CONSOLIDATED

financial report

4iG

H1 2024

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The Consolidated Financial Statements were approved by the Board of Directors of the Company by written decision on 28 August 2024 by Board Resolution No. 1/2024 (VIII.28.).

EXECUTIVE SUMMARY

Introduction

The 4iG Group (‘4iG’, ‘the Company’, ‘the Corporation’, ‘the Corporation’, ‘Corporate Group’, ‘Group’, ‘4iG Plc’) continued the implementation of the transformation programme (“the Programme”) as planned in the second quarter of 2024, which is expected to be completed in 2025. The transformation of the Group’s Hungarian companies is expected to generate an increase in Enterprise Value (EV) of HUF 400 billion, according to expert estimates. As a first step of the programme, 4iG will carry out a structural separation by transforming its telecom subsidiaries into commercial and infrastructure companies, and then integrate the created companies according to their functions. The transformation will include the arrangement of 4iG’s IT systems integration activities into a separate company and the merger of its space and technology interests into a separate enterprise, 4iG Space and Defence Plc. (4iG Űr és Védelmi Zrt., formerly 4iG Space and Technology Plc. – 4iG Űr és Technológiai Zrt.), to better exploit the global growth opportunities in the industry.
The new corporate structure will enable the Group to benefit from economies of scale and significantly improve its sales performance. The implementation of the transformation programme will enable the Group to develop a leaner and more efficient corporate structure.

Transformation

On 30 June, the structural separation of DIGI and Invitech was completed, with the commercial and infrastructure functions continuing to operate in separate companies. The commercial companies will operate under the same name (DIGI Távközlési és Szolgáltató Kft. and Invitech ICT Services Kft.), while the infrastructure companies will appear under the names of D-Infrastruktúra Távközlési Kft. and Invitech ICT Infrastructure Kft. in the market. The transformation programme continues with the structural separation of "ANTENNA HUNGÁRIA" Zrt.

Space industrial technology advances

On 21 February, 4iG Group reorganised its space and technology portfolio into a separate company, therefore founded 4iG Space and Defence Plc., to better capitalise on the industry’s global growth opportunities. Subsequently, the Group’s shareholdings in space and technology companies are being transferred to its wholly owned subsidiary, 4iG Space and Defence Plc. The main market areas of the holding company are aerospace and satellite development, drone manufacturing and defence, and defence digitalisation.
On 2 May, the 4iG Group signed an investment agreement under which the 4iG Space and Defence Plc. holding company, that combines the aerospace and defence industry portfolio, acquired a 45% stake in REMRED Zrt. through a substantial capital increase. On 6 May 2024, the Company laid the foundation stone for its new space technology production centre in Martonvásár, Hungary. From 2026, the 4,000 square metre centres will be used to manufacture, assemble, integrate and test satellites and advanced space systems. The new facility, called REMTECH, will use the latest state-of-the-art technology available and will operate at the highest international space industry standards.

The acquisition and creation of a space manufacturing hub will make 4iG a unique player in the Central and Eastern European market. With the implementation of the Space Technology Centre, the 4iG Group will expand its activities and enter the global manufacturing market after IT and telecommunications services.

New member joins the Advisory Board

On 4 March 2024, the Group's Advisory Board was expanded with a new member, William Wells has over 35 years of investment banking experience. Having worked in Central and Southeastern Europe since 1990, he brings a wealth of experience in M&A, finance and capital markets, and shall contribute to the Company's further regional expansion plans.

Hungary first in 5.5G technology

The 4iG Group's commitment to the latest cutting-edge technologies is demonstrated by the fact that on 17 April 2024 it became the first in Central and Eastern Europe to demonstrate 5.5G technology using 6GHz spectrum, which opens up new horizons in mobile network speeds. The new antenna, tested in collaboration with the Faculty of Electrical Engineering and Information Technology of the Budapest University of Technology and Economics ('BME VIK'), could offer up to ten times faster download speeds than the fastest 5G technology currently in use, based on current mobile base stations.

Partnership with Huawei

On 10 May 2024, 4iG Plc signed a Memorandum of Understanding with Huawei Technologies Hungary, the collaboration could open up new markets for the Group. The agreement between the two companies aims to expand the Company's existing cloud services and create a new joint cloud services platform, primarily for large enterprises in China and the Far East operating in the region. Furthermore, the parties will explore the possibility of establishing joint innovation centres for the research, development and application of artificial intelligence.

Telecom Egypt partnership

4iG Group and Telecom Egypt, following the Memorandum of Understanding signed in October 2023, reached a preliminary agreement on 1 February 2024 on the details of the implementation of the investment in the transcontinental data cable between Egypt and Albania and the establishment of a joint project company. The project could create a Balkan data gateway, providing Eastern and South-Eastern Europe direct connections to Africa and the Far East, as well as a shorter route to Western Europe. The data cable investment is supported by a Memorandum of Understanding signed between 4iG and the Albanian government on 5 February 2024.
4iG Group and Telecom Egypt have signed a Memorandum of Understanding (MoU) to establish a joint venture for the wholesale deployment, operation, and marketing of Fibre-To-The-Home (FTTH) and Fibre-To-The-Site (FTTS) passive access infrastructure in Egypt. The joint venture will invest USD 600 million to upgrade Egypt's infrastructure and build a modern fibre-optic network that could provide high-speed Internet access to more than six million homes.

Data in millions of HUF, unless otherwise indicated

Financial performance

4iG Plc's consolidated net sales revenue according to International Financial Reporting Standards (IFRS) amounted to HUF 328.4 billion in the first half of 2024, the Group's EBITDA according to IFRS amounted to HUF 110.5 billion, while the EBITDA margin on net sales amounted to 33.6 percent.
Nearly 88 percent of net sales revenue were generated by the telecommunications division and 12 percent by the IT division. Geographically, 87 percent of net sales revenue were generated in Hungary, 10 percent in Albania and 3 percent in Montenegro.
The negative IFRS result in the reporting period was mainly due to financial expenses and non-cash outflows recognised in the depreciation and amortisation line: in the first half of 2024, the Group accrued interest expense of approximately HUF 24.6 billion on bonds, loans and borrowings, while HUF 6.1 billion of interest expense, also non-cash, was recognised on leased assets. In the first half of the year, unrealised exchange losses of HUF 10.2 billion were recognised due to unfavourable exchange rate movements for the Group. In the depreciation and amortisation line, the excess depreciation charges due to purchase price allocation effects and the one month of additional depreciation recognised in the period due to the acquisition of Vodafone on 31 January 2023 also had a negative impact on the profitability of the period.
The profit after tax normalized with the total purchase price allocation effect (HUF 11.6 billion) and unrealised foreign exchange losses (HUF 10.2 billion) amounted to HUF -1.5 billion in the first half of 2024.
The purchase price allocation effect has a negative impact on the Group's profitability until the end of the useful life of the related assets or until their disposal.

Capital market performance

	H1 2024	H1 2023	Change +/- %
		Modified*	
Net sales revenue	**328 398**	**266 247**	**23.37%**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**110 496**	**95 267**	**15.99%**
Operating result (EBIT)	20 046	22 082	9.22%
Profit or loss after tax (PAT)	-23 289	13 289	n/a
Total comprehensive income	**-22 430**	**9 559**	**n/a**
Data per share (in HUF)			
EBITDA	369.46	318.54	15.99%
Net profit (EPS)	-77.87	26.04	n/a
Highest EPS indicator	-79.08	26.26	n/a
Equity	1 123.21	1 201.95	-6.54%

* The comparative figures of the consolidated statement of comprehensive income are restated figures. The restatements have been made in accordance with Section 2.37. 'Adjustment of previous year's financial data'.

Data in millions of HUF, unless otherwise indicated

Presentation of 4iG Group's Q2 2024 results

Description	H1 2024	H1 2023*	Changes +/- % in	Q2 2024	Q2 2023*	Change +/- % in
		Modified			Modified	
Revenues	**336 107**	**283 760**	**18.45%**	**170 778**	**165 888**	**2.95%**
- Of which: Net sales revenue	328 398	266 247	23.34%	170 738	151 069	13.02%
Capitalised value of own produced assets	**8 446**	**5 357**	**57.66%**	**4 690**	**4 010**	**16.96%**
Material costs	-152 056	-132 263	14.96%	-79 494	-75 129	5.81%
Staff costs	-55 292	-44 279	24.87%	-30 525	-25 005	22.08%
Other expenses	-26 709	-17 308	54.32%	-9 086	-10 769	-15.63%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**110 496**	**95 267**	**15.99%**	**56 363**	**58 995**	**-4.46%**
Depreciation and amortisation	-90 450	-73 185	23.59%	-46 145	-40 583	13.71%
Earnings Before Interest and Tax (EBIT)	**20 046**	**22 082**	**-9.22%**	**10 218**	**18 412**	**-44.50%**
Financial income	5 785	30 233	-80.87%	2 061	16 130	-87.22%
Financial expenses	-45 133	-37 508	20.33%	-16 186	-18 477	-12.40%
Profit before tax (PBT)	**-19 302**	**14 807**	**n/a**	**-3 907**	**16 065**	**n/a**
Income taxes	-3 987	-1 518	162.65%	-1 317	-1 603	-17.84%
Net result	**-23 289**	**13 289**	**n/a**	**-5 224**	**14 462**	**n/a**
Other comprehensive income	859	-3 730	n/a	-13	-1 361	-99.04%
Total comprehensive income	**-22 430**	**9 559**	**n/a**	**-5 237**	**13 101**	**n/a**

* The comparative figures of the consolidated statement of comprehensive income, the consolidated statement of financial position and the cash flow statement are restated figures. The restatements have been made in accordance with Section 2.37. ‘Adjustment of previous year's financial data’.

4iG PLC
CONSOLIDATED FINANCIAL STATEMENTS

ACCORDING TO INTERNATIONAL
FINANCIAL REPORTING STANDARDS
30 JUNE 2024

Data in millions of HUF, unless otherwise indicated

Consolidated statement of comprehensive income

	Notes	2024 H1	2023 H1
			Modified*
Net sales revenue	3	328 398	266 247
Other operating income	4	7 709	17 513
Total net sales revenue and other income		**336 107**	**283 760**
Capitalised value of own produced assets	5	**8 446**	**5 357**
Material costs	6	-152 056	-132 263
Staff costs	7	-55 292	-44 279
Other expenses	8	-26 709	-17 308
of which impairment		-2 506	-1 652
Operating costs		**-234 057**	**-193 850**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**110 496**	**95 267**
Depreciation and amortisation	9	-90 450	-73 185
Profit before financial operations (EBIT)		**20 046**	**22 082**
Financial income	10	5 785	30 233
Financial expenses	10	-44 734	-37 458
Profit or loss of associates	12	-399	-50
Profit or loss before tax		**-19 302**	**14 807**
Income taxes	11	-3 987	-1 518
Profit or loss after tax		**-23 289**	**13 289**
Other comprehensive income to be recognised in the consolidated income statement in the following period:			
Activities arising from currency translation exchange rate differences		859	-3 730
Net other comprehensive income to be recognised in the consolidated income statement in the following period:		**859**	**-3 730**
Other comprehensive income	13	**859**	**-3 730**
Total comprehensive income	14	**-22 430**	**9 559**
Earnings per share (HUF)	15		
Base		**-77.87**	**44.43**
Diluted		**-79.08**	**44.81**

Data in millions of HUF, unless otherwise indicated

Consolidated statement of comprehensive income (continued)

	2024 H1	2023 H1
		Modified*
Profit or loss after tax attributable to:	**-23 289**	**13 289**
Owners of the Company	-28 136	7 502
Non-controlling interest	4 847	5 787
Total comprehensive income attributable to:	**-22 430**	**9 559**
Owners of the Company	-27 581	2 923
Non-controlling interest	5 151	6 636

	2024 H1	2023 H1
		Modified*
Profit or loss after tax	-23 289	13 289
Purchase price allocation effect	11 574	8 342
Adjusted profit or loss after tax**	**-11 715**	**21 631**

* The comparative figures of the consolidated statement of comprehensive income, the consolidated statement of financial position and the cash flow statement are restated figures. The restatements have been made in accordance with Section 2.37. ‘Adjustment of previous year's financial data’.
** Adjusted profit or loss after tax represents profit or loss after tax adjusted for the effects of the purchase price allocation identified in accordance with IFRS 3 Business Combinations.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position

	Notes	30/06/2024	31/12/2023 Modified*
ASSETS			
Non-current assets			
Property, plant, and equipment	16	452 716	457 749
Customer relationship	17	168 747	173 522
Other intangible assets	18	211 515	218 563
Right of use assets	19	147 465	140 984
Deferred tax assets	20	877	688
Goodwill	21	269 415	269 415
Net investment in leasing	22	884	752
Other investments	23	9 983	639
Other non-current assets	24	2 464	2 164
Total non-current assets		**1 264 066**	**1 264 476**
Current assets			
Cash and cash equivalents	25	50 873	53 175
Trade receivables	26	117 694	125 147
Other current financial assets	27	37 341	34 157
Other current non-financial assets	28	30 799	22 894
Income tax receivable	29	1 754	1 054
Current finance lease receivables	30	562	563
Inventories	31	15 769	11 870
Total current assets		**254 792**	**248 860**
Total assets		**1 518 858**	**1 513 336**
EQUITY AND LIABILITIES			
Equity			
Share capital	32	5 981	5 981
Treasury shares	33	-3 199	-3 199
Capital reserve	34	133 492	133 492
Retained earnings		-50 843	-22 707
Reserve for ESOP obligation	43	397	397
Accumulated other comprehensive income	35	12 723	12 168
Total equity per parent company		**98 551**	**126 132**
Non-controlling interest	36	237 427	233 340
Total equity		**335 978**	**359 472**
Non-current liabilities			
Provisions – non-current	37	5 947	5 864
Loans, borrowings, bonds – non-current	38	757 078	742 037
Lease liabilities – non-current	39	125 562	119 081
Deferred tax liability	20	21 173	22 350
Other non-current liabilities	40	2 664	4 926
Total non-current liabilities		**912 424**	**894 258**

* The comparative figures of the consolidated statement of comprehensive income, the consolidated statement of financial position and the cash flow statement are restated figures. The restatements have been made in accordance with Section 2.37. ‘Adjustment of previous year's financial data’.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position (continued)

	Notes	30/06/2024	31/12/2023 Modified*
Current liabilities			
Trade payables	41	64 656	87 681
Loans and borrowings - current	42	12 898	12 663
ESOP obligation	43	1 308	624
Dividends payable to owners	44	8	8
Provisions – current	37	6 938	5 572
Profit tax liability	29	1 060	1 812
Lease liabilities - current	39	27 457	24 747
Other current financial liabilities	45	44 415	21 035
Other current non-financial liabilities	46	111 716	105 464
Total current liabilities		**270 456**	**259 606**
Total liabilities and equity		**1 518 858**	**1 513 336**

* The comparative figures of the consolidated statement of comprehensive income, the consolidated statement of financial position and the cash flow statement are restated figures. The restatements have been made in accordance with Section 2.37. ‘Adjustment of previous year's financial data’.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of changes in equity

