

Press release

Budapest, 30 November 2023

STRONG THIRD QUARTER FOR THE 4iG GROUP

Record revenues and EBITDA for the capital markets company

- **The dynamic growth of 4iG Plc continues. Compared to the same period of the previous year, the Group has significantly increased its revenue and profitability in the first three quarters of the year.**
- **The growth was driven by the significant revenue growth at Vodafone Hungary and the companies acquired through acquisitions completed by the first half of the year of 2022.**
- **In the first three quarters of 2023, the Group achieved net sales of HUF 421.3 billion, consolidated EBITDA of HUF 147.5 billion, and operating cash flow of HUF 101.5 billion.**
- **The Group's normalised profit after tax, adjusted for purchase price allocation effects, amounted to HUF 10.7 billion in the first three quarters.**

The 4iG Group has undergone a major transformation in recent years. Through strategic portfolio expansion, the Group has experienced unprecedented growth, **evolving from a domestic IT player to one of the leading convergent infocommunications groups in the region, with stable market positions** and a strong presence in **Central and Eastern Europe and the Western Balkans**. In addition to Vodafone Hungary, the strategic acquisitions completed in the past year will have a significant impact on the Group's consolidated financial statements under IFRS in 2023. The impact on the results of the performance of the companies acquired until the first half of the year of 2022 (Antenna Hungária, Albanian subsidiaries) will be fully reflected in 4iG's IFRS consolidated financial statements in 2023.

The 4iG Group achieved **net sales revenue of HUF 421.3 billion** in the first three quarters of 2023, a significant increase compared to the same period last year. The Group's **nine-month EBITDA of HUF 147.5 billion and an EBITDA margin of 35 percent** on outstanding net sales revenue also reflect the exceptional performance. The **Group's pro forma EBITDA excluding non-recurring items for the first nine months have exceeded HUF 155 billion**.

Adjusted after-tax profit adjusted for purchase price allocation effects was HUF 10.7 billion, HUF 17.1 billion higher than the negative profit after tax reported under IFRS (- HUF 6.4 billion). In addition to the purchase price allocation, the **negative profit after tax** reported in the Group's accounts for the period under review was **caused by unfavourable exchange rate movements, acquisition-related depreciation and interest charges, and the extra profit tax**.

The future growth of the 4iG Group will also be ensured by the implementation of a comprehensive transformation programme to further exploit business and operational synergies and increase competitiveness. This will involve a sharp separation of the Group's businesses, with the Group's telecoms companies being transformed into commercial and infrastructure companies, and the integration of their operations according to the separated functions. **As a result of the structural separation, 4iG could be among the first in Europe to implement the separation of its fixed telecommunications infrastructure,** which will also affect the Group's subsidiaries in Hungary and the



Western Balkans. The 4iG's Board of Directors **expects the structural separation of the companies to generate additional goodwill growth of more than HUF 400 billion**. A key objective of the programme is to monetise the telecommunications infrastructure.

In the third quarter, the 4iG Group continued to focus on strengthening its partnerships in domestic and international markets. The strategic agreement with the Hungarian state and the resulting HUF-150-billion fixed and mobile network development programme, as well as the cooperation with Telecom Egypt for the construction of a high-capacity submarine fibre-optic cable system, will ensure the Group's strategic positioning and revenue growth in the long term.

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Background information:

4iG Group

4iG Plc, a majority-owned Hungarian company based in Budapest, Hungary, is the leading telecommunications and IT group in Hungary and the Western Balkans, and one of the leading companies in the knowledge-based digital economy. Listed on the Budapest Stock Exchange, the Group's fresh and innovative approach and its position as Hungary's leading IT systems integrator make it a leading business services provider in the region's digital transformation. 4iG's dynamic expansion strategy has made it a dominant player in the Hungarian and Western Balkan telecommunications markets. The Group is continuously expanding its services, expertise and portfolio to meet the changing needs and demands of the telecom and IT markets. The 4iG Group employs over 8,000 people. www.4iG.hu

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