

The logo for 4iG, featuring the number '4' and the letters 'iG' in a bold, white, sans-serif font. The background is a vibrant blue and orange digital space with glowing lines and data points.

4iG

INVESTOR PRESENTATION  
Q1 2022 RESULTS

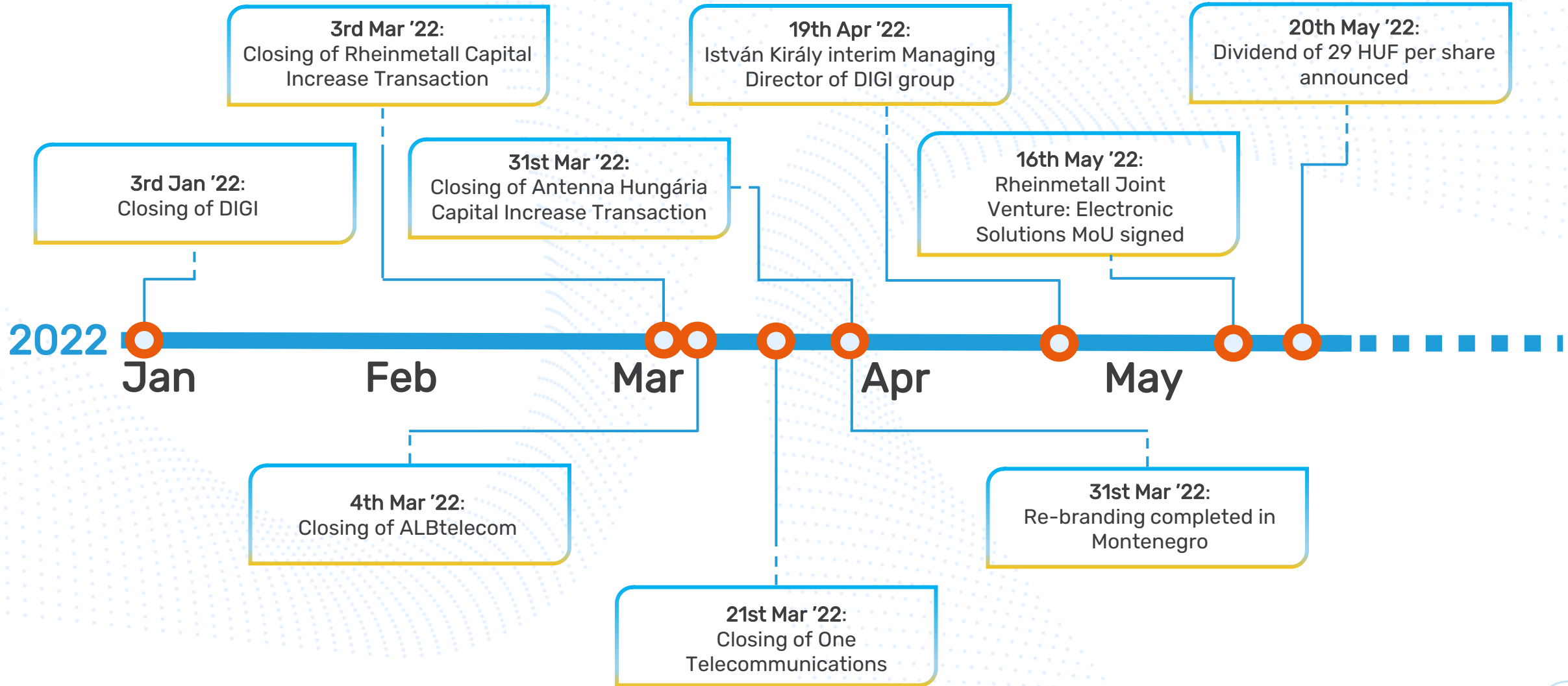
1 JUNE 2022

# 2022 KEY EVENTS TO DATE



HUNGARY

ABROAD

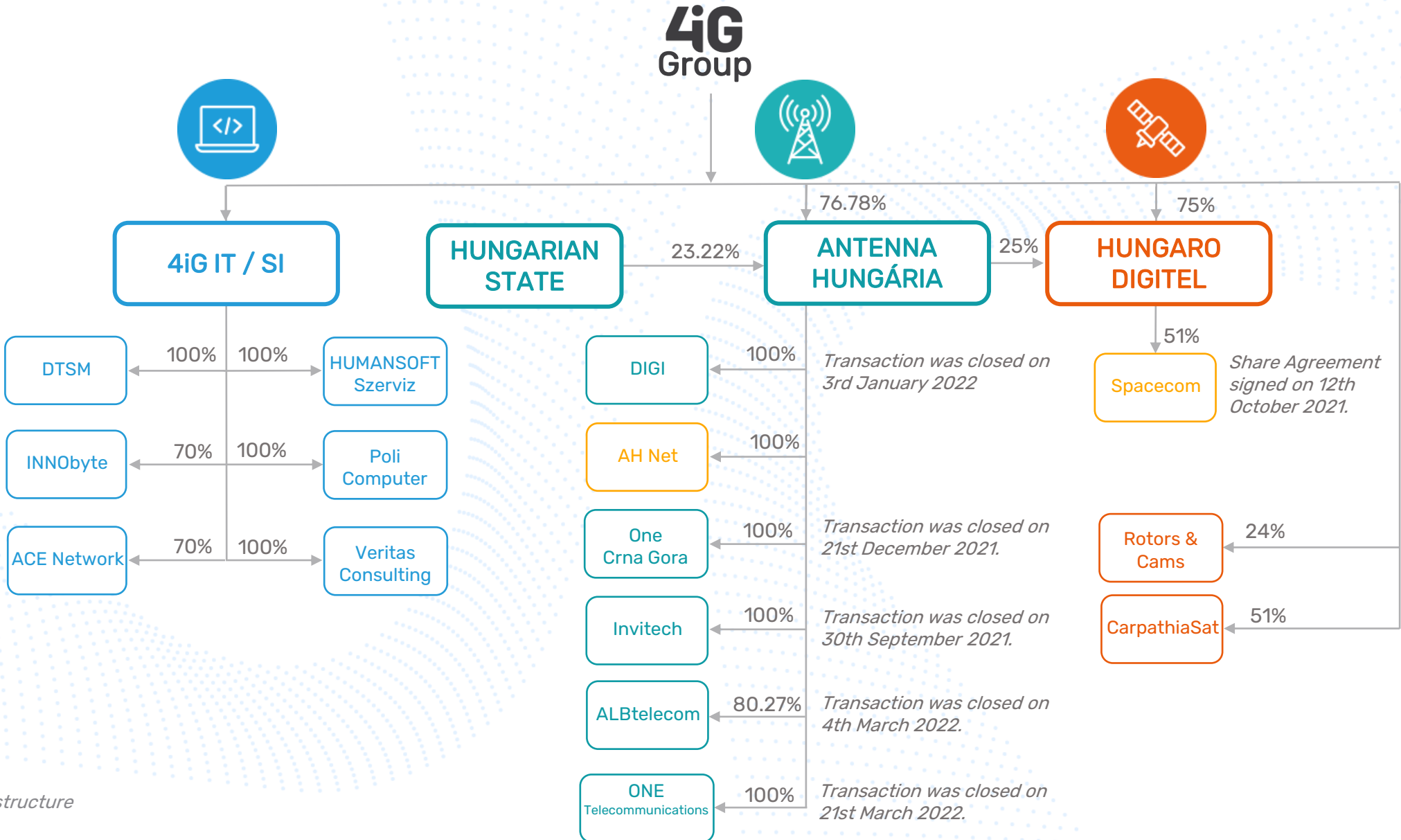


# STRATEGIC TRANSFORMATION COMPLETED



- As strategic partners, 4iG and the Hungarian State have created a **national telecommunications group** by merging 4iG's telecommunication portfolio with Antenna Hungária, capturing significant value from establishing a majority-owned **private telecom platform**.
- The transaction has created the **second-largest telecommunications group in Hungary** with a significant portfolio of fixed voice, internet, TV, broadcasting and mobile services in the **region** and the **Western Balkans**.
- The acquisitions accomplished over the past year have **completed the transformation process**; specifically, the acquisition of Antenna Hungária has been one of the critical components of **4iG's transformational strategy**, turning the Company from an IT systems integrator into an international telecommunications group.
- Results of the transformation process:
  - **Number 1 IT** systems integrator in Hungary;
  - **Second-largest telecommunications** group in Hungary;
  - **Significant telecommunications** group in the **Western Balkans** (Albania, Montenegro);
- Currently **employing 6,900 people**, 4iG's ownership structure, capital strength, and international economic links offer **further growth potential** for the Group in Hungary, the Western Balkans, the Middle East, and the Central and Eastern European region.
- 4iG has appointed a new management team to **develop** the telecommunications group's **global strategy** and **business processes**.

