CONSOLIDATED

financial report **2022**

4iG

2022

CONTENTS

The Consolidated Financial Statements were approved by the Board of Directors of the Company by written resolution on the 26th day of the 4th month of the year 2023, by Board Resolution No. 2/2023 (IV.26.).

EXECUTIVE SUMMARY

4iG Plc (hereinafter: “4iG”, “Company”, “Enterprise”, “Group”, “4iG Group”) underwent a significant transformation in 2022. While the Group maintained its position as a leading IT systems integrator in Hungary, the Company expanded into new areas of business to create shareholder value and strengthen its market position through significant acquisitions in the telecommunications sector in Hungary and the Western Balkans. Through the consolidation process implemented with the strategic partnership of the Hungarian state, the 4iG Group concentrated its telecommunications investments in “ANTENNA HUNGÁRIA” Zrt.. The acquisition of Vodafone Hungary Telecommunications Ltd. was also completed in early 2023 with the cooperation of the market and state parties. With the acquisition of Vodafone Hungary, 4iG has created the second largest telecommunications group in Hungary, while continuing to further expand its competencies in the fields of IT and space industries. The transformation of the Group has been shaped by the acquisitions made, with the former IT-focused group now operating mainly in the telecoms sector.

Strategic partnerships, new major investors

The ownership structure of the 4iG Group changed in 2022, with a multi-stage capital increase process that saw new large investors join the Company's shareholder base. The number of shares increased by 160%. The main shareholder of 4iG has not changed: Gellért Zoltán Jászai, through the investment companies and private equity funds he owns, held the majority of the shares (51.22%) at the time of the report. As part of a strategic partnership with Rheinmetall AG, the German-based defence group acquired a 25.12% stake in 4iG. Portuguese-backed Bartolomeu Investment Ltd. further increased its stake (7.41%) in the Group, and Çalik Holding (3.16%), one of Turkey's leading groups, also became a significant shareholder.

The strategic partnership agreement signed with Rheinmetall AG in the first quarter of 2022 has opened new horizons in 4iG’s growth strategy. The German-based defence industrial group and 4iG have also decided to set up joint ventures for the cooperation of technologies and services in the IT and defence industries respectively. The joint cooperation not only increases the capital strength of the 4iG Group, but also provides a solid foundation for further expansion plans in the domestic Hungarian and Western European markets as it will not be limited to Hungary but will also extend to Rheinmetall's international interests.

As a result of acquisitions made over the past year and the organic growth of the Group, **4iG has evolved into a technology-infocommunications group. The harmonization and integration of the operations of the Hungarian and international companies acquired in 2022 has already significantly improved the efficiency and competitiveness of the Company in the first year.**

The acquisition of Vodafone Hungary was completed after the period under review, with a significant share of the Hungarian mobile market as well as with a not insignificant fixed line share. Those improved the Company’s competitive position, business profile, profitability and credit metrics, which led to a one notch upgrade of 4iG's issuer rating to 'BB-' by Scope Ratings. This positive upgrade is a clear recognition of the Company's successful implementation of its growth strategy so far.

A complex technology-infocommunications group has been created

With the successful completion of the acquisitions, the Group has begun to explore and develop opportunities for cooperation between the companies, to harmonise their operations and to maximise business synergies. The expansion in the telecommunications industry has led to an increase in recurring revenues, which has significantly improved the Company's profitability and the stability of its cash flow. The Hungarian group, formed by the merger of the fixed and mobile communications portfolios of the 4iG Group and Vodafone Hungary, is the 2nd player in the Hungarian market for mobile voice and internet services, and the market leader in fixed internet services and television broadcasting.

- With the acquisition of DIGI Group (DIGI Távközlési és Szolgáltató Kft., i-TV Zrt., Invitel Zrt., DIGI Infrastruktúra Kft.), the Company entered the Hungarian telecommunications market and became a fixed telecommunications operator with an extensive subscriber base and a significant fixed infrastructure. In order to optimise DIGI's operations, its management was renewed, which improved the organisational structure and streamlined operational processes. As of 1 January 2023, the DIGI Group companies (Invitel Zrt., Digi Infrastruktúra Kft., i-TV Zrt.) were merged into DIGI Távközlési és Szolgáltató Kft. in order to improve its profitability and operating conditions, and to help exploit business and technical synergies within the Group.
- Last spring, the acquisition of ALBtelecom, the market leader in fixed telecommunications in Albania, and ONE Telecommunications, a fast-growing mobile operator with the second largest customer base, was completed. The acquisitions made 4iG the largest foreign investor in Albania in 2022. The integration of the two companies started immediately, with the two companies preparing to merge being led by a joint management team since July. On 1 January 2023, the two Albanian companies merged, offering their services under the name **ONE Albania**, with the launch of the new brand and identity starting in March 2023.
- In April 2022, 4iG Plc acquired a 76.78% stake in "ANTENNA HUNGÁRIA" Zrt as part of a strategic partnership with the Hungarian state through the contribution of its domestic and international telecommunications subsidiaries (DIGI, Invitech, ONE Crna Gora, ALBtelecom and ONE Telecommunications). Operational efficiency was significantly improved by the reorganisation implemented in Q3. 4iG introduced a new corporate governance structure on 1 September, aligning the Group's central management with its large enterprise operations. With the new structure the international Group is operating more efficiently and more effectively to meet the much greater corporate governance needs that have emerged from the dynamic growth of recent years. The restructuring has created centralised, operational functions in key areas of the Company and has also improved economies of scale and internal collaboration through the concentration of expertise. The new corporate governance structure also ensures long-term career opportunities for employees within the Group, thereby contributing significantly to the preservation and expansion of the knowledge base within the 4iG Group, which is of particular importance in the knowledge-based, high value-added sectors that the Company targets.

- In September 2022, 4iG Group entered into a new sale and purchase agreement to acquire the majority 51% stake in Spacecom, the Israeli company that operates the AMOS family of satellites. Subject to the approval of the Israeli Ministry of Communications, 4iG has acquired a 20% stake in the target company in two stages until the release of the report and plans to increase its stake in the satellite operator by a further 31% over the next three years, which has provided the 4iG Group with equally important growth opportunities through knowledge transfer and the expansion of its in-house service spectrum.
- In October 2022, the Group expanded its competencies with a media technology company active in Hungary and the region by acquiring a majority stake of 75% in BRISK Group. BRISK provides high quality “digital tape delivery” services to its partners. With these new services added to its portfolio, 4iG Group aims to strengthen its market position in one of the most advanced, highly automated advertising quality control, transcoding and delivery platforms. The technology is developed in Hungary and operates across Central and Eastern Europe. The plan is to grow the BRISK and increase its footprint in new markets across the Western Balkans with technology that is also useful for media companies.
- As a milestone to its strategic agreement with Rheinmetall, the two companies established a joint integrated technology IT services company. Rheinmetall 4iG Digital Services (R4 Kft.), 51 percent owned by the 4iG Group, was established to provide IT services to Rheinmetall's Hungarian and global subsidiaries and potential market customers. The establishment of R4 may enable 4iG to enter the global IT services market, and to reach additional international customers. In addition, representatives of Rheinmetall, 4iG and HM Electronics, Logistics and Asset Management (HM EI) have signed a preliminary agreement on the establishment of another joint venture. The aim of this cooperation is to take an active technical and expert role in the development of the so-called 'digital soldier' in Hungary and to participate in the digitalisation of the Hungarian Defence Forces and the Central and Eastern European NATO member states.
- 4iG Group joined the Open Radio Access Network (O-RAN) Alliance in November. This industry alliance of telecom operators in global markets offers an open platform for the development and operation of 5G and other wireless telecom infrastructures. 5G can open up a range of new technological and business opportunities for innovative players actively developing in the industry: as a full member of the O-RAN international industry alliance, 4iG can become one of the frontrunners in the convergence between IT and telecommunications. The Company will have a significant advantage in the market with its existing IT and telecommunications capabilities and capacities. The 4iG Group's first 5G service was launched in Montenegro, also in 2022.

- After the reporting period, on 31 January 2023, 4iG Group acquired a majority stake in Vodafone Hungary, completing the most significant acquisition in the Hungarian telecommunications market in the last thirty years. The target company was acquired by “ANTENNA HUNGÁRIA” Zrt, with 51 percent of the shares, and Corvinus International Investment Ltd., represented by the Hungarian state, with 49 percent. Subsequently, 4iG Group increased its stake in Vodafone Hungary by a further 19.5 percent to 70.5 percent through a share swap agreement with Corvinus International Investment Ltd. concluded on 20 March 2023. With the exchange transaction in March, Corvinus Zrt. indirectly acquired the 25 percent stake in Yettel-CETIN (Yettel Hungary Zrt., Yettel Real Estate Hungary Zrt. and CETIN Hungary Zrt.), which the Company had held until then. Through these transactions, 4iG Group has gained a significant mobile market share and an improved competitive position in Hungary in a short period of time. As a result, it has created a complex convergent mobile-to-fixed telecommunications operator that complements the Group's existing telecommunications infrastructure and its extensive operating and development competencies with a fixed-mobile network.

Financial performance

4iG Plc’s consolidated net sales revenues according to IFRS for 2022 amounted to HUF 277.4 billion, the Group’s EBITDA according to IFRS exceeded HUF 74 billion, its EBITDA margin per net sales revenue was 26.69 percent. 72 percent of the net sales revenue was generated by the telecommunications and 28 percent by the IT division. In case of the telecommunications sector EBITDA margin has reached an outstanding 33.3 percent, whereas operating cash-flow per EBITDA shows 77.4 percent on a total Group level.

HUF 10 billion out of the HUF 18.8 billion negative net profit for the period was mainly due to the technically recorded, non-cash depreciation and amortization and deferred tax recognized on newly identified assets according to preliminary analyses for the newly acquired companies in the period 2021 and 2022.

Due to the Company's high level of tangible fixed assets, non-cash depreciation charges (HUF 44.7 billion) recorded in the standalone books of subsidiaries also contributed significantly to the negative profit after tax in 2022, but these charges may significantly decrease in the future due to the exploitation of future synergies and the reorganisation of the Group structure.

In addition to the above, due to compliance with International Financial Reporting Standards, non-cash items related to leased assets further worsened the result by around HUF 1.5 billion. Interest expenses related to bonds issued have also been presented amongst finance income and costs of the Group, which was offset to some extent by a net foreign exchange gain recognised as a result of the favourable foreign exchange rate movements.

Despite the adverse factors affecting the income statement, the Company ended the year with a positive operating cash flow of HUF 57.3 billion.

The Company's scope adjusted debt as of 31 December 2022 is HUF 518.19 billion, which is significantly lower than the debt level expected by the rating agency at the end of 2022 (HUF 618.4 billion).

4iG's 2022 results should not be compared to those a year ago (2021) due to the telecom-focused expansion over the past year. Comparability is further hampered by the fact that IT and telecoms have different margins, and while the vast majority of the IT's revenue comes from B2B, the telecom's revenue is dominated by B2C and small and micro business sales. When assessing Q4 2022 of the Group's financial, it should be noted that in the consolidated statement of comprehensive income, the performance of ALBtelecom was included from March, the data of ONE Telecommunications and “ANTENNA HUNGÁRIA” Zrt. from April and the data of BRISK Group from December.

Telecommunications

4iG's Hungarian telecoms division has been positively impacted by the development of intra-group cooperation and synergies. The harmonisation of services and business processes has contributed significantly to the successful operation. At sector level, profitability was impacted by the significant increase in energy prices, the extension of the telecoms tax and wage inflation.

The decline in the revenues of “ANTENNA HUNGÁRIA” Zrt is the result of the downsizing of its event management business. The subsidiary's profitability was positively impacted by non-recurring items, of which the construction and operation of the telecommunications and IT infrastructure for the FINA World Aquatics Championships broadcast and the telecommunications and IT infrastructure were particularly profitable.
As a result of new customers, renewals of existing contracts and newly introduced services, Invitech's revenue continued to grow in 2022. The majority of organic growth was driven by digital utilities, with a significant upturn in IT security and cloud services. DIGI has successfully completed the merger processes within the Group, so that DIGI Távközlési és Szolgáltató Kft, Invitel Zrt, DIGI Infrastruktúra Kft and i-TV Zrt. can start the year 2023 as one legal entity. Despite the difficulties specific to the sector, DIGI has achieved its profitability targets. Rationalisation of operating costs (OPEX) and price increases in line with market trends to offset significantly increased costs played a major role in this. The company remains one of the best value-for-money fixed line operators on the Hungarian market.

The merger of ALBtelecom and ONE Telecommunications set the tone for ONE Albania's financial year and its profitability growth in 2022. The increase in post-paid services and the merger of the two companies also improved the company's performance last year thanks to the optimization of marketing, network, human resources and IT costs. ONE Albania is progressively replacing outdated copper cables with optical fibre to meet the challenges of the 21st century, offering a significantly higher level of service than before. As a result of the improvements already completed, the number of fixed internet subscribers has started to increase, supported by the cross-selling of combined fixed-mobile packages.

Both ONE Crna Gora's net profit and EBITDA margin were positive in 2022. The subsidiary's profitability benefited from the ramp-up due to the rebranding in the spring and the migration of prepaid customers to monthly subscriptions. Last December, ONE Crna Gora won the right to use 700 MHz and 3.6 GHz frequencies for high-quality 5G and LTE services. The company intends to implement a 3-million-euro worth development project in order to provide services throughout Montenegro.

Information Technology

In the IT division of the 4iG Group, the Company implemented an organisational restructuring to better serve its telecom subsidiaries. Despite the unfavourable macroeconomic environment, rising inflation, and high energy costs, the IT division managed to ease the effects of the decrease in public procurement by expanding sales channels in 2022. In line with industry standards, 4iG IT division finalized its most valuable projects in Q4, which further boosted the division's overall performance and profitability. In 2022, besides traditional systems integration projects, custom application development, industrial digitalization, cybersecurity, cloud services, containerization and other innovative technology-based solutions provided the main revenue streams. In addition to these, revenues from IT services in the financial sector were also significant. In the future, the IT business can expect substantial growth potential through continued collaboration among the Group's companies and more efficient utilization of synergies.

Dividends paid

At the Company's Annual General Meeting, the shareholders approved the paying of a dividend of HUF 29 per share (equivalent to a yield of 3.67%) for the 2021 financial year on 102,350,843 ordinary shares in issue as of 31 December 2021, reduced by the number of 857,078 of the Company's treasury shares. The dividend was paid on 4 July 2022 in accordance with the resolution of the General Meeting.

Vision

With the closing of the Vodafone transaction, 4iG Group has become a converged technology-based infocommunications service provider in Hungary, creating a strong platform to compete for market leadership in other segments. The Group aims to further increase its service spectrum and customer base in both the residential and business segments and to strengthen its recurring revenue share. Vodafone's acquisition has opened a new chapter in the Hungarian telecoms market, laying the foundations for further efficient growth, while enhancing competition and accelerating the digital transformation in Hungary.

The rebranding process following the merger of ALBtelecom and ONE Telecommunications is expected to be completed in 2023, making ONE Albania one of the key players in the local telecommunications market. The company will develop its product portfolio and continue to optimise its mobile network and upgrade its fixed network to optical fibre. Building on its advanced infrastructure and related competencies, ONE Albania is developing a complex portfolio of ICT services for business and government operators, in addition to the residential segment. ONE Crna Gora will continue to expand its 5G coverage to be able to provide 5G services in almost the entire territory of Montenegro. The new, stable technology will open up the possibility for the introduction of fixed internet services for the home, as well as for the rapid expansion of the business ICT market presence.

Data in millions of HUF, unless otherwise indicated

4iG has the unique opportunity to expand its IT capabilities beyond its traditional services to the defence industry and to expand its services to Western European and then global markets through its partnership agreement with Rheinmetall AG. 4iG currently provides Rheinmetall with traditional IT support services to digitise and support the group's processes, but through the joint venture, the cooperation also extends to technological and digitalisation developments in the defence industry. In this area, 4iG Group intends to strengthen its presence in 2023.

In 2023, the 4iG Group will focus on exploiting the synergies offered by fixed-mobile convergence and IT-telco convergence, building cross-selling channels and consolidating infrastructure. Integration will continue, with further business cooperation between the Group's member companies. Exploiting business synergies will greatly improve efficiency and competitiveness. The Company plans to further increase its share in its target markets this year and remains open to further acquisitions that fit its strategy.

Capital market performance

	2022	2021	Change +/- % in
Net sales revenue	**277 421**	**93 653**	**196.22%**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**74 054**	**11 793**	**527.95%**
Operating results (EBIT)	-773	7 043	**-110.98%**
Profit after tax (PAT)	-18 832	6 584	**-386.03%**
Total comprehensive income	**-8 761**	**6 720**	**-230.37%**
Data per share (in HUF)			
EBITDA	265.6	121.1	**119.35%**
Net profit (EPS)	-67.5	68.6	**-198.44%**
Diluted EPS indicator	-67.5	67.6	**-199.91%**
Equity	1 067.1	171.0	**523.87%**

4iG PLC
CONSOLIDATED FINANCIAL STATEMENTS

ACCORDING TO INTERNATIONAL
FINANCIAL REPORTING STANDARDS
31 DECEMBER 2022

Data in millions of HUF, unless otherwise indicated

Consolidated statement of comprehensive income

	Annex	2022	2021 Modified*
Net sales revenue	3	277 421	93 653
Other operating income	4	27 568	2 363
Revenue in total		**304 989**	**96 016**
Goods and services sold	5	-93 466	-59 090
Operating expenses	6	-56 001	-8 037
Staff costs	7	-57 326	-16 250
Other operating expenses	8	-24 142	-846
Total operating costs		**-230 935**	**-84 223**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**74 054**	**11 793**
Depreciation and amortisation	9	-74 827	-4 750
Earnings Before Interest and Tax (EBIT)		**-773**	**7 043**
Financial income	10	22 911	3 771
Financial expenses	10	-37 385	-2 712
Profit before tax		**-15 247**	**8 102**
Income taxes	11	-3 585	-1 518
Profit after tax		**-18 832**	**6 584**
Other comprehensive income	12	10 071	136
Total comprehensive income		**-8 761**	**6 720**
Of which: result of discontinuing activity		*0*	*0*
Earnings per share (HUF)			
Base	13	-67.5	68.6
Diluted	13	-67.5	67.6
Profit after tax attributable to:		**-18 832**	**6 584**
Owners of the Company		-20 884	6 399
Non-controlling interest		2 052	185
Total comprehensive income attributable to:		**-8 761**	**6 720**
Owners of the Company		-11 299	6 535
Non-controlling interest		2 538	185

*In this annual report, due to a change in accounting policy, the statement of consolidated comprehensive income and the statement of financial position for 2021 are restated in Section 2.2 *Accounting policy changes*.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position

	Annex	31/12/2022	31/12/2021 Modified*
ASSETS			
Non-current assets			
Property, plant, and equipment	14	281 690	43 189
Intangible assets	15	61 161	11 134
Customer relationship	16	60 916	26 907
Right of use of assets	17	43 937	19 957
Contract assets	18	2 232	398
Deferred tax asset	19	366	0
Goodwill	20	164 652	85 882
Other investments and other non-current assets	21	1 168	236
Total non-current assets		**616 122**	**187 703**
Current assets			
Cash and cash equivalents	22	45 961	266 530
Trade receivables	23	58 910	35 798
Other receivables, other accrued and deferred assets	24	19 402	11 032
Securities	26	118	17
Inventories	27	10 727	2 300
Investment assets held for sale	28	190 271	0
Total current assets		**325 389**	**315 677**
Total assets		**941 511**	**503 380**
EQUITY AND LIABILITIES			
Equity			
Share capital	29	5 981	2 064
Repurchased treasury shares	30	-922	-246
Capital reserve	31	133 492	3 869
Retained earnings	32	47 170	9 214
Accumulated other comprehensive income	33	9 722	136
Total equity per parent company		**195 443**	**15 037**
Non-controlling interest	34	102 111	1 623
Total equity		**297 554**	**16 660**
Long-term liabilities			
Provisions – non-current	35	4 888	841
Non-current borrowings, loans, bonds	36	424 320	407 739
Finance lease liabilities – non-current	37	34 522	15 596
Deferred tax liability	19	14 225	2 734
Other non-current liabilities	38	9 666	0
Total non-current term liabilities		**487 621**	**426 910**
Current liabilities			
Trade payables	39	45 839	23 252
Current borrowings and loans	36	7 713	0
ESOP liabilities	48	0	866
Dividends payable to owners	40	8	0
Provisions - current	35	4 674	426
Liabilities related to assets held for sale	28	23 349	0
Finance lease liabilities - current	37	9 055	3 784
Other current liabilities and accruals	41	65 698	31 482
Total current liabilities		**156 336**	**59 810**
Total equity and liabilities		**941 511**	**503 380**

Data in millions of HUF, unless otherwise indicated

Consolidated statement of changes in equity

	Share capital	Treasury shares	Capital reserves	Retained earnings	Accumulated other comprehensive income	Equity attributable to owners of the company	Non-controlling interest	Total equity
Balance on 1 January 2021	**1 880**	**-323**	**817**	**4 929**	**0**	**7 303**	**376**	**7 679**
Accounting policy changes				-3		-3		-3
Modified balance on 1 January 2021	**1 880**	**-323**	**817**	**4 926**	**0**	**7 300**	**376**	**7 676**
Issue of share capital	184		3 052			**3 236**		**3 236**
Purchase of treasury shares		-80				**-80**		**-80**
Sale of treasury shares (share swap)		157		343		**500**		**500**
Own share in subsidiary				-60		**-60**		**-60**
Foreign currency translation reserve					136	**136**		**136**
NCI (non-controlling interest)				-165		**-165**	165	**0**
Dividend allocation, payment				-2 212		**-2 212**		**-2 212**
Profit after tax				6 959		**6 959**	203	**7 162**
NCI (non-controlling interest)						**0**	897	**897**
Balance on 31 December 2021	**2 064**	**-246**	**3 869**	**9 791**	**136**	**15 614**	**1 641**	**17 255**
Balance on 1 January 2022	**2 064**	**-246**	**3 869**	**9 791**	**136**	**15 614**	**1 641**	**17 255**
Acquisition – Modification of purchase price allocation				-560		-560	-18	**-578**
Accounting policy changes				-17		-17		**-17**
Modified balance on 1 January 2022	**2 064**	**-246**	**3 869**	**9 214**	**136**	**15 037**	**1 623**	**16 660**
Issue of share capital	3 917		129 623			**133 540**		**133 540**
Purchase of treasury shares		-752				**-752**		**-752**
Sale of treasury shares (share swap)		76		118		**194**	-325	**-131**
Dividend allocation				-2 968		**-2 968**		**-2 968**
Profit after tax				-20 884		**-20 884**	2 052	**-18 832**
Other comprehensive income					9 586	**9 586**	485	**10 071**
NCI (non-controlling interest)				61 690		**61 690**	98 276	**159 966**
Balance on 31 December 2022	**5 981**	**-922**	**133 492**	**47 170**	**9 722**	**195 443**	**102 111**	**297 554**

Data in millions of HUF, unless otherwise indicated

Consolidated cash flow statement

	Annex	31/12/2022	31/12/2021 Modified*
Cash flow from operating activities			
Profit after tax		-18 832	6 584
Adjustments:			
Depreciation and amortisation for the year	9	74 827	4 750
Impairment	8	4 064	-401
Provisions	35	2 427	-622
Income taxes	11	3 585	-3 220
Financial income/(expense)	10	22 742	2 110
ESOP		0	521
Other non-cash items		-8 478	126
Foreign exchange rate differences		-9 954	-8
Profit and loss of associates		27	1
Acquisition deferred purchase price		0	-500
Own share adjustment		0	-60
Income tax paid		-4 002	0
Changes in working capital			
Changes in trade receivables	23	-907	-5 244
Changes in inventories	27	-586	1.368
Changes of trade payables	39	8 416	-248
Changes in finance leasing (current)	37	-1 299	878
Changes in other receivables and liabilities	24, 41	-14 739	9 680
Net cash flow from operating activities		***57 291***	***15 715***
Cash flow from investment activities			
Sale/(purchase) of property, plant, equipment	14	-15 481	2 318
Sale/(purchase) of intangible assets	15	-10 497	-6 730
Securities	26	169	111
Non-current receivables	58	422	-70
Net cash flow from acquisition of subsidiaries		-257 109	-146 873
Dividends and interest received on investments		2 251	0
Net cash flow from investment activities		***-280 245***	***-151 244***
Cash flow from financing activities			
Issue/(repayment) of bonds	36	-17 258	400 034
Withdrawal/(repayment) of loans and borrowings	36	-48 191	-3 019
Finance leasing withdrawal/(repayment)	37	-15 640	2 396
Repurchased and issued treasury shares	30	-752	0
Interests paid	10	-24 568	-2 110
Dividends paid		-2 960	-2 212
Capital increase/(decrease)		111 650	0
Dividends paid (minority)		0	-243
Net cash flow from financing activities		***2 281***	***394 846***
Foreign exchange rate differences		104	8
Net change in cash and cash equivalents	**22**	**-220 569**	**259 325**
Cash and cash equivalents at the beginning of the year	22	266 530	7 205
Cash and cash equivalents at the end of the period		**45 961**	**266 530**

1. General section

1.1. Presentation of the company

4iG Public Limited Company is a company registered in Hungary (registered office: 1037 Budapest, Montevideo u. 8, 1037 Budapest), 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.