	Notes	Share capital	Treasury share	Capital reserve	Retained earnings	Reserve for ESOP obligation	Accumulated other comprehensive income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
On 1 January 2023		**5 981**	**-922**	**133 492**	**47 170**	**0**	**9 722**	**195 443**	**102 111**	**297 554**
Acquisition - Purchase price allocation change				**3**				**3**	**409**	**412**
Modified balance on 1 January 2023		**5 981**	**-922**	**133 492**	**47 173**		**9 722**	**195 446**	**102 520**	**297 966**
Profit or loss after tax					3 278			**3 278**	4 509	**7 787**
Other comprehensive income	13						-4 579	**-4 579**	849	**-3 730**
Accounting policy change					4 224			**4 224**	1 278	**5 502**
Share purchase	33		-1 191					**-1 191**		**-1 191**
NCI (non-controlling interest)	36				-79 541			**-79 541**	135 505	**55 964**
Balance on 30 June 2023		**5 981**	**-2 113**	**133 492**	**-24 866**	**0**	**5 143**	**117 637**	**244 661**	**362 298**
Balance on 1 January 2024		**5 981**	**-3 199**	**133 492**	**-20 993**	**397**	**12 168**	**127 846**	**233 858**	**361 704**
Acquisition - Purchase price allocation change					-1 714			-1 714	-518	**-2 232**
Modified balance on 1 January 2024		**5 981**	**-3 199**	**133 492**	**-22 707**	**397**	**12 168**	**126 132**	**233 340**	**359 472**
Profit or loss after tax					-28 136			**-28 136**	4 847	**-23 289**
Other comprehensive income	13						555	**555**	304	**859**
NCI dividend								**0**	-1 064	**-1 064**
Balance on 30 June 2024		**5 981**	**-3 199**	**133 492**	**-50 843**	**397**	**12 723**	**98 551**	**237 427**	**335 978**

Data in millions of HUF, unless otherwise indicated

Consolidated cash flow statement

	Notes	30/06/2024	30/06/2023 Modified*
Cash flow from operating activities			
Profit or loss after tax		-23 289	13 289
Adjustments:			
Depreciation and amortisation for the current year	9	90 450	73 185
Impairment	8	-662	3 555
Provisions	37	1 476	-1 619
Income taxes	29	3 987	1 518
Other financial income/expenses		29 497	24 468
Foreign exchange rate differences		7 502	-16 720
Profit or loss of associates	12	399	-50
Gain/loss on sale of fixed assets		0	-15 143
Changes in working capital			
Changes in trade receivables	26	8 706	1 443
Changes in inventories	31	-4 729	-503
Changes in trade payables	41	-22 997	-12 744
Changes in financial lease (current)	39	-6 306	4 298
Changes in other receivables and payables		-4 228	5 577
Income tax paid		-6 698	-6 137
Net cash flow from operating activities		***73 108***	***74 417***
Cash flow from investment activities			
Sale/purchase of property, plant, equipment	16	-35 265	-28 708
Sale/purchase of intangible assets	18	-23 321	-16 895
Sale/purchase of securities	27	16	1
Sale/purchase of other investments		-6 043	-2 077
Net cash flow from acquisition of subsidiaries		0	-324 651
Dividends and interest received on investments		0	1 250
Net cash flow from investment activities		***-64 613***	***-371 080***
Cash flow from financing activities			
Withdrawal/repayment of loans and borrowings	38	7 849	326 037
Financial lease withdrawal/repayment	39	-10 975	-20 516
Repurchased and issued treasury shares		0	-1 191
Interest paid	10	-7 102	-6 599
Dividends paid (minority)		-656	0
Net cash flow from financing activities		***-10 884***	***297 731***
Foreign exchange rate differences		87	-67
Net change in cash and cash equivalents		**-2 302**	**1 001**
Cash and cash equivalents at the beginning of the year	25	53 175	45 961
Cash and cash equivalents at the end of the period		**50 873**	**46 962**

* The comparative figures of the consolidated statement of comprehensive income, the consolidated statement of financial position and the cash flow statement are restated figures. The restatements have been made in accordance with Section 2.37. ‘Adjustment of previous year's financial data’

1. General section

1.1. About the Group

4iG Public Limited Company is a company registered in Hungary (registered office: Krisztina krt. 39., 1013 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 principal activities of the 4iG Group of Companies (hereinafter referred to as "the Company", "the Group" or "the Group of Companies") is the provision of full telecommunications services, the operation of telecommunications-related infrastructure, platform-independent, custom software design and development, the design and implementation of full-scale enterprise IT solutions, IT operation and support, service provision, the operation of ERP (complex enterprise resource planning) systems, full support for banking data services, the development and operation of document and case management systems.

1.2. The basis of preparation of the financial statements

i) Approval and declaration

The interim condensed consolidated financial statements for the year ended on 30. June 2024 were approved by the Board of Directors on 28 August 2024. 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 non-audited consolidated financial statements for the period ending 30 June 2024. The consolidated financial statements provide comparative information in respect of the previous period.

ii) The basis of preparation of the accounts (Statement of compliance)

The accounting policies are applied consistently to the periods presented in these consolidated financial statements. This condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023 and in accordance with chapter 2.37 Adjustment of previous year's financial data.

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

iii) Going concern

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

iv) Material accounting estimates and assumptions

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

Estimates and baseline assumptions are regularly reviewed. The impact of the revision on the financial statements is described in note 2.37 and in the relevant notes. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the current year, or in the period of the revision and future periods if the revision affects both current and future years.

2. Material accounting policy information and other explanatory information

The following section describes the material accounting policies applied in the preparation of the consolidated financial statements and the basis of preparation of the consolidated financial statements. Accounting policies have been consistently applied to the periods presented in these consolidated financial statements.

2.1. The basis for consolidation

Subsidiaries

The consolidated financial 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 the Company. The subsidiaries fully consolidated are shown in the table below for the period ended 30 June 2024:

Data in millions of HUF, unless otherwise indicated

Name of subsidiary	Majority owner	Date of inclusion in consolidation	Way of acquiring	Indirect ownership on 30/06/2024	Indirect ownership on 31/12/2023
4iG Albánia Kft.	"ANTENNA HUNGÁRIA" Zrt.	23/02/2022	incorporated	76.78%	76.78%
4iG Űr és Technológiai Zrt.	4iG Nyrt.	21/02/2024	incorporated	100%	n/a
ACE Network Zrt.	4iG Nyrt.	14/04/2021	acquisition	70.00%	70.00%
AH EGY Zrt.	"ANTENNA HUNGÁRIA" Zrt.	02/08/2023	incorporated	76.78%	76.78%
AH KETTŐ Zrt.	"ANTENNA HUNGÁRIA" Zrt.	02/08/2022	incorporated	76.78%	76.78%
Albania Telecom Invest AD	"ANTENNA HUNGÁRIA" Zrt.	21/03/2022	acquisition	76.78%	76.78%
"ANTENNA HUNGÁRIA" Zrt.	4iG Nyrt.	31/03/2022	cont. in kind	76.78%	76.78%
BRISK Digital Group Kft.	4iG Nyrt.	15/11/2022	acquisition	75.00%	75.00%
BRISK Digital Hungary Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%	75.00%
BRISK Digital International Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%	75.00%
CarpathiaSat Zrt.	4iG Nyrt.	17/08/2020	incorporated	84.78%	84.78%
"Digitális Átállásért" Nonprofit Kft.	"ANTENNA HUNGÁRIA" Zrt.	31/03/2022	cont. in kind	76.78%	76.78%
DIGI Távközlési és Szolgáltató Kft.	"ANTENNA HUNGÁRIA" Zrt.	03/01/2022	acquisition	76.78%	76.78%
DTSM Kft.	4iG Nyrt.	07/12/2020	acquisition	100.00%	100.00%
Humansoft Szerviz Kft.	4iG Nyrt.	17/04/2019	cont. in kind	100.00%	100.00%
Hungaro DigiTel Kft.	Portuguese Telecommunication Investments Kft.	12/05/2021	acquisition	94.20%	94.20%
INNObyte Zrt.	4iG Nyrt.	14/10/2020	acquisition	100.00%	100.00%
INNOWARE Kft.	INNObyte Zrt.	14/10/2020	acquisition	100.00%	100.00%
Invitech ICT Services Kft.	"ANTENNA HUNGÁRIA" Zrt.	30/09/2021	acquisition	76.78%	76.78%
InviTechnocom Kft.	Invitech ICT Services Kft.	30/09/2021	acquisition	76.78%	76.78%
ONE Albania sh.a.	Albania Telecom Invest AD	21/03/2022	acquisition	73.92%	73.92%
ONE Crna Gora d.o.o.	"ANTENNA HUNGÁRIA" Zrt.	21/12/2021	acquisition	76.78%	76.78%
Poli Computer PC Kft.	4iG Nyrt.	01/06/2021	acquisition	100.00%	100.00%
Portuguese Telecommunication Investments Kft.	4iG Nyrt.	12/05/2021	acquisition	100.00%	100.00%
Rheinmetal 4iG Digital Services Kft.	4iG Nyrt.	16/11/2022	incorporated	51.00%	51.00%
Soft Media Europe srl.	BRISK Digital International Kft.	15/11/2022	incorporated	49.5%	49.5%
Veritas Consulting Kft.	4iG Nyrt.	10/09/2019	acquisition	100.00%	100.00%
Vodafone Magyarország Távközlési Zrt.	"ANTENNA HUNGÁRIA" Zrt.	31/01/2023	acquisition	54.13%	54.13%

On 21 February 2024, 4iG Űr és Technológiai Zrt. was established as a 100% subsidiary of 4iG Plc.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The Group and non-controlling interests are adjusted for changes in their ownership interests in subsidiaries. The amount by which the minority interests are adjusted and the difference between the consideration received or paid is recognised in equity as equity attributable to the 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 2021 onwards the Group will consolidate the results of Rotors & Cams Zrt. using the equity method.

Data in millions of HUF, unless otherwise indicated

On October 06, 2022, 4iG Plc acquired 9.538% of the shares of Space-Communications Ltd., the operator and developer of AMOS satellite systems. The Company increased its stake in Space-Communications Ltd. from 9.538% to 20% by a capital increase effective as of 21 February 2023. Due to the capital increase the 4iG Plc aquired significant influence in Space-Communications Ltd., therefore from this date the company will be reported as associate.
On 2 October 2023, RAC Antidrone Zrt. was established, in which 4iG Plc holds 25% of the shares. The further 50% of the shares of RAC Antidrone Zrt. hold by Rotors & Cams Zrt.
On 2 May 2024 the 45% shares of REMRED Technológia Fejlesztő Zrt. was acquired by 4iG Space and Technology Plc.
On 30 June 2024, the associated entities are shown in the table below:

Name of the associate	Date of acquisition	Way of acquiring	Indirect ownership on 30/06/2024	Indirect ownership on 31/12/2023
RAC Antidrone Zrt.	02/10/2023	incorporated	37%	37%
REMRED Technológia Fejlesztő Zrt.	02/05/2024	acquisition	45%	n/a
Rotors & Cams Zrt.	26/01/2021	acquisition	24%	24%
Space-Communications Ltd.	11/10/2021	acquisition	20%	20%

2.2. 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 payables denominated in foreign currencies are translated into HUF at the exchange rate of the MNB at the balance sheet date. The resulting exchange rate differences are recognised in the profit and loss account under financial income and expenses.

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 reporting 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.

Goodwill arising on the acquisition of a foreign entity is translated at the closing exchange rate for the period.
The financial statements of the Group's foreign subsidiaries are translated at year-end exchange rates for balance sheet items and at average exchange rates for income statement items. Translation differences are included in other comprehensive income.

2.3. Total operating income

Net sales revenue

The Group calculates its revenue in accordance with IFRS 15.
Under IFRS 15, revenue is recognised when the goods or services are delivered to the customer at the agreed price. Each separately identifiable related good or service is accounted for separately and any discount is allocated to the appropriate elements of the arrangement. When the consideration changes, the minimum value is recognised if the probability of recovery does not involve significant risk.

Net sales revenue comprises amounts invoiced on the basis of the delivery of goods or the rendering of services during the financial year. Net sales revenue is recognised when the amount of revenue is determinable, and it is probable that the Group will be able to collect the consideration. Sales revenue comprises the invoiced amounts net of sales taxes 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 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 customer’s experts.

Customers 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 can be returned, repaired or repaired under the manufacturer's warranty. For contracts with a significant financing component, the Group considers the time value of money when calculating revenue.

Lease income

Lease income from operating leases is recognised on a straight-line basis over the lease term.

Other operating income

Other operating income is accounted for in accordance with the accounting policy for revenue.

2.4. Property, plant and equipment

Property, plant and equipment are measured 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 the end of each reporting period 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 cost of repair and maintenance of fixed assets is 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 written off. Any gain or loss so arising is included in the profit or loss for the year.

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 profit or loss account.

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.
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, the adjustment is charged against current year profit or loss.

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

2.6. Business combinations

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.

2.7. 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.

2.8. 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.

2.9. 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.

2.10. Investment in associates and jointly controlled entities

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.

2.11. Investment in equity instruments

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*.

2.12. 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.

2.13. Inventories

Inventories are assets:

- held for the purpose of selling in the ordinary course of business;
- in the process of production for such sales, or
- in the form of materials and products used in the production process or for the provision of services.

After initial recognition, inventories should be measured at the lower of cost and net realisable value, which is the estimated selling price less costs of completion and selling expenses.

In determining the inventory measurement method to be applied to decreases in inventories, the same method shall be applied to inventories of the same nature, but a different method may be necessary because of their different uses and purposes.
Decreases in inventories used in the telecommunications segment are accounted for using the weighted average cost method, while inventories used in the IT segment are accounted for using the individual measurement principle.

2.14. 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 Group (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 supplier’s 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.

2.15. 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.

2.16. Share capital

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

2.17. Financial instruments

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.

Expected 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. *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 assets and loans provided.

2.18. 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.

2.19. 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 onerous 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 flow from 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 Group 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.

2.20. Taxes

2.20.1. Income taxes

Income taxes consist of current 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.

Current tax

The rate of corporate income tax is based on the tax liability determined by Act LXXXI of 1996 on Corporate and Dividend Tax, Act C of 1990 on Local Taxes and Act LXXVI of 2014 on Innovation Levy, the Local Business Tax Ordinance and the Innovation Tax Ordinance, modified by deferred tax. The corporate income tax liability includes both 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 income tax receivables of one entity in the Group shall be included in the income tax liability 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.

2.20.2. Other taxes

The Group presents separately from income 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.

2.21. Leases

IFRS 16 Leases requires a lessee to recognise and measure an asset and a liability simultaneously in the balance sheet.

The right of 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 future lease payments over the lease term, calculated using the implicit interest rate, if that rate can be readily determined. If that rate cannot be readily determined, the lessee may then use the incremental borrowing rate for discounting.

According to IFRS 16 leases are 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 income during the lease term of the lease transaction resulting a constant periodical rate of return in respect of the net lease investment of the lessor.

The lease payments gained from the operative lease transactions shall be presented by using the straight-line basis 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.

As an exception, the Company accounts for the lease payments paid for the short-term lease (except of vehicles) of leases of low-value assets as an expenditure.

2.22. 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.

