TECHNOLOGIES
HOLDING

OXO Technologies Holding

Public limited company

Head office: 1027 Budapest, Ganz utca 12-14;
company registration number: 01-10-140670

Report 2022

Budapest, 27 April 2023.

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Introduction

During 2022, OXO Technologies Holding successfully adapted to a radically changed economic and business environment, increasing the value of its invested funds, assets under management and investment portfolio, while also making its operations profitable. In doing so, it has been able to prepare itself for the economic climate that have developed and to create the conditions for growth for many years to come.

In response to the challenges posed by the high inflation and high interest rate environment over the past year, the Company has updated its business strategy and investment policy, focusing its activity primarily on acquisitions and equity investments in mature technology companies with the ability to generate profits. In this context, it has successfully invested in Gloster Plc and has also successfully acquired Inventurio Zrt for a total amount of approximately EUR 2 million, both of which show sustainable earnings potential and significant value growth over the short term relative to the investment value.

Throughout 2022, the Company continued its innovative, early stage investment activities in such a way that it was able to draw on around 80% of its non-repayable grant funding. The Startup Factory programme, which was launched in 2021, has made a further capital injection of approximately €1 million by the end of the current reporting period, using 20% own sources, which has enabled early stage investments to be made with limited risk taking, but also to ensure the growth and potential profit generation capacity of the investment portfolio in the medium term.

In 2022, besides a more prudent and cautious investment activity, the Company successfully completed its first major exit from its existing investment portfolio in the first half of the year with the sale of shares in Gravity R&D Zrt. This transaction provided profitable operations and significant liquidity reserves early in its investment period and also demonstrated that the extent of some of the write-downs that the Company's investments necessarily incur due to the nature of innovative technology investments dwarfs the value and gains that can be achieved from the continued appreciation of the portfolio and from each exit.

In the second half of 2022, due to all these factors, the Company has been able to further increase its profitability, which implies that as a result of the strategic investments already successfully made, the dividend and management fee income realised from the individual members of the group will cover operating costs alone, so that the future potential profitability of the investment activity could essentially increase the shareholder return in its entirety.

Introduction

In view of the tightening of funding due to soaring inflation and interest rate environment in the domestic and Central and Eastern European markets, the Company started to expand its investor base with international players at the beginning of 2022 and completed a further capital increase of around EUR 2 million by the end of the first half of the year, with the majority of the funds raised from private investors based in Germany. Subsequently, assessing the needs of potential investor markets, the Company started the process of changing its reporting to international IFRS standards and converting its accounting, capital and share trading into euro, which was successfully completed in early 2023. These measures could provide significant additional scope for attracting new potential investors and for a more significant expansion of liquidity and investable funds in the coming period.

In summary, while the external economic climate in 2022 was characterised by a sharp and adverse change in inflation and interest rate environment and an accelerated increase in macro risks in general, the Company was able to turn profitable at a relatively early stage of the portfolio expansion and investment period, while increasing its assets under management and net asset value by a further 22% from HUF 4.4 billion to HUF 5.4 billion. In terms of financial results, OXO Technologies Holding closed the 2022 financial year with a profit of HUF 263 million, having taken a prudent approach to write down all its investments and receivables that may be subject to risks in the current market environment, while realising the proceeds from successful divestments.

The global and regional economic environment of the technology sector

Macroeconomic environment

The macro environment at the start of 2022 was shaped by heightened inflationary pressures following the COVID-19 pandemic period, which brought rising yields, depreciating investments and subdued equity markets. This economic trend was exacerbated by the start of the Russia-Ukraine war at the end of the first quarter and the subsequent energy crisis. The war conflict was prolonged significantly, leaving the energy sector and the traditional industries that rely on it with significant supply and pricing problems, and the demand-side inflationary pressures that emerged towards the end of the pandemic period were further boosted on the supply side. According to Eurostat data, the EU annual inflation rate reached its highest level ever in 2022 at 9.2%, 2.9% higher than the previous year, forcing all major central banks to step up monetary tightening and interest rate hikes.

The above-mentioned economic uncertainties inevitably affected the technology sector, where, in addition to the significant consolidation in the first half of the year, the second half also saw a slowdown in availability of funding and investment activity. Recessionary risks and a high inflation and interest rate environment have driven the majority of investors towards fixed income bond investments, which has further dampened the inflows into equity markets in general, but especially technology assets, from the levels seen in the previous period. Despite the fact that energy prices moved towards consolidation in the second half of the year, in the wake of a strong Western response to Russian energy policy, even in the context of a protracted war, investor attitudes remained risk averse. Based on trends in the second half of 2022, a similar economic and investment environment is likely to persist in the short term, recessionary risks cannot be ruled out and a meaningful reduction in inflation could pose a persistent challenge for central banks in some economic centres, leading to higher interest rate paths for years to come.

At the same time, the global energy crisis and the war in Ukraine have inevitably accelerated the pace of transformation, particularly in Europe, which may also affect the structure of the economy, the energy industry and the level of innovation activity in general. The EU faced a potential gas shortage in the second half of the year, which has spurred greater efforts to improve energy efficiency, deploy renewables, further install solar panels and heat pumps, promote energy savings and increase gas supply. The push for renewables, the ambitious renewable energy targets set by EU legislators and the forced acceleration of structural change in the energy industry could accelerate further adaptation and development by market players, and create an opportunity for Europe to catch up with the lagging innovation activity in other industries.

The global and regional economic environment of the technology sector

Investment market

2022 saw a devaluation of almost all assets in existing investment portfolios, as investors faced both a downturn in equity markets and a devaluation of existing bond portfolios due to a sudden rise in yields. In publicly traded assets, the correction was immediate, while in the private investment market the change in valuation standards is a longer process, with the correction in investment portfolios only occurring when specific write offs are recognised or when new investment rounds are applied to adjusted valuations. Changes in the attitudes of individual technology firms typically only materialise when they experience a significant change in market conditions in the course of their own fundraising activities and investment negotiations. At the same time, the depreciation of existing investments has further dampened the subdued investor activity caused by the already declining supply of funds due to interest rate increases.

Even so, for investors with a solid track record, self-sustaining operations and adequate liquidity, the short-term turbulence may also create a more favourable environment, as the asset bubbles of the past decade of artificial abundance of funding burst, and new investment opportunities may re-emerge at realistic valuations and expected returns. Based on the second half of the year, some analysts report that current market conditions offer a return to favourable long-term returns. According to J.P. Morgan's financial modelling, a balanced portfolio of 60% equities and 40% bonds is forecast to deliver an annual return of 7.2% over the next 10-15 years, which is significantly more attractive than last year's forecast of 4.3%. A particular investor dilemma is what proportion of short-term fixed income bond positions should be taken during this period and when it might be worthwhile to turn to low-priced equity and other alternative investments in the hope of a significant rise in prices later on. Short-term, relatively high fixed income investments appear to be almost the only attractive option for the vast majority of investors at the moment, but overweighting them may also lead to missing the right moment to enter the stock markets.