The backbone of the 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. Basis of preparation of the balance sheet

i) Approval and declaration

The consolidated financial statements were approved by the Board of Directors on 26 April 2023. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published and incorporated by regulation in the Official Journal of the European Union (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 indicated.
The report contains audited consolidated financial statements for the period ending 31 December 2022.

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

The financial statement has been prepared under the historical cost convention, except where IFRS requires the use of a different measurement basis than that disclosed in the accounting policies. The financial year is the same as the calendar year.

iii) Going concern

The financial statement has 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) Basis of assessment

For consolidated financial statements, the basis of measurement is the original cost, except for assets and liabilities carried at fair value, which are financial instruments at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI).

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income 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, the results of which 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, and in the period of the revision and future periods if the revision affects both current and future years.

v) Disclosure of approval of financial statements

On 26 April 2023, the Company's Board of Directors approved the presentation of the consolidated financial statements to the Annual General Meeting of Shareholders. The General Meeting is entitled to approve the financial statements, before which it may submit any requests for amendments. The controlling shareholders are also represented on the Board of Directors that approves the financial statements, so the likelihood of the General Meeting of Shareholders requesting amendments is low.

2. Accounting policies

The following are the significant accounting policies applied in the preparation of the consolidated financial statements. These accounting policies have been consistently applied to the periods presented in these consolidated financial statements.

The main accounting principles applied in the preparation of the financial statements are the following:

Data in millions of HUF, unless otherwise indicated

2.1. Significant accounting policies and other explanatory information

2.1.1. Basis of consolidation

Subsidiaries

The consolidated statements include 4iG Plc and the subsidiaries under its control. Control generally exists when the Group directly or indirectly holds more than 50% of the voting rights of a company and benefits from its activities through its influence over the financial and operating activities of that company.
The Company controls 29 companies belonging to the Group, and the data of the subsidiaries are fully consolidated in accordance with the regulations.

Name of subsidiary	Majority owner	Date of inclusion in consolidation	Way of acquiring	Indirect ownership
4iG Albania Ltd.	"ANTENNA HUNGÁRIA" Zrt.	23/02/2022	incorporated	76.78%
ACE Network Zrt.	4iG Plc.	14/04/2021	acquisition	70.00%
Albania Telecom Invest AD	"ANTENNA HUNGÁRIA" Zrt.	21/03/2022	acquisition	76.78%
ALBtelecom sh.a.	4iG Albánia Kft.	04/03/2022	acquisition	61.63%
"ANTENNA HUNGÁRIA" Zrt.	4iG Plc.	31/03/2022	cont. in kind	76.78%
Antenna Hungária Innovációs Kft.	"ANTENNA HUNGÁRIA" Zrt.	31/03/2022	cont. in kind	76.78%
BRISK Digital Group Kft.	4iG Plc.	15/11/2022	acquisition	75.00%
BRISK Digital Hungary Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%
BRISK Digital International Ltd.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%
CarpathiaSat Zrt.	4iG Plc.	17/08/2020	incorporated	84.78%
"Digitális Átállásért" Nonprofit Ltd.	"ANTENNA HUNGÁRIA" Zrt.	31/03/2022	cont. in kind	76.78%
DIGI Infrastruktúra Kft.	DIGI Távközlési és Szolgáltató Kft.	03/01/2022	acquisition	76.78%
DIGI Távközlési és Szolgáltató Kft.	"ANTENNA HUNGARIA" Zrt.	03/01/2022	acquisition	76.78%
DTSM Kft.	4iG Plc.	07/12/2020	acquisition	100.00%
Humansoft Szerviz Kft.	4iG Plc.	17/04/2019	incorporated	100.00%
Hungaro DigiTel Kft.	Portuguese Telecommunication Investments Kft.	12/05/2021	acquisition	94.20%
INNObyte Zrt.	4iG Plc.	14/10/2020	acquisition	100.00%
INNOWARE Kft.	INNObyte Zrt.	14/10/2020	acquisition	100.00%
Invitech ICT Services Kft.	"ANTENNA HUNGÁRIA" Zrt.	30/09/2021	acquisition	76.78%
InviTechnocom Kft.	Invitech ICT Services Kft.	30/09/2021	acquisition	76.78%
INVITEL Zrt.	DIGI Távközlési és Szolgáltató Kft.	03/01/2022	acquisition	76.78%
i-TV Zrt.	INVITEL Zrt.	03/01/2022	acquisition	76.78%
ONE Crna Gora d.o.o.	"ANTENNA HUNGÁRIA" Zrt.	21/12/2021	acquisition	76.78%
ONE Telecommunications sh.a.	Albania Telecom Invest AD	21/03/2022	acquisition	76.70%
Poli Computer PC Kft.	4iG Plc.	01/06/2021	acquisition	100.00%
Portuguese Telecommunication Investments Kft.	4iG Plc.	12/05/2021	acquisition	100.00%
Rheinmetall 4iG Digital Services Kft.	4iG Plc.	16/11/2022	incorporated	51.00%
Soft Media Europe srl.	BRISK Digital International Kft.	15/11/2022	acquisition	49.50%
Veritas Consulting Kft.	4iG Plc.	10/09/2019	acquisition	100.00%

Acquisitions have been identified as business combinations and the acquisition accounting method has been applied to the acquired businesses, which is based on the acquisition-date fair value of assets and equity and liabilities at the acquisition date, i.e. the date on which control is obtained. The cost of acquisition is the sum of the consideration and the non-controlling interest in the acquired business. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date of the transaction or up to the date of the transaction.

Transactions, balances and results between consolidated companies and unrealised gains and losses are eliminated unless such losses are indicative of impairment of related assets. In preparing the consolidated financial statements, similar transactions and events are recorded using uniform accounting policies.

The equity and profit or loss attributable to non-controlling interests are shown as separate line items in the balance sheet and profit and loss account. For business combinations, non-controlling interests are measured either at fair value or at the non-controlling interests' share of the fair value of the net assets of the acquiree. The choice of valuation method is made individually for each business combination. Following the acquisition, the non-controlling interest is the value initially recorded, adjusted by the amount of changes in the equity of the acquired company attributable to non-controlling interests. Non-controlling interests also benefit from total comprehensive income for the period even if this results in a negative balance of their interest.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are accounted for as a capital transaction. The Group and non-controlling interests are adjusted to reflect changes in their interests in subsidiaries. The amount by which the non-controlling interests' interests are adjusted and the difference between the consideration received or paid is recognised in equity as attributable to owners of the Company.

Associates

In addition to the subsidiaries, on 26 January 2021, 4iG Plc signed a share transfer agreement and acquired a 24% stake in Rotors & Cams Zrt. From the reporting period onwards, the Company consolidates the results of Rotors & Cams Zrt. using the equity method, both in the profit and loss account and in the balance sheet, showing the Group's interest in Rotors & Cams Zrt. of the income statement of the Group and the Group's share in the profit and loss accounts of the Group's subsidiaries and associates prepared in accordance with IFRS principles.

2.1.2. Reporting currency and foreign currency balances

In view of the substance and circumstances of the underlying economic events, the functional currency of the parent company and the reporting currency of the Group is the Hungarian forint.

Foreign exchange transactions denominated in currencies other than HUF are initially recorded at the exchange rate prevailing on the date on which such transactions are executed. Receivables and liabilities in foreign currencies are translated into forints (HUF) at the Raiffeisen Bank commercial foreign exchange selling rate on the balance sheet date (day T+2). The resulting exchange rate differences are recognised in the profit and loss account under financial income and expenses.

Financial statements are presented in Hungarian Forint (HUF), rounded to the nearest million, except where otherwise indicated. The consolidated financial statements are also presented in Hungarian Forint, which is the Group's presentation currency.

Foreign currency transactions are recorded in the functional currency using the exchange rate between the reporting currency and the foreign currency at the date of the transaction for the amount in the foreign currency. In the statement of comprehensive income, exchange differences arising on the settlement of monetary items, on initial recognition during the period or arising from the use of exchange rates different from those used in previous financial statements are recognised as income or expense in the period in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Foreign currency items measured at fair value are translated at the exchange rate at the date when the fair value was determined. Exchange differences on trade receivables and loans are included in income or expenses from financial operations.
Under IAS 21, exchange differences on monetary items that form part of the net investment in a foreign operation are recognised in the profit and loss account in the standalone financial statements and presented as other comprehensive income in the consolidated financial statements.

2.1.3. Revenue

The Group accounts for its sales revenue in accordance with IFRS 15 (issued in May 2014; effective for annual periods beginning on or after 1 January 2018 under the IASB). The EU has adopted the standard).

The new standard introduces the basic principle that sales revenue is recognised when the goods or services are transferred to the buyer at the agreed price. Any separately identifiable related goods or services should be accounted for separately and any discount should be allocated to the appropriate elements of the contract. When the consideration changes, the minimum value should be recognised when the probability of recovery does not involve significant risk. Costs incurred in obtaining a sales contract should be capitalised and amortised over the term of the contract as the related benefits are earned by the Company.

Net sales revenues include amounts invoiced on the basis of the supply of goods or services during the financial year. Net revenue from sales is recognised when the amount of revenue becomes clear, and it is probable that the consideration will be realised by the Group. Net sales revenue comprises the invoiced amounts less value added tax and discounts.

Performance obligations
The company fulfils its obligations in relation to sales revenue as stipulated in the given contract. When entering into a contract, the Group shall identify which goods or services it has promised to provide to the customer, i.e. what performance obligation it has assumed. The Group recognises sales revenue when it has fulfilled its performance obligations by delivering the promised goods or rendering the promised services. Delivery is deemed to have taken place when the buyer has gained control of the asset (service).

Transaction price determination
When a contract is settled, the Group shall recognise the revenue associated with the settlement, which is the transaction price assigned to performance obligation. The transaction price is the amount that the Group expects to receive in exchange for the sale of goods and services.

Main types of income
A significant proportion of the Group's IT sales are product sales, where revenue is recognised when control of the product is transferred to the customer.
IT projects account for another significant share of revenues. Where the Group transfers control of the service on an ongoing basis, subject to the conditions set out in the standard, it also recognises revenue from the sale of services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service. The Group's projects and the way in which they are delivered may vary from project to project (hourly, fixed fee, in-house, subcontracted, etc.) Where outputs can be reliably measured, the Group prefers the output method, however, for some projects this method is not applicable, in which case the input method is used. Where possible, the degree of completion of projects is determined in proportion to the services delivered, with the help of the company's and the client's experts.

Buyers generally pay their invoices within 30 days, although this may be longer for large, reliable customers, and new customers can pay in advance. The Group does not act as an agent. Defective products will be accepted back, repaired or repaired under the manufacturer's warranty. The Group recognises incremental costs associated with entering into customer contracts as an asset when it expects to recover them. For contracts with a significant payment component, the Group includes the time value of money in the calculation of revenue.

The majority of the Group's telecommunications companies' revenues are generated from telecommunications services. These revenues from mobile operators can be divided into two main groups: pre-paid and post-paid. In both cases, asset sales are accounted for separately in accordance with IFRS 15 requirements on the basis of an asset sales calculation (taking into account the value of the asset, the duration of the contract, etc.). In the case of pre-paid, telecom-related services are accounted for on a pay as you go basis. The predefined card amount is accrued and released on a turnover basis. The unused amount remains on the accrual account until the card is considered active. When the active status of the card is cancelled, the unused amount is recognised as revenue. In the case of post-paid, in addition to the monthly subscription fee, revenue is recognised on the basis of turnover in addition to the monthly subscription fee, when the actual usage occurs.

In addition to mobile services, significant revenues are generated from fixed line services. The most significant of these are wired internet and TV subscriptions. The revenue components of these services are also accounted separately. The connection fees incurred in connection with the conclusion of the contract are determined and amortised over the expected life of the customer. Sales of the service are accounted for on the basis of fixed monthly charges.
For companies in the telecom segment that have significant infrastructure (towers, FTTH, cable, etc.), so-called wholesale sales are also included in the accounting. In these transactions, another telecom/content provider uses our infrastructure at a predetermined price. Pricing is usually based on homepass (number of homes available) or home connect (number of homes connected). In the case of broadcasting, revenue is recognised on the basis of the service provided. In the case of connectivity services (mainly Invitech), revenue is recognised on the basis of the monthly service provided.

2.1.4. Real estate, machinery, equipment

Property pant, and equipment are stated at cost less accumulated depreciation. Accumulated depreciation includes the depreciation charges recognised for the depreciation of assets incurred in the continuing use and operation of the assets and the depreciation charges recognised for the excess of the depreciation over the depreciation recognised for the impairment of assets due to an unforeseen and significant loss or damage caused by an unforeseen event.

The cost of an item of property, plant and equipment includes the cost of its acquisition and, in the case of an investment in own-account enterprises, the cost of materials and labour and other direct costs incurred. Interest recognised on borrowings for capital expenditure on property, plant, and equipment increases the cost of the asset until the asset is ready for its intended use.

The carrying amount of property, plant, and equipment shall be reviewed at specified intervals to determine whether the carrying amount does not exceed the fair value of the asset, in which case a write-down to fair value shall be recognised. The fair market value of the asset is the higher of the selling price and the value in use of the asset. Value in use is the discounted value of the future cash flows generated by the asset.

The discount rate is the corporate pre-tax interest rate, taking into account the time value of money and the impact of other risk factors associated with the asset. If no future cash flows can be attributed to the asset in isolation, the cash flows of the entity of which the asset is a part are used as the basis. Any impairment loss or write-down so determined is recognised in the income statement.

The Company recognises programming assets in its consolidated statement of financial position on the same way as conventional property, plant and equipment, i.e. at cost less accumulated depreciation.

The cost of repair and maintenance of property, plant, and equipment charged to maintenance expenditure. Capital additions and renovations are capitalised, while the cost and accumulated depreciation of assets sold or written off at zero when no longer in use are derecognised. Any gain or loss so arising is included in the profit or loss for the year.

The Group depreciates the value of its assets over their useful lives using the straight-line method. The useful lives by asset group are as follows:

Real estate:	less than 30-50 years;
Machinery and equipment:	less than 3-7 years;
Vehicles:	less than 5 years;

Assets classified as low-value assets are depreciated immediately, i.e. they are recognised as a lump sum when they are put into use. The thresholds used in the classification are those set by the Group companies in accordance with local legislation.
The depreciation of fixed assets and software used in R&D activities takes place over 2-10 years.

The Company does not depreciate investments if progress.

At the discretion of the Group's management, if the useful life is longer than the periods described above, the depreciation rate is determined on an individual basis.

Useful lives and depreciation methods are reviewed at least annually on the basis of the actual economic benefits provided by the asset. If necessary, adjustments are charged against current year profit or loss.

2.1.5. Intangible assets

Intangible assets acquired individually are recorded at cost and intangible assets acquired in a business combination are recorded at fair value at the date of acquisition. They are recognised when the use of the asset is demonstrably expected to result in future economic benefits and its cost can be measured reliably.

After inclusion, the cost model is used for intangible assets. The useful lives of these assets are finite or indefinite. Assets with finite useful lives are amortised using the straight-line method based on the best estimate of their useful lives. The amortisation period and the amortisation method are reviewed at the end of each financial year. Internally generated intangible assets, other than development costs, are not capitalised but are charged to profit or loss in the year in which they are incurred. Intangible assets are reviewed for impairment either individually or annually at the level of the income generating unit.

In-house developed intellectual products are written off in 2-10 years.
The acquisition costs of trademarks, licences, industrial property and software are capitalised and amortised on a straight-line basis over their estimated useful lives, i.e. 2-7 years.

The Group recognises customer lists as an identifiable intangible asset in business combinations, which are presented as a separate line in the consolidated statement of financial position. Identified customer lists are initially recognised at cost and amortised over their expected useful lives.

2.1.6. Business combination

The acquisition method of accounting is used for business combinations. The cost of an acquisition is the aggregate of the consideration transferred, which is measured by the Company at fair value at the acquisition date, and the non-controlling interests in the acquiree. For business combinations, the Group determines the external owners' interest at the Group's option either at fair value or at the fair value of the net assets of the acquired company attributable to the external owners. Acquisition-related costs are expensed as incurred.

2.1.7. Goodwill

Goodwill is the positive difference between the acquisition cost and the fair value of the identifiable net assets of the acquired subsidiary at the acquisition date. Goodwill is not amortised, but the Group assesses annually whether there are any indications that the carrying amount may not be recoverable. Goodwill is stated at cost less any impairment.

2.1.8. Badwill

Badwill is the negative difference between the purchase value and the fair value of the identified net assets of an acquired subsidiary company upon the day of acquisition. In accordance with the regulations of Sections 3 to 34 of IFRS, Badwill is accounted for as financial profit and loss in the current year.

2.1.9. Impairment of assets

At the end of each reporting period, the Group assesses whether there has been any change in the carrying amount of any assets that might be impaired. If so, the Group estimates the expected recoverable amount of the asset. The expected recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. The Group recognises an impairment loss in profit or loss when the expected recoverable amount of an asset is less than its carrying amount. The Group makes the necessary calculations based on appropriate discounting of long-term future cash flow projections.

For goodwill, the Group tests annually whether goodwill has been impaired.

The return on cash-generating units was determined on the basis of the value in use calculation. The use of estimates is essential for these calculations. In determining the impairment of goodwill, it is necessary to estimate the value in use of the cash-generating units to which the goodwill has been allocated. In calculating value in use, it is essential that management estimates the expected future cash flows of the cash-generating unit and the appropriate discount rate, because the present value can be calculated only on their basis.

The Group may recognise impairment losses on financial assets measured at amortised cost and at fair value through other comprehensive income. The impairment loss is recognised in the profit and loss account and reduces the carrying amount of the corresponding financial asset; for financial assets at fair value through other comprehensive income, the impairment loss is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset at fair value through other comprehensive income.

2.1.10. Investments in associates and jointly managed enterprises

Associates are companies in which 4iG has significant influence but no control over the financial and operating rules. Significant influence is understood to mean the power to participate in the financial and operating policy decisions of the investees but does not constitute control or joint control over those policies.

A jointly controlled entity is a type of joint arrangement in which the parties to the arrangement have joint control over the net assets of the joint venture. Joint control is a contractual sharing of control over an arrangement that exists only when decisions about the relevant activities are unanimously agreed by the parties sharing control.

The 4iG Group accounts for its investments in associates and jointly controlled entities using the equity method. Under the equity method, investments in associates and jointly controlled entities are initially recognised at cost. The carrying amount of the investments is adjusted for changes in the carrying amount since the acquisition date, which the Group accounts for in proportion to its share of the net assets. Goodwill relating to associates or jointly controlled entities is included in the carrying amount of the investment and is not tested separately for impairment.

The excess of the net fair value of the identifiable assets and liabilities of the acquired investment over the cost of the acquisition is included as income in proportion to the interest in the associate or jointly controlled entity when determining the Group's share of the profit or loss of the associate or jointly controlled entity in the period in which the associate or jointly controlled entity is acquired.

2.1.11. Financial fixed assets

The Company presents investments in equity instruments of another entity as financial assets under other investments. An equity instrument is any contract that represents a residual interest in the assets of an entity after deducting all of its liabilities. The cost of a non-current financial asset is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the date of acquisition and includes transaction costs. The Group measures all equity investments in other investments at fair value through profit or loss (FVPL) after initial recognition, unless the Group's management has determined at initial recognition that an equity investment is irrevocably designated as at FVPL. Gains and losses arising on equity investments measured at FVPL are included in the consolidated statement of comprehensive income in the line item *Other operating income*.

2.1.12. Non-current assets held for sale

Non-current assets held for sale are assets whose carrying amount will be recovered principally through sale rather than through continuing use in the business. When the Group disposes of a group of assets together with directly associated liabilities in a single transaction (for example, the disposal of a subsidiary or a cash-generating unit), it is classified as held for sale.
The disposal group may be a group of cash-generating units, a single cash-generating unit or part of a cash-generating unit. As soon as the cash flows of an asset or group of assets are expected to arise primarily from sales rather than from continuing use, with less reliance on cash flows from other assets, the disposal group that was part of a cash-generating unit becomes a separate cash-generating unit.

2.1.13. Inventories

Inventories are stated at the lower of cost less any write-down for obsolete or slow-moving inventories and net realisable value.

2.1.14. Receivables

Receivables are stated at nominal value less an appropriate allowance for estimated losses. An estimate of disputed debts is made on the basis of a full review of the outstanding amounts at year-end.

If customers are unable to pay, the Group recognises an allowance for uncollectible and disputed receivables and the resulting losses. Impairment losses recognised for uncollectible and disputed receivables are recognised in the balance sheet and are determined individually. Estimates used to assess the adequacy of the allowance for uncollectible and disputed receivables are based on the ageing of the receivables, the creditworthiness of the customer and changes in the customer's payment patterns, and other information available to the Company (e.g. liquidation, bankruptcy, etc.).

The Group discloses advances to suppliers, short-term loans, rental deposits, receivables from the state budget (including tax and social security receivables) and guarantees given under other receivables and accrued and deferred assets. The Company presents advances to suppliers net of VAT under other receivables. Accrued and deferred assets include both accruals for income and accruals for costs and expenses. Accrued income includes the portion of revenue recognised in accordance with IFRS 15 Revenue from Contracts with Customers that is earned in the current period but not invoiced until the following period, and the amount of state aid accrued in proportion to the costs incurred in the period, in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, based on the intensity of the grant.

2.1.15. Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts with banks, short-term deposits and short-term liquid investments that are readily convertible into a predeterminable amount of cash.
The Company prepares its statement of changes in cash and cash equivalents (cash flow) in accordance with the requirements of IFRS 7 Statement of Cash Flows.

2.1.16. Share capital

Ordinary shares are recorded by the Company as equity. Incidental costs directly attributable to the issue of new ordinary shares are shown as a deduction from equity.

2.1.17. Financial assets

Financial assets within the scope of IFRS 9 fall into three measurement categories: those measured at amortised cost on initial recognition, those measured at fair value through other comprehensive income (FVOCI) on initial recognition, and those measured at fair value through profit or loss (FVPL) on initial recognition.

After initial recognition, financial assets held for trading are measured at fair value through profit or loss (FVPL). Unrealised foreign exchange gains and losses on trading securities are recognised as other income (expense).

Other non-current investments classified as held-to-maturity, such as certain bonds, are carried in the balance sheet at amortised cost after initial recognition. The amortised cost is calculated by taking into account the discount or premium at acquisition over the period to maturity. For investments carried at amortised cost, any gain or loss arising on derecognition or impairment of the investment or during the amortisation period is recognised as income.

For investments traded on a stock exchange, the market value is determined on the basis of the official exchange rate published at the balance sheet date. For unlisted or unquoted securities, the market value is the market value of a similar or substitute financial investment, where this method is not applicable, the market value is determined on the basis of the estimated future cash flows of the asset to which the investment relates.

Investments in securities are sold at the settlement date price and initially at the purchase price. Short-term investments that include securities held for trading purposes are stated at fair market value at the next reporting date and are valued at the quoted market price at the balance sheet date. Unrealised gains and losses are included in the profit and loss account.

Financial assets are derecognised when the Group no longer has control over the contractual rights to the financial asset, which is usually when the asset is sold or when the cash flows associated with the asset are transferred to a third party.

The Group assesses at each reporting date whether an impairment loss should be recognised for a financial asset or group of assets. If any circumstances arise for assets carried at amortised cost that indicate that an impairment loss should be recognised, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the future cash flows discounted at the original effective interest rate. The impairment loss is recognised in the profit and loss account. If, in the future, the amount of the impairment loss recognised decreases, it is reversed, but only to the extent that the carrying amount of the asset does not exceed its amortised cost at the balance sheet date.

Credit losses on financial assets:

Based on changes in credit risk, impairment should be reviewed at each reporting date and an assessment made as to whether the impairment should be recognised up to the amount of the lifetime expected credit loss or the 12-month expected credit loss. If it is not possible to assess at the level of the individual financial asset whether its credit risk has increased significantly, it should be assessed on a group basis.
Simplified and general approaches are used for the assessment and recognition of impairment.

1. *A simplified approach*
All financial instruments valued using the simplified approach are valued at the lifetime expected credit loss. The simplified approach is used for trade receivables, contract assets.