Diluted earnings per share are calculated in the same way as earnings per share. However, in this calculation all dilutive shares on the market, the distributable earnings per ordinary share plus the dividends and earnings per convertible share that are eligible for inclusion in the period, adjusted for additional income and expenses arising from the conversion, the weighted average number of shares outstanding plus the weighted average number of additional shares that would be outstanding if all the convertible shares were converted. In addition, the number of shares under a share option plan in effect during the reporting period is included as a deduction from treasury shares if the option exercise conditions specified in the share option plan are met at the reporting date and the treasury shares have not yet been exercised.
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.

2.23. Contingencies

Contingent 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 contingent 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. Contingent assets 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.

2.24. Treasury shares

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

2.25. Dividends

Dividends are recognised in the year in which they are approved by the shareholders.

2.26. Transactions with minority owners

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.

2.27. Related party transactions

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 Group;
- 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 are 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 Group 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.

2.28. Employee benefit expenses

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.

2.29. Share-based payments

Payments in equity instruments

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

This cost is recognised as an expense in employee benefits expense, 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 or 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 value 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.

2.30. Financial results

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.

2.31. Government grants

Government grants can be accounted for when it is probable that the grant will be received, and the conditions attached to the grant have been met. When the grant 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). If the grant relates to the acquisition of an asset, it is deferred and released to the profit and loss account in equal annual instalments over the useful life of the related asset.

2.32. Impairment of goodwill

As described in Section 2.7. of Material accounting policy information, 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.

2.33. Depreciation and amortisation

Property, plant and 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.

2.34. Segment information

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 the segments are aggregated. The Group’s revenue-generating activities should be allocated to operating segments (considering the same units that management uses to operate the business), which should 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 under IFRS 8 Reporting Segments or which layer of the 4iG’s organisational structure represents the level at which those activities are managed.

2.35. Events after the reporting period

Events that occur after the end of the reporting period that provide additional information about the circumstances at the end of the Group’s 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 Notes.

2.36. Application of new International Financial Reporting Standards and Interpretations

New and amended standards and interpretations adopted by the EU, effective from 1 January 2023:

- IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023) – not relevant for the Company
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" – The definition of Accounting Estimates, Amendments to IAS 1 "Disclosure of Accounting policies" and IFRS Practice Statement 2 "Disclosure of Accounting policies" (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
  Improving accounting policy disclosures, better tailoring them and reducing disclosures about general accounting policies; distinguishing changes in accounting estimates from changes in accounting policies.
- Amendments to IAS 12 "Income taxes" – Deferred tax related to assets and liabilities arising from a single transaction 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The ‘initial recognition exception’ does not apply if the transaction gives rise to the same amount of deductible and taxable temporary differences.
- Amendments to IAS 12 "Income taxes": International Tax Reform – Pillar Two Model Rules (issued 23 May 2023) – The purpose of the amendments is to introduce a mandatory temporary exemption from the requirements of IAS 12 "Income taxes" for the recognition and disclosure of information about deferred tax assets and liabilities arising from the OECD Pillar Two Model Rules. The amendments also introduce targeted disclosure requirements. The temporary exemption applies immediately and retrospectively in accordance with IAS 8, while the targeted disclosure requirements apply to annual reporting periods beginning on or after 1 January 2023.

Standards and Interpretations not yet effective force issued by the IASB and adopted by the EU

The standards, amendments and interpretations presented below have not been applied in the financial statements as they are not yet effective for the financial year ending 31 December 2023 and the Group has not elected to early adopt them (the list below includes in brackets the dates on which the standards, amendments and interpretations are mandatory for annual periods beginning on or after that date).

The changes are as follows:

- Amendment to IAS 1 - Presentation of Financial Statements - Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 - Leases - Determination of lease obligations arising from leaseback arrangements (effective for annual periods beginning on or after 1 January 2024)

The above-mentioned standards and amendments are not expected to have a material impact on the Group's results, financial position or financial statements.

Standards and interpretations not yet effective issued by the IASB but not adopted by the EU

The standards, amendments and interpretations presented below have not been applied in these consolidated financial statements as they have not yet been adopted by the EU.

Their application and effective date are subject to EU endorsement.

The new standards and amendments to standards are:

- Amendments and additions to IAS 21 - The Effects of Changes in Foreign Exchange Rates to clarify the requirements for the convertibility of foreign currencies and the non-convertibility of foreign currencies.
- Amendments to IAS 7 Statements of Cash Flows and IFRS 7 Financial Instruments: Disclosures in relation to vendor financing arrangements (reverse factoring).

2.37. Adjustment of previous year's financial data

Within the framework of the interim condensed consolidated financial statements for the first half-year ended 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the same period of the previous financial year have been restated. The impact on equity is presented in the consolidated statement of changes in equity as a change in accounting policy.

The Company has reviewed the structure of both the consolidated statement of comprehensive income and the consolidated statement of financial position and concluded that it may be necessary to highlight certain lines due to significant transactions or balances on those lines, and has therefore taken the opportunity provided by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to present the primary financial statements in accordance with the new structure in the consolidated financial statements for the year ended 31 December 2023.
This change in accounting policy, effective from 1 January 2023, resulted in the need to restate the statement of comprehensive income for the comparative period, given that the change in accounting policy was implemented retrospectively after the publication of the interim financial statements for the first half of 2023.

In addition to the above, the consolidated statement of financial position as of 31 December 2023 has also been restated compared to the published figures for 2023, as the Group changed its accounting policy as of 1 January 2024 to use the MNB's exchange rate for the translation and revaluation of monetary assets and liabilities denominated in foreign currencies instead of the Raiffeisen Bank's commercial foreign exchange selling rate. The impact of the change in accounting policy for foreign exchange rates is also reflected in the change in the statement of comprehensive income for the first half of 2023.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of comprehensive income

H1 2023	H1 2023	H1 2023	H1 2023	H1 2023
Modified designation	**Modified**	**Accounting policy change**	**Published**	**Published designation**
Net sales revenue	266 247		266 247	Net sales revenue
Other operating income	17 513	-5 357	22 870	Other operating income
Total net sales revenue and other income	**283 760**	**-5 357**	**289 117**	**Total revenue**
Capitalised value of own produced assets	**5 357**	**5 357**		
		73 785	-73 785	Goods and services sold
Material costs	-132 263	-73 785	-58 478	Operating expenses
Staff costs	-44 279		-44 279	Staff costs
Other operating expenses	-17 308		-17 308	Other operating expenses
of which: impairment	*-1 652*	*-1 652*		
Total operating costs	**-193 850**	**0**	**-193 850**	**Operating costs**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**95 267**	**0**	**95 267**	**Earnings before interest, taxes, depreciation and amortisation (EBITDA)**
Depreciation and amortisation	-73 185		-73 185	Depreciation and amortisation
Earnings before interest and taxes (EBIT)	**22 082**		**22 082**	**Earnings before interest and taxes (EBIT)**
Financial income	30 233	5 502	24 731	Financial income
Financial expenses	-37 458	50	-37 508	Financial expenses
Profit or loss of associates	-50	-50		
Profit or loss before tax	**14 807**	**5 502**	**9 305**	**Profit or loss before tax**
Income taxes	-1 518		-1 518	Income taxes
Profit or loss after tax	**13 289**	**5 502**	**7 787**	**Profit or loss after tax**
Other comprehensive income to be recognised in the consolidated income statement in the following period:				
Foreign exchange rate differences arising on the translation of operations	-3 730	0	-3 730	
Net other comprehensive income recognised in the consolidated statement of comprehensive income in the following period:	**-3 730**	**0**	**-3 730**	
Other comprehensive income	-3 730		-3 730	Other comprehensive income
Total comprehensive income	**9 559**	**5 502**	**4 057**	**Total comprehensive income**
Profit or loss after tax attributable to:				**Profit or loss after tax attributable to:**
Owners of the Company	7 502	4 224	3 278	Owners of the company
Non-controlling interest	5 787	1 278	4 509	Non-controlling interest
Total comprehensive income attributable to:				**Total comprehensive income attributable to:**
Owners of the Company	2 923	4 224	-1 301	Owners of the company
Non-controlling interest	6 636	1 278	5 358	Non-controlling interest

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position

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

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position – continued

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

Data in millions of HUF, unless otherwise indicated

Consolidated cash flow statement

	30/06/2023	30/06/2023	30/06/2023
	Modified	**Accounting policy change**	**Published**
Cash flow from operating activities			
Profit or loss after tax	13 289	5 502	7 787
Adjustments:			
Depreciation and amortisation for the current year	73 185		73 185
Impairment	3 555		3 555
Provisions	-1 619		-1 619
Income taxes	1 518		1 518
Other financial income/expenses	24 468		24 468
Other non-cash items	0		0
Foreign exchange rate differences	-16 720	-5 502	-11 218
Profit or loss of associates	-50		-50
Gain/loss on sale of fixed assets	-15 143		-15 143
Changes in working capital	0		0
Changes in trade receivables	1 443		1 443
Changes in inventories	-503		-503
Changes in trade payables	-12 744		-12 744
Changes in financial lease (current)	4 298		4 298
Changes in other receivables and payables	5 577		5 577
Income tax paid	-6 137		-6 137
Net cash flow from operating activities	**74 417**	**0**	**74 417**
Net cash flow from investment activities	**-371 080**	**0**	**-371 080**
Net cash flow from financing activities	**297 731**	**0**	**297 731**
Foreign exchange rate differences	-67	0	-67
Net change in cash and cash equivalents	**1 001**	**0**	**1 001**
Cash and cash equivalents at the beginning of the year	45 961	0	45 961
Cash and cash equivalents at the end of the period	**46 962**	**0**	**46 962**

Data in millions of HUF, unless otherwise indicated

3. Net sales revenue

The Company's accounting policy on revenue recognition is set out in Section 2.3.

	H1 2024	H1 2023
Sales revenue from contracts with customers	323 198	259 889
Revenue from leases	5 200	6 358
Total	**328 398**	**266 247**

A significant part of the Group's revenue comes from Vodafone Magyarország Távközlési Zrt., acquired in 2023: in the 5 months since its inclusion in the consolidation, in the first half of 2023 the subsidiary reported revenue of HUF 123,206 million, while in the first 6 months of 2024 it achieved revenue of HUF 160,754 million.

The domestic subsidiaries achieved export sales of HUF 7,880 million in the first half of the year (HUF 4,518 million in the first half of 2023), of which HUF 6,631 million (HUF 3,783 million in the first half of 2023) is intra-EU and HUF 1,249 million (HUF 735 million in the first half of 2023) is extra-EU revenue. The turnover of the Albanian and Montenegrin subsidiaries was HUF 42,781 million (HUF 36,140 million in the first half of 2023).

Main types of income:

- Revenue from telecommunications segment continues to represent a significant proportion of revenue. The revenue recognition requirements of IFRS 15 mainly affect the revenues of Vodafone Magyarország Távközlési Zrt., DIGI Távközlési és Szolgáltató Kft., "ANTENNA HUNGÁRIA" Zrt. and the Albanian and Montenegrin subsidiaries. In accordance with the standard, the full consideration for the sale of bundled telephones and other telecommunications equipment and services is allocated to the individual bundles.
- A significant part 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 represent another significant portion of revenue. Where the Group transfers control of a service over time, subject to the conditions set out in the standard, it also recognises revenue from the sale of services over time in accordance with the methods set out in the standard, depending on the nature of the service. The determination of the stage of completion requires the use of significant estimates, for which the Group performs detailed testing and evaluation. A description of the contractual assets and liabilities recognised at the balance sheet date is given in Notes 27 and 47.

Data in millions of HUF, unless otherwise indicated

4. Other operating income

In the first half of 2024, a significant part of the other operating income is the net gain on disposal of intangible assets and property, plant and equipment, and government grants and refunds. In addition, the compensations received, fines, other subsidies received, as well as other items, such as the sale of assets of shops and sites, are displayed here. In the first half of 2023, a significant part of the other income was the profit on the sale of tangible assets, intangible assets, right of use assets and related liabilities sold as a group.

5. Capitalised value of own produced assets

	H1 2024	H1 2023
Changes in inventories of finished goods and work in progress	30	0
Own work capitalised	8 416	5 357
Capitalised own outputs	**8 446**	**5 357**

The increase in capitalised own output was due to an increase in own-account investments not used.

6. Material costs

	H1 2024	H1 2023
Cost of goods sold	-45 990	-34 784
Cost of services sold	-36 192	-39 001
Raw materials	-15 232	-14 398
Services used	-43 349	-34 839
Other services	-11 293	-9 241
Total	**-152 056**	**-132 263**

The volume 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.

7. Staff costs

	H1 2024	H1 2023
Wages and salaries	-46 580	-33 116
Other payments to personnel	-2 520	-6 354
Social security costs and similar deductions	-6 192	-4 809
Total	**-55 292**	**-44 279**
Average statistical number	8 025	7 850

Data in millions of HUF, unless otherwise indicated

8. Other expenses

In the first half of 2024, the most significant part of other expenses are taxes, duties, and contributions – these are typically the public utilities tax, telecommunications tax, and the special tax on the sector, i.e. taxes that are not income taxes. In addition, impairment of receivables and write-down of inventories are displayed here, as well as other items such as foundation grants, fines, scrapped tangible assets and intangible assets, assets transferred without compensation and expenses related to damage events, but the amount of these are not significant compared to the amount of taxes, duties and contributions. In the first half of 2023, among other expenses, the most significant items are taxes, duties, contributions, and the impairment of receivables and write-down of inventories.

9. Depreciation and amortisation

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

	H1 2024	H1 2023
Depreciation	-90 450	-73 185
Total	**-90 450**	**-73 185**

The depreciation line includes the depreciation in the current year of the items recognised as right of use assets under IFRS 16, which amounted to HUF 15,008 million in the first half year of 2024 (HUF 13,178 million in the first half of 2023). The surplus depreciation recognised in the reporting year on the fair value difference recognised at the acquisition date on the tangible and intangible assets of companies acquired in recent years amounted to HUF 12,324 million (HUF 8,432 million in the first half of 2023).

10. Financial income and expenses

Financial income

	H1 2024	H1 2023
Interest income	1 365	1 977
Foreign exchange rate gains	4 250	26 847
Other	170	1 409
Total	**5 785**	**30 233**

Data in millions of HUF, unless otherwise indicated

Financial expenses

	H1 2024	H1 2023
Interest expense on bonds	-11 110	-11 118
Other interest expenses	-13 865	-10 621
Interest on lease liabilities	-6 057	-4 982
Foreign exchange rate losses	-13 048	-9 603
Other	-654	-1 134
Total	**-44 734**	**-37 458**

Interest income includes interests received from financial institutions in the amount of HUF 1,217 million (HUF 1,935 million in H1 2023), of which HUF 817 million (HUF 663 million in H1 2023) is interest received from Vodafone Magyarország Távközlési Zrt., HUF 128 million (HUF 181 million in H1 2023) from DIGI Távközlési és Szolgáltató Kft. and HUF 93 million (HUF 401 million in H1 2023) from "ANTENNA HUNGÁRIA" Zrt.

Interest expenses on bonds includes the interest expense paid to bondholders on bonds issued. Other interest expense includes interest paid to financial institutions and interest expense recognised in relation to broadcasting rights and obligations of DIGI Távközlési és Szolgáltató Kft., Vodafone Magyarország Távközlési Zrt. and "ANTENNA HUNGÁRIA" Zrt. amounting to HUF 415 million (HUF 843 million in H1 2023), HUF 28 million (HUF 0 million in H1 2023) and HUF 14 million (HUF 0 million in H1 2023), respectively. Lease interest expense includes interest expense on leases measured in accordance with IFRS 16 Leases of HUF 6,057 million (H1 2023: HUF 4,982 million).

