

4iG
Q1

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**4iG PLC. FLASH REPORT
ON THE COMPANY'S Q1 2021 ACTIVITIES**



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1. EXECUTIVE SUMMARY

4iG Plc. (hereinafter referred to as: “4iG”, “Company”, “Corporation”, “Corporate Group”) **is one of the most dominant corporate groups in the domestic IT and ICT markets.** By corresponding the changes and the demands of the market, the Corporation continuously expands its services and portfolio.

With its digital services spanning throughout life-cycle, in the course of the digitization process, 4iG’s effort, **as a system integrator company, is to create real added value** for its clients whether it is a corporation in the private sector, or a medium-sized undertaking, or the different actors of administration and public services.

In the interest of ensuring business effectiveness of the corporate group, the management of the Company is seeking a diversified, independent platform and manufacturer product and service portfolio. In accordance with the 4iG strategy, 4iG is seeking to appear in the market with itself developed solutions regarding the most prominent segments of artificial intelligence, blockchain, cybersecurity, fintech, Industry 4.0.

Outstanding financial results

4iG maintained its growth dynamism in respect of the first quarter as well, and as a result, the Company closed the first quarter of 2021 with business effectiveness exceeding any previous period.

The consolidated sales revenue of 4iG Plc., accounted in line with IFRS, measured 15.3 billion Hungarian Forints, of which value is 77% higher compared to the same period in the previous year. **Consolidated business result indicator of the corporate group** has also improved significantly: **profit after tax of the Company accounted 566 billion Hungarian Forints exceeding as of the previous year’s by 81%, and the value of EBITDA is 1.003 billion Hungarian Forints, which is 74% higher compared to the earnings before financial and depreciation gained in the first quarter of 2020.** The position and situation of the Company are both stable and, due to the successful closed quarter, the Company still has significant reserve.

Payment of dividend

The Board of Directors of the Company, on the annual ordinary general meeting, **made decision on the payment of 2.212 billion Hungarian Forint dividend** for the business year of 2020. The Board of Directors makes the decision on the exact time of dividend payment later, with that, the dividend payment should be performed until 31 December 2021, the latest.

Acquisitions

The Corporate Group enhanced the number of its subsidiary companies in the first quarter of 2021.

On 26 January, 4iG announced the sales contract conclusion with **Rotors and Cams Zrt.** on the acquisition of the 24 percentage minority block of shares. 4iG appears as a professional investor in the purpose company, the aim of the acquisition is to establish a tight professional collaboration between

thereof companies regarding IT and R&D development of unique unmanned aerial vehicles. Rotors & Cams, dealing with rotor driven drones designed and manufactured for industrial, agricultural, scientific and defence purposes, also offers solutions for the defence against drones, the turnover of thereof for 2020 reached 4.3 billion Hungarian Forints.

On 03 February, a sales contract on 100% business quota acquisition was concluded by and between KZF Vagyonkezelő Kft.¹ (hereinafter referred to as: “KZF”) and **Poli Computer PC Kft.** (hereinafter referred to as: “Poli Computer”), thereof, in the course of the two-phase transaction, becomes 4iG Plc.’s ownership. Said transaction shall be closed following the assets’ evaluation of Poli Computer and the competition oversight proceeding carried out by GVH². By the acquisition of Poli Computer, 4iG is going to be the market leader in Hungary regarding the outsourced and managed IT services segment. In 2020, the turnover of the company operating in Budapest centre exceeded 2.4 billion Hungarian Forints, and the number of its employees is 197 persons.

Also in February, in the interest of the majority shareholding acquisition in **Hungaro DigiTel Kft.** (hereinafter referred to as: “HDT”), one of the most prominent and leading satellite telecommunications service providers in Hungary, a preliminary draft agreement was concluded by and between 4iG, Antenna Hungária Zrt. and Portuguese Telecommunication Investments Kft., a portfolio company under the indirect management of Alpac Capital SA. The pending transaction shall be closed following the approval of Gazdasági Versenyhivatal³. By this step, 4iG and Antenna Hungária shall develop closer partnership, of which collaboration the aim of the two corporations is to be present in the national and regional telecommunications market with a joint expansion strategy. The pursuits of the companies are also supported by Alpac Capital, of which portfolio company, as a result of the herein transaction, becomes the institutional investor of 4iG. The turnover of HDT regarding 2020 exceeded 5.2 billion Hungarian Forints, thereof EBITDA accounted 3.1 billion Hungarian Forints.

In March, it entered into a preliminary draft agreement with the Romanian RCS & RDS Consortium to acquire the **Hungarian interests of DIGI Group**, being in the shareholding thereof. DIGI is one of the leading telecommunications service providers in Hungary, of which acquisition fits well into the growth plans of 4iG announced in the telecommunications market, and, respectively, with the establishment of the national telecommunications platform planned with Antenna Hungaria. The transaction related to DIGI Távközlési és Szolgáltató Kft., Invitel Zrt. and i-TV Zrt., in accordance with the intention of the parties, shall be performed following the screening and the necessary public authority approvals thereof.