The global and regional economic environment of the technology sector

According to Atomico's annual report, venture capital funding for the European technology industry has slowed and is expected to fall by 17.5% to $85 billion in 2022, compared to $103 billion in 2021. And while most funds are at least continental, investors are particularly inclined to invest exclusively in their own region during turbulent times. This may explain why Southern, Central and Eastern Europe have seen the largest increases in investable assets over this period, while the Nordic countries, the UK and Ireland have seen the same declines. This was because investors found more opportunities to place funding in Western and Northern European markets, while their Southern and Central and Eastern European counterparts had fewer opportunities, resulting in a build-up of available capital. European fund managers in general are slowing down, with nearly half of Series A+ investors surveyed indicating that they had done fewer deals than planned during 2022. Looking at later stage investments, 60% of Series C+ investors indicated the same. Despite this trend, many fund managers believed that opportunities at the early stage are much more competitive than last year, indicating that investors are still competing to get into the right companies at the right moment. Competition is strongest for early stage investments and then declines as funding rounds progress. In addition, fewer new companies with a capitalisation above USD 1 billion were created in Europe during 2022 compared to 2018 and 2019, resulting in around 70% fewer European unicorns this year. European tech companies in both public and private markets lost roughly $400 billion in value over 12 months, and the economic downturn has hit late-stage companies worse than early-stage ones.

2023 forecast

The outlook for the technology sector in 2023 is clouded by a number of global uncertainties, but some economic restructuring pressures and regulatory incentives could drive innovation and growth in the industry. Since 2020, the pandemic has accelerated the digital transformation of many organisations, and the energy crisis of 2022 has led to increased development pressures in specific industries. The technology industry in 2023 is likely to focus on challenges related to energy transition, supply chains, workforce and automation, and the practical application of artificial intelligence.

The global and regional economic environment of the technology sector

Many technology companies will be looking for ways to remain innovative and build a strong competitive position for the future, while also weathering any economic slowdown by reducing costs, increasing efficiency and boosting revenues. According to the study of Deloitte, trends that will shape the technology industry in 2023 and beyond include:

- increasing margins and increasing revenues by adjusting the workforce, leading to higher profitability and efficiency, and greater reliance on intelligent automation, modernisation of legacy architectures, and facilitating some strategic mergers and acquisitions,
- supporting innovation and transformation in different sectors through technology, such as energy, manufacturing and retail,
- increased compliance with proposed regulations requiring technology companies to provide real-time transparency and better access to their data.

During 2023, there will also be a trend towards further forced adjustment to the current financial environment. In a context of shrinking investor and funding activity, the industry's increased exposure to external and ongoing funding may even lead to systemic risks. A good example is the collapse of Silicon Valley Bank in early 2023, a dominant player in the US technology market, which was not only due to poor management and risk assessment and a poorly structured and depreciating bond and loan portfolio, or inherently low capital adequacy, since those characteristics were also true for a number of other regional banks in the US that were not otherwise active in this industry. However, Silicon Valley Bank's operations were also affected by a drop in deposits of around 15 % in the year preceding the banking panic. The fundamental reason for this was that the dominant business model of the technology companies, which were the bulk of its customers, was to raise ever more capital at ever-inflated valuations and to finance inflated operating costs from these capital raises. However, the combination of a deteriorating growth environment and a slowdown in investor funding, with neither revenues nor new capital raised to maintain the sector's liquidity levels, meant that by 2022 the bank's customer base was beginning to eat up a significant proportion of its existing deposits and its ability to meet debt obligations to the bank was also being strained. This practice has not only sealed the fate of Silicon Valley Bank, which has exacerbated the situation with a number of mismanagement decisions, but also sets the current situation of the sector for the next period, when the focus should be on optimising resources, using funds more efficiently, even rationalising the workforce, and in parallel raising further capital on the basis of more realistic valuations.

The global and regional economic environment of the technology sector

Given these circumstances, the period ahead could also provide a favourable opportunity for expansion and growth for technology investors with a stable investment portfolio and management. Those who well adapted to market uncertainties and effectively aligned with expected trends, can gain competitive advantage, as opposed to those who have taken advantage of the particular growth model of the past decade, where returns were in fact predominantly driven by continued general growth in valuations generated by external excess of funding and, to a lesser extent, by individual business performance. These trends, together with practical evaluation experience, point to an ideal diversification strategy where early-stage technology investments in Europe may increasingly be competitive in the markets of Central and Eastern Europe, while later-stage growth markets in more mature Western and Northern Europe may offer attractive investment opportunities. In addition, a balanced technology portfolio should increasingly focus on innovative investments with a growth and exit focus, as well as on technology companies with a stable product portfolio that are otherwise mature and self-sustaining, and which can be acquired in the context of growing opportunities arising from favourable market valuation trends on the buy side. In addition, European markets can remain in catch-up mode in deep tech, AI and other traditional areas of technological innovation, while becoming increasingly competitive in the green tech segment. On the investor side, these opportunities will be exploited by those with sufficient resources, which can be ensured by existing liquidity and stable, financially self-sustaining operations, as well as the ability to raise additional capital.

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The state of the Hungarian venture capital market

The nature of the domestic technology sector remains the same as in the last decade, with trends driven by public funding and related principles and decisions, with a small number of market players, a rudimentary investment strategy and limited cooperation practices, with limited influence on the functioning of the sector. The economic downturn triggered by the COVID-19 epidemic only reinforced this characteristic, as while the period was one of increased investor activity and abundant resources in international markets, the domestic market remained predominantly state-sourced, with market participants not engaging in significant activity alongside public bailouts, and private investor resources tending to limit their outlays in the wake of the crisis period.
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However, it can also be argued that the investment activity of public funds cannot be considered as a competitor to the incumbent investors, as neither their investment conditions nor their portfolio management practices can replicate market best practices, so this public investment activity was in fact a form of resource substitution and support for investors in the technology market. It is no coincidence that among these investment programmes, those that have worked well and delivered meaningful results have been those that have partnered with market investors to complement their resources in pursuing their objectives, and those that have attempted to take over the role of market investors acting alone have been less efficient and effective. In addition, the slowdown in investment activity in bail-outs and the general decline in the resourcing of public funds is again providing market investors with a more active presence.

Over the past period, a number of analyses have shown that the increased public spending in the domestic market has not produced the results that could have been expected with a use of such volume of funding. Compared to the region, the Hungarian market has produced significantly fewer international success stories, fewer high-value technology companies and fewer exits. As McKinsey & Company's report "Fueling the Hungarian start-up ecosystem" points out, Hungary has a particularly high number of start-ups, a high proportion of invested capital and a number of other input parameters that are considered relevant, and it performs poorly in both regional and broader international comparisons. It is therefore clear that the dominance of public funding and the cumbersome regulatory environment that this creates has a negative impact on the overall performance of the market, and it is no coincidence that the Startup Hungary report also points to the disadvantages of these conditions. This means that, on the one hand, technology companies from this market ideally do not represent a dominant weight in a broader, diversified technology portfolio, and on the other hand, that meaningful and competitive investment opportunities in the domestic market can be found mainly in the early stage, where investors can still exert a major influence on the trajectory of portfolio companies, especially on their later fundraising strategy.

The state of the Hungarian venture capital market

These conditions may be further complicated by the fact that the economic instability caused by the Russian-Ukrainian war conflict has brought about an exploding interest rate and inflation environment in the domestic market, even by international standards, and that the resulting monetary and fiscal tightening has ended years of excess public funding, which has over time led to a decline in the state's investment activity as well. These market trends could, of course, facilitate the emergence of private equity as a primary source of funds in the region, as in the West, but this will require a consolidation of the financial market environment, as the rise in the effective central bank rate to 18% in the second half of 2022 will divert any meaningful resources away from alternative investment vehicles.

