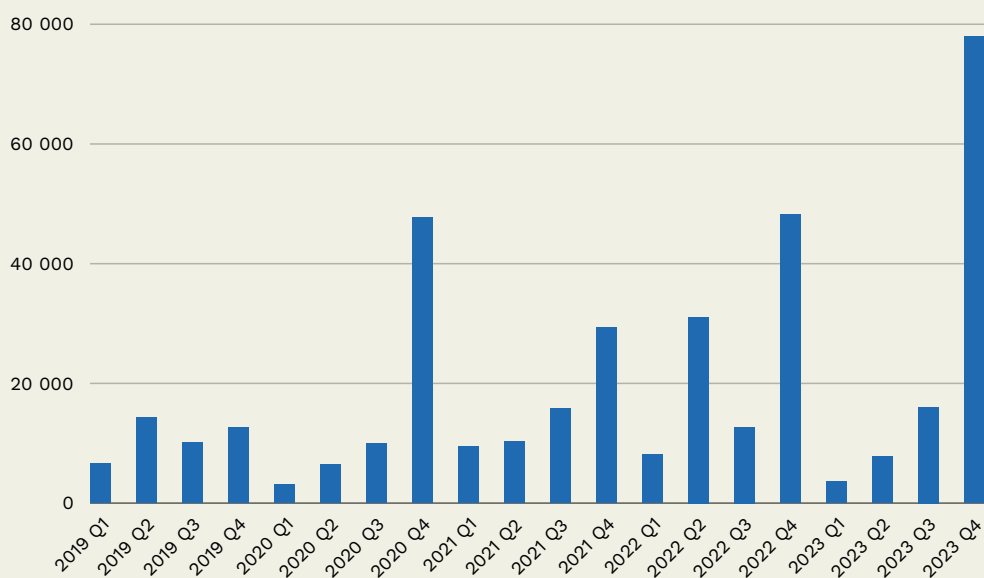
The decline in investment activity was particularly noticeable in seed and later stage business financing, while start-up stage businesses received relatively stable support. At the beginning of the year, PE investments—especially buyouts—almost disappeared, which is one of the most visible signs of the general slowdown in the market.

The information and communication technology (ICT) and business products and services sectors continued to be the most active in terms of both investment volume and number of transactions. The ICT sector remained particularly attractive to domestic investors, indicating a greater interest in the sector than in other industries. The average deal size for start-up stage investments in the sector increased in the first half of 2024, while growth capital investments also saw a significant increase.

Forecasts for the second half of 2024 show that the Hungarian VC and PE market is facing a challenging period. Although inflationary pressures are expected to ease further and interest rates may also fall, investment activity is likely to recover slowly.

The state of the Hungarian venture capital market

Domestic venture capital market - amount of capital invested (HUF million)



Source: Hungarian Venture Capital and Private Equity Association, 2019-2023

Operations, business environment and strategy of OXO Technologies Holding

General operation of the Company

OXO Technologies Holding (the "Company") is an investment holding company founded by private and institutional investors. The operational objectives are to make investments and acquisitions in the technology sector, to develop the companies concerned, and to increase their value. Its activities have historically started with equity investments in early stage and growth stage innovative technology companies. As the Company adapted to market conditions and changes in the returns environment, and to take advantage of its growing assets and resources, it has increasingly focused on financing and sometimes acquiring, partial or 100% of more mature technology companies. Its operating model is based on understanding and monitoring a wide range of technological innovations, mainly through its early-stage investment activities, with limited financial risk-taking. With its active presence in technology investments, the portfolio of the Company includes companies with mature and stable earnings generating capabilities, as well as companies with established business models and technology solutions. As a result, the Company's technology portfolio now demonstrates a self-sustaining, balanced and stable earnings generating capability.

In the early stage, OXO Technologies Holding's established investment practice is to invest, through its subsidiary OXO Labs Ltd, between HUF 30-80 million in companies developing and implementing technological innovations that are in the process of completing their development and entering the market. It makes growth investments in companies that are already on the market and seeking funding for expansion, with investment sizes typically in the range of HUF 150 million to HUF 1 billion. These are typically financed by the Company in syndicate, i.e. co-investment structures, and the Company is prepared to finance them with an amount of between HUF 100 and 500 million as its own investment. In the mature phase, during acquisitions, buy-outs, IPOs, the own funds used also fall in the range of HUF 100-500 million, but especially during acquisitions it is typical to raise acquisition-related debt, so that the transaction sizes can reach up to HUF 1-3 billion.

The Company has also defined in more detail its industry focus areas in order to expand its portfolio in line with current economic trends and to concentrate its investments in those areas where it has the most practical knowledge, business contacts, and where the market shows the most favourable growth opportunities and return on investment. On this basis, we categorise both the existing investment portfolio and future investment targets according to the following industry sectors:

Operations, business environment and strategy of OXO Technologies Holding

Green technologies: this industry category covers all innovation and technological developments that contribute to environmental sustainability, including any developments in the fields of energy, agriculture, food, manufacturing and logistics, e-commerce or the circular economy in general, and new business solutions based on such developments.