On 10 March, the Corporation signed a share purchase agreement to acquire 70% of the majority controlling influence of Spacenet Zrt. (hereinafter referred to as: “Spacenet”). The aim of 4iG with the acquisition is to develop its competencies related to Cisco-based system planning, construction and maintenance, and to broaden its network security activities, and to establish data centre basic infrastructure developments at the corporate group.

Spacenet deals with implementation and maintenance of network, IT security, collaboration and data centre infrastructure solutions, and with high-level automatization and the support thereof. Spacenet is a Cisco GOLD partner, hence it may provide services in its own independent competence for its

¹ KZF Vagyonkezelő Kft. – in English: KZF Asset Management Private Limited Liability Company

² GVH – in English: Hungarian Competition Authority

³ Gazdasági Versenyhivatal – in English: the Hungarian Competition Authority

customers, as regards, since its foundation, it is the exclusive representative of the German DataCenter Group basic infrastructure data centre in Hungary. Spacenet employs 20 persons at present, and the turnover thereof exceeded 5.1 billion Hungarian Forints.

Bond auction

4iG in Növekedési Kötvényprogram⁴ of Magyar Nemzeti Bank⁵ held a successful bond auction for rated investors. The offered quantity accounts 15 billion Hungarian Forints at nominal value, and the submitted tenders in all measured 15.45 billion Hungarian Forints. **The Company** adopted the tenders, hence, included **15.45 billion Hungarian Forints altogether as resources at the auction, and in accordance with its preliminary announcement wishes to finance the planned national and regional acquisition activities.**

This year, in February, 4iG performed the conditions contained in MNB Növekedési Kötvényprogram. Scope Ratings, doing the investigation on behalf of the central bank, classified the IT company as a BB-/stabile issuer, and the Company's debt exposure was ranked into BB- category. On 04 March, the rating agency announced to revise the rating related to 4iG issuer's and unsecured debts, and envisaged the Company's uprating.

Capital market performance

The value of average stock market price of 4iG shares (646,- Hungarian Forints) subject to the first quarter of 2021 was 29.7% higher compared to the same period in the previous year. The closing price regarding March 2021 is 662,- Hungarian Forints, which is 63.5% higher compared to the closing price on 31 March 2020. The changes occurring in respect of the exchange rate are primarily due to the effects of the acquisitions. With regard to the market capitalization of the Company, thereof amount was 62.2 billion Hungarian Forints on 31 March in 2021.

Vision

Thanks to the **widespread national and international partnerships**, 4iG offers its solutions based on technologies of global companies and on its own developments. The Company introduced itself developed, bearing the brand name **4iOP** integrated product family, which ensures digital solutions in the areas of Industry 4.0, operation and manufacturing. The system, adjusted to the claims of clients, modularly constructed and machine-learning supported, offers IT solutions for each level regarding the manufacturing processes. The favourable market welcome of the product family pursues 4iG to strengthen its product and service palettes in such key areas like blockchain, cybersecurity or fintech.

Acquisition strategy of the Company supports effective operation, continuous expansion concerning the resource and the entry into new markets to a large extent in relation to the corporate group. One of the most important targets of 4iG is to be in the very first place regarding domestic IT companies, and to establish dominant market positions in the broad areas of IT and ICT services, and to gain significant growth in the national and in Central and East European telecommunications market.

⁴ Növekedési Kötvényprogram – in English: Funding for Growth Scheme

⁵ Magyar Nemzeti Bank – in English: Hungarian National Bank

The key financial 4iG Plc. indicators consolidated in accordance with the international financial reporting standards are included in the hereinunder table as follows:

Description (data in thousands of Hungarian Forints)	2021.Q1	2020.Q1	Change Change +/-(-) in percentage
Net sales revenues	15 268 116	8 623 002	77.06%
Earnings before interest, taxes, depreciation and amortization (EBITIDA)	1 003 756	577 870	73.70%
Earnings before interest and taxes (EBIT)	710 424	387 632	83.27%
Profit after tax (PAT)	565 526	311 793	81.38%
Total comprehensive income	565 526	311 793	81.38%
Number of employees			
Net turnover per person***	16 646	14 300	16.41%
Average staff number	917	603	52.11%
Stock exchange indicators			
Stock exchange closing share price* (in HUF)	662	405	63.46%
Average stock market price of the shares (in HUF)	646	498	29.65%
Market capitalization of 4iG Plc. (in billion HUF)	62.2	38.1	63.46%
Value per share (HUF)			
EBITDA**	10.7	6.1	73.70%
Net earnings per share (EPS)**	6.1	3.4	79.08%
Diluted EPS indicator**	6.0	3.3	81.26%
Own equity**	88	56	55.10%

*at the end of the period

** in Hungarian Forint

*** per average number of employees

Unless otherwise indicated and in line with the IFRS principles, the data included in the Flash Report are consolidated, non-audited and given in thousands of Hungarian Forints.

The data in brackets indicate negative values.

