STANDALONE

financial report **2022**

4iG

2022

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The standalone financial report has been approved by the Board of Directors of the Company by written decision on the 26th day of the 4th month in 2023, by Board Resolution No. 1/2023 (IV.26.)

4iG PLC
STANDALONE FINANCIAL STATEMENTS

ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS
31 DECEMBER 2022

Data in millions of HUF, unless otherwise indicated

Comprehensive statement of income

	Annex	2022	2021
			Modified*
Net sales revenue	3	70 379	72 062
Other operating income	4	1 008	873
Revenue in total		**71 387**	**72 935**
Goods and services sold	5	-51 551	-52 267
Operating expenses	6	-6 398	-5 112
Staff costs	7	-12 934	-10 723
Other operating expenses	8	-13 572	-429
Total operating costs		**-84 455**	**-68 531**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**-13 068**	**4 404**
Depreciation and amortisation	9	-2 727	-1 339
Earnings before Interest and Tax (EBIT)		**-15 795**	**3 065**
Financial income	10	104 483	4 287
Financial expenses	10	-30 860	-2 585
Profit before tax		**57 828**	**4 767**
Income taxes	11	-491	-805
Profit after tax		**57 337**	**3 962**
Other comprehensive income	12	-1 109	0
Total comprehensive income		**56 228**	**3 962**
Of which: result of discontinuing activity		*0*	*0*
Earnings per share (HUF)			
Base	13	205.6	41.3
Diluted	13	205.6	40.7

Data in millions of HUF, unless otherwise indicated

Statement of financial position

	Annex	31/12/2022	31/12/2021 Modified*
ASSETS			
Non-current assets			
Property, plant, equipment	14	2 120	1 374
Intangible assets	15	3 622	1 483
Right of use of assets	16	11 543	5 140
Deferred tax receivables	17	48	75
Goodwill	18	411	411
Investments	19	551 672	107 784
Other investments and other non-current assets	20	19 902	61 899
Total non-current assets		**589 318**	**178 166**
Current assets			
Cash and cash equivalents	21	10 584	250 166
Trade receivables	22	19 753	17 625
Other receivables, other accrued and deferred assets	23	12 731	8 614
Securities	25	118	17
Inventories	26	1 913	1 503
Total current assets		**45 099**	**277 925**
Total assets		**634 417**	**456 091**
EQUITY AND LIABILITIES			
Equity			
Share capital	27	5 981	2 064
Repurchased treasury shares	28	-921	-246
Capital reserve	29	133 493	3 869
Retained earnings	30	60 952	6 880
Accumulated other comprehensive income	31	-1 109	0
Total equity		**198 396**	**12 567**
Long-term liabilities			
Provisions – non-current	32	0	0
Non-current loans, borrowings, bonds	33	388 629	405 887
Finance lease liabilities – non-current	34	10 312	4 242
Deferred tax liabilities	17	0	0
Other non-current liabilities	35	7 987	0
Total non-current liabilities		**406 928**	**410 129**
Current liabilities			
Trade payables	36	14 711	16 665
Short-term loans, borrowings, bonds	33	2	369
ESOP liabilities	46	0	866
Dividends payable to owners	37	8	0
Provisions – current	32	99	55
Finance lease liabilities – current	34	1 310	934
Other current liabilities and accruals	38	12 963	14 506
Total current liabilities		**29 093**	**33 395**
Total equity and liabilities		**634 417**	**456 091**

*Due to a change in accounting policy in this annual report, the restatement of the statement of comprehensive income and statement of financial position for 2021 is presented in Section 2.2.

Data in millions of HUF, unless otherwise indicated

Statement of changes in equity

	Annex	Share capital	Treasury shares	Capital reserve	Retained earnings	Accumulated other comprehensive income	Total equity
Balance on 1 January 2021		**1 880**	**-323**	**817**	**4 789**	**0**	**7 163**
Accounting policy changes					-3		-3
Balance on 1 January 2021		**1 880**	**-323**	**817**	**4 786**	**0**	**7 160**
Issue of share capital		184		3 052			**3 236**
Purchase of treasury shares			-80				**-80**
Sale of treasury shares (share swap)			157		343		**500**
Dividend allocation, payment					-2 212		**-2 212**
Profit after tax					3 967		**3 967**
Balance on 31 December 2021		**2 064**	**-246**	**3 869**	**6 884**	**0**	**12 571**
Balance on 1 January 2022		**2 064**	**-246**	**3 869**	**6 884**	**0**	**12 571**
Accounting policy changes					-4		-4
Modified balance on 1 January 2022		**2 064**	**-246**	**3 869**	**6 880**	**0**	**12 567**
Issue of share capital	27	3 917		129 624			**133 541**
From merging companies					-731		**-731**
Purchase of treasury shares	28		-751				**-751**
Sale of treasury shares (share swap)	28		76		319		**395**
Dividend allocation, payment	37				-2 853		**-2 853**
Profit after tax	12				57 337		**57 337**
Other comprehensive income	12					-1 109	**-1 109**
Balance on 31 December 2022		**5 981**	**-921**	**133 493**	**60 952**	**-1 109**	**198 396**

Data in millions of HUF, unless otherwise indicated

Cash flow statement

	Annex	21/12/2022	31/12/2021 Modified*
Cash flow from operating activities			
Profit after tax		56 228	3 962
Adjustments:			
Depreciation and amortisation for the year	9	2 727	1 286
Impairment	8	227	313
Provisions	32	44	-17
Income taxes	17	491	-56
Other financial income/(expense)	10	-67 982	1 812
Other non-cash items		0	519
Foreign exchange differences		-4 574	0
Changes in working capital			
Changes in trade, related and other receivables and in accrued and deferred assets	22,23	-5 694	-5 002
Changes in inventories	26	-532	1 642
Changes in suppliers	35	-1 945	-1 687
Changes in finance lease (current)	34	376	622
Changes in other receivables and liabilities	23, 37	-1 909	8 128
Income tax paid		-288	0
Net cash flow from operating activities		***-22 831***	***11 522***
Cash flow from investment activities			
Sale/(purchase) of property, plant, equipment	14	-1 270	-952
Sale/(purchase) of intangible assets	15	-3 000	-6 507
Securities	25	-101	111
Non-current receivables	20	627	-61 650
Acquisition of subsidiaries	16	-299 956	-101 935
Dividends and interest received on investments	19,20	18 177	0
Net cash flow from investment activities		***-285 521***	***-170 933***
Cash flow from financing activities			
Issue/(repayment) of bonds	33	-17 258	405 888
Withdrawal/(repayment) of loans and borrowings	33	-1 233	-2 601
Finance lease withdrawal/(repayment)	34	-875	4 059
Repurchased and issued treasury shares	27,28,29	-752	0
Interests paid	10	-19 844	-1 812
Capital increase/(decrease)		111 650	0
Dividends paid	36	-2 960	-2 212
Net cash flow from financing activities		***68 729***	***403 322***
Foreign exchange differences		42	0
Net change in cash and cash equivalents	**21**	**-239 582**	**243 911**
Cash and cash equivalents at the beginning of the year	21	250 166	6 255
Cash and cash equivalents at the end of the period		**10 584**	**250 166**

* Cash flow figures of 31.12.2021 include accounting policy and presentation changes, the impact of which is detailed in Section 2.2.

1. General section

1.1 Presentation of the company

4iG Public Limited Company is a company registered in Hungary, 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).

4iG is not independently controlled by another company.

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

1.2 Basis of preparation of the balance sheet

i) Approval and declaration

The financial statements were approved by the Board of Directors on 26 April 2023. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published and incorporated by regulation in the Official Journal of the European Union (EU). IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements are presented in Hungarian forints, rounded to the nearest million forints, unless otherwise indicated.
The report contains audited financial statements for the period ending 31 December 2022.

The General Assembly is entitled to approve the financial statements, before which it can use its amendment requests. Controlling owners are also present in the Board of Directors that approves the financial statements, so it is unlikely that the General Meeting will request amendments.

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

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

iii) Going concern

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

iv) Basis of assessment

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

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

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

2. Accounting policies

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

Data in millions of HUF, unless otherwise indicated

2.1. Significant accounting policies and other explanatory information

2.1.1. Basis of consolidation

Subsidiaries

The Company controls 29 companies belonging to the Group, and the data of the subsidiaries are fully consolidated in accordance with the regulations. The consolidated annual report will be published on the websites of the Budapest Stock Exchange, the website of MNB kozzetetelek.hu, and that of the Company.

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

Associated enterprises

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

2.1.2. Reporting currency and foreign currency balances

Given the substance and circumstances of underlying economic events, the Company's functional reporting currency is the Hungarian forint.

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

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

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

2.1.3. Revenue

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

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

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

Performance obligations
The company fulfils its obligations in relation to turnover as stipulated in the contract. When the contract is concluded, the Company must identify which goods or services it has promised to provide to the buyer, i.e. what performance obligation it has undertaken. The Company may recognise revenue when it has fulfilled its performance obligations by delivering the promised goods or performing the promised service. Performance is deemed to have taken place when the buyer has gained control of the asset (service).

Transaction price determination
When the contract is performed, the Company must recognize the revenue associated with the performance, which is the transaction price assigned to the performance obligation. The transaction price is the amount that the Company expects to receive in exchange for the sale of goods and services.

Main types of income
A significant portion of the Company's sales are product sales, where revenue is recognised at the time control of the product is transferred to the customer.

IT projects account for another significant share of revenues. Where the Company transfers control of the service on an ongoing basis, subject to the conditions set out in the standard, the revenue from the sale of services is also recognised on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service.

The Company'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 Company prefers the output method, however, for some projects this method is not applicable, in which case the input method is used. Wherever possible, the degree of completion of projects is determined in proportion to the services delivered, with the assistance of the Company's and the client's experts.

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

2.1.4. Property, plant and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation. Accumulated depreciation includes the depreciation charges recognised for the depreciation of assets incurred in the continuing use and operation of the asset and the depreciation charges recognised for the excess of the depreciation over the depreciation recognised for the impairment of the asset 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 tangible fixed assets increases the cost of the asset until the asset is ready for its intended use.

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

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

The cost of repair and maintenance of property, plant, and equipment and the replacement of spare parts are 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 Company depreciates the value of its assets over the useful lives of the assets 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 with an individual value of HUF 200 thousand:	immediate write-off.

The depreciation of property, plant, and equipment and software used in R&D activities takes place over 2-10 years.

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

The Company has no property, plant, and equipment with an indefinite life.

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

2.1.5. Intangible assets

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

After inclusion, the cost model is used for intangible assets. The useful lives of these assets are finite or indefinite. Assets with finite useful lives are amortised using the straight-line method based on the best estimate of their useful lives. The depreciation period and the depreciation method are reviewed at the end of each financial year. Internally generated intangible assets, other than development costs, are not capitalised but are charged against 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. less than 2-7 years.

2.1.6. Business combination

The acquisition method of accounting is used for business combinations. The cost of an acquisition is the aggregate of the consideration transferred, which is measured by the Company at fair value at the acquisition date, and the non-controlling interests in the acquiree. For business combinations, the external owners' interest is measured, at the Company's option, either at fair value or at the fair value of the net assets of the acquiree attributable to the external owners. Acquisition-related costs are expensed as incurred.
In the standalone financial statements, the Company records its investments in subsidiaries at their carrying amounts.

2.1.7. Goodwill

Goodwill is the positive difference between the acquisition cost and the fair value of the identifiable net assets of the acquired subsidiary at the acquisition date. Goodwill is not 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.

2.1.8. Badwill

Badwill is the negative difference between the acquisition cost and the fair value of the identifiable net assets of the acquired subsidiary at the acquisition date. In accordance with the regulations of Sections 3 to 34 of IFRS, Badwill is accounted for as financial profit and loss in the current year.

2.1.9. Impairment of assets

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

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

2.1.10. Investments in associates and jointly managed enterprises

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

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

The Company 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.
In the standalone financial statements, the Company records its investments in associates and jointly controlled entities at their carrying amounts.

2.1.11. Financial fixed assets

The Company presents investments in equity instruments of another entity as financial assets under other investments. An equity instrument is any contract that represents a residual interest in the assets of an entity after deducting all of its liabilities. The cost of a non-current financial asset is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the date of acquisition and includes transaction costs.

The Company measures all equity investments in other investments at fair value through profit or loss (FVPL) after initial recognition, unless the Company's management has determined at initial recognition that an equity investment is irrevocably designated as at FVPL. Gains and losses on equity investments measured at FVPL are included in the consolidated statement of comprehensive income in the line *Other operating income*.

2.1.12. Non-current assets held for sale

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

2.1.13. Inventories

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

2.1.14. Receivables

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

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

The Company discloses advances to suppliers, short-term loans, rental deposits, receivables from the state budget (including tax and contribution receivables) and guarantees given under other receivables and accrued and deferred assets. The Company shows advances to suppliers net of VAT under other receivables. Accrued and deferred assets include both accruals for income and accruals for costs and expenses.

Accrued income includes the portion of revenue recognised in accordance with IFRS 15 Revenue from Contracts with Customers that is earned in the current period but not invoiced until the following period, and the amount of state aid accrued in proportion to the costs incurred in the period, in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, based on the intensity of the grant.

2.1.15. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at amortised cost. As a result, the Company recognises expected credit losses on cash and cash equivalents when necessary.

2.1.16. Share capital

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

2.1.17. Financial instruments

Financial assets within the scope of IFRS 9 fall into three measurement categories: those measured at amortised cost after initial recognition, those measured at fair value through other comprehensive income (FVOCI) after initial recognition, and those measured at fair value through profit or loss (FVPL) after 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 Company 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 Company assesses at each reporting date whether an impairment loss should be recognised for a financial asset or group of assets. If circumstances arise for an asset carried at amortised cost that require an impairment loss to be recognised, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the amount of the asset's future cash flows discounted at the original effective interest rate. The impairment loss is recognised in the profit and loss account. If, in the future, the amount of the impairment loss recognised decreases, it is reversed, but only to the extent that the carrying amount of the asset does not exceed its amortised cost at the balance sheet date.

Credit losses on financial assets:

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

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

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

2.1.18. Financial liabilities

The Company's statement of financial position includes the following financial liabilities: trade payables and other current payables, 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 Company initially measures all financial liabilities at fair value. In the case of loans, it even takes into account transaction costs that are directly attributable to the acquisition of the financial liability.

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

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

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

2.1.19. Provisions

The Company recognises provisions for obligations (legal or constructive) as a result of past events that are probable that the Company will be required to settle when 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 the provision, the carrying amount of the provision is the present value of those cash flows.

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

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

A provision for restructuring is recognised when the Company has prepared a detailed formal plan for the restructuring and, by starting to implement the plan or by announcing the main features of the plan to stakeholders, has created a legitimate expectation that it will carry out the restructuring. A provision for restructuring includes only direct costs incurred in connection with the restructuring that are necessarily incidental to the restructuring and not related to the continuing operations of the entity.

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

2.1.20. Taxation

2.1.20.1. Profit taxes

Profit 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.

Tax for the current year

The rate of corporate 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 the Act LXXVI of 2014 on Innovation Levy, modified by the deferred tax. The corporate tax liability includes current and deferred tax elements.

The 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 Company'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 Company's estimate of the manner in which the tax assets and liabilities will be realised at the balance sheet date.

A deferred tax asset is recognised for deductible temporary differences, carry forward of tax credits and tax losses only if it is probable that the Company will realise a taxable profit against which the deferred tax asset can be utilised in its future operations.

At each balance sheet date, the Company takes into account deferred tax assets not recognised in the balance sheet and the carrying amount of recognised tax assets. The portion of receivables not previously recognised in the balance sheet that is expected to be recovered through a reduction in future income taxes is recognised in the balance sheet. Conversely, it reduces the Company's 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 resulting from retrospective changes in accounting policies.

Deferred tax assets and liabilities can be offset when the Company has a legal right to offset its current tax assets and liabilities with the same tax authority and the Company intends to settle these assets and liabilities on a net basis.