At the time of closing the current report, statistics for the domestic venture capital market for the fourth quarter of 2022 were not yet available. However, if we look at the data for the last quarter of previous years, we see that the fourth quarters of 2020 and 2021 usually contained significantly more transactions than other quarters combined. However, for 2022, we see that the peak of investment is in the second quarter of the year, when investment transactions that were negotiated before the war period and were able to close before the summer energy price explosion. Subsequently, however, investment activity has declined in all segments, so we should assume that the fourth quarter of 2022 will show statistics confirming these trends. Nevertheless, at this stage, we can compare Q1-Q3 2022 with the same period in previous years. This shows that, while the number of investments has not changed significantly, the amount invested is significantly higher in the first quarter for specific reasons. These specific reasons are partly due to large public investments in some domestic technology conglomerates, which are not necessarily innovative, and partly to the fact that in the second quarter one domestic technology company was able to close an international investment round of such size that it represented about half of the annual capital raised by the entire local start-up sector. However, it would be a mistake to conclude from this that the whole of 2022 was a period of abundant funding, but the correct interpretation is that the second quarter of 2022, with a few last blips, probably marked the end of the period when innovative technology firms were able to raise significant funding at favourable valuations and that a sustained correction can be expected thereafter, not only in the international but also in the domestic market.

The amount of capital invested and the number of transactions by players in the domestic venture capital market are illustrated in the following graphs for the period 2019-2022:

The state of the Hungarian venture capital market

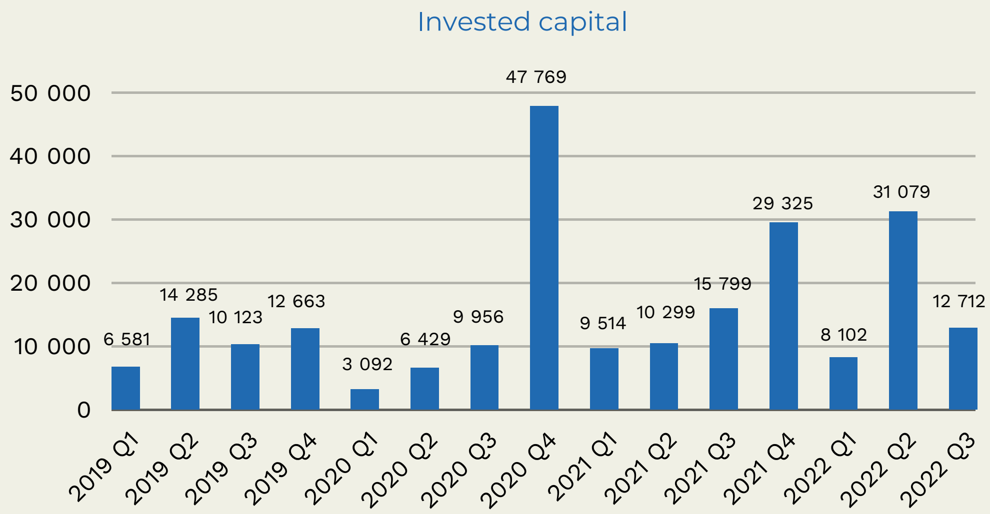

Figure 1: Domestic venture capital market - size of invested capital (HUF million)
(Source: Hungarian Private Equity and Venture Capital Association, 2019-2022 Q3)

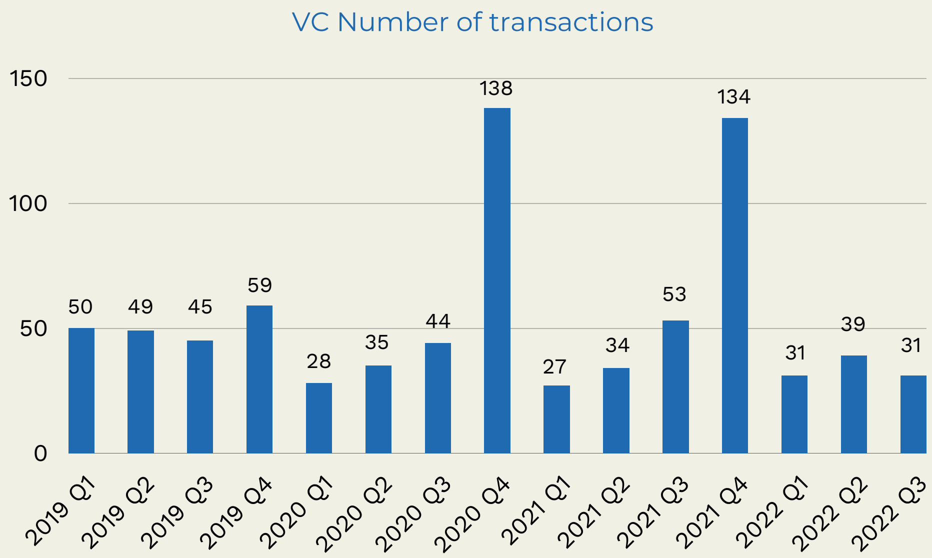

Figure 2: Domestic venture capital market - number of transactions
(Source: Hungarian Private Equity and Venture Capital Association, 2019-2022 Q3)

The state of the Hungarian venture capital market

Although a lasting trend will obviously emerge from the official data for the following quarters, after that, both investment volumes and the number of transactions are expected to decline, in line with regional and global trends. In addition to the most active technology areas of previous years, energy innovation and ESG-focused investments are also forecast to gain ground in this country.

Sources:

- ·Quarterly statistics published by the Hungarian Venture Capital and Private Equity Association: https://www.hvca.hu/statisztikak/
- ·Startup Hungary periodic reports: https://www.startuphungary.io/#reports
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Operations, business environment and strategy of OXO Technologies Holding

The general operation of the Company

OXO Technologies Holding is an investment holding company founded by private and institutional investors, whose objective is to make investments and acquisitions in the technology sector, to develop the companies concerned and to increase their value.
The investment activity is basically carried out in the following distinct phases:

Early-stage investments: at this stage, the investment target consists of at least a business and technology vision and team who have already assessed the market, started development activities and have a concept and plan on how they want to go to market. Early stage investments also include companies whose products have working prototypes and have been tested by early customers, but generally have no or minimal revenues. With such investments, the Company intends to build and grow its portfolio at an early stage, with favorable valuations, and as a result, be in a favorable position to further develop its later growth and more mature stage investment portfolio from a range of successful early stage investments.

Growth-stage investments: these companies have a marketable product and development activities are already focused on creating additional product versions or expanding the product range. They have an established, stable customer base that can demonstrate the marketability of their solution. They need to raise funds to grow, open new markets, expand and improve scalability. The fundamental objective of such investments is that they can be successfully sold following exponential growth in value, thereby contributing to the growth of the Company's shareholder value.

