



CONSOLIDATED

financial report **Q1 2024**

4iG

Q1

2024

4iG PLC

FLASH REPORT

ON THE COMPANY'S ACTIVITIES FOR THE FIRST QUARTER OF 2024

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The Report was approved by the Board of Directors of the Company by written resolution on 30 May 2024, by virtue of the Board of Directors' Resolution No. 1/2024 (05.30.).

EXECUTIVE SUMMARY

Introduction

In the first quarter of 2024, 4iG Group (hereinafter referred to as '4iG', 'the Company', 'the Corporation', 'Corporate Group', 'Company Group', 'Group', '4iG Plc') continued its organic growth and is progressing according to plan with the implementation of the transformation program launched in the fall of 2023, which affects the telecommunications and IT business units of the Group. The restructuring of the Company Group's operation and corporate structure into commercial and infrastructure companies will create opportunities in the future for the sale of minority business shares in network and mobile infrastructure, expansion of wholesale activities, enhancement of the Group's competitiveness, reduction of debt levels, and thus further growth and significant infrastructure developments. As part of the transformation program, the first quarter saw the beginning of the structural separation of DIGI Távközlési és Szolgáltató Kft. (DIGI) and Invitech ICT Services Kft. (Invitech). In addition, the Group launched a new holding company, 4iG Űr és Technológiai Zrt. (4iG S&T), aimed at coordinating and vertically integrating its capabilities in the space, technology, and defense digitalization sectors.

During the first quarter, the Group advanced the development of collaboration details with Telecom Egypt concerning the planned high-bandwidth submarine data cable investment between North Africa and Albania. The 4iG Group signed a memorandum of understanding regarding the investment with the Albanian government.

Hungary

As part of its transformation program, on 21 February, 4iG established 4iG Űr és Technológiai Zrt., which consolidates the Group's space industry and digitalization portfolio. With the restructuring, the newly founded company will take over the coordination of capabilities in space and satellite manufacturing, the development and production of autonomous flight systems, drone defense, and the defense digitalization. The establishment of the new company facilitates more efficient management of complex projects, enhances the capacities of the Group, and aids in realizing the business and strategic objectives set together with the 4iG's strategic partner, Rheinmetall. Concurrently with founding the company, 4iG also preliminarily announced its plan to raise capital to acquire 45% of REMRED Technológiai Fejlesztő Zrt.'s shares (the definitive agreement on this transaction was signed by the parties on 2 May 2024). The acquisition aims to establish the space technology production center planned by REMRED Zrt. in Martonvásár, where the design, manufacturing, and assembly of satellites up to 400 kilograms will start from 2026. By establishing the space technology production center and vertically integrating its space and technology portfolio, 4iG is set to become a unique player in the Central and Eastern European market. The 4iG Group, through its acquisition and greenfield investment, is broadening its operational range and entering the international manufacturing sector following its ventures in IT and telecommunications. The creation of manufacturing capabilities will enable the group to generate its own innovative technologies that will enhance earth observation facilities, develop satellite communications, and contribute to the digitization of modern warfare, especially catering to the requirements of EU and NATO members.

For the first time in Hungary, 4iG Group is set to implement the Elisa Polystar automated network management and monitoring software system. As per the agreement reached on 27 February with the Finnish-origin telecommunications software company, the Company plans to construct an open architecture that collects data from various network sources and allows for their integrated management. This rollout, which is based on the Zero-Touch NOC product, is part of the separation process from Vodafone Hungary's former parent company, aimed at enhancing network operations and improving customer experience.

On 14 March, 4iG Group's transformation program achieved a significant milestone by organizing the infrastructure activities of DIGI and Invitech into separate entities. Despite the ongoing restructuring, both residential and business customers will continue to receive services from these companies seamlessly. As part of the transformation, DIGI's telecommunications infrastructure will be moved to D-Infrastruktúra Távközlési Kft., and Invitech's to Invitech ICT Infrastructure Kft.

International collaborations

After their memorandum of understanding in October, 4iG Group formalized a preliminary agreement on 1 February with Telecom Egypt about the transcontinental data cable system planned between Egypt and Albania. To carry out the investment, the parties agreed to form a joint project company and have outlined the business conditions and operational steps for the investment. Once operational, this project company will also manage the sales and commercial operations of the system capacities. The new submarine cable system will serve as an alternative to the current Mediterranean links connecting Egypt with Italy and France and could be expanded in the future to include key destinations like Libya, Cyprus, Greece, or Italy along an optimized sea route. Initially, the system will also feature a branch to Italy. Development of the submarine cable system in Albania could eventually offer the most direct connection to Frankfurt and other important traffic hubs in Eastern and Central Europe and the Balkans, such as Sofia, Vienna, and Budapest.