2. IFRS CONSOLIDATED, NON-AUDITED QUARTERLY FINANCIAL STATEMENTS

2.1 Consolidated comprehensive profit and loss account

data in thousands of Hungarian Forints unless otherwise indicated

	31 March 2021	31 March 2020
Net sales revenues	15 268 116	8 623 002
Other operating income	130 355	39 257
Revenues in total	15 398 471	8 662 259
Goods and services sold	10 852 091	5 881 723
Operational expenditures	939 698	493 050
Staff costs	2 596 308	1 704 908
Other expenditures	6 618	4 708
Operational expenses	14 394 715	8 084 389
Earning Before Interests, Taxes, Depreciation and Amortization (EBITDA)	1 003 756	577 870
Depreciation and impairment	293 332	190 238
Earnings Before Interest and Tax (EBIT)	710 424	387 632
Financial income	88 356	70 999
Financial expenditures	89 434	59 406
Profit before tax	709 346	399 225
Income taxes	143 820	87 432
Profit after tax	565 526	311 793
Other comprehensive income	-	-
Total comprehensive income	565 526	311 793
Earnings per share (HUF)		
Base	6.1	3.4
Diluted	6.0	3.3
From profit after tax:		
Share per parent company	595 672	360 978
Share for external owner	(30 146)	(49 185)
From the total comprehensive income:		
Share per parent company	595 672	360 978
Share for external owner	(30 146)	(49 185)

2.2 Consolidated balance sheet

data in thousands of Hungarian Forints unless otherwise indicated

	31 March 2021	31 December 2020
ASSETS		
Over-the-year assets		
Tangible assets	806 577	776 806
Intangible assets	748 441	709 689
Lease rights	969 380	965 959
Deferred tax assets	45 313	36 678
Goodwill	1 333 129	1 333 129
Other investments	489 746	166 570
Over-the-year assets in total	4 392 586	3 988 831
Current assets		
Liquid assets and cash equivalents	16 856 740	7 204 781
Trade receivables	12 732 909	17 494 311
Other receivables and accrued and deferred assets	5 747 742	5 397 751
Current income tax receivables	0	0
Securities	417 730	417 730
Inventories	2 571 506	3 359 619
Current assets in total	38 326 627	33 874 192
Assets in total	42 719 213	37 863 023
RESOURCES		
Own equity		
Issued capital	1 880 000	1 880 000
Repurchased own share	(332 930)	(322 930)
Capital reserve	816 750	816 750
Accumulated profit reserve	5 524 593	4 928 921
Own equity per parent company in total	7 888 413	7 302 741
Non-controlling interest	345 939	376 085
Own equity in total:	8 234 352	7 678 826
Long-term liabilities		
Provisions	0	92 287
Long-term credits, bonds debts	15 907 200	105 777
Financial lease liabilities	565 122	524 484
ESOP liabilities	344 813	344 813
Long-term liabilities in total	16 817 135	1 067 361
Short-term liabilities		
Trade creditors and other accounts payable	7 464 038	18 882 421
Short-term credits and loans	3 743 937	3 018 719
Other short-term liabilities and accrued liabilities	5 952 937	6 745 519
Dividend payment liabilities	0	27
Financial lease liabilities	466 814	470 150
Short-term liabilities in total	17 627 726	29 116 836
Liabilities and own equity in total	42 679 213	37 863 023

2.3 Statement on consolidated own equity change

data in thousands of Hungarian Forints unless otherwise indicated

	Issued capital	Own shares	Capital reserve	Accumulated profit reserve	Own equity per parent company in total	Non-controlling interest (NCI)	Own equity in total
Balance on 1 January 2020	1 880 000	(92 251)	816 750	2 951 957	5 556 456	(63 743)	5 492 713
Purchase of own share	0	(495 285)	0	0	(495 285)	0	(495 285)
Total comprehensive income	0	0	0	360 978	360 978	(49 185)	311 793
Balance on 31 March 2020	1 880 000	(587 536)	816 750	3 312 935	5 422 149	(112 928)	5 309 221
Balance on 1 January 2021	1 880 000	(322 930)	816 750	4 928 921	7 302 741	376 085	7 678 826
Purchase of own share	0	(10 000)	0	(10 000)	(10 000)	0	(10 000)
Total comprehensive income	0	0	0	595 672	595 672	(30 146)	565 526
Balance on 31 March 2021	1 880 000	(322 930)	816 750	5 524 593	7 888 413	345 939	8 234 352