Financial, authentication and security solutions: this area covers any innovation in the operation and services of the financial sector, including classic fintech, insurtech and regtech solutions. It also includes all developments that serve cybersecurity objectives in general.

Business-to-business solutions (B2B SaaS): any software-based solution that is used by a business and is consumed on a service basis. Typical areas are enterprise finance, HR, marketing and sales solutions, efficiency improvements using data analytics and machine learning, but also include some industry-specific (e.g. industry 4.0) innovations.

Health technologies: developments for the digitalization and technological modernization of health activities and services, including both hardware and software innovations.

Gaming, sport and tourism: includes e-gaming and e-sport, all innovations that concern a segment of tourism, events and related entertainment activities.

The above industry segmentation is reflected in the Company's current portfolio management practices, in the prioritisation of new investment targets and in the Group's efforts to develop investment vehicles (specialised incubators and possibly specialised investment funds) with a specific industry focus, both in the early and growth phases. This has already led to the setting up of the OXO Cybersecurity Lab and the launch of a specialised investment fund with a green tech focus.

Operations, business environment and strategy of OXO Technologies Holding

The Company's business environment and investment strategy

OXO Technologies Holding has been continuously and explicitly examining the extent to which its business and operating environment should take into account the challenges already presented by the domestic and regional markets, and the extent to which it should adjust and possibly expand the territorial focus of some of its activities. In doing so, it has reached the following strategic conclusions in each of its areas of activity: (i) raising funds, providing liquidity, expanding the investor base and assets under management (ii) strategic investments (iii) early-stage investments (iv) growth stage, pre-IPO and publicly traded investments.

— Additional fundraising and liquidity management

Recent trends in the domestic capital market have revealed a significant withdrawal of funds and a sharp decline in liquidity. In broader context, the unstable macro environment—characterised by high inflation and interest rates—has made the equity markets more difficult to attract investor funds. As a result, both private and institutional investors are increasingly turning to other investment instruments. This shift is especially noticeable in the current environment, particularly for technology stocks and, more generally, for regional and domestic securities. Interestingly, despite the strong international performance of the domestic equity market (BUX up 18.93%, BUMIX up 22.83%), retail investors were the primary drivers of the domestic equity portfolio in 2024, while domestic institutional investors remained focused on foreign equity markets, which performed below average.

Based on the experience of the previous year, OXO Technologies Holding continued to target private investors outside Hungary.

Furthermore, the Company aims to maintain maximum flexibility and adaptability in its investment activities. To achieve this, it adapts its liquidity to match the volume of investment opportunities at any given time by continuous capital increases in response to market conditions. Alongside the adoption of these accounts, the Company has also requested authorisation from its general meeting to buy back shares on a continuous basis, allowing it to reduce any surplus liquidity from time to time if needed.

Operations, business environment and strategy of OXO Technologies Holding

— *Strategic investments*

In the area of strategic investments, the Company wishes to place a strong emphasis on the profit generating capacity of the available investment targets, as this can support the maintenance of the Group's liquidity and profitable management. To enable the Company to manage the operations of its acquired and directly controlled subsidiaries as a single group with an appropriate strategy, the Company intends to make acquisitions primarily in the domestic and regional markets and in the traditional technology services segment. In addition to operating as a joint start-up, a key consideration in the design of this group of subsidiaries is to ensure that the strategic investments belonging to the group are able to pay a steady dividend in a predictable manner and to cover the costs of the active professional support and management services that the Company provides on an ongoing basis.

— *Early stage investments*

Unlike in previous years, the early-stage investment market appears to be experiencing reduction in available funds, with investor activity declining. However, the geographic proximity to early-stage investments, active monitoring of their operations, and ongoing mentoring remain critical. The Company has already made such early stage investments that carry higher risks, but with only a small proportion of the funding coming from its own resources and a larger proportion from public tenders.

Aligning with the above strategies, the Company aims to continue its successful early-stage investment activities with a regional focus primarily in Hungary, either by continuing to use available grant funding or by using other complementary sources of funding that includes crowdfunding, an increasingly emerging practice in this region. As a result, the significant growth and return potential of early-stage investments may continue to be exploited, but this activity will continue to require only limited resource deployment by the Company at this stage and its risks will remain limited.

Operations, business environment and strategy of OXO Technologies Holding

— *Growth phase investments*

In contrast to the strategy for early-stage investments, the stated aim and intention for growth-stage investments is to expand their geographical distribution. This is to ensure that the portfolio is appropriately diversified, the individual risk factors of each region do not in themselves affect the value of the overall investment portfolio under management, and the Company can use its existing liquidity to finance the best possible investment targets in a market that is likely to be more resource constrained in the future. In the meantime, it is also important to narrow down the preferred industry sector of investment targets and to define the focus areas where the Company can provide the most effective professional support to its portfolio companies and where the best returns can be expected under current market conditions. With this in mind, the Company has defined its current industry focus areas and has broadened the territorial scope of its investment targeting, dynamically expanding its co-investor relationships across the European market.