The submarine data cable investment is endorsed by a memorandum of understanding signed on 5 February between 4iG and the Albanian government, which affirmed its support for the investment connecting Egypt to Albania, including the terms of that support. 4iG ranks as one of Albania's top foreign investors, and its subsidiary, One Albania, leads the market in the nation's telecommunications industry. This new Balkan data hub will enhance business and technological ties, and the enlargement of international optical transit pathways will facilitate additional collaborative prospects within the region.

Financial results

4iG Plc's consolidated net sales revenue in accordance with International Financial Reporting Standards (IFRS) was HUF 157.7 billion in the first quarter of 2024, the Group's EBITDA in accordance with IFRS exceeded HUF 54.1 billion, and the EBITDA margin on net sales was 34.3%. The consolidated EBIT (earnings before interest and taxes) has increased by nearly 168% in comparison with the same period of the previous year, reaching HUF 9.8 billion in the first quarter of 2024.

89% of net sales were generated by the telecommunications division and 11% by the IT division. Geographically, 85% of net sales revenue were generated in Hungary, 11% in Albania, and 4% in Montenegro.

The loss of the current period is mainly due to the non-cash items presented on the financial expenses and depreciation and amortisation lines: the profit or loss after tax adjusted with the purchase price allocation effect (HUF 5.7 billion), as well as with the non-cash unrealized foreign exchange differences (HUF 11.4 billion) was HUF -1 billion in the first quarter of 2024.

Capital market performance

	Q1 2024	Q1 2023	Change +/- in %
		Modified*	
Net sales revenue	157 660	115 178	36.88%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	54 133	36 272	49.24%
Operating result (EBIT)	9 828	3 670	167.79%
Profit or loss after tax (PAT)	-18 065	-1 173	1 440.07%
Total comprehensive income	-17 193	-3 542	385.40%
Earnings per share (in HUF)			
EBITDA	181.00	121.28	49.24%
Net profit (EPS)	-60.40	-3.92	1 440.82%
Diluted EPS indicator	-61.11	-3.92	1 458.93%
Equity	1 143.89	1 201.95	-4.83%

*The consolidated statement of comprehensive income has been restated as described in Section 6 *Adjustment of previous year's financial data*.

Presentation of 4iG Company's Q1 2024 results

Title	Q1 2024	Q1 2023 Modified	Change +/- % in
Revenues	165 329	117 872	40.26%
- Of which: Net sales revenue	157 660	115 178	36.88%
Capitalised value of own produced assets	3 756	1 347	178.84%
Material costs	-72 562	-57 134	27.00%
Staff costs	-24 767	-19 274	28.50%
Other expenses	-17 623	-6 539	169.51%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	54 133	36 272	49.24%
Depreciation and amortisation	-44 305	-32 602	35.90%
Earnings before interest and taxes (EBIT)	9 828	3 670	167.79%
Financial income	3 724	14 103	-73.59%
Financial expenses	-28 947	-19 031	52.10%
Profit or loss before tax (PBT)	-15 395	-1 258	1 123.77%
Income taxes	-2 670	85	n/a
Net earnings	-18 065	-1 173	1 440.07%
Other comprehensive income	872	-2 369	n/a
Total comprehensive income	-17 193	-3 542	385.40%

Consolidated statement of comprehensive income

	Q1 2024	Q1 2023 Modified*
Net sales revenue	157 660	115 178
Other operating income	7 669	2 694
Total net sales revenue and other income	165 329	117 872
Capitalised value of own produced assets	3 756	1 347
Material costs	-72 562	-57 134
Staff costs	-24 767	-19 274
Other expenses	-17 623	-6 539
<i>of which impairment</i>	-1 336	-702
Total operating costs	-114 952	-82 947
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	54 133	36 272
Depreciation and amortisation	-44 305	-32 602
Earnings before interest and taxes (EBIT)	9 828	3 670
Financial income	3 724	14 103
Financial expenses	-28 930	-19 031
Share of results of associates	-17	0
Profit or loss before tax	-15 395	-1 258
Income taxes	-2 670	85
Profit or loss after tax	-18 065	-1 173
Other comprehensive income to be recognised in the consolidated income statement in the following period: <i>Foreign exchange differences arising on the translation of operations</i>	872	-2 369
Net other comprehensive income to be recognised in the consolidated statement of comprehensive income in the following period:	872	-2 369
Other comprehensive income	872	-2 369
Total comprehensive income	-17 193	-3 542