2.4 Consolidated Cash Flow statement

data in thousands of Hungarian Forints unless otherwise indicated

	31 March 2021	31 March 2020
Cash Flow from operating activities		
Profit after tax	565 526	311 793
<i>Corrections:</i>		
Depreciation and impairment in the current year	293 331	190 238
Impairment booked for customers	0	0
Provisions	66 410	(49 767)
Deferred tax	(8 636)	(9 416)
Interests	15 304	3 358
<i>Changes in working capital</i>		
Changes in trade receivables	4 761 402	3 451 790
Change in inventories	788 113	(209 363)
Change in trade creditors	(11 418 383)	(5 043 695)
Change in finance leasing	(3 336)	6 199
Change in other assets and liabilities	(1 102 599)	(1 872 496)
Net cash flow from operating activities	(6 042 868)	(3 221 360)
Cash Flow from investments		
Sale of tangible assets (purchase)	(113 705)	(46 446)
Purchase of intangible assets	(251 570)	(70 096)
Purchase of securities	0	0
Change in over-the-year-assets	(21 976)	9 000
Acquisition of interests	(301 200)	0
Net Cash Flow from investments	(688 451)	(107 542)
Cash Flow from financing activities		
Borrowing long-term credits (bond issue)	15 642 726	0
Borrowing bank credits and loans / (repayment)	725 218	100
Borrowing financial leasing (repayment)	40 638	(48 529)
Own shares issued/repurchased	(10 000)	(495 285)
Interests of credits and loans	(15 304)	(3 358)
Dividend paid	0	0
Profit of own share sale	0	0
Net Cash Flow from financing activities	16 383 278	(547 072)
Net change in cash and cash-like items	9 651 959	(3 875 973)
Balance of cash and cash-like items at the beginning of the year	7 204 781	6 237 873
Interim balance of cash and cash-like items	16 856 740	2 361 900

3. GENERAL INFORMATION ON THE ISSUER

Name of the company:	4iG Nyilvánosan Működő Részvénytársaság ⁶ (former FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. ⁷)
Legal status of the company:	Public Limited Company
Registered office:	1037 Budapest, Montevideo u. 8.
Places of business:	1037 Budapest, Montevideo utca 2/C. 1037 Budapest, Montevideo utca 6.
Branch businesses:	8000 Székesfehérvár, Seregélyesi út 96. 6782 Mórahalom, Röskei út 43. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-44
Statistical number:	12011069-6201-114-01
Share capital:	1 880 000 000,-HUF
Date of foundation:	08 January 1995
Date of transformation:	02 April 2004
Date of being listed on the stock exchange:	22 September 2004

4. INFORMATION ON SHARES

Type of shares:	registered equity share, dematerialized
Nominal value of the shares:	20,- HUF per quantity
Quantity of the shares:	94 000 000,- quantity
ISIN code of the shares:	HU 0000167788
Series of the share class:	"A"
Serial number of the shares:	0000001-94000000
Repurchased own shares:	1 670 086,- quantity

⁶ 4iG Nyilvánosan Működő Részvénytársaság – in English: 4iG Public Limited Company

⁷ FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. – in English: FreeSoft Plc. and Fríz 68 Service Provider and Trading Limited Company by shares

5. SHAREHOLDER STRUCTURE

Shareholder structure of the Company is as follows:	31 March 2021	31 December 2020
KZF Vagyonkezelő Kft.	57.47%	57.47%
Manhattan Invest Kft.	3.29%	3.29%
MANHATTAN Magántőkealap ⁸	1.03%	1.03%
4iG own share shareholding	1.78%	1.78%
Free float	36.43%	36.43%
Total	100.00%	100.00%

6. OFFICERS

With regard to the period between 01 January 2021 and 31 March 2021, the executive officers of 4iG Plc. were the persons listed hereinunder.

6.1 Company Management

Board of Directors: Jászai Gellért, chairperson of the board of directors, chief executive officer

Tóth Béla Zsolt, member of the board of directors
Linczésyi Aladin, member of the board of directors
Blénessy László, member of the board of directors
Fekete Péter Krisztián, member of the board of directors

Supervisory Board: Simon Zoltán, chairperson of the Supervisory Board
Kunosi András, member
Büdyné dr. Rózsa Ildikó, member

Audit Committee: Simon Zoltán, chairperson of the Audit Committee
Kunosi András, member
Büdyné dr. Rózsa Ildikó, member

6.2 Remuneration of the officers

With regard to the remuneration of the members of the Board of Directors, of the Supervisory Board and of the Audit Committee of the Company in the hereinabove said period is as follows.

Pursuant to the General Meeting Resolution under the number of 37./2014(10.27), the members of the Board of Directors are entitled to receive remuneration in the amount of 175,000,-HUF per month per person, while the chairperson of the Board of Directors is eligible for 200,000,-HUF per month.

⁸ MANHATTAN Magántőkealap – in English: MANHATTAN Private Equity Fund

In line with the general meeting resolution under the number of 42./2014(10.27.) issued by the General Meeting, the members of the Supervisory Board are entitled to receive remuneration in the amount of 155,000,-HUF per month per person, while the chairperson of the Supervisory Board is eligible for 175,000,-HUF per month.

The members of the audit committee are not entitled to receive any remuneration for their work performed in the audit committee.

6.3 4iG shareholding of the executive officers

Name	Position	Direct capital shareholding (quantity)	Indirect capital shareholding (quantity)	Direct and indirect (quantity)	Capital shareholding rate (%)
Jászai Gellért Zoltán	Chairperson – Chief Executive Officer	0	58 083 500	58 083 500	61.79%
Tóth Béla Zsolt	member of the board of directors	1 052 200	0	1 052 200	1.12%
Blénessy László	member of the board of directors	590 765	0	590 765	0.63%

7. PERSONS BEING ENTITLED TO SIGN THIS REPORT

The chairperson of the board of directors is entitled to sign the herein report individually, or any two members of the board of directors shall jointly practice signing at the Company.