2.1.20. Other taxes

The Company discloses separately from income taxes, under other expenses, among others, mainly the extra profit and utility taxes related to the telecom segment, as well as the environmental product charge and the motor vehicle tax incurred in both the telecom and IT sectors.

2.1.21. Leasing

On 13 January 2016, IASB issued a new standard on accounting for leases, IFRS 16 Companies applying IFRS are required to apply the new leasing standard for annual periods beginning on or after 1 January 2019. The new standard replaces IAS 17 Leases and fundamentally changes the accounting for operating leases.
The assessment of the scope and financial impact of IFRS 16 started in 2018. The significant financial impact relates to office leases.
Under IFRS 16 Leases, a lessee is required to recognise and measure a right of use asset and a related liability simultaneously on 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 lease payments over the lease term, calculated using the implicit interest rate, if that rate can be determined precisely. If this rate is not available or is difficult to determine, the lessee may then use the incremental borrowing rate for discounting.
Under IFRS 16, as with its predecessor (IAS 17), the lessor continues to assess whether a lease is an operating lease or a finance lease.
A lease is a finance lease if the lessor transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. Otherwise, the transaction is an operating lease. The lessor shall recognise finance income over the lease term in a manner that results in a constant periodic rate of return on the lessor's net investment in the lease.
Lessors should recognise lease payments from operating leases using either the straight-line method or some other systematic method. A lessor shall use a different systematic method if it better reflects the decline in the benefits arising from the use of the underlying asset.

The Company applies IFRS 16 from 1 January 2019, but does not apply the standard using the exemption option for short-term and low-value asset leases (excluding vehicles) and recognises their rental as an expense.

2.1.22. Earnings per share (EPS)

Earnings per share are determined by taking into account the Company's profit for the period and the average number of shares less the average number of treasury shares repurchased during the period.

Diluted earnings per share are calculated in the same way as earnings per share. However, the calculation takes into account all dilutive shares outstanding, 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 on 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 included in the current stock option program in the relevant period is also taken into account as an item that reduces own shares, in the event that the option exercise conditions defined in the stock option program are met at the time of preparation of the report, and the given own shares have not yet been exercised.

2.1.23. Off-balance sheet items

Off-balance sheet liabilities are not included in the balance sheet and profit and loss account that form part of the consolidated financial statements unless they are acquired in business combinations. They are disclosed in the supplementary annex unless the possibility of an outflow of resources embodying economic benefits is remote and minimal. Off-balance-sheet receivables are not included in the balance sheet and profit and loss account that form part of the consolidated financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

2.1.24. Repurchased treasury shares

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

2.1.25. Dividends

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

2.1.26. Transactions with minority shareholders

In all cases, transactions with minority shareholders take place under normal market conditions.

2.1.27. Transactions with related parties

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

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

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

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

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

2.1.28. Employee benefits

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

2.1.29. Share-based payments

Payments in equity instruments

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

This cost is recognised as an expense in employee benefits costs, with a corresponding increase in equity, over the period in which the service and, where applicable, performance conditions are met (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date up to the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the profit and loss account for a period reflects 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 award 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 profit or loss 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 Company 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 in equity. There is no difference between the consolidated financial statements of the parent company and the separate financial statements with respect to the treatment of the related share-based payment arrangement.

2.1.30. Result of financial operations

Financial results include interest and dividend income, interest and other financial expenses, and realised and unrealised exchange rate differences.

The credit 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, other costs associated with borrowing and exchange differences incurred up to the amount by which the interest cost is adjusted. Borrowing costs are capitalised as part of the cost of an asset when it is probable that future economic benefits associated with the borrowing will flow to the enterprise and the amount can be measured reliably. Other credit-related costs are expensed as incurred.

2.1.31. State aid

State aid can be accounted for when it is probable that the 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). When the grant relates to the acquisition of an asset, it is recorded as deferred income and is charged to the income statement in equal annual amounts over the useful life of the related asset.

2.1.32. Impairment of Goodwill

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

2.1.33. Impairment of uncollectible and disputed debts

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

2.1.34. 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.

2.1.35. Operational segments

An entity 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 Company's revenue-generating activities shall be allocated to operating segments (considering the same units that management uses to operate the business), which shall be aggregated for reporting purposes only if the specified criteria are met. This process may require considerable judgement, because it is not always possible to identify clearly which elements of a 4iG are operating segments under IFRS 8 Reporting Segments or which layer of the 4iG's organisational structure represents the level at which those activities are managed.

2.1.36. Events after the balance sheet date

Events that occur after the end of the reporting period that provide additional information about the circumstances at the end of the Company'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.

2.2. Changes in accounting policies

The Company has prepared its financial statements in accordance with the provisions of all standards and interpretations that became effective on 1 January 2022.

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

- Unlike in previous financial years, the Company has adopted the practical expedient provided by IFRS 16 from 1 January 2022, whereby non-lease components are not separated from lease components but are accounted for as a single lease component and recognised in the value of the lease liability.

Changes in grouping and presentation:

The Company will change the presentation of its assets and liabilities from 2022, given the significant change in its size and funding structure, as it believes this will significantly improve the quality and understandability of its financial statements. The Company presents trade receivables from related parties in the separate financial statements under trade receivables and other receivables and accruals under other receivables and other receivables from related parties (advances, related party loans, etc.). Also in the statement of standalone financial position, trade payables to related parties are presented under trade payables and other payables to related parties are presented under other current payables.

Data in millions of HUF, unless otherwise indicated

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

	31/12/2021	31/12/2021	31/12/2021	31/12/2021
	Modified	**Accounting policy changes**	**Presentation modification**	**Published**
Net sales revenue	72 062			72 062
Other operating income	873			873
Revenue in total	**72 935**	**0**	**0**	**72 935**
Goods and services sold	-52 267			-52 267
Operating expenses	-5 112	57	69	-5 238
Staff costs	-10 723			-10 723
Other operating expenses	-429		-314	-115
Operating costs	**-68 531**	**57**	**-245**	**-68 343**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**4 404**	**57**	**-245**	**4 592**
Depreciation and amortisation	-1 339	-53		-1 286
Earnings before Interest and Tax (EBIT)	**3 065**	**4**	**-245**	**3 306**
Financial income	4 287			4 287
Financial expenses	-2 585	-8	245	-2 822
Profit before tax	**4 767**	**-4**	**0**	**4 771**
Income taxes	-805			-805
Profit after tax	**3 962**	**-4**	**0**	**3 966**
Other comprehensive income	0			0
Total comprehensive income	**3 962**	**-4**	**0**	**3 966**

Data in millions of HUF, unless otherwise indicated

	31/12/2021 Modified	31/12/2021 Accounting policy changes	31/12/2021 Presentation modification	31/12/2021 Published
ASSETS				
Non-current assets				
Property, plant, equipment	1 374			1 374
Intangible assets	1 483			1 483
Right of use of assets	5 140	824		4 316
Deferred tax receivables	75			75
Goodwill	411			411
Investments	107 784		-2	107 786
Other investments and other non-current assets	61 899		2	61 897
Total non-current assets	**178 166**	**824**	**0**	**177 342**
Current assets				
Cash and cash equivalents	250 166			250 166
Trade receivables	17 625		73	17 552
Other receivables, other accrued and deferred assets	8 614		-73	8 687
Securities	17			17
Inventories	1 503			1 503
Total current assets	**277 925**	**0**	**0**	**277 925**
Total assets	**456 091**	**824**	**0**	**455 267**
EQUITY AND LIABILITIES				
Equity				
Share capital	2 064			2 064
Repurchased treasury shares	-246			-246
Capital reserve	3 869			3 869
Retained earnings	6 880	-7		6 887
Total equity	**12 567**	**-7**	**0**	**12 574**
Long-term liabilities				
Provisions – non-current	0		-55	55
Non-current loans and borrowings	405 887			405 887
Finance lease liabilities	4 242	717		3 525
Total non-current liabilities	**410 129**	**717**	**-55**	**409 467**
Current liabilities				
Trade payables	16 665		696	15 969
Short-term loans and borrowings	369		369	
Other current liabilities and accruals	14 506		-1 065	15 571
Provisions – current	55		55	0
ESOP – liabilities	866		0	866
Dividends payable to owners	0		0	
Finance lease liabilities	934	114		820
Total current liabilities	**33 395**	**114**	**55**	**33 226**
Total equity and liabilities	**456 091**	**824**	**0**	**455 267**

Data in millions of HUF, unless otherwise indicated

	01/01/2021 Modified	01/01/2021 Accounting policy changes	01/01/2021 Published
ASSETS			
Non-current assets			
Property, plant, equipment	644		644
Intangible assets	715		715
Right of use of assets	490	26	464
Deferred tax receivables	20		20
Goodwill	411		411
Shares	1 696		1 696
Other investments	247		247
Total non-current assets	**4 223**	**26**	**4 197**
Current assets			
Cash and cash equivalents	6 255		6 255
Trade receivables	15 667		15 667
Other receivables, other accrued and deferred assets	5 594		5 594
Securities	418		418
Inventories	3 144		3 144
Total current assets	**31 078**	**0**	**31 078**
Total assets	**35 301**	**26**	**35 275**
EQUITY AND LIABILITIES			
Equity			
Share capital	1 880		1 880
Repurchased treasury shares	-322		-322
Capital reserve	817		817
Retained earnings	4 786	-3	4 789
Total equity	**7 161**	**-3**	**7 164**
Long-term liabilities			
Provisions – non-current	72		72
Non-current loans, borrowings, bonds	345		345
Finance lease liabilities – non-current	0		0
Deferred tax liabilities	197	14	183
Total non-current liabilities	**614**	**14**	**600**
Current liabilities			
Trade payables	18 029		18 029
Short-term loan and borrowings	2 970		2 970
Other current liabilities and accruals	6 200		6 200
Dividends payable to owners	0		0
Finance lease liabilities	327	15	312
Total current liabilities	**27 526**	**15**	**27 511**
Total equity and liabilities	**35 301**	**26**	**35 275**

As a result of the change in accounting policies, the gross value of the Right of use assets increased by HUF 891 million and the accumulated depreciation by HUF 67 million on 31 December 2021.

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

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

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

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

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

Amendments to existing standards, interpretations of existing standards and new standards that are not yet effective or that will not be applied by the Company before their effective date.

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

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

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

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

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

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

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

2.3 Uncertainty factors

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

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

2.3.1 Impairment of Goodwill

As described in Section 2.1.7 of *Significant accounting policies*, the Company tests annually whether goodwill is impaired. The recoverable amount of cash-generating units is determined on the basis of 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 is allocated. In order to calculate 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.

No impairment triggering circumstance was identified based on the 2022 valuation.
Freesoft goodwill has been allocated to the IT business acquired through the acquisition of FreeSoft Kft. (Ltd.) as a cash generating unit. The valuation of the cash-generating unit is calculated based on the present value of future net cash flows (DCF calculation).

Data in millions of HUF, unless otherwise indicated

The 4iG Group's IT activity as a cash-generating unit has expanded significantly in the recent period due to mergers and acquisitions and a significant increase in activity. The recoverable amount of the IT activity as an operating segment is calculated each year, based on the same principles. Due to the constantly changing factors of the dynamically evolving IT market, the DCF calculation is prepared on a prudent 5-year time horizon. The goodwill impairment test is presented in Subsection 18 of the supplementary annex.

2.3.2 Impairment of uncollectible and disputed receivables

The Company recognises impairment losses to cover uncollectible and disputed debts and losses that arise when customers are unable to pay. Estimates used to assess the adequacy of the allowance for uncollectible and disputed debts are based on the aging of accounts receivable, the creditworthiness of the customer and changes in customer payment patterns.

2.3.3. Impairment

Plant, property, and equipment and intangible assets are stated at their carrying amounts and depreciated on a straight-line basis over their useful lives. The useful lives of assets are determined on the basis of historical experience of similar assets and expected technological developments and changes in wider economic or industry factors. Estimated useful lives are reviewed annually.

2.3.4. Accounting estimates

The Company may also use estimates in the case of some items affecting financial statements, such items may include, among others, accruals, provisions, and accounts related to the ESOP Organization. The Company presents these items in detail in its supplementary notes.

3. Net sales revenue

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

	2022	2021
Net sales revenue	70 379	72 062
Total	**70 379**	**72 062**

Net sales revenue for 2022 included export sales revenue of HUF 1 030 million, while in the same period of the previous year export sales revenue of HUF 720 million was recorded. Export sales revenue originated from European Union countries.

Data in millions of HUF, unless otherwise indicated

Sales generated towards subsidiaries from net sales revenues:

	2022	2021
Related domestic net sales revenue	3 400	327
Related export net sales revenue	330	0
Total	**3 730**	**327**

Main types of revenue:

- A significant portion of the Company's sales are product sales, where revenue is recognized when control of the product is transferred to the customer.
- IT projects account for another significant share of revenues. Where the Company transfers control of the service on an ongoing basis, subject to the conditions set out in the standard, it also recognises revenue from the sale of services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service. The determination of the stage of completion assumes significant estimates, for which the Company performs detailed tests and evaluations. The presentation of contract assets and liabilities recognised at the balance sheet date is disclosed in Sections 23 and 38.

Breakdown of sales revenue by main types of products:

	2022	2021
IT services	38 716	36 083
Sale of hardware and software	30 322	35 661
Other activities	1 341	318
Total	**70 379**	**72 062**

Due to the nature of the activity, there is an intra-annual cyclicality in the development of net sales, with a significant part of the annual sales revenue typically being realised in the last quarter. This is due to the fact that most state orders are delivered at the end of the year.

Data in millions of HUF, unless otherwise indicated

4. Other operating revenue

The composition of other operating income was as follows:

	2022	2021
State aid and refunds	206	195
Penalties, liquidated damages, compensations	27	1
Income of intangible and tangible assets sold	4	3
Impairment reversal	0	6
Capitalised own outputs	703	617
Employee fees	51	34
Other subsidies	3	7
Other	14	10
Total	**1 008**	**873**

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

Of the state aid, HUF 21 million came from budget reimbursements received under various headings.

Capitalised own work in 2022 for the Company amounted to HUF 703 million.
Research projects classified as development projects at the Company:
Research projects classified as development projects in 2022:

- HUF 256 million market R&D development,
- HUF 161 million Payment switch (PS),
- HUF 91 million Industry 4.0 product development,
- HUF 59 million data warehouse developed for internal use and
- HUF 136 million was other product development.

Unfinished improvements at the end of 2022:

- HUF 575 million Market RDI R&D development,
- HUF 161 million Payment switch (PS),
- HUF 78 million was other product development.

Data in millions of HUF, unless otherwise indicated

As regards internally developed software (mainly development projects in progress), the Company has performed a payback calculation at the balance sheet date, which did not require the recognition of an impairment loss, see details in Section 15 of *Intangible assets*.

5. Goods and services sold

	2022	2021
Purchase value of goods sold	-25 618	-29 699
Purchase value of services sold	-25 933	-22 568
Total	**-51 551**	**-52 267**

6. Operating expenses

	2022	2021
Material costs	-445	-269
Value of contracted services	-5 740	-4 782
Value of other services	-213	-61
Total	**-6 398**	**-5 112**

As activity increased, so did operating expenses. The significant increase in services used was due in part to an increase in advisory, legal and other acquisition and administrative costs related to acquisitions made during 2022.

7. Staff costs

	2022	2021
Wages and salaries	-10 655	-8 288
Other staff benefits	-850	-997
Contributions on wages and salaries	-1 429	-1 438
Total	**-12 934**	**-10 723**
Average statistical number	828	748

The growth of the Company required a similar increase in staff numbers and the recruitment of highly skilled staff, and as a consequence, personnel costs increased significantly.