Consolidated statement of comprehensive income – continued

	<u>Q1 2024</u>	<u>Q1 2023</u>
		Modified*
Earnings per share (HUF)		
Base	-60.4	-67.5
Diluted	-61.1	-67.5
Profit or loss after tax attributable to:		
Owners of the Company	-16 666	80
Non-controlling interest	-1 399	-1 253
Total comprehensive income attributable to:		
Owners of the Company	-16 680	-3 252
Non-controlling interest	-513	-290
	<u>Q1 2024</u>	<u>Q1 2023</u>
		Modified*
Profit or loss after tax	-18 065	-1 173
Purchase price allocation effect	5 729	3 158
Adjusted profit or loss after tax**	-12 336	1 985

* The comparative figures in the consolidated statement of comprehensive income and in the consolidated statement of financial position have been restated. The restatements have been made in accordance with the provisions set out in Section 6 *Adjustment of previous year's financial data*.

** Adjusted profit or loss after tax represents profit or loss after tax adjusted for the effects of the purchase price allocation identified in accordance with IFRS 3 Business Combinations.

Consolidated statement of financial position

	31/03/2024	31/12/2023 Modified*
ASSETS		
Non-current assets		
Property, plant, and equipment	456 258	457 749
Customer relationship	171 195	173 522
Other intangible assets	214 936	218 563
Right of use of assets	143 479	140 984
Deferred tax assets	703	688
Goodwill	269 415	269 415
Net investment in leasing	918	752
Other investments	646	639
Other non-current assets	2 616	2 164
Total non-current assets	1 260 166	1 264 476
Current assets		
Cash and cash equivalents	44 366	53 175
Trade receivables	115 206	125 147
Other current financial assets	37 298	34 157
Other current non-financial assets	29 138	22 894
Income tax receivables	1 586	1 054
Current finance lease receivables	563	563
Inventories	16 977	11 870
Total current assets	245 134	248 860
Total assets	1 505 300	1 513 336
EQUITY AND LIABILITIES		
Equity		
Share capital	5 981	5 981
Treasury shares	-3 199	-3 199
Capital reserve	133 492	133 492
Retained earnings	-39 373	-22 707
Reserve for share-based payments	397	397
Accumulated other comprehensive income	13 054	12 168
Equity attributable to the parent company	110 352	126 132
Non-controlling interest	231 758	233 340
Total equity	342 110	359 472
Non-current liabilities		
Provisions – non-current	5 792	5 864
Non-current loans, borrowings, bonds	753 455	742 037
Finance lease liabilities – non-current	121 447	119 081
Deferred tax liabilities	22 167	22 350
Other non-current liabilities	3 742	4 926
Total non-current liabilities	906 603	894 258
Current liabilities		
Trade payables	67 559	87 681
Current loans and borrowings	14 597	12 663
ESOP obligation	911	624
Dividends payable to owners	8	8
Provisions – current	6 165	5 572
Income tax liabilities	26 851	1 812
Finance lease liabilities – current	29 166	24 747
Other current financial liabilities	110 156	21 035
Other current non-financial liabilities	1 174	105 464
Total current liabilities	256 587	259 606
Total liabilities and equity	1 505 300	1 513 336

Consolidated statement of changes in equity

	Share capital	Treasury shares	Capital reserve	Retained earning	Reserve for share-based payments	Accumulated other comprehensive income	Equity attributable to the parent company	Non-controlling interest	Total equity
Balance on 1 January 2023	5 981	-922	133 492	47 170	0	9 722	195 443	102 111	297 554
Profit or loss after tax				80			80	-1 253	-1 173
Purchase of treasury shares		-1 038					-1 038		-1 038
NCI (non-controlling interest)				-26 640			-26 640	82 875	56 235
Foreign exchange rate differences						-3 332	-3 332	963	-2 369
Balance on 31 March 2023	5 981	-1 960	133 492	20 610	0	6 390	164 513	184 696	349 209
Balance on 1 January 2024	5 981	-3 199	133 492	-20 993	397	12 168	127 846	233 858	361 704
Acquisition - Purchase price allocation change				-1 714			-1 714	-518	-2 232
Adjusted balance on 1 January 2024	5 981	-3 199	133 492	-22 707	397	12 168	126 132	233 340	359 472
Profit or loss after tax				-16 666			-16 666	-1 399	-18 065
Other comprehensive income for the year						866	866	-14	872
Dividends allocated to non-controlling interests							0	-169	-169
Balance on 31 March 2024	5 981	-3 199	133 492	-39 373	397	13 054	110 352	231 758	342 110

1. General section

1.1. Presentation of the company

4iG Plc is a company incorporated in Hungary (registered office: Krisztina körút 39, 1013 Budapest, Hungary), which conducts its business in accordance with the provisions of Hungarian law, maintains its accounting and financial records in accordance with International Financial Reporting Standards (IFRS) and its shares are traded in the Premium Category of the Budapest Stock Exchange (BSE).