11. Income taxes

The composition of expenses related to income taxes is as follows:

	H1 2024	H1 2023
Corporate income tax	-960	-986
Deferred tax	1 259	2 890
Local business tax	-3 583	-2 973
Innovation contribution	-703	-449
Total	**-3 987**	**-1 518**

The income tax payable by the Group is the tax recognised in the individual 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 was 9% under the current legislation in Hungary, while in Albania and Montenegro it was 15% in both 2024 and 2023, in accordance with the corporate tax rate in force.

Data in millions of HUF, unless otherwise indicated

The breakdown of taxes is as follows:

	H1 2024	H1 2023
Profit or loss before tax	-19 301	9 305
Tax liability calculated at the current tax rate	1 737	837
Local business tax	-3 583	-2 973
Innovation contribution	-703	-449
Total taxes	**-2 549**	**-2 585**
Permanent differences	-1 438	1 067
Total income taxes	**-3 987**	**-1 518**
Effective tax rate	**20.66%**	**-16.31%**

The difference between corporate income tax calculated on a standalone level and on consolidation level and deferred tax is shown under permanent differences.

12. Share in the profit or loss of associates

The share in the profit or loss of associates accounted for using the equity method is presented as the Group's share of the profit or loss of associates' operations.

Company name	Income contribution	Share of ownership
REMRED Technológia Fejlesztő Zrt.	-341	45%
Rotors & Cams Zrt.	-58	24%
on 30 June 2024	**-399**	

In the first half year of 2024, the Group acquired 45% of the shares of REMRED Technológia Fejlesztő Zrt.

13. Other comprehensive income

The Group recognised the translation adjustments arising from the conversion of the financial statements of foreign subsidiaries into Hungarian forint in accordance with IAS 21, and the loss on equity instruments at fair value through other comprehensive income (FVOCI) in the consolidated statement of comprehensive income in the line other comprehensive income.

14. Total comprehensive income

Total comprehensive income/loss includes, in addition to other comprehensive income, the results of operating activities, income and expenses from financial operations, depreciation and amortisation expense and income taxes.

Data in millions of HUF, unless otherwise indicated

15. Earnings per share

The calculation of basic earnings per share takes into account the profit or loss attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the reporting period, excluding treasury shares.

	H1 2024	H1 2023
Profit or loss after tax	-23 289	13 289
Weighted average number of ordinary shares outstanding during the period	299 074 974	299 074 974
Weighted average number of voting shares	294 495 289	296 587 386
Earnings per share (basic) EPS – in HUF	**-77.87**	**44.43**
Diluted EPS indicator – in HUF	**-79.08**	**44.81**

The Company held 4,579,685 treasury shares on 30 June 2024 and 3,082,976 treasury shares on 30 June 2023. 4iG Plc has diluted indicators due to the repurchased treasury shares.

Data in millions of HUF, unless otherwise indicated

16. Property, plant and equipment

	Machinery and other equipment	Real estate and related rights	Telecommunications equipment and devices	Construction in progress	Total
Gross value					
on 1 January 2023	**116 346**	**162 116**	**113 483**	**7 807**	**399 752**
Additions	3 507	1 276	8 149	62 512	75 444
Disposal	-12 204	-5 638	-4 418	-224	-22 484
Capitalisation, reclassification	13 864	3 826	32 205	-39 594	10 301
Acquisition	4 873	64 288	88 469	13 193	170 823
Cumulative translation adjustment	315	3 314	6 426	-50	10 005
on 31 December 2023	**126 701**	**229 182**	**244 314**	**43 644**	**643 841**
Additions	2 785	1 053	666	30 123	34 627
Disposal	-4 329	-1 212	-1 964	-3 085	-10 590
Capitalisation, reclassification	-22 709	-29 814	92 169	-39 646	0
Cumulative translation adjustment	840	5 163	10 609	169	16 781
on 30 June 2024	**103 288**	**204 372**	**345 794**	**31 205**	**684 659**
Accumulated depreciation					
on 1 January 2023	**69 156**	**16 104**	**33 061**	**-259**	**118 062**
Current year depreciation	17 443	9 441	45 887	656	73 427
Disposal	-2 517	-6 292	-4 363	19	-20 386
Cumulative translation adjustment	540	707	6 521	-12	7 756
on 31 December 2023	**84 622**	**19 960**	**81 106**	**404**	**186 092**
Current year depreciation	10 973	4 567	24 395	0	39 935
Disposal	-3 934	-1 113	-1 320	-545	-6 912
Reclassification	-32 767	-22 805	55 572	0	0
Cumulative translation adjustment	1 126	1 170	10 547	-15	12 828
on 30 June 2024	**60 020**	**1 779**	**170 300**	**-156**	**231 943**
Net book value					
on 1 January 2023	**47 190**	**146 012**	**80 422**	**8 066**	**281 690**
on 31 December 2023	**42 079**	**209 222**	**163 208**	**43 240**	**457 749**
on 30 June 2024	**43 268**	**202 593**	**175 494**	**31 361**	**452 716**

The increase in property, plant and equipment in the year 2023 was primarily due to the acquisition of of Vodafone Magyarország Távközlési Zrt. The effect of the acquisition was HUF 170,823 million for tangible assets.

Data in millions of HUF, unless otherwise indicated

17. Customer relationship

	30/06/2024	31/12/2023
"ANTENNA HUNGÁRIA" Zrt.	10 360	10 706
Brisk Digital Group Kft.	1 006	1 066
DIGI Távközlési és Szolgáltató Kft.	22 340	22 864
Invitech ICT Services Kft.	16 495	17 168
ONE Albania sh.a.	195	195
ONE Crna Gora d.o.o.	6 176	6 330
Vodafone Magyarország Távközlési Zrt.	112 175	115 193
Total	**168 747**	**173 522**

During the reporting period, the Group has identified intangible assets, separated from goodwill under IFRS 3 - Business Combinations, which are recognised as a separate line item in the consolidated statement of financial position and amortised over their identified useful lives (average 15 years) when measuring each business combination.

Data in millions of HUF, unless otherwise indicated

18. Other intangible assets

	Concessions and similar rights	Software and other intellectual property	Brand name	Broadcasting rights	Other intangible assets	Total
Gross value						
on 1 January 2023	**35 810**	**30 497**	**7 296**	**19 549**	**2 502**	**95 654**
Additions	7 904	24 594	0	3 533	11 901	47 932
Disposal	-26 021	-3 043	0	0	-103	-29 167
Reclassification	74	-48	0	0	-909	-883
Acquisition	110 921	47 357	0	2 273	9 796	170 347
Cumulative translation adjustment	1 753	-76	176	0	98	1 951
on 31 December 2023	**130 441**	**99 281**	**7 472**	**25 355**	**23 285**	**285 834**
Additions	6 072	9 702	0	109	6 954	22 837
Disposal	-214	-1 641	0	0	0	-1 855
Reclassification	-6	-394	0	0	0	-400
Cumulative translation adjustment	2 445	837	248	0	201	3 731
on 30 June 2024	**138 738**	**107 785**	**7 720**	**25 464**	**30 440**	**310 147**
Amortisation and impairment						
on 1 January 2023	**10 009**	**14 317**	**1 589**	**5 144**	**270**	**31 329**
Current year amortisation	15 745	20 216	1 630	10 978	11 180	59 749
Disposal	-21 304	-2 742	0	0	-103	-24 149
Reclassification	-913	-17	0	0	0	-930
Cumulative translation adjustment	1 173	11	29	0	59	1 272
on 31 December 2023	**4 710**	**31 785**	**3 248**	**16 122**	**11 406**	**67 271**
Current year amortisation	7 642	10 342	301	5 384	6 700	30 369
Disposal	-134	-1 300	0	0	0	-1 434
Reclassification	-6	6	0	0	0	0
Cumulative translation adjustment	1 690	571	48	0	117	2 426
on 30 June 2024	**13 902**	**41 404**	**3 597**	**21 506**	**18 223**	**98 632**
Net book value						
on 1 January 2023	**25 801**	**16 180**	**5 707**	**14 405**	**2 232**	**64 325**
on 31 December 2023	**125 731**	**67 496**	**4 224**	**9 233**	**11 879**	**218 563**
on 30 June 2024	**124 836**	**66 381**	**4 123**	**3 958**	**12 217**	**211 515**

Data in millions of HUF, unless otherwise indicated

Intangible assets include broadcasting rights of HUF 3,958 million on 30 June 2024 (31 December 2023: HUF 9,233 million), which arose from DIGI Távközlési és Szolgáltató Kft., "ANTENNA HUNGÁRIA" Zrt. and Vodafone Magyarország Távközlési Zrt.
The brand name amount of HUF 4,123 million on 30 June 2024 (HUF 4,224 million as of 31 December 2023) includes the brand names of Invitech ICT Services Kft. and ONE Albania sh.a.
The other intangible assets include the capitalised agent fee in the amount of HUF 12,217 million on 30 June 2024 (HUF 11,879 million as of 31 December 2023).

Individually material intangible assets:

The Company's individually material internally developed intangible assets in progress (with a gross value exceeding HUF 1,000 million) was HUF 2,217 million on 30. June 2024. The Group performs at each reporting period present value test for internally developed intangible assets in progress with significant value. For individually material intangible assets, the Group applied a weighted average cost of capital of 12.92% for the IT Services segment.
Due to market demand for software, the return on software developed significantly exceeds the carrying value. The Group has not identified any indication of impairment in the course of the testing.

Individually material other intangible assets already capitalised:

Description	Book value	Amortisation period	Final date of amortisation
NC Phase 3 investments	2 425	10 years	15/07/2032
SW NC Phase 2 Non VPC	2 379	10 years	29/07/2031
NC Phase 3 investments	1 076	10 years	31/08/2032
Brand fee for the period of 01/02/23 to 31/01/25	2 302	2 years	31/01/2025
Frequency 900MHz	1 215	19 years	05/11/2033
2100 MHz frequency extension fee	7 683	15 years	22/12/2034
LTE frequency	14 117	19 years	05/11/2033
3600 MHz bank guarantee, tender fee, auction fee	6 521	20 years	31/03/2040
2100 MHz bank guarantee, tender fee, auction fee	3 478	20 years	31/03/2040
700 MHz bank guarantee, tender fee, auction fee	21 115	20 years	05/09/2040
5G spectrum fee	42 905	20 years	08/04/2042
Huawei 477049 software	1 243	5 years	17/10/2028
Spectrum fee	1 118	15 years	01/09/2031
on 30 June 2024	**107 577**		

Data in millions of HUF, unless otherwise indicated

19. Right of use assets

	Land and buildings	Machinery, vehicles	Tele-communication devices	Total
Gross value				
on 1 January 2023	**39 114**	**6 876**	**13 335**	**59 325**
Addition to new leasing	30 805	6 426	5 441	**42 672**
Acquisition	73 107	870	6 886	**80 863**
Other changes	1 091	-2 059	-7 505	**-8 473**
on 31 December 2023	**144 117**	**12 113**	**18 157**	**174 387**
Increase due to new leasing	5 736	2 135	5 003	**12 874**
Other changes	2 173	-2 128	915	**960**
on 30 June 2024	**152 026**	**12 120**	**24 075**	**188 221**
Accumulated depreciation				
on 1 January 2023	**7 189**	**2 978**	**5 221**	**15 388**
Depreciation in the current year	22 623	2 820	2 744	**28 187**
Other changes	-6 482	-1 342	-2 347	**-10 171**
on 31 December 2023	**23 330**	**4 456**	**5 618**	**33 404**
Depreciation in the current year	11 964	1 538	1 506	**15 008**
Other changes	-5 036	-2 033	-587	**-7 656**
on 30 June 2024	**30 258**	**3 961**	**6 537**	**40 756**
Net value				
on 1 January 2023	**31 925**	**3 898**	**8 114**	**43 937**
on 31 December 2023	**120 787**	**7 657**	**12 539**	**140 983**
on 30 June 2024	**121 768**	**8 159**	**17 538**	**147 465**

The acquisition of Vodafone Magyarország Távközlési Zrt. is behind the significant increase in the right of use assets in 2023 in the balance sheet line. The net book value of the right of use assets at the time of acquisition was HUF 80,863 million.

	H1 2024	H1 2023
Lease-related costs, expenses		
Interest on lease liabilities	-6 057	-4 982
Expenditure related to short-term leases	-6	-92
Expenses related to leases of low-value assets	-152	-4
Variable lease payments	0	0
Total profit and loss	**-6 215**	**-5 078**

Data in millions of HUF, unless otherwise indicated

In accordance with the requirements of IFRS 16 Leases, the Group initially recognises a right of use asset as a lease right, taking into account items prepaid on or before the lease term, and capitalises those items in the cost of the asset.

The most significant of the Group's leases are headquarters and other office building leases, leases of space under mobile phone towers, leases of vehicles and, with the growth of the telecommunications segment, leases of other buildings, networks and other telecommunication equipment.

20. Deferred tax assets 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 asset is identified only to the extent that it is probable that recovery will be achieved within the foreseeable future.

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

The Group offsets deferred tax assets and liabilities on a company-by-company basis, where the offsetting of current tax assets and liabilities is legally permitted and the deferred tax assets and liabilities relating to corporate income tax are levied by the same taxation authority.

The Group's net deferred tax asset on 30 June 2024 is HUF 877 million (HUF 688 HUF on 31 December 2023), and its deferred tax liability is HUF 21,173 million on 30 June 2024 (HUF 22,350 million on 31 December 2023).
The items giving rise to deferred tax relate primarily to timing differences in the depreciation of tangible and intangible assets and the timing of the recognition of provisions for tax loss carry forward and various costs.

21. Goodwill

The value of the Company's goodwill shown in the segment is as follows:

Name of the segment	**30/06/2024**	**31/12/2023 Modified**	**31/12/2023 Published**
IT segment	6 784	6 784	6 784
Telecom segment	262 631	262 631	270 507
Total goodwill	**269 415**	**269 415**	**277 291**

Further disclosures related to the presentation policy can be found in chapter 2.37 Adjustment of previous year's financial data.

Data in millions of HUF, unless otherwise indicated

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 amortized, but the Company assesses annually whether there are any indications that the carrying amount is not recoverable. Goodwill is stated at cost less any impairment.

We have not identified any circumstances of impairment, accounting for an impairment is not necessary.

22. Net investment in leasing

A sublease, by definition, is a transaction whereby an underlying asset is subleased by the lessee (as an intermediate lessor) to a third party while the existing lease between lessor and lessee ("the head lease") remains in force. The Group classifies subleases as finance or operating leases, as an intermediate lessor, in the same way as it does for any other leases, in accordance with IFRS 16.61.
There are 2 subsidiaries in the group, which have net leasing investments in the books. In the case of Vodafone Magyarország Távközlési Zrt., business premises were subleased, except for 2, all of them are 100% owned by Vodafone Magyarország Távközlési Zrt. The value of net leasing investments at Vodafone Magyarország Távközlési Zrt. on 30 June 2024, is HUF 653 million (HUF 530 million on 31 December 2023). ONE Albania sh.a. its books also mainly include business premises among the leased assets, where the value of the net leasing investments is HUF 231 million on 30 June 2024 (HUF 222 million on 31 December 2023).