— *Application of ESG rules*

In 2024, OXO Technologies Holding will continue to apply the previously developed ESG criteria in its investment decisions, by which each potential target is independently assessed for ESG compliance.

Risk factors and risk management

The Company's strategic vision is fundamentally based on a consensus on the need for technological progress and business innovation, and the continuously expanding and re-emerging business and investment opportunities they create. Small start-ups based on technological innovation often gain competitive advantages over existing players due to rapidly changing consumer needs and habits. Consumers who are drawn to novel, dynamic solutions that generate fresh stimuli enable these start-ups to move quickly with unconventional solutions, and ultimately outperform large companies—even those with greater capital and financing capabilities—whose established corporate cultures and rigid innovation cycles make them slower to adapt. In this business paradigm, limited financing capacity is not necessarily a competitive disadvantage. In fact, it can sometimes be an advantage, as marketable solutions that serve or even generate consumer demand could be developed and brought to market at lower costs, providing an edge over the competitors.

However, this market and business model is also threatened by strategic risks. A list of the types of risks detailed in the Company's previous information documents is provided below, with a more detailed description of the newly identified risk factors. The market risks previously described are therefore presented below only at a high level, together with the newly identified risks and their detailed justification.

- Risk of venture capital investments
- Regulatory risks
- The risk of hostile takeovers
- Risks related to the availability of a decision-making and professional organization
- Risk associated with investment and acquisition targets
- Data, communication, and IT risks
- Risks to the future performance of the portfolio companies

Emerging risk:

— *Unfavorable macro-environment*

The macro risks, already evident as the economic downturn caused by the pandemic eases in early 2022, have been significantly exacerbated by the war developments particularly critical for the region. This is expected to result in both subdued economic growth and concurrent inflation and interest rate pressures in the coming period, which will weigh on the cost of funds for investment, the real returns available and the growth potential of individual investments.

Risk factors and risk management

During this period, pressured asset valuations could make exiting investments significantly more difficult, while still providing the opportunity to expand investment portfolios with adequate resourcing. In addition, operational liquidity will also become a critical issue, with an increasing focus on investments that can generate profits in the shorter term.

— *Prolongation of the Russian-Ukrainian war conflict*

The prolongation of the conflict leads to increased macro-environmental instability, which can lead to recessionary cycles from time to time. Such a situation is also a major disadvantage for venture capital market participants. Retail and institutional investors tend to turn to flight assets in times of decyclicity, avoiding high-risk investments. For this reason, the ability of institutional investors to attract capital may be significantly reduced, with a direct negative impact on the volume of capital flowing into the technology sector. In addition to a deterioration in the ability of technology start-ups to raise funds, they will also face fragmented supply chains and reduced consumer demand, which will have a negative impact on their ability to generate and scale revenues.

— *Uncertainty of EU and public funding*

The economic instability caused by the Russian-Ukrainian war conflict, the falling interest rate and inflation environment and the resulting lack of monetary and fiscal stimulus have ended years of EU and public money abundance, which could result in a radical drop in the volume of resources available in the coming period. Capital funds and incubators operating solely on these resources therefore face significant risks. OXO Technologies Holding manages public funds exclusively through its subsidiary OXO Labs Ltd., which is a negligible proportion of the total assets managed by the Holding. As a consequence, the uncertainty of EU and public funds is not considered a significant risk for the Company.

— *Exchange rate volatility*

As an international investor, OXO Technologies Holding has significant exposure to exchange rate volatility. Regional currencies, due to their geographical and economic position, were particularly affected first by the pandemic and then by the Russian-Ukrainian conflict. The significant volatility of the forint and its regular revaluation have also shown a unique path compared to regional currencies, which may pose a problem for economic agents in the long run.

— *High interest rate environment*

The energy crisis caused by the protracted Russian-Ukrainian war and the demand stimulus and price control measures in some countries have led to further inflationary and interest rate pressures, particularly in the Central-Eastern European region and especially in Hungary.

Risk factors and risk management

The high level of fixed interest rates has been detrimental to risk capital market participants, as investors' expectations of returns have risen in line with the rise in risk-free rates. As a consequence, in an unstable economic environment, institutional investors need to be able to generate and secure higher returns and exits, which, together with increasing pressure on company valuations, implies increasing risk.

Description of the Company's risk management mechanisms

The Company's group of companies and investors has decades of experience and expertise in the technology and venture capital investment industry, and therefore has an established and regulated risk management practice with respect to the risks it faces. The risk management practices already described are only listed below, the newly identified mechanisms are explained in detail below.