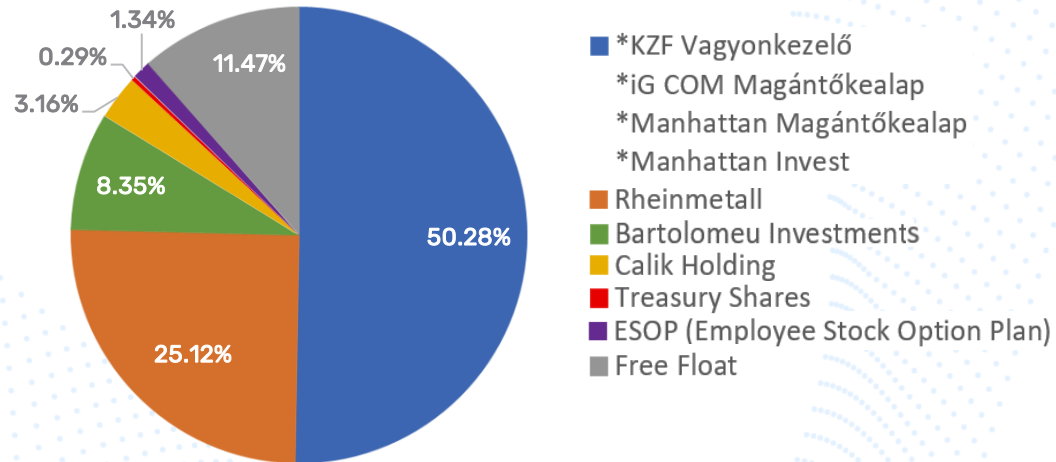
# 4IG PROFORMA HOLDING STRUCTURE



- IT/SI
- Telco / Infrastructure
- Space
- Transactions in progress

- One of 4iG Group's key objectives is the **consistent execution of growth strategy** in both segments by **cementing market leader positions** in Hungary and **expanding in the region** by exporting IT solutions to foreign markets where the Group already have a local footprint and by **continuing to explore acquisition opportunities**.
- With the merger of 4iG's telecommunications portfolio and Antenna Hungária, the **transformation process was completed**, turning 4iG from an IT systems integrator into an international telecommunications group.
- In the new phase of the **integration** of the telecoms group, István Király, as **CEO**, together with the **newly recruited executives**, who have a proven track record and significant industry experience, will be responsible for:
  - **Aligning** business processes, **consolidating** the companies, leveraging operational **synergies** to improve performance, and defining a common **development strategy**;
  - Consolidating the **B2B** and **B2C** service segments of the Group, which combines a wide range of industry competencies;
  - Creating a group with a unified organisational and **management structure**;
  - Delivering **organic growth** strategy and clear **operational priorities**;
- In addition to the telecommunications segment, the cooperation with Rheinmetall **greatly supports 4iG's growth strategy in digitisation** as it opens up new perspectives in international markets. 4iG could take over the IT operation of Rheinmetall's entire global network in the next 3-5 years.

## KEY SHAREHOLDERS AS OF 31ST MARCH 2022



- \*KZF Vagyonkezelő
- \*iG COM Magántőkealap
- \*Manhattan Magántőkealap
- \*Manhattan Invest
- Rheinmetall
- Bartolomeu Investments
- Calik Holding
- Treasury Shares
- ESOP (Employee Stock Option Plan)
- Free Float

## SHARE PRICE PERFORMANCE (HUF)



4iG is part of The Austrian Wiener Börse  
region CECE Index



**Market Cap**  
(27th May 2022)  
**HUF 229 Bn**

\*Gellért Jászai's direct control  
Source: BET

# FINANCIALS Q1 2022 REPORTED



<i>4iG Group</i> (HUF Th)	Q1 2021	Q1 2022	% change
Net Revenues	15,268,116	48,945,386	221%
Other operating income	130,355	20,034,522	
<b>Total income</b>	<b>15,398,471</b>	<b>68,979,908</b>	<b>348%</b>
Cost of Goods and Services Sold	-10,852,091	-20,114,472	
Operating expenses	-939,698	-8,459,788	
Personnel expenses	-2,596,308	-10,620,518	
Other expenses	-6,618	-15,264,685	
<b>Operating costs</b>	<b>-14,394,715</b>	<b>-54,459,463</b>	<b>278%</b>
<b>EBITDA</b>	<b>1,003,756</b>	<b>14,520,445</b>	<b>1347%</b>
EBITDA margin	6.6%	29.7%	
Depreciation and impairment	-293,332	-8,098,194	
<b>EBIT</b>	<b>710,424</b>	<b>6,422,251</b>	<b>804%</b>
Financial income	88,356	5,794,729	
Financial expenditures	-89,434	-8,330,587	
<b>Profit before taxes (PBT)</b>	<b>709,346</b>	<b>3,886,393</b>	<b>448%</b>
Income taxes	-143,820	-1,699,784	
<b>Profit / Loss after Tax</b>	<b>565,526</b>	<b>2,186,609</b>	<b>287%</b>