Data in millions of HUF, unless otherwise indicated

8. Other operating expenses

	2022	2021
Grants from foundations	-26	-69
Penalties, liquidated damages, compensations	-13 274	-5
Value of intangible and tangible assets sold	-3	-1
Inventories scrapped	-33	0
Taxes, duties, contributions	-7	-11
Impairment of inventories	-121	0
Bad debts	0	0
Impairment of receivables	-103	-29
Losses related to loss events	-1	0
Fair valuation losses on securities	0	-314
Other	-4	0
Total	**-13 572**	**-429**

Every year the Company reviews its inventory turnover and, based on the market knowledge of traders, it recognises an impairment loss on slow-moving inventory and discards obsolete inventory.

The Company includes in the line of *Penalties, liquidated damages, compensations* the technical payments recognised in the period in relation to the 2021 acquisitions, i.e., among others, the cost of terminating an option contract for one of the previously purchased subsidiaries is also shown on this line.

Under the line *Fair valuation loss on securities*, the Company reports the fair valuation difference on its securities sold during 2022.

9. Depreciation and amortisation

	2022	2021
Depreciation and amortisation	-2 727	-1 339
Total	**-2 727**	**-1 339**

The increase in depreciation is mainly due to the incremental depreciation of the lease asset on the excess rental right due to the increase in office rent. The increase in the Company's activities and headcount has resulted in an increase in rented office space.

Data in millions of HUF, unless otherwise indicated

10. Financial income and expenses

Financial income	2022	2021
Interests received	4 859	347
Exchange gains	6 992	3 669
Dividends received	2 215	271
Other	90 417	0
Total	**104 483**	**4 287**

In the line *of Other financial income line*, the Company presents the consolidated capital gains recognised during the period in relation to the companies transferred to "ANTENNA HUNGÁRIA" Zrt.

Financial expenses	2022	2021
Interests paid	-375	-2 196
Interests on bonds	-22 580	0
Loss on exchange rates	-7 362	-320
Other	-543	-69
Total	**-30 860**	**-2 585**

Interest on bonds represents the interest expense paid to bondholders on bonds issued.

11. Income taxes

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

	2022	2021
Corporate income tax	0	-424
Deferred tax	-80	55
Business tax	-357	-379
Contribution on innovation	-54	-57
Total	**-491**	**-805**

The corporate tax for the current year has been set according to the general principles for 2022 and 2021. The corporate tax rate is 9%.

Data in millions of HUF, unless otherwise indicated

The derivation of the tax is as follows:

	2022	2021
Profit before tax	57 828	4 767
Tax liability calculated at the current tax rate of 9%	0	-424
Business tax	-357	-379
Innovation levy	-54	-57
Permanent differences	-80	55
Total income taxes	**-491**	**-805**

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

The deduction of corporate tax according to the general rules is as follows:

	2022	2021
Profit before tax (IFRS)	57 828	4 767
Local business tax adjustment (-)	-357	-379
Adjustment for innovation levy (-)	-54	-57
Special IFRS adjustment factors	-641	747
Adjusted profit before tax	56 776	5 078
Depreciation under accounting law (+)	2 928	1 389
Permanent donations	25	0
Penalty charges recognised as an expense (+)	0	0
Impairment of receivables recognised in the tax year (+)	10	30
Dividends received	-2 215	-271
Impairment losses reversed on receivables (-)	0	-6
Depreciation under tax law (-)	-2 843	-1 303
Corporate tax income donation credit (-)	-11	-8
Reduction due to R&D expenditure (-)	-125	-191
Exchange gain recognised on the interest transferred by the taxpayer	-77 309	0
Corporate and dividend tax base	-22 764	4 716
Corporate and dividend tax (9%)	**0**	**424**

Data in millions of HUF, unless otherwise indicated

12. Total comprehensive income

	2022	2021
Profit after tax	57 337	3 962
Other comprehensive income	-1 109	0
Total comprehensive income	**56 228**	**3 962**

In 2022, the foreign exchange loss recognised on equity instruments at fair value through other comprehensive income (FVOCI) (HUF 1 109 million) was recognised in the statement of comprehensive income in the line of other comprehensive income. The amounts recognised in other comprehensive income may be reclassified to the profit and loss account in the future if certain conditions are met. Total comprehensive income presented in the table above is the sum of profit after tax and other comprehensive income.
Total comprehensive income includes, in addition to the above, the result from operating activities, income and expenses from financial operations, depreciation and amortisation expense and income taxes.

13. Earnings per share

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

	31/12/2022	31/12/2021
Profit after tax	57 337	3 962
Average number of common shares outstanding during the period	278 845 038	97 404 096
Weighted average of voting shares	278 845 038	95 966 909
Diluted EPS indicator	**205.63**	**40.68**
Earnings per share (basic) EPS – in HUF	**205.63**	**41.29**

The Company held 5 359 447 and 4 857 078 treasury shares as of 31 December 2022 and 31 December 2021, respectively. As of 31 December 2022, 4iG Plc has not identified any dilutive factors in the EPS calculation.
On 31 December 2021, 4iG Plc has taken into account 1 664 533 stock options granted to the ESOP Organisation and expected to be exercised, which diluted the EPS margin to a minimal extent.

Data in millions of HUF, unless otherwise indicated

14. Property, plant, equipment

	Technical machinery and equipment	Other equipment	Land and buildings, and related economic rights	Unfinished investments	Total
Gross value					
on 1 January 2021	**256**	**1 085**	**74**	**241**	**1 656**
Increase and reclassification		741	566	1 056	**2 363**
Decrease and reclassification		-25		-1 294	**-1 319**
Merging					**0**
on 31 December 2021	**256**	**1 801**	**640**	**3**	**2 700**
Increase and reclassification		539	730	1 191	**2 460**
Decrease and reclassification	-15	-237		-1 193	**-1 445**
Merging		28			**28**
on 31 December 2022	**241**	**2 131**	**1 370**	**1**	**3 743**
Accumulated depreciation					
on 1 January 2021	**256**	**734**	22	**0**	**1 012**
Increase and reclassification		331	7		**338**
Decrease and reclassification		-24			**-24**
Merging					**0**
on 31 December 2021	**256**	**1 041**	**29**	**0**	**1 326**
Current year depreciation		481	43		**524**
Decrease	-15	-234			**-249**
Merging		22			**22**
on 31 December 2022	**241**	**1 310**	**72**	**0**	**1 623**
Net book value					
on 1 January 2021	**0**	**351**	**52**	**241**	**644**
on 31 December 2021	**0**	**760**	**611**	**3**	**1 374**
on 31 December 2022	**0**	**821**	**1 298**	**1**	**2 120**

The increase in property, plant, and equipment in 2022 is the result of purchases of HUF 539 million, property, plant, and equipment of merging companies of HUF 28 million and investments in third-party property of HUF 730 million. The leased property involved in the investment is leased by the Company on a long-term basis (15 years).

The Company reviews its property, plant, and equipment assets at the end of each year and disposes of obsolete assets that are not fit for use, this is mainly reflected in the decrease line in the table.

Data in millions of HUF, unless otherwise indicated

15. Intangible assets

	Concessions and similar rights	Intellectual properties	Total
Gross value			
on 1 January 2021	**288**	**2 032**	**2 320**
Increase and reclassification	6	857	**863**
Decrease and reclassification	-70	0	**-70**
Unfinished	0	319	**319**
Merging	0	0	**0**
on 31 December 2021	**224**	**3 208**	**3 432**
Increase and reclassification	856	1 299	**2 155**
Decrease and reclassification	-213	-346	**-559**
Unfinished	0	814	**814**
Merging	6	43	**49**
on 31 December 2022	**873**	**5 018**	**5 891**
Accumulated depreciation			
on 1 January 2021	**219**	**1 387**	**1 606**
Current year depreciation	0	343	**343**
Decrease	0	0	**0**
Rounding/merging	0	0	**0**
on 31 December 2021	**219**	**1 730**	**1 949**
Current year depreciation	9	852	**861**
Decrease	-213	-345	**-558**
Merging	3	14	**17**
on 31 December 2022	**18**	**2 251**	**2 269**
Net book value			
on 1 January 2021	**69**	**645**	**714**
on 31 December 2021	**5**	**1 478**	**1 483**
on 31 December 2022	**855**	**2 767**	**3 622**

The Company has presented research projects classified as developments in 2022 and development in progress at the end of 2022 under Subsection 4 *Other operating income*.

The Company has examined the software produced by the development and determined that it meets the definition of an intangible asset in Sections 8–17 of IAS 38 and the recognition criteria in Sections 21-23. On the basis of the identification in accordance with IAS 38, the costs incurred (material and staff costs of developers) were classified as development activity and recognised as intangible assets.

Data in millions of HUF, unless otherwise indicated

Some of the development expenditure is accounted for by the Company as development work in progress. No depreciation has been recognised on these as they are not ready for use and are subject to impairment testing at the end of each period. Based on the 2022 test, there was no indication of impairment and therefore no impairment was recognised.

Individually significant intangible assets:

In 2022, the Company had one individually significant internally developed incomplete intangible asset (with a net value of more than HUF 500 million), which is used for ongoing projects.

Description	Book value	Amortisation period	Amortisation closing date
Piaci KFI (medical diagnostic software)	575	3 years	30/04/2026
31 December 2022	**575**		

For internally developed incomplete intellectual property of significant value, the Company carries out an annual year-end present value test. For the Piaci KFI in-house developed software, the Company has applied the IT services segment discount rate of 11.86%. Due to the market demand for the software, the return on software developed is significantly higher than the carrying value.

The Company did not identify any indication of impairment during the course of the review.

The result of the analysis, taking into account the revenues and costs expected to be generated by their use in 2022 and their use in the following years, is the following present value:

Description	Present value of internally generated intangible assets
Piaci KFI (medical diagnostic software)	612
On 31 December 2022	**612**

Also for the other immaterial incomplete development projects, the estimated return is higher than the book value.

Individually significant other completed intangible assets:

Description	Book value	Amortisation period	Amortisation closing date
Guardian remote monitoring software	847	4 years	06/04/2026
31 December 2022	**847**		

Data in millions of HUF, unless otherwise indicated

16. Right of use of assets

	Properties	Machinery, motor vehicles	Total
Right of use of assets			
Gross value	11 274	2 046	13 320
Accumulated depreciation	-1 041	-736	-1 777
Net value on 31/12/2022	**10 233**	**1 310**	**11 543**

	Properties	Machinery, motor vehicles	Total
Right of use of assets			
Gross value	4 303	1 617	5 920
Accumulated depreciation	-364	-416	-780
Net value on 31/12/2021	**3 939**	**1 201**	**5 140**

	2022	2021
Lease-related costs, expenditures		
Interest expenditure	-305	-33
Expenditure related to short-term leases	-2	-284
Expenses related to leases of small-value assets	-3	-18
Variable lease rates	0	0
Total profit and loss effect	**-310**	**-335**

The rental of assets is generally invoiced to the Company at the beginning of the period and is payable before the end of the period.

17. Deferred tax assets and liabilities

In the calculation of deferred tax, the Company compares the tax deductible amount with the carrying amount by asset and liability. If the difference is a temporary difference, i.e. the difference will reverse in the foreseeable future, a deferred tax liability or asset is recognised, as appropriate. When an asset is added, the Company examines the recovery separately.

The Company calculates the deferred tax at a tax rate of 9%.

The Company's corporate tax base for 2022 is HUF 19,851 million, based on which a deferred tax asset of HUF 1,787 million arose. This is not presented in the report, because the return on an individual level is uncertain in the near future.

Data in millions of HUF, unless otherwise indicated

The following deductible and taxable differences were identified:

	31/12/2021	Increase	Use	31/12/2022
Impairment of receivables	7	-10	0	-3
Property, plant and equipment	-15	5	0	-10
Provisions	83	9	-83	9
Accrued and deferred loss	0	52	0	52
Total deferred tax receivables	**75**	**56**	**-83**	**48**

	31/12/2020	Increase	Use	31/12/2021
Impairment of trade receivables	4	3	0	7
Property, plants and equipment	-20	5	0	-15
Provisions	38	50	-5	83
Accrued and deferred loss	-2	2	0	0
Total deferred tax receivables	**20**	**60**	**-5**	**75**

18. Goodwill

The recorded FreeSoft goodwill arose on 2 April 2004, when FreeSoft Kft. was acquired under the accounting rules of the time, which was later merged into FreeSoft Rt. (the predecessor of 4iG Plc).
The following goodwill is recognised in the Company:

	31/12/2022	31/12/2021
Name of subsidiary		
former FreeSoft Kft.	411	411
Total goodwill	**411**	**411**

The Company tests annually whether it identifies any indicators of impairment of goodwill. To assess this, it prepares an annual calculation of the business value of the cash-generating units. No impairment triggering circumstance was identified based on the 2022 valuation. FreeSoft goodwill has been allocated to the IT business (commercial and servicing activities) acquired through the acquisition of FreeSoft Kft. as a group-level cash-generating unit. The valuation of the cash-generating unit is calculated based on the present value of future net cash flows (DCF calculation).

Data in millions of HUF, unless otherwise indicated

The Company's IT activities as a cash-generating unit have expanded significantly in recent times due to mergers and acquisitions and a significant increase in activity. The recoverable amount of the IT activity as an operating segment is reported each year, based on the same principles. Due to the constantly changing factors of the dynamically evolving IT market, the DCF calculation is prepared on a prudent 5-year time horizon. The underlying data used for the year-end 2022 goodwill valuation are as follows:
For the IT segment, the Company used a weighted average cost of capital of 11.86% for the market value calculation, taking into account the risks associated with the Company's growth and the expected capital increases and return expectations associated with the financing. The discount rate used in 2022 is therefore significantly higher than the previous year (7.62%). Compared to 2021, the macroeconomic environment has changed significantly, which has significantly increased both the returns on invested capital and debt. The growth rates used in the DCF calculation have been determined by management in a historically conservative manner, based on historical data for the next 5 years. The cost planning has taken into account the expected growth rate of the sector and medium-term inflation expectations.

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

	IT segment net asset value (including goodwill)	Valued at market value
On 31 December 2022	**5 361**	**50 123**

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

19. Investments

The Company's investments in subsidiaries are shown under Investments in subsidiaries. Investments in subsidiaries, joint ventures and associates are stated at cost in accordance with IAS 27.

Data in millions of HUF, unless otherwise indicated

The investments' book values:

	31/12/2022	31/12/2021
4iG Montenegro Doo	0	0
ACE Network Zrt.	1 866	1 866
CarpathiaSat Zrt.	42	189
DOTO Systems Zrt.	0	5
DTSM Kft.	150	150
Humansoft Szerviz Kft.	3	3
INNObyte Zrt.	1 614	1 089
Invitech ICT Services Kft.	0	96 909
„ANTENNA HUNGÁRIA" Zrt.	533 788	0
BRISK Digital Group Kft.	6 891	0
Rheinmetall 4iG Digital Services Kft.	2	0
Veritas Kft.	3	3
Poli Computer Kft.	2 006	2 006
Portuguese Telecommunication Investments Kft.	5 307	5 307
TR Consult Kft.	0	257
In total:	**551 672**	**107 784**

The following changes have taken place in the Company's shares in 2022:

- On 31 December 2021, the Company's two subsidiaries, DOTO Systems Zrt. and TR Consult Kft., merged into 4iG Plc.
- On 3 January 2022, 4iG Plc acquired a 100% stake in DIGI Távközlési és Szolgáltató Kft. and acquired the majority ownership of this company's subsidiaries (100% DIGI Infrastruktúra Kft., i-TV Zrt., and 99.99% ownership of INVITEL Zrt.).
- On 4 March 2022, 4iG Plc acquired the Albanian ALBtelecom sh.a.'s 80.27% share, which was contributed on 22 March 2022 to the previously established subsidiary, 4iG Albánia Kft.
- On 21 March 2022, the Company continued its expansion in Albania, and through the Bulgarian parent company Albania Telecom Invest AD (acquisition of 100% shares) gained a controlling position in ONE Telecommunications sh.a. (99.9% ownership).
- The acquisition of "ANTENNA HUNGÁRIA" Zrt. by contribution-in-kind was completed on 31 March 2022, during which 4iG Plc acquired 76.78% of the shares of the joint-stock company by transferring the shares of the DIGI group (see the subsidiaries listed above), ALBtelecom sh.a. (and its parent company, 4iG Albánia Kft.), ONE Telecommunications sh.a. (furthermore Albania Telecom Invest AD), the Invitech group, and the Montenegrin subsidiaries (4iG Montenegro d.o.o. and its subsidiary, ONE Crna Gora d.o.o.).in two stages as part of a business combination. With the contribution of these companies' shares, the previous shares became shares of "ANTENNA HUNGÁRIA" Zrt. The Company has presented the gain on the contributions under other financial income.