- Diversified portfolio
- Favorable cost of funds for early-stage investments
- A wide range of co-investors in the growth phase
- Established acquisition practices
- Choosing more risk-resilient business models
- The practice of using conservative valuations
- Market awareness
- A stable professional and analytical background
- Active investor community
- Involvement of external experts, use of detailed due diligence
- Established contracting practices
- Existing robust IT systems
- Protecting management
- Direct business interest of decision-makers and the professional body
- Practice in investor relations
- Continued interest in the stock market, further public offerings

Newly developed risk management mechanisms:

— Reaching international institutional and private investors

OXO Technologies Holding's professional team is actively working on possible alternatives to reach regional and international institutional and private investors, thus providing the Company with additional free market resources for growth stage investments and acquisitions. This will result in a significant increase in the Company's liquidity and a reduction in geographical exposure at portfolio level through international equity investments and acquisitions. International capital raises denominated in euro also contribute to mitigate currency risks.

— Deepening industry specializations

The Company has recently placed particular emphasis on identifying industry focus areas where it can invest with a stronger professional background and more favourable risk and return expectations. It will continue to develop its investment instruments, its professional team and its investment portfolio in these industry areas, as described in detail above, allowing it to grow its assets under management with more balanced risks.

Description of the Company's risk management mechanisms

— Setting up private and closed-end investment structures

As a result of the changing business and financial environment and market economic uncertainties, interest in public market investment instruments is significantly lower than in the previous period. In contrast, institutional investors and family offices, which have typically invested their available funds in closed-end funds in the venture capital market, have maintained their investment activity for the time being. Accordingly, the Board of Directors of the Company has decided to use its available resources in the current period to further expand its growth stage investments, in order to continue to invest in a manner that is already typically co-invested, primarily in closed-end institutional funds, which will allow it to expand its future investment activity exponentially.

Presentation of the portfolio

Strategic portfolio

The primary function of OXO Technologies Holding's strategic portfolio is to maintain and continuously expand a group of companies capable of generating profits in the industry areas related to its investment activities. This strategic portfolio currently includes two elements, Servergarden, a provider of server hosting and cloud services, and ReachRise Digital (formerly Olcsobbat.hu or Inventurio), a provider of marketing services supporting e-commerce web shops.

Servergarden will have completed its restructuring process by the end of 2023, resulting in a stabilisation of its financial operations. Its turnover continued to increase in the first half of the year compared to the previous year. The company's priority is to increase its market share and improve its profit margin.

Under its former brand name olcsobbat.hu, new brand name and company name ReachRise Digital 2024 also showed significant growth in the first half of the year, outperforming its target. It has management fee and dividend potential, thus contributing significantly to the Company's profitability.

Investment portfolio

	Green technologies	Financial, authentication and security solutions	B2B SaaS	Health technologies	Games, sports and tourism
Early phase	Vilhemp, GreenDrops Farm	Hackrate	Sharity	zMed	Festivize, Apartmann OmniCoach
Growth phase		Iconinchain, BitNinja	Commsignia, Blue Colibri, Indivizio+	Dicomlab, Evolveritas	
Mature phase			ReachRise, Servergarden		
Public phase			Gloster		

Presentation of the portfolio

Publicly traded investments:

— Gloster Infocommunication Plc. is a multi-layered IT service provider offering complex IT solutions from a single source to its international medium and large corporate clients. The management's target is to reach an EBITDA of HUF 3 billion by 2025, a target that has been consistently met so far.

Growth phase investments:

— Blue Colibri, a provider of mobile-first enterprise communications systems, exceeded its growth plan in both revenue and profitability in the first half of the year. It has also increased its customer base; its funding is secure and it is aiming for further growth.

— For Commsignia, which sells customised solutions for self-driving cars, it closed a new investment round in 2023 and operated in line with its business plan in the first half of 2024.

— Bitninja, which operates in the server protection and cybersecurity market, continues to show stable operations, but its growth is slowing.

— Iconicchain, which sells blockchain-based compliance solutions to the financial sector, is projected to deliver minimal revenue shortfalls, but given the company's backlog of contracts, this is expected to be due to time lags and slow processing by larger banking clients. The company's sales are expected to increase year-on-year in line with the market environment.

— Dicomlab is operating according to its budgeted costs, its revenue figures are catching up with the business plans with a slight delay. Meanwhile, the company has attracted another round of investment before the preparation of this report, but already after the end of the first half of the year, and is also in exit negotiations with substantial prospects.

— Evolveritas, a specialist in the field of drug discovery, was added to the Company's portfolio at the end of 2023 through a secondary investment transaction in the form of an exchange of shares, where it is currently recorded at investment value, as appropriate.

— The Indivizo+ business, which operates in the recruitment market, is currently self-sustaining, with a founding team providing management to develop a new growth strategy to suit current market conditions.

Presentation of the portfolio

Early-stage investments:

— Vilhemp, a manufacturer of innovative cutlery made of recyclable and compostable materials, has successfully completed its development and market entry plans and is currently operating according to its business plan.