No other company has independent control over the 4iG Group of companies.

The principal activities of the 4iG Group of Companies (hereinafter referred to as the “Company”, the “Group” or the “Group of Companies”) is the provision of full telecommunications services, the operation of telecommunications-related infrastructure, platform-independent, custom software design and development, the design and implementation of full-scale enterprise IT solutions, IT operation and support, service provision, the operation of ERP (complex enterprise resource planning) systems, full support for banking data services, the development and operation of document and case management systems.

1.2. General information about the issuer

Company name:	4iG Nyilvánosan Működő Részvénytársaság (Public Limited Company)
Company form:	Public limited company
Registered office:	1013 Budapest, Krisztina körút 39.
Sites:	1037 Budapest, Montevideo utca 2/C. 1037 Budapest, Montevideo utca 4. 1037 Budapest, Montevideo utca 6. 1037 Budapest, Montevideo utca 8. 1107 Budapest, Somfa utca 10.
Branches:	8000 Székesfehérvár, Seregélyesi út 96. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-51
Statistical code:	12011069-6201-114-01
Share capital:	HUF 5,981,499,480
Date of foundation:	8 January 1995
Date of transformation:	2 April 2004
Listing date:	22 September 2004

2. Share information

Type of shares:	registered ordinary shares, dematerialised
Nominal value of shares:	HUF 20 per share
Number of shares:	299,074,974 shares
ISIN code of the shares:	HU 0000167788
Series of shares:	"A"
Shares serial number:	0000001 - 299074974
Treasury shares repurchased:	4,579,685 units
Owned by 4iG ESOP Organisation:	4,000,000 units

Other information on shares:

- Each share carries the same rights, each share represents 1 vote.
- The shares are traded in the "PREMIUM" category of the Budapest Stock Exchange and represent the total issued share capital, there are no other issued shares of 4iG Plc.
- There are no restrictions on the sale of shares, no pre-emptive rights are stipulated, but shares may only be transferred by debiting or crediting a securities account. In the event of a transfer of shares, the shareholder may only exercise his/her shareholder rights vis-à-vis the Company if the name of the new owner is entered in the share register.
- The share register of the Company is kept by KELER Zrt.
- There are no special management rights.
- There is no shareholder agreement on management rights that we are aware of.
- Voting rights are not restricted, only the repurchased treasury shares do not carry voting rights.
- Minority rights: shareholders representing at least 1 percent of the voting rights may request the convening of a general meeting of the Company at any time, stating the reason and purpose.
- The elected officers are elected by the General Meeting by simple majority, in accordance with the Articles of Association.
- The Company is managed by the Board of Directors.
- The General Meeting decides on the increase of the share capital on the basis of a proposal by the Board of Directors. The decision of the General Meeting is not required only if the increase of the share capital is made under the authority of the Board of Directors pursuant to the Articles of Association. At the time the Annual Report is drawn up, the Board of Directors is not authorised to issue new shares.
- No agreement shall enter into force, be modified or terminated as a result of a change in the contractor's management following a public tender offer.
- There is no agreement between the Company and an officer or employee that provides for indemnification in the event of the officer's resignation or termination of employment, the officer's or employee's wrongful termination of employment, or termination of employment as a result of a tender offer.

3. Ownership structure

	<u>31/03/2024</u>	<u>31/12/2023</u>
iG COM Magántőkealap	38.93%	38.93%
KZF Vagyonkezelő Kft.	12.12%	12.12%
Manhattan Invest Kft.	1.03%	1.03%
Manhattan Magántőkealap	0.26%	0.26%
Rheinmetall AG	25.12%	25.12%
Bartolomeu ICT Kft.	5.72%	5.72%
4iG equity ownership	1.53%	1.53%
Owned by 4iG ESOP Organisation	1.34%	1.34%
Free float	13.95%	13.95%
Total	<u>100.00%</u>	<u>100.00%</u>

4. Officials

The senior executives of 4iG Plc on 31 March 2024 were as follows.