Publicly traded investments: we will distinguish our publicly traded investments as a separate category of mature stage investments from 2022, following the recent addition of such investments to the Company's portfolio. The fundamental objective is to ensure that as many of the growth stage investments as possible reach the public trading stage, so that the Company can hold a dominant, appropriately diversified portfolio of growth stage investments that is continuously valued by the public markets, is growing and is sufficiently liquid.

Strategic investments and buy-outs: self-sustaining businesses with long-term business stability, investment targets where the investment may be aimed at improving efficiency, exploiting existing growth potential, or possibly buying out part or all of the existing ownership. At this stage, the Company intends to expand its strategic investments, which are mainly majority-owned or directly controlled, and which can contribute to the group's profitability and liquidity by generating profits.

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Operations, business environment and strategy of OXO Technologies Holding

In the early stage, OXO Technologies Holding's established investment practice is to invest between EUR 100-300 thousand through its subsidiary OXO Labs Kft. In the growth phase, the size of investments typically falls in the range of EUR 500 thousand to EUR 3 million, which the Company typically finances in consortium, i.e. co-investment structures. In the mature phase, during acquisitions, buy-outs, IPOs, the own funds used also fall in the range of EUR 1-5 million, but especially during acquisitions it is typical to raise acquisition-related debt, so that the transaction size can reach up to EUR 3-12 million.

For 2022, 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 existing investment portfolios and future investment targets according to the following industry sectors:

Green technologies: this industry category covers all innovation and technological development that contributes to environmental sustainability, including any development 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 development.

Financial, authentication and security solutions: this area covers any innovation in the operation and services of the financial sector, including classic fintech, insuretech 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.

Operations, business environment and strategy of OXO Technologies Holding

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

Gaming, sport and tourism: includes, in addition to 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 OXO Sporttech Lab in 2022, and it is also in this spirit that the Board of Directors of the Company has decided to launch a specialised investment fund with a Greentech focus in the second half of 2022.

The Company's business environment and investment strategy

During 2022, OXO Technologies Holding has explicitly considered the extent to which its business and operating environment should take into account the challenges already experienced in 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) early stage investments (iii) growth stage, pre-IPO and publicly traded investments (iv) strategic investments.

— Raising additional funds, providing liquidity and expanding assets under management

The recent trends in the domestic capital market have shown a significant withdrawal of funds and a significant decline in available liquidity. In addition, there is a general trend that in an unstable macro environment, with rising inflation and interest rates, equity markets are less able to attract investor funds, with both private and institutional investors often looking for other asset classes. Moreover, this is particularly true in the current environment for technology stocks and, more generally, for regional and, even more so, domestic shares.

Operations, business environment and strategy of OXO Technologies Holding

At the same time, OXO Technologies Holding was able to attract private investors from outside Hungary in the first half of the year and raise funds from euro-based investors. Based on these experiences and the impressions gained at other investor forums, it is clear that in the future it is realistic to attract new funds for portfolio expansion primarily on international markets. The necessary technical preparations have been made by the Company in the second half of 2022, including the conversion of its equity from HUF to EUR, which should benefit not only future new investors but also the existing shareholder base.

— Early stage investments

In the early-stage investment segment, unlike in previous years, there seems to be a lack of funding, with a decline in investor activity in public funds and incubators managing public and European funds. On the other hand, the proximity of early-stage investments, monitoring of their operation, and the possibility of ongoing mentoring are critical. Lastly, the Company has already made such early and therefore high-risk investments, with only a small proportion of its funding coming from its own resources and a larger proportion from public grants.

In view of the above, the Company intends to continue its successful early stage investment activities with a focus primarily in Hungary and in the region, either by continuing to use available grant funding or by using other complementary sources of funding, including the increasingly emerging practice of crowd funding 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 and its risks will remain limited.

— Growth stage investments

In contrast to the strategy for early-stage investments, the intention for growth-stage investments is to expand their geographical distribution. This is to ensure that the portfolio is appropriately diversified, that the individual risk factors of each region do not in themselves affect the value of the overall investment portfolio under management, and that 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 this context, 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.

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 operation. To enable the Company to manage 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. 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.

Risk factors and risk management

The Company's strategic vision is fundamentally based on a consensus on the need for technological progress and technical and business innovation, and the resulting business and investment opportunities that are constantly multiplying and re-emerging. The competitive advantage of small start-ups based on technological innovation over existing players is the result of rapidly changing consumer needs and habits which requires innovation in an inclusive way. Novel, changing solutions that generate new stimuli are an attraction in themselves, whereby large companies with established corporate cultures and entrenched innovation cycles and mindsets, even with multiple capital and financing capabilities, can be outcompeted by emerging companies with unconventional mindsets. In this business paradigm, limited financing capacity is not necessarily a competitive disadvantage, but rather a competitive advantage, as a given marketable solution, capable of serving or even generating consumer demand, is most likely to be advantaged over its competitors at lower development and entry costs.
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 the level of a list, 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 organisation
- 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, which is particularly critical for the region. This is expected to result in both slowing economic growth and, in parallel, increasing inflation and interest rate pressures in the coming period, putting a strain on the cost of funds for investments, the real returns available and the growth potential of individual investments. During this period, asset valuations under pressure could make exits significantly more difficult, while still providing the opportunity to expand investment portfolios with adequate funding. In addition, operational liquidity will also become a critical issue, with an increasing focus on investments that can generate profits in the shorter term.

Risk factors and risk management

— Prolongation of the Russian-Ukrainian war conflict

Prolonged conflict leads to increased macro-instability, which can easily lead to recession. Such a situation could also result in significant disadvantages for venture capital market participants. Retail and institutional investors may turn to fixed income in times of inflation, 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 worsening interest and inflation environment and the resulting lack of monetary and fiscal stimulus could end years of EU and public financial abundance, leading to a radical drop in the volume of available financial resources in the period ahead. VC funds and incubators operating solely ot mostly from these funds may therefore face significant risks and their ability to deploy capital may decline. OXO Technologies Holding manages public funds exclusively through its subsidiary OXO Labs Ltd., which is a negligible proportion of the total assets under management. 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. The high level of fixed interest rates has been detrimental to venture 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 and its investors have decades of experience and expertise in the technology and venture capital investment industry, and therefore have an established and regulated risk management practice. The previously described risk management practices are presented only at the level of a list, 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 market funding 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.

— IFRS adoption and euro conversion

With effect from 1 January 2023, the Company switched to International Financial Reporting Standards (IFRS) and also converted its accounting and capital from HUF to EUR. These changes will further help

Description of the Company's risk management mechanisms

the Company to reach an even wider range of international investors and to raise additional euro-based funds beyond the capital increase, which was already completed in the first half of 2022 and was largely in euro.

— 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 risk exposure.

— Setting up private and closed-end investment structures

As a result of the changing business and financial environment, interest in public market 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 liquidity 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.

— Treasury share buyback program

In further expanding the investor base and in particular in attracting international institutional and private investors, the liquidity of the Company's shares may be a critical aspect. In order to facilitate this, OXO Technologies Holding plans to develop the details of a share buy-back programme, the parameters of which have been decided in principle by the Board of Directors. Under this programme, the Company may in future use 50% of its annual profits to buy back its own shares, in such a way as to determine, once a year after the adoption of the annual accounts, the number, volume and price of shares actually bought back from public shareholders, in proportion to the volume and price of their offer.

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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 comprises 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 webshops.

