

INVESTOR PRESENTATION

2019 FULL YEAR RESULTS

4iG Nyrt.

3rd March 2020



4iG

TODAY'S PRESENTERS



- Mr. Linczényi serves as a Board Member and General Deputy CEO
- He is responsible for the day-to-day operations of the Company

Aladin Linczényi
General Deputy CEO



- Mr. Fekete serves as Advisor to the Chairman
- He is responsible for all international, capital markets and M&A activities of the Company

Péter Fekete
Advisor to the Chairman



- Mr. Thurzó is Deputy CEO and CFO
- He is responsible for accounting, finance, tax, controlling and HR activities

Csaba Thurzó
Deputy CEO
Chief Financial Officer



- Mr. Farkas is Deputy CEO and serves as the CTO of 4iG
- He is responsible for all engineering and delivery activities of the Company

Péter Farkas
Deputy CEO
Chief Technology Officer

2019 KEY HIGHLIGHTS

- 4iG now is the #2 IT system integrator in Hungary since the change of ownership
 - From #6 in 2018
- 2019 was 4iG's strongest ever year
 - 41bn HUF of revenue (a 194% increase on 2018)
 - 4,1bn HUF of EBITDA (a 383% increase on 2018)
- Topline growth of 193,6% was purely organic
- Employee numbers increased to close to 600 in December 2019
 - From 376 in December 2018

A COMPREHENSIVE BUSINESS TRANSFORMATION

NEW OWNERSHIP	<ul style="list-style-type: none">• Gellért Jászai first became Chairman in July 2018 then CEO in March 2019 and finally the largest owner of 4iG with a 40,2% control in July 2019
VISION AND STRATEGY	<ul style="list-style-type: none">• Our strategic goal is for 4iG to become the #1 IT system integrator in Hungary and a significant company in the broader CEE region
MANAGEMENT TEAM	<ul style="list-style-type: none">• The existing management team of 4iG was complemented with new additions to help implement the new growth strategy
SALES STRATEGY	<ul style="list-style-type: none">• Solution oriented by understanding client needs, client focused by introducing account management for large corporates, target market sector based sales and pro active sales to drive demand of customers
DELIVERY CAPABILITIES	<ul style="list-style-type: none">• Introduction of improved process management to handle 4iG's increasing number of large projects and clients
OPERATIONAL EFFICIENCIES	<ul style="list-style-type: none">• Efficiency improvement initiatives implemented including changes in the organizational structure, consolidation of previously duplicate activities, review of contracts, strengthening of project control• EBITDA margin improved from breakeven in 2018 to c. 10% in 2019
ORGANISATION	<ul