2. *General approach*
The expected credit loss model classifies financial instruments into three groups based on changes in the credit risk of the financial instrument. The relative credit risk model is used to assess the elevated credit risk. The increase in credit risk from the initial recognition is reflected in the reclassification of financial instruments between baskets.
Based on the expected credit loss model, impairment can be divided into three categories: impairment calculated on the basis of expected credit loss over 12 months, impairment calculated on the basis of expected credit loss over the life of the loan and impairment calculated using the effective interest rate method.
The general approach is applied to other financial receivables and loans provided.

2.1.18. Financial liabilities

The Group's consolidated statement of financial position includes the following financial liabilities: trade payables and other current liabilities, loans, borrowings, bank overdrafts and forward transactions. Their recognition and measurement in the consolidated financial statements is disclosed in the relevant sections of the notes to the consolidated financial statements as follows.

The Group initially measures all financial liabilities at fair value. In the case of loans, transaction costs that are directly attributable to the acquisition of the financial liability are also taken into account.

Financial liabilities within the scope of IFRS 9 are classified into three measurement categories: those measured at amortised cost on initial recognition, those measured at fair value through other comprehensive income (FVOCI) on initial recognition and those measured at fair value through profit or loss (FVPL) on initial recognition. The Group determines the classification of each financial liability on acquisition.

Financial liabilities at fair value through profit or loss are liabilities that the Group has acquired for the purpose of trading or that it has designated as at fair value through profit or loss upon initial recognition. Financial liabilities held for trading are those liabilities that the Group has acquired principally for the purpose of generating expected profits from short-term fluctuations in foreign exchange rates. This category also includes forward contracts that do not qualify as effective hedging instruments.

Loans and borrowings are stated at amortised cost using the effective interest method in the statement of financial position. Gains and losses relating to loans and borrowings are included in the statement of income through amortisation using the effective interest method and on derecognition of the financial liability. Amortisation is recognised as a financial expense in the statement of income.

2.1.19. Provisions

The Group recognises provisions for obligations (legal or constructive) as a result of past events that the Group is likely to have to settle if the amount of the obligation can be measured reliably.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties specific to the obligation. Where the expected cash flows required to settle the present obligation are used to measure provisions, the carrying amount of provisions is the present value of those cash flows.

Where some or all of the expenses required to settle a provision is expected to be reimbursed by another party, the receivable is recognised as an asset when it is virtually certain that the entity will receive reimbursement and the amount of the receivable can be measured reliably.

Existing commitments arising from unfavourable contracts are included as provisions. The Group classifies a contract as an unfavourable contract when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be generated due to the contract.

A provision for restructuring is recognised when the Group has prepared a detailed formal plan for the restructuring and, by commencing implementation of the plan or by announcing the main features of the plan to stakeholders, has created a valid expectation that it will be implemented. A restructuring provision includes only direct costs incurred in connection with the restructuring that necessarily accompany the restructuring and are not related to the continuing operations of the entity.

The Company recognises as a provision the estimated future costs of decommissioning, removal and site restoration, which costs shall be included in the cost of an item of property, plant and equipment or an item right-of-use. This legal obligation may be direct, if it requires the dismantling and/or restoration of the site, or indirect, if the regulation requires the remediation of environmental contamination, but this can only be achieved by the dismantling of the tangible assets.
Even if it is certain and foreseeable that, after a specified period of time, circumstances will arise that will probably require the assets to be dismantled and their site restored, the estimated costs of dismantlement should be capitalised to the asset if, at the time the asset is capitalised, it is possible to determine the expected cost of dismantling the asset. These future costs should be recognised as provisions until they are incurred. No provision shall be made for, or capitalised as an asset for, decommissioning for which the Group has no legal or constructive obligation.

2.1.20. Taxation

2.1.20.1. Profit taxes

Profit taxes consist of actual and deferred taxes. They are recognised in profit or loss for the year, except for amounts relating to business combinations or items that are recognised directly in equity or other comprehensive income.

Tax for the current year

The rate of corporate tax is based on the tax liability determined by the by Act LXXXI of 1996 on Corporate and Dividend Tax, Act C of 1990 on Local Taxes and the Act LXXVI of 2014 on Innovation Levy, modified by the deferred tax. The corporate tax liability includes current and deferred tax elements.

Tax liability for the current year is determined by the taxable profit for the current year. The taxable profit differs from the profit before tax shown in the consolidated accounts because of non-taxable profits and losses and items that are included in the taxable profit of other years. The Group's current tax liability is determined using the tax rate that has been enacted or substantively enacted (where enactment is equivalent to the enactment date) at the balance sheet date.

Deferred tax

Deferred tax arises when there is a timing difference between the recognition of an item in the annual accounts and its recognition under the Tax Act. Deferred tax is determined using the liability method. The deferred tax asset and liability are measured using the tax rates applicable to taxable income for the years in which the timing difference is expected to reverse. The amount of the deferred tax liability and asset reflects the Group's estimate at the balance sheet date of how the tax assets and liabilities will be recovered or settled.

A deferred tax asset is recognised for deductible temporary differences, carry-forward of unused tax losses and tax losses only to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

At each balance sheet date, the Group recognises deferred tax assets not recognised in the balance sheet and the carrying amount of recognised tax assets. It recognises the portion of receivables not previously recognised in the balance sheet that is expected to be recoverable through a reduction in future income taxes. Conversely, the Group reduces its deferred tax asset to the extent that no taxable profit is expected to be available to recover the amount. Current and deferred tax is charged or credited directly to equity to the extent that it relates to items that were also charged or credited to equity in the same or a different period, including adjustments to the opening balance of reserves due to retrospective changes in accounting policies.

Deferred tax assets and liabilities may be offset when the company has a legally enforceable right to set off its current tax assets and liabilities against each other and the Group intends to settle these assets and liabilities on a net basis.
In the consolidated financial statements, the current tax assets of one entity in the Group shall be included in the current tax liabilities of another entity in the Group if, and only if, the entities concerned have a legally enforceable right to a single net amount to be paid or received and the entities intent to pay or receive that net amount or to realise the asset and settle the liability simultaneously.

2.1.20.2. Other taxes

The Group discloses separately from profit taxes, under other expenses, among others, mainly the extra profit and utility tax in the telecom segment, and the environmental product charge and motor vehicle tax in both the telecom and IT sectors.

2.1.21. Leasing

On 13 January 2016, IASB issued a new standard on accounting for leases, IFRS 16 Companies applying IFRS are required to apply the new leasing standard for annual periods beginning on or after 1 January 2019. The new standard replaces IAS 17 Leases and fundamentally changes the accounting for operating leases.
The assessment of the scope and financial impact of IFRS 16 started in 2018. The significant financial impact relates to office leases. The Company has made significant changes to its consolidated statement of financial position and consolidated profit and loss account.
Under IFRS 16 Leases, a lessee is required to recognise and measure an asset right and a liability simultaneously on the balance sheet.

The right to use assets is treated in the same way as other non-financial assets and depreciation is accounted for accordingly. The initial measurement of the lease liability is based on the present value of the lease payments over the lease term, calculated using the implicit interest rate, if that rate can be determined precisely. If this rate is not available or is difficult to determine, the lessee may then use the incremental borrowing rate for discounting.
IFRS 16 (similarly to the provisions of former IAS 17), it shall be investigated on the lessor’s side whether a lease transaction shall be classified as an operative or a financial lease.

A lease transaction shall be classified as a financial lease if the lessor basically transfers the entirety of the risks and benefits related to the possession of the subjected asset to the lessee. Otherwise, the said transaction shall be classified as an operating lease. The lessor shall present its financial revenues during the maturity period of the lease transaction resulting a constant periodical rate of return in respect of the net lease investment of the lessor.

The lease fees gained from the operative lease transactions shall be presented by using the linear method or another systematic method. The lessor shall apply a different systematic method if that reflects the decrease of the profit gained from the subjected asset more appropriately.

The Corporate Group applies the IFRS 16 standard from 1 January 2019; however, as an exception, the Company accounts for the lease fee paid for the short-term lease of small-value assets as an expenditure.

2.1.22. Earnings per share (EPS)

Earnings per share are calculated by considering the Group's profit and loss and the share stock less by the average treasury stock of own shares repurchased in the given reporting period.

The value of the diluted earnings per share is calculated similarly to the earnings per share. However, in this calculation all diluted shares on the market are taken into consideration upon increasing the profit distributable on the ordinary shares by the output and dividend payable on the convertible shares in the given period, while the hereof is modified by conversion revenues and expenditures, and increased by the weighted average number of the shares on the market by the weighted average number of the shares which were to be on the market if all convertible bonds were converted.

In addition, the number of shares included in the current stock option program in the relevant period is also taken into account as an item that reduces own shares, in the event that the option exercise conditions defined in the stock option program are met at the time of preparation of the report, and the given own shares have not yet been exercised.

2.1.23. Off-balance sheet items

Off-balance sheet liabilities are not included in the consolidated annual balance sheet and in the profit and loss account unless they are acquired upon business combinations. The off-balance sheet items are presented in the notes to the financial statements, except if the possibility of an outflow of the sources of economic benefit is distant and minimal. Off-balance sheet receivables are not included in the consolidated annual balance sheet and in the profit and loss account, but to the extent of the likelihood of the economic benefits, the hereof shall be presented in the notes to the financial statements.

2.1.24. Repurchased treasury shares

The acquisition value of the repurchased treasury shares is shown in the balance sheet as a separate line item under capital items, with a negative sign.

2.1.25. Dividends

Dividends are recognised in the year in which they are approved by the shareholders.
On 29 April 2022, the Board of Directors of the Company, empowered by the rights of the General Meeting, decided to pay a dividend of HUF 2 968 174 447, the dividend payment started on 4 July 2022 with the assistance of KELER Zrt.

2.1.26. Transactions with minority shareholders

In all cases, transactions with minority shareholders take place under normal market conditions. In the event that dividends are paid to both the majority 4iG group subsidiary and the minority shareholder, the amount of dividends paid to the minority shareholder reduces the amount of the non-controlling interest.

2.1.27. Transactions with related parties

Related parties of the Group may be individuals or entities that are related to the Group.
In the case of an individual or a close relative of an individual, a relationship with the Group exists if the individual:

- exercises control, joint control, or
- has significant influence over the Company;
- is a key management personnel of the reporting entity or one of its parent entities.

An entity is related to the reporting entity if any of the following conditions are met:

- The entity and the reporting entity are part of the same group (i.e. each parent, subsidiary and associate is related).
- One entity is an associate or joint venture of another entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- An entity provides a post-employment benefit plan for employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself provides such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by an individual related to the Company or such an individual has a key management position in the entity.
- An entity, or any member of the group of which the entity is a part, provides key management services to the reporting entity or the parent of the reporting entity.

The Group has entered into transactions with related parties on the same terms as transactions with unrelated parties where these terms are reasonable.

2.1.28. Employee benefits

Employee benefits are short-term employee benefits (other than termination benefits) that fall due in full within 12 months after the end of the period in which the employee has completed the related service. Examples include bonuses and monthly salaries due within 12 months of the balance sheet date.

2.1.29. Share-based payments

Payments in equity instruments

The cost of equity-settled transactions is determined on the basis of the fair value at the grant date.

This cost is recognised as an expense in employee benefits costs, with a corresponding increase in equity, over the period in which the service and, where applicable, performance conditions are met (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date up to the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the profit and loss account for a period represents the movement in the cumulative expense recognised at the beginning and end of that period.

Payments in cash

The liability is recognised and measured as follows:

- The fair value of the grant at each reporting date between the grant date and the settlement date is determined in accordance with the specific requirements of IFRS 2.
- The liability recognised at each reporting date during the vesting period is the fair value of the benefit under IFRS 2 at that date multiplied by the portion of the vesting period that has expired.
- From the end of the vesting period until settlement, the liability recognised is measured at fair value at the reporting date.

All changes in the liability are recognised in the profit or loss account for the period.

Share-based payments, where the counterparty can choose to settle in shares or cash

If the counterparty has the right to choose settlement in equity or cash, IFRS 2 treats the transaction as a compound instrument for which split accounting applies. The general principle is that the transaction should be separated into a liability component (the counterparty's right to demand settlement in cash) and an equity component (the counterparty's right to demand settlement in an equity instrument). After the split, the two components shall be accounted for separately.

The fair value of the liability component is determined at the settlement date. The equity component is the difference between the fair value of the goods or services received (at the date of the service) and the fair value of the liability component.

Employee share ownership programme – ESOP

The Group uses the extension method to measure the "ESOP" share-based payments (extension method). Under this method, the parent company (4iG Plc) is in substantially the same position as if it were the direct owner of the shares and therefore accounts for them as equity. There is no difference between the consolidated financial statements of the parent company and the standalone financial statements with respect to the treatment of the related share-based payment arrangement.

2.1.30. Result of financial operations

The financial result includes interest and dividend income, interest and other financial expenses, fair value gains and losses on financial instruments and realised and unrealised exchange differences.

The borrowing costs incurred to produce an asset until it is put into service or sold are included in the purchase price of the asset. Borrowing costs include interest and other costs associated with the borrowing and exchange differences incurred up to the amount by which the interest cost is adjusted. Borrowing costs are capitalised as part of the cost of an asset when it is probable that future economic benefits associated with the borrowing will flow to the enterprise and the amount can be measured reliably. Other credit-related costs are expensed as incurred.

2.1.31. State aid

State aid can be accounted for when it is probable that the aid will be received, and the conditions attached to the aid have been met. When the aid is used to offset a cost, it is charged to the income statement in the period in which the offset cost is incurred (other income). When the aid relates to the acquisition of an asset, it is recorded as deferred income and is charged to the income statement in equal annual amounts over the useful life of the related asset.

2.1.32. Impairment of goodwill

As described in Section 2.1.7 of significant accounting policies, the Group tests annually whether goodwill has been impaired. The recoverable amount of cash-generating units is determined based on value in use calculations. The use of estimates is essential for these calculations. In determining the impairment of goodwill, it is necessary to estimate the value in use of the cash-generating units to which the goodwill has been allocated. In calculating value in use, it is essential that management estimates the expected future cash flows of the cash-generating unit and the appropriate discount rate, because only from these can the present value be calculated.

2.1.33. Impairment of uncollectible and disputed receivables

The Group recognises an allowance for uncollectible and disputed receivables to cover losses arising from the inability of customers to pay. Estimates used to assess the adequacy of the allowance for uncollectible and disputed receivables are based on the aging of the receivables, the creditworthiness of the customer and changes in customer payment patterns.

2.1.34. Depreciation and amortisation

Real estate, machinery, equipment and intangible assets are carried at cost and depreciated on a straight-line basis over their useful lives. The useful lives of assets are determined based on historical experience of similar assets and expected technological developments and changes in wider economic or industry factors. Estimated useful lives are reviewed annually.

2.1.35. Operational segments

The Group shall disclose the factors used to identify the segments that the entity reports, including the basis of their operation and the factors considered in determining whether segments are aggregated. The 4iG Group's revenue-generating activities shall be disaggregated into operating segments (considering the same units that management uses to operate the business), which shall be aggregated for reporting purposes only if the specified criteria are met. This process may require considerable judgement, because it is not always possible to identify clearly which elements of a 4iG are operating segments in accordance with IFRS 8 Reporting Segments or which layer of the Company's organisational structure represents the level at which those activities are managed.

2.1.36. Events after the balance sheet date

Events that occur after the end of the reporting period that provide additional information about the Group's circumstances at the end of the reporting period (adjusting items) are disclosed. Events after the end of the reporting period that do not change the amounts reported but are material are disclosed in the supplementary notes.

2.2. Changes in accounting policies

The Group has prepared its financial statements in accordance with the provisions of all standards and interpretations effective from 1 January 2022.

The Group's accounting policies have changed in respect of the following:

- Unlike in previous financial years, the 4iG Group started to apply the practical solution provided by IFRS 16 from 1 January 2022, whereby non-lease components are not separated from lease components, but these items are accounted for as a single lease component and recognised in the value of the lease liability.

Changes in grouping and presentation:

The Company will change the presentation of its assets and liabilities from 2022, given the significant change in its size and funding structure, as it believes this will significantly improve the quality and understandability of its financial statements. The new presentation clearly separates contract assets, liabilities, and customer contract balances.

In addition to the above, the Company has decided to present the gain or loss on remeasurement of equity instruments at fair value through profit or loss (FVTPL) in the other operating income or other operating expenses line instead of the financial income and expenses line.

The impact of the change in accounting policy on the opening figures of the previous year is presented below, while the impact on the closing figures at the end of the previous period is presented in Section 2.4 *Changes in financial data for the previous year*.

Data in millions of HUF, unless otherwise indicated

	01/01/2021	01/01/2021	01/01/2021
ASSETS	**Modified**	**Accounting policy change**	**Published**
Non-current assets			
Property, plant, equipment	777	0	777
Intangible assets	710	0	710
Right of use of assets	992	26	966
Contract assets	0	0	0
Deferred tax receivables	37	0	37
Goodwill	1 333	0	1 333
Other investments	166	0	166
Total non-current assets	**4 015**	**26**	**3 989**
Current assets			
Cash and cash equivalents	7 205	0	7 205
Trade receivables	17 494	0	17 494
Other receivables, other accrued and deferred assets	5 398	0	5 398
Securities	418	0	418
Inventories	3 359	0	3 359
Total current assets	**33 874**	**0**	**33 874**
Total assets	**37 889**	**26**	**37 863**
EQUITY AND LIABILITIES			
Equity			
Share capital	1 880	0	1 880
Repurchased treasury shares	-323	0	-323
Capital reserve	817	0	817
Retained earnings	4 926	-3	4 929
Foreign exchange rate differences	0	0	0
Total equity attributable to owners	**7 300**	**-3**	**7 303**
Non-controlling interest (NCI)	376	0	376
Equity	**7 676**	**-3**	**7 679**
Long-term liabilities			
Provisions	92	0	92
Non-current loans, borrowings, bonds	0	0	0
Finance lease liabilities – non-current	538	14	524
ESOP liabilities	451	0	451
Total non-current liabilities	**1 081**	**14**	**1 067**
Current liabilities			
Trade payables	18 882	0	18 882
Short-term loans, borrowings, bonds	3 019	0	3 019
Other current liabilities and accruals	6 746	0	6 746
ESOP liabilities	0	0	0
Dividends payable to owners	0	0	0
Finance lease liabilities	485	15	470
Total current liabilities	**29 132**	**15**	**29 117**
Total equity and liabilities	**37 889**	**26**	**37 863**

The Group has applied the following new and amended IFRS and IFRIC interpretations during the year. Other than as described below, their application has not had a material impact on the Group's financial statements but has resulted in additional disclosure requirements.

Standards, amendments and interpretations effective from 1 January 2022 that will not have a material impact on the Group:

IFRS 1 First-time Adoption of International Financial Reporting Standards, amendments to IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture, minimum amendments to IAS 16 Real estate, Machinery, Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations (effective from 1 January 2022)
accounting for revenues incurred before the planned entry into service, disadvantageous contracts, costs incurred in the performance of contracts (adopted by the EU, effective for reporting periods from 1 January 2022 and onwards).

Amendments to IFRS 16 Leases (effective from 1 April 2021)
Lease concessions related to Covid-19 for the period after 30 June 2021.

In 2022, the Group applied all IFRS standards, amendments and interpretations that are relevant to the Group's operations and effective from 1 January 2022.

Amendments to existing standards, interpretations of existing standards and new standards that are not yet effective or that the Group will not apply before their effective date.

Amendments to IAS 1 Presentation of Financial Statements – Classification of current and non-current financial liabilities (effective for reporting periods beginning as of or after 1 January 2023).

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (effective for accounting periods beginning as of or after 1 January 2023).

IFRS 17 Insurance Contracts, including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023).

Amendments to IAS 12 Profit Taxes – Deferred Taxes on Assets and Liabilities Arising from a Single Transaction (effective for accounting periods beginning as of or after 1 January 2023).

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Transfer of Assets between an Investor and its Associate or Jointly Controlled Entity (effective date postponed indefinitely pending the conclusion of the research project on the equity method),

IFRS 14 Regulatory Accruals (effective for reporting periods beginning on or after 1 January 2026) - the European Commission has issued a decision that the approval process will not apply to the current intermediate standard and wait for the final standard.

Other new/amended standards or interpretations are not expected to have a significant impact on the Company's financial statements.

2.3. Uncertainty factors

The application of the accounting policies described in Subsection 2.1 requires the use of estimates and assumptions in determining the amounts of certain assets and liabilities at a given date that cannot be clearly determined from other sources. The estimation process involves judgements and relevant factors based on the latest information available. These significant estimates and assumptions affect the reported amounts of assets and liabilities, income and expenses in the financial statements and the disclosure of contingent assets and liabilities in the notes. Actual results may differ from those estimates.

Estimates are continuously updated. Changes in accounting estimates should be taken into account in the period of the change if the change affects only that period, or in the period of the change and future periods if the change affects both periods.
The main areas of estimation uncertainty and critical accounting judgements that have the most significant effect on the amounts recognised in the consolidated financial statements are.

2.4. Adjustment of previous year's financial data

The fair value measurement of the assets and liabilities of the investments acquired in a business combination has been completed. In addition to the impact of the acquisitions in 2021 on the prior year financial statements, the accounting policy change described in the above, Section 2.2 *Changes in accounting policies* has resulted in changes to the figures in the consolidated statement of financial position, statement of comprehensive income and cash flow. The combined effects of the end of the measurement period of the purchase price allocation and the change in accounting policy are presented in the tables below.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position

	31/12/2021 Modified	31/12/2021 Purchase price allocation adjustment	31/12/2021 Accounting policy change	31/12/2021 Published
ASSETS				
Non-current assets				
Property, plant, equipment	43 189	4 220	-644	39 613
Intangible assets	11 134	1 345	0	9 789
Customer relationship	26 907	26 907	0	0
Right of use of assets	19 957	202	1 917	17 838
Contract assets	398	0	0	398
Deferred tax receivables	0	-134	-558	692
Goodwill	85 882	-29 057	0	114 939
Other investments and other non-current assets	236	0	0	236
Total non-current assets	**187 703**	**3 483**	**715**	**183 505**
Current assets				
Cash and cash equivalents	266 530	0	0	266 530
Trade receivables	35 798	-127	0	35 925
Other receivables, other accrued and deferred assets	11 032	17	0	11 015
Securities	17	0	0	17
Inventories	2 300	-644	0	2 944
Assets held for sale	0	0	0	0
Total current assets	**315 677**	**-754**	**0**	**316 431**
Total assets	**503 380**	**2 729**	**715**	**499 936**
EQUITY AND LIABILITIES				
Equity				
Share capital	2 064	0	0	2 064
Repurchased treasury shares	-246	0	0	-246
Capital reserve	3 869	0	0	3 869
Retained earnings	9 214	38	-617	9 793
Accumulated other comprehensive income	136	0	0	136
Total equity attributable to owners	**15 037**	**38**	**-617**	**15 616**
Non-controlling interest (NCI)	1 623	-18	0	1 641
Total equity	**16 660**	**20**	**-617**	**17 257**
Long-term liabilities				
Provisions – non-current	841	-115	0	956
Non-current loans, borrowings, and bonds	407 739	0	0	407 739
Finance lease liabilities	15 596	26	1080	14 490
Deferred tax liabilities	2 734	2 710	24	0
Other long-term liabilities	0	0	0	0
Total long-term liabilities	**426 910**	**2 621**	**1 104**	**423 185**

Data in millions of HUF, unless otherwise indicated

Current liabilities				
Trade payables	23 252	0	0	23 252
Short-term loans and borrowings	0	0	0	0
ESOP liabilities	866	0	0	866
Dividends payable to owners	0	0	0	0
Provisions – current	426	426	0	0
Liabilities related to assets held for sale	0	0	0	0
Finance lease liabilities – current	3 784	-28	228	3 584
Other current liabilities and accruals	31 482	-310	0	31 792
Total current liabilities	**59 810**	**88**	**228**	**59 494**
Total equity and liabilities	**503 380**	**2 729**	**715**	**499 936**

As a result of the fair valuation of assets and liabilities, a deferred tax liability of HUF 3,426 million arose as of 31 December 2021. The combined balance of the 692 million deferred tax assets published on 31 December 2021 and the deferred tax effect of the fair valuation is HUF 2,734 million deferred tax liability according to the modified data

Data in millions of HUF, unless otherwise indicated

Consolidated income statement

	2021 Modified	2021 Purchase price allocation adjustment	2021 Accounting policy and presentation change	2021 Published
Net sales revenue	93 653	0	0	93 653
Other operating income	2 363	0	0	2 363
Revenue in total	**96 016**	**0**	**0**	**96 016**
Goods and services sold	-59 090	0	0	-59 090
Operating expenses	-8 037	0	16	-8 053
Staff costs	-16 250	0	0	-16 250
Other operating expenses	-846	0	-316	-530
Operating costs	**-84 223**	**0**	**-300**	**-83 923**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**11 793**	**0**	**-300**	**12 093**
Depreciation and amortisation	-4 750	-548	-32	-4 170
Earnings before Interest and Tax (EBIT)	**7 043**	**-548**	**-332**	**7 923**
Financial income	3 771	0	-55	3 826
Financial expenses	-2 712	0	300	-3 012
Profit before tax	**8 102**	**-548**	**-87**	**8 737**
Income taxes	-1 518	57	0	-1 575
Profit after tax	**6 584**	**-491**	**-87**	**7 162**
Other comprehensive income	136	0	0	136
Total comprehensive income	**6 720**	**-491**	**-87**	**7 298**
Of which: result of discontinued activity	*0*	*0*	*0*	*0*
Profit after tax attributable to:	**6 584**	**-491**	**-87**	**7 162**
Owners of the Company	6 399	-473	-87	6 959
Non-controlling interest	185	-18	0	203
Total comprehensive income attributable to:	**6 720**	**-491**	**-87**	**7 298**
Owners of the Company	6 535	-473	-87	7 095
Non-controlling interest	185	-18	0	203

As of the 31 December 2022 balance sheet date, the measurement period for the purchase price allocation was completed for the following 2021 acquisitions:

- On 12 May 2021, the transaction to acquire 100% of the shares of Portuguese Telecommunication Investments Kft. was completed, as a result of which 4iG Plc acquired a 75% indirect stake in Hungaro DigiTel Kft.
- On 30 September 2021, 4iG Plc acquired 100% of the shares in Invitech ICT Services Kft. and InviTechnocom Kft.