— GreenDrops Farm, which sells custom-designed hydroponic technology solutions, has delivered on its revenue and related plans for 2024 with a small shortfall, and is laying the foundations for further growth.

— Omnicoach, a developer of online training and coaching solutions, underperformed in 2024 in terms of revenue, but has signed promising partnerships to ensure its continued operation and growth, which are currently under negotiation.

— Festivize, which supports event communication with powerful online solutions, has met both its revenue and customer plans for 2024.

— Appartman, which supports small private accommodation providers, is currently converting its trial and freemium solution into a paid application.

— The ongoing development of zMed, which is developing new solutions in the field of 3D medical image processing, has been closed and cleared.

— Sharity, the developer of an innovative giving platform, has delivered on its first half-year plans.

— Hackrate, which is innovating traditional ethical hacking services, is following its agreed plans and preparing its company for the next round of capital investment.

Based on the above review of the investment portfolio, it can be seen that the portfolio is generally stable and permanently financed. The majority of the portfolio is managed according to the ideas and plans defined at the time of investment, thus the portfolio shows favourable return prospects in the current economic and business environment. It is inherent in the nature of the industry that some elements of the investment portfolio are occasionally revalued, and in the event of a significant shortfall in their financial plans, they may have to be written down, which is a necessary feature of such high-risk innovative technology investments. It does not in itself jeopardise investor returns, but only becomes a significant risk if the number of investments requiring write-downs is more significant, even exceeding one third.

Events in the first half of 2024

In the first half of 2024, OXO Technologies Holding made decisions in line with the agreed business plans and strategy. The main objective remains to adapt to the current economic environment and to ensure the continued growth of the Group. Accordingly, its investment activities are primarily focused on the acquisition of mature stage companies, which can make a significant contribution to the Company's continued profitable operation and liquidity. In addition, the Company has maintained a low-risk appetite for its smaller early-stage investments, which in turn could provide significant value growth to its portfolio in the medium term.

Ensuring liquidity and resourcing and expanding the assets under management:

The Company implemented the capital increase adopted in December 2023, when the share capital of the Company was increased from EUR 3 746 100 to EUR 3 971 364.

To increase the Company's resources and further expand its investment portfolio, the Board of Directors was authorised at the General Meeting held on 15 January 2024 to further increase the share capital. This planned capital increase is capped at a maximum of EUR 4 500 000, calculated based on the issue value of the Company's shares, and is set to be completed at the latest by 31 December 2024. The authorisation also covered all possible cases and methods of increasing the share capital and the restriction or exclusion of the exercise of pre-emptive rights of subscription or subscription for shares.

Based on the authorisation of the General Meeting, the Board of Directors of the Company decided on a further capital increase in May 2024. The capital increase raised the Company's share capital from EUR 3 971 364 to EUR 4 228 152 by a private placement of new shares by means of a cash contribution in kind and a subscription at subscription price.

Company growth strategy:

Furthermore, on 3 February 2023, the Board of Directors of the Company approved the initiation of a pre-decision process that may result in the Company relocating its headquarters from its current domestic location to another business centre in the European Union in the near future. As a result of this preparatory work, the Company's General Meeting of 19 June 2023 decided on a cross-border transformation with the Netherlands as the destination country, which decision was extended by six months at a General Meeting convened in December 2023.

The Company's General Meeting took the final decision on the conversion on 18.06.2024, on the basis of which the conversion proceedings before the Company Court were initiated. During the conversion, there were no shareholders voting against the conversion or requesting compensation.

At the Annual General Meeting of the Company held on 29 April 2024, closing the financial year 2023, the General Meeting authorised the Board of Directors to purchase treasury shares by resolution 6/2024 (29.04.2024).

Events in the first half of 2024

Major events concerning the Company's investment portfolio:

During the first half of the year, the Company continued to evaluate a number of acquisition targets, with no acquisitions made by the Company.

The Company has not initiated the sale of any portfolio element as the current economic environment is not favourable for exits, and it is not under exit pressure.

In the first half of the year, OXO Labs Ltd, a subsidiary of the Company, started the implementation of the Startup Factory competition, which was awarded in December 2023, with early-stage investments.

Resolutions of the General Meeting of Shareholders taken in the course of the operational activities of the Company:

General Meeting of the Company on 15.01.2024:

- elected András Szabó as a member of the Board of Directors,
- approved the extension of the Board of Directors' authorization to increase the Company's share capital,

General Meeting of the Company on 29.04.2024:

- adopted the annual report until 2023,
- adopted the corporate governance report for 2023,
- adopted the Remuneration Report for 2023,
- approved the Company's own share buyback program,
- approved the preparation of the Company's entry into the BSE Standard Market,
- elected Zoltán János Bálint as a member of the Board of Directors.

The Board of Directors of the Company on 15.05.2024:

- decided to increase the Company's capital.

The General Meeting of the Company on 18.06.2024

- decided on the cross-border transformation.