By the end of 2022, **Servergarden** will have completed its internal restructuring process, with the primary objective of stabilising its financial operations. It was able to substantially increase its revenue compared to the previous year and implemented a number of improvements, paving the way for further growth in the coming years. Its priority was to expand its market share and make the necessary improvements to increase its profit margin.

The acquisition of olcsobbat.hu, formerly known as olcsobbat.hu and Inventurio, under its new brand and company name **ReachRise Digital**, was completed in the fourth quarter of 2022, as a result of which the company increased its indirect revenues with dividends and management fees already due in 2022. The company's revenue for 2022 was significantly ahead of plan, and its growth dynamics show potential for further expansion in 2023, with planned revenue expected to be above HUF 1 billion.

Investment portfolio:

	Green technologies	Financial authentication and security solutions	B2B SaaS	Health technologies	Games, sport and tourism
Early phase	Vilhemp, GreenDrops	Hackrate	Scienceboost, Indivizo, Sharity	zMed	Betme, Appartman, Festivize
Growth phase	AgroNinja	PSC CEE, iconinchain, BitNinja,	Commsignia, Blue Colibri	Dicomlab	OmniCoach
Public phase			Gloster Nyrt.		

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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 company has doubled its revenue in 2021 compared to the previous year, and operating and after-tax profit more than doubled. Management is aiming to achieve an EBITDA of HUF 3 billion by 2025, a target it has consistently met so far. Gloster's shares were acquired at an average price of HUF 952, which has been consistently outperformed by the average trading price over the subsequent trading period, keeping the investment in a profitable range even in capital market conditions, which have come under significant valuation pressure.

Growth phase investments

— **Blue Colibri**, a mobile-first enterprise communications systems provider, is delivering on its growth plan in terms of revenue and exceeding its growth plan in terms of profitability, with a significant increase in its customer base and revenue, almost doubling it, and funding in place for further growth.

— **Commsignia**, which sells customized solutions for self-driving cars, expects to slightly exceed its previous plan in 2022, and thus continues to deliver significant revenue growth.

— **Bitninja**, a server protection and cybersecurity company, continues to show stable operations, with a substantial year-on-year increase in revenues and a better-than-expected operating result.

— **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 growing at a significant annual rate with sales expected to double year on year.

— **Dicomlab** is operating within its budgeted costs, its revenue figures are catching up with its business plans with some slippage, while it is preparing its next round of investments and is in exit negotiations with a good chance of success.

— Unfortunately, sales of **PSC CEE**, which sells smart POS systems, continue to fall short of expectations, where the option of takeover bids from larger market players may offer the opportunity to continue successfully.

— **Omnicoach**'s revenue in 2022 was below plan, but it has signed promising partnerships that could generate additional revenue as early as the first half of 2023.

Presentation of the portfolio

— **Agroninja**'s operations have become critical as a result of the increased difficulties in the sector in recent years, and the Company has decided to write off the investment.

Early stage investments

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

— **Betme**, which implements betting and money market solutions for the e-gaming market, is dynamically increasing its active user base and fulfilling its development plans, according to its agreed plans.

— **Festivize** was on track to meet both its revenue and customer plans for 2022, and was therefore eligible to draw down the second tranche of the agreed investment, which was disbursed in the first quarter of 2023. This financing will allow the company to make improvements to further expand its core product into new markets.

— **Appartman** is currently converting its trial and freemium solution into a paid application, and started to generate a steadily increasing revenue stream from its existing customer base towards the end of the year.

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

— To complete the ongoing development of **zMed**, which is developing new solutions in the field of 3D medical image processing, the regulatory settlement of the received proposals has been finalised and the revised proposal is currently being implemented.

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

— **Scienceboost** has not been able to compensate for its revenue shortfall during the crisis period and is in the process of selling off its available technologies. In view of the revenue shortfall, the Company has written down the stake.

Presentation of the portfolio

Based on the above review of the investment portfolio, it can be seen that the portfolio is overall stable, permanently financed and the majority of the portfolio is managed according to the concept and plans defined at the time of investment. Thus the portfolio shows favourable return prospects even in the current economic and business environment. It is the inherent 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. But this is a necessary feature of such high-risk innovative technology investments and 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. The experience of FY 2022 is that while the Company is prudent and cautious in determining the scope of its write-downs, its investment practices confirm that these are essentially in the smaller, early stage investment range and that the costs of write-downs are significantly lower than the gains from annual management and, within that, either from the appreciation of the existing portfolio or from exits.

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Events in 2022

OXO Technologies Holding's group-wide operations in 2022 were characterised by rapid adaptation to a changing business and financial environment. As part of this, the Company has successfully completed a new capital increase, the majority of which has already been raised in euros from external European markets, in preparation for possible further capital raises from such sources. It has also successfully completed an exit, a sale of a company with a significant size and return, which has contributed significantly to the profitability of its activities early in its investment period. This should significantly help the Company to be stable and prepared to manage the risks arising from the changed macro environment and to adapt its further investment strategy accordingly. In this context, the primary focus of investment activity has been on mature stage investments and acquisitions, which can make a significant contribution to the Company's continued profitability and liquidity. In addition, the Company has made smaller early-stage investments with a similar dynamic, which are low risk and low liquidity, and which could in turn ensure a more significant increase in the value of its portfolio in the medium term.

Ensuring liquidity, available funding, and expanding the assets under management:

In order to increase the Company's funds available for further expansion of its investment portfolio, the General Meeting held on 6 January 2022, authorised the Board of Directors to further increase the share capital, which is also planned to be increased, based on the face value of the shares issued by the Company, by a maximum of HUF 2,000,000,000.00, by 30 April 2022 at the latest. The authorization also covered all possible cases and methods of increasing the share capital, as well as the restriction or exclusion of the exercise of the pre-emptive right to subscribe for or to receive shares.

On the basis of the authorisation of the General Meeting, the Board of Directors of the Company has decided on a capital increase to be implemented in several steps during 2022. As a first step, the Board of Directors decided in a written resolution of 26 March 2022 to further increase the share capital by raising an additional HUF 706,719,640. The capital increase increased the Company's share capital from HUF 1,686,964,000 to HUF 1,873,050,000 by means of a private placement of new shares with a cash contribution by means of a subscription at a premium.

Subsequently, on 30 April 2022, the Company's General Meeting of Shareholders further authorised the Board of Directors to increase the Company's capital beyond the capital increases approved until then, by a maximum of HUF 2,000,000,000.00, calculated on the issue value of the shares issued by the Company, with a deadline of 31 December 2022 at the latest. In this case, the authorisation also covered all possibilities and methods of increasing the share capital, as well as the restriction or exclusion of the exercise of the pre-emptive right to subscribe for or to receive shares. The deadline for the authorisation to increase capital was changed by the General Meeting on 21.11.2022 to 30.06.2023.

Events in 2022

Application of ESG principles:

The Board of Directors of OXO Technologies Holding decided on 24.05.2022 to implement the ESG framework. After that, the Company will make an independent assessment of the ESG compliance of its investment targets in its investment decisions and will apply a detailed ESG framework to its existing and new investments at each investment stage.