Data in millions of HUF, unless otherwise indicated

- On 14 October 2022, the Company acquired the remaining 30% ownership of INNOByte Zrt. through a share exchange, hence becoming the sole owner of the subsidiary.
- On 15 November 2022, the Company acquired a 75% stake in BRISK Digital Group Kft., determining the purchase price of the combination of down payment and deferred consideration at HUF 6,891 million.
- The Company has accounted for a HUF 147 million impairment in connection with its share in CarphatiaSat Zrt.

For the valuation of subsidiaries, the Company performs an impairment test each year, taking into account the expected cash flows. The valuations and expected cash flows are based on the income generating capacity of each subsidiary in the individual assessment of investments. An indication of impairment was identified in relation to one subsidiary (CarpathiaSat Zrt., for which an impairment loss was recognised). For the other investments, the recoverable amount of the investments is in all cases higher than the carrying amount and therefore no impairment loss was recognised.

In order to assess the cash-generating units at the consolidated level, the Company also prepares an analysis of the recoverable amount of the cash-generating units at each reporting date. The cash-generating units of the 4iG group are the same as the consolidated segments. The assumptions used for the IT segment are the same as those presented for the goodwill impairment test, except that the discount rate used to calculate the fair value of the telecommunications business was 10.5 percent.
The estimates used in the DCF calculation are in line with market expectations and the business plans approved during the acquisition. The synergistic effects of the Group's dynamic expansion in 2022 and 2023 have also been incorporated into management's expectations (both in terms of expected incremental revenue and cost optimisation). The combined present value of the cash flows from 2023 to 2027 and the residual value calculated at 3.19% growth significantly exceeds the value of the cash generating unit's investments.

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

	Telecom segment value	**Market value according to assessment**
On 31 December 2022	**281 872**	**614 751**

Data in millions of HUF, unless otherwise indicated

20. Other investments and other non-current assets

The Company presents the following in the balance sheet line of Other investments and other non-current assets at end of year:

Company name	Investing in equity	Voting turnout in %
Investments in three project companies	1	Below 20 %
Rotors & Cams Zrt.	1	24.00%
Space-Communication Ltd.	515	9.54%
Other non-current assets	19 385	
on 31 December 2022	**19 902**	

Company name	Investing in equity	Voting turnout in %
Investments in three project companies	1	Below 20%
Rotors & Cams Zrt.	1	24.00%
Other non-current assets	61 897	
on 31 December 2021	**61 899**	

In 2022, the Company acquired 9.538% of the shares of Space-Communication Ltd., a listed company in Israel, and will increase its stake in the future. The equity instrument was remeasured against other comprehensive income (FVOCI) at the Company's option and in accordance with IFRS 9 Financial Instruments.

The investments in project companies are measured at fair value through profit or loss (FVTPL). During the period, the fair value was equal to the carrying amount of the investments and no revaluation gains or losses were recognised in relation to these investments.

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

The Company values its interest in Rotors & Cams Zrt at consolidation level at its carrying amount using the equity method.

Data in millions of HUF, unless otherwise indicated

Other non-current assets

	31/12/2022	31/12/2021
iCollWare Kft. top-up payment	112	101
DOTO Systems Zrt. top-up payment	0	165
Impairment of top-up payments	-112	-19
Long-term part of a loan	19 106	61 599
Warranty obligations	35	0
Deposits	241	0
Loans to employees	3	51
Total	**19 385**	**61 897**

At the end of the reporting period, the Company assessed the probability of recovery of its additional contributions to iCollWare Kft. (Ltd), measured at amortised cost, and recognised a 100% impairment charge for the total amount based on its best estimate.

21. Cash and cash equivalents

	31/12/2022	31/12/2021
Petty cash	5	5
Bank	10 579	130 992
Government securities	0	119 169
Bound deposits	0	0
Total	**10 584**	**250 166**

Of the cash and cash equivalents, HUF 10,425 million in foreign currency was available to 4iG Plc on 31 December 2022.
Cash and cash equivalents are valued at amortised cost at the Company. The expected credit loss estimation of cash items is prepared by the Company and based on this estimation no impairment on cash and cash equivalents is required, because the Company holds their cash only at financial institutions whit high credit rating, therefore risk-free banks.

22. Trade receivables

	31/12/2022	31/12/2021
Trade receivables	18 431	17 591
Related receivables	1 371	73
Impairment of trade receivables	-49	-39
Total	**19 753**	**17 625**

Data in millions of HUF, unless otherwise indicated

In previous years, related trade receivables were presented under other receivables in the balance sheet, from 2022, according to the changes in grouping and presentation, related trade receivables are presented under trade receivables. Accordingly, related trade receivables have been reclassified in the balance sheet lines for 2021.

Related trade receivables

	31/12/2022	31/12/2021
ACE Network Zrt.	1	1
"ANTENNA HUNGÁRIA" Zrt.	414	0
CarpathiaSat Zrt.	3	1
DIGI Távközlési és Szolgáltató Kft.	451	0
DOTO Systems Zrt.	0	2
DTSM Kft.	45	13
Humansoft Szerviz Kft.	13	10
INNObyte Zrt.	8	16
Invitech ICT Services Kft.	72	0
ONE Albania sh.a	330	0
Poli Computer PC Kft.	21	2
TR Consult Kft.	0	1
Veritas Consulting Kft.	13	27
Total	**1 371**	**73**

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

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

Factors taken into account when measuring credit loss:

- whether the credit risk of the financial instruments has increased significantly since initial recognition:
    - loans provided and 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: 3% of receivables overdue more than 30 days, no significant write-offs in previous years, no significant delays, therefore we consider these receivables as low risk

Data in millions of HUF, unless otherwise indicated

- Impaired financial assets: in the case of financial assets held for trading recognised in the accounts in the current year, an amount of HUF 10 million was classified as impaired,
- forward-looking information (in particular the impact of the war in Ukraine) has been taken into account in estimating the credit loss. The Company does not have significant outstanding loans in the war-affected segments.
- the Company recognised a credit loss of HUF 10 million on trade receivables.

Credit loss and impairment movements:

	Consolidated credit loss	Impaired financial asset	Total impairment of trade receivables
on 31 December 2020	**-10**	**0**	-10
Increase	-9	-20	-29
Decrease	0	0	0
on 31 December 2021	**-19**	**-20**	**-39**
Increase	-4	-6	-10
Decrease	0	0	0
on 31 December 2022	**-23**	**-26**	**-49**

23. Other receivables and accrued and deferred assets

	31/12/2022	31/12/2021
Gross value of other receivables	4 563	3 717
Impairment of other receivables	-23	-23
Related short-term loans and other related receivables	2 468	1 366
Accrued and deferred assets	5 723	3 554
Total	**12 731**	**8 614**

The net impaired value of other receivables includes:

Data in millions of HUF, unless otherwise indicated

	31/12/2022	31/12/2021
Advance payments	1 821	1 896
Cash lent for short-term	194	7
Rent deposit	65	191
Guarantees provided	143	143
DIGI purchase price refund	846	0
Tax receivable	413	0
Negative supplier balance	748	0
Other current receivables	310	1 457
Total	**4 540**	**3 694**

The Company presents advances to suppliers net of VAT. Short-term loans include loans to employees of the Company.

Of the guarantees given amounting to HUF 143 million, HUF 130 million is performance security for the ongoing project, KTI, HKIR implementation.

The DIGI purchase price reimbursement includes the subsequent purchase price adjustment related to the acquisition of DIGI Telecommunications and Services Ltd. on 3 January 2022.

The movements in the value adjustments recognised in respect of other receivables during the period are shown in the table below:

	Consolidated credit loss	Impaired financial asset	Total impairment of other receivables
on 31 December 2020	**0**	**-29**	**-29**
Increase	0	0	0
Decrease	0	6	6
on 31 December 2021	**0**	**-23**	**-23**
Increase	0	0	0
Decrease	0	0	0
on 31 December 2022	**0**	**-23**	**-23**

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

Data in millions of HUF, unless otherwise indicated

The Company's receivables from related parties were as follows:

	31/12/2022	31/12/2021
DOTO Systems Zrt.	0	453
DTSM Kft.	0	26
Humansoft Szerviz Kft.	0	8
INNObyte Zrt.	593	748
Poli Computer PC Kft.	197	0
Portuguese Telecommunication Investments Kft.	1 650	0
TR Consult Kft.	0	16
Veritas Consulting Kft.	28	115
Total	**2 468**	**1 366**

Composition of accrued and deferred income:

	31/12/2022	31/12/2021
Accrued and deferred income	4 268	3 012
Accrued and deferred costs and expenses	1 455	542
Total	**5 723**	**3 554**

Accrued and deferred costs and expenses include costs and expenses invoiced before the balance sheet date but charged in 2023. Accrued and deferred incomes include the portion of revenue recognised in accordance with IFRS 15 and recognised in 2022 but not invoiced until 2023, and in addition the amount of government grants accrued in accordance with IAS 20 pro rata to costs in 2022, according to the intensity of the grant. If the Company transfers control of the service on an ongoing basis, when the conditions in the standard are met, 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 value of contract assets recognised as accrued and deferred income is HUF 2 747 million.

The most significant contractual assets in 2022 and 2021 were the following:

Data in millions of HUF, unless otherwise indicated

Significant items on 31 December 2022	
HKIR revenue accrual	671
MNB DLT revenue accrual	346
Lechner 3D revenue accrual	275
IdomSoft IKIR revenue accrual	229
AH Vénusz revenue accrual	197
KIFÜ HPC revenue accrual	188
MNB KLIR revenue accrual	176
GDi ÁKÉK revenue accrual	123
TSM revenue accrual	117

Significant items on 31 December 2021	
Tigra E-Ing revenue accrual	464
MÁK IFMIS revenue accrual	425
KKFI revenue accrual	291
MNB DLT revenue accrual	263
HKIR revenue accrual	260
MÁK KSZR revenue accrual	240
KIFÜ ePince revenue accrual	232
HDT-SpaceCom acquisition revenue	164

24. Actual income tax receivables and liabilities

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

	31/12/2022	31/12/2021
Corporation and dividend tax	399	-142
Local business tax	35	-90
Contribution on innovation	-21	-31
Total	**413**	**-263**

Data in millions of HUF, unless otherwise indicated

25. Securities

The Company measures its securities at fair value through profit or loss (equity instruments). 4iG Plc sold its securities in 2022.

	31/12/2022	31/12/2021
Shares	0	17
Treasure bills	118	0
Total	**118**	**17**

The treasury bills were valued as of 31 December 2022 at the market rate against profit or loss.

26. Inventories

	31/12/2022	31/12/2021
Goods	2 051	1 485
Materials	39	74
Impairment of inventories	-177	-56
Total	**1 913**	**1 503**

Inventories have increased in line with the cyclical nature of the activity, no further impairment has been necessary, and the inventories acquired are used for the activity. The Company reviews the turnover of its inventories each year and, based on the market knowledge of its dealers, recognises an impairment loss on slow-moving inventories and discards obsolete inventories. The carrying amount of inventories is therefore the lower of cost or selling price less cost to sell.

27. Share capital

The share capital of the Company will be HUF 5,981 million in 2022 as a result of four capital increases, and the share capital of the Company will consist of 299,074,974 ordinary registered shares with a nominal value of HUF 20 each, issued dematerialised. Each share carries 1 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

Data in millions of HUF, unless otherwise indicated

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

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

28. Repurchased treasury shares

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

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

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

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

29. Capital reserve

	31/12/2022	31/12/2021
Opening value	3 869	817
Increase	129 624	3 052
Decrease	0	0
Closing value	**133 493**	**3 869**

Data in millions of HUF, unless otherwise indicated

The capital reserve increased by HUF 75,672 million on 24 January, by HUF 32,645 million on 23 February, by HUF 8,462 million on 4 March and by HUF 12,845 million on 1 April as a result of the capital increases in 2022. The capital reserve as of 31 December 2022 amounts to HUF 133,493 million.

30. Retained earnings

The retained earnings line shows the retained earnings and the profit for the period for the previous years combined.

	31/12/2022	31/12/2021
Retained earnings	60 592	6 880

31. Accumulated other comprehensive income

In the accumulated other comprehensive income, the Company presented in the given time period the valuation difference of its 9.538% interest in Space-Communications Ltd. against other comprehensive income (FVOCI) under IFRS 9 Financial Instruments standards.

32. Provisions

	31/12/2021	Increase	Use	31/12/2022
Untaken leave	55	99	-55	99
Total	**55**	**99**	**-55**	**99**

	31/12/2020	Increase	Use	31/12/2021
Untaken leave	72	55	-72	55
Total	**72**	**55**	**-72**	**55**

As of 31 December 2021, the Company set aside HUF 55 million of the provision to cover untaken leaves in 2021. This provision was reversed in 2022. As of 31 December 2022, the Company had a provision of HUF 99 million for untaken leave.

	Long-term	Short-term	Total
Untaken leave	0	99	99
Total	**0**	**99**	**99**

Data in millions of HUF, unless otherwise indicated

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

Long-term loans, borrowings, and bonds

	31/12/2022	31/12/2021
Loan and interest arrears	388 629	405 887
Total	**388 629**	**405 887**

Short-term loans, borrowings, and bonds

	31/12/2022	31/12/2021
Other short-term loans	2	0
Loan received from ACE Network Zrt.	0	369
Total	**2**	**369**

As of 31 December 2022, 4iG Plc had a bank loan agreement with Raiffeisen Bank for HUF 6 450 million, against which it had entered into a contract:
1) a revolving loan of HUF 4 620 million, maturing on 31/01/2023
2) a bank overdraft of HUF 500 million, maturing on 31/01/2023
3) a bank guarantee facility of HUF 1 330 million, maturing on 31/07/2027.

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

The Company used the revolving credit facility to finance working capital on an occasional basis from March to May 2022 and repaid it in full. The contractual amounts of the revolving credit and bank overdraft are available until maturity and were extended in January 2023.
The Company paid a transaction interest rate (variable rate) fixed at 1-month BUBOR on the amounts drawn down and a commitment fee on the amounts not drawn down.
4iG Plc uses the bank guarantee facility for the purpose of its performance type commitments (tenders, performance, warranty) as set out in its contractor agreements with its customers.
Out of the contracted amount, the bank guarantees issued by Raiffeisen Bank Zrt. on behalf of the Company amounted to HUF 542 million as of 31/12/2022.
As security for certain performance and warranty guarantees, a total of HUF 35 million was deposited in a dedicated account at Raiffeisen Bank.
The beneficiaries of the bank guarantees did not apply to the issuing Raiffeisen Bank during 2022.

Data in millions of HUF, unless otherwise indicated

Bank guarantees issued on behalf of the Company on 31/12/2022 (in HUF):

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

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

Data in millions of HUF, unless otherwise indicated

Bonds

In order to finance the domestic and foreign share purchases, 4iG Plc conducted 3 successful auctions in the Növekedési Kötvényprogram (Growth Bond Programme) (NKP) announced by the MNB and one private placement of bonds during 2021.

1) 4iG NKP Bond 2031/I. (ISIN: HU0000360276) with a ten-year maturity and a coupon of 2.90%, for a total nominal amount of HUF 15,450 million, issued on 29 March 2021. The bonds, with a nominal value of HUF 50 million, are amortised after a grace period of 5 years: 10% amortisation on the 5th to 9th anniversary and 50% amortisation on maturity, with interests to be paid annually on the anniversary of the issue date.