## STRONGEST QUARTER IN THE HISTORY OF 4iG

- Net Revenue up by 221% yoy to HUF 48.9 Bn
- EBITDA up by 1,347% yoy to HUF 14.5 Bn
- EBITDA margin improved from 6.6% to 29.7% yoy
- PAT up by 287% yoy to HUF 2.2 Bn

## NON-RECURRING ITEMS:

- The Group presented non-recurring items related to acquisitions, contributions and strategic restructurings during the period under review in the *Other operating income* and *Operating expenses* rows, which non-recurring items had a total impact on EBITDA of HUF 4.62 Bn.

# BREAKDOWN BY SEGMENTS

## SYSTEMATIC EXECUTION OF TRANSFORMATIVE GROWTH STRATEGY

### Net Revenue Split (HUF Mn)

Net Revenue (HUF Mn)	Q1 2021 (actual)	Q1 2021 (proforma)	Q1 2022 (actual)	Q1 2022 (proforma)
IT	15,268	16,661	15,829	15,829
Telco	0	51,500	33,116	57,318
Holding*	0	0	0	0
<b>Total</b>	<b>15,268</b>	<b>68,161</b>	<b>48,945</b>	<b>73,147</b>

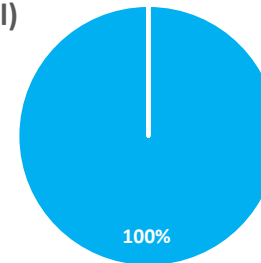
### EBITDA Split (HUF Mn)

EBITDA (HUF Mn)	Q1 2021 (actual)	Q1 2021 (proforma)	Q1 2022 (actual)	Q1 2022 (proforma)
IT	1,285	1,356	1,341	1,341
Telco	0	15,221	9,893	16,556
Holding*	-281	-281	3,286	3,286
<b>Total</b>	<b>1,004</b>	<b>16,295</b>	<b>14,520</b>	<b>21,183</b>

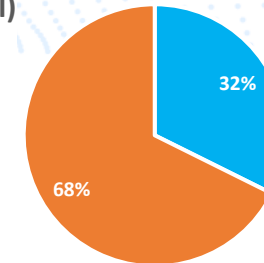
\*Holding Segment: includes expenses related to strategic and operational governance of the Group and the one-off items not allocated to the operative segment.

### Net Revenue Split (% of total)

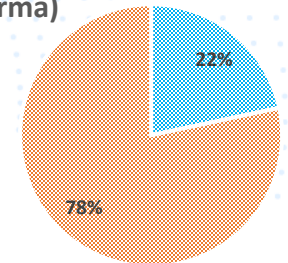
Q1 2021 (actual)



Q1 2022 (actual)



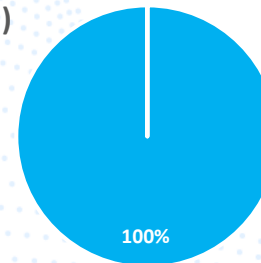
Q1 2022 (proforma)



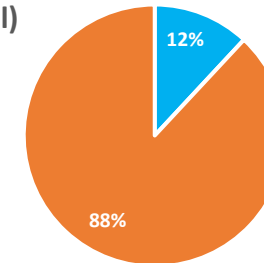
■ IT ■ Telco

### EBITDA Split (% of total)\*\*

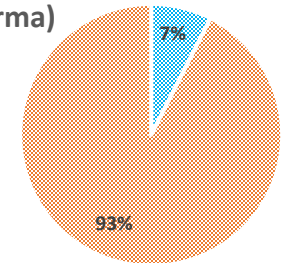
Q1 2021 (actual)



Q1 2022 (actual)



Q1 2022 (proforma)



■ IT ■ Telco

\*\*Note: EBITDA impact is excluded from the total for EBITDA split calculation purposes displayed on the charts.



# BREAKDOWN BY SEGMENTS: IT PARTNERSHIP WITH RHEINMETALL OFFERS SUBSTANTIAL GROWTH OPPORTUNITY

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<b>Total</b>	<b>15,268</b>	<b>68,161</b>	<b>48,945</b>	<b>73,147</b>

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### RESILIENT PERFORMANCE DESPITE SUPPLY CHAIN CHALLENGES & COMMERCIAL MOMENTUM FOR SERVICE REVENUES:

- Net Revenue up by 3.7% yoy to HUF 15.8 Bn
- EBITDA up by 4.4% yoy to HUF 1.3 Bn
- EBITDA margin improved from 8.4% to 8.5% yoy on an actual basis
- The IT business delivered **resilient performance amid global supply chain challenges** affecting the whole IT sector. **Lower HW & SW revenues** and increasing headcount expenses were offset by a **solid step-up** in **service revenues** and **inorganic growth** of the IT segment, in line with strategic objectives.
- Going forward, the **robust processes**, commercial agility, and **strong backlog** position the business for generating **consistent revenues** while there are opportunities to **cross-sell** within the 4iG ecosystem.