Company Strategy:

On 2 September 2022, the Board of Directors of the Company decided to prepare a proposal for a resolution to be submitted to the General Meeting of the Company in order to prepare for further international expansion, in order to convert the Company's equity and share capital from HUF to EUR and to convert the Company's equity and share trade from HUF to EUR. On 21 November 2022, the General Meeting of Shareholders voted in favour of the proposals, with the change coming into force on 1 January 2023.

Major events concerning the Company's investment portfolio:

- On January 7, 2022, the Board of Directors of the Company agreed that the founding owners of Gravity R&D Zrt. will buy out the shares of Gravity Zrt. representing 33% of the shares of Gravity R&D Ltd. held by other financial investors, in connection with which the Company does not intend to exercise its pre-emptive rights in view of the strategic objectives jointly defined. Subsequently, on 4 March 2022, the Board of Directors of the Company discussed an indicative takeover offer from an external industry player for the acquisition of Gravity R&D Zrt. and, in view of its valuation and its own shareholding, provisionally accepted it. On May 26 2022 the shareholders of Gravity R&D Zrt. concluded a buy-out transaction with Taboola Europe Ltd. The purchase price in HUF for the stake in OXO Technologies Holding Nyrt. was set at HUF 1 billion.
- On 4 March 2022, the Board of Directors also discussed the acquisition of InVenturio Zrt., through which it could acquire 100% of the target company's shares. In this context, the Board of Directors approved the main terms and conditions of the offer related to the possible acquisition and the initiation of due diligence of the company and the subsequent conclusion of a buy-out agreement. The acquisition was completed through a subsidiary of the Company, whereby the Company, with the assistance of a preferential external fundraising, acquired Inventurio Zrt. 100% of Inventurio's shares.
- On 1 April 2022, the Board of Directors of the Company decided to increase the share capital of Gloster Infokommunikációs Nyrt. by HUF 299,999,952, in which case the subscription price was set at the 180-day turnover weighted average price of HUF 952 per share.
- On 13 May 2022, the Board of Directors of the Company decided in principle to set up a dedicated greentech focused investment fund with other institutional investors following a similar investment policy in order to focus its future growth investments in this area.

Events in 2022

- The Company signed an investment agreement with the technology company Dicomlab Dental Ltd. on 12 August 2022, based on a decision previously taken by the Board of Directors, and closed the investment on 16 August 2022, after signing all transaction documents. According to the agreement, the Company will carry out the investment in syndicate with co-investors for a total amount of HUF 175,000,000, of which the Company will raise HUF 87,500,000 in capital, as decided by the Board of Directors.
- The Company has made a capital increase in the portfolio company Blue Colibri International Ltd. pursuant to a syndicate agreement signed on 7 July 2021, which stipulates that the investment will be made in two phases. The second tranche of the investment was previously agreed to be contingent on net sales of HUF 210 million and that the first tranche would be used along the milestones set out in the business plan. In the current investment phase, the Company made a transfer of HUF 25 million to Blue Colibri, giving it a 23.99% ownership stake. In the same round, Bonitás Investment Fund Management Zrt. raised a further HUF 200 million.

Extraordinary events affecting the Company's operations:

In another extraordinary event affecting the management of the Company, as an indirect result of the Russian-Ukrainian war, the Single Resolution Board of the European Resolution Authority has initiated a winding-up of Sberbank Hungary Zrt.'s parent company, the Austrian Sberbank Europe AG. As a result, the Hungarian National Bank has withdrawn the business licence of Sberbank Hungary Zrt. and ordered its liquidation. The Company and some of its subsidiaries also maintained some of their accounts with Sberbank Hungary Zrt. The measures taken against Sberbank Hungary Zrt. did not materially affect the Company's financial position, given that the decrease in its liquidity was insignificant compared to the Company's investment portfolio and the Company's receivables from its existing deposit portfolio were offset against the loan taken from Sberbank Hungary Zrt. to finance the previous acquisition of its wholly owned subsidiary Servergarden Kft. As a result of this timely initiated set-off, the final repayment of the acquisition loan of Servergarden Kft. from the previous deposit of OXO Technologies Holding was successfully completed. Thus, the Company's deposit claim was set off in the amount of HUF 481.1 million and OBA paid the maximum amount of indemnification to the Company and its subsidiaries, which was HUF 38 million. Together, these measures enabled the Company to minimise the losses arising from the liquidation of the bank. After the winding up and indemnification, the remaining deposit claim amounts to HUF 102.4 million, which has been registered by the appointed liquidator, the Financial Stability and Liquidation Non-Profit Ltd. as a recognised, uncontested, claim. On October 26, 2022, Sberbank Magyarország Zrt. "v.a." paid the deposit claim in full to the Company, so that the Company did not suffer any loss as a result of the liquidation of the Bank.

Events in 2022

Other technical changes affecting the operation:

Following the resignation of Zoltán Kun from the Supervisory Board and the Audit Committee, the General Meeting of the Company elected Krisztián Kőrösi as a member of the Supervisory Board and the Audit Committee on 21.03.2022.

The General Meeting of the Company on 30.04.2022

- adopted the annual report until 2021,
- adopted the corporate governance report for 2021,
- elected Dr Balázs Rátai to replace Dr Ákos Becher, who resigned from the Board,
- József Bodor and Dr. Levente Torma resigned from their positions on the Supervisory Board and the Audit Committee, respectively, and Dr. Dávid Gere and András Fábián were elected as members of the Supervisory Board and the Audit Committee,
- elected Tamás Bojtor as the company's CEO,
- changed the company's registration rights, whereby the Chairman of the Board of Directors is entitled to register the company as a sole director and a member of the Board of Directors and the Chief Executive Officer are jointly entitled to register the company.

The General Meeting of the Company on 21.11.2022

- adopted the Company's Remuneration Policy,
- to adopt the Company's books and records and to maintain and prepare its accounts in accordance with International Financial Reporting Standards (IFRS) from 1 January 2023,
- agreed that the Company should change to euro accounting with effect from 1 January 2023 and that its share capital should be denominated in euro in the Articles of Association.
- adopted the new accounting policies of the Company,
- authorises the Board of Directors of the Company to decide on the increase of the share capital of the Company at its own discretion up to a maximum amount of 4.5 million EUR by 30.06.2023.

Events after the last reporting day

The conversion of the company's equity into euros took place on 1 January 2023, while the exchange of shares for shares with a euro denomination took place on 19 January 2023. The conversion of the trading currency of the shares from HUF to EUR was completed on 15 February 2023.

On 3 February 2023, the Board of Directors of the Company approved the commencement of the preparatory decision making process which 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.

Main expectations and future plans for 2023

During 2023, the Company intends to set its strategy ont he basis of self-sustaining operations, its increased ability to raise funds and investment opportunities under favourable valuation conditions. It will therefore focus its investment activity on acquiring mature and profitable potential acquisition targets, while in its early stage investments it will seek to close investments under the ongoing Startup Factory tender. In the growth phase, it intends to expand its portfolio primarily by acquiring new portfolio companies through share swap transactions, further potential capital raises and the issuance of new shares in exchange for the stakes acquired by the end of 2023. This investment strategy will adequately serve the safe management of the Company, the maintenance of its liquidity and the implementation of its long-term plans. As part of those long-term plans, the primary focus will be on expanding its investor relations internationally and preparing further fundraising into specialised capital funds and into the Company itself, including through a subsequent parallel new issue on another foreign public market (dual listing). In order to implement this strategy, the Board of Directors has already requested the Company to prepare the following strategic steps for the future at the time of issuing the current report:

- In order to improve access to the international investor market and to mitigate certain risks, the Company has begun to assess which regions and target markets offer an appropriate financial and regulatory environment in which to operate, both for its own headquarters and for the location of some of its subsidiaries.