Events after the turnaround day

As a result of the Company's search for potential acquisition targets during the first half of the year, the Company has entered into an agreement in principle with all shareholders of 3TS Capital Partners Oy ("3TS"), a Finnish company. As a result of this, the Company intends to acquire a minority stake in 3TS as a first step and will start negotiations with the investors of 3TS' funds in order to acquire additional stakes. If the necessary agreements are reached, the Company may acquire an additional stake in 3TS partly by share purchase and partly by share exchange. The total of the shares acquired in the initial and subsequent potential share purchase transactions may not exceed 52% of 3TS, with the remaining shares being contributed to the Company by the owners of 3TS.

Presentation of own share buyback

At the Annual General Meeting of the Company held on 29 April 2024, closing the financial year 2023, the General Meeting authorized the Board of Directors to purchase treasury shares by resolution 6/2024 (29.04.2024). Accordingly, the minimum stock exchange price of the shares may be EUR 0.1, while the maximum price may be the value of the equity per share as per the Company's latest financial statements, adjusted for the effect on equity of any capital increase or capital decrease after the publication of the latest financial statements and the new number of shares. The Board of Directors shall act within the relevant legal framework, in accordance with the provisions of the Civil Code. 3:222 (1), the Board of Directors shall be entitled to acquire a maximum number of ordinary shares with a nominal value of EUR 2.00 each, such that the number of treasury shares does not exceed 10% of the total number of issued shares at any time during the term of the authorization. The authorization is valid for a period beginning on the date of the resolution of the General Meeting, i.e. 29 April 2024, and ending on the date of the Annual General Meeting of 2025. The shares may only be acquired on the stock exchange.

The Company started its share buyback program on 29.04.2024, as disclosed.

Presentation of own share buyback

Company's own share transactions:

Date of share purchase	Quantity (shares)	Exchange rate (EUR/share)
29.04.2024	2 100	6.70
29.04.2024	329	6.65
10.05.2024	499	6.80
10.05.2024	15	7.00
10.05.2024	613	7.10
10.05.2024	200	7.15
10.05.2024	348	7.20
10.05.2024	102	7.30
10.05.2024	23	7.35

The Company has suspended the repurchase of its own shares on 22.07.2024 and will continue to suspend it until the completion of the first step of the proposed acquisition, i.e. the acquisition of the minority stake of 3TS Capital Partners.

Main expectations and future plans for the second half of 2024

The Company intends to build on the stability established in the first half of 2024. Beyond self-sustainability, the aim is to further expand its ability to raise funds and to further broaden and diversify its investment portfolio by taking advantage of the favourable valuation conditions resulting from the economic environment.

The main focus of investment activity is on mature, self-sustaining and profitable potential acquisition targets. However, the Company will also continue to expand its early-stage investments through its wholly-owned subsidiary OXO Labs Ltd. by means of outsourcing under the Startup Factory tender.

In line with the decision of the General Meeting, the Company has launched the cross-border transformation procedure before the Company Court, the completion of which is expected in the last quarter.

The Company intends to continue its series of capital increases in the second half of the year, providing further potential targets for acquisition.

The first step of the 3TS transaction described in the events after the balance sheet date, i.e. the acquisition of the minority stake, will be completed in the second half of the year, while the full transaction is expected to be completed by the end of 2026.

On 29.04.2024, the General Meeting of the Company approved the preparation of the Company's entry to the BSE Standard Market. This preparatory work will also take place in the second half of the year.

Financial statements for the first half of 2024

In the first half of 2024, OXO Technologies Holding continued the successful management of the past years, increasing its assets under management. As was already stated in 2023 and confirmed in the first half of 2024 that the Company has responded effectively to the economic challenges affecting the sector with an appropriate strategy, as has been shown so far.

The Company closed the first half of 2024 with a positive profit after tax of EUR 111 137 and its assets increased by EUR 740 761 to EUR 16.923 million. The Company's equity increased to EUR 16.843 million at the reporting date for the first half of 2024.

Overall, it closed its fourth financial year with a profit reserve of EUR 1 970 425, which amounts to EUR 0.93 per share at the end of the current half-year.

A major contributor to the Company's result was the trend, starting in 2023, of paying a management fee for the Company's strategic portfolio, which totalled EUR 151 841.

In addition, in the first half of the year, the Company's portfolio paid an additional dividend of EUR 857 487 to the Company in addition to the management fee.

The Company's investments shall be stated at fair market value at all times and the effects of any such valuation shall be reflected in its profit or loss. In this respect, valuations will continue to be based on the principle of prudence, as has been the practice to date, with increased reliance on historical and independent market transaction data, primarily for equity investments, taking into account the business plan performance of each portfolio company. Three main items result from the revaluations.

- The book value of OXO Labs Ltd. decreased by the amount of the dividend paid by the company, the overall effect on the result is neutral.
- The Company has revalued its holding in ReachRise Digital Zrt. due to its over-performance.
- The Company has recognised an impairment of 25% on its stake in BitNinja.