4.1. Company management

Board of Directors:	Gellért Zoltán Jászai, Chairman of the Board of Directors Aladin Ádám Linczényi, Member of the Board, Deputy Chairman Péter Krisztián Fekete, Member of the Board of Directors, CEO László Blénessy, Member of the Board of Directors Pedro Vargas Santos David, Member of the Board of Directors Béla Zsolt Tóth, Member of the Board of Directors
Supervisory Board:	Dr Tamás László Fellegi, Chairman of the SB Gergely Böszörményi-Nagy, Member dr Ildikó Rózsa Tóthné, Member Dagmar Steinert, Member
Audit Committee:	Dr Tamás László Fellegi, Chairman of the AC Gergely Böszörményi-Nagy, Member dr Ildikó Rózsa Tóthné, Member

4.2. Remuneration of officials

The remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee of the Company during this period was as follows. The General Meeting decided in its Resolution No. 15/2022 (IV.29.) that the members of the Board of Directors shall receive an honorarium of HUF 600,000/month each, while the Chairman of the Board of Directors shall receive an honorarium of HUF 750,000/month. The General Meeting decided in its Resolution No. 14/2022 (IV.29.) that the members of the Supervisory Board shall receive an honorarium of HUF 450,000/month each and the Chairman of the Supervisory Board shall receive an honorarium of HUF 600,000/month. The members of the Audit Committee shall not receive any special remuneration for their work on the Audit Committee.

4.3. 4iG shareholdings of senior executives as of 31 March 2024

Name	Position	Direct ownership (units)	Indirect ownership (units)	Direct and indirect (units)	Ownership (%)
Gellért Zoltán Jászai	Chairman of the Board of Directors	0	156 517 530	156 517 530	52.34%
Béla Zsolt Tóth	Member of the Board of Directors	752 200	0	752 200	0.25%
László Blénessy	Member of the Board of Directors	611 265	0	611 265	0.20%
Pedro Vargas Santos David	Member of the Board of Directors	0	19 258 398	19 258 398	6.44%

4.4. Persons authorised to sign the statements

Pursuant to the resolutions of the Extraordinary General Meeting of the Company held on 21 January 2013, the Chairman of the Board of Directors is authorised to sign the statements either individually or jointly with any two members of the Board of Directors

4.5. Election and dismissal of senior executives

The senior executives of the Company are elected and may be dismissed by the General Meeting.

4.6. Powers of officials

The senior executives of the Company are not authorised to issue or purchase shares. The General Meeting may, on a case-by-case basis, authorise the Board of Directors to issue or repurchase treasury shares.

4.7. Amendment of the Articles of Association

The Articles of Association of the Company may only be amended by the General Meeting.

5. Basis of preparation of the balance sheet

i) Approval and declaration

The interim condensed consolidated financial statements for the year ended 31 March 2024 were approved for issue by the Board of Directors on 30 May 2024. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published in the Official Journal of the European Union (EU) and adopted by the EU. IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements are presented in Hungarian forints, rounded to the nearest million forints, unless otherwise stated. The financial year is the same as the calendar year.

The report includes unaudited consolidated financial statements for the period ended 31 March 2024.

ii) Basis of preparation of the statements (Statement of compliance)

Accounting policies have been consistently applied to the periods presented in these consolidated financial statements. This flash report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for assets and liabilities presented at fair value, which are financial instruments at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI).

iii) Going concern

The financial statements have been prepared on a going concern basis. This means that they have been prepared on the assumption that the Company will continue in operation for the foreseeable future without management's intention to wind up the entity or significantly reduce its level of activity.

iv) Material accounting estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the accounting policies used. Estimates and related assumptions are based on historical experience and a number of other factors that are believed to be reasonable under the circumstances, and whose results form the basis for estimating the carrying amounts of assets and liabilities that are not readily determinable from other sources. Actual results may differ from these estimates.

Estimates and baseline assumptions are regularly reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the current year, or in the period of the revision and future periods if the revision affects both current and future years.

6. Adjustment of previous year's financial data

The Company has reviewed the structure of both the consolidated statement of comprehensive income and the consolidated statement of financial position and concluded that it may be necessary to highlight certain lines due to significant transactions or balances on those lines, and has therefore taken the option provided by IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to present the primary financial statements in accordance with the new structure in the consolidated financial statements for the year ended 31 December 2023.

This change in accounting policy, effective from 1 January 2023, has resulted in a restatement of the statement of comprehensive income for the comparative period, given that the change in accounting policy was implemented retrospectively after the publication of the interim financial statements for the first quarter of 2023.