The net leasing investments are presented as a separate balance sheet line in the statement of financial position from the 2023 financial year. The change regarding the presentation policy is already reflected in the statement of financial position showing the comparative period published in this statement.
Further disclosures related to the presentation policy can be found in chapter 2.37 Adjustment of previous year's financial data.

23. Other investments

The Group discloses the following items in the balance sheet line Other investments and other assets held at maturity:

	30/06/2024	31/12/2023
Other investments	9 983	639
Total	**9 983**	**639**

Data in millions of HUF, unless otherwise indicated

The Group had other investments in the following companies on 30 June 2024 and 31 December 2023:

Company name	Investment in share capital	Voting right %
Rotors & Cams Zrt.	1	24%
RAC Antidrone Zrt.	1	37%
REMRED Technológia Fejlesztő Zrt.	9 705	45%
Space-Communications Ltd.	276	20%
on 30 June 2024	**9 983**	

Company name	Investment in share capital	Voting right %
Rotors & Cams Zrt.	1	24%
RAC Antidrone Zrt.	1	37%
Space-Communications Ltd.	637	20%
on 31 December 2023	**639**	

24. Other non-current assets

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

	30/06/2024	31/12/2023
iCollWare Kft. top-up payment	117	117
Rotors & Cams Zrt. top-up payment	470	470
Impairment of top-up payments	-117	-117
Other non-current loan receivables	162	0
Liabilities under guarantee	0	28
Deposits	0	686
Non-current investment fund units, securities	102	102
Accruals from customer contracts	1 584	569
Other non-current receivables	146	309
Total	**2 464**	**2 164**

The HUF 102 million presented in the non-current investment fund units, securities line is the investment fund of INNObyte Zrt. held as collateral for bank guarantees.

Data in millions of HUF, unless otherwise indicated

25. Cash and cash equivalents

	30/06/2024	31/12/2023
Cash on hand	1 128	806
Cash at banks	49 745	52 369
Total	**50 873**	**53 175**

Cash and cash equivalents include cash in 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 on 30 June 2024, HUF 2,813 million is classified as restricted cash, which is fully restricted bank deposits. On 31 December 2023, this amount was HUF 3,955 million.

Restricted cash covers funds on current accounts which have been deposited in security accounts by consolidated companies to cover future trade payables or which have been set aside in current accounts for similar purposes.

The Group measures its cash at amortised cost and has made an estimate of the expected credit loss on its cash and cash equivalents, on the basis of which it does not consider it appropriate to recognise an impairment loss as it only holds its cash with highly rated, i.e. risk-free, financial institutions.

26. Trade receivables

	30/06/2024	31/12/2023
Trade receivables	151 322	166 354
Impairment of trade receivables	-33 628	-41 207
Total	**117 694**	**125 147**

The Group has assessed the need to recognise credit losses on receivables in accordance with the requirements of IFRS 9. In calculating the expected credit loss for trade receivables and contract assets, the Group has applied the simplified approach (lifetime approach), 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-months expected credit loss.

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

- trade receivables
- contract assets, loans granted, other receivables

Data in millions of HUF, unless otherwise indicated

Factors taken into account when measuring credit loss:

- whether the credit risk of the financial instruments has increased significantly since initial recognition:
  - Loans given, 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: the overdue stock of more than 30 days is 10%.
- forward-looking information was also taken into account when estimating the credit loss.

	Total impairment of trade receivables
on 1 January 2023	**-32 580**
Increase	-15 134
Decrease	6 777
Revaluation	-270
on 31 December 2023	**-41 207**
Increase	-3 457
Decrease	11 963
Revaluation	-927
on 30 June 2024	**-33 628**

27. Other current financial assets

	30/06/2024	31/12/2023
Gross value of cash lent for short term	4 053	1 542
Impairment of cash lent for short term	-1	-1
Gross value of contract assets	7 691	7 647
Impairment of contract assets	-35	-35
Guarantees provided	165	160
Shares and treasury bills	209	225
Gross value of other financial receivables	26 108	25 395
Impairment of other financial receivables	-849	-776
Total	**37 341**	**34 157**

Short-term borrowed funds include a loan of EUR 6 million and HUF 1,165 million granted by 4iG Plc to non-Group companies, maturing on 20 December 2024.

Data in millions of HUF, unless otherwise indicated

Contract assets include the part of revenue recognised in accordance with IFRS 15, completed, documented before 30 June 2024 but invoiced only in after 30 June 2024. Where the Group transfers control of the service over time, subject to the conditions set out in the standard, it also recognises revenue from the sale of services over time in accordance with the methods set out in the standard, depending on the nature of the service.

During the reporting period, the Group has included in securities treasury bills of HUF 91 million (31 December 2023: HUF 111 million) and investment fund shares of HUF 118 million (31 December 2023: HUF 114 million). The Group measures securities at fair value through profit or loss.

Other current receivables include the part of the receivable from "ANTENNA HUNGÁRIA" Zrt. for the sale of MIS Omega Mobilhálózat Kft. to Pro-M Zrt., amounting to HUF 24,375 million, payable within one year. As the time value of money has a significant impact, the uncollected purchase price was recognised at net present value discounted in accordance with International Financial Reporting Standards, which reduced the nominal value of the receivable by HUF 223 million (HUF 1,080 million as of 31 December 2023). This carrying amount will approximate the nominal value of the receivable in the future and will reach the nominal value at the date of payment.

The Group has also assessed the need to recognise a credit loss on other receivables in accordance with IFRS 9 and does not consider it appropriate to recognise a credit loss on these receivables as they are low credit risk, are not typically past due at the balance sheet date and the risk of default is negligible.

	Total impairment of other receivables
on 1 January 2023	**-691**
Increase	-119
Decrease	32
Revaluation margin	-34
on 31 December 2023	**-812**
Increase	-40
Decrease	15
Revaluation margin	-48
on 30 June 2024	**-885**

Data in millions of HUF, unless otherwise indicated

28. Other current non-financial assets

Other current non-financial assets include:

	30/06/2024	31/12/2023
Other tax receivables	4 888	1 686
Advances granted	3 129	5 414
Deposits related to leases	624	678
Accrued and deferred income	6 450	5 440
Accrued and deferred costs and expenses	15 708	9 676
Total	**30 799**	**22 894**

Within other tax receivables, the largest amount is VAT receivable (HUF 2,042 million on 30 June 2024, HUF 1,425 million on 31 December 2023).
The Group recognises advances to suppliers' net of VAT.

Accrued and deferred costs and expenses include costs and expenses invoiced before the balance sheet date but charged after the first half-year of 2024. Accrued income includes income due in the first half of 2024 that will only be invoiced in the following year(s).

29. Income tax receivables and liabilities

The Group considers the following to be income taxes under IAS 12:

	30/06/2024	31/12/2023
Corporate income and dividend tax receivables (+) / liabilities (-)	842	-324
Local business tax receivables (+) / liabilities (-)	-59	-208
Innovation contribution receivables (+)/ liabilities (-)	-89	-226
Total	**694**	**-758**
from which: receivables	1 754	1 054
from which: liabilities	-1 060	-1 812

In the table above, the liability balance is shown with a negative sign.

Data in millions of HUF, unless otherwise indicated

30. Current finance lease receivables

	30/06/2024	31/12/2023
Current finance lease receivables	330	187
Current finance lease receivables – subleasing	232	376
Total	**562**	**563**

A significant part of the short-term financial leasing receivables was recorded by Vodafone Magyarország Távközlési Zrt.

31. Inventories

	30/06/2024	31/12/2023
Goods	19 027	13 468
Raw materials	1 570	3 476
Write-down of inventories	-4 828	-5 074
Total	**15 769**	**11 870**

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 information, 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 under tangible assets for inventory items with an individual acquisition cost of HUF 5 million.

32. Share capital

In 2022, the Group's share capital increased by 4 capital increases to HUF 5,981 million. The share capital of the Group remained unchanged during the current period. The share capital according to IFRS is the same as the share capital as recorded by the Company Court. The share capital of the Company consists of 299,074,974 ordinary registered shares with a nominal value of HUF 20 each, issued dematerialized. 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

	30/06/2024	31/12/2023
Share capital	5 981	5 981
Total	**5 981**	**5 981**

Data in millions of HUF, unless otherwise indicated

33. 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).

The change in the number of 4iG (treasury) shares held by the Group is shown in the table below:

Treasury shares (number)	**30/06/2024**	**31/12/2023**
4iG ESOP organisation	4 000 000	4 000 000
4iG Plc	4 579 685	4 579 685
Total	**8 579 685**	**8 579 685**

The value of the treasury shares is HUF 3,199 million, at an average price of HUF 698 per share. The closing price on the stock exchange for the period was 785 HUF/share, and the average price for the year was 809 HUF/share.

34. Capital reserve

	30/06/2024	**31/12/2023**
Capital reserve	133 492	133 492
Total	**133 492**	**133 492**

During the first half year of 2024, the value of the capital reserve remained unchanged.

35. Accumulated other comprehensive income

35.1. Fair value measurement reserve

The fair value measurement reserve includes the net cumulative change in the fair value of assets measured at fair value through other comprehensive income.

35.2. Foreign exchange rate differences

The Group presents the foreign exchange rate differences arising from the conversion of the balance sheets and profit and loss accounts of foreign subsidiaries in the foreign exchange rate differences on equity. In case of the fulfilment of certain criteria the foreign exchange difference is an item, which needs to be reclassified into the statement of profit or loss.

Data in millions of HUF, unless otherwise indicated

36. Non-controlling interest

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

37. Provisions

	31/12/2023	Increase	Utilisation	Cumulative translation adjustments	30/06/2024
Unused vacation	1 367	2 080	-349	28	3 126
Provisions for legal and other matters	4 345	847	-1 296	30	3 926
Asset retirement obligations	5 724	425	-445	129	5 833
Total	**11 436**	**3 352**	**-2 090**	**187**	**12 885**
of which					
provisions – non-current	*5 864*				*5 947*
provisions – current	*5 572*				*6 938*

The provision for unused vacation amounts to HUF 3,126 million on 30 June 2024 (HUF 1,367 million on 31 December 2023), of which HUF 2,080 million is the amount of the provision for 2024.

The provision for legal and other matters typically includes provisions for legal, litigation, penalties, employee benefits on 30 June 2024. "ANTENNA HUNGÁRIA" Zrt. shows a provision in the amount of HUF 1,526 million, Vodafone Magyarország Távközlési Zrt. shows HUF 1,015 million, DIGI Távközlési és Szolgáltató Kft. shows HUF 593 million and ONE Albania sh.a. shows HUF 385 million on 30 June 2024.

The provision for other employee benefits at consolidated level amounted to HUF 247 million on 30 June 2024 (HUF 675 million on 31 December 2023).

The provision for asset retirements obligation includes the discounted provision for the future restoration of the assets of Vodafone Magyarország Távközlési Zrt., ONE Albania sh.a. and ONE Crna Gora d.o.o.

Data in millions of HUF, unless otherwise indicated

38. Loans, borrowings, bonds – non-current

	30/06/2024	31/12/2023
4iG Plc		
Bonds	388 337	388 357
Baross Gábor revolving loan MBH	4 000	0
ACE Network Zrt.		
Medium-term USD loan	81	108
"ANTENNA HUNGÁRIA" Zrt.		
MFB investment loan	19 736	19 352
Vodafone acquisition loans	329 668	329 057
INNObyte Zrt.		
MFB Zrt. GINOP loan	64	48
ONE Albania sh.a.		
OTP club loan	12 059	12 739
Italian Government loan	0	72
Vodafone Magyarország Távközlési Zrt.		
Corvinus Zrt. medium-term loan	2 304	2 304
Baros Gábor medium-term loan	829	0
Total	**757 078**	**742 037**

The above figures represent the amounts drawn down from permanent working capital facilities contracted, the amounts actually drawn down from loans and the bonds issued by the Group and its consolidated subsidiaries. Both the Group and its consolidated subsidiaries have fully and when due complied with all debt service obligations arising from financial commitments.

4iG Plc

On 30 June 2024, 4iG Plc had a bank loan agreement with Raiffeisen Bank with a total amount of HUF 3,120 million, against which it had entered into a contract:
1) A multi-currency revolving loan of HUF 620 million, maturing on 30 August 2024,
2) A bank overdraft of HUF 500 million, maturing on 30 August 2024,
3) A bank guarantee facility of HUF 2,000 million, maturing on 31 August 2028.

As a framework security for the bank loan agreement, a pledge in favour of Raiffeisen Bank is registered in the MOKK (Hungarian National Chamber of Civil Law Notaries) register for the amount of HUF 10,111 million on the Group’s current receivables and HUF 810 million on its inventories.
The contractual amount of the multi-currency revolving loan and bank overdraft facility is available until maturity, the former fully drawn on the record date, the latter having been drawn down occasionally by the Company during H1 2024. The Company paid a transaction interest rate (variable rate) fixed at 1-month BUBOR on the drawn down amounts and a commitment fee on the undrawn amounts.

Data in millions of HUF, unless otherwise indicated

During the current period, the short-term revolving loan contracted with Raiffeisen Bank in May 2023 under the Baross Gábor Revolving Credit Programme was repaid on maturity, with the newly raised HUF 4,000 million permanent working capital loan secured by MBH Bank Nyrt., secured by a pledge on the Company's inventories and receivables.

Bonds issued by 4iG Plc

In order to finance domestic and foreign share acquisitions during 2021, the Group conducted 3 successful auctions in the Growth Bond Programme (Hungarian short name: "NKP") announced by the MNB (National Bank of Hungary):

Description	4iG NKP Bond 2031/I	4iG NKP Bond 2031/II	4iG NKP Bond 2031/II
ISIN code	HU0000360276	HU0000361019	HU0000361019
Date of issue	29 March 2021	17 December 2021	27 December 2021
Name value	HUF 15,450 million	HUF 287,750 million	HUF 83,000 million
Deadline	10 years	10 years	10 years
Repayment	After a grace period of 5 years 10% on anniversaries 5-9, 50% on maturity	After a grace period of 5 years 10% on anniversaries 5-9, 50% on maturity	After a grace period of 5 years 10% on anniversaries 5-9, 50% on maturity
Interest payments (per year)	fixed 2.90%	fixed 6.00%	fixed 6.00%

The Group has met its interest payment obligations under the NKP that became due during the current period.

ACE Network Zrt.

In November 2021, the company entered into a bank overdraft facility agreement with K&H Bank Zrt. for HUF 250 million at a transaction interest rate fixed at O/N BUBOR (variable interest rate), which is available as a liquidity reserve until 30 July 2025 and had a utilisation rate of 0 at the balance sheet date.

During November 2023, the company entered into short-term and medium-term, non-revolving, variable rate working capital loan agreements with K&H Bank Zrt. for a total amount of USD 1,500,000, which were partially drawn at the balance sheet date.

The above loan agreements were secured by a cash collateral provided by the company and a guarantee by Garantiqa Hitelgarancia Zrt.

"ANTENNA HUNGÁRIA" Zrt.