8. SUBSIDIARIES

Name of the subsidiary company	Registered office	Capital shareholding		Notes
		2020	2019	
CarpathiaSat Ltd.	1037 Budapest, Montevideo u. 8.	51%	n.d. ⁹	Founded on 17 August 2020
Humansoft Szerviz Kft.	1037 Budapest, Montevideo u. 8.	100%	100%	Founded on 17 April 2019
DOTO Systems Zrt.	1037 Budapest, Montevideo u. 8.	60%	60%	Founded on 03 July 2019

⁹ n.d.: no data

TR Consulting Kft.	1037 Budapest, Montevideo u. 8.	100%	n.d.	Acquired on 09 July 2020
Veritas Consulting Kft.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired on 10 September 2019
INNObyte Zrt.	1115 Budapest, Bartók Béla út 105-113. 6. em.	70%	n.d.	Acquired on 14 October 2020
DTSM Kft.	1037 Budapest, Montevideo u. 8.	100%	n.d.	Acquired on 07 December 2020

Other companies included in the consolidation:

Name of the company	Registered office	Capital shareholding	Notes
INNOWARE Kft. (subsidiary company of INNObyte Zrt.)	1113 Budapest, Karolina út 65.	70%	Acquired on 14 October 2020
Rotors & Cams Zrt. (Capital consolidation)	2112 Veresegyház, Rét utca 22.	24%	Acquired on 26 January 2021

9. MAJOR EVENTS OF THE PERIOD (IN CHRONOLOGICAL ORDER)

9.1 Acquisition of 24% of the Rotors & Cams Zrt. block of shares (26 January 2021)

4iG Plc. concluded a share transfer contract and acquired 24% block of shares of Rotors & Cams Zrt. (hereinafter referred to as: "Rotors & Cams").

9.2 Conclusion of large amount contract (02 February 2021)

The tender submitted by the consortium including T-Systems Magyarország Zrt.¹⁰, Officium Szolgáltató Kft.¹¹ and 4iG Plc. was announced to be the successful tender upon the open EU public procurement procedure under the title of 'Budapalota IT Infrastructure' called for by Magyar Nemzeti Bank (registered office: 1054 Budapest, Szabadság tér 8-9.; hereinafter referred to as: "MNB").

The value of the contract is 2 617 950 265,-HUF + VAT.

9.3 Large amount successful tender (02 February 2021)

The tender submitted by 4iG Plc. was announced to be the successful tender upon the open EU public procurement procedure under the title of 'Realisation of KLIR System' called for by Magyar Nemzeti Bank (registered office: 1054 Budapest, Szabadság tér 8-9.; hereinafter referred to as: "MNB").

The total value of the procedure is 1 022 378 624,-HUF + VAT.

¹⁰ T-Systems Magyarország Zrt. – in English: T-Systems Hungary Private Limited Company

¹¹ Officium Szolgáltató Kft. – in English: Officium Service Provider Private Limited Liability Company

9.4 A business share sales contract on the acquisition of 100% shareholding of the business shares in Poli Computer PC Kft. concluded by KZF Vagyonkezelő Kft. (03 February 2021)

A business share sales contract on 100% shareholding acquisition was concluded by and between KZF Vagyonkezelő Korlátolt Felelősségű Társaság (“KZF”), the main shareholder of 4iG Plc., and Poli Computer PC Kft. (hereinafter referred to as: “Poli Computer”). The business share of Poli Computer is going to get into the ownership of 4iG at the end of a two-phase process. The herein transaction is performed following the competition oversight proceeding of Gazdasági Versenyhivatal (hereinafter referred to as: “GVH”).

9.5 Funding for Growth Scheme (08 February 2021)

In the interest of the future growth strategy implementation, and as a precondition for the participation in NKP program called for by Magyar Nemzeti Bank (hereinafter referred to as: “MNB”), 4iG Plc. repeatedly met the requirements needed for the participation in the aforesaid independent credit rating procedure.

9.6 Large amount successful tender (15 February 2021)

The tender of the consortium managed by 4iG was announced to be the successful tender of Digitális Kormányzati Ügynökség Zrt.¹² (hereinafter referred to as: “DKÜ”). In the procedure there were three different joint bidder consortiums announced to be the successful one by DKÜ, and the joint bidder consortium managed by 4iG was one of them.

The total appropriation of the umbrella agreement is net 14 800 000 000,-HUF.