- 4iG Plc acquired 100% ownership of ONE Crna Gora d.o.o. (formerly Telenor Podgorica d.o.o.) through its subsidiary 4iG Montenegro d.o.o., established on 21 December 2021.

The financial information for the previous year is not restated, but the measurement period for the purchase price allocation for the following acquisitions has been completed up to the date of this report and the assets and liabilities of the subsidiaries are now reported at fair value:

- On 3 January 2022, 4iG Plc acquired a 100% stake in DIGI Távközlési és Szolgáltató Kft. and also acquired the majority ownership of the subsidiaries of this company (100% ownership of DIGI Infrastruktúra Kft., i-TV Zrt. and 99.99% ownership of INVITEL Zrt.).

- On 4 March 2022, 4iG Plc through its subsidiary 4iG Albania Ltd., acquired 80.27% of the shares of ALBtelecom sh.a., Albania.

- On 21 March 2022, the Company continued its expansion in Albania and took a controlling position in the Bulgarian parent company Albania Telecom Invest AD (100% acquisition) at the head of ONE Telecommunications sh.a. (99.9% acquisition).

- The acquisition of "ANTENNA HUNGARIA" Zrt. by way of a contribution completed on 31 March 2022, during which 4iG Plc acquired 76.78% of the shares of the company in a two-step business combination from DIGI Group (see subsidiaries listed above), ALBtelecom sh.a. (and its parent company 4iG Albania Ltd.), ONE Telecommunications sh.a. (and Albania Telecom Invest AD), Invitech Group and the shares of the Montenegrin subsidiaries.

The Company acquired control and 75% ownership of BRISK Digital Group Kft and its subsidiaries on 15 November 2022. For these companies, due to the nature and complexity of their activities, the necessary external expertise has been engaged, however, the valuations have not been completed as of the date of issuance of the financial statements. In accordance with the provisions of IFRS 3 Business Combinations, provisional amounts for reliable estimates of cost have been recognised in the consolidated financial statements for 2022. During the maximum 1 year measurement period allowed by IFRS 3, the fair value measurement will be completed and the fair values will be adjusted back to the acquisition date if necessary to reflect information about facts and circumstances at the acquisition date that, if known, would have affected the measurement of the amounts recognised at that date.

Data in millions of HUF, unless otherwise indicated

3. Net sales revenue

The Company's accounting policy on revenue recognition is specified in in Subsection 2.1.3.

	2022	2021
Net sales revenue	277 421	93 653
Total	**277 421**	**93 653**

Following the dramatic increase in 2021, the Group's sales revenue increased significantly again as a result of acquisitions on the one hand, and the reorganisation and strengthening of the commercial organisation on the other. After the export sales revenue of HUF 940 million in the previous year, the domestic subsidiaries achieved HUF 2,243 million in export sales revenue in the current year, of which HUF 1,755 million within the European Union, HUF 488 million outside the EU. The sales revenue of the Albanian and Montenegrin subsidiaries was HUF 62,825 million.

Main types of revenue:

- A significant proportion of the IT division's sales are product sales, where revenue is recognised when control of the product is transferred to the customer.
- IT projects account for another significant share of revenue. Where the Group transfers control of the service on an ongoing basis, subject to the conditions set out in the standard, it also recognises revenue from the sale of services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service. The determination of the stage of completion assumes significant estimates, for which the Group performs detailed tests and evaluations. The presentation of contract assets and liabilities recognised at the balance sheet date is disclosed in Sections 24 and 41.
- With the acquisition of the new subsidiaries, telecoms revenue accounted for a significant share of revenue in 2022. The revenue recognition requirement of IFRS 15 mainly affects the revenue of DIGI Távközlési és Szolgáltató Kft., "ANTENNA HUNGÁRIA" Zrt. and the Albanian and Montenegrin subsidiaries. Thus, the total consideration for the bundled telephones and other telecommunications equipment and telecommunications services sold is allocated to the individual bundles on the basis of the standard.

Data in millions of HUF, unless otherwise indicated

4. Other operating revenue

The composition of other operating revenue was as follows:

	2022	2021
State subsidies and refunds	206	198
Provisions release	2	216
Penalties, liquidated damages, compensations	264	17
Income of intangible assets and tangible assets sold	3 648	53
Impairment reversal	1 459	806
Own performance capitalized	6 747	928
Employee refunds	57	36
Other subsidies	7	35
Other operating income from acquisitions and group restructuring	8 478	0
Fair value difference on FVTPL investments	5 765	0
Other	935	74
Total	**27 568**	**2 363**

Higher amounts of state subsidies:
HUF 9 million was allocated to the project "*Application of networked technologies in the field of design, manufacture, installation, maintenance and related services of steel structures*".
HUF 176 million is accrued income based on the subsidy intensity of the GINOP-2.3.4-15-2020-00010 grant "Centre for Higher Education and Industry Cooperation - Research Infrastructure Development" accounted for the R&D grant “Staff costs”.

Impairment reversal recognised in other revenue is detailed in Section *8. Other operating expenses*.

Own performance capitalised in 2022 for the Group amounted to HUF 6,747million.

Research projects classified as development at Company:
In 2022, the value of capitalised developments at 4iG Plc was HUF 704 million, of which significant part was due to market R&D development, the Payment switch (PS) project and product development. Unfinished developments at the end of 2022 worth HUF 814 million.

Internally developed plant, property and equipment:
The value of own performance capitalised at Invitech ICT Services Kft. in 2022 was HUF 1,023 million, which resulted from the direct costs of telecommunications network construction and IT systems development. DIGI Távközlési és Szolgáltató Kft. recognised own work capitalised of HUF 3,003 million for FTTH (Fiber to the Home) network development, related backbone network development and mobile site construction. Labour and material costs for the FTTH network development and new connections under the Superfast Internet Programme (SZIP) at INVITEL Zrt amounted to HUF 568 million.

The Group recognised other operating income from the acquisition of “ANTENNA HUNGÁRIA” Zrt. and Group restructuring efforts of HUF 8,478 million.

Data in millions of HUF, unless otherwise indicated

TMT Hungary B.V. and TMT Hungary Infra B.V., which are among the investments of "ANTENNA HUNGÁRIA" Zrt. with a 25% stake, are 100% owner of Yettel Magyarország Zrt., Yettel Real Estate Hungary Zrt. and CETIN Hungary Zrt, in which the Company Group measures its interest at fair value through profit or loss (FVTPL) in accordance with IFRS 9. In 2022, the Company recognised a fair value difference of HUF 5,765 million for the interest.

In the table above, the other line includes, among others, other operating income recognised by ALBtelecom sh.a related to remission of supplier debt.

5. Cost of goods and services sold

	2022	2021
Cost of goods sold	-25 663	-34 096
Cost of services sold	-67 803	-24 994
Total	**-93 466**	**-59 090**

The volume of cost of goods and services sold is determined by the nature of the Group's activities and the need for external resources related to the significant growth of its turnover. The main drivers of the increase in the amount of cost of goods and services sold in the period under review are the acquisitions in 2022 and the second half of 2021.

6. Operating expenses

	2022	2021
Material costs	-19 580	-625
Value of contracted services	-31 305	-7 102
Value of other service activities	-5 116	-310
Total	**-56 001**	**-8 037**

The significant increase in contracted services was due to an increase in advisory, legal and other acquisition and administrative costs related to the acquisitions made during 2022, as well as a significant expansion of the Company's activities and the increased number of consolidated companies.

Data in millions of HUF, unless otherwise indicated

7. Staff costs

	2022	2021
Wages and salaries	-44 968	-12 786
Other staff benefits	-5 786	-1 249
Contributions on wages and salaries	-6 572	-2 215
Total	**-57 326**	**-16 250**
Average statistical number	6 020	1 282

With the subsidiaries acquired during 2022, the number of employees of the Group has increased significantly, with a corresponding increase in wages and salaries.

8. Other operating expenses

	2022	2021
Grants for foundations	-85	-74
Penalties, liquidated damages, compensations	-13 726	-32
Book value of intangible and tangible assets sold	-201	-47
Scrapping of tangible and intangible assets	-143	0
Taxes, duties, contributions	-3 134	-185
Impairment of inventories	-218	-47
Impairment of receivables	-5 379	-63
Losses related to damages	-8	-2
Assets given without compensation	-14	0
Provisioning	-478	0
Fair value losses on securities	0	-316
Other	-756	-80
Total	**-24 142**	**-846**

Each year the Group reviews the marketability of its inventories and, based on the market knowledge of traders, recognises an impairment loss on slow-moving inventories and discards obsolete inventories. In this context, 4iG Plc has recognised HUF 121 million and DIGI Távközlési és Szolgáltató Kft. HUF 361 million as expenses.
Penalties, liquidated damages, compensations include other technical payments incurred in acquisitions that cannot be recognised as purchase price in connection with the transaction in accordance with IFRS 3 Business Combinations, including the cost of terminating an option contract on a previously acquired subsidiary.

Taxes, duties and contributions include the telecommunications tax (HUF 757 million), extra profit tax (HUF 599 million) and the supervisory fee payable to the National Media and Infocommunications Authority (HUF 101 million) accounted for by DIGI Távközlési és Szolgáltató Kft. INVITEL Zrt. reported HUF 112 million in extra profit tax for 2022 and HUF 145 million in telecoms tax, while Invitech ICT Services Ltd. reported HUF 136 million in sectoral extra tax, HUF 114 million in telecoms tax and HUF 482 million in utility line tax. “ANTENNA HUNGÁRIA” Zrt. reported HUF 250 million as sectoral special tax, as well as HUF 63 million in building tax and HUF 34 million in land tax.

Data in millions of HUF, unless otherwise indicated

Impairment spreadsheet for the year 2022:

	Opening	Acqusition	Increase	Decrease	Decrease due to inventory usage	Cumulative translation adjustment	Closing
Trade receivables	-6 597	-18 454	-5 379	430	0	-2 580	-32 580
Other receivables	-24	-714	0	132	0	-85	-691
Inventories	-699	-3 099	-218	898	249	-284	-3 153

9. Depreciation and amortisation

The Group's activities are highly asset-intensive due to the expansion of the telecommunications segment.

	2022	2021
Depreciation	-74 827	-4 750
Total	**-74 827**	**-4 750**

The depreciation line includes the depreciation in the current year of items recognised as right of use of assets under IFRS 16, which amounted to HUF 12,103 million in 2022. The surplus depreciation charge recognised in the year under review for the fair value difference recognised at the acquisition date on the tangible and intangible assets of the companies acquired in 2021 and 2022 amounted to HUF 12,620 million.

10. Financial income and expenses

	2022	2021
Financial income		
Interest income	5 959	209
Exchange rate gains	14 476	3 562
Other	2 476	0
Total	**22 911**	**3 771**

	2022	2021
Financial expenses		
Interest on bonds	-22 580	-2 086
Other interest expense	-7. 595	-233
Profit or losses of joint venture	-27	-1
Exchange rate losses	-6 153	-392
Other	-1 030	0
Total	**-37 385**	**-2 712**

Data in millions of HUF, unless otherwise indicated

Interest received from financial institutions is presented on the line interest income in the amount of HUF 5,571 million, from that HUF 2,924 million is related to 4iG Plc. and HUF 2,105 million is the interest received at "ANTENNA HUNGÁRIA" Zrt. The other interest line contains the dividend received from the shares of "ANTENNA HUNGÁRIA" Zrt. in the amount of HUF 2,251 million.

Interest on bonds includes the interest expense paid to bondholders on bonds issued. The other interest expense line includes, besides the interest paid to financial institutions, the interest on leases valued in accordance with IFRS 16 Leases standard, which amounted to HUF 3,255 million and interest expense related to the the content fee liabilities at DIGI Távközlési és Szolgáltató Kft. in the amount of HUF 1,195 million. The Group's share of the results of the joint venture Rotors & Cams Zrt. for the period is presented under financial expenses.

11. Income taxes

Income taxes related to expenditures consist of the hereunder as follows:

	2022	2021
Corporate income tax	-2 878	-713
Deferred tax	1 956	-93
Business tax	-2 281	-610
Innovation contribution	-382	-102
Total	**-3 585**	**-1 518**

The profit tax payable by the Group is the tax recognised in the standalone accounts of the subsidiaries and calculated in accordance with the relevant local rules.
The tax rate applied to the deferred tax expense recognised in the income statement is 9% under the current legislation in Hungary and 15% in Albania and Montenegro, in accordance with the applicable corporate tax rate.

The derivation of the tax is as follows:

	2022	2021
Profit before tax	-15 247	8 103
Tax liability calculated at current tax rate	1 471	-729
Business tax	-2 281	-610
Innovation contribution	-382	-102
Permanent differences	-2 393	-77
Total income taxes	**-3 585**	**-1 518**

The difference between the corporate income tax calculated in individual companies and consolidated companies and deferred tax is shown under permanent differences.

Data in millions of HUF, unless otherwise indicated

12. Total comprehensive income

	2022	2021
Total comprehensive income	**-8 761**	**6 720**

In 2022, the Group recognised the translation difference on the translation into Hungarian forint of the general ledger of foreign subsidiaries' financial statements expressed in a currency other than the presentation currency and the foreign exchange loss on equity instruments at fair value through other comprehensive income (FVOCI) (HUF 1,109 million) in the consolidated statement of comprehensive income in the line other comprehensive income in accordance with IAS 21. The amounts recognised in other comprehensive income may be reclassified to the profit and loss account in the future if certain conditions are met. Total comprehensive income presented in the table above is the sum of profit after tax and other comprehensive income.
Total comprehensive income includes, in addition to the above, the result from operating activities, income and expenses from financial operations, depreciation and amortisation expense and income taxes.

13. Earnings per share

In the calculation of basic earnings per share should be taken into account the profit after tax distributable to shareholders and the average number of ordinary shares in issue during the period, excluding treasury shares.

	31/12/2022	31/12/2021
Profit after tax	-18 832	6 584
Weighted average number of ordinary shares outstanding during the period	278 845 038	97 404 096
Weighted average of shares carrying voting rights	278 845 038	95 966 909
Diluted EPS indicator – in HUF	**-67.54**	**67.59**
Earnings per share (basic) EPS – in HUF	**-67.54**	**68.61**

The Company held 5,359,447 treasury shares as of 31 December 2022 and 4,857,078 as of 31 December 2021, respectively. As of 31 December 2022, 4iG Plc has not identified any dilutive factors in the EPS calculation.

Data in millions of HUF, unless otherwise indicated

14. Property, plant, equipment

	Technical machinery and equipment	Other equipment	Land and buildings, and related economic rights	Telecommunications equipment and devices	Unfinished investments	Total
Gross value						
on 1 January 2021	**314**	**1 224**	**90**	**0**	**253**	**1 881**
Increase and reclassification	1 182	940	590	0	2 354	**5 066**
Decrease and reclassification	-565	-56	-24	0	-2 912	**-3 557**
Acquisition	92 418	5 900	8 632	0	2 112	**109 062**
on 31 December 2021	**93 349**	**8 008**	**9 288**	**0**	**1 807**	**112 452**
Purchase price allocation adjustment	1 490	28	1 586	565	64	**3 733**
on 1 January 2022	**94 839**	**8 036**	**10 874**	**565**	**1 871**	**116 185**
Increase and reclassification	10 724	1 654	19 154	6 257	1 142	**38 931**
Decrease and reclassification	-63 229	-1 154	-1 007	-3 944	-2 300	**-71 634**
Acquisition	61 288	2 195	122 865	88 554	6 513	**281 415**
Cumulative translation adjustment	1 896	97	10 230	22 051	581	**34 855**
on 31 December 2022	**105 518**	**10 828**	**162 116**	**113 483**	**7 807**	**399 752**
Accumulated depreciation						
on 1 January 2021	**283**	**797**	**23**	**0**	**0**	**1 103**
Increase and reclassification	1 429	523	159	0	0	**2 111**
Decrease and reclassification	-514	-47	-1	0	0	**-562**
Acquisition	62 284	5 000	2 903	0	0	**70 187**
on 31 December 2021	**63 482**	**6 273**	**3 084**	**0**	**0**	**72 839**
Purchase price allocation adjustment	144	4	9	0	0	**157**
on 1 January 2022	**63 626**	**6 277**	**3 093**	**0**	**0**	**72 996**
Current year depreciation	14 412	1 599	11 386	14 453	-199	**41 651**
Decrease and reclassification	-18 136	-1 095	-388	-1 499	-46	**-21 164**
Cumulative translation adjustment	2 399	74	2 013	20 107	-14	**24 579**
on 31 December 2022	**62 301**	**6 855**	**16 104**	**33 061**	**-259**	**118 062**
Net book value						
on 1 January 2021	**31**	**427**	**67**	**0**	**253**	**778**
on 31 December 2021	**31 213**	**1 759**	**7 781**	**565**	**1 871**	**43 189**
on 31 December 2022	**43 217**	**3 973**	**146 012**	**80 422**	**8 066**	**281 690**

The increase in property, plant, and equipment was primarily due to the consolidation of assets of acquired companies. The Decrease and reclassification lines include HUF 30,721 million reclassification to investment assets held for sale.

In 2022, the impairment of property, plant, and equipment amounted to HUF 124 million, of which HUF 118 million was recognised by “ANTENNA HUNGÁRIA” Zrt. and HUF 6 million by DIGI Távközlési és Szolgáltató Kft. for its unfinished investments.

Data in millions of HUF, unless otherwise indicated

15. Intangible assets

	Consessions and similar rights	Intellectual properties	Brand name	Content fee	Total
Gross value					
on 1 January 2021	**326**	**2 015**	**0**	**0**	**2 341**
Increase and reclassifications	125	1 462	0	0	1 587
Decrease and reclassifications	-70	-8	0	0	-78
Construction in progress	0	319	0	0	319
Aquisition	11 579	11 960	0	0	23 539
on 31 December 2021	**11 960**	**15 749**	**0**	**0**	**27 709**
Purchase price allocation adjustment	-555	-60	2 051	0	1 435
on 1 January 2022	**11 405**	**15 689**	**2 051**	**0**	**29 144**
Increase and reclassifications	5 182	3 121	0	14 125	22 428
Decrease and reclassifications	-18 120	-9 901	0	0	-28 021
Construction in progress	0	0	0	0	0
Aquisition	32 051	12 365	5 245	5 424	55 085
Cumulative translation adjustment	5 292	8 291	0	0	13 583
on 31 December 2022	**35 810**	**29 563**	**7 296**	**19 549**	**92 219**
Accumulated depreciation					
on 1 January 2021	**243**	**1 388**	**0**	**0**	**1 631**
Current year depreciation	111	531	0	0	642
Decrease	0	-2	0	0	-2
Aquisition	9 157	6 492	0	0	15 649
on 31 December 2021	**9 511**	**8 409**	**0**	**0**	**17 920**
Purchase price allocation adjustment	5	34	51	0	**90**
on 1 January 2022	**9 516**	**8 443**	**51**	**0**	**18 010**
Current year depreciation	6 388	3 081	1 538	5 144	16 150
Decrease	-8 717	-4 891	0	0	-13 608
Cumulative translation adjustment	2 822	7 684	0	0	10 506
on 31 December 2022	**10 009**	**14 316**	**1 589**	**5 144**	**31 058**
Net book value					
on 1 January 2021	**83**	**627**	**0**	**0**	**710**
on 31 December 2021	**1 889**	**7 246**	**1 999**	**0**	**11 134**
on 31 December 2022	**25 801**	**15 247**	**5 707**	**14 406**	**61 161**

Data in millions of HUF, unless otherwise indicated

Intangible assets include HUF 14,406 million of contents fees as of 31 December 2022, which arose from the acquisition of DIGI Távközlési és Szolgáltató Kft. Additional intangible assets were identified in connection with the acquisition of DIGI Távközlési és Szolgáltató Kft. on 3 January 2022 and the acquisition of Invitech ICT Services Kft. and ONE Telecommunications sh.a, including brand names of HUF 1,060 million, HUF 1,795 million and HUF 2,852 million, respectively, as part of the purchase price allocation.
The increase in the net book value of intangible assets was mainly due to the intangible assets of companies acquired by the Company in 2022.
The decrease and reclassification lines include a reclassification to assets held for sale of HUF 10,867 million.

Individually significant intangible assets:

In 2022, the Company had no individually significant internally developed incomplete intangible assets (with a net value of more than HUF 1,000 million).

For internally developed incomplete intellectual property of significant value, the Company carries out an annual year-end present value test. For individually significant intangible assets, the Company has applied a weighted average cost of capital of 11.86% for the IT Services segment. Due to market demand for software, the return on software developed is significantly in excess of the carrying value. The Company did not identify any indication of impairment during the review.

Individually significant other intangible assets already activated:

Description	**Book value**	**Amortisation period**	**Amortisation closing date**
Content fee	7 232	2 years	30/06/2024
ONE brand name	2 852	10 years	31/03/2032
on 31 December 2022	**10 084**		

16. Customer relationship

	31/12/2022	**31/12/2021**
Customer relationship	60 916	26 907

In the period under review, the Group has identified intangible assets, separated from goodwill under IFRS 3 - Business Combinations, as part of the portfolio of customer relationship, which are presented as a separate line item in the consolidated statement of financial position and amortised over their identified useful lives when measuring each business combination.

Data in millions of HUF, unless otherwise indicated

During the period under review, we identified customer contract inventories that can be recognized as assets for DIGI Távközlési és Szolgáltató Kft, Invitel Zrt, "ANTENNA HUNGÁRIA" Zrt, ONE Telecommunications sh.a., while no customer contract inventories have been recognized for the BRISK Group due to the fact that the purchase price allocation period has not been completed.
The amount related to 31 December 2021 retrospectively modified has been presented in connection with ONE Crna Gora d.o.o. and Invitech ICT Services Kft. in accordance with the 1-year evaluation period given in IFRS 3 Business combinations standard.

17. Right of use of assets

	Land and buildings	Machinery, motor vehicles	Telecommunication devices	Total
Right of use of assets				
Gross value	39 114	6 876	13 335	59 325
Accumulated depreciation	-7 189	-2 978	-5 221	-15 388
Net value on 31/12/2022	**31 925**	**3 898**	**8 114**	**43 937**

	Land and buildings	Machinery, motor vehicles	Telecommunication devices	Total
Right of use of assets				
Gross value	16 455	7 236		23 691
Accumulated depreciation	-3 412	-2 441		-5 853
Net value on 31/12/2021	**13 043**	**4 795**	**0**	**17 838**
Impact of changes in accounting policy	824			824
Purchase price allocation adjustment			1 295	1 295
Net value on 31/12/2022	**13 867**	**4 795**	**1 295**	**19 957**

Unlike in previous financial years, the 4iG Group started to apply the practical solution provided by IFRS 16 from 1 January 2022, whereby non-lease components are not separated from lease components, but these items are accounted for as a single lease component and recognised in the value of the lease liability. As a result, the gross value of leases as of 31 December 2021 increased by HUF 891 million and the accumulated depreciation increased by HUF 67 million.

	2022	2021
Lease-related costs, expenditures		
Interest expenditure	-3 255	-105
Expenditure related to short-term leases	-820	-292
Expenses related to leases of small-value assets	-7	-22
Variable lease transactions	-12	-0
Total profit and loss	**-4 094**	**-419**

In accordance with the requirements of IFRS 16 Leases, the Group initially recognises a right of use of asset for lease payments made on or before the lease term and capitalises those items in the cost of the asset.