In addition to the above, the consolidated statement of financial position as of 31 December 2023 has also been restated compared to the published figures for 2023, as the Company changed its accounting policy as of 1 January 2024 to use the MNB's (National Bank of Hungary) exchange rate for the translation and revaluation of monetary assets and liabilities denominated in foreign currencies instead of the Raiffeisen Bank's commercial foreign exchange selling rate.

Consolidated statement of comprehensive income

Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2023
Modified designation	Modified	Presentation modification	Published	Published designation
Net sales revenue	115 178		115 178	Net sales revenue
Other operating income	2 694	-1 347	4 041	Other operating income
Total net sales revenue and other income	117 872	-1 347	119 219	Total revenue
Capitalised value of own produced assets	1 347	1 347		
		33 075	-33 075	Goods and services sold
Material costs	-57 134	-33 075	-24 059	Operating expenses
Staff costs	-19 274		-19 274	Staff costs
Other operating expenses	-6 539		-6 539	Other operating expenses
<i>of which: impairment</i>	<i>-702</i>	<i>-702</i>		
Total operating costs	-82 947	0	-82 947	Operating costs
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	36 272	0	36 272	Earnings before interest, taxes, depreciation and amortisation (EBITDA)
Depreciation and amortisation	-32 602		-32 602	Depreciation and amortisation
Earnings before interest and taxes (EBIT)	3 670	0	3 670	Earnings before interest and taxes (EBIT)
Financial income	14 103		14 103	Financial income
Financial expenses	-19 031		-19 031	Financial expenses
Profit or loss before tax	-1 258	0	-1 258	Profit or loss before tax
Income taxes	85		85	Income taxes
Profit or loss after tax	-1 173	0	-1 173	Profit or loss after tax

Consolidated statement of comprehensive income – continued

Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2023
Modified designation	Modified	Presentation modification	Published	Published designation
Other comprehensive income to be recognised in the consolidated income statement in the following period:				
<i>Foreign exchange rate differences arising on the translation of operations</i>	-2 369	-2 369	0	
Net other comprehensive income recognised in the consolidated statement of comprehensive income in the following period:	-2 369	-2 369	0	
Other comprehensive income	-2 369		-2 369	Other comprehensive income
Total comprehensive income	-3 542	0	-3 542	Total comprehensive income
Profit or loss after tax attributable to:				Profit or loss after tax attributable to:
Owners of the Company	80		80	Owners of the company
Non-controlling interest	-1 253		-1 253	Non-controlling interest
Total comprehensive income attributable to:				Total comprehensive income attributable to:
Owners of the Company	-3 252		-3 252	Owners of the company
Non-controlling interest	-290		-290	Non-controlling interest

Consolidated statement of financial position

	<u>31/12/2023</u>	<u>31/12/2023</u>	<u>31/12/2023</u>
	Modified	Accounting policy change	Published
ASSETS			
Non-current assets			
Property, plant, and equipment	457 749		457 749
Customer relationship	173 522		173 522
Other intangible assets	218 563		218 563
Right of use of assets	140 984		140 984
Deferred tax assets	688		688
Goodwill	269 415	-7 876	277 291
Net investment in leasing	752		752
Other investments	639		639
Other non-current assets	2 164		2 164
Total non-current assets	1 264 476	-7 876	1 272 352
Current assets			
Cash and cash equivalents	53 175		53 175
Trade receivables	125 147		125 147
Other current financial assets	34 157		34 157
Other current non-financial assets	22 894		22 894
Income tax receivables	1 054		1 054
Current finance lease receivables	563		563
Inventories	11 870		11 870
Total current assets	248 860	0	248 860
Total assets	1 513 336	-7 876	1 521 212
EQUITY AND LIABILITIES			
Equity			
Share capital	5 981		5 981
Treasury shares	-3 199		-3 199
Capital reserve	133 492		133 492
Retained earnings	-22 707	-1 714	-20 993
Reserve for share-based payments	397		397
Accumulated other comprehensive income	12 168		12 168
Equity attributable to the parent company	126 132	-1 714	127 846
Non-controlling interest	233 340	-518	233 858
Total equity	359 472	-2 232	361 704