9.7 Signing a preliminary draft agreement on 75% shareholding acquisition in Hungaro DigiTel Kft. (23 February 2021)

A preliminary draft agreement (hereinafter referred to as: the “Agreement”) was concluded by and between 4iG Plc., Antenna Hungária Zrt. (hereinafter referred to as: “AH”) and Portuguese Telecommunication Investments Kft. (hereinafter referred to as: “PTI”), as a company being in the indirect management of Alpac Capital - Sociedade de Capital de Risco, S.A., in the interest of 75% shareholding acquisition in Hungaro DigiTel Kft. (hereinafter referred to as: “HDT”). In accordance with the Agreement, AH would sell 25% business share for 4iG while 50% of PTI business share would be accounted for 4iG by means of contributions-in-kind, following the performance of the necessary procedures. The transaction may be performed following the business share evaluation, the conclusion of the final version of the sales contract and the contract on contribution-in-kind, and the competition oversight proceeding carried out by Gazdasági Versenyhivatal (GVH).

9.8 EDISON Group analysis (04 March 2021)

EDISON Investment Research Limited, one of the world’s biggest investment research, investor relations and consulting firms, following the flash report for the fourth quarter of 2020, performed an analysis on 4iG Plc., which is available via the hereinunder link in English as follows:

<https://www.edisongroup.com/publication/strong-q4-helps-4ig-beat-fy20-estimates/28973>

¹² Digitális Kormányzati Ügynökség Zrt. – in English: Digital Governmental Agency Private Limited Company

9.9 Credit rating review of Scope Ratings (04 March 2021)

Scope Ratings GmbH (hereinafter referred to as: "Scope Ratings") (www.scoperatings.com), as an independent international credit rating agency, has subjected 4iG to a positive review following the announcement of a 75 percent majority acquisition of Hungaro DigiTel Kft. (hereinafter referred to as: "HDT").

The analysis of the Scope Ratings is available on the hereinunder webpage as follows:

<https://www.scoperatings.com/#!search/research/detail/166751EN>

9.10 Signing of a share purchase agreement aiming the acquisition of 70% of the block of shares in Spacenet Zrt. (10 March 2021)

4iG Plc. has signed a share purchase agreement to acquire 70% of the majority controlling influence of Spacenet Zrt. (hereinafter referred to as: "Spacenet"). The herein transaction is performed following the competition oversight proceeding of Gazdasági Versenyhivatal (GVH).

9.11 Successful bond auction (25 March 2021)

4iG Plc. announced that it had conducted a successful auction in Növekedési Kötvényprogram, as a result of which it issues the bond named "4iG NKP Bond 2031/1." (ISIN: HU0000360276), with a ten-year maturity and an average yield of 2.7328% (coupon rate: 2.9%), in a total aggregate face value of 15.45 billion HUF on 29 March 2021.

9.12 Signing of the preliminary draft agreement for the acquisition of a 100% shareholding in DIGI Távközlési és Szolgáltató Kft. (29 March 2021)

4iG Plc. has signed a preliminary draft, non-binding agreement with RCS & RDS Consortium (hereinafter referred to as: "RCS & RDS") on the acquisition of DIGI Távközlési Szolgáltató Kft.¹³ and its subsidiary companies, i.e. Invitel Zrt. and i-TV Zrt. The planned transaction may be completed by the end of September 2021, following the due diligence of the DIGI Group, the signing of the final sales contract and the necessary regulatory procedures.

10. EVENTS FOLLOWING THE BALANCE SHEET DATE

10.1 Acquisition of the 70% block of shares of Spacenet Plc. (14 April 2021)

4iG Plc. closed the transaction of the acquisition of 70% ownership of the shares of Spacenet Plc. ("Spacenet"), and with this it has earned a majority controlling influence in Spacenet, following the transaction approval of Gazdasági Versenyhivatal.

10.2 Change of the investor contact person of 4iG Plc. (23 April 2021)

There was a change of the investor and stock exchange contact person of 4iG Plc. as of 24 April 2021.

The new contact person is Dr. Vezekényi Csaba, Legal Manager.

Contact information:

¹³ DIGI Távközlési Szolgáltató Kft. – in English: DIGI Telecommunications Service Provider Private Limited Liability Company

telephone: +36-1-270-7600

e-mail: IR@4ig.hu

10.3 Large amount successful tender (28 April 2021)

The consortium of 4iG Plc., T Systems Plc. and Officium Ltd. submitted the winning bid in the EU open public procurement procedure "K55 IT Infrastructure" announced by the Hungarian National Bank (registered office: 1054 Budapest, Szabadság tér 8-9.).

The aim of the project is to design and implement an IT and meeting room infrastructure in the K55 office building of the Hungarian National Bank, which is compatible with the CISCO system and ensures the work of the employees in the real estate, the functionality of the computer room and the meeting room, as well as the system support and license tracking of the hardware and software elements of the building.

The value of the contract is 1 888 834 765,- HUF + VAT.

10.4 Annual Ordinary General Meeting (29 April 2021)

Since the management of the public limited company is entitled to decide on all issues that are on the agenda of the previously published invitation to the ordinary general meeting, pursuant to Subsection (2) of Section 9 of Government Decree No. 502/2020 (XI. 16.) on the Re-implementation of the Derogations from Regulations on Operation of Partnerships and Corporations in case of Emergency (hereinafter referred to as: "Decree"), in connection with the proposals and resolutions related to the items on the agenda of the General Meeting ("General Meeting") announced on the 29th of April 2021, the Board of Directors of 4iG Plc. made the following resolutions on the 29th of April 2021 acting under the authority of the General Meeting:

Board of Directors Resolution Number 3/2021. (IV. 29.)