Data in millions of HUF, unless otherwise indicated

18. Contract assets

	31/12/2022	31/12/2021
Contract assets	2 232	398
Net value	**2 232**	**398**

The Group recognises as a contract asset variable signing commissions directly attributable to customer relationship, which are amortised on a straight-line basis over the term of the contracts. In addition to contract commissions, the Company also capitalizes acquisition costs billed in the Telecommunications segment and amortizes them over the identified useful lives of the contracts.
During the period, the Group has identified contract assets for Invitech ICT Services Ltd, ONE Crna Gora d.o.o. and ALBtelecom sh.a., ONE Telecommunications sh.a. and DIGI Távközlési és Szolgáltató Kft. acquired during the period.

19. Deferred tax receivables and liabilities

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used to calculate taxable profit.
If the difference is a temporary difference, i.e. the difference will be settled within a foreseeable period, then an asset or liability is identified according to its nature. A deferred tax liability is recognised for any taxable temporary difference. A deferred tax receivable is identified only to the extent that it is probable that recovery will be achieved within the foreseeable future.

The Group's deferred tax receivables and liabilities are measured using the tax rates expected to apply when the asset is settled or realised.

The following deductible and taxable differences were identified:

	31/12/2021	Recognised in P&L	Acquisition	Foreign exchange rate differences	31/12/2022
Impairment of receivables, inventories	77	-62	-34	78	59
PPE and intangible assets	-3 575	1 922	-13 835	89	-15 399
Provisions	117	1	555	91	764
Tax loss carry forward	643	-235	0	0	408
Other temporary difference	4	330	-19	-6	309
Deferred tax liability	**-2 734**	**1 956**	**-13 333**	**252**	**-13 859**

Data in millions of HUF, unless otherwise indicated

	31/12/2021	Recognised in P&L	Acquisition	Foreign exchange rate differences	31/12/2022
Impairment of receivables, inventories	2	5	0	0	7
PPE and intangible assets	-20	6	-60	0	-74
Provisions	37	34	46	0	117
Tax loss carry forward	18	-195	820	0	643
Purchase price allocation (PPE and intangible asset)		57	-3 558	0	-3 501
Purchase price allocation (impairment of receivables, inventories)			70		70
Purchase price allocation (other)			4		4
Deferred tax liability	**37**	**-93**	**-2 678**	**0**	**-2 734**

20. Goodwill

In 2022, 4iG Plc expanded the number of its subsidiaries through further acquisitions.
On 3 January 2022, with the acquisition of the DIGI Group (DIGI Távközlési és Szolgáltató Kft., Invitel Zrt., i-TV Zrt. and DIGI Infrastruktúra Kft.), the Company entered the Hungarian telecommunications market and became 100% owner of a telecommunications operator with an extensive fixed-line subscriber base and a significant fixed-line infrastructure.
On 4 March 2022, the Company acquired 80.27% of the shares of ALBtelecom sh.a. through its subsidiary 4iG Albania Ltd. and on 21 March 2022, the Company acquired 99.899% of the shares of ONE Telecommunications sh.a. through its Bulgarian parent company Albania Telecom Invest AD. Thanks to these acquisitions, 4iG Plc. has become the largest foreign investor in Albania.
Following the registration in the share register of "ANTENNA HUNGÁRIA" Zrt. on 31 March 2022, the Company acquired control and a 76.78% stake in the subsidiary, which is part of a strategic cooperation with the Hungarian State, by the contribution-in-kind of the DIGI Group, the Invitech Group, ONE Telecommunications sh.a. (and its Bulgarian parent company), ALBtelecom sh.a. (and its parent company 4iG Albania Ltd.) and ONE Crna Gora d.o.o. (and its parent company 4iG Montenegro d.o.o.).
On November 15, 2022, the Group has broadened their competency by acquiring a 75% stake in the BRISK Group (BRISK Digital Group Kft., BRISK Digital Hungary Kft. and BRISK Digital International Kft.), which is an active media technology company in Hungary and in the region as well.

In addition to assets, management functions, skilled workforce and related processes were acquired in the course of the acquisitions during the year. The acquisitions were identified as business combinations.

The Company has recognised goodwill in the following subsidiaries:

Data in millions of HUF, unless otherwise indicated

Name of subsidiary	31/12/2022	31/12/2021 Modified	31/12/2021 Published
former FreeSoft Kft.	411	411	411
DTSM Kft.	76	76	76
INNObyte Zrt.	593	593	593
Poli Computer PC Kft.	1 802	1 802	1 802
Portuguese Telecommunication Investments Kft.	2 167	2 167	2 430
One Crna Gora d.o.o.	25 212	23 253	31 283
TR Consulting Kft.	252	252	252
Invitech ICT Services Kft.	55 844	55 844	76 609
ACE Network Zrt.	1 483	1 483	1 483
DIGI Kft.	30 396	0	0
ALBtelecom sh.a.	18 635	0	0
Albania Telecom Invest AD	21 627	0	0
BRISK Group Kft.	6 154	0	0
Total goodwill	**164 652**	**85 882**	**114 939**

The evaluation period for the assets and liabilities of Hungaro DigiTel Kft., Invitech ICT Services Kft. and ONE Crna Gora d.o.o. has been finished, hence 31 December 2021 goodwill amounts have been retrospectively modified. Modifications of the consolidated statement of financial position lines have been presented in 2.4. Adjustment of previous year’s financial data.

Main data on subsidiaries acquired during the year:

Data in millions of HUF, unless otherwise indicated

	DIGI Távközlési és Szolgáltató Kft.	ALBtelecom sh.a.	ONE Telecommuni-cations sh.a.	"ANTENNA HUNGÁRIA " Zrt.	BRISK Digital Group Kft.
Date of acquisition	03/01/2022	04/03/2022	21/03/2022	31/03/2022	15/11/2022
Mode of acquisition	acquisition	acquisition	acquisition	cont. in kind	acquisition
Acquisition equity	100%	80,27%	99,9%	76,78%	75%
Purchase price	143 812	0	35 460	0	6 891
Fair/IFRS net asset value					
Of which:					
Fixed assets	261 531	34 967	46 066	192 928	51
Cash	970	513	1 282	38 794	290
Inventories	6 296	577	439	1 052	0
Receivables and accrued and deferred assets	32 159	3 024	19 047	11 156	1 034
Provisions	0	3 072	2 099	1 474	0
Current and non-current liabilities	173 666	55 808	4 536	60 031	206
Accrued and deferred income	13 874	505	43 339	9 952	186
Non-controlling interest – in equity	0	0	0	8 478	0
Badwill - capital	0	0	0	60 679	0
Goodwill	30 396	16 299	18 608	0	6 154
Non-controlling interest	0	4 006	17	103 316	246
Net sales turnover since acquisition	79 851	18 045	24 656	32 762	112
Overall comprehensive income since acquisition	-16 511	3 634	3 371	9 049	1

For the subsidiaries acquired in the year under review, the significant goodwill recognised in relation to the DIGI group, ALBtelecom sh.a., ONE Telecommunications sh.a. and the BRISK group is mainly the result of the exploitation of property, plant, and equipment, skilled workforce and future benefits and potential future synergies.
Badwill recognised in relation to "ANTENNA HUNGÁRIA" Zrt. arose due to the future restructuring of the telecommunications segment and the positive expectations for the future and is presented in the consolidated statement of comprehensive income under other operating income.

For the BRISK Group, the fair value of equity and liabilities is being determined. The companies have engaged the services of an external expert as required by the nature and complexity of their activities, but the valuations have not been completed as of the date of issue of the financial statements.

In connection with the subsidiaries acquired in the current financial year subsidiaries have not been in possession of the relevant financial data as of the acquisition date, hence month end close dates closest to the acquisition dates have been considered.

Data in millions of HUF, unless otherwise indicated

According to our examinations the questionable periods and results presented in the table above would not result in significant misstatements in the Group's consolidated financial statements.

In accordance with IFRS 3 Business Combinations, the Company will determine the fair value of the assets and liabilities identified in the acquisition no later than one year after the acquisition and will present them highlighted in the 2023 financial statements.

- For the subsidiaries belonging to the BRISK group, adjusting items for significant equity and liabilities may be identified, but no substantiated calculation and valuation of these adjusting items is currently available.
- In accordance with the provisions of IFRS3, the cost values are recognised in the consolidated financial statements for 2021 as provisional amounts that represent a reliable estimate of fair values.

During the maximum one-year measurement period allowed by IFRS3, fair value measurement will be completed, and fair values will be adjusted back to the acquisition date if necessary to reflect information about facts and circumstances at the acquisition date that, if known, would have affected the measurement of amounts recognised at that date.

The purchase prices are included in the investments line in the standalone statement.

Goodwill is the positive difference between the acquisition cost and the fair value of the identifiable net assets of the acquired subsidiary at the acquisition date. Goodwill is not amortised, but the Company assesses annually whether there are any indications that the carrying amount is not recoverable. Goodwill is carried at cost less any impairment.

For the IT segment, the Company used a weighted average cost of capital of 11.86% for the market value calculation, taking into account the risks associated with the Company's growth and the expected capital increases and return expectations associated with the financing. The discount rate applied in 2022 is therefore significantly higher than in the previous year (7.62%), given the significant change in the macroeconomic environment compared to 2021 (risk due to the war in Ukraine, significant increase in inflation), which significantly increased both the yields on invested capital and debt. The growth rates used in the DCF calculation have been determined by management in a historically conservative manner, based on historical data for the next 5 years. The cost planning has taken into account the expected growth rate of the sector and medium-term inflation expectations. In planning the most significant costs (staff costs), the Company has assumed an increase in the valuation that is higher than the medium-term inflation rate.

Based on the 2022 valuation, the DCF-based return on IT segment as a cash-generating unit:

	IT segment	**Market value according to assessment**
on 31 December 2022	**5 361**	**50 123**

Based on the above calculation, no impairment triggering circumstances have been identified and no impairment is required.

Data in millions of HUF, unless otherwise indicated

The discount rate used to calculate the market value of the telecoms business is 10.50%, which is higher than the diversified weighted average cost of capital used in the previous year, as in the IT segment.

The estimates used in the DCF calculation are in line with market expectations and the business plans approved during the acquisition. The synergistic effects of the group's dynamic expansion in 2022 have also been factored into management's expectations (both in terms of expected incremental revenue and cost optimisation). The combined present value of cash flows from 2023-2027 and the residual value, calculated at 3.15% growth, is significantly higher than the carrying value of the cash-generating unit's amount.

	Telecommunications segment	**Market value according to assessment**
on 31 December 2022	**281 872**	**614 751**

21. Other investments and other non-current assets

The Group discloses the following items in the balance sheet line *Other investments and other non-current assets*:

	31/12/2022	**31/12/2021**
Other investments	521	1
Other non-current assets	647	235
Total	**1 168**	**236**

The Group had other investments in the following companies as of 31 December 2022 and 31 December 2021:

Company name	**Investing in share capital**	**Voting turnout in %**
Space-Communications Ltd.	515	9.54%
Various other investments	6	n.d.
on 31 December 2022	**521**	

Company name	**Investing in share capital**	**Voting turnout in %**
Various other investments	1	n.d.
on 31 December 2021	**1**	

Data in millions of HUF, unless otherwise indicated

The Group's 24% stake in Rotors & Cams Zrt., which is controlled based on the voting rights in the associate, is reported in other investments.

Key data from the financial statements of the associate as of 31 December 2022, prepared in accordance with IFRS:
Balance sheet total: HUF 1 203 million
Net result: HUF -133 million

The breakdown of other assets at the balance sheet date is as follows:

	31/12/2022	31/12/2021
iCollWare Kft. top-up payment	112	82
Impairment of top-up payments	-112	0
Loans to employees	11	51
Liabilities under guarantee	35	0
Deposits	241	0
Long-term investment fund units, securities	102	102
Long-term financial lease receivables	190	0
Other non-current receivables	68	0
Total	**647**	**235**

The HUF 102 million presented in the long-term investment fund, securities line is the investment fund of Innobyte Zrt. held as collateral for bank guarantees.

22. Cash and cash equivalents

	31/12/2022	31/12/2021
Cash on hand	629	9
Bank	45 332	147 352
Government securities	0	119 169
Total	**45 961**	**266 530**

Cash and cash equivalents include cash on hand, current accounts with banks, short-term deposits and short-term liquid investments that can be converted into an immediately determinable amount of money.
Of the cash and cash equivalents as of 31 December 2022, HUF 494 million is classified as restricted cash, which is a fully blocked deposit.
Restricted cash covers funds on current accounts which have been deposited in security accounts by consolidated enterprises to cover future trade payables or which have been set aside in current accounts for similar purposes.

Data in millions of HUF, unless otherwise indicated

Cash and cash equivalents are valued at amortised cost at the Company. The expected credit loss estimation of cash items is prepared by the Company and based on this estimation no impairment on cash and cash equivalents is required, because the Company holds their cash only at financial institutions whit high credit rating, therefore risk-free banks.

23. Trade receivables

	31/12/2022	31/12/2021
Trade receivables	91 490	42 395
Impairment of trade receivables	-32 580	-6 597
Összesen	**58 910**	**35 798**

The Group has assessed the need to recognise credit losses on receivables in accordance with the requirements of IFRS 9. In calculating the credit loss for trade payables and contract assets, the Group has applied the simplified model (life-of-asset method), and for other assets, as we have assessed that the credit risk has not increased significantly since initial recognition, the Group has used the 12-month expected credit loss.

Expected credit losses have been assessed on a collective basis for each asset class as follows:

- Trade receivables
- other receivables, accrued assets (contract assets), loans provided

Factors taken into account when measuring credit loss:

- whether the credit risk of the financial instruments has increased significantly since initial recognition:
  - Loans provided, contract assets: we consider these financial instruments to be low credit risk, as they are typically not past due at the balance sheet date and the risk of default is negligible
  - trade receivables: 15% of receivables overdue more than 30 days
- impaired financial assets: for the financial assets of customers recognised in the accounts, an amount of HUF 30,433 million was classified as impaired, which was recognised as an impairment loss by the members of the Group based on their individual assessment of their trade payables.
- forward-looking information (in particular, the impact of the war in Ukraine) has also been taken into account when estimating the credit loss.
- in relation to trade receivables, in accordance with the requirements of the IFRS 9 standard, the Group examined the impairment recognised on trade receivables by the subsidiaries and subsequently recorded an expected credit loss of HUF 2,146 million in the current year.

Data in millions of HUF, unless otherwise indicated

	Expected credit loss	Impaired financial assets	Total impairment of trade receivables
on 31 December 2020	**-12**	**0**	**-12**
Increase	0	-63	-63
Decrease	1	799	800
Acquisition	0	-7 322	-7 322
on 31 December 2021	**-11**	**-6 586**	**-6 597**
Increase	-2 146	-3 233	-5 379
Decrease	10	420	430
Acquisition	0	-18 454	-18 454
Revaluation margin	0	-2 580	-2 580
on 31 December 2022	**-2 147**	**-30 433**	**-32 580**

24. Other receivables and other accrued and deferred assets

	31/12/2022	31/12/2021
Gross value of other receivables	9 436	4 300
Impairment of other receivables	-691	-24
Accrued and deferred assets	10 657	6 756
Total	**19 402**	**11 032**

The net impaired value of other receivables includes:

	31/12/2022	31/12/2021
Advance payments	2 840	2 081
Cash lent for short-term	868	23
Lease charge deposit	369	370
Guarantees provided	172	165
Receivables on government budget	67	109
Other current receivables	4 429	1 528
Total	**8 745**	**4 276**

The Company presents advance payments net of VAT.

Cash lent for short-term include loans to employees of the Group.

Data in millions of HUF, unless otherwise indicated

The Group has also assessed the need to recognise credit losses on other receivables in accordance with the requirements of IFRS 9, on the basis of which the Group does not consider appropriate to recognise a credit loss, as the receivables are low credit risk, the assets are not typically past due and the reporting date and the risk of default is negligible.

	Expected credit loss	Impaired financial assets	Total impairment of other receivables
on 31 December 2020	**0**	**-30**	**-30**
Increase	0	0	0
Decrease	0	6	6
Acquisition	0	0	0
on 31 December 2021	**0**	**-24**	**-24**
Increase	0	0	0
Decrease	117	15	132
Acquisition	-117	-597	-714
Revaluation margin	0	-85	-85
on 31 December 2022	**0**	**-691**	**-691**

Composition of accrued and deferred assets:

	31/12/2022	31/12/2021
Accrued and deferred income	5 805	5 008
Accrued and deferred costs and expenses	4 852	1 748
Total	**10 657**	**6 756**

Accrued and deferred costs and expenses include costs and expenses invoiced before the balance sheet date but charged in 2023. Accrued and deferred incomes include the portion of revenue recognised in accordance with IFRS 15, documented in 2022 but not invoiced until 2023, and in addition the amount of state aid accrued in accordance with IAS 20 in proportion to costs in 2022, according to the intensity of the aid. Where the Company transfers control of the service on an ongoing basis, subject to the conditions set out in the standard, it also recognises revenue from the sale of services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service.

Contract assets recognised as accrued and deferred assets are valued at HUF 6,243 million.

Data in millions of HUF, unless otherwise indicated

25. Actual income tax receivables and liabilities

The Group considers the following to be profit taxes under IAS 12, which items are presented as liabilities in the consolidates statement of financial position:

	31/12/2022	31/12/2021
Corporate and dividend tax	1 025	179
Local business tax	-9	125
Contribution on innovation	114	43
Total	**1 130**	**347**

26. Securities

The Group measures its securities at fair value through profit or loss (equity instruments).
As of 31 December 2021, the Group's portfolio of securities amounted to HUF 17 million, but this portfolio was sold during 2022. In the period under review, the Company reported discount treasury bills as securities. Discount treasury bills have been fairly valued through profit and loss as of 31 December 2022.

	31/12/2022	31/12/2021
Shares and discount treasury bills	118	17
Total	**118**	**17**

27. Inventories

	31/12/2022	31/12/2021
Work in progress	231	628
Finished goods	9 529	2 189
Raw materials	4 117	182
Refundable packaging	4	0
Impairment of inventories	-3 154	-699
Total	**10 727**	**2 300**

Inventories increased in line with the expansion of activity and the level of inventories in the new subsidiaries. Each year the Group reviews the turnover of its inventories and based on market knowledge, writes down slow-moving inventories and scraps obsolete inventories. The carrying amount of inventories is therefore the lower of cost or selling price less cost to sell. The Group reports strategic inventories as tangible assets for inventory items with an individual acquisition cost of HUF 5 million.

Data in millions of HUF, unless otherwise indicated

28. Assets held for sale and liabilities related to assets held for sale

	31/12/2022	31/12/2021
Assets held for sale	190 271	0
Liabilities related to assets held for sale	23 349	0

As part of its integration and reorganisation processes, the Group has reviewed its asset portfolio and has classified assets that do not serve the Company's interests and future objectives on a sustainable basis as held for sale in connection with DIGI Kft. Assets held for sale comprise property, plant and equipment, intangible assets, customer relationship inventories and right of use of assets while liabilities related to assets held for sale mainly represent current and non-current lease obligations related to leasehold leases. The Group does not recognise depreciation or amortisation on assets held for sale and they are carried at carrying amount in the consolidated statement of financial position (as fair value less costs to sell is higher than the carrying amount of the assets).
The Group has also included in assets held for sale the 25% stake in TMT Hungary B.V. and TMT Hungary Infra B.V. in the amount of HUF 125,700 million, which was sold after the balance sheet date on 20 March 2023 in a share swap and previously recognised in the books of “ANTENNA HUNGÁRIA” Zrt. (that is valued against profit and loss on fair value (FVTPL) according to IFRS 9 Financial instruments standard). For further information on the assets held for sale and the liabilities related to assets held for sale as well as the share swap, please refer to note 49 Events after the balance sheet date.

29. Share capital

The share capital of the Company will be HUF 5,981 million in 2022 due to four capital increases, and the share capital of the Company will consist of 299,074,974 ordinary registered shares with a nominal value of HUF 20 each, issued dematerialised. Each share carries one vote. There are no shares carrying preferential or other special rights. Repurchased treasury shares are non-voting.
The shares are traded in the Premium Section of the Budapest Stock Exchange, ISIN code: HU0000167788

	31/12/2022	31/12/2021
Opening value	2 064	1 880
Increase	3 917	184
Decrease	0	0
Closing value	**5 981**	**2 064**

The share capital under IFRS is the same as the share capital as recorded at the Companies Court. Changes in share capital occurred in four steps. All increases were made with a share premium, on 24 January 2022 iG COM Magántőkealap (Private Equity Fund) increased its share capital by HUF 2,328 million, on 23 February 2022 Rheinmetall AG by HUF 1,044 million, on 4 March 2022 ÇALIK HOLDING ANONIM SIRKETI by HUF 189 million and on 1 April 2022 Bartolomeu Investment Kft. by HUF 395 million.

Data in millions of HUF, unless otherwise indicated

30. Repurchased treasury shares

The cost of treasury shares is the consideration paid for the repurchase of own shares, which reduces equity (the nominal value is also included in this balance sheet line but is not deducted from share capital).

Changes in the number of 4iG (treasury) shares held by the Company are shown in the table below:

Repurchased treasury shares (number)	**31/12/2022**	**31/12/2021**
4iG ESOP Organisation	4 000 000	4 000 000
4iG Plc	1 359 447	857 078
Total	**5 359 447**	**4 857 078**

The repurchase value of the treasury shares is HUF 921 million, with an average price of HUF 172 per share. The closing price on the stock exchange for the period was HUF 715 per share and the annual average price was HUF 775 per share.

31. Capital reserve

	31/12/2022	**31/12/2021**
Opening value	3 869	817
Increase	129 623	3 052
Decrease	0	0
Closing value	**133 492**	**3 869**

The 2022 capital increases increased the capital reserve by HUF 75,672 million on 24 January, HUF 32,645 million on 23 February, HUF 8,462 million on 4 March and HUF 12,845 million on 1 April.

32. Retained earnings

The retained earnings line shows the total of the retained earnings and the profit or loss for the period for the previous years.

	31/12/2022	**31/12/2021**
Retained earnings	47 170	9 214

The amount of the consolidated equity retained earning changed with the amount of dividends paid (HUF 2,968 million), the ownership transaction recognised in the profit and loss reserve upon the transfer of "ANTENNA HUNGÁRIA" Zrt. (HUF 60,679 million) and the ownership transaction due to the change in minority ownership of INNObyte Zrt., Hungaro DigiTel Kft. and CarpathiaSat Zrt.

Data in millions of HUF, unless otherwise indicated

33. Accumulated other comprehensive income

	31/12/2022	31/12/2021
Valuation reserve for fair valuation	-1 109	0
Accumulated foreign exchange rate differences	10 831	136
Total	**9 722**	**136**

33.1. Valuation reserve for fair valuation

The fair value measurement reserve includes the net cumulative change in the fair value of assets measured at fair value through other comprehensive income. During the period, the Company recognised a loss in other comprehensive income of HUF 1,109 million in relation to the 9.538% equity interest in Space-Communications Ltd.

33.2. Accumulated foreign exchange rate differences

The Group presents in the differences on translation of equity the differences arising on the translation of the balance sheets and profit and loss account of foreign subsidiaries.

34. Non-controlling interest

Changes in non-controlling interests during the period are shown in the consolidated statement of changes in equity.

	31/12/2022	31/12/2021
Non-controlling interest	102 111	1 623

The amount of non-controlling interests in the current year has been significantly increased due to the acquisition of “ANTENNA HUNGÁRIA” Zrt. as a contribution-in-kind transaction (HUF 103 316 million), whereas the acquisition of ALBtelecom sh.a. has decreased it in the amount of HUF 4 006.

Data in millions of HUF, unless otherwise indicated

35. Provisions

	31/12/2021	Acquisition	Increase	Use	Cumulative translation adjustment	31/12/2022
Untaken leave	183	236	347	-113	50	703
Expected liabilities	432	1 700	3 228	-2 544	81	2 898
Asset retirement obligation	651	4 634	125	-200	752	5 961
Total	**1 267**	**6 570**	**3 700**	**-2 857**	**883**	**9 562**
From						
provisions - non-current	*841*					*4 888*
provisions - current	*426*					*4 674*

Provisions for leave not taken in 2022 amount to HUF 347 million. Provisions for acquisitions amounted to HUF 236 million out of a balance of HUF 703 million on 31 December 2022.
Provision for expected liabilities typically include a loyalty bonus of HUF 593 million, while provisions for legal matters amount to HUF 369 million on 31 December 2022. With the acquisition of "ANTENNA HUNGÁRIA" Zrt, current provisions of HUF 1,263 million were recognised for litigation and penalties at consolidated level, further HUF 175 million provision is established for those costs during 2022. Provision for future employee benefits is HUF 161 million on 31 December 2022.
Asset retirement obligation includes discounted provisions for the future restoration of the assets of ALBtelecom sh.a and ONETelecommunication sh.a acquired in 2022 and ONE Crna Gora d.o.o. acquired last year.