In order to ensure the liquidity of the company, it has an overdraft facility with MKB Bank Nyrt in the amount of HUF 5,000 million, which was zero at the balance sheet date.
The HUF 45,851 million 13-years loan contracted with MFB Magyar Fejlesztési Bank Zrt. in 2020 has a repayment due within one year of HUF 3,126 million at the balance sheet date.

In January 2023, the company entered into long-term loan agreements denominated in EUR with Magyar Export-Import Bank Zrt. and MFB Magyar Fejlesztési Bank Zrt. for the acquisition of a majority stake in Vodafone Magyarország Távközlési Zrt. With regard to the grace period, no principal repayment will be due in 2024, only interest payments, at a fixed interest rate for the first five years of the maturity. In addition to the company, Vodafone Magyarország Távközlési Zrt. has been included as a debtor, and the financing banks have registered liens on the assets of the company and the debtor as security for the loans and have stipulated the execution of financial covenants. The Company fulfilled these covenants both at the balance sheet date and after the balance sheet date.

INNObyte Zrt.

The company entered into a combined loan agreement with MFB Magyar Fejlesztési Bank Zrt. in May 2019 for HUF 121 million maturing on 25 April 2029, which was partially prepaid during 2023, so the last repayment is due in May 2027. The loan is secured by a bank guarantee issued by K&H Bank Zrt.

ONE Albania sh.a.

On January 1, 2023, the majority-owned Albanian businesses of the Group – ONE Telecommunications sh.a. and ALBtelecom sh.a., were merged by succession under the name ONE Albania sh.a.
The merger of the two legal entities was subject to the prior approval of the financing banks, while maintaining the loans and credits contracted until then.
As security for loans and credits, mortgages on real estate and pledges on receivables and movable property are registered in favour of the financing banks.
During the current period, ONE Albania sh.a. fully met its principal and interest payment obligations due, and the outstanding debt on the project loan from Raiffeisen Bank of Albania was repaid on schedule in June 2024.

Data in millions of HUF, unless otherwise indicated

Financing bank	Loan type	Frame amount	Actual outstanding	Currency	Interest
OTP BANK PLC; DSK BANK AD; BANKA OTP ALBANIA SHA	Syndicate loan	37 000 000	32 560 000	EUR	3M EURIBOR + 4.25%
BANKA OTP ALBANIA SHA	Overdaft	2 000 000	778 048	EUR	12M EURIBOR +3.5% (min 4.2%)
Italian Government	Bullet term loan	6 808 761	378 264	EUR	Fix 1%
Raiffeisen Bank Albania sh.a.	Project loan	600 000	0	EUR	12M EURIBOR + 5% (min 5.3%)
Raiffeisen Bank Albania sh.a.	Overdaft	1 650 000	1 035 844	EUR	12M EURIBOR + 5% (min 5.3%)
Tirana Bank S.A.	Overdaft	467 009 854	374 922 585	ALL	Yearly T-Bills + 2.5% (min 5.0%)

Vodafone Magyarország Távközlési Zrt.

In January 2023, "ANTENNA HUNGÁRIA" Zrt. and Corvinus Nemzetközi Befektetési Zrt. ("Corvinus") concluded a sales agreement for the acquisition of 100% of the company's shares. Subsequently, Corvinus provided a loan in two tranches at variable interest rates for a total amount of HUF 6,144 million, with principal repayments at maturity, to finance certain liabilities of the company. During the current period, the company entered into three loan agreements with K&H Bank Zrt. for investment loans totalling EUR 14,998,211 under the Baross Gábor Reindustrialisation Loan Programme 2024, with a fixed interest rate, scheduled principal repayment over 46 months. Following drawdowns during the availability period until the end of November 2024, repayments will be due in equal quarterly instalments starting in December 2024. A pledge on the company's stocks and receivables has been registered as collateral.

Bank guarantees

The Group uses the bank guarantee facility to secure its performance type commitments (tender, advance payment, performance, warranty) under its contractor agreements with its customers. The volume of bank guarantees issued under the framework contracted with Raiffeisen Bank Zrt. amounted to HUF 312 million at the balance sheet date.
As security for certain performance and warranty guarantees, a total of HUF 42 million was deposited in a dedicated bank account.
The Beneficiaries of the Bank Guarantees did not apply to the issuing Raiffeisen Bank during the reporting year.

Data in millions of HUF, unless otherwise indicated

Bank guarantees issued on behalf of the Group on 30 June 2024:

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
Raiffeisen Bank Zrt.	IGTE062161	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	HUF	19/07/2021	28/02/2025
	IGTE062162	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	19/07/2021	28/02/2025
	IGTE062447	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	14/09/2021	31/07/2027
	IGTE062448	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	14/09/2021	31/07/2027
	IGTE062449	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	14/09/2021	31/12/2027
	IGTE062485	SYS IT Network Zrt.	performance	85 680 000	HUF	17/09/2021	30/06/2024
	IGTE062490	MÁV FKG Kft.	warranty	14 500 000	HUF	17/09/2021	30/03/2025
	IGTE062491	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	HUF	20/09/2021	22/07/2025
	IGTE062492	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	20/09/2021	22/07/2025
	IGTE062547	MÁV FKG Kft.	warranty	11 760 333	HUF	29/09/2021	30/09/2024
	IGTE063519	MÁV FKG Kft.	warranty	13 500 000	HUF	14/04/2022	30/01/2026
	IGTE063536	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	02/05/2022	31/12/2024
	IGTE063764	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	HUF	13/06/2022	31/01/2025
	IGTE064273	Városliget Zrt.	warranty	19 995 307	HUF	29/09/2022	31/03/2026
	IGTE064474	Digitális Kormányzati Ügynökség Zrt.	performance	7 000 000	HUF	09/11/2022	30/04/2025
	IGTE065119	Kormányzati Informatikai Fejlesztési Ügynökség	good performance	31 385 827	HUF	28/03/2023	30/06/2024
	IGTE066114	Kormányzati Informatikai Fejlesztési Ügynökség	good performance	8 644 930	HUF	03/10/2023	02/10/2025
	IGTE066440	Nemzeti Infokommunikációs Szolgáltató Zrt	performance	14 392 486	HUF	23/11/2023	31/01/2026
			Total	**311 858 883**			

The Group entered into a master surety agreement with CIG Pannónia Első Magyar Általános Biztosító Zrt. at the end of 2022 for the issuance of insurance bonds as an alternative to bank guarantees, issued on behalf of the Group on 30 June 2024:

Data in millions of HUF, unless otherwise indicated

Insurance provider	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
CIG Pannónia Első Magyar Általános Biztosító Zrt.	AKC-22-0051/15	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	HUF	15/05/2024	31/03/2028
	AKC-22-0051/14	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	15/05/2024	31/03/2028
	AKC-22-0051/16	MVM Partner Energiakereskedelmi Zrt.	performance	14 700 000	HUF	30/04/2024	02/05/2028
	AKC-22-0051/17	Kormányzati Szolgáltató Központ Nonprofit Kft.	advance repayment	5 000 000 000	HUF	24/06/2024	23/06/2025
	AKC-22-0051/12	Corvin Plaza Bevásárlóközpont Kft.	payment	32 607,20	EUR	01/09/2023	01/09/2024
	AKC-22-0051/9	Symmetry Arena Ingatlankezelő Kft.	payment	96 514,77	EUR	30/06/2023	30/06/2024
	AKC-22-0051/13	Westend Magyarország Zrt.	payment	32 607,20	EUR	28/09/2023	02/10/2024
			Total HUF	**5 054 700 000**			
			Total EUR	**161 729,17**			

In the reporting period, the Group deposited cash collateral with the contractor/customer as security for certain obligations under certain contractor agreements, instead of issuing bank guarantees, amounting to HUF 146 million at the balance sheet date.

Bank guarantees issued on behalf of DIGI Távközlési és Szolgáltató Kft. on 30 June 2024:

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
Citibank Europe Plc. Hungary Branch	111177	Budapest Közlekedési Zrt.	payment	15 181 537	HUF	19/12/2016	31/12/2025
	112366	Yettel Magyarország Zrt.	payment	17 000 000	HUF	24/07/2020	31/12/2024
	113260	CEE Property-Invest Kft.	payment	276 042	EUR	18/12/2023	29/01/2027
			Total HUF	**32 181 537**			
			Total EUR	**276 042**			

As security for the bank guarantees, a total of HUF 32 million was deposited in a bank account earmarked for this purpose.

Data in millions of HUF, unless otherwise indicated

Bank guarantees issued on behalf of INNObyte Zrt. on 30 June 2024:

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
K&H Bank Zrt.	BUDAGO-0014568	MFB Magyar Fejlesztési Bank Zrt.	payment	61 000 000	HUF	26/01/2021	20/10/2024
	BUDAGO-0012271	MFB Magyar Fejlesztési Bank Zrt.	payment	61 000 000	HUF	09/10/2019	20/10/2024
			Total HUF	**122 000 000**			

Bank guarantees issued on behalf of Invitech ICT Services Kft. on 30 June2024:

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
UniCredit Bank Hungary Zrt.	23010106	Magyar Posta Takarék	payment	30 718 546	HUF	12/01/2024	12/01/2025
	23010114	M7 Ceref II Lux	payment	8 023.75	EUR	20/11/2023	20/11/2024
	23010118	GÉANT Vereniging	payment	100 000	EUR	19/01/2024	19/01/2025
						Total HUF	**30 718 546**
						Total EUR	**108 023.75**

A total of HUF 31 million and EUR 108 thousand in cash collateral was deposited in the bank account earmarked for this purpose as security for the bank guarantees.

Data in millions of HUF, unless otherwise indicated

Bank guarantees issued on behalf of Vodafone Magyarország Távközlési Zrt. on 30 June 2024:

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
Citibank Europe Plc. Magyar-országi fióktelepe	5137621678	Apple Distribution International Ltd.	payment	3 200 000 000	HUF	28/07/2023	11/07/2024
	EG37909	ECE Projektmanagement Budapest Kft.	payment	25 862,00	EUR	01/03/2024	31/12/2026
	EG37908	KEQI Kft.	payment	32 432,50	EUR	12/04/2024	31/10/2025
	EG38030	Csaba Center Invest Kft.	payment	18 396,00	EUR	30/04/2024	30/04/2025
	EG38059	Network Rider Kft.	payment	9 427 049	HUF	11/04/2024	30/11/2025
	EG38076	Logicor (CURVE) Hungary Kft.	payment	101 710,31	EUR	23/04/2024	03/09/2025
	EG38040	Retail-Property Ingatlanhasznosító Kft.	payment	10 702,00	EUR	03/05/2024	02/05/2025
	EG38133	Tesco Globál Áruházak Zrt.	payment	6 820,28	EUR	24/05/2024	31/12/2024
CIB Bank Zrt.	EG38137	Tesco Globál Áruházak Zrt.	payment	8 629,40	EUR	24/05/2024	31/12/2024
	EG38138	Tesco Globál Áruházak Zrt.	payment	15 897,61	EUR	24/05/2024	31/12/2024
	EG38139	Tesco Globál Áruházak Zrt.	payment	12 035,28	EUR	24/05/2024	31/12/2024
	EG38352	Raiffeisen Befektetési Alapkezelő Zrt.	payment	23 734 000	HUF	13/06/2024	01/06/2025
	EG38273	Budapesti Közlekedési Zrt.	payment	3 614 031	HUF	10/06/2024	31/01/2025
	EG38272	Budapesti Közlekedési Zrt.	payment	9 130 179	HUF	10/06/2024	31/01/2025
	EG38346	ECE Projektmanagement Budapest Kft.	payment	53 551,00	EUR	26/06/2024	31/12/2026
	EG38373	Tummam Kft.	payment	50 551,12	EUR	26/06/2024	31/12/2028
			Total HUF	**3 245 905 259**			
			Total EUR	**336 587,50**			

Data in millions of HUF, unless otherwise indicated

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue	Expiry date
MBH Bank Nyrt.	007GFIZ24 0150001	Euro-Mall Ingatlanbefektetési Kft.	payment	27 890,96	EUR	18/01/2024	31/01/2025
	007GFIZ24 025002	Nemzetközi Befektetési Holding	payment	179 611,00	EUR	23/02/2024	30/09/2024
	007GFIZ24 0400001	Immo-Bázis Kereskedelmi Kft.	payment	4 850 000	HUF	07/03/2024	01/04/2026
	007GFIZ24 0390002	Lurdy-Ház Kft.	payment	6 106 006	HUF	23/05/2024	31/05/2027
	007GFIZ24 0390001	SK-IMMO Ingatlanhasznosító Zrt.	payment	37 666,00	EUR	07/03/2024	31/10/2027
	007GFIZ24 0510001	Európa Befektetési Alapkezelő Zrt.	payment	26 309,25	EUR	08/03/2024	31/05/2026
	007GFIZ24 0530001	FINEXT Befektetési Alapkezelő Zrt.	payment	80 034,00	EUR	08/03/2024	31/01/2026
	007GFIZ24 0780003	Budapest Airport Zrt.	payment	84 250,00	EUR	28/03/2024	31/12/2024
	007GFIZ24 0780002	Lachmann Ipari, Ker. és Szolg. Kft.	payment	19 175,00	EUR	28/03/2024	31/03/2025
	007GFIZ24 0780000	Simon Péter	payment	5 460,00	EUR	11/04/2024	31/01/2026
	007GFIZ24 0860003	T-Szol Tatabányai Szolgáltató Zrt.	payment	1 991 568	HUF	12/04/2024	28/02/2025
	007GFIZ24 0960002	Pólus Shopping Center Zrt.	payment	50 427,00	EUR	13/05/2024	31/10/2027
	007GFIZ24 0960001	Multi Hungary Management Kft.	payment	64 243,95	EUR	24/05/2024	30/04/2025
	007GENH2 40230002	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	HUF	29/01/2024	13/06/2028
			Total HUF	**22 947 574**			
			Total EUR	**575 067,16**			

Data in millions of HUF, unless otherwise indicated

Bank guarantees issued on behalf of ONE Albania sh.a. on 30 June 2024:

Bank	Reference number	Beneficiary	Type	Total	Cur-rency	Date of issue
OTP Bank Albania	AL14 9021 1797 4551 2302 0339 2423	Tax office	payment	5 000 000	ALL	19/07/2023
		Tirana East Gate Sh.P.K.	payment	15 543	EUR	19/07/2023
		Central Bank of Albania	payment	5 832	EUR	19/07/2023
		Municipality Maliq	payment	400 000	ALL	19/07/2023
		Praslin Investment Al Shpk	payment	1 650	EUR	19/07/2023
		Bashkia Mat	payment	444 000	ALL	19/07/2023
		Bashkia Pagradec	payment	250 000	ALL	19/07/2023
		Banka E Shqiperise	payment	396	USD	19/07/2023
		Komuna Kolonje	payment	382 200	ALL	19/07/2023
		Municipality Vau Dejes	payment	60 000	ALL	19/07/2023
			Total ALL	**6 536 200**		
			Total EUR	**23 025**		
			Total USD	**396**		

39. Lease liabilities

Lease liabilities in accordance with IFRS 16 are presented below:

	30/06/2024	31/12/2023
Lease liabilities – non-current	125 562	119 081
Lease liabilities – current	27 457	24 747
Lease liabilities – total	**153 019**	**143 828**

	2024 H1	2023
Opening obligation	**143 828**	**43 577**
Addition from acquisitions	0	80 863
Addition from new leases	12 874	42 672
Addition	22 433	0
Interest expenditure	6 057	11 148
Disposal	-33 475	-33 351
Exchange difference	1 302	-1 081
Closing obligation	**153 019**	**143 828**

The Group's total cash outflow from leasing transactions was HUF 19,884 million in the first half of 2024 (HUF 22,147 million in 2023). The amount of undiscounted future lease payments is shown in the table below:

Data in millions of HUF, unless otherwise indicated

	Actual fees	Present value of fees
Payable within a year	36 041	27 457
Payable more than one year	158 489	125 562
Total lease payments	**194 530**	**153 019**

The Group has excluded future cash flows to which it is potentially exposed from the measurement of lease obligations. The potential undiscounted future lease payments for periods subsequent to renewal options that are not part of the lease term, amounted to HUF 62,792 million (2023: HUF 56,730 million). The undiscounted cash flows related to termination options not included in the value of the lease liability amounted to HUF 7 million on 30 June 2024 (HUF 32 million on 31 December 2023). The future undiscounted lease payment liability for contracts the Group is committed but not yet commenced on 30 June 2024 amounted to HUF 1,423 million (HUF 4,941 million on 31 December 2023).
As of 30 June 2024, and 31 December 2022, there were no residual value guarantee to which the Group was potentially exposed and were not taken into account in the lease liability.
Short-term leases or leases of low-value assets are recognised as operating expenses by the Group.