- The company has started to develop a share buyback program, which will be due in the future, under which it plans to buy back up to 50% of its annual profits from the public, after the adoption of its annual accounts, for amounts offered in due course, in a proportionate allocation and pricing procedure.

Financial statement for 2022

The Company's financial statements for 2022 show normal, planned operating trends, in line with previous periods, and the Company was able to increase its balance sheet by HUF 1.019 billion compared to the previous year's closing figures. As a result, the net value of the assets managed by OXO Technologies Holding at the closing date of these financial statements is HUF 5.483 billion, and it closed 2022 with a profit of HUF 263 million.

In order to properly execute OXO Technologies Holding's business strategy, it is essential to build and manage a promising technology investment portfolio. On the other hand this industry is characterised by the fact that during the investment period in which the assets under management are being built up, the company generates little or no income and necessarily operates at a loss. Thus, in this sector, sustained profitable management is typical only after the first 3-5 years of the investment period. In comparison, OXO Technologies Holding's operations 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. The financial management of 2022 exceeded even these ambitious plans, as the Company was able to maintain a stable, profitable operation already in its third year. Consequently in the third year of the Company's operation, the early positive effects of successful investment and portfolio management activities are already starting to show, and these can ensure continued successful management in an otherwise risky business environment.

Financial operations for 2022 show a more significant difference compared to the previous period in the following items:

- On 30 May 2022, the Company carried out a capital increase by attracting new shareholders. During the capital increase, the company raised a total of HUF 706,719,640 by issuing 186,86 new ordinary shares.
- The Company has carried out a capital increase in Gloster Infokommunikációs Nyrt in April 2022 at a subscription price of HUF 952 per share, for a total amount of HUF 299,999,952.
- Through its subsidiary, the Company acquired Inventurio Zrt. for which it is using preferential financing.
- The Company has written off its stakes in Agroninja and Sciencboost in the first half of 2022 in view of the operational risks involved.
- The Company's asset portfolio shows a significant increase in the amount of long-term loans in the affiliated company. This increase is due to the assignment of the amount required for the final repayment of the Servergarden Ltd acquisition loan.
- The Company has successfully exited its stake in Gravity R&D Zrt.
- In the second half of the year, the Company was able to cover its operating costs with the profits generated by successful strategic investments and to further increase its profitability compared to the first half of the year.

Financial statement for 2022

As a consequence, the Company has a positive result for the year, even though, while the write-offs are immediately reflected in expenses, the positive surplus from the revaluation is not part of the result but only in the capital line in the books, nevertheless the sales of companies, i.e. exits, increase the profitability.

Company assets at 31.12.2022

	Descreption	2021.12.31	2022.12.31
A	**Fixed Assets**	**3,399,938**	**4,379,166**
I.	Intangible assets	52,412	40,265
	Capitalised value of foundation/reorganisation	52,412	40,265
II.	Tangible assets	134	1,096
	Other equipment, installations, vehicles	134	1,096
III.	Fixed financial assets	3,347,392	4,337,805
	Long-term equity investments in affiliated companies	1,659,862	1,660,264
	Long-term loans to affiliated companies	20,756	772,872
	Long-term substantial ownership	435,02	287,913
	Long-term equity in companies with significant stake	0	10,000
	Other long-term equity investments	886,23	1,107,727
	Other long-term lendings	29,500	149,602
	Value adjustment of fixed financial assets	316,024	349,427
B	**Current assets**	**1,059,585**	**1,093,784**
I.	Inventories	-	-
II.	Receivables	160,799	460,759
	Accounts receivable	1,356	2,730
	Receivables from affiliated companies	35,086	359,631
	Receivables from companies with significant stake	10,000	91,472
	Receivables from companies with other participation	93,304	0
	Other receivables	21,053	6,926

Financial statement for 2022

III.	Securities	139,903	0
	Significant equity interest	50,993	0
	Other equity interest	88,910	0
IV.	Cash and cash equivalents	758,883	633,025
	Cash, checks	5	0
	Bank deposits	758,878	633,025
C	**Accrued income and deferred expenses**	**4,590**	**10,117**
	Accrued income	4,579	9,547
	Deferred expenses	11	570
	Total Assets	4,464,113	5,483,067

Liabilities and Owner's Equity at 31.12.2022

	Description	2021.12.31.	2022.12.31.
D	**Owner's Equity**	**4,433,077**	**5,436,084**
I.	Subscribed capital	1,686,964	1,873,050
III.	Capital reserves	2,900,342	3,420,976
IV.	Retained earnings	-141,836	-510,518
V.	Committed reserves	52,412	40,265
VI.	Revaluation reserves	316,024	349,427
	Value adjustment to revaluation reserve	316,024	349,427
VII.	Profit after tax	-380,829	262,884
E	**Provisions**	-	-
F	**Liabilities**	**9,013**	**25,275**
I.	Subordinated liabilities	-	-
II.	Long-term liabilities	-	-
	Long-term liabilities to affiliated companies	-	-

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Financial statement for 2022

III.	Short-term liabilities	9,013	25,275
	Accounts payable	2,833	18,665
	Short-term liabilities to affiliated companies	6,038	1,619
	Other short-term liabilities	142	4,991
G	**Accruals and deferred income**	**22,023**	**21,708**
	Accrued expenses	2,238	6,477
	Deferred income	19,785	15,231
	Total liabilities and owner's equity	**4,463,968**	**5,483,067**

Income statement of the company as at 31.12.2022

	Description	2021.12.31	2022.12.31
I.	Net sales revenue	14,715	83,850
II.	Value of capitalized own performance	0	0
III.	Other revenues	2,990	4,574
IV,	Material expenses	240,771	353,994
V.	Personnel expenses	0	21,325
VI.	Depreciation and amortization	8,429	12,343
VII.	Other expenses	16,248	17,067
A	**Operating profit**	**-247,743**	**-316,305**
VIII.	Income from financial transactions	61,040	791,527
IX.	Expenses on financial transactions	193,984	212,338
B	**Net financial result**	**-132,944**	**579,189**
C	**Earnings before taxes**	**-380,687**	**262,884**
X.	Tax liability	142	0
D	**Profit after taxation**	**-380,829**	**262,884**

Company details

Company name: OXO Technologies Holding Nyilvánosan Működő Részvénytársaság

Company abbreviated name: :OXO Technologies Holding Nyrt.

Company name in foreign language: OXO Technologies Holding Public Limited Company

Company abbreviated in foreign languages as: OXO Technologies Holding PLC

The registered office of the Company is at: 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 identification number: 17783202-5-41

Company's statistical number: 27306660-6420-114-01

Registered capital of the company at the reporting date (31.12.2022): 1.873.050.000,- HUF

Share capital of the company on 01.01.2023: 3.746.100,- EUR

Effective date of statutes: 2023.01.01.