36. Long-term loans, borrowings, bonds and short-term loans, borrowings, bonds

Long-term loans, borrowings, and bonds

	31/12/2022	31/12/2021
4iG Plc		
Bonds	388 630	405 888
"ANTENNA HUNGÁRIA" Zrt.		
MFB (Hungarian Development Bank) investment 1. loan	21 712	0
INNObyte Zrt.		
MFB Zrt. GINOP loan	81	99
K&H – Exim indemnity loan	0	87
K&H – Future exporters of Exim loan	0	120
Hungaro DigiTel Kft.		
Loan and interest arrears	0	1 545
ONE Telecommunications sh.a		
OTP loan	13 547	0
ALBtelecom sh.a		
Italian government loan	309	0
Raiffeisen Bank loan	41	0
Total	**424 320**	**407 739**

Data in millions of HUF, unless otherwise indicated

Short-term loans, borrowings, and bonds

	31/12/2022	31/12/2021
"ANTENNA HUNGÁRIA" Zrt.		
MFB investment 1. loan	3 126	0
INNObyte Zrt.		
MFB Zrt. GINOP loan	9	0
K&H loan	164	0
ONE Telecommunications sh.a		
Banka OTP Albania overdraft	793	0
OTP loan	1 062	0
ALBtelecom sh.a		
Tirana Bank overdraft	4	0
Tirana Bank overdraft	1 581	0
Raiffeisen Bank overdraft	656	0
Raiffeisen Bank loan	164	0
Italian government loan	154	0
Total	**7 713**	**0**

The above figures represent the amounts actually drawn or utilised under the credit facilities available to the Company and its consolidated subsidiaries.

4iG Plc
As of 31 December 2022, 4iG Plc had a bank loan agreement with Raiffeisen Bank for HUF 6,450 million, against which it had entered into a contract:
1) a revolving loan of HUF 4,620 million, maturing on 31 January 2023,
2) a bank overdraft of HUF 500 million, maturing on 31 January 2023,
3) a bank guarantee facility of HUF 1,330 million, maturing on 31 July 2027.

The Bank Loan Agreement was not amended in the period under review, and has been available since January 2020 with unchanged terms, so a pledge of HUF 7,420 million on the Company's current receivables and HUF 810 million on its inventories is registered in the Hungarian Notariat pledge register as collateral in favour of Raiffeisen Bank.

The Company used the revolving credit facility to finance working capital on an occasional basis from March to May 2022 and repaid it in full. The contractual amounts of the revolving credit and bank overdraft are available until maturity and were extended in January 2023.
The Company paid a transaction interest rate (variable rate) fixed at 1-month BUBOR on the amounts drawn down and a commitment fee on the amounts not drawn down.

"ANTENNA HUNGÁRIA" Zrt.
To ensure the company's liquidity, it has a bank overdraft of HUF 5,000 million with MKB Bank Nyrt, which was 0 utilized on the reporting date.

The repayment due within one year of the HUF 45,851 million 13-year loan contracted with MFB (Hungarian Development Bank) Zrt. in 2020 is HUF 3,126 million.
In November 2021, the company will be acquired by AH Net Távközlési Zrt. entered into a HUF 22,500 million loan agreement with MFB (Hungarian Development Bank) Zrt. for the purchase of 100% of the shares of AH NetTávközlési Zrt., maturing in December 2032, which the bank kept available as a separate term deposit until 31 August 2022 due to the postponement of the closing of the transaction. At the expiry of the maintenance period, the full amount of the loan was repaid from the segregated term deposit.

ACE Network Zrt.
In November 2021, the company entered into a HUF 250 million overdraft facility agreement with K&H Bank Zrt. with a transaction interest rate fixed at Overnight BUBOR (variable interest rate), which is available as a liquidity reserve, with a utilisation rate of 0 at the balance sheet date. As security for the contract, the company provided a cash collateral and Garantiqa Hitelgarancia Zrt. provided a cash guarantee.

INNObyte Zrt.
The company entered into a combined loan agreement with MFB (Hungarian Development Bank) for the development of the "Pocketdoki" digital health measurement tool ("GINOP loan") on 9 May 2019 with a total amount of HUF 121,555,259 for the support of R&D&I activities of companies, maturing on 25 April 2029, with an outstanding debt of HUF 92 million. The GINOP loan is secured by a bank guarantee issued by K&H Bank for a total amount of HUF 122 million.
During 2021, INNObyte Zrt. terminated its short-term working capital loans with K&H Bank concluded in previous years and signed loan agreements with preferential interest rates (refinanced by Eximbank): a HUF 120 million long-term working capital loan agreement maturing on 15/11/2023 ("Exim mitigant") and a HUF 120 million long-term working capital loan agreement maturing on 15/11/2023 ("Exim mitigant"). The Exim Indemnity Loan was drawn down in a lump sum in January 2021 and the company will repay it after a grace period of 5 months at a monthly rate of HUF 10,909,090. The Exim Future Exporters Revolving Loan has been drawn down in full and is repayable on maturity.
Loans from K&H Bank are secured by a pledge on receivables and a guarantee of Garantiqa Hitelgarancia Zrt.

ONE Telecommunications sh.a
Prior to that, in June 2021, the company entered into a 10-year syndicated loan agreement for EUR 37,000,000 with OTP Bank Plc - DSK Bank AD - Banka OTP Albania sh.a. to refinance its loan to First Investment Bank AD. The first principal repayment of the loan was due in December 2022.
Banka OTP Albania sh.a will also provide the company with a bank account loan of EUR 2,000,000.

ALBtelecom sh.a
During the year, the company was granted short-term and long-term loans and credits in euros and Albanian leks by three commercial banks at variable interest rates, and in 1995 it signed a 30-year fixed-rate loan with the Italian Government at preferential rates. In December 2022, the full amount of the loan in Albanian leks to Banka Kombetare Tregtare was prepaid.

Bonds issued by 4iG Plc

In order to finance the domestic and foreign share purchases, 4iG Plc conducted 3 successful auctions in the Növekedési Kötvényprogram (Growth Bond Programme) (NKP) announced by the MNB and one private placement during 2021.
4iG NKP Bond 2031/I. (ISIN: HU0000360276), with a ten-year maturity and a coupon of 2.90%, for a total nominal amount of HUF 15.45 billion, issued on 29 March 2021. The bonds, with a nominal value of HUF 50 million, will be amortised after a grace period of 5 years: 10% amortisation on the 5th to 9th anniversary and 50% amortisation on maturity, with interests to be paid annually on the anniversary of the issue date.

4iG NKP Bond 2031/II (ISIN: HU0000361019), a ten-year bond with a fixed interest rate of 6.00% p.a., amortising from the end of the fifth year, with a total nominal value of HUF 287.75 billion, was issued on 17 December 2021. The bonds, each with a nominal value of HUF 50 million, amortise after a grace period of 5 years: 10% amortisation on the 5th to 9th anniversary and 50% on maturity, with interests to be paid due annually on the anniversary of the issue date.

The Board of Directors of 4iG, based on the authorisation granted by the General Meeting of Shareholders in its Resolution 22/2021 (IX.30.), issued on 17 December 2021, within the framework of the Growth Bond Programme announced by the National Bank of Hungary, a "4iG NKP Bond 2031/II." (ISIN HU0000361019) in the context of the issue of a new tranche of bonds. The Bonds were subscribed in an auction on 27/12/2021, which was open to the invited investors specified in the Information Statement for the Bonds. The total nominal value of the bonds issued under the placement is HUF 83,000 million, with debt service equal to that of the bonds issued on 17 December 2021.

Between the two NKP auctions, 4iG Plc issued a 4iG M&A Bond 2026 (ISIN: HU0000360813) with a 5-year maturity and 12-month BUBOR + 1.50% interest rate, in a total nominal amount of HUF 100 billion on 27 September 2021. The entire volume of the series of 2 000 bonds, each with a nominal value of HUF 50 million, was repurchased in two tranches and subsequently terminated by the Issuer:

- At the end of 2021, the Issuer repurchased 1 660 bonds for HUF 83 billion;
- In 2022, the outstanding principal and accrued interest of HUF 17 billion from this bond series was also settled.
- During 2022 the bonds are involved.

Bank guarantees

4iG Plc uses the bank guarantee facility for the purpose of its performance type commitments (tenders, performance, warranty) as set out in its contractor agreements with its customers. Out of the contracted amount, the bank guarantees issued by Raiffeisen Bank Zrt. on behalf of the Company amounted to HUF 541,873,240 as of 31 December 2022.
As security for certain performance and warranty guarantees, a total of HUF 35,069,500 has been deposited in a special account with Raiffeisen Bank.
The Beneficiaries of the Bank Guarantees did not apply to the issuing Raiffeisen Bank during 2022.

Bank guarantees issued on behalf of the Company on 31 December 2022 (data in HUF):

Data in millions of HUF, unless otherwise indicated

Reference number	Beneficiary	Type	Total	Date of issue	Expiry date
IGTE061984	KIFÜ-Szuper Számítógép	performance	31 385 827	07/06/2021	16/03/2023
IGTE060889	Digitális Kormányzati Ügynökség Kft.	performance	8 000 000	20/10/2020	09/06/2023
IGTE062048	OFA	performance	10 471 300	15/06/2021	28/02/2023
IGTE061416	Digitális Kormányzati Ügynökség Kft.	performance	7 000 000	09/02/2021	31/10/2023
IGTE061704	T-Systems	performance	1 500 000	15/04/2021	30/10/2023
IGTE062161	Digitális Kormányzati Ügynökség Kft.	performance	15 000 000	13/07/2021	28/02/2025
IGTE062162	Digitális Kormányzati Ügynökség Kft.	performance	10 000 000	13/07/2021	28/02/2025
IGTE062447	Digitális Kormányzati Ügynökség Kft.	performance	10 000 000	14/09/2021	31/07/2027
IGTE062448	Digitális Kormányzati Ügynökség Kft.	performance	10 000 000	14/09/2021	31/07/2027
IGTE062449	Digitális Kormányzati Ügynökség Kft.	performance	10 000 000	14/09/2021	31/07/2027
IGTE062485	SYS IT Network Zrt.	performance	85 680 000	17/09/2021	30/06/2024
IGTE062490	MÁV FKG	warranty	14 500 000	17/09/2021	30/03/2025
IGTE062491	Digitális Kormányzati Ügynökség Kft.	performance	15 000 000	20/09/2021	22/07/2025
IGTE062492	Digitális Kormányzati Ügynökség Kft.	performance	10 000 000	20/09/2021	22/07/2025
IGTE062547	MÁV FKG	warranty	11 760 333	30/09/2021	30/09/2024
IGTE063081	MÁK	warranty	176 831 115	19/01/2022	02/01/2023
IGTE063519	MÁV FKG	warranty	13 500 000	14/04/2022	30/01/2026
IGTE063536	Digitális Kormányzati Ügynökség Kft.	performance	10 000 000	22/04/2022	31/12/2024
IGTE063764	Digitális Kormányzati Ügynökség Kft	performance	15 000 000	09/06/2022	31/01/2025
IGTE064179	Magyar Posta Zrt.	tender	5 000 000	13/09/2022	15/02/2023
IGTE064180	Magyar Posta Zrt.	tender	5 000 000	13/09/2022	15/02/2023
IGTE064273	Városliget Zrt.	warranty	5 254 665	29/09/2022	30/08/2025
IGTE064430	Magyar Posta Zrt.	tender	10 000 000	03/11/2022	31/10/2023
IGTE064424	Magyar Posta Zrt.	tender	10 000 000	03/11/2022	31/10/2023
IGTE064423	Magyar Posta Zrt.	tender	10 000 000	03/11/2022	31/10/2023
IGTE064422	Magyar Posta Zrt.	tender	10 000 000	28/10/2022	31/10/2023
IGTE064474	Digitális Kormányzati Ügynökség Kft.	performance	7 000 000	09/11/2022	30/04/2025
IGTE064542	KIFÜ	performance	13 990 000	23/11/2022	24/02/2023
		Total	**541 873 240**		

In the period under review, instead of issuing bank guarantees, the Company deposited short-term cash deposits with the contractor/customer as security for certain obligations under certain contractor agreements, totalling HUF 1,073,600.

Data in millions of HUF, unless otherwise indicated

Bank guarantees issued on behalf of INNObyte Zrt:

Bank	Beneficiary	Currency	Amount of bank guarantee	Type	Expiry date
K&H Bank	MFB Bank Zrt.	HUF	61 000 000	credit cover	20/09/2023
K&H Bank	MFB Bank Zrt.	HUF	61 000 000	credit cover	20/09/2023

"ANTENNA HUNGÁRIA" Zrt. granted a parent company guarantee to DIGI Távközlési és Szolgáltató Kft. as security for the rent of an office building in favour of CEE Property-Invest Ingatlan Kft. in the amount of EUR 414,505 from 25 April 2022 until 31 July 2023.

37. Finance lease liabilities

The definition of leases has been significantly expanded in accordance with IFRS 16, which became effective from 1 January 2019. From that date, leasehold rights that meet the requirements of the standard must be included in assets as an asset. In accordance with the classical lease concept, no lease payments are recognised in the balance sheet.

Lease liabilities expanded in accordance with IFRS 16 are presented below:

	31/12/2022	31/12/2021
Finance lease liabilities – non-current	34 522	15 596
Finance lease liabilities – current	9 055	3 784
Financial lease liabilities – total	**43 577**	**19 380**

	Lease liabilities
Opening obligation	**19 380**
Increase from acquisitions	46 365
Increase	11 637
Interest expenditure	3 255
Decrease	-15 093
Currency translation adjustment	1 381
Reclassification	-23 348
Closing obligation	**43 577**

Of the lease liabilities, HUF 23,349 million were reclassified to liabilities related to assets held for sale.
The Group's total cash outflow from leasing transactions in 2022 was HUF 14,437 million.
The Group has excluded future cash flows to which it is potentially exposed in the measurement of lease obligations. These include undiscounted potential future lease payments for periods subsequent to renewal and termination options that are not part of the lease term, amounting to HUF 279 million.

Data in millions of HUF, unless otherwise indicated

No residual value guarantee is attached to the leased assets. The Group is not committed to any leases that have not commenced as of 31 December 2022.

Short-term leases or leases of low-value assets are recognised as rental expenses in the operating expenses by the Group.

38. Other long-term liabilities

Other long-term liabilities include the liability arising from broadcasting contracts, content fee. In relation to DIGI Telecommunications and Services Ltd., a liability of HUF 8,200 million in respect of content fee was recognised as of 31 December 2022. The deferred purchase price of BRISK Digital Group Kft. is a long-term liability with the amount of HU 1,466 million related to the acquisition of the subsidiary.

39. Trade payables

	31/12/2022	31/12/2021
Trade payables	45 839	23 252
Total	**45 839**	**23 252**

40. Dividends payable to owners

The Company had a dividend payable to shareholders of HUF 2,968 million, all but HUF 8 million of which was paid through KELER Zrt. after 4 July 2022.

41. Other current liabilities and accruals

	31/12/2022	31/12/2021
Tax liabilities and contributions	7 820	6 208
Actual income tax liability	1 130	305
Payroll transfer obligations	1 381	683
Advances received from customers	3 487	7 639
Advances received from the state budget	429	367
Contingent purchase price	1 495	500
Bond interests	1 231	1 388
Various other current liabilities	10 880	77
Aid received, deferred income	1 336	4 016
Accruals and deferred income	21 132	3 533
Accrued expenses and charges	15 377	6 766
Total	**65 698**	**31 482**

The Company presents advances received from customers gross of VAT.

The Group has no overdue tax liabilities and all companies are included in the database of companies without public debt. Deferral of revenue is mainly the portion of invoiced annual support fees relating to subsequent periods.

When acquiring ACE Network Zrt., 4iG Plc was entitled to retain HUF 500 million of the purchase price until certain performance requirements were met. This was presented by the Company as other payables and the liability was settled in 2022 as the conditions were met. In the year 2022, the deferred purchase price of HUF 1,495 million related to the acquisition of the BRISK Group is included in the contingent purchase price line

The other current liabilities line includes a liability of HUF 6,622 million in relation to the broadcasting rights of DIGI Távközlési és Szolgáltató Kft. Also included here are unbilled suppliers, with a balance of HUF 1,017 million at DIGI Távközlési és Szolgáltató Kft, and liabilities for approved bonuses at ONE Telecommunications sh.a.

The Group also recognises contract liabilities of HUF 1,142 million under advances from customers. They are recorded on a gross basis.

The significant increase in the accruals and deferred income line is due to acquisitions made during the period.

42. Segment information

The strategic decisions for the Group's operations are made by the Board of Directors, and therefore the statements prepared for the Board of Directors have been used by management as the basis for the determination of the segments in preparing these financial statements.

From 2021 onwards, the 4iG Group will have three major segments: IT commercial activities (hardware and software resale), IT services (development, operation, support, consulting, implementation and other IT services) and telecommunications, and an other, holding segment has been added. However, from the reporting period onwards, due to the increasing share of the telecommunications segment in both the profit and loss items and the asset and liability items of the segments, the Operational Decision Maker decided to merge the IT commercial and service activities and, unlike in 2021, the Group will only report three segments in 2022. The performance of the two segments is presented below, down to the level of direct costs attributable to the activities, also for the year 2021, in line with the current period breakdown. Segment assets have been allocated in proportion to the depreciation charged to the activities and the segment revenue.

The Group has considered whether entities under a government (including government agencies and similar local, national or international bodies) should be treated as a single customer, as a result of which it has determined that it treats such entities as separate customers by virtue of the fact that they have separate budgets.

For the year 2022, no customer's turnover will exceed 10% of revenue.

Data in millions of HUF, unless otherwise indicated

For the year of 2022:

Description	IT services and trade	Telecommunications	Other activities	Eliminations	Total
Net sales revenue	81 853	199 473	1 129	-5 034	277 421
Acquisition value of goods sold and services supplied indirectly	-55 070	-41 504	-1 127	4 235	-93 466
Other operating revenue	1 263	12 057	14 248	0	27 568
Coverage 1	**28 046**	**170 026**	**14 250**	**-799**	**211 523**
Direct costs	-23 056	-173 951	-15 698	409	-212 296
Coverage 2	**4 990**	**-3 925**	**-1 448**	**-390**	**-773**
EBITDA	**7 871**	**67 586**	**-1 013**	**-390**	**74 054**
Operating profit (EBIT)	**4 990**	**-3 925**	**-1 448**	**-390**	**-773**
Financial result					-14 474
Profit before tax					**-15 247**
Total segment assets	49 682	880 711	11 118		941 511
Segment assets	**49 682**	**880 711**	**11 118**		**941 511**
Assets not allocated to segments					
Total assets					**941 511**
Total segment liabilities	44 321	598 839	797		643 957
Segment liabilities	**44 321**	**598 839**	**797**		**643 957**
Liabilities not allocable to segments					
Total liabilities					**643 957**

Data in millions of HUF, unless otherwise indicated

For the year of 2021:

Description	IT services and trade	Telecommuni-cations	Other activities	Total
Net sales revenue	84 724	8 565	363	93 653
Acquisition value of goods sold and services supplied indirectly	-33 249	-847	0	-34 096
Net sales revenue	-24 450	-399	-145	-24 994
Other revenue	450	996	916	2 363
Coverage 1	**27 476**	**8 315**	**1 135**	**36 926**
Direct costs	-14 874	-3 556	-169	-18 599
Coverage 2	**12 602**	**4 759**	**965**	**18 327**
Costs and expenses not directly allocable to segments				-10 403
Operating profit (EBIT)				**7 924**
Financia result				814
Profit before tax				**8 737**
Segment assets	**54 157**	**436 700**	**113**	**490 970**
Assets not allocated to segments				8 966
Total assets				**499 936**
Segment liabilities	**42 325**	**434 900**	**301**	**477 526**
Liabilities not allocated to segments				5 153
Total liabilities				**482 679**

43. Risk management

The Group's assets include cash, securities, trade and other receivables and other assets, excluding taxes. The Group's liabilities include loans and borrowings, trade and other payables, excluding taxes and gains and losses arising from the remeasurement of financial liabilities at fair value.

The Group is exposed to the following financial risks:

- credit risk,
- liquidity risk,
- market risk.

This chapter describes the above risks of the Group, the Group's objectives, policies, process measurement and risk management, and the Group's management capital. The Board of Directors has overall responsibility for the establishment, supervision, and risk management of the Group.

The Group's risk management policy is designed to identify and investigate the risks faced by the Group and to set up appropriate controls and monitor the risks. Risk management policy and system is reviewed from time to time to reflect changing market conditions and the Group's activities.

Capital Management

It is the Group's policy to maintain a level of share capital sufficient to maintain investor and creditor confidence and to ensure the Group's development. The Board of Directors seeks to maintain a policy of taking on higher exposure from borrowings only at higher yields, based on the benefits of a strong capital position and security.

The Group's capital structure consists of net debt and the Group's equity (the latter includes subscribed capital, reserves and non-controlling interests).

In managing capital, the Group seeks to ensure that the members of the Group can continue their activities while maximising the return to owners by optimally balancing debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Group also monitors whether the capital structure of its member companies complies with local legal requirements.

The Company's capital risk increased in 2021 as 4iG Plc raised additional funds for the acquisitions through a bond issue.

Credit risk

Credit risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Group. Financial assets that are exposed to credit risk may be long-term or short-term loans, cash and cash equivalents, trade and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Group's maximum exposure to credit risk on 31 December 2022 and 31 December 2021.

Data in millions of HUF, unless otherwise indicated

Credit risk

	31/12/2022	31/12/2021
Trade receivables	58 910	35 798
Other receivables and prepaid expenses	19 402	11 032
Securities	118	17
Cash and cash equivalents	45 961	266 530
Total	**124 391**	**313 377**

The ageing of trade receivables on 31 December 2022 was as follows:

	31/12/2022	31/12/2021
Not yet due	**46 446**	**29 268**
1-30 days overdue	3 579	2 283
between 30-90 days overdue	2 143	1 614
between 90-180 days overdue	1 777	1 154
between 180-360 days overdue	2 479	744
Over 360 days overdue	2 486	736
Total	**58 910**	**35 798**

The qualification of customers is ongoing. Initially, they will only be served by cash or advance payment. After a longer relationship, it is possible to achieve 8-15-30-60-day payment period. The collection risk on our outstanding receivables is minimal.

The recovery risk of our overdue receivables is constantly monitored and mitigated by the recognition of impairment losses. A significant part of the overdue trade receivables has to be examined together with the suppliers who are paid late, because in case of non-payment by the customer, the related suppliers cannot be paid according to the agreements. Credit loss is limited to the margin, collateral.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The ageing of trade payables on 31 December 2022 was as follows:

Data in millions of HUF, unless otherwise indicated

	31/12/2022	31/12/2021
Not yet due	**25 482**	**21 764**
1-30 days overdue	5 492	855
between 30-90 days overdue	3 733	524
between 90-180 days overdue	4 009	54
between 180-360 days overdue	2 719	15
Over 360 days overdue	4 404	40
Total	**45 839**	**23 252**

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and investment fund prices, will affect the Group's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profit.

Risk due to the war in Ukraine

The Company has no business relations with Ukrainian companies, so we do not perceive any direct business risk.

Sensitivity analysis

The Group has determined that its results are materially dependent on two key variables of a financial nature, namely foreign exchange risk and interest rate risk. Sensitivity tests have been performed for these key variables. The Group seeks to mitigate interest rate risk primarily by tying up free cash.

The Group's foreign currency exposure on 31 December 2022 was as follows:

	HUF	Foreign currency	Total
Trade receivables	33 311	25 599	**58 910**
Trade payables	13 113	32 726	**45 839**
Cash and cash equivalents	39 056	6 905	**45 961**
Loans and bonds	413 722	18 311	**432 033**

The data show that foreign currency exposure has increased, with exchange rate movements having an increasing impact on the Group's results.

The Group's interest rate sensitivity has also increased as a result of its expansion and the bonds issued to secure the financial backing for acquisitions.

Data in millions of HUF, unless otherwise indicated

Capital repayments on bonds

Years	4iG NKP bond 2031/I HU0000360276	4iG NKP Bond 2031/II HU0000361019	Total
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	1 545	37 075	38 620
2027	1 545	37 075	38 620
2028	1 545	37 075	38 620
2029	1 545	37 075	38 620
2030	1 545	37 075	38 620
2031	7 725	185 375	193 100

Interests paid on bonds

Years	4iG NKP bond 2031/I. HU0000360276	4iG NKP Bond 2031/II HU0000361019	Total
2023	448	22 245	22 693
2024	448	22 245	22 693
2025	448	22 245	22 693
2026	448	22 245	22 693
2027	403	20 021	20 424
2028	358	17 796	18 154
2029	314	15 572	15 885
2030	269	13 347	13 616
2031	224	11 123	11 347

In line with its previously announced acquisition strategy, the Company plans to use the proceeds from the bonds and the unused proceeds for the previously announced acquisitions in 2022. The cash flow and earnings generating capabilities of the acquired companies will ensure that the Company can meet both its interest and capital obligations due from 2026.