40.Other non-current liabilities

	30/06/2024	31/12/2023
Liabilities related to content fee	2 018	4 221
Liabilities related to software integration	632	692
Other non-current liabilities	14	13
Total	**2 664**	**4 926**

Liabilities related to broadcasting rights are recognised on 30 June 2024 to DIGI Távközlési és Szolgáltató Kft. (HUF 3,495 million as of 31 December 2023).

41. Trade payables

	30/06/2024	31/12/2023
Trade payables	64 656	87 681
Total	**64 656**	**87 681**

Data in millions of HUF, unless otherwise indicated

42. Loans and borrowings - current

	30/06/2024	31/12/2023
4iG Plc		
Baross Gábor revolving loan Raiffeisen Bank	0	4 000
Raiffeisen Bank loan	620	0
ACE Network Zrt.		
Short-term USD loan	328	308
"ANTENNA HUNGÁRIA" Zrt.		
MFB investment loan	3 126	3 126
DIGI Távközlési és Szolgáltató Kft.		
Citibank credit card	18	18
INNObyte Zrt.		
MFB Zrt. GINOP loan	0	21
ONE Albania sh.a.		
OTP club loan	1 787	1 163
Italian Government loan	149	42
Raiffeisen Bank loan	415	145
Tirana Bank loan	1 470	0
Vodafone Magyarország Távközlési Zrt.		
Corvinus Zrt. short-term loan	3 840	3 840
Baross Gábor short-term loan	1 145	0
Total	**12 898**	**12 663**

For a detailed description of loans and borrowings - current, see Note 38.

43. Share-based payment program

The Board of Directors of the Group, acting under the authority of the General Meeting of Shareholders, on 29 April 2020, without holding a meeting, in the framework of a written resolution, pursuant to the authorisation of Government Decree 102/2020 (IV.10.) on different provisions for the operation of associations of persons and property during an emergency, adopted by virtue of Resolution No. 9/2020 (IV.29), the Group approved the launch of the Employee Share Ownership Plan ("ESOP") and the establishment of an organisation ("ESOP Organisation"), called the 4iG Employee Share Ownership Plan Organisation (abbreviated as 4iG ESOP Organisation), and adopted its Articles of Association (hereinafter "Articles of Association").
The remuneration policy (ESOP I.), which was first launched by the Group, has expired.
In 2024, the following remuneration policies are relevant to the Company's financial statement.

ESOP II.: 4iG Plc has launched a remuneration programme (ESOP II.) by General Meeting Resolution No. 17/2021 (IX.30), under which the ESOP organisation subscribed for 4 million 4iG shares. These shares are legally voting shares with dividend rights, but due to the “extension” approach (under which the ESOP entity is not a separate reporting entity under IFRS), they are presented as treasury shares in the standalone accounts. Under the ESOP II., 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, which is the date on which the material terms and conditions are agreed by the parties and the grant is accepted by the employees (on 26 November 2021 for 1.4 million shares, on 28 January 2022 for 0.9 million shares and 1.7 million shares have not been granted under the plan). Duration of the scheme: 2 years (expiring on 25 November 2023, in which case the claim date shall be the last working day of the 12 months following the publication of the regular report on the quarter containing that last date, as provided by law). Conditions of service: employment with the Company for the duration of the scheme. Performance condition: the increase in the Group’s consolidated EBITDA per share, which the Group expects to meet. The Group has made estimates of the expected performance of the ESOP II. programme at the balance sheet date of 2023. Given that the performance period ended in 2023, no additional costs were recognised in the 2024 tax year.

43.1. ESOP obligation

ESOP III.: On 28 April 2023, subject to the resolution of the General Meeting of the Group No. 17/2021 (IX.30) and the resolution of the Board of Directors of the Group as Founder No. 4/2023 (III.26), the Group launched a new Remuneration Policy (hereinafter “ESOP III.”). In order to implement the ESOP III., the Group as Founder granted to the ESOP Organisation options to acquire ordinary shares in 4iG Plc. By this action, the Group intends to achieve greater stakeholder engagement. The number of share options granted: 2,119,767.

4iG Plc has recognised a staff cost of HUF 1,123 million against the ESOP liability for H1 2024 as a cover for ESOP III. costs using the Black-Scholes formula.

ESOP IV.: Similar purpose for ESOP III. on 29 April 2024, subject to the resolution of the General Meeting of the Group No. 17/2021 (IX.30) and the resolution of the Board of Directors of the Group as Founder No. 1/2024 (IV.[o])), the Group launched the fourth Remuneration Policy (hereinafter “ESOP IV.”). .”). In order to implement the ESOP IV., the Group as Founder granted to the ESOP Organisation options to acquire ordinary shares in 4iG Plc.
4iG Plc has recognised a staff cost of HUF 185 million against the ESOP liability during H1 2024 as a cover for ESOP IV. costs using the Black-Scholes formula.

Data in millions of HUF, unless otherwise indicated

44. Dividends payable to owners

The Company had a dividend liability to owners of HUF 8 million on 31 December 2023 and remained unchanged on 30 June 2024.

45. Other current financial liabilities

	30/06/2024	31/12/2023
Payroll related obligations	3 489	2 550
Bond interest	11 911	1 229
Accrued interest expense (loans)	12 542	1 096
Various other current financial liabilities	16 473	16 160
Total	**44 415**	**21 035**

Other current financial liabilities include HUF 2,190 million (HUF 5,665 million on 31 December 2023) related to DIGI Távközlési és Szolgáltató Kft. and HUF 248 million (HUF 190 million on 31 December 2023) related to broadcasting rights with Vodafone Magyarország Távközlési Zrt.

46. Other current non-financial liabilities

	30/06/2024	31/12/2023
Tax liabilities and contributions	12 230	11 359
Advances received from customers	4 755	7 265
Advances received from the state budget	88	88
Grants received, deferred income	795	695
Accrued and deferred income	47 519	39 494
Accrued expenses	46 329	46 563
Total	**111 716**	**105 464**

The Group recognises 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. The contractual obligations are shown among the advances received from customers.

47. 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 consolidated financial statements.
The 4iG Group will have three major segments: IT services and trade activities (hardware and software resale, and development, operation, support, consulting, implementation and other IT services), telecommunications, and another, holding segment has been added. The financial data of the three segments is presented below, down to the level of direct costs attributable to the activities, also for the year 2023, 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 2024, no customer's turnover will exceed 10% of revenue.

Data in millions of HUF, unless otherwise indicated

For the first half-year of 2024:

Description	IT services and trade	Tele-communication	Other activities	Eliminations	Total
Net sales revenue	40 157	293 703	3 731	-9 193	328 398
Acquisition value of goods sold, and services supplied indirectly	-23 357	-58 893	-1 165	1 234	-82 181
Other operating revenue	1 007	14 783	2 160	-10 241	7 709
Coverage 1	**17 807**	**249 593**	**4 726**	**-18 200**	**253 926**
Direct costs	-16 708	-220 235	-15 088	18 151	-233 880
Coverage 2	**1 099**	**29 358**	**-10 362**	**-49**	**20 046**
EBITDA	**5 500**	**112 701**	**-7 228**	**-477**	**110 496**
Operating profit (EBIT)	**1 099**	**29 356**	**-10 361**	**-48**	**20 046**
Financial result					-39 348
Profit or loss before tax					**-19 302**
Total segment assets	77 347	1 411 573	48 012	-18 074	1 518 858
Segment assets	**77 347**	**1 411 573**	**48 012**	**-18 074**	**1 518 858**
Total assets					**1 518 858**
Total segment liabilities	49 492	1 144 185	7 277	-18 074	1 182 880
Segment liabilities	**49 492**	**1 144 185**	**7 277**	**-18 074**	**1 182 880**
Total liabilities					**1 182 880**

Data in millions of HUF, unless otherwise indicated

For the first half-year of 2023:

Description	IT services and trade	Tele-communication	Other activities	Eliminations	Total
Net sales revenue	33 840	235 162	1 588	-4 343	266 247
Acquisition value of goods sold, and services supplied indirectly	-21 488	-52 321	-1 767	1 791	-73 785
Other operating revenue	162	2 197	15 150	4	17 513
Coverage 1	**12 514**	**185 038**	**14 971**	**-2 548**	**209 975**
Direct costs	-11 963	-171 808	-6 648	2 526	-187 893
Coverage 2	**551**	**13 230**	**8 323**	**-22**	**22 082**
EBITDA	**2 338**	**82 996**	**9 955**	**-22**	**95 267**
Operating profit (EBIT)	**551**	**13 230**	**8 323**	**-22**	**22 082**
Financial result					-7 275
Profit or loss before tax					**14 807**
Total segment assets	54 309	1 405 678	16 468	0	1 476 455
Segment assets	**54 309**	**1 405 678**	**16 468**	**0**	**1 476 455**
Total assets					**1 476 455**
Total segment liabilities	41 470	681 277	391 409	0	1 114 156
Segment liabilities	**41 470**	**681 277**	**391 409**	**0**	**1 114 156**
Total liabilities					**1 114 156**

48.Risk management

The Group's financial assets include cash, securities, trade and other receivables and other assets, excluding taxes. The Group's financial 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 Company is exposed to the following financial risks:

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

This section describes the above risks of the Group, the Group's objectives, policies, process measurement and risk management, and the Group's capital management. The Board has overall responsibility for the establishment, oversight 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. The risk management policy and system are reviewed from time to time to reflect changing market conditions and the Group's activities.

Capital Management

The Group's policy is to maintain a level of share capital sufficient to maintain investor and creditor confidence and to ensure the development of the Group. 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 capital structure of the Group 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 Group can continue its activities while maximising returns to shareholders by optimally balancing debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Group also monitors whether its capital structure complies with local legal requirements.

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 non-current or current borrowings, 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 30 June 2024 and 31 December 2023.

Data in millions of HUF, unless otherwise indicated

Credit risk

	30/06/2024	31/12/2023
Trade receivables	117 694	125 147
Other current financial assets	37 341	34 157
Cash and cash equivalents	50 873	53 175
Total	**205 908**	**212 479**

The aging of trade receivables on 30 June 2024 and on 31 December 2023 was as follows:

	30/06/2024	31/12/2023
Not yet due	92 663	108 228
1-30 days expired	13 340	5 930
Between 30-90 days overdue	2 764	4 167
Between 90-180 days overdue	2 225	2 222
Between 180-360 days overdue	3 275	1 761
Over 360 days overdue	3 427	2 839
Total	**117 694**	**125 147**

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 days payment. The risk of default on our non-overdue trade receivables is considered to be negligible.

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. The credit loss is limited to the margin, the 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 in normal and stressed conditions, without incurring unacceptable losses or risking the Group’s reputation.

Data in millions of HUF, unless otherwise indicated

The aging of trade payables on 30 June 2024 and on 31 December 2023 was as follows:

	30/06/2024	31/12/2023
Not yet due	38 038	64 979
1-30 days overdue	8 272	7 823
Between 30-90 days overdue	1 709	3 527
Between 90-180 days overdue	3 220	1 794
Between 180-360 days overdue	1 978	2 177
Over 360 days overdue	11 439	7 381
Total	**64 656**	**87 681**

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and the prices of investments in mutual funds, 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 from the war in Ukraine

The Group 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, 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 its free cash.

The currency exposure of the Group on 30 June 2024 was as follows:

Credit risk	HUF	Currency	Total
Trade receivables	96 207	21 487	**117 694**
Trade payables	26 625	38 031	**64 656**
Cash and cash equivalents	41 310	9 563	**50 873**
Loans and bonds	417 371	352 605	**769 976**

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
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

Interest payments on bonds

Years	4iG NKP bond 2031/I. HU0000360276	4iG NKP bond 2031/II HU0000361019	Total
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	15 886
2030	269	13 347	13 616
2031	224	11 123	11 347

Data in millions of HUF, unless otherwise indicated

Interest rate sensitivity test

With current interest rates	**30/06/2024**
Profit before tax (excluding interest)	10 365
Net interest expense	-29 667
Profit before tax	**-19 302**
Total assets	**1 518 858**
1%	
Profit before tax (excluding interest)	10 365
Net interest expense	-29 964
Profit before tax	**-19 599**
Change in profit before tax	-297
Change in profit before tax (%)	***1,537%***
Net assets	**1 518 561**
Change in net assets	-297
Change in net assets (%)	***-0,020%***
5%	
Profit before tax (excluding interest)	10 365
Net interest expense	-31 150
Profit before tax	**-20 785**
Change in profit before tax	-1 483
Change in profit before tax (%)	***7,685%***
Net assets	**1 517 375**
Change in net assets	-1 483
Change in net assets (%)	***-0,098%***
10%	
Profit before tax	10 365
Net interest expense	-32 634
Profit before tax	**-22 269**
Change in profit before tax	-2 967
Change in profit before tax (%)	***15,370%***
Net assets	**1 515 891**
Change in net assets	-2 967
Change in net assets (%)	***-0,195%***
-1%	
Profit before tax	10 365
Net interest expense	-29 370
Profit before tax	**-19 005**
Change in profit before tax	***297***
Change in profit before tax (%)	***-1,537%***
Net assets	**1 519 155**
Change in net assets	**297**
Change in net assets (%)	***0,020%***

Data in millions of HUF, unless otherwise indicated

-5%	
Profit before tax	10 365
Net interest expense	-28 184
Profit before tax	**-17 819**
Change in profit before tax	***1 483***
Change in profit before tax (%)	***-7,685%***
Net assets	**1 520 341**
Change in net assets	**1 483**
Change in net assets (%)	***0,098%***

-10%	
Profit before tax	10 365
Net interest expense	-26 700
Profit before tax	**-16 335**
Change in profit before tax	***2 967***
Change in profit before tax (%)	***-15,370%***
Net assets	**1 521 825**
Change in net assets	**2 967**
Change in net assets (%)	***0,195%***