The Board of Directors, acting under the authority of the General Meeting, resolves to approve with content in accordance with the proposal

- the submission of the Board of Directors regarding the reports, balance sheet and profit and loss account for the year 2020, and the 2020 profit distribution;
- the Board of Directors' report on the Company's business activity for 2020;
- the Auditor's report on the examination of the annual reports, and description of the verification clause;
- the Supervisory Board's report on the annual reports for 2020;
- the Supervisory Board's report on the financial statements for 2020;
- the report of the Board of Directors on the management of the Company and on the financial situation and business policy of the Company.

In line with IFRS (International Financial Reporting Standards), the Company's main data concerning the annual individual financial statement for the year of 2020 are as follows:

-
- the total amount of assets/capital and resources is 35 274 599,-HUF in thousands
 - the amount of own equity is 7 163 128,-HUF in thousands
 - the amount of income after taxes is 3 160 054,-HUF in thousands

In line with IFRS (International Financial Reporting Standards), the Company's main data of the (consolidated) annual financial statement for the year of 2020 are as follows:

- the total amount of assets/capital and resources is 37 863 023,-HUF in thousands
- the amount of own equity is 7 678 826,-HUF in thousands
- the total amount of the comprehensive income after taxes is 3 438 803,-HUF in thousands

The Board of Directors, acting under the authority of the General Meeting and having regard to the content of the disclosed annual financial statement for the year of 2020, shall hereby make the decision that, for the business year of 2020, to pay dividend disbursement in the amount of 2 212 000 000,-HUF, namely Two-Billion-Two-Hundred-and-Twelve-Million Hungarian Forints. The Board of Directors, acting under the authority of the General Meeting, moreover, shall make the decision to authorize the Board of Directors of the Company to define the date of the dividend payment upon taking the actual liquidity situation into account, with that, the payment of the dividend shall be performed until 31 December 2021, the latest.

Board of Directors Resolution Number 4/2021. (IV. 29.)

Acting under the authority of the General Meeting, the Board of Directors shall hereby decide to approve the Corporate Governance Report of the Company for the year of 2020 with the content in accordance with the submission.

Board of Directors Resolution Number 5/2021. (IV. 29.)

Taking into account the standpoint of the Nomination and Remuneration Committee of the Company, acting under the authority of the General Meeting, the Board of Directors has concluded that the President-CEO and the members of the Board of Directors performed their work in 2020 with the priority of the interests of the Company in mind, in view of which, acting under the authority of the General Meeting, the Board of Directors decides to grant the Members of the Board of Directors and CEO hold-harmless warrants for 2020.

Board of Directors Resolution Number 6/2021. (IV. 29.)

Acting under the authority of the General Meeting, upon this resolution, the Board of Directors shall hereby approve the re-appointment of INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság (registered office: 1074 Budapest, Vörösmarty utca 16-18. A. ép. fszt. 1/F.; company registration number: 01-09-063211; tax number: 10272172-2-42; hereinafter referred to as: "INTERAUDITOR Kft." or "Auditor") as of 01 May 2021 until the adoption of the individual and consolidated annual financial statements for 2021, but not later than until 20 April 2022.

The Board of Directors, acting under the authority of the General Meeting, and on the basis of the prior negotiation with the Auditor, shall make the decision that, in respect to the individual annual financial statement of the Company compiled in line with IAS-IFRS, the remuneration of the Auditor is to be 8 700 000,-HUF + VAT, namely eight-million-seven-hundred-thousand Hungarian Forints + VAT (with the gross value of 11,049,000,- Hungarian Forints), whereas, in respect to the consolidated annual financial statement of the Company, thereof is defined in the amount of 2 700 000,-HUF + VAT, namely two-million-seven-hundred-thousand Hungarian Forints + VAT.

Acting under the authority of the General Meeting, the Board of Directors approves the appointment of Freiszberger Zsuzsanna (mother's maiden name: Böczkös Rózsa Mária; address: 2440 Százhalombatta, Rózsa utca 7.; membership number issued by the chamber of auditors: 007229) of INTERAUDITOR Kft., as the person bearing responsibility for the audit.

Board of Directors Resolution Number 7/2021. (IV. 29.)

Acting under the authority of the General Meeting, the Board of Directors approves the Remuneration Policy of the Company by means of an opinion voting with the content in accordance with the submission.

Board of Directors Resolution Number 8/2021. (IV. 29.)

The Board of Directors, acting under the authority of the General Meeting, resolves to amend the Articles of Association of the Company as follows.

Amendments to the Articles of Association are marked as follows: the deleted text is struck through and the newly inserted text is indicated in italics and bold editing mode.

The particular provisions of the Articles of Association are amended as follows:

"2.2. The Company's foreign-language (English) company name is 4iG Public Limited Company.

The Company's foreign-language (English) abbreviated company name is 4iG Plc.