Data in millions of HUF, unless otherwise indicated

Interest rate sensitivity testing

With current interest rates	**31/12/2022**
Profit before tax (excluding interest)	-11 992
Net interest expense	-3 255
Profit before tax	**-15 247**
Total assets	**941 511**
1%	
Profit before tax (excluding interest)	**-11 992**
Net interest expense	**-3 288**
Profit before tax	**-15 280**
Change in profit before tax	-33
Change in profit before tax (%)	0%
Net assets	**941 478**
Change in net assets	***-33***
Change in net assets (%)	***-0,00%***
5%	
Profit before tax (excluding interest)	**-11 992**
Net interest expense	**-3 418**
Profit before tax	**-15 410**
Change in profit before tax	-163
Change in profit before tax (%)	1%
Net assets	**941 348**
Change in net assets	***-163***
Change in net assets (%)	***-0,02%***
10%	
Profit before tax	**-11 992**
Net interest expense	**-3 581**
Profit before tax	**-15 573**
Change in profit before tax	-326
Change in profit before tax (%)	2%
Net assets	**941 186**
Change in net assets	***-326***
Change in net assets (%)	***-0,03%***
-1%	
Profit before tax	**-11 992**
Net interest expense	**-3 222**
Profit before tax	**-15 214**
Change in profit before tax	33
Change in profit before tax (%)	0%
Net assets	**941 544**
Change in net assets	***33***
Change in net assets (%)	***0,00%***

Data in millions of HUF, unless otherwise indicated

-5%	
Profit before tax	**-11 992**
Net interest expense	**-3 092**
Profit before tax	**-15 084**
Change in profit before tax	163
Change in profit before tax (%)	-1%
Net assets	**941 674**
Change in net assets	***163***
Change in net assets (%)	***0,02%***

-10%	
Profit before tax	**-11 992**
Net interest expense	**-2 930**
Profit before tax	**-14 922**
Change in profit before tax	326
Change in profit before tax (%)	-2%
Net assets	**941 837**
Change in net assets	***326***
Change in net assets (%)	***0,03%***

Data in millions of HUF, unless otherwise indicated

Exchange rate sensitivity testing

With current exchange rates	**31/12/2022**
Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	32 504
Liabilities denominated in HUF	592 921
Foreign currency liabilities	51 036
Net assets	**297 554**
Profit before tax	**-15 247**
1%	
Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	32 829
Liabilities denominated in HUF	592 921
Foreign currency liabilities	51 546
Net assets	**297 369**
Change in net assets	***-185***
Change in net assets (%)	***-0,062%***
Profit before tax	**-15 432**
Change in profit before tax	**-185**
Change in profit before tax (%)	***1,215%***
5%	
Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	34 129
Liabilities denominated in HUF	592 921
Foreign currency liabilities	53 588
Net assets	**296 627**
Change in net assets	***-927***
Change in net assets (%)	***-0,311%***
Profit before tax	**-16 174**
Change in profit before tax	**-927**
Change in profit before tax (%)	***6,077%***
10%	
Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	35 754
Liabilities denominated in HUF	592 921
Foreign currency liabilities	56 140
Net assets	**295 701**
Change in net assets	***-1 853***
Change in net assets (%)	***-0,623%***
Profit before tax	**-17 100**
Change in profit before tax	**-1 853**
Change in profit before tax (%)	***12,155%***
-1%	

Data in millions of HUF, unless otherwise indicated

Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	32 179
Liabilities denominated in HUF	592 921
Foreign currency liabilities	50 526
Net assets	**297 739**
Change in net assets	***185***
Change in net assets (%)	***0,062%***
Profit before tax	**-15 062**
Change in profit before tax	***185***
Change in profit before tax (%)	***-1,215%***

-5%

Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	30 879
Liabilities denominated in HUF	592 921
Foreign currency liabilities	48 484
Net assets	**298 481**
Change in net assets	***927***
Change in net assets (%)	***0,311%***
Profit before tax	**-14 320**
Change in profit before tax	***927***
Change in profit before tax (%)	***-6,077%***

-10%

Non-monetary assets and assets denominated in forint	909 007
Foreign currency assets	29 254
Liabilities denominated in HUF	592 921
Foreign currency liabilities	45 932
Net assets	**299 407**
Change in net assets	***1 853***
Change in net assets (%)	***0,623%***
Profit before tax	**-13 394**
Change in profit before tax	***1 853***
Change in profit before tax (%)	***-12,155%***

Data in millions of HUF, unless otherwise indicated

44. Financial instruments

Financial instruments include financial fixed assets, current assets such as trade receivables, loans granted, advances paid, bank deposits, securities and cash and cash equivalents, as well as loans and borrowings, trade payables, advances received and other financial liabilities. The Group measures financial instruments in accordance with IFRS 9 and presents them in its accounts at the end of the period.

31/12/2022		Fair value through profit or loss (FVTPL)	Loans, receivables, and liabilities at amortised cost	Fair value through other comprehensive profit and loss (FVTOCI)	Total book value
Carrying amount of financial instruments					
Financial assets					
Other financial fixed assets	Equity instruments	108	0	515	623
	Loans provided	0	11	0	11
	Deposits	0	0	0	0
	Finance lease receivables	0	190	0	190
	Other	0	344	0	344
Total financial fixed assets		**108**	**545**	**515**	**1 168**
Trade and other receivables		0	58 910	0	58 910
Finance lease receivables		0	0	0	0
Cash and cash equivalents		0	45 961	0	45 961
Equity instruments, securities		125 818	0	0	125 818
Other short-term financial assets	Loans provided	0	868	0	868
	Advances paid	0	2 840	0	2 840
	Lease charge deposit	0	369	0	369
	Other	0	4 601	0	4 601
Total short-term financial assets		**125 818**	**113 549**	**0**	**239 367**
Total financial assets		**125 926**	**114 094**	**515**	**240 535**
Financial liabilities					
Loans (Long-term loans, bonds)		0	424 320	0	424 320
Finance lease liabilities		0	34 522	0	34 522
Other long-term financial liabilities		0	9 666	0	9 666
Total long-term financial liabilities		**0**	**468 508**	**0**	468 508
Trade and other payables		0	45 839	0	45 839
Loans (short-term loans)		0	7 713	0	7 713
Advances received from customers		0	3 487	0	3 487
Advances received from the state budget		0	429	0	429
Finance lease liabilities		0	9 055	0	9 055
Other current financial liabilities		**0**	2 726	0	2 726
Total current financial liabilities		**0**	**69 249**	**0**	**69 249**
Total financial liabilities		**0**	**537 757**	**0**	**537 757**

Data in millions of HUF, unless otherwise indicated

31/12/2021		**Fair value through profit or loss (FVTPL)**	**Loans, receivables, and liabilities at amortised cost**	**Fair value through other comprehensive profit and loss (FVTOCI)**	**Total book value**
Carrying amount of financial instruments					
Financial assets					
Other financial fixed assets	Equity instruments	102	0	0	102
	Loans provided	0	0	0	0
	Deposits	0	9	0	9
	Finance lease receivables	0	0	0	0
	Other	0	86	0	86
Total financial fixed assets		**102**	**95**	**0**	**197**
Trade and other receivables		0	35 926	0	35 926
Finance lease receivables		0	0	0	0
Cash and cash equivalents		0	266 530	0	266 530
Equity instruments, securities		17	0	0	17
Other short-term financial assets	Loans provided	0	23	0	23
	Advanced payments	0	2 081	0	2 081
	Lease charge deposit	0	370	0	370
	Other	0	329	0	329
Total short-term financial assets		**17**	**305 259**	**0**	**305 276**
Total financial assets		**119**	**305 354**	**0**	**305 473**
Financial liabilities					
Loans (Long-term loans, bonds)		0	407 739	0	407 739
Finance lease liabilities		0	14 490	0	14 490
Other long-term financial liabilities		0		0	0
Total long-term financial liabilities		**0**	**422 229**	**0**	**422 229**
Trade and other payables		0	23 252	0	23 252
Loans (short-term loans)		0	0	0	0
Advances received from customers		0	6 410	0	6 410
Advances received from the state budget		0	523	0	523
Finance lease liabilities		0	3 584	0	3 584
Other current financial liabilities		0	3 948	0	3 948
Total current financial liabilities		**0**	**37 717**	**0**	**37 717**
Total financial liabilities		**0**	**459 946**	**0**	**459 946**

Data in millions of HUF, unless otherwise indicated

31/12/2022	Level 1 Not modified quoted active market price	Level 2 Assessment processes based on available and monitored market data	Level 3 Assessment processes based on unavailable and unmonitored market data	**Total fair value**
Financial assets				
Equity instruments	515	125 802	6	**126 323**
Debt securities	118	0	0	**118**
Derivative transactions	0	0	0	**0**
Total financial assets	**633**	**125 802**	**6**	**126 441**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

31/12/2021	Level 1 Not modified quoted active market price	Level 2 Assessment processes based on available and monitored market data	Level 3 Assessment processes based on unavailable and unmonitored market data	**Total fair value**
Financial assets				
Equity instruments	0	102	0	**102**
Debt securities	0	17	0	**17**
Derivative transactions	0	0	0	**0**
Total financial assets	**0**	**119**	**0**	**119**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

Data in millions of HUF, unless otherwise indicated

45. Transactions with related parties

Transactions with companies in which key management personnel have other interests were as follows during 2022:

Customer turnover:	
iKON Befektetési Alapkezelő Zrt.	1
Borfivérek Kft.	2
Metalcom Zrt.	26

Supplier turnover:	
MNVTD2C Zrt.	134
Daisuke Kft.	40
Torento Property Kft.	563
EuroAtlantic Zrt.	237
FLZM53 Ingatlanhasznosító és Üzemeltető Kft.	12
Marble FM Zrt.	2 387
Krisztina Plaza Kft.	995
Metalcom Zrt.	157
Ergonom Munkavédelmi Szolgáltató Kft.	8

Trade receivables:	
iKON Befektetési Alapkezelő Zrt.	1
Metalcom Zrt.	26

Trade payables:	
MNVTD2C Zrt.	134
Krisztina Plaza Kft.	40
Marble FM Zrt.	8
Metalcom Zrt.	4

4iG Plc has a 15-year property lease agreement with Torento Property Kft and Krisztina Plaza Kft. In accordance with the requirements of IFRS16, the following amount of lease liability is owed to them.

Lease liabilities:	
Krisztina Plaza Kft.	3 797
Torento Property Kft.	5 957

46. Remuneration of the Board of Directors and Supervisory Board

The remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee of the Company during the period was as follows. The General Meeting of Shareholders decided in its Resolution No. 15/2022 (IV.29.) that the members of the Board of Directors shall receive a remuneration of HUF 600 000/month each, while the Chairperson of the Board of Directors shall receive a remuneration of HUF 750 000/month.

The General Meeting decided in its Resolution 14/2022 (IV.29.) that the members of the Supervisory Board shall receive a remuneration of HUF 450 000/month each and the Chairperson of the Supervisory Board shall receive a remuneration of HUF 600 000/month. The members of the Audit Committee shall not receive any special remuneration for their work on the Audit Committee.

In accordance with IAS24 Related Party Disclosures, the Company has identified the following key management personnel (Chairman, Chief Executive Officer and members of the Board of Directors) for whom the remuneration paid or payable for employee services during the period is set out below. We believe that the table below is a complete summary of the remuneration paid in thousands of HUF to key management personnel during the period.

Remuneration of key executive officers of 4iG Plc
Year 2022, in HUF:

	Members of the Board of Directors and senior employees	Members of the Supervisory Board	Total
Short-term employee benefits	614 050 898	38 237 751	652 288 649
Post-employment benefits	0	0	0
Other long-term benefits	662 382 358	0	662 382 358
Severance payments	0	0	0
Share-based payments	492 097 800	0	492 097 800
Total	**1 768 531 056**	**38 237 751**	**1 806 768 807**

47. Off-balance sheet items

47.1. Contingent liabilities

As of 31 December 2022, the members of the Group are not involved in any pending litigation. Provisions are recognised when it becomes probable that an outflow of economic benefits will be required to settle an obligation as a result of a past event and a reliable estimate can be made of the expected cash outflow. Provisions are disclosed in Subsection 35.

47.2. Commitments

Guarantees to parties outside the Group amount to HUF 317 million on 31 December 2022.

Data in millions of HUF, unless otherwise indicated

48.4iG ESOP Organisation

In the course of the emergency situation, the Board of Directors of the Company, on the basis of the authorization of the Government Decree No. 102/2020 (IV.10.) on Derogations from Regulations on Operation of Partnerships and Corporations in case of emergency (hereinafter referred to as "Decree") and acting on behalf of the General Meeting, on the 29 April 2020, by means of the Board of Directors Resolution No. 9/2020. (IV. 29.), adopted the initiation of the Employee Stock Option Plan (hereinafter referred to as "ESOP") and the establishment of its organisation (hereinafter referred to as "ESOP Organisation") under the name of 4iG Employee Stock Option Plan Organisation, abbreviated 4iG ESOP Organisation and, moreover, the thereof Board of Directors adopted its articles of association (hereinafter referred to as "Articles of Association") and its remuneration policy (hereinafter referred to as "ESOP Remuneration Policy").

For the purpose of the planned implementation of the ESOP Remuneration Policy, the Company, as the founder, has allocated to the ESOP Organisation a call option to acquire 2 500 000 ordinary shares of 4iG Plc with a nominal value of HUF 20 each and ISIN HU0000167788. With this action, the Company intends to achieve a greater employee ownership.
Based on the Black-Scholes Calculator, 4iG Plc has charged HUF 128 million in staff costs against the ESOP liability to cover the costs of the ESOP Organisation for 2022.
Number and fair value of stock options:

Description	**Number of stock options (units)**	**Fair value (million HUF)**
Existing at the beginning of the period	2 500 000	2 068
Granted in the reference period	0	0
Forfeited during the reference period	767 333	587
Drawn down in the reference period	1 732 667	1 325
Expired during the reference period	0	0
Existing at the end of the period	0	0
Available at the end of the period	0	0

For stock options exercised during the reference period, the weighted average share price at the time of exercise was HUF 765 per share, while there were no stock options exercised at the end of the period, thus the weighted average remaining contractual life is not meaningful.

By virtue of General Meeting Resolution No. 17/2021(IX.30), 4iG Plc launched a new remuneration programme based on a new remuneration policy (MRP II) (ESOP) in addition to the existing remuneration policy, under which the ESOP organisation has subscribed for 4 million 4iG shares. These shares are legally voting shares with dividend rights, but due to the extension approach they are shown as treasury shares in the individual accounts. Under the MRP II (ESOP), employees may be entitled to share awards at the end of the vesting period by reimbursement of the value of the shares at the date of vesting.

The Group recognises the plan as of the grant date. The Group considers the grant date to be the date on which the material terms and conditions are agreed by the parties and the grant is accepted by the employees.(For 1.4 million shares this date is 26 November 2021, for 0.9 million shares 28 January 2022, 1.7 million shares have not been allocated under the plan).

Programme duration: 2 years (expiry date: 25 November 2023)
Conditions of service: employment with the Company for the duration of the programme
Performance condition: increase in the Company's consolidated EBITDA per share, which the Company expects to meet

The Company has made estimates of the expected performance of the MRP II (ESOP) programme at the grant date and at the balance sheet date.
As employees participating in the plan will have the opportunity to acquire these shares at the price as quoted by the ESOP organisation, subject to other conditions being met, the Company's expectation based on market conditions at the grant date was that participants would not exercise their right to purchase shares under the ESOP plan. As a result, the grant date fair value of the award is nil and the Company has not recognised any employee expense in respect of the MRP II (ESOP) plan.

At the balance sheet date, the Company updated the calculation by the number of shares allocated (2.3 million shares at the end of 2022), a s a result of which the Company did not recognise any employee expense or share-based payment reserve in respect of the MRP II (ESOP) plan in 2021 or 2022.

As a result of the above, MRP II (ESOP) options do not appear as share dilution in the calculation of diluted earnings per share (diluted EPS).

49. Events after the balance sheet date

The merger of ONE Telecommunications sh.a. and ALBtelecom sh.a. was completed on **1 January 2023**, and they will continue to operate as one company under the name ONE Albania sh.a.

Scope Ratings prepared and issued a rating action on 4iG on **6 January 2023**. Scope Ratings upgraded the rating of 4iG Plc to BB-/Stable Issuer Rating and upgraded the senior unsecured debt rating of 4iG Plc to BB-, reviewing the upgrade in connection with the potential acquisition of Vodafone Hungary Ltd. which rating is subject to the successful completion of the pending Transaction.

By virtue of its Decree 2/2023 (I.9.) of **9 January 2023,** the Government classified the acquisition of control of Vodafone Hungary Ltd. as a concentration of national strategic importance.

"ANTENNA HUNGÁRIA" Magyar Műsorszóró és Rádióhírközlési Zártkörűen Működő Részvénytársaság (Hungarian Broadcasting and Radio Communications Limited Liability Company) entered into loan agreements with the MFB (Hungarian Development Bank) (MFB) and other credit institutions on **8 January 2023** to finance the acquisition of a 51% stake in Vodafone Hungary.

EDISON Investment Research Limited prepared and published a new analysis of 4iG on **9 January 2023.**

Following the completion of the due diligence, "ANTENNA HUNGÁRIA" Zrt., together with the Hungarian State represented by Corvinus International Investment Ltd., entered into a definitive sale and purchase agreement on **8 January 2023** with Vodafone Europe BV, Vodafone Hungary Zrt. Following the completion of due diligence, the parties have agreed on a value of HUF 660 billion for Vodafone Hungary, which is 7.1 times Vodafone Hungary's EBITDA for the financial year ended 31 March 2022. The acquisition is expected to close at the end of January, following payment of the purchase price, giving 4iG an indirect majority stake of 51 percent in Vodafone Hungary, while the Hungarian State will have an indirect majority stake of 49 percent.

4iG Plc purchased a total of 879 936 dematerialised ordinary shares of series "A" with a nominal value of HUF 20 each at an average price of HUF 733.498 per share from its treasury stock in OTC transactions executed on **26 January 2023.** This means that the company's treasury stock currently stands at 2 239 383 shares.

As a result of the sale of 2 889 064 shares of 4iG held by Bartolomeu Investments Limited Liability Company in an OTC transaction, the number of shares indirectly held by Pedro Vargas Santos David, a member of the Board of Directors of 4iG, changed from 22 147 462 to 19 258 398 shares **as of 27 January 2023,** his indirect holding changed from 7.41% to 6.44%, thus reducing his indirect voting rights in 4iG from 7.44% to 6.47%.

The definitive sale and purchase agreement concluded on 8 January 2023 with Vodafone Europe BV for the acquisition of a 100% stake in Vodafone Hungary Zrt., between ANTENNA HUNGÁRIA Zrt., represented by Corvinus International Investment Ltd. and the Hungarian State, was closed on **31 January 2023,** thus ANTENNA HUNGÁRIA Zrt. became the 51% owner of Vodafone Hungary.
4iG Pl. László Blénessy, Deputy CEO of 4iG Group responsible for Business Processes, was elected by the Board of Directors of Vodafone Hungary Ltd. as the new CEO on 31 January 2023.
The new CEO will be assisted by Tamás Tábori, CEO of DIGI Távközlési és Szolgáltató Kft., as Deputy CEO. Csaba Thurzó, Deputy CEO of 4iG Group, has been appointed to lead the financial areas of Vodafone Hungary Zrt. as Deputy CEO.

EDISON Investment Research Limited prepared and published a new analysis on 4iG on **2 February 2023.**

Scope Ratings GmbH prepared and published a credit rating report on 4iG on **2 February 2023**.

In accordance with the consent of the Israeli Ministry of Communications, which has been issued, and the agreement previously reached between the parties, 4iG will be able to increase its stake in Space Communications Ltd from 9.538 percent to 20 percent by increasing its capital.
In accordance with the consent of the Israeli Ministry of Communications issued **on 15 February 2023,** the Company increased its stake in Space Commmunications Ltd from 9.538 per cent to 20 per cent by a capital increase effective as of 24 February 2023.

4iG Plc purchased a total of 535,000 dematerialised ordinary shares of Series A at an average price of HUF 733.498 per share from its treasury stock in OTC transactions (OTC) under the share purchase agreement concluded on **3 March 2023.** This brings the company's treasury stock to 2 774 383 shares (0.93%).

On 7 March 2023, EDISON Investment Research Limited prepared and published a new analysis on 4iG.

On 20 March 2023, "ANTENNA HUNGÁRIA" Zrt. acquired by way of share swap Corvinus Zrt. Vodafone Hungary Zrt. in exchange of 35 476 749 ordinary shares of series A with a nominal value of HUF 500 each, representing 19.5 percent of the share capital of Vodafone Hungary Zrt. With the transaction "ANTENNA HUNGÁRIA" Zrt. increased its direct majority stake in Vodafone Hungary Zrt. to 70.5 percent. With the swap transaction, Corvinus Zrt. and thus the Hungarian State indirectly acquired 250-250 shares, respectively, of TMT Hungary B.V. and TMT Hungary Infra B.V., representing 25% ownership of Yettel Magyarország Zrt. and Yettel Real Estate Hungary Zrt., the Hungarian subsidiaries of PPF Telecom Group, and CETIN Hungary Zrt. As a result of the swap, "ANTENNA HUNGÁRIA" Zrt. will be replaced by Corvinus Zrt. as indirect owner of the Hungarian companies Yettel-CETIN, and Corvinus Zrt.'s ownership in Vodafone Hungary Zrt. will be reduced to 29.5%. Following the registration of the ownership changes, the Board of Directors of Vodafone Hungary will be expanded from the current five to seven members, with five members from "ANTENNA HUNGÁRIA" Zrt. and two from Corvinus Zrt. The number of members of the Supervisory Board will remain unchanged. The State's prerogatives in the governing bodies will remain unchanged.

On **13 April 2023**, prior to the decision of the Board of Directors the Company published information of the intention of DIGI Távközlési és Szolgáltató Kft. to sell in the near future certain elements of the mobile network infrastructure and the radio frequency usage rights exercised in the context of mobile telecommunications services.

50. Remuneration of the auditor

The General Meeting re-elects Interauditor Consulting Korlátolt Felelősségű Társaság (Ltd.) by virtue of Resolution 11/2022 (IV.29) from 1 May 2022 until the adoption of the consolidated annual accounts for 2022, but no later than 30 April 2023. The fee for the audit of the consolidated financial statements labelled according to ESEF is HUF 20 million + VAT.

51. Going concern

In light of the impact of the war in Ukraine, and after considering other market and liquidity risks, the Company has assessed and made estimates as to whether there is any material uncertainty as to its ability to continue the enterprise and has concluded that it is appropriate to assume that it will continue as an enterprise for the foreseeable future and that there is no material uncertainty.

Data in millions of HUF, unless otherwise indicated

EXECUTIVE REPORT

1. General information about the issuer

Company name:	4iG Public Limited Company
Company form:	Public limited company
Registered office:	1037 Budapest, Montevideo u. 8.
Premises:	1037 Budapest, Montevideo utca 2/C. 1037 Budapest, Montevideo utca 4. 1037 Budapest, Montevideo utca 6. 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:12011069-2-44	
Statistical code:	12011069-6201-114-01
Share capital:	HUF 5 981 499 480
Date of formation:	8 January 1995
Transformation date:	2 April 2004
Listing date:	22 September 2004

2. Share information

Type of shares:	registered ordinary shares, dematerialised
Nominal value of shares:	20 HUF/share
Number of shares:	299 074 974 shares
ISIN code of the shares:	HU 0000167788
Series of the shares:	"A"
Serial number of the shares:	0000001 - 299074974
Treasury shares repurchased:	1 359 447 shares
Held by 4iG ESOP organisation:	4 000 000 items

Other information on shares:

- Each share carries the same rights, each share represents 1 vote.
- The shares are traded in the "PRÉMIUM" 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 provided for, but shares may only be transferred by debiting or crediting a securities account. In the event of a transfer of shares, the shareholder may exercise his/her shareholder rights vis-à-vis the Company only if the name of the new owner is entered in the share register.
- The Company's share register is kept by KELER Zrt.
- There are no specific management rights.