Financial statements for the first half of 2024

The Company's results were significantly impacted by the revaluation of the Company's HUF assets into EUR. While on 31 December 2023 the exchange rate was 382.7 HUF/EUR, on 30 June 2024 the mid-rate was 393.15 HUF/EUR, resulting in a significant loss on these assets. This loss is not recognised as an actual cost and therefore does not affect the financial position of the Company.

It is important to emphasize that OXO Technologies Holding's industry and business strategy is essentially to build and manage a technology investment portfolio, a sector characterised by the fact that during the investment period in which the assets under management are being built up, the company concerned generates little or no income and necessarily operates at a loss. Thus, in this industry, sustained profitable management is typical only after the first 3-5 years of the investment period. In comparison, the operation of OXO Technologies Holding sought to shorten the period of necessarily loss-making portfolio construction and aimed to operate at a certain loss for at most the first three years after its establishment in 2020.

Financial statements for the first half of 2024

Company assets at 30.06.2024

Title	30.06.2024 EUR	31.12.2023 EUR
Current assets		
Cash and cash equivalents	1 077 512	286 885
Trade and other receivable	162 310	100 801
Income tax receivable	3,350	0
Equipment	0	0
Short-term financial assets	171 452	134 343
Other	0	0
Non-current assets held for sale	285 499	294 725
Total current assets	1 700 123	816 754
Invested assets		
Investments	0	0
Financial assets invested	15 037 800	15 200 036
Investment property	0	0
Property, plant, and equipment	7 441	8 702
Right-of-use asstes	13 905	24 333
Intangible assets	29 015	0
Deferred tax asset	134 898	132 596
Other	0	0
Total long-term assets	15 223 059	15 365 667
Total assets	16 923 182	16 182 421

Financial statements for the first half of 2024

Company resources at 30.06.2024

Title	30.06.2024 EUR	31.12.2023 EUR
Current liabilities		
Trade and other payables	56 514	871 513
Short-term financial liabilities	18 655	128 751
Income tax liability	0	19 051
Current provisions	4 337	1 411
Other current liabilities	0	0
Liabilities directly associated with assets held for sale	0	0
Total current liabilities	79 506	1 020 726
Long-term liabilities		
Long-term financial liabilities	0	3 584
Deferred tax liabilities	0	0
Long-term provisions	0	0
Total long-term liabilities	0	0
Total liabilities	79 506	1 024 310
Equity capital	16 843 676	15 158 111
Capital and reserves		
Share capital	4 228 152	3 746 100
Reserves	10 645 099	9 523 765
Retained earnings	1 970 425	1 888 246
Total equity	16 843 676	15 158 111
Total equity and liabilities	16 923 182	16 182 421

Financial statements for the first half of 2024

Income statement of the company as at 30.06.2024

Title	30.06.2024 EUR	30.06.2023 EUR
Revenues	992 129	1 680 880
Turnover	151 979	186 733
Share in the result of an associate	0	0
Other income	1 487	521 701
Fair value through profit or loss	-51 575	-147 424
Interest receivable	10 155	92 485
Financial revenue	880 083	1 027 385
Expenditure	-880 263	-588 862
Direct cost of sales	-265	0
Cost of external services	-418 949	-465 135
Staff costs	-148 833	-115 507
Depreciation and amortization	-13 638	-1 991
Impairment of receivables	0	0
Fair value losses on investment properties	0	0
Other expenses	-16 584	-3 918
Financial expenses	-281 993	-2 311
Profit before tax	111 866	1 092 018
Tax expense	-729	-115 114
Profit after tax	111 137	976 905

Company details

Company name: OXO Technologies Holding Nyilvánosan Működő Részvénytársaság

Abbreviated company name: OXO Technologies Holding Nyrt.

Company name in English: OXO Technologies Holding Public Limited Company

Abbreviated company name in English: OXO Technologies Holding PLC

Registered office: 1027 Budapest, Ganz utca 12-14.

Central electronic contact: info@oxoholdings.eu

Company website: www.oxoholdings.eu

Principal activity of the company: Asset management (holding)

Company registration number: 01-10-140670

Company tax number: 27306660-4-41

Company group identifier: 17783202-5-41

Company statistical number: 27306660-6420-114-01

Share capital of the company at the reporting date (30.06.2024.): 4 228 152- EUR

Statutes in force on the date of the report (30.06.2024.): 15.05..2024

Auditor: TRUSTED ADVISER Könyvvizsgáló és Tanácsadó Kft.
registered office: HU-1082 Budapest, Baross utca 66-68.
company registration number: 01-09-279282;
the designated member of the Chamber of Auditors who is
personally responsible for carrying out the audit on behalf of
the auditor: Szovics Zsolt

Company's appointed advisor: Impact Advisory Zártkörűen Működő Részvénytársaság
(registered office: 1016 Budapest, Mészáros utca 58. A. ép.;;
company registration number: 01-10- 049712)

Investor Liaison Officer: Bojtor Tamás
Position: company director
Mailing address: 1027 Budapest, Ganz utca 12-14.
Phone number: 06307131373
E-mail address: investor.relations@oxoholdings.eu

The Company is included in the NAV database of companies exempt from public debt.