2) 4iG NKP Bond 2031/II (ISIN: HU0000361019), a ten-year bond with a fixed interest rate of 6.00% per annum, amortising from the end of the fifth year, with a total nominal value of HUF 287,750 million, issued on 17 December 2021. The bonds, with a nominal value of HUF 50 million each, are amortised after a grace period of 5 years: 10% amortisation on the 5th to 9th anniversary and 50% at maturity, with interests to be paid annually on the anniversary of the issue date.
   The Board of Directors of 4iG, based on the authorisation granted by the General Meeting of Shareholders in its Resolution 22/2021 (IX.30.), issued on 17 December 2021, within the framework of the Growth Bond Programme announced by the National Bank of Hungary, a "4iG NKP Bond 2031/II." (ISIN HU0000361019) in the context of the issue of a new tranche of bonds. The bonds were subscribed in an auction held on 27 December 2021, which was open to the invited investors indicated in the Information Statement for the bonds. The total nominal amount of the Bonds issued under the Offering is HUF 83 000 million, with debt service equal to that of the Bonds issued on 17 December 2021.

3) Between the two NKP auctions, 4iG Plc. issued a 5-year bond 4iG M&A Bond 2026 (ISIN: HU0000360813) with a maturity of 5 years and an interest rate of 12 months BUBOR + 1.50%, in a total nominal amount of HUF 100 000 million on 27 September 2021. The entire volume of the series of 2,000 bonds, each with a nominal value of HUF 50 million, was repurchased in two tranches and subsequently terminated by the Issuer:
   - At the end of 2021, the Issuer repurchased 1 660 bonds for HUF 83 000 million;
   - In 2022, the outstanding principal and accrued interest of HUF 17 000 million on this series of bonds was also settled.
   - During 2022, these bonds were withdrawn.

Maturity analysis of loans:

Lending bank	Type of credit	Credit line	Claimed	Expiry date
4iG Raiffeisen Bank revolving credit	Revolving credit	4 620	0	31/01/2023
4iG Raiffeisen overdraft facility	Current account	500	0	31/12/2023
Total		**5 120**	**0**	

Data in millions of HUF, unless otherwise indicated

34. Finance lease liabilities

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

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

	12/31/2022	12/31/2021
Finance lease liabilities – non-current	10 312	3 639
Finance lease liabilities – current	1 310	1 537
Finance lease liabilities – total	**11 622**	**5 176**

	Lease liabilities
Opening obligation	5 176
Increase	6 780
Interest expenditure	305
Decrease	639
Closing obligation	**11 622**

4iG's total cash outflow from leasing transactions in 2022 was HUF 1,572 million.

The Company's lease liabilities mainly arise from the rental of its headquarters and vehicles. The leases are not subject to any residual value guarantee or extension or termination options with potential cash outflows. The Company is not committed to any leases that have not yet commenced as of 31 December 2022.

Data in millions of HUF, unless otherwise indicated

Outstanding lease fees under IFRS16:

	Actual fees	Present value of fees
Payable in 2023	1 857	1 310
Payable in 2024-2037	13 885	10 312
Total lease fees	**15 742**	**11 622**

Cash outflows related to low-value and short-term (excluding motor vehicle) asset leases have been included in operating expenses.

35. Other long-term liabilities

	31/12/2022	31/12/2021
Loan from a related company	6 521	0
BRISK Digital Group Ltd. deferred purchase price	1 466	0
Total	**7 987**	**0**

In the line of *Loan from a related company*, the Company presented a loan of EUR 16 million from ONE Crna Gora d.o.o., while the deferred purchase price of BRISK Digital Group Kft. is a long-term liability related to the acquisition of the subsidiary (the portion due within one year after the balance sheet date is presented in line 38 *Other current liabilities and accrued expenses*.

36. Trade payables

	31/12/2022	31/12/2021
Trade payables	12 910	15 969
Related trade payables	1 801	696
Total	**14 711**	**16 665**

The agreement with some of the suppliers is that payment of the supplier invoice is due only after the 4iG customer invoice has been settled.
Related suppliers are presented here due to presentation changes.

Data in millions of HUF, unless otherwise indicated

Related trade payables

	31/12/2022	31/12/2021
ACE Network Zrt.	828	202
DIGI Távközlési és Szolgáltató Kft.	80	0
DTSM Kft.	40	55
Innobyte Zrt.	675	328
Invitech ICT Services Kft.	24	0
Poli Computer PC Kft.	57	14
Veritas Kft.	97	97
Total	**1 801**	**696**

37. Dividends payable to owners

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

38. Other current liabilities and accrued expenses

	31/12/2022	31/12/2021
Tax liabilities and contributions	2 349	2 560
Actual income tax liability	0	263
Payroll transfer obligations	2	21
Advances received from customers	1 460	6 853
Advances received from the state budget	297	367
ACE Network Zrt. contingent purchase price	0	500
BRISK Digital Group Kft. deferred purchase price	1 495	0
Bond interests	1 230	1 388
Dividend advance received	210	0
Aid received, deferred income	48	88
Accruals and deferred income	3 010	29
Accrued expenses and charges	2 862	2 437
Total	**12 963**	**14 506**

The Company has no overdue tax liabilities. Deferral of income is mainly the portion of the invoiced annual support fees relating to future periods.

The project "*Development of a complex sensor system for the detection of UAVs*", which was carried out with the participation of 4iG Plc, ended on 31 August 2021. The final report was adopted in 2022. Of the advance received, HUF 15 503 thousand was accepted.

An advance of HUF 88 621 thousand was provided for the project "*Application of networked technologies in the field of design, manufacture, installation, maintenance and related services of steel structures*" (ID 2017-1.3.1.-VKE-2017-00040). The submitted report was approved for the year 2022 for 54 813 thousand HUF.

An advance of HUF 262 773 thousand was allocated for the project *"Medical diagnostic tool supporting the evaluation of genetic results*" submitted in the framework of the call for proposals "*Support for market-driven research, development and innovation projects (2019-1.1.1-PIACI KFI)"* launched by the National Research and Development and Innovation Office.

When acquiring Ace Network Zrt., 4iG Plc was entitled to retain HUF 500 million of the purchase price until certain performance requirements were met. This was presented by the Company as other liabilities, the liability was settled in 2022 due to the fulfilment of the conditions.

The Company also reports contractual liabilities in the line advances received from customers amounting to HUF 1 146 thousand. They are recorded on a gross basis.

39. Segment information

The Board of Directors makes the strategic decisions for the Company's operations, and therefore the management has based the preparation of these financial statements on the statements prepared for the Board of Directors for the purpose of identifying the segments.

Unlike the previous period, the Operating Decision Maker has decided to merge the IT trading and services activities and, from 2021, the Company will present only IT services and trading (combined) and other activities in its accounts. The results of these two segments are presented below, down to the level of costs that can be charged to the activities. Segment assets have been allocated in proportion to the depreciation charged to the activities and the segment revenue. There is no reclassification of any activity between segments.
The Company 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 such entities, having separate budgets, should be treated as separate customers. For the year 2022, the turnover of each customer did not exceed 10% of revenue.

Data in millions of HUF, unless otherwise indicated

For the year of 2022

Description	IT services and trade	Other activities	Total
Net sales revenue	69 250	1 129	70 379
Of net sales: inter-segment transfers	*0*	*0*	*0*
Value of purchases of goods sold and services rendered	-50 424	-1 127	-51 551
Of value of goods sold and services supplied: inter-segment transfers	*0*	*0*	*0*
Other operating income	1 002	6	1 008
Coverage 1	**19 829**	**7**	**19 836**
Direct costs	-16 045	-19 586	-35 631
Coverage 2	**3 784**	**-19 579**	**-15 795**
Costs and expenses not directly allocable to segments			0
Operating profit (EBIT)	**3 784**	**-19 579**	**-15 795**
Financial results			73 623
Profit before tax			**57 828**
Total segment assets	70 751	563 666	634 417
Of total segment assets: inter-segment transfers			
Segment assets	**70 751**	**563 666**	**634 417**
Assets not allocable to segments			
Total assets	**70 751**	**563 666**	**634 417**
Total segment liabilities	43 531	392 490	436 021
Of total segment liabilities: inter-segment transfers	*0*	*0*	*0*
Segment liabilities	**43 531**	**392 490**	**436 021**
Liabilities not allocable to segments			0
Total liabilities			**436 021**

Data in millions of HUF, unless otherwise indicated

For the year of 2021

Description	IT services and trade	Other activities	Total
Net sales revenue	71 744	318	72 062
Of net sales: inter-segment transfers	*0*	*0*	*0*
Value of purchases of goods sold and services rendered	-52 122	-145	-52 267
Of value of goods sold and services supplied: inter-segment transfers	*0*	*0*	*0*
Other operating income	0	873	873
Coverage 1	**19 621**	**1 047**	**20 668**
Direct costs	-9 528	-126	-9 654
Coverage 2	**10 094**	**920**	**11 014**
Costs and expenses not directly allocable to segments			-7 708
Operating profit (EBIT)			**3 306**
Financial results			1 465
Profit before tax			**4 771**
Total segment assets	32 191	1 161	33 352
Of total segment assets: inter-segment transfers	*0*	*0*	*0*
Segment assets	**32 191**	**1 161**	**33 352**
Assets not allocable to segments			421 914
Total assets			**455 267**
Total segment liabilities	34 380	272	34 652
Of total segment liabilities: inter-segment transfers	*0*	*0*	*0*
Segment liabilities	**34 380**	**272**	**34 652**
Liabilities not allocable to segments			408 041
Total liabilities			**442 693**

40. Risk management

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

The Company is exposed to the following financial risks:

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

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

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

Capital Management

It is the policy of the Company to maintain a level of share capital sufficient to maintain investor and creditor confidence and to ensure the development of the Company. 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 Company's capital structure consists of net debt and the Company's equity (the latter includes subscribed capital, reserves and non-controlling interests).

In managing capital, the Company seeks to ensure that the Company 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 Company also monitors whether its capital structure complies with local legal requirements.

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

Data in millions of HUF, unless otherwise indicated

Lending risk

Lending risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Company. Financial assets that are exposed to lending risk may be long-term or short-term borrowings, cash and cash equivalents, accounts receivable and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Company's maximum exposure to lending risk as of 31 December 2022 and 31 December 2021.

Lending risk

	31/12/2022	31/12/2021
Trade receivables	19 753	17 625
Other receivables and accrued assets	12 731	8 614
Securities	118	17
Cash and cash equivalents	10 584	250 166
Total	**43 186**	**276 422**

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

	31/12/2022	31/12/2021
Not yet due	17 073	16 024
1 to 30 days past due	870	1 321
between 30 and 90 days past due	509	102
between 90 and 180 days past due	625	131
between 180 and 360 days past due	690	50
Over 360 days	36	36
Impairment	-50	-39
Total	**19 753**	**17 625**

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

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

Data in millions of HUF, unless otherwise indicated

Liquidity risk

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

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

	31/12/2022	31/12/2021
Not yet due	12 486	15 392
1 to 30 days past due	1 573	288
between 30 and 90 days past due	644	253
between 90 and 180 days past due	0	0
between 180 and 360 days past due	0	1
Over 360 days	8	35
Total	**14 711**	**16 665**

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 Company's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profit.

Risk due to the war in Ukraine

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

Sensitivity analysis

The Company 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 Company seeks to mitigate interest rate risk primarily by tying up free cash.

Data in millions of HUF, unless otherwise indicated

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

	HUF	Currency	Total
Trade receivables	14 852	4 901	**19 753**
Trade payables	9 666	5 045	**14 711**
Cash	10 105	479	**10 584**
Credits	388 625	6 521	**395 146**
Total	**423 248**	**16 946**	**440 194**

The Group uses bank loans to finance its acquisitions and has raised funds through a significant bond issue, which has significantly increased its interest rate risk.

As a consequence of the bond issues in 2021, the cash outflows and interest charges related to bond redemptions in the following years will be significantly higher. The following tables summarise the principal and interest payments on the bonds.

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

Data in millions of HUF, unless otherwise indicated

Years	4iG NKP bond 2031/I HU0000360276	4iG NKP Bond 2031/II HU0000361019	Total
2023	448	22 245	22 693
2024	448	22 245	22 693
2025	448	22 245	22 693
2026	448	22 245	22 693
2027	403	20 021	20 424
2028	358	17 796	18 154
2029	314	15 572	15 886
2030	269	13 347	13 616
2031	224	11 123	11 347

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

Data in millions of HUF, unless otherwise indicated

Interest rate sensitivity testing

With current interest rates	**31/12/2022**
Profit before tax (excluding interest)	75 917
Net interest expense	-18 088
Profit before tax	**57 829**
Total assets	**634 417**
In case of increasing interest rates	
1%	
Profit before tax (excluding interest)	75 917
Net interest expense	-18 269
Profit before tax	**57 648**
Change in profit before tax	-181
Change in profit before tax (%)	***-0.313%***
Net assets	**634 236**
Change in net assets	-181
Change in net assets (%)	***-0.029%***
5%	
Profit before tax (excluding interest)	75 917
Net interest expense	-18 992
Profit before tax	**56 924**
Change in profit before tax	-904
Change in profit before tax (%)	***-1.564%***
Net assets	**633 512**
Change in net assets	-904
Change in net assets (%)	***-0.143%***
10%	
Profit before tax	75 917
Net interest expense	-19 897
Profit before tax	**56 020**
Change in profit before tax	-1 809
Change in profit before tax (%)	***-3.128%***
Net assets	**632 608**
Change in net assets	-1 809
Change in net assets (%)	***-0.285%***
In case of decreasing interest rates	
-1%	
Profit before tax	75 917
Net interest expense	-17 907
Profit before tax	**58 010**
Change in profit before tax	***181***
Change in profit before tax (%)	***0.313%***
Net assets	**634 598**

Data in millions of HUF, unless otherwise indicated

Change in net assets	**181**
Change in net assets (%)	***0.029%***
-5%	
Profit before tax	75 917
Net interest expense	-17 184
Profit before tax	**58 733**
Change in profit before tax	***904***
Change in profit before tax (%)	***1.564%***
Net assets	**635 321**
Change in net assets	**904**
Change in net assets (%)	***0.143%***
-10%	
Profit before tax	75 917
Net interest expense	-16 279
Profit before tax	**59 638**
Change in profit before tax	***1 809***
Change in profit before tax (%)	***3.128%***
Net assets	**636 226**
Change in net assets	**1 809**
Change in net assets (%)	***0.285%***

The Company is exposed to significant foreign exchange risk, as a significant proportion of our customers are invoiced in foreign currencies, and therefore, we enter into foreign exchange hedging transactions to manage foreign exchange risk. The Company does not apply hedge accounting rules.