Consolidated statement of financial position – continued

	<u>31/12/2023</u>	<u>31/12/2023</u>	<u>31/12/2023</u>
	Modified	Accounting policy change	Published
Non-current liabilities			
Provisions – non-current	5 864		5 864
Non-current loans, borrowings, bonds	742 037	-5 644	747 681
Finance lease liabilities – non-current	119 081		119 081
Deferred tax liabilities	22 350		22 350
Other non-current liabilities	4 926		4 926
Total non-current liabilities	894 258	-5 644	899 902
Current liabilities			
Trade payables	87 681		87 681
Current loans and borrowings	12 663		12 663
ESOP obligation	624		624
Dividends payable to owners	8		8
Provisions – current	5 572		5 572
Income tax liabilities	1 812		1 812
Finance lease liabilities – current	24 747		24 747
Other current financial liabilities	21 035		21 035
Other current non-financial liabilities	105 464		105 464
Total current liabilities	259 606	0	259 606
Total liabilities and equity	1 513 336	-7 876	1 521 212

7. Subsidiaries included in the consolidation

Name of subsidiary	Majority owner	Date of inclusion in consolidation	Way of acquiring	Indirect ownership on	Indirect ownership on
				31/03/2024	31/12/2023
4iG Albánia Kft.	"ANTENNA HUNGÁRIA" Zrt.	23/02/2022	incorporated	76.78%	76.78%
4iG Úr és Technológiai Zrt.	4iG Plc	21/02/2024	incorporated	100.00%	n/a
ACE Network Zrt.	4iG Plc	14/04/2021	acquisition	70.00%	70.00%
AH EGY Zrt.	"ANTENNA HUNGÁRIA" Zrt.	02/08/2023	incorporated	76.78%	76.78%
AH KETTŐ Zrt.	"ANTENNA HUNGÁRIA" Zrt.	02/08/2023	incorporated	76.78%	76.78%
Albania Telecom Invest AD	"ANTENNA HUNGÁRIA" Zrt.	21/03/2022	acquisition	76.78%	76.78%
"ANTENNA HUNGÁRIA" Zrt.	4iG Plc	31/03/2022	cont. in kind	76.78%	76.78%
BRISK Digital Group Kft.	4iG Plc	15/11/2022	acquisition	75.00%	75.00%
BRISK Digital Hungary Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%	75.00%
BRISK Digital International Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%	75.00%
CarpathiaSat Zrt.	4iG Plc	17/08/2020	incorporated	84.78%	84.78%
"Digitális Átállásért" Nonprofit Kft.	"ANTENNA HUNGÁRIA" Zrt.	31/03/2022	cont. in kind	76.78%	76.78%
DIGI Távközlési és Szolgáltató Kft.	"ANTENNA HUNGÁRIA" Zrt.	03/01/2022	acquisition	76.78%	76.78%
DTSM Kft.	4iG Plc	07/12/2020	acquisition	100.00%	100.00%
Humansoft Service Kft.	4iG Plc Portuguese Telecommunication Investments Kft.	17/04/2019	incorporated	100.00%	100.00%
Hungaro DiGiTel Kft.	Investments Kft.	12/05/2021	acquisition	94.20%	94.20%
INNObyte Zrt.	4iG Plc	14/10/2020	acquisition	100.00%	100.00%
INNOWARE Kft.	INNObyte Zrt.	14/10/2020	acquisition	100.00%	100.00%
Invitech ICT Services Kft.	"ANTENNA HUNGÁRIA" Zrt.	30/09/2021	acquisition	76.78%	76.78%
InviTechnocom Kft.	Invitech ICT Services Kft.	30/09/2021	acquisition	76.78%	76.78%
ONE Albania sh.a.	Albania Telecom Invest AD	21/03/2022	acquisition	73.92%	73.92%
ONE Crna Gora d.o.o.	"ANTENNA HUNGÁRIA" Zrt.	21/12/2021	acquisition	76.78%	76.78%
Poli Computer PC Kft.	4iG Plc	01/06/2021	acquisition	100.00%	100.00%
Portuguese Telecommunication Investments Kft.	4iG Plc	12/05/2021	acquisition	100.00%	100.00%
Rheinmetal 4iG Digital Services Kft.	4iG Plc	16/11/2022	incorporated	51.00%	51.00%
Soft Media Europe srl.	BRISK Digital International Kft.	15/11/2022	incorporated	49.50%	49.50%
Veritas Consulting Kft.	4iG Plc	10/09/2019	acquisition	100.00%	100.00%
Vodafone Magyarország Távközlési Zrt.	"ANTENNA HUNGÁRIA" Zrt.	31/01/2023	acquisition	54,13%	54.13%

On 21 February 2024, 4iG Úr és Technológiai Zrt. was established, which is 100% owned by 4iG Plc.

8. Events after the balance sheet date

On 9 April 2024, 4iG Plc announced that it had developed two variable debt settlement proposals to settle the debt service on the entire bond of Space-Communications Ltd. Under the new debt settlement proposal, if approved, 4iG Plc will either purchase the AMOS-17 satellite owned by Space-Communications Ltd. for USD 150 million, which will then be leased back by Space-Communications Ltd. or 4iG Plc will provide the USD 150 million as a loan to Space-Communications Ltd.