### RHEINMETALL JOINT VENTURE:

- **Memorandum of Understanding signed** on 16th May 2022.
- The JV aims to participate in the **digitalisation of the armed forces** in **Hungary** and selected **NATO** member states in CEE by developing digital combat system solutions and ground and flight simulation systems to provide the most modern soldier training.
- The partnership opens **access to new digitalisation markets** for the Group and positions 4iG for **future revenue opportunities**, with 4iG operating as a strategic IT partner to Rheinmetall, leveraging the relationship to identify and address new digital market opportunities.
- The **collaboration greatly supports 4iG's growth strategy**, which aims to bring the company to international markets in addition to the telecommunications segment with its IT services.

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### GROWING STRONGLY: THE TRANSFORMATION OF 4iG REFLECTED BY Q1 RESULTS

- **Net Revenue** of HUF 33.1 Bn represents 68% of the total in Q1 2022 on an actual basis (proforma of HUF 57.3 Bn represents 78%)
- **EBITDA** of HUF 9.9 Bn represents 88% of the total in Q1 2022 on an actual basis (proforma of HUF 16.6 Bn represents 93%)
- **EBITDA margin** of 29.9% in Q1 2022 on an actual basis (proforma: 29.6% to 29% yoy)

### STRATEGIC OBJECTIVES OF THE 4iG BOARD:

- Consolidating the **B2B** and **B2C** service segments (which combines a wide range of industry competencies).
- Creating a group with a unified organisational and **management structure**.
- In the new phase of the **integration** of the telecoms group, the **newly recruited executives**, who have a proven track record and significant industry experience, will be responsible for **aligning business processes**, leveraging operational **synergies** to improve performance, and defining a common **development strategy**.

### INTERNATIONAL TELCO ASSETS HAVE KEPT MOMENTUM, FOCUS ON EXECUTION AND CONTINUED GROWTH:

- **Albania:** ONE-ALBtelecom concentration approved by competition authority, integration started.
- **Montenegro:** new brand and new frequency resources drive mobile-only business full steam ahead.

# Q1 2022 B/S – FINANCIAL DEBT AND CAPITALISATION



FINANCIAL DEBT	HUF Th
Credits & loans & bonds (long-term)	469,108,147
Financial lease liabilities (long-term)	68,944,267
Provisions (long-term)	3,050,830
Credits & loans (short-term)	9,382,812
Financial lease liabilities (short-term)	6,150,664
<b>Q1 2022 TOTAL DEBT</b>	<b>556,636,720</b>
Cash and equivalents	-103,656,471
<b>Q1 2022 NET DEBT</b>	<b>452,980,249</b>

CAPITALISATION	as of 27 MAY 2022
Share Price (HUF)	765
Total Number of Shares	299,074,974
<b>MARKET CAP (HUF Th)</b>	<b>228,792,355</b>
<b>Q1 2022 NET DEBT</b>	<b>452,980,249</b>
<b>ENTERPRISE VALUE</b>	<b>681,772,604</b>

# Q&A

# 4iG

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# THANK YOU FOR YOUR ATTENTION!

# APPENDIX

# Q1 2022 GROUP CONSOLIDATION APPROACH



## IT SEGMENT: Q1 2022 GROUP CONSOLIDATION OF FINANCIAL RESULTS:

- In Q1 2022, financial results of all companies in the IT segment were fully consolidated to the Group's financial results.

## TELCO SEGMENT: Q1 2022 GROUP CONSOLIDATION OF FINANCIAL RESULTS:

- In Q1 2022, companies were fully consolidated to the Group's financial results: One Crna Gora, DIGI, Invitech, HDT.
- ALBtelecom: c.a. one month performance was consolidated (closing on 4th March, 4iG acquired 80.27% stake).
- ONE Telecommunications: only B/S consolidated in Q1 2022 (closing on 21st March, 4iG acquired 99.9% stake).
- Antenna Hungaria: only B/S consolidated in Q1 2022 (based on IFRS reporting standards 4iG obtained control on 22nd March; closing on 31st March, 4iG acquired 76.78% stake).

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