Auditor of the Company:	TRUSTED ADVISER Auditing and Consulting Ltd., Budapest, HU-1082 Budapest, Baross utca 66-68. company registration number: 01-09-279282; a designated member of the Chamber of Auditors who is personally responsible for carrying out the audit on behalf of the auditor: Zsolt Szovics
He is a designated adviser to the Company:	Impact Advisory Zártkörűűen Működő Részvénytársaság (registered office: 1016 Budapest, Mészáros utca 58. building A.; company registration number: 01-10- 049712)
Investor Contact	Pongrác Dávid Position Társaság igazgatóságának tagja; Postal address: 1027 Budapest, Ganz utca 12-14. Phone number: 06203884673 E-mail address pongrac.david@oxoholdings.eu

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

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Distribution of share capital by share

The Company's share capital and shares on 31.12.2022:

Series of shares	Nominal value (Ft/piece)	Item number	Total nominal value (Ft)
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

The Company's share capital and shares on 01.01.2023:

Series of shares	Nominal value (Ft/piece)	Item number	Total nominal value (EUR)
Ordinary share (OTH Ordinary share) ISIN: HU0000203492	2.000	1.873.049	3.746.098
Series "B" (OTH preference share) ISIN: HU0000203500	2.000	1	2.000
Total share capital		1.873.050	3.746.100

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Ownership structure

Listing and presentation of holders of more than 5% as at 31.12.2022, based on the notifications of ownership for the series introduced:

Name of shareholder	Ownership (%)	Number of shares (number)
OXO Personal Holding Kft.	21,06	394.530
Docler Holding S.á r.l.	13,88	260.000
National Stock Exchange Development Fund Sub-fund II	10,32	193.392

Management of the Company

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, i.e. on 31 December 2022, was as follows:

The Board of Directors of the Company:

dr. Péter Oszkó	Chairman of the Board
Kornél Bóbics	Board member
András Domonkos	Board member
Valéria Siliga	Board member
Péter Farkas	Board member
Szabolcs Botond	Board member
dr. András László Polgár	member of the Board of Directors
Dávid Pongrác	Board member
Gergely Freész	Board member
Gábor Ujlaki	Board member
Anna Ágnes Apró	Board member
dr. Róbert István Héjja	member of the Board of Directors
dr. Balázs Rátai	member of the Board of Directors

The Supervisory Board of the Company

Zsuzsanna Pető	member of the Supervisory Board
dr. Dávid Gere	Chairman of the Supervisory Board
András Fábián	member of the Supervisory Board
Krisztián Kőrösi	member of the Supervisory Board

The Company's Audit Committee:

Zsuzsanna Pető	member of the Audit Committee
dr. Dávid Gere	member of the Audit Committee
András Fábián	member of the Audit Committee

Managing Director of the Company:

Tamás Bojtor	Managing Director

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Disclosures for 2022

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 fulfil 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 Magyar Nemzeti Bank (www.kozzetetelek.hu).

Notices published by the Company in 2022:

Upload Date	Name of document
2022.01.06	Notice of General Assembly
2022.01.07	Communication on possible portfolio changes
2022.01.19	Information on company registration
2022.01.22	Information on a senior executive's share acquisition transaction
2022.01.27	Information on a senior executive's share acquisition transaction
2022.01.31	Information on voting rights and share capital
2022.02.02	Information on a senior executive's share acquisition transaction
2022.02.03	Information on a senior executive's share acquisition transaction
2022.02.04	Communication on possible portfolio changes
2022.02.08	Invitation to the General Assembly
2022.02.16	Information on a senior executive's share acquisition transaction
2022.02.16	Parliamentary proposals
2022.02.22	Information on a senior executive's share acquisition transaction
2022.02.28	Information on voting rights and share capital
2022.02.28	Information on a senior executive's share acquisition transaction
2022.03.02	Extraordinary Information
2022.03.03	Information on a senior executive's share acquisition transaction
2022.03.04	Communication on possible portfolio changes

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2022.03.09.	Information on a senior executive's share acquisition transaction
2022.03.21.	Information on a senior executive's share acquisition transaction
2022.03.21.	Announcement on capital increase
2022.03.21.	Notice of General Assembly
2022.03.21.	Invitation to the General Assembly
2022.03.22.	Information on a senior executive's share acquisition transaction
2022.03.29.	Parliamentary proposals
2022.03.31.	Information on voting rights and share capital
2022.04.01.	Communication on possible portfolio changes
2022.04.01.	Information on company registration
2022.04.20.	Notice of General Assembly
2022.04.29.	Communication on possible portfolio changes
2022.04.30.	Information on voting rights and share capital
2022.04.30.	Notice of General Assembly
2022.04.30.	Responsible Corporate Governance Report
2022.04.30.	2021 Report
2022.05.20.	Information on a senior executive's share acquisition transaction
2022.05.20.	Information on company registration
2022.05.24.	Communication on the introduction of ESG criteria
2022.05.26.	Announcement on the acquisition of a portfolio company
2022.05.27.	Information on a senior executive's share acquisition transaction
2022.06.01.	Information on a senior executive's share acquisition transaction
2022.06.01.	Information on the registration of a capital increase
2022.06.01.	Information on voting rights and share capital
2022.06.01.	Information on a senior executive's share acquisition transaction
2022.06.10.	Notice of possible change to the portfolio

Disclosures for 2022

2022.06.13.	Notice of change affecting a portfolio company
2022.06.21.	Extraordinary Information
2022.06.30.	Information on voting rights and share capital
2022.07.07.	Notice of portfolio change
2022.07.28.	Information on a senior executive's share acquisition transaction
2022.08.01.	Information on voting rights and share capital
2022.08.10.	Information on a senior executive's share acquisition transaction
2022.08.16.	Information on share acquisition by senior executives
2022.08.16.	Communication on an investment made
2022.08.31.	Information on voting rights and share capital
2022.09.02.	Communication on the preparation of strategic decisions and the opening of investment negotiations
2022.09.19.	Information on share acquisition by senior executives
2022.09.30.	Information on voting rights and share capital
2022.10.08.	Information on share acquisition by senior executives
2022.10.08.	Notice on certain investment decisions and simultaneous capital increases
2022.10.10.	Invitation to the General Assembly
2022.10.15.	Information on share acquisition by senior executives
2022.10.18.	Parliamentary proposals
2022.10.27.	Extraordinary Information
2022.10.28.	Announcement on the capital increase of a portfolio company
2022.11.01.	Information on voting rights and share capital
2022.11.04.	Notice of investment decision
2022.11.10.	Notice of General Assembly
2022.11.15.	Information on a share sale transaction by a senior executive
2022.11.17.	Information on a share sale transaction by a senior executive

Disclosures for 2022

2022.11.18.	Information on a share sale transaction by a senior executive
2022.11.22.	Notice of General Assembly
2022.11.30.	Information on voting rights and share capital
2022.12.13.	Information on company registration
2022.12.14.	Communication on an investment made
2022.12.20.	Extraordinary information on the expected record date for the subscription of shares in euro
2022.12.27.	Information on a share sale transaction by a senior executive
2022.12.28.	Information on a share sale transaction by a senior executive
2022.12.30	Information on a share sale transaction by a senior executive
2022.12.31.	Information on voting rights and share capital
2022.12.31.	Information on a share sale transaction by a senior executive