On 29 April 2024, 4iG Plc held its Annual General Meeting, at which the following main resolutions were adopted:

Resolutions No. 2-3-4-5-6-7/2024 (IV.29.) of the General Meeting:

The General Meeting approved the individual and consolidated financial statements of 4iG Plc for the year 2023 in accordance with IFRS and the auditor's report. The General Meeting resolves that no dividend shall be paid for the financial year 2023.

Resolution No. 10/2024 (IV.29.) of the General Meeting:

The General Meeting resolves to adopt the Company's Corporate Governance Report and Statement for 2023 in accordance with the content of the proposal, which will ensure that the Company operates in a clear and transparent manner for its shareholders, investors, and all other market participants.

Resolution No. 12/2024 (IV.29.) of the General Meeting:

The General Meeting concludes that the members of the Board of Directors have performed their duties in 2023 with the best interests of the Company as their primary consideration, and in view of this, the General Meeting resolves to grant them discharge to the members of the Board of Directors for the year 2023.

Resolutions No. 13/2024 (IV.29.) of the General Meeting:

The General Meeting of Shareholders appoints Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság for a fixed term of 3 years starting from 1 May 2024 until the approval of the annual and consolidated financial statements for the years 2024-2026, but no later than 30 April 2027, with the proviso that Ernst & Young Könyvvizsgáló Kft. appoints the person in charge of the audit.

The General Meeting determined the Auditor's remuneration as follows:

The standalone financial statements of the Company in accordance with IAS-IFRS: EUR 219,000 + VAT

Consolidated financial statements of the Company: EUR 158,000 EUR + VAT

On 2 May 2024, 4iG Plc announced that its wholly-owned subsidiary, 4iG Űr és Technológiai Zrt., has entered into an investment and syndication agreement with Space Oddity Kft. to acquire, by way of a capital increase, a block of shares representing 45% of the ordinary shares issued by REMRED Technológia Fejlesztő Zrt. The investment will be realised by 4iG Űr és Technológiai Zrt. investing a total of EUR 25 million in REMRED Technológia Fejlesztő Zrt. by way of a cash contribution through a two-step capital increase. As a result of this capital increase, 4iG Űr és Technológiai Zrt. will hold 45% of the share capital of REMRED Technológia Fejlesztő Zrt. in the first phase. In the second phase, part of the cash contribution will be paid into a capital reserve. The deadline for completion of the second phase is 31 January 2025 at the latest.

On 10 May 2024, 4iG Plc signed a Memorandum of Understanding with Huawei Technologies Hungary Híradástechnikai Kft. The purpose of the MoU is to develop a new cloud service platform with Huawei for domestic companies and large Chinese and Far Eastern companies based in the region, in addition to 4iG Plc's existing cloud service. The parties will also explore the possibility of establishing joint innovation centres for research, development and application of artificial intelligence in the future.

On 21 May 2024, the Transformation Programme launched on 13 November 2023 has reached its next significant milestone with the decision of the shareholders of "ANTENNA HUNGÁRIA" Zrt. to separate "ANTENNA HUNGÁRIA" Zrt. by way of a demerger. At this stage of the Programme, the infrastructure and the commercial units of "ANTENNA HUNGÁRIA" Zrt. will be demerged, leaving the commercial and infrastructure divisions to operate in separate companies, while "ANTENNA HUNGÁRIA" Zrt. will continue to operate as a holding company. The commercial company will operate under the name AH Média Kereskedelmi Zrt., while the infrastructure company will operate under the name AH Infrastruktúra Szolgáltató Zrt. The demerge date has been set by the shareholders as 31 August 2024, with the first day of operation under the new structure being 1 September 2024.

9. Statement

The Issuer declares that, based on the information available at the time of publication, the unaudited report gives a true and fair view of the development and performance of the Company, that its data and statements are accurate and that it does not omit any fact material to the assessment of the Issuer's position.

Pursuant to Section 57 (1) of Act CXX of 2001 on the Capital Market, the Issuer shall be liable for compensation for any damage caused by the non-disclosure or misleading content of regulated information.

I accept responsibility for the figures in this report for the first quarter of 2024 and for the accuracy of the analyses and conclusions.

Budapest, 30 May 2024

Gellért Zoltán Jászai
Chairman of the Board of Directors

Péter Krisztián Fekete
CEO



4iG NYRT.

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