Distribution of share capital by share

The Company's share capital and shares on 30.06.2024:

Series of shares	Nominal value (EUR/s)	Number of shares	Total nominal value (EUR)
Ordinary share (OTH ordinary share) ISIN: HU0000203492	2.00	2 114 074	4 228 148
series „B” (OTH preference share) ISIN: HU0000203500	2.00	1	2
Total share capital		2 114 075	4 228 150

Number of own shares of the Company

	Level of participation	
	Number of shares	%
At company level	4 229	0.20
At the level of the companies included in the consolidation		
Total	4 229	0.20

Ownership structure

Listing and presentation of holders of more than 5% on 30.06.2024, based on the notifications of the owners for the series introduced:

Name of shareholder	Ownership (%)	Number of shares (number)
OXO Personal Holding Plc.	16.16	341 737
Docler Holding S.á r.l.	12.30	260 000
Széchenyi Funds Ltd.	9.15	193 392
BPP Beteiligungs- und Beratungs-GmbH	8.03	169 786
P&P Trust Kft.	6.32	133 709

Senior company officers

The Company is managed by a thirteen-member Board of Directors, whose members are elected by the General Meeting for a fixed term of five years. It defines the investment strategy and takes decisions on certain growth and mature stage investments.

The composition of each body at the end of the reporting period, 30 June 2024, was as follows:

The Board of Directors of the Company

dr. Péter Oszkó	Chairman of the Board
Kornél Bóbits	Board member
András Domonkos	Board member
Valéria Siliga	Board member
Péter Farkas	Board member
Gergely Freész	Board member
Gábor Újlaki	Board member
Ágnes Anna Apró	Board member
dr. Róbert István Héjja	Board member
dr. Balázs Rátai	Board member
Attila Gayer	Board member
András Szabó	Board member
Zoltán János Bálint	Board member

Supervisory Board of the Company

Zsuzsanna Pető	member of the Supervisory Board
dr. Dávid Gere	Chairman of the Supervisory Board
László Tímár	member of the Supervisory Board
Krisztián Kőrösi	member of the Supervisory Board

Company's Audit Committee

Zsuzsanna Pető
dr. Dávid Gere
László Tímár

Managing Director of the Company

Tamás Bojtor

Disclosures for 2024

The Company shall publish its disclosures in cases where the provisions of Act V of 2013 on the Civil Code or Act V of 2006 on company registration, court proceedings and winding-up or Act CXX of 2001 on the capital market. or other legislation requiring the Company to publish an announcement, the Company shall fulfill this obligation on the Company's website (www.oxoholdings.eu), on the BSE website (www.bet.hu) and, if expressly provided for by law, on the website operated by the Hungarian National Bank - Magyar Nemzeti Bank (www.kozzetetelek.hu).

Notices published by the Company in the first half of 2024:

Upload Date	Document Title
02.01.2024	Information on voting rights and share capital
02.01.2024	Information on a senior executive's share acquisition transaction
04.01.2024	Notice of General Assembly
16.01.2024	Notice of General Assembly
29.01.2024	Information on company registration
31.01.2024	Information on voting rights and share capital
22.02.2024	Announcement on the listing of new shares and the resignation of a member of the Board of Directors
28.02.2024	Information on the implementation of the threshold crossing
29.02.2024	Information on voting rights and share capital
04.03.2024	Information on a senior executive's share acquisition transaction
18.03.2024	Information on the acquisition of shares by a senior executive
20.03.2024	Invitation to the General Assembly
25.03.2024	Notice of resignation of a member of the Board of Directors
28.03.2024	Information on voting rights and share capital
28.03.2024	Parliamentary proposals
05.04.2024	Parliamentary proposals
19.04.2024	Notice of General Assembly
26.04.2024	Invitation to the General Assembly

Disclosures for 2024

29.04.2024	Notice of General Assembly
29.04.2024	Responsible Corporate Governance Report
29.04.2024	Remuneration Report
29.04.2024	Announcement on own share buyback program
30.04.2024	Treasury share transaction
30.04.2024	Information on voting rights and share capital
04.05.2024	Parliamentary proposals
13.05.2024	Treasury share transaction
15.05.2024	Announcement on capital increase
24.05.2024	Communication on cross-border transformation
28.05.2024	Information on company registration
31.05.2024	Information on voting rights and share capital
12.06.2024	Communication on cross-border transformation
13.06.2024	Information on the proposals of the Extraordinary General Meeting of OXO Technologies Holding Plc. on 18.06.2024
18.06.2024	Notice of General Assembly
20.06.2024	Information on company registration