Data in millions of HUF, unless otherwise indicated

Exchange rate sensitivity testing

With current exchange rates	**30/06/2024**
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	31 050
Liabilities denominated in HUF	792 297
Foreign currency liabilities	390 636
Net assets	**335 925**
Profit before tax	**-19 302**
1%	
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	31 360
Liabilities denominated in HUF	792 297
Foreign currency liabilities	394 542
Net assets	**332 329**
Change in net assets	***-3 596***
Change in net assets (%)	***-1,070%***
Profit before tax	**-22 898**
Change in profit before tax	**-3 596**
Change in profit before tax (%)	***18,629%***
5%	
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	32 602
Liabilities denominated in HUF	792 297
Foreign currency liabilities	410 167
Net assets	**317 946**
Change in net assets	***-17 979***
Change in net assets (%)	***-5,352%***
Profit before tax	**-37 281**
Change in profit before tax	**-17 979**
Change in profit before tax (%)	***93,147%***
10%	
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	34 155
Liabilities denominated in HUF	792 297
Foreign currency liabilities	429 699
Net assets	**299 966**
Change in net assets	***-35 959***
Change in net assets (%)	***-10,704%***
Profit before tax	**-55 261**
Change in profit before tax	**-35 959**
Change in profit before tax (%)	***186,295%***

Data in millions of HUF, unless otherwise indicated

-1%	
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	30 739
Liabilities denominated in HUF	792 297
Foreign currency liabilities	386 729
Net assets	**339 521**
Change in net assets	***3 596***
Change in net assets (%)	***1,070%***
Profit before tax	**-15 706**
Change in profit before tax	***3 596***
Change in profit before tax (%)	***-18,629%***
-5%	
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	29 497
Liabilities denominated in HUF	792 297
Foreign currency liabilities	371 104
Net assets	**353 904**
Change in net assets	***17 979***
Change in net assets (%)	***5,352%***
Profit before tax	**-1 323**
Change in profit before tax	***17 979***
Change in profit before tax (%)	***-93,147%***
-10%	
Non-monetary assets and assets denominated in forint	1 487 808
Foreign currency assets	27 945
Liabilities denominated in HUF	792 297
Foreign currency liabilities	351 572
Net assets	**371 884**
Change in net assets	***35 959***
Change in net assets (%)	***10,704%***
Profit before tax	**16 657**
Change in profit before tax	***35 959***
Change in profit before tax (%)	***-186,295%***

Data in millions of HUF, unless otherwise indicated

49. Financial instruments

Financial instruments include financial 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 books accordingly at the end of the period.

30 June 2024		Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVTOCI)	Total carrying amount
Carrying amount of financial instruments					
Financial assets					
Other non-current financial assets	Equity instruments	102	0	2	**104**
	Loans provided	0	633	0	**633**
	Net investment in the lease	0	884	0	**884**
	Other	0	1 729	0	**1 729**
Total non-current financial assets		**102**	**3 246**	**2**	**3 350**
Trade receivables		0	117 694	0	**117 694**
Net investment in the lease		0	562	0	**562**
Cash and cash equivalents		0	50 873	0	**50 873**
Other current financial assets	Loans provided	0	4 053	0	**4 053**
	Other	209	33 079	0	**33 288**
Total current financial assets		**209**	**206 259**	**0**	**206 470**
Total financial assets		**311**	**209 507**	**2**	**209 820**
Financial liabilities					
Loans (long-term loans, bonds)		0	757 078	0	**757 078**
Lease liabilities		0	125 562	0	**125 562**
Other non-current financial liabilities		0	2 665	0	**2 665**
Total non-current financial liabilities		**0**	**885 305**	**0**	**885 305**
Trade and other payables		0	64 656	0	**64 656**
Loans (short-term loans)		0	12 898	0	**12 898**
Lease liabilities		0	27 457	0	**27 457**
Other current financial liabilities		0	44 415	0	**44 415**
Total current financial liabilities		**0**	**149 426**	**0**	**149 426**
Total financial liabilities		**0**	**1 034 731**	**0**	**1 034 731**

Data in millions of HUF, unless otherwise indicated

31 December 2023		Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVTOCI)	Total carrying amount
Carrying amount of financial instruments					
Financial assets					
Other non-current financial assets	Equity instruments	104	0	0	**104**
	Loans provided	0	165	0	**165**
	Net investment in the lease	0	751	0	**751**
	Other	0	1 897	0	**1 897**
Total non-current financial assets		**104**	**2 800**	**0**	**2 917**
Trade receivables		0	125 147	0	**125 147**
Net investment in the lease		0	563	0	**563**
Cash and cash equivalents		0	53 175	0	**53 175**
Other current financial assets	Loans provided	0	1 327	0	**1 327**
	Other	225	32 606	0	**32 832**
Total current financial assets		**225**	**212 818**	**0**	**213 044**
Total financial assets		**329**	**215 618**	**0**	**215 947**
Financial liabilities					
Loans (long-term loans, bonds)		0	742 037	0	**742 037**
Lease liabilities		0	119 081	0	**119 081**
Other non-current financial liabilities		0	4 926	0	**4 926**
Total non-current financial liabilities		**0**	**866 044**	**0**	**866 044**
Trade and other payables		0	87 681	0	**87 681**
Loans (short-term loans)		0	12 663	0	**12 663**
Lease liabilities		0	24 747	0	**24 747**
Other current financial liabilities		**0**	21 043	**0**	**21 043**
Total current financial liabilities		**0**	**146 134**	**0**	**146 134**
Total financial liabilities		**0**	**1 012 178**	**0**	**1 012 178**

The carrying amount of the Company's financial instruments measured at amortised cost, except for bonds and long-term loans, expresses their fair value. The fair value of the bonds issued by 4iG Plc calculated at market interest rate on 30 June 2024 is HUF 322,738 million (HUF 333,533 million on 31 December 2023).

As of 30 June 2024, the fair value of Vodafone acquisition loans and MFB investment loan taken by "ANTENNA HUNGÁRIA" Zrt. shown in the balance sheet lines Long and short-term loans and borrowings, according to the Group's estimates, totalled HUF 379,652 million (HUF 362,449 million on 31 December 2023), while the carrying amount was HUF 352,530 million (HUF 347,179 million on 31 December 2023). The fair value of these loans corresponds to Level 3 of the fair value hierarchy.

Data in millions of HUF, unless otherwise indicated

30/06/2024	Level 1 Fair value measurement using quoted prices in active markets	Level 2 Fair value measurement using significant observable inputs	Level 3 Fair value measurement using significant unobservable inputs	Total fair value
Financial assets				
Equity instruments	0	209	2	**211**
Debt securities	102	0	0	**102**
Derivative transactions	0	0	0	**0**
Total financial assets	**102**	**209**	**2**	**313**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

31/12/2023	Level 1 Fair value measurement using quoted prices in active markets	Level 2 Fair value measurement using significant observable inputs	Level 3 Fair value measurement using significant unobservable inputs	Total fair value
Financial assets				
Equity instruments	0	216	2	**218**
Debt securities	111	0	0	**111**
Derivative transactions	0	0	0	**0**
Total financial assets	**111**	**216**	**2**	**329**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

Data in millions of HUF, unless otherwise indicated

50. Related party transactions

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

	30/06/2024	31/12/2023
Trade payables	0	4
Lease liabilities	6 532	6 688

	2024	2023
Customer turnover	0	1
Supplier turnover	767	810

51. Contingencies

51.1. Contingent liabilities

As of 30 June 2024, 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 Note 37.

51.2. Contingent commitments

Guarantees to non-Group parties amount to HUF 5,354 million on 30 June 2024.

52. Events after the balance sheet date

On 1 July 2024 4iG Plc published that Telecom Egypt, Egypt’s full-service telecom operator, and 4iG Group, the leading telecommunications and IT group in Hungary and the Western Balkans, signed a Memorandum of Understanding to establish a joint venture to build, operate and distribute Fiber-To-The-Home (FTTH) and Fiber-To-The-Site (FTTS) passive access infrastructure on a wholesale basis in Egypt. The joint investment aims to build a most modern fiber network that provides at minimum around six million households access to a state-of-the-art, high-speed network in the future. According to the agreement inked in Cairo, the proposed joint venture will have invested approximately USD 600 million to be delivered into Egypt's fiber access infrastructure in the coming 10 years. During the months to come after the signing the MoU, 4iG Group and Telecom Egypt will agree on the business model, exact ownership structure, governance processes and technological details of the joint venture.

On 1 July 2024 4iG Plc published that the Transformation Programme launched on 13 November 2023 has reached its next significant milestone with the fact that the separation of DIGI Távközlési és Szolgáltató Kft. and Invitech ICT Services Kft by way of a spin-off decided on March 14, 2024, was completed on 30 June 2024 (the date of spin-off), in view of which D-Infrastruktúra Távközlési Kft. – which includes the infrastructure division of DIGI – and Invitech ICT Infrastructure Kft. – which includes the infrastructure division of Invitech – have started their operations, as of today, the commercial and infrastructure divisions continue to operate in separate companies.

On 1 July 2024 4iG Plc published that based on the final and formal results of the bondholders' vote – held on 27 June 2024 – the bondholders of Space Commmunications Ltd.– a company in which 4iG holds a 20% minority share –voted in favour of the debt settlement plan prepared by 4iG. The debt settlement plan aims to fully settle the current bond debt service towards Spacecom's bondholders as announced previously.

On 4 July 2024 4iG Plc. published, that yesterday, 4iG's subsidiary "ANTENNA HUNGÁRIA" Zrt. entered into a sale and purchase agreement to acquire 100% stake in the regional telecommunications operator, PR-Telecom Zrt. The Hungarian-owned PR-Telecom has its own network infrastructure, providing television, internet and fixed voice services in ten counties and nearly 200 towns. The Transaction will increase 4iG group's access network by 250,000 households and its customer base by 55,000 subscribers and its fixed line infrastructure by 3,400 kilometres.

On 4 July 2024 the Board of Directors of 4iG adopted Tamás Tábori, the Managing Director of DIGI Távközlési és Szolgáltató Kft. and General Deputy CEO of Vodafone Magyarország Távközlési Zrt. has been appointed as 4iG's Group Deputy CEO for Telecommunications Strategy. In his new role, Tamás Tábori will also be a permanent member of the cabinet supporting the work of the Group's Chairman. The Board of Directors of 4iG also decided that Albert Kis, Deputy CEO for Wholesale of Invitech ICT Services Kft. shall be appointed as Group Chief Wholesale and Infrastructure Officer at 4iG. Mohamed Sherif ElSayad, who is currently working in the position of Group Telecommunications Commercial Strategy Director, will continue his career in 4iG Group as Group Chief Business Development and Innovation Officer.

On 17 July 2024 4iG Plc informs the participants of the capital market that iG TECH Invest Kft. as the purchaser acquired a total of **2,034,445** 4iG shares issued by 4iG at an average price of HUF 804.30 per share in the framework of over the counter (OTC) transactions pursuant to share purchase agreements completed on 15-18 July 2024 as detailed below:

- on 15 July 2024, iG TECH Invest Kft. acquired a total of **764,590** 4iG shares issued by 4iG from Manhattan Magántőkealap as the seller at an average price of HUF 795 per share.
- on 16 July 2024, iG TECH Invest Kft. acquired a total of **680,000** 4iG shares issued by 4iG as follows: 565,000 shares at an average price of HUF 850 per share, 90,000 shares at an average price of HUF 820 per share, and 25,000 shares at an average price of HUF 875 per share.
- on 17 July 2024, iG TECH Invest Kft. acquired a total of **300,000** 4iG shares issued by 4iG from Béla Zsolt Tóth as the seller, who is also a member of the Board of Directors of 4iG, at an average price of HUF 750 per share.
- on 18 July 2024, iG TECH Invest Kft. acquired a total of **289,855** 4iG shares issued by 4iG at an average price of HUF 785 per share.

The number of shares directly owned by **Béla Zsolt Tóth** changed from 752,200 shares to 452,200 shares, thereby reducing his ownership from 0.25% to 0.15%, and his voting rights from 0.26% to 0.15%.
The number of shares directly owned by **Manhattan MTA** changed from 764,590 shares to 0 shares, thereby reducing its ownership from 0.26% to 0%, and its voting rights from 0.26% to 0%.
The number of 4iG shares directly owned by **iG TECH Invest Kft**. that confer voting rights changed from 0 shares to 2,034,445 shares, thereby increasing its ownership from 0% to 0.68%, and its voting rights from 0% to 0.69%, therefore there was no crossing.
As a result of the Transactions, **Gellért Zoltán Jászai**'s indirect ownership, who is the sole shareholder of the management company of Manhattan MTA and iG TECH Magántőkealap – which is the sole owner of iG TECH Invest Kft. – and who is the Chairman of the Board of Directors of 4iG, increased from 52.33% to 52.76%, thereby increasing his indirect voting rights in 4iG from 53.15% to 53.58%, therefore his influence over 4iG did not change significantly.

On 26 July 2024 4iG Plc informs the participants of the capital market that regarding to the share purchase agreement closed on 24 July 2024 between Manhattan Invest Kft. as seller and iG TECH Invest Kft. as purchaser iG TECH Invest Kft. has acquired **3,094,285** 4iG shares issued by 4iG, in the framework of over-the-counter transaction (OTC) at an average price of HUF 795 per share.
The number of 4iG shares directly owned by **Manhattan Invest Kft**. changed from 3,094,285 to 0 pieces, by which its share of ownership changed from 1.03% to 0%, thus its voting rights in 4iG decreased from 1.05% to 0%.
The number of 4iG shares directly owned by **iG TECH Invest Kft**. changed from 2,034,445 to 5,128,730 pieces, by which its share of ownership changed from 0.68% to 1.71%, thus its voting rights in 4iG increased from 0.69% to 1.74%, therefore there was no crossing.
Gellért Zoltán Jászai's indirect ownership, who is the sole shareholder of the management company of Manhattan Magántőkealap – which is the sole owner of Manhattan Invest Kft. – and iG TECH Magántőkealap – which is the sole owner of iG TECH Invest Kft. –, and who is the Chairman of the Board of Directors of 4iG, thus his control over 4iG has not changed.

On 26 July 2024 4iG Plc informs the participants of the capital market that 4iG's indirect subsidiary, DIGI Távközlési és Szolgáltató Kft. signed a business transfer agreement with satellite television operator Canal+ Luxembourg S.àr.l. and its Hungarian subsidiaries Eviso Hungary Kft. and Canal+ Distribution Hungary Kft. to acquire the Hungarian satellite customer base of Direct One, and optionally to acquire its cable television portfolio, depending on the consent of the local operators. The transaction increases 4iG Group's satellite customer base by 155,000 customers and strengthens its market leader position in satellite TV services. The transaction is expected to be closed following the approval of the Hungarian Competition Authority.

53. Going concern

In the context of the effects of the war in Ukraine and in Israel, and after considering other market and liquidity risks, the Group has assessed and made estimates as to whether there are material uncertainties that cast doubt on the Group's ability to operate as a going concern and concluded that it is appropriate to assume that it will continue as a going concern for the foreseeable future and that there are no material uncertainties.

STATEMENT

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

Pursuant to Section 57 (1) of 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 first half-year of 2024 and for the accuracy of the analyses and conclusions.

Budapest, 28 August 2024

Gellért Zoltán Jászai	Péter Krisztián Fekete
Chairman of the Board of Directors	CEO

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