Exchange rate sensitivity testing

With current exchange rates	**31/12/2022**
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	5 380
Liabilities denominated in HUF	424 459
Foreign currency liabilities	11 562
Net assets	**198 396**
Profit before tax	**57 829**
In case of increasing foreign exchange rates	
1%	
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	5 434
Liabilities denominated in HUF	424 459
Foreign currency liabilities	11 678
Net assets	**198 334**
Change in net assets	**-62**

Data in millions of HUF, unless otherwise indicated

Change in net assets (%)	***-0.031%***
Profit before tax	**57 767**
Change in profit before tax	***-62***
Change in profit before tax (%)	***-0.107%***
5%	
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	5 649
Liabilities denominated in HUF	424 459
Foreign currency liabilities	12 140
Net assets	**198 087**
Change in net assets	***-309***
Change in net assets (%)	***-0.156%***
Profit before tax	**57 520**
Change in profit before tax	***-309***
Change in profit before tax (%)	***-0.535%***
10%	
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	5 918
Liabilities denominated in HUF	424 459
Foreign currency liabilities	12 718
Net assets	**197 777**
Change in net assets	***-618***
Change in net assets (%)	***-0.312%***
Profit before tax	**57 211**
Change in profit before tax	***-618***
Change in profit before tax (%)	***-1.069%***
In case of decreasing foreign exchange rates	
-1%	
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	5 326
Liabilities denominated in HUF	424 459
Foreign currency liabilities	11 446
Net assets	**198 457**
Change in net assets	***62***
Change in net assets (%)	***0.031%***
Profit before tax	**57 891**
Change in profit before tax	***62***
Change in profit before tax (%)	***0.107%***
-5%	
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	5 111
Liabilities denominated in HUF	424 459
Foreign currency liabilities	10 984

Data in millions of HUF, unless otherwise indicated

Net assets	**198 705**
Change in net assets	***309***
Change in net assets (%)	***0.156%***
Profit before tax	**58 138**
Change in profit before tax	***309***
Change in profit before tax (%)	***0.535%***
-10%	
Non-monetary assets and assets denominated in forint	629 037
Foreign currency assets	4 842
Liabilities denominated in HUF	424 459
Foreign currency liabilities	10 406
Net assets	**199 014**
Change in net assets	***618***
Change in net assets (%)	***0.312%***
Profit before tax	**58 447**
Change in profit before tax	***618***
Change in profit before tax (%)	***1.069%***

41. Financial instruments

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

Data in millions of HUF, unless otherwise indicated

31 December 2022		**Fair value through profit or loss (FVTPL)**	**Loans, receivables and liabilities at amortised cost**	**Fair value through other comprehensive income (FVTOCI)**	**Total book value**
Carrying amount of financial instruments					
Financial assets					
Other financial fixed assets	Equity instruments	1	0	515	516
	Loans provided	0	19 109	0	19 109
	Deposits	0	0	0	0
	Finance lease receivables	0	0	0	0
	Other	0	276	0	276
Total financial fixed assets		**1**	**19 385**	**515**	**19 901**
Trade and other receivables		0	19 753	0	19 753
Finance lease receivables		0	0	0	0
Cash and cash equivalents		0	10 584	0	10 584
Marketable securities, securities		118	0	0	118
Other short-term financial assets	Loans provided	0	194	0	194
	Advance payments	0	1 821	0	1 821
	Lease charge deposit	0	209	0	209
	Related receivables	0	2 468	0	2 468
	Other	0	2 315	0	2 315
Total short-term financial assets		**118**	**37 344**	**0**	**37 462**
Total financial assets		**119**	**56 729**	**515**	**57 363**
Financial liabilities					
Loans (Long-term loans, bonds)		0	388 629	0	388 629
Finance lease liabilities		0	10 312	0	10 312
Other long-term financial liabilities		0	7 987	0	7 987
Total long-term financial liabilities		**0**	**406 928**	**0**	**406 928**
Trade and other payables		0	14 712	0	14 712
Loans (short-term loans)		0	2	0	2
Advances received from customers		0	1 460	0	1 460
Advances received from the state budget		0	297	0	297
Deferred liabilities		0	1 495	0	1 495
Related liabilities		0	8	0	8
Finance lease liabilities		0	1 310	0	1 310
Other current financial liabilities		0	1 441	0	1 441
Total current financial liabilities		**0**	**20 725**	**0**	**20 725**
Total financial liabilities		**0**	**427 653**	**0**	**427 653**

Data in millions of HUF, unless otherwise indicated

31 December 2021		Fair value through profit or loss (FVTPL)	Loans, receivables and liabilities at amortised cost	Fair value through other comprehensive income (FVTOCI)	Total book value
Carrying amount of financial instruments					
Financial assets					
Other financial fixed assets	Equity instruments	1	0	0	1
	Loans provided	0	61 897	0	61 897
	Deposits	0	0	0	0
	Financial lease receivables	0	0	0	0
	Other	0	0	0	0
Total financial fixed assets		**1**	**61 897**	**0**	**61 898**
Trade and other receivables		0	17 625	0	17 625
Finance lease receivables		0	0	0	0
Cash and cash equivalents		0	250 166	0	250 166
Marketable securities, securities		17	0	0	17
Other short-term financial assets	Loans provided	0	9	0	9
	Advance payments	0	1 897	0	1 897
	Lease charge deposit	0	186	0	186
	Related receivables	0	1 438	0	1 438
	Other	0	1 530	0	1 530
Total short-term financial assets		**17**	**271 851**	**0**	**271 858**
Total financial assets		**18**	**334 748**	**0**	**334 766**
Financial liabilities					
Loans (Long-term loans, bonds)		0	405 887	0	405 887
Finance lease liabilities		0	4 242	0	4 242
Other long-term financial liabilities		0	0	0	0
Total long-term financial liabilities		**0**	**410 129**	**0**	**410 129**
Trade and other payables		0	16 665	0	16 665
Loans (short-term loans)		0	369	0	369
Advances received from customers		0	5 396	0	5 396
Advances received from the state budget		0	367	0	367
ESOP liabilities		0	866	0	866
Finance lease liabilities		0	934	0	934
Other current financial liabilities		0	3 628	0	3 628
Total current financial liabilities		**0**	**28 225**	**0**	**28 225**
Total financial liabilities		**0**	**438 354**	**0**	**438 354**

Data in millions of HUF, unless otherwise indicated

31/12/2022	Level 1 Not modified quoted active market price	Level 2 Assessment procedures based on available and monitored market data	Level 3 Assessment procedures based on unavailable and unmonitored data	Total fair value
Financial instruments				
Equity instruments	515	1	0	**516**
Debt securities	118	0	0	**118**
Derivative transactions	0	0	0	**0**
Total financial assets	**633**	**1**	**0**	**634**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

31/12/2021	Level 1 Not modified quoted active market price	Level 2 Assessment procedures based on available and monitored market data	Level 3 Assessment procedures based on unavailable and unmonitored data	Total fair value
Financial instruments				
Equity instruments	0	18	0	**18**
Debt securities	0	0	0	**0**
Derivative transactions	0	0	0	**0**
Total financial assets	**0**	**18**	**0**	**18**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

42. Transactions with related parties

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

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

Supplier turnover:	
MNVTD2C Zrt.	134
Daisuke Kft.	40
Torento Property Kft.	563
EuroAtlantic Zrt.	237

Data in millions of HUF, unless otherwise indicated

FLZM53 Ingatlanhasznosító és Üzemeltető Kft.	12
Marble FM Zrt.	2 175
Krisztina Plaza Kft.	995

Trade receivables:	
iKON Befektetési Alapkezelő Zrt.	1

Trade payables:	
MNVTD2C Zrt.	134
Krisztina Plaza Kft.	40
Marble FM Zrt.	3

4iG Plc has a 15-year property lease agreement with Torento Property Kft. and Krisztina Plaza Kft. In accordance with the requirements of IFRS 16, the following amount of lease liability is owed to them.

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

43. Transactions with subsidiaries

The transactions with subsidiaries in 2022 were as follows:

ACE Network Zrt.	
Revenue	17
Dividend income	368
Procurement, subcontractors	1 174
Operating expenses	2
Interest expenditure	5

ALBtelecom sh.a.	
Revenue	330
Interest income	111

Albania Telecom Invest AD	
Interest income	231

"ANTENNA HUNGÁRIA" Zrt.	
Revenue	1 870
Costs charged to staff	8

Data in millions of HUF, unless otherwise indicated

CarpathiaSat Zrt.	
Revenue	3

DIGI Távközlési és Szolgáltató Kft.	
Revenue	766
Procurement, subcontractors	95
Operating expenses	1
Interest income	638

DTSM Kft.	
Revenue	41
Procurement, subcontractors	158
Operating expenses	2

Humansoft Szerviz Kft.	
Revenue	11

Hungaro Digitel Kft.	
Revenue	228
Operating expenses	309

INNObyte Zrt.	
Revenue	26
Procurement, subcontractors	2 767
Operating expenses	20
Interest income	17

Invitech ICT Services Kft.	
Revenue	399
Procurement, subcontractors	134
Operating expenses	63
Interest income	819

INVITEL Zrt.	
Revenue	3

ONE Crna Gora d.o.o.	
Interest income	68
Interest expenditure	4

Portuguese Telecommunication Investments Kft.	
Interest income	32
Dividend income	1 650

Poli Computer PC Kft.	
Revenue	23
Procurement, subcontractors	131
Dividend income	197

Veritas Consulting Kft.	
Revenue	16
Procurement, subcontractors	277
Operating expenses	12
Interest income	9

44. Remuneration of the Management Board and Supervisory Board

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

In accordance with IAS 24 Related Party Disclosures, the Company has identified the following key management personnel (Chairman, Chief Executive Officer and members of the Board of Directors) for whom the remuneration paid or payable for employee services during the period is set out below. We believe that the table below is a complete summary of the remuneration paid in thousands of HUF to key management personnel during the period.

Data in millions of HUF, unless otherwise indicated

Data in HUF:

	Members of the Board of Directors and senior employees	Members of the Supervisory Board	Total
Short-term employee benefits	503 107 887	34 063 465	537 171 352
Post-employment benefits	0	0	0
Other long-term benefits	0	0	0
Severance payments	0	0	0
Share-based payments	492 097 800	0	492 097 800
Total	**995 205 687**	**34 063 465**	**1 029 269 152**

45. Off-balance sheet items

45.1. Contingent liabilities

As of 31 December 2022, legal transactions and litigation of 4iG Plc. that were not closed had no negative expected consequences for the Company.
The Company has launched payment orders and liquidation proceedings against several defaulting companies.

46. 4iG ESOP Organisation

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

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

Data in millions of HUF, unless otherwise indicated

Number and fair value of stock options:

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

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

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

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

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

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

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

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

47. Events after the balance sheet date

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Data in millions of HUF, unless otherwise indicated

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

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

48. Remuneration of the auditor

The General Meeting re-elects Interauditor Consulting Korlátolt Felelősségű Társaság (Ltd.) by virtue of Resolution No. 11/2022 (IV.29) from 1 May 2022 until the adoption of the consolidated annual accounts for 2022, but no later than 30 April 2023.

Fees for the audit of IFRS standalone financial statements:	HUF 9 900 000 + VAT
Fees for the audit of IFRS consolidated financial statements:	HUF 20 000 000 + VAT

49. Going concern

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

50. Authorisation for the publication of financial statements

The financial statements were approved and authorised for issue in this form by the Board of Directors of the Company on 26 April 2023.

Data in millions of HUF, unless otherwise indicated

51. Registered IFRS accountant responsible for preparing the statement

Ferenc Piros
2097 Pilisborosjenő, Tulipán köz 1.
Registration number: 145011

52. Persons authorised to sign the statement

The Chairman of the Board of Directors, acting alone or jointly with two members of the Board of Directors, is authorised to sign the Company's statements.

53. Supplementary data

The Chairperson of the Board of Directors, acting alone or jointly with two members of the Board of Directors, is authorised to sign the Company's statements.

53.1. General additions

The company name is	4iG Plc (formerly FreeSoft Nyrt., formerly Fríz 68 Szolgáltató és Kereskedelmi Rt.)
Company form:	Public limited company
Registered office:	1037 Budapest, Montevideo u. 8.
Premises:	1037 Budapest, Montevideo utca 2/C. 1037 Budapest, Montevideo utca 4. 1037 Budapest, Montevideo utca 6. 1107 Budapest, Somfa utca 10.
Branches:	8000 Székesfehérvár, Seregélyesi út 96. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:12011069-2-44	
Statistical code:	12011069-6201-114-01
Share capital:	HUF 5 981 499 480
Date of formation:	8 January 1995
Transformation date:	2 April 2004
Listing date:	22 September 2004
The Company's website:	www.4ig.hu

4iG Plc is a public limited company listed in the Premium Section of the Budapest Stock Exchange at the time of preparation of this Supplementary Annex.

Data in millions of HUF, unless otherwise indicated

53.2. Share information

Type of shares:	registered ordinary shares, dematerialised
Nominal value of shares:	HUF 20 per share
Number of shares:	299 074 974 shares
ISIN code of the shares:	EN 0000167788
Series of the shares:	"A"
Serial number of the shares:	00000001 - 299074974
Treasury shares repurchased:	1 359 447 shares
Held by 4iG ESOP Organisation:	4 000 000 shares

Other information on shares:
Each share carries the same rights, each share represents 1 vote.

- Each share carries the same rights, each share represents 1 vote.
- The shares are traded in the "PRÉMIUM" category of the Budapest Stock Exchange and represent the total issued share capital, there are no other issued shares of 4iG Plc.
- There are no restrictions on the sale of shares, no pre-emptive rights are stipulated, but shares may only be transferred by debiting or crediting a securities account. In the event of a transfer of shares, the shareholder may only exercise his/her shareholder rights vis-à-vis the Company if the name of the new owner is entered in the share register.
- The share register of the Company is kept by KELER Zrt.
- There are no special management rights.
- We are not aware of any shareholder agreement on management rights.
- Voting rights are not restricted, only repurchased treasury shares do not carry voting rights.
- Minority rights: shareholders representing at least 1% of the voting rights may request the convening of a general meeting of the Company at any time, stating the reason and purpose.
- The elected officers are elected by the General Meeting by simple majority, in accordance with the Articles of Association.
- The Company is managed by the Board of Directors.
- The General Meeting decides on the increase of the share capital on the basis of a proposal from the Board of Directors. The decision of the General Meeting is not required only if the increase of the share capital is made under the authority of the Board of Directors, as authorised by the Articles of Association. At the time the Annual Report is drawn up, the Board of Directors is not authorised to issue new shares.

- No agreement shall enter into force, be modified or terminated as a result of a change in the contractor's management following a public tender offer.
- There is no agreement between the Company and an officer or employee that provides for indemnification in the event of the officer's resignation or termination, the officer's or employee's termination of employment, or the termination of employment as a result of a tender offer.
- Gellért Zoltán Jászai, Chairman and CEO of 4iG Plc acquired 100% of the shares of KZF Vagyonkezelő Kft. on 14 June 2019. Through other share transactions on the same day, KZF Vagyonkezelő Kft. and thus, indirectly Gellért Zoltán Jászai acquired a 32.01% stake in 4iG Plc. For the remaining shares, a mandatory tender offer was made, which was open until 28 August 2019.
- On 26 July 2018, the Company's General Meeting of Shareholders decided on a share split, according to which the nominal value of the shares was changed to HUF 100 per share. As of 5 October 2018, the shares of 4iG Plc were traded at HUF 100 per share in the standard section of the Budapest Stock Exchange. On 25 April 2019, the Company's General Meeting decided on a new share split, according to which the nominal value of the shares was changed to HUF 20 per share.
- As of 19 June 2019, 4iG shares were reclassified to the Premium category by the Director of the Budapest Stock Exchange.
- In connection with the capital increases decided on 1 June 2021, a total of 5 207 921, i.e. five million two hundred seven thousand nine hundred twenty-one Series A ordinary shares with a nominal value of HUF 20 each, granting the same rights as the shares already listed, were listed on the Budapest Stock Exchange on 1 July 2021.
- In connection with the capital increases decided as of 24 January 2022, a total of 116 417 910 ordinary shares of series A with a nominal value of HUF 20 each, with the same rights as the shares already issued, of 116 417 910 (one hundred sixteen million four hundred seventeen thousand nine hundred ten) were subscribed by the iG COM Magántőkealap (Private Equity Fund).
- In connection with the capital increases resolved on 23 February 2022, Rheinmetall AG subscribed for a total of 50,223,881 (fifty million two hundred twenty-three thousand eight hundred eighty-one) Series A ordinary shares with a par value of HUF 20 each, which confer the same rights as the shares already issued.
- In connection with the capital increases decided on 23 February 2022, a total of 19 761 380 ordinary shares of series A, with a nominal value of HUF 20 each, with the same rights as the shares already issued, were subscribed by Bartolomeu Investment Kft.

Data in millions of HUF, unless otherwise indicated

- In connection with the capital increases decided on 23 February 2022, a total of 9,463,882 ordinary shares of series A with a nominal value of HUF 20 each, with the same rights as the shares already issued, of 9,463,882 shares, or nine million four hundred and sixty-six thousand eight hundred and eighty-two, have been subscribed by Çalik Holding Anonim Sirketi of Turkey.