- We are not aware of any shareholder agreement on management rights.
- Employee share ownership scheme has been in operation since 2020.
- Voting rights are not restricted, only the repurchased treasury shares do not carry voting rights. As of 31 December 2022, there were 1 359 447 repurchased treasury shares. The 4 000 000 treasury shares held by 4iG ESOP Organisation are entitled to vote.
- Minority rights: shareholders representing at least 1% 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 operational management of the Company is carried out by the Board of Directors.
- The General Meeting decides on the increase of the share capital on the basis of a proposal from 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, as authorised by the Articles of Association. At the time the Annual Report is drawn up, the Board of Directors is not authorised to issue new shares.
- There is no agreement that enters into force, is modified or terminated as a result of a change in the contractor's management following a public tender offer.
- No agreement between the Company and an officer or employee that provides for indemnification in the event of the officer's resignation or termination, the officer's or employee's wrongful termination, or the termination of employment as a result of a tender offer.
- Gellért Zoltán Jászai, Chairman and CEO of 4iG Plc acquired 100% of the shares of KZF Vagyonkezelő Kft. on 14 June 2019. Through other share transactions on the same day, KZF Vagyonkezelő Kft. and thus indirectly Gellért Zoltán Jászai acquired a 32.01% stake in 4iG Plc. For the remaining shares, a mandatory tender offer was made, which was open until 28 August 2019.
- On 26 July 2018, the Company's General Meeting of Shareholders decided on a share split, according to which the nominal value of the shares was changed to HUF 100 per share. As of 5 October 2018, the shares of 4iG Plc. were traded at HUF 100 per share in the standard section of the Budapest Stock Exchange. On 25 April 2019, the Company's General Meeting decided on a new share split, according to which the nominal value of the shares was changed to HUF 20 per share.
- As of 19 June 2019, 4iG shares were reclassified to the Premium category by the Director of the Budapest Stock Exchange.
- In connection with the capital increases decided on 1 June 2021, a total of 5 207 921, i.e. five million two hundred seven thousand nine hundred twenty-one Series A ordinary shares with a nominal value of HUF 20 each, granting the same rights as the shares already listed, were listed on the Budapest Stock Exchange on 1 July 2021.
- The Extraordinary General Meeting of 30 September 2021 resolved to issue 4 000 000, i.e. four million Series A ordinary shares with a nominal value of HUF 20.00 each, granting the same rights as the shares already listed, to the 4iG ESOP Organisation.
- The issue was completed on 30 November 2021.
- In connection with the capital increases decided on 24 January 2022, a total of 116 417 910 ordinary shares of series A with a nominal value of HUF 20.00 each, with the same rights as the shares already issued, of 116 417 910 (one hundred sixteen million four hundred seventeen thousand nine hundred ten) were subscribed by the iG COM private equity fund.

Data in millions of HUF, unless otherwise indicated

- In connection with the capital increases resolved on February 23, 2022, Rheinmetall AG subscribed for a total of 50,223,881 (fifty million two hundred twenty-three thousand eight hundred eighty-one) Series A ordinary shares with a par value of HUF 20 each, which confer the same rights as the shares already issued.
- In connection with the capital increases decided on 23 February 2022, a total of 19 761 380 ordinary shares of series A, with a nominal value of HUF 20 each, with the same rights as the shares already issued, were subscribed by Bartolomeu Investment Kft.
- In connection with the capital increases decided on 23 February 2022, a total of 9,463,882 ordinary shares of series A with a nominal value of HUF 20.00 each, with the same rights as the shares already issued, of 9,463,882 shares, i.e. nine million four hundred and sixty-three thousand eight hundred and eighty-two, have been subscribed by Çalik Holding Anonim Sirketi of Turkey.

3. Ownership structure

	31/12/2022	31/12/2021
iG COM Magántőkealap (Private Equity Fund)	38.93%	0%
KZF Vagyonkezelő Kft.	10.68%	52.34%
Manhattan Invest Kft.	1.03%	3.00%
Manhattan Magántőkealap (Private Equity Fund)	0.58%	1.52%
Rheinmetall AG	25.12%	0%
Bartolomeu Investment Ltd.	7.41%	5.05%
Çalik Holding Anonymous Sirketi	3.16%	0%
4iG treasury shares	0.45%	0.83%
Owned by 4iG ESOP Organisation	1.34%	3.88%
Free float	11.30%	33.38%
Total	**100.00%**	**100.00%**

4. Officials

As of 31 December 2022, the executive officers of 4iG Plc were.

4.1. Company management

Board of Directors:	Gellért Zoltán Jászai, Chairman of the Board
	Zsolt Béla Tóth, Member of the Board
	Aladin Ádám Linczényi, Member of the Board
	László Blénessy, Member of the Board
	Péter Krisztián Fekete, Member of the Board, CEO
	Pedro Vargas Santos David, Member of the Board

Supervisory Board:	Dr Tamás Fellegi, Chairman of the SB Dénes Jobbágy, Member Dr Ildikó Rózsa Tóthné, Member Helmut Paul Merch, Member
Audit Committee:	Dr Tamás Fellegi, President of the AC Dénes Jobbágy, Member Dr Ildikó Rózsa Tóthné, Member

4.2. Remuneration of officials

The remuneration of the officers is described in Subsection 46 of the Supplementary Annex.

4.3. Executive officers' holdings of 4iG shareholdings as of 31 December 2022

Name	Position	Direct ownership (units)	Indirect ownership (items)	Direct and indirect (pcs)	Ownership (%)
Gellért Zoltán Jászai	Chairman of the Board of Directors	0	153 191 954	153 191 954	51.22%
Zsolt Béla Tóth	Member of the Board of Directors	1 052 200	0	1 052 200	0.35%
László Blénessy	Member of the Board of Directors	911 265	0	911 265	0.30%
Pedro Vargas Santos David	Member of the Board of Directors	0	24 969 301	24 969 301	8.35%

4.4. Authorised signatories of the report

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

4.5. Election and removal of officers

The General Meeting elects and may remove the Company's executive officers.

4.6. Powers of officials

The officers 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 its own shares.

5. Responsible corporate governance report and declaration

The Company has a Responsible Corporate Governance Report and Statement and reviews its corporate governance system each year and makes changes where necessary. It approves the changes at the Annual General Meeting and publishes a Corporate Governance Statement after the meeting. The Corporate Governance Report and Statement can be found at www.4ig.hu, www.bet.hu and www.kozzetetelek.hu.

- The Company prepares its Corporate Governance Report and Statement based on the Corporate Governance Recommendations published by the Budapest Stock Exchange.
- The Company applies the mandatory corporate governance rules.
- The Corporate Governance Report and the Corporate Governance Statement are adopted by the Board of Directors and approved by the General Meeting of Shareholders on the basis of a proposal from the Supervisory Board.
- The Corporate Governance Report and Statement shall include the BSE recommendations and the details of and reasons for any deviation from them.
- The Corporate Governance Report and Statement sets out the reasons for the practice outside the requirements of the legislation. When preparing the Corporate Governance Report, the operational management of the Company is carried out by the Board of Directors, which is represented before external parties by the Chairman of the Board of Directors.
- Nobody has a directorship as defined in the Articles of Association and the Corporate Governance Report and Statement.
- The internal audit and controlling work built into the Company's internal control process ensures continuous monitoring. The elimination of risks is achieved through weekly management meetings.

6. Amendment of the Articles of Association

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

7. Subsidiaries

The subsidiaries are listed in Subsection 2 of the Supplementary Annex.

8. Recovery of financial instruments

The recovery of financial instruments is dealt with in Section 44 of the Supplementary Annex.

9. Risk management policy

The risk management policy and the management of price, credit, interest rate, liquidity and cash flow risks are dealt with in Subsection 43 of the Supplementary Annex.

10. Research and development

The Company creates value for its clients with its integrated services. It offers solutions that continuously follow-up IT and technological innovations, providing efficient support for the business processes of the clients as well as the digital transformation in all economic segments. Over the past decade, the Company has played an active role in technological innovation-based research and development using Hungarian and EU funding. The company has been involved in nearly two dozens of successful research projects ranging from the development of sensor systems for unmanned air vehicles (UAVs) to industrial 3D imaging technologies and to the development of bioinformatic and medical diagnostic devices.

NON-FINANCIAL REPORT FOR THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

1. Our mission, our approach

As a leading player in the Hungarian IT sector, our company creates value for our customers throughout the entire IT lifecycle: from the definition of the requirement to the development of complex systems and the maintenance of reliable operation. Our competitiveness stems from the fact that our operations are based on a stable, predictable, large-scale enterprise foundation, while at the same time our activities are agile, innovative and start-up in nature. As a listed company, our processes and activities are transparent and our financial and professional results are public.

The pace of change in the information and telecommunications (ICT) market has accelerated dramatically as technology has become a key, inescapable building block of business in recent years, further reinforced by the impact of COVID19. The Company is adapting its portfolio to these market trends, expanding its pool of professionals: combining traditional and innovative elements, it is moving forward in shaping the future of the domestic ICT market and digital business. Our vision goes beyond IT systems: we believe in partnering based on joint innovation and in solutions tailored to the rhythm and business goals of our customers, whether it is a system that can be implemented almost immediately or the result of a customised, bespoke development.

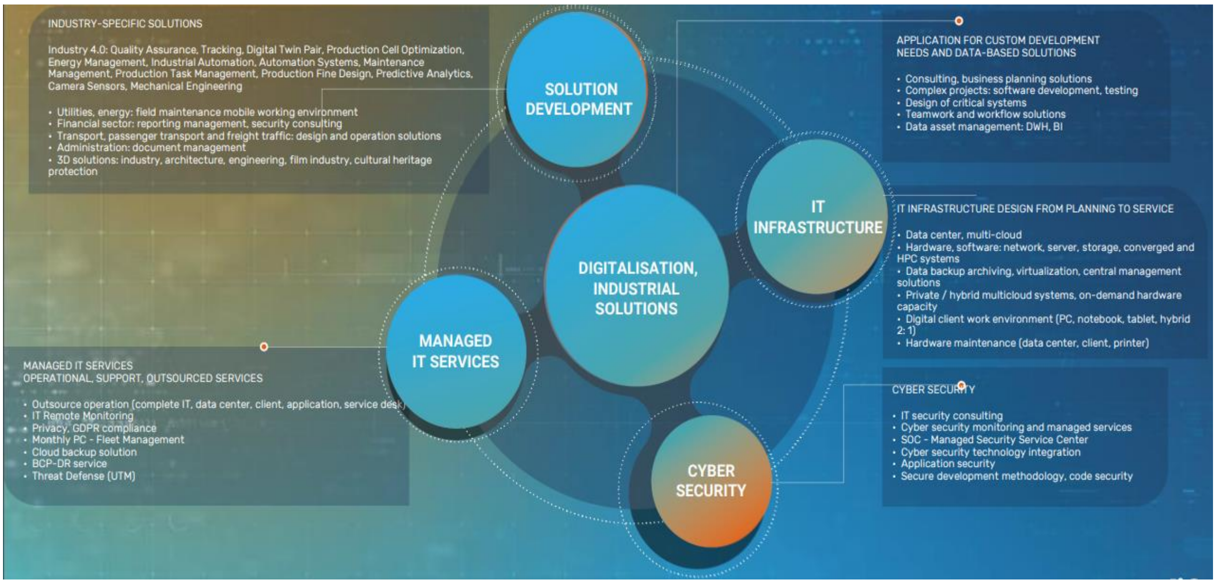
2. Our competences

Thanks to our 30-year history, we have developed a fine-tuned portfolio of services that includes both elements that can serve basic IT needs and innovative solutions that are future-proof. The company sees its clients' orders as a value chain, which has enabled it to advise on, design, implement and operate its clients' IT needs. In terms of system solutions, the Company mainly offers standard and customised solutions for medium and large enterprises. This includes high availability, monolithic infrastructure systems and business applications, which include the design and delivery of hardware, software licensing requirements, implementation and integration into the customer's system environment. Our company is certified as a distributor and integrator by major global technology companies such as DELL, HPe, Cisco, SAP, Oracle, Symantec, Lenovo.

In addition to software, hardware and network infrastructure solutions, we focus on custom software development, cybersecurity and industry-specific solutions such as IPAR4.0-based technologies. In the area of custom software development, we employ more than 150 people. Our company strives to have the highest possible proportion of its total workforce made up of technical specialists.

Our colleagues are constantly working to create both timeless and future-proof solutions. We have significant expertise in our innovative target areas such as Blockchain, Artificial Intelligence, Machine Learning and are constantly exploring the scalability of these technologies.

A chart summarising the Company's capabilities:



3. Commercial approach

The Company is committed to a proportionate mix of ongoing, operational, support and project orders. It strives to maximise the number of operational opportunities associated with project deliveries. The company's track record means that it has a significant number of customers, drawn from a wide range of industries. Our clients include SMEs, large corporates and international companies in the domestic competitive sector, as well as a significant number of public sector companies.
Our commercial strategy is two-dimensional. On the one hand, it seeks to retain existing customers and, on the other, it is constantly looking for ways to expand its client base. This approach underpins the core objective of the company's management to ensure the sustainability of continued growth.

4. Market presence

The Company has become one of the most important players in the domestic market. Its growth has had a positive impact on smaller players in the market by constantly looking for opportunities for cooperation and by supporting its expansion and growth through acquisitions in addition to organic opportunities. The company's transparent and reliable operations, its high-quality solutions and its ability to deliver high quality solutions have a strong customer retention effect and can set an example to competitors. We believe that the company's success at home can provide a solid basis for expansion abroad.

5. Knowledge- and people-centredness

The customer is at the heart of our business, and fair and accurate customer service is a prerequisite for our operations. To this end, we continuously train our professionals to solve our customers' problems, whatever the IT segment, using the latest, reliable technologies and with short response times. We also always keep in mind that behind the technical need is the human being. The three key ingredients for business success are the alignment of technology, process and people, so we place equal importance on educating our customers as we do on-going training for our colleagues. To mitigate risks, we regularly run security awareness training and consultancy workshops to help you operate more effectively digitally. Providing a liveable workplace is important to us, helping to create a healthy work-life balance. As part of our wellbeing programme, our colleagues can take part in a variety of activities, where team-building plays an important role alongside health promotion. 4iG Plc offers its employees a wide range of career opportunities, from trainee to expert and management level. We are open to newcomers who, with their thinking, new ideas and creativity, can make our teams and our company as a whole even more dynamic. Through our own development, we all contribute to the success of our clients and our company.

6. Ethics and anticorruption compliance

The 4iG Group operates a compliance programme aimed at creating a value-conscious corporate culture. The 4iG Group's business spans many countries, and the Group recognises and analyses the differences in laws, regulations and practices in each country, while operating the Group in a legal and ethical manner.

The Compliance program operated by the 4iG Group covers anticorruption, ethics, whistleblowing compliance and conflict of interest management compliance. 4iG Plc’s Compliance program is implemented by creating the appropriate regulatory environment, training our employees in corruption compliance, creating a value-conscious corporate culture, ensuring transparency in decision-making processes, screening and qualification of business partners and internal audits.

The 4iG Group is committed to respecting human rights in all its activities, as set out in the Group Code of Ethics and the Code of Ethics for Business Partners and expects respect for such rights in its business relationships, including the provision of fair working conditions for employees. The enforcement of these standards is also a high priority in our due diligence of business partners.

The Company is committed to the transparency and purity of its processes, and accordingly pays particular attention to ensuring that the Group's internal processes, ethical and conflict of interest policies comply with international standards. The 4iG Group Code of Ethics and Business Conduct states as a matter of principle that the 4iG Group will not tolerate any form of corruption (including bribery, kickbacks, kickbacks, extortion, abuse of power for personal gain, influence peddling, undue advantages and gifts given with the intention to influence), whether in the competitive (private) sector or in the public or municipal sector.

The 4iG Group strictly prohibits its employees and any person acting on behalf of or on behalf of the 4iG Group from offering, giving, soliciting, accepting or receiving any unlawful advantage.

Employees and other persons acting on behalf of or for the account of the 4iG Group must never offer or give (or permit the offer or giving) of money or other benefits for the purpose of exercising (or even the appearance of exercising) undue influence over any official or providing (or giving the appearance of providing) an undue business advantage.

In order to operate effective controls necessary to manage corruption-related risks, 4iG Plc introduced an anti-corruption management system in 2020 and, as a result of the adequacy of the controls applied, was among the first Hungarian companies to obtain the MSZ ISO 37001:2019 certificate in December 2020. In the years 2021 and 2022, 4iG Plc maintained MSZ ISO 37001:2019 certificate compliance following a successful surveillance audit, which was conducted by an independent external certification body. In 2022, another member company of the 4iG Group, ACE Network Zrt., also obtained MSZ ISO 37001:2019 certification with the assistance of the 4iG Group Compliance function.

Prior to the implementation of the Anti-Corruption Management System, the 4iG Group has identified and assessed in detail the corruption risks in its operations and has determined that there is a higher than minimal risk of corruption, especially in relations with suppliers, customers and other business partners. Subsequently, we reviewed the scope of corruption risks annually and, where necessary, reassessed corruption risks. Based on the current 4iG Group Anti-Corruption Policy (available as Anti-Corruption and Bribery Policy on compliance.4ig.com), cooperation with officials, acquisitions, group-wide operations and chain sales were identified as the key corruption risks derived from the strategy.

4iG Plc reduces corruption risks, in particular by creating an appropriate regulatory environment (in addition to the already mentioned Code of Ethics, the 4iG Group has several other anti-corruption related regulatory documents; e.g. Compliance Function Code, Anti-Corruption and Anti-Bribery Code, Bidding Code, Conflict of Interest Code, Whistleblowing and Whistle-blower Protection Code, Ethics Committee Procedures), by training our employees against corruption, by operating an anonymous whistleblowing system, an independent Ethics Committee, and the compliance controls described above.

7. Quality management

Our integrated management system has been developed taking into account industry best practices, standards and norms. Its operations are regularly reviewed and improved to ensure efficient internal operations and customer satisfaction. Our standards-based management systems (ISO 9001, ISO 14001, ISO 37001, ISO 50001, ISO/IEC 20000-1, ISO/IEC 27001, ISO/IEC 19770-1) have been implemented to provide a set of requirements for the continuous monitoring, maintenance and improvement of all our business processes. The establishment and maintenance of standard management systems is a long-term strategic decision for our company.

Our guiding principles are customer focus and providing the highest possible level of service. Particular attention is paid to ensure and maintain customer satisfaction, fully investigating incoming customer complaints and determining the appropriate action to be taken, thereby ensuring a high level of customer satisfaction.

We regularly measure customer satisfaction and use the results to develop our quality management system according to MSZ EN ISO 9001:2015. In this context, the 4iG Group is not satisfied with simply implementing ISO standards, but continuously defines metrics to measure the effectiveness of its management systems and their evaluation provides an opportunity for continuous improvement.

In the operation of its integrated management system (Quality, Environmental and Information Security Management System), the 4iG Group continuously monitors key financial and non-financial indicators, from which the achievement of the objectives set according to the various ISO standards is assessed and monitored along the PDCA cycle.

It conducts regular internal audits to ensure that the policies and development objectives set out in the policies are being met, that the relevant instructions and regulations are being followed, and that the action plans identified in previous audits are being implemented.

Each year, the effective functioning of the management systems is reviewed by an external independent certification body every three-year certification cycle.

The 4iG Group is committed to being part of, supporting and developing the community and environment in which it operates. Our company believes it is important to stand behind initiatives that set an example and create value. Whether it's culture or sport, science and innovation, or current social issues. At the same time, all sponsored and supported individuals and organisations are expected to act in accordance with the ethical values and principles of the 4iG Group.

8. Environment and energy management

The 4iG Group is committed to preventing environmental damage and hazards and reducing the health, safety and environmental risks arising from its activities. The Company is a service provider, does not distribute or stock environmentally hazardous substances, and is committed to complying with environmental guidelines. The company has an environmental management system and energy management system for all its sites in accordance with MSZ EN ISO 14001:2015 and MSZ EN ISO 50001:2019. The prudent use of natural resources and energy is a key element of our company's environmental strategy, and our long-term goal is to develop and apply technical solutions and processes that reduce the burden on the environment, while at the same time saving materials and energy and reducing environmental risks.

Our company: - complies with all relevant technological regulations in all its activities; - has a strong focus on people and the environment in the workplace, using recycled materials, and implementing technologies and procedures to reduce waste. All our products comply with the RoHS directives. In all cases, we use the services of a legally qualified specialist company for the destruction of equipment and components that cannot be repaired and are to be scrapped.

9. Sustainability

For 4iG Group employees, sustainability and forward thinking are not a question, but part of our core philosophy. An important building block in shaping our vision for the future is not only to respond to the challenges of the present, but also to consider how we can anticipate what is likely to happen. We are implementing our goals for a more sustainable future through dedicated programmes and summarising our results from time to time in the Corporate Sustainability Report.

10. Information Security Principles of 4iG Plc

4iG Plc and its subsidiaries will at all times exercise the utmost care for the safety of its customers, suppliers and employees. The Group views safety as a business advantage over its competitors. It focuses on maintaining trust with its partners by developing internal policies, training and development to increase the safety awareness of its employees.
The 4iG Group is committed to complying with the guidelines set out in ISO/IEC 27001:2014 in its operations and in the services it provides, by accepting it as binding.
In order to ensure business continuity, the 4iG Group takes all necessary information security measures, and all its data management processes are designed in accordance with data protection and information security requirements.
To ensure the highest possible level of personal data protection, the 4iG Group has comprehensive policies and regulations that respond to all points of the relevant legislation, and by creating and documenting them, our colleagues are more security conscious and help our partners on the path to awareness.

11. Information and stakeholder system

The Company and its subsidiaries operated under a common corporate governance system in 2022. In 2023, our organisation and the related stakeholder management system will be further refined and aligned with our new strategic vision to provide maximum support for the achievement of our planned results.

12. Policy results

Results of anti-corruption policy

Our company operates an Ethics and Compliance reporting line, which is also available on the 4iG website. We have investigated the whistle-blower reports received during the year and decided on the necessary actions to be taken. An annual full compliance-focused audit was carried out, as a result of which we identified the Company's corruption risks and defined controls to address these risks. Subsequently, 4iG Plc was one of the first in Hungary to obtain accreditation by the National Accreditation Authority for its management system according to ISO 37001. We have ensured the provision of anti-corruption and ethics training in relation to the above, resulting in 98.9% of our employees passing the exam and making statements on anti-corruption issues at two levels (Employee and Senior Management/Directorate) in accordance with the standard requirements. In addition, regular compliance training is provided to new entrants, including an introduction to the key elements of the Anti-Corruption Policy. New entrants are also required to sit an examination on their knowledge of our anti-corruption policies, among other things.

Our key anti-corruption indicators:

- full investigation of notifications received
- conducting annual audits
- continuous monitoring of controls
- training delivery and attendance rates

Results of environment and energy management policy

4iG Plc pays great attention to environmental protection and communicates its environmental and energy management objectives to its employees and stakeholders through its environmental and energy management policy. In accordance with the environmental and energy management objectives and programmes.
In the list, the processes are broken down into sub-activities through which environmental impacts and energy beneficiaries can be identified and assessed, so that the significant ones can be selected from the many impacts and the Company can focus its resources on them when setting environmental and energy management objectives, plans and programmes.
The implementation of the environmental and energy management programmes launched in the year under review is continuously monitored, the most important of which were measures to improve energy management performance indicators (reduction of electricity and fuel consumption, measurability of on-site consumption).
We have assessed our suppliers in relation to our environmental management system and found them to be compliant with the environmental assessment.
During the selective collection and storage of waste, special attention is paid to avoiding the mixing of hazardous and other waste, thus preventing pollution and reducing the environmental burden.
We have made our subcontracting partners aware of the basic requirements of our environmental management system ('Environmental Information Notice' used as an annex to the Contracts).

Our key environmental indicators:

- hazardous and non-hazardous waste collection
- fuel consumption
- reducing energy use

Results of the information security policy

The 4iG Group carries out regular audits to ensure that the objectives set out in the information security policy are being achieved and that the relevant instructions and procedures are being followed by the parties concerned. If it detects any non-compliant process or employee behaviour, it will take the necessary action to correct the problem. As part of the 'Welcome day' for new entrants introduced during the year under review, our employees receive information security training as part of their basic training to familiarise themselves with the Company, in line with our policy.

Results of quality policy

Based on our 'Vision Mission Statement', we continuously improve our quality management system in line with the growth of 4iG and review the adequacy and effectiveness of our processes. We ensure the compliance of our suppliers and subcontractors through certification to ensure accountability for quality. Our company takes particular care to constantly improve the quality and standard of the activities it carries out. In order to achieve this objective, we systematically develop the quality approach of our staff and those involved in the company's work, and ensure that the appropriate personal, material and environmental conditions are in place.

Our key indicators:

- completion of an annual audit programme
- monitoring the effectiveness of corrective actions taken to address non-compliances identified in the audit
- number of follow-up audits
- the achievement of annual quality objectives in the areas of specialisation
- participation in trainings

STATEMENT

The Issuer declares that the Report presents 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 the 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 year 2022 and for the accuracy of the analyses and conclusions.

Budapest, 26 April 2023

Gellért Zoltán Jászai
Chairman of the Board of Directors

Péter Krisztián Fekete
Chief Executive Officer

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