2.3. The Company's foreign-language (German) company name is 4iG Offene Aktiengesellschaft.

The Company's foreign language (German) abbreviated company name is 4iG Offene AG.

2.2.4. Registered office of the Company:

1037 Budapest, Montevideo utca 8.

2.3.5. Branch business(es) of the Company:

H-8000 Székesfehérvár, Seregélyesi út 96.

6782 Mórahalom, Röszei út 43.

6722 Szeged, Tisza Lajos körút 41.

4025 Debrecen, Barna utca 23.

2.4.6. Place(s) of business of the Company:

1037 Budapest, Montevideo utca 2/C

1037 Budapest, Montevideo utca 6.”

“14. AUTHORIZED SIGNATURE

The hereinunder persons are entitled to sign for the Company as follows:

- a) the chairperson of the Board of Directors, independently,
- b) two members of the Board of Directors, jointly,
- c) the company manager with any member of the Board of Directors jointly, a member of the Board of Directors with an employee authorized by the Board of Directors to sign on behalf of the Company jointly;
- d) two employees granted by the Board of Directors with the right of representation jointly,

as set out in the signature specimen, two of the employees authorized by the Board of Directors to sign on behalf of the Company jointly, according to the signature specimen.”

Board of Directors Resolution Number 9/2021. (IV. 29.)

With its present resolution, the Board of Directors, acting under the authority of the General Meeting, elects Mr. Pedro Vargas Santos David (mother's name: Maria Filomena De Brito Vargas Lopes David; date of birth: 1 August 1984; address: AE Downtown Dubai, Standard Chartered Tower 5th floor; tax identification number: 8429464859, agent for service of process: Kovács Márton Law Office, 1085 Budapest, Kálvin tér 12.) as a new member of the Board of Directors with joint procuration right, for an indefinite period starting from the 29th day of April 2021. The remuneration of the members of the Board of Directors is set by Board of Directors' Resolution No. 4/2020 (XI.25.), adopted by the Board of Directors acting under the authority of the General Meeting, in the gross amount of HUF 175,000 / month.

10.5 Large amount successful tender (11 May 2021)

The announcement of the tender of the consortium led by 4iG Plc. in the open EU public procurement tender procedure for the "Supply of Supercomputer and Storage", organised by Kormányzati Informatikai Fejlesztési Ügynökség¹⁴ as the winning bid. In the procedure, 4iG Plc. was announced as the winner as a member of a joint consortium of bidders.

This procurement procedure is implemented from GINOP 3.1.5-20-2020-00001 sources, the aim of which is to supply and systematize a new supercomputer with a cumulative computing power of 5 PFlops and to procure, deliver, commission, integrate and support the integrated data storage and engineering tools, with which the target device with the largest and most modern technical conditions in Hungary will be placed in the Supercomputer Centre on the territory of the University of Debrecen.

Total value of the procedure based on the summary document: 3 138 582 000,-HUF + VAT.

¹⁴ Kormányzati Informatikai Fejlesztési Ügynökség (in English: Governmental Agency for IT Development)

4iG Plc.'s share of the value of the procedure: 1 883 149 000,-HUF + VAT.

10.6 Signing contracts aimed at acquiring 75% of the quota of Hungaro DigiTel Ltd. (12 May 2021)

In the course of the multi-step procedure aimed at the acquisition of the 75% quota of Hungaro DigiTel Ltd., (hereinafter referred to as: "HDT"), a contribution contract between 4iG and Bartolomeu Investments Ltd., a company indirectly managed by Alpac Capital-Sociedade de Capital de Risco, S.A., was concluded, together with the related purchase agreement.

Pursuant to this contribution contract, following the completion of the necessary transactional steps and procedures, by bringing the 100% quota of Portuguese Telecommunication Investments Ltd. (hereinafter referred to as: "PTI") into 4iG as contribution in kind, Bartolomeu Investments Ltd. will become a shareholder of 4iG. As a subsequent step of the transaction, PTI will purchase the 25% quota of Antenna Hungária Zrt. in HDT. As a result, 4iG will become the 75% shareholder of HDT.

The herein transaction is performed following the competition oversight proceeding of Gazdasági Versenyhivatal (GVH). 4iG Plc. will provide detailed information on the details of the capital increase related to in-kind contributions after the closing of the transaction.

11. REPRESENTATION

The Issuer shall hereby state that the flash report on the development and performance of the Company is reliable, and the data and statements are in accordance with reality, and do not hide any fact which are considered to be significant from the point of evaluating the situation of the Issuer.

In line with Subsection 1 of Section 57 of the Act on the Capital Market, the Issuer shall be liable for any and all damages caused by his failure to meet the obligations of disclosure of the regulated information and the same shall be applied for false or untrue information made available for the public.

We, the undersigned, shall be entitled to be liable for the compliance with reality regarding the data of the flash report on the first quarters of 2021 and the contents of the analyses and the conclusions thereof.

Dated as of 25 May 2021 in Budapest

Jászai Gellért
President and Chief Executive Officer

Tóth Béla Zsolt
member of the Board of Directors

4iG Plc.

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