53.3. Main shareholders of the Company on 31 December 2022

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

53.4. Scope of activities

Principal activity of the company: 6201 '08 Computer programming activities

Other activities of the Company according to the Standard Industrial Classification of Economic Activities (TEÁOR):

2620 '08	Computer, peripheral unit manufacturing
2823 '08	Manufacture of office machinery (except computers and peripheral equipment)
3320 '08	Installation of industrial machinery and equipment
4651 '08	Wholesale of computers, peripherals and software
4741 '08	Computer, peripheral equipment and software retail trade
4690 '08	Wholesale of chemical products
4741 '08	Computer, peripheral equipment and software retail trade
4742 '08	Retail trade services of telecommunications products
5811 '08	Publishing
5812 '08	Publishing directories, mailing lists
5821 '08	Computer game publishing

Data in millions of HUF, unless otherwise indicated

5829 '08	Other software publishing
6203 '08	Computer operations
6209 '08	Other information technology services
6311 '08	Data processing, web-hosting service
6312 '08	World Wide Web portal service
6420 '08	Asset management (holding)
6920 '08	Accounting, auditing, tax consultancy
7021 '08	PR communication
7022 '08	Business management, other management consultancy
7219 '08	Other scientific and technical research and development
7490 '08	Other professional, scientific and technical activities not elsewhere classified
7830 '08	Other human resources supply and management
8532 '08	Vocational secondary education
8551 '08	Sport, recreational training
8552 '08	Cultural training
8559 '08	Other education not elsewhere classified
8560 '08	Activities complementary to education
9511 '08	Computer, -peripherals repair
4110 '08	Organisation of a building project
4312 '08	Site preparation
5819 '08	Other publishing activities
5911 '08	Motion picture, video and television programme production
6202 '08	Information technology consultancy
6820 '08	Renting and operating own or leased real estate
7112 '08	Engineering activities, technical consultancy
7120 '08	Technical inspection, analysis
7311 '08	Advertising agency activities
7733 '08	Office equipment rental (including: computer)
8230 '08	Conference, trade show organisation
9499 '08	Other community, social and cultural activities not elsewhere classified

52.5. Officers in 2022

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

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

52.6. Data of subsidiaries at the balance sheet date

The subsidiaries of the Company are listed in Subsection 2.1.1 of the Supplementary Annex.

52.7. Consolidated statements

The consolidated financial statements of the Group are prepared by 4iG Plc in accordance with the international standards IAS-IFRS, for which the subsidiaries provide data. The consolidated accounts are public. They can be found on the websites www.4ig.hu; www.bet.hu and www.kozzetetelek.hu, as well as in the office of 4iG Plc. at the address of Montevideo u. 8., 1037, Budapest, Hungary.

52.8. Transition to IFRS

The Company transitioned to IFRS on 1 January 2017.

52.9. Share capital of the Company

The share capital of the Company as of 31 December 2022 was HUF 5 981 499 480. The capital registered at the Companies' Court is equal to the share capital under IFRS.

52.10. Equity reconciliation

(data in HUF)

	2021	2022
Equity under IFRS (Section 114/B (4) of the Accounting Act)		
Share capital	2 064 158 420	5 981 499 480
Repurchased treasury shares	-245 725 527	-921 755 565
Reserves	6 781 612 681	135 998 280 676
Profit after tax	3 966 375 055	57 337 587 371
Equity under IFRS (Section 114/B (4)a) of the Accounting Act)	**12 566 420 629**	**198 395 611 962**

Data in millions of HUF, unless otherwise indicated

Equity capital (Section 114/B (4)a) of the Accounting Act)		
Equity under IFRS	12 566 420 629	198 395 611 962
Received top-up payment recognised as liabilities under IFRS	0	0
Provided top-up payment recognised as an asset under IFRS	-246 561 800	0
Cash to be allocated to capital reserve if deferred income (IFRS)	0	0
Value of acquired assets if recognised as deferred income (IFRS)	0	0
Capital increase resulting in an equity instrument if it had to be recognised as a receivable from owners (IFRS)	0	0
Total equity (reconciled)	**12 319 858 829**	**198 395 611 962**
Share capital under IFRS (Section 114/B (4)b) of the Accounting Act)		
Share capital as shown in the Memorandum and Articles of Association (same as the capital registered with the Companies Court)	2 064 158 420	5 981 499 480
Nominal value of repurchased share	0	0
Share capital under IFRS (reconciled)	**2 064 158 420**	**5 981 499 480**
Capital subscribed but not paid up (Section 114/B (4)c) of the Accounting Act)		
Subscribed but unpaid capital	0	0
Total subscribed but unpaid capital (reconciled)	**0**	**0**
Capital reserve (Section 114/B (4)d) of the Accounting Act)		
The sum of all elements of equity that do not meet the IFRS definition of subscribed capital, subscribed but unpaid capital, retained earnings, valuation reserve, profit/loss for the current year or committed reserve **(this line is adjusted for the cost of treasury shares)**	3 622 866 269	132 571 019 741
Capital reserve (reconciled)	**3 622 866 269**	**132 571 019 741**
Retained earnings (Section 114/B (4)e) of the Accounting Act)		
Accumulated and retained profit after tax from previous years under IFRS (excluding the current year)	2 913 020 885	3 614 682 034
Sums recognised as a credit or charge to accumulated earnings under IFRS	0	0
Sums of received top-up payment that the owner (member) of the enterprise has waived his/her claim to	0	0
Sum of a provided top-up payment recognised as an asset	-246 561 800	0
Sum transferred from share capital or capital reserve to cover losses	0	0
Any sum transferred from other reserves that under IFRS is required or permitted to be transferred	0	0
Related unused development reserve, net of deferred tax (committed reserve)	0	0
Retained earnings (reconciled)	**2 666 459 085**	**3 614 682 034**
Valuation reserve (Section 114/B (4)f) of the Accounting Act)		
Accumulated sum of other comprehensive income in the statement of comprehensive income (±)	0	0
Sum of other comprehensive income including other comprehensive income for the current year in the statement of comprehensive income (±)	0	-1 109 176 664
Valuation reserve (reconciled)	**0**	**-1 109 176 664**

Data in millions of HUF, unless otherwise indicated

Profit after tax (Section 114/B (4)g) of the Accounting Act)		
Profit / loss for the year presented in the profit and loss section of the statement of comprehensive income or in the separate income statement for continuing operations (-)	3 966 375 055	57 337 587 371
Profit / loss for the year presented in the profit and loss section of the comprehensive income statement or in the separate income statement for discontinued operations	0	0
Items charged against profit or loss under the Accounting Law but against equity under IFRS, in particular: aids, cash permanently transferred or received;	0	0
Profit after tax (Sections 114/A.9 and 114/B (4)g) of the Accounting Act)	**3 966 375 055**	**57 337 587 371**
Committed reserve (Section 114/B (4)h) of the Accounting Act)		
Received top-up payment recognised as a liability under IFRS	0	0
Unused development reserve less related deferred tax (committed reserve)	0	0
Total committed reserve (reconciled)	**0**	**0**
Reconciliation of the sums of capital registered with the Companies' Court under Section 114/B (5)a) of the Accounting Act and the sums of share capital under IFRS		
Capital registered with the Companies' Court	2 064 158 420	5 981 499 480
Share capital under IFRS	2 064 158 420	5 981 499 480
Difference (nominal value of repurchased treasury shares)	**0**	**0**
Retained earnings available for dividends paid (Section 114/B (5)b) of the Accounting Act)		
Retained earnings from previous years (reconciled)	2 666 459 085	3 614 682 034
Profit after tax for the current year	3 966 375 055	57 337 587 371
Accumulated capital gains on investment property (adjusted for tax effects)	0	0
Retained earnings available for dividends paid	**6 632 834 398**	**60 952 269 405**
Dividends received (receivable) accounted for up to the date of authorisation for publication	0	0
Retained earnings available for dividends + dividends received and payable after the current year	**6 632 834 398**	**60 952 269 405**

The result of equity reconciliation:

Share capital	5 981 499 480
Capital reserve	132 571 019 741
Retained earnings	3 614 682 034
Accumulated other comprehensive income	-1 109 176 664
Profit after tax	57 337 587 371
Total reconciled equity	**198 395 611 962**

BUSINESS REPORT

1. Summary

4iG Plc underwent a major transformation in 2022. While the Company maintained its position as the market leading IT systems integrator in Hungary, it entered new areas to create shareholder value and consolidate its market position and made significant acquisitions in the domestic and Western Balkans telecom sector.

The strategic partnership agreement signed with Rheinmetall AG in the first quarter has opened up new horizons in 4iG's growth strategy. The global group, headquartered in Germany, has not only become a major investor in 4iG Plc, but the companies have also established joint ventures in the IT and defence industries.

Thanks to acquisitions made over the past year and the organic growth of the group, 4iG has evolved into a technology-infocommunications group in just one year.

4iG's issuer rating was upgraded by one notch to "BB-" by Scope Ratings as a result of the improved competitive position, business profile, profitability and improved credit metrics following the acquisition of Vodafone Hungary, which resulted in a significant share of the Hungarian mobile market after the end of the reporting period. The upgrade is also recognition of the Company's successful growth strategy.

Business performance

In 2022, the Company achieved numerous business successes. Its most important clients were in education, pharmaceuticals, healthcare, logistics, automotive and air passenger transport, banking and financial advisory, but the Company also achieved significant results in the areas of licensing and asset acquisition, infrastructure management and IT security.

Staff numbers, employment

The number of employees continued to increase during the year 2022, with the average statistical headcount almost 11% higher than in 2021.
The Company will continue to strive to have in-house all the competencies that are in high demand from its clients and necessary to achieve its strategic objectives. The Company's recruitment practices are aimed at graduates starting their careers, in addition to skilled and qualified staff. Its training system and career development programme provide opportunities for its employees to follow attractive career paths.

Business plans, vision

With the closing of the Vodafone transaction, the 4iG Group has become a converged technology-infocommunications provider in Hungary, creating a strong platform to compete for market leadership in other segments. The Company aims to further increase its service spectrum and customer base in both the residential and business segments and to strengthen its recurring revenue share.
4iG has a unique opportunity to expand its IT capabilities beyond its traditional services in the defence industry and to expand its services to Western European markets through a partnership agreement with Rheinmetall AG. 4iG currently provides Rheinmetall with classic IT services to digitise and support the group's processes, but the cooperation also extends to technological and digitalisation developments in the defence industry through joint ventures. The Company expects to further increase its share in most of its markets this year and is open to further acquisitions.

2. General information

General information on the Company is set out in Subsection 53.1 of the Supplementary Annex.

3. Share information

Share information of the Company is set out in Subsection 53.2 of the Supplementary Annex.

4. Ownership structure

The ownership structure is described in Subsection 53.3 of the Supplementary Annex.

5. Premises and branches

Premises and branches of the Company are described in Subsection 53.1 of the Supplementary Annex.

Data in millions of HUF, unless otherwise indicated

6. Analysis of the company's financial performance

Description	2022	2021	Change +/- % in
Net sales revenue	**70 379**	**72 062**	**-2.34%**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**-13 068**	**4 404**	**-396.73%**
Operating results (EBIT)	-15 795	3 065	**-615.33%**
Profit after tax (PAT)	57 337	3 962	**1347.17%**
Total comprehensive income	**56 228**	**3 962**	**1319.18%**
Earnings per share			
EBITDA**	-47.0	45.2	**-203.99%**
Net profit (EPS)**	205.6	41.3	**398.01%**
Diluted EPS indicator**	205.6	40.7	**405.47%**
	713.7	129.0	**453.23%**

* end of period

** in HUF

6.1. Economic results for the year

Distribution of the company's export revenue by country in 2022 (in HUF million):

Countries	Total
Albania	330
Netherlands	225
Ireland	214
Germany	104
United Kingdom	38
Switzerland	37
Belgium	32
Arab Emirates	13
Slovenia	13
Poland	9
Romania	6
Austria	4
Czech Republic	2
Malta	2
France	1
Total	**1 030**

Data in millions of HUF, unless otherwise indicated

Distribution of export revenue by region in 2022 (HUF million):

Regions	Total
European Union	610
Outside the European Union	420
Total	**1 030**

6.2. Results compared to plan

Every year, the company aims to increase revenue, EBITDA and profit after tax, and this was also the objective for 2022. The negative impact of external conditions and the acquisition burden thwarted the EBITDA targets, but profit after tax was outstanding.

6.3. Financial indicators

	2022	2021
Liquidity ratios		
Liquidity ratio	1.55	8.32
Liquidity quick ratio	1.54	8.32
Dynamic liquidity ratio	-0.54	0.10
Net working capital rotation speed (rpm)	1,85	0.48
Net working capital	16 006	244 530
Debt and creditworthiness indicators		
Equity to liabilities ratio	31%	3%
Not own equity to equity ratio	15%	266%
Non-current liabilities to long-term equity and liabilities ratio	205%	3 264%
Long-term dynamic liquidity ratio	-4%	1%
Interest coverage ratio	164%	178%

6.4. Liquidity

The liquidity indicators show that the company has met its short-term liabilities, with sufficient cash to settle liabilities by the due dates.

6.5. Debt and creditworthiness indicators

The equity to liabilities ratio was 31 percent and 3 percent at the dates shown, indicating significant leverage in 2021, with a significant improvement by 2022.

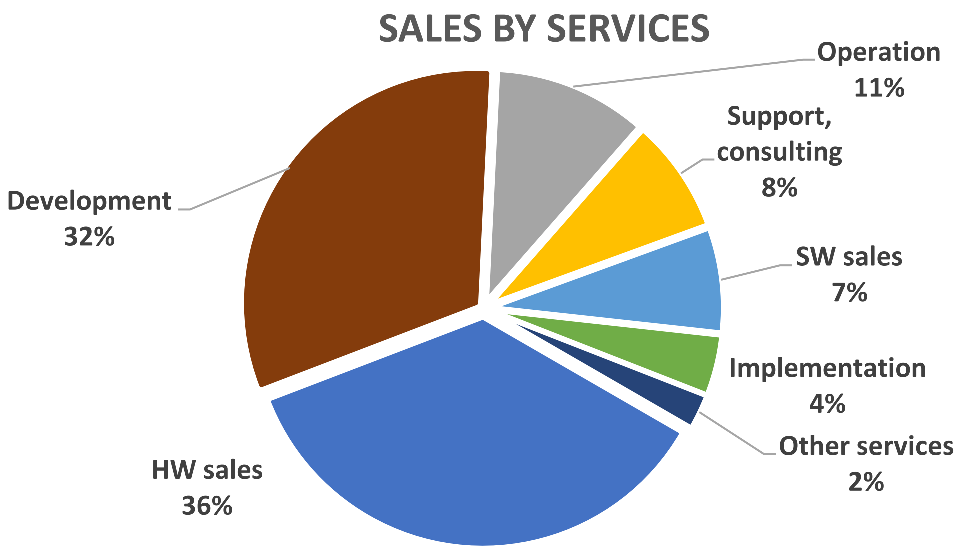
6.6. Efficiency indicators

Due to the positive result, the main indicators show a positive value in 2022, with the return on assets (ROA) and return on sales (ROS) also showing a slight deterioration, while the other indicators show a general improvement.

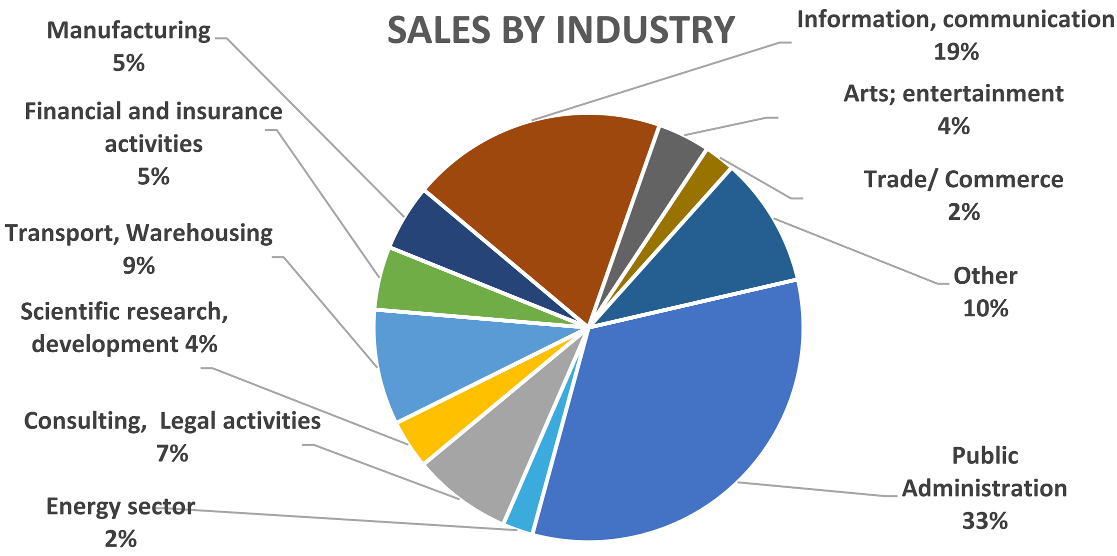
	2022	2021
Profitability rates		
Return on assets (ROA) (%)	9.04%	0.87%
Return on sales (ROS) (%)	81.47%	5.50%
Rotation speed of assets (rpm)	232.64	340.76
Rotation speed of trade receivables (rpm)	3.77	4.33
Average collection time for trade receivables (days)	95.60	83.16
Rotation speed of inventories (rpm)	41.21	31.01
Average storage time for inventories (days)	8.74	11.61
Return on tangible assets (rpm)	40.00	71.00
Ratio of staff costs to value added (%)	69%	54%
Value added (in millions of HUF)	829	19 795

6.7. Evolution of business relations

The composition of 2022 revenue by market segments is shown in the following charts:



Data in millions of HUF, unless otherwise indicated



6.8. Market positions, impact of the economic environment on the business

The year of 2022 was a year for the Company to maintain its position and continue to grow, focusing its resources on meeting its existing mandates, exploiting new market opportunities and acquiring additional companies to achieve its strategic goals. 4iG has become the country's largest Hungarian-owned integrator and telecommunications company in the IT market.

6.9. Employment trends, employment policy

In addition to skilled and qualified staff, the company's recruitment practices also target graduates just starting their careers. The training system and career development programme provide opportunities for intensive professional development of our employees. The aim is to build and maintain a workforce that can perform the expected tasks to the highest standards while maintaining efficiency. 4iG strives to provide a fair and competitive income for its employees compared to the Hungarian labour market.

	2022	2021
Average statistical number	828 persons	748 persons

6.10. 4iG Plc's business vision

4iG's market positions have been further strengthened in 2022. The results achieved and the future business outlook are positive, and based on these, the Company's management forecasts continued profitability in 2023.

In addition, in 2023, the focus will be on transforming and optimising its existing operations. 4iG Plc aims at a fast and successful integration of the companies acquired through acquisitions, in which the large company will also build on the exploitation of existing synergies between the companies. The acquisitions already completed and those planned will greatly support the Group's effective operations, further improving its profitability indicators, expanding its competencies and achieving its strategic objectives.

The IT and technology sectors are expected to develop in 2023, particularly in services, and the changed economic environment could lead to new mandates in the Company's main segments.

6.11. Capacity utilisation

Utilisation of available machinery and programmes, as well as the workforce, has improved in recent years. After the slowdown in 2022, it can be further increased by exploring synergies with new acquisitions.

6.12. Innovation, research and development

Thanks to the explosion in biotechnology and information technology and the impact of Covid-19, bioinformatics research has become increasingly more important in recent years. In 2021, 4iG continued two ongoing research and development projects in this field: on the one hand, the implementation of the project "Medical diagnostic tool supporting the evaluation of genetic results", which won the tender of the National Research and Development and Innovation Office in 2020, and on the other hand, it continues to be a member of the consortium which also started before 2021, and in which several research topics are being implemented under the leadership of the University of Pécs.

Here, 4iG is working on a programme that will result in the creation of a new centre of excellence with research infrastructure, new bioinformatics algorithms, the development of a medical diagnostic tool and the creation of diagnostic tools to support personalised medicine. The secondary outcomes of the programme will be to support the therapeutic (industrial) development of rare genetically determined and common oncological diseases, to develop new professional disciplines and generations of specialists, to lay the foundations for a number of research programmes, to raise Hungarian biomedical research and molecular medicine to an international level, and to enable international collaborations.

7. Significant changes after the balance sheet date

Significant events after the balance sheet date are described in Subsection 46 of the supplementary annex.

8. Globalisation and concentration

There is a clear global trend towards globalisation and concentration within industries. This trend has been further accelerated by the coronavirus pandemic. This trend is also prevailing in the Hungarian IT sector. 4iG Plc continues to aim to become a major player in international markets as Hungary's largest IT systems integrator.

9. Accelerating technological changes

Technological changes require companies to be extremely adaptable. This is particularly true for players in the IT market, where technological progress is much faster than in a traditional industry such as construction. Keeping up with change and remaining competitive requires continuous training, effective management of the knowledge accumulated within the company and appropriate internal communication.

It is essential that the technologies used are carefully chosen to ensure that the Company is always ahead of its competitors, but using mature, stable technology that is applicable in practice. The 4iG Group responds to the needs of its customers, suppliers and other business partners. It continuously monitors, evaluates and improves its products, services, technology solutions and business processes to deliver quality, safety and innovative solutions across the value chain.

10. Funding

In order to finance its activities on an ongoing basis, the Company provides its customers with predictable products and services that provide regular income in addition to one-off business revenues. It aims to maintain a high ratio of this type of "recurring revenue" to its total revenue, thereby covering as much as possible of its fixed costs.

11. The Company's acquisition efforts

The identification of potential acquisition targets and the analysis of business opportunities is the responsibility of a separate strategic organisation within 4iG. An important criterion in the selection of targets is that the Company should acquire an ownership stake in a company that gives it a technological or other market advantage over its competitors, or that adds new competencies to 4iG. The Company will only consider target companies that fit its strategic objectives and help to achieve them. 4iG plans to continue to grow both domestically and internationally.

12. Risky projects

In its operations, the Company seeks to minimise the business risks arising from its projects and only engages in collaborations that do not damage its professional reputation and social standing.

4iG Plc conducts its business in a manner that complies at all times with the law and the highest ethical standards, regulations and practices in the industry. A Code of Ethics has been issued and the Company is committed to adhering to it.

13. Corporate governance statement

The Company is a public limited company listed on the Budapest Stock Exchange and its ordinary shares are admitted to trading on the regulated market operated by the Budapest Stock Exchange. In 2022, the Budapest Stock Exchange published its Corporate Governance Recommendations (Recommendations), which contained recommendations and proposals on corporate governance practices of companies listed on the Budapest Stock Exchange.
The Recommendations are available on the website of the Budapest Stock Exchange:
https://www.bet.hu/Kibocsatok/Ajanlasok-kibocsatoknak/Felelos-tarsasagiranyitas
The Company makes an annual declaration of compliance with the Corporate Governance Recommendations of the Budapest Stock Exchange, which will be published both on the Budapest Stock Exchange (www.bet.hu) and on the Company's website following the adoption by the General Meeting. The statement shall describe and explain any deviations from the recommendations and the main features of the Company's internal control and risk management systems in the context of the preparation of the financial statements.

14. The risk of the war in Ukraine

The wide-ranging and severe impact of the war in Ukraine on the economies was also evident in the IT and ICT sectors. 4iG's resilience has enabled it to respond quickly and effectively to market challenges, enabling the Group to maintain its growth momentum in its main strategic areas in 2022.

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

1. Our mission, our approach

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

The pace of change in the information and telecommunications (ICT) market has accelerated dramatically as technology has become a key, inescapable building block of business in recent years, further reinforced by the impact of COVID19. 4iG is adapting its portfolio to these market trends, expanding its pool of professionals: combining traditional and innovative elements, it is moving forward in shaping the future of the domestic ICT market and digital business. Our vision goes beyond IT systems: we believe in partnering based on joint innovation and in solutions tailored to the rhythm and business goals of our customers, whether it is a system that can be implemented almost immediately or the result of a customised, bespoke development.

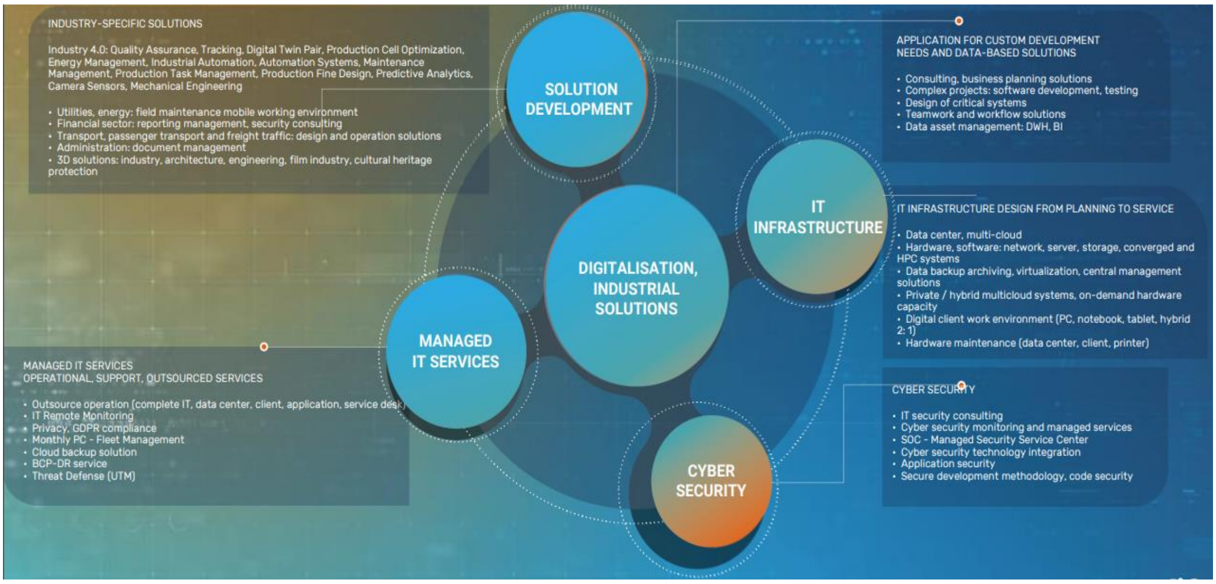
2. Our competences

Thanks to our 30-year history, we have developed a fine-tuned portfolio of services that includes both elements that can serve basic IT needs and innovative solutions that are future-proof. The company sees its clients' orders as a value chain, which has enabled it to advise on, design, implement and operate its clients' IT needs. In terms of system solutions, 4iG mainly offers standard and customised solutions for medium and large enterprises. This includes high availability, monolithic infrastructure systems and business applications, which include the design and delivery of hardware, software licensing requirements, implementation and integration into the customer's system environment. Our company is certified as a distributor and integrator by major global technology companies such as DELL, HPe, Cisco, SAP, Oracle, Symantec, Lenovo.

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

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

A chart summarising the Company's capabilities:



3. Commercial approach

4iG is committed to a proportionate mix of ongoing, operational, support and project orders. It strives to maximise the number of operational opportunities associated with project deliveries. The company's track record means that it has a significant number of customers, drawn from a wide range of industries. Our clients include SMEs, large corporates and international companies in the domestic competitive sector, as well as a significant number of public sector companies.

Our commercial strategy is two-dimensional. On the one hand, it seeks to retain existing customers and, on the other, it is constantly looking for ways to expand its client base. This approach underpins the core objective of the company's management to ensure the sustainability of continued growth.

4. Market presence

4iG has become one of the most important players in the domestic market. Its growth has had a positive impact on smaller players in the market by constantly looking for opportunities for cooperation and by supporting its expansion and growth through acquisitions in addition to organic opportunities. The company's transparent and reliable operations, its high-quality solutions and its ability to deliver high quality solutions have a strong customer retention effect and can set an example to competitors. We believe that the company's success at home can provide a solid basis for expansion abroad.

5. Knowledge- and people-centredness

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

6. Ethics and anticorruption compliance

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

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

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

A4iG Plc is committed to the transparency and purity of its processes, and accordingly pays particular attention to ensuring that the Group's internal processes, ethical and conflict of interest policies comply with international standards. The 4iG Group Code of Ethics and Business Conduct states as a matter of principle that the 4iG Group will not tolerate any form of corruption (including bribery, kickbacks, kickbacks, extortion, abuse of power for personal gain, influence peddling, undue advantages and gifts given with the intention to influence), whether in the competitive (private) sector or in the public or municipal sector.

The 4iG Group strictly prohibits its employees and any person acting on behalf of or on behalf of the 4iG Group from offering, giving, soliciting, accepting or receiving any unlawful advantage. Employees and other persons acting on behalf of or for the account of the 4iG Group must never offer or give (or permit the offer or giving) of money or other benefits for the purpose of exercising (or even the appearance of exercising) undue influence over any official or providing (or giving the appearance of providing) an undue business advantage.

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

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

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

7. Quality management

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

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

We regularly measure customer satisfaction and use the results to develop our quality management system according to MSZ EN ISO 9001:2015. In this context, the 4iG Group is not satisfied with simply implementing ISO standards, but continuously defines metrics to measure the effectiveness of its management systems and their evaluation provides an opportunity for continuous improvement. In the operation of its integrated management system (Quality, Environmental and Information Security Management System), the 4iG Group continuously monitors key financial and non-financial indicators, from which the achievement of the objectives set according to the various ISO standards is assessed and monitored along the PDCA cycle.

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

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

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

8. Environment and energy management

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

Our company:

- complies with all relevant technological regulations in all its activities;
- has a strong focus on people and the environment in the workplace, using recycled materials, and implementing technologies and procedures to reduce waste.

All our products comply with the RoHS directives. In all cases, we use the services of a legally qualified specialist company for the destruction of equipment and components that cannot be repaired and are to be scrapped.

9. Sustainability

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

10. Information Security Principles of 4iG Plc

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

11. Information and stakeholder system

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

12. Policy results

Results of anti-corruption policy

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

Our key anti-corruption indicators:

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

Results of environment and energy management policy

4iG Plc pays great attention to environmental protection and communicates its environmental and energy management objectives to its employees and stakeholders through its environmental and energy management policy. In accordance with the environmental and energy management objectives and programmes.

In the list, the processes are broken down into sub-activities through which environmental impacts and energy beneficiaries can be identified and assessed, so that the significant ones can be selected from the many impacts and the Company can focus its resources on them when setting environmental and energy management objectives, plans and programmes.

The implementation of the environmental and energy management programmes launched in the year under review is continuously monitored, the most important of which were measures to improve energy management performance indicators (reduction of electricity and fuel consumption, measurability of on-site consumption).

We have assessed our suppliers in relation to our environmental management system and found them to be compliant with the environmental assessment.

During the selective collection and storage of waste, special attention is paid to avoiding the mixing of hazardous and other waste, thus preventing pollution and reducing the environmental burden.

We have made our subcontracting partners aware of the basic requirements of our environmental management system ('Environmental Information Notice' used as an annex to the Contracts).

Our key environmental indicators:

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

Results of the information security policy

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

Results of quality policy

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

Our key indicators:

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

STATEMENT

The Issuer declares that the Report presents a true and fair view of the development and performance of the Company, that its data and statements are accurate and that it does not omit any fact material to the assessment of the Issuer's position.
Pursuant to Section 57 (1) of the Act CXX of 2001 on the Capital Market, the Issuer shall be liable for compensation for any damage caused by the non-disclosure or misleading content of regulated information.
I accept responsibility for the figures in this Report for the year 2022 and for the accuracy of the analyses and conclusions.

Budapest, 26 April 2023

Gellért Zoltán Jászai	Péter Krisztián Fekete
Chairman of the Board of Directors	Chief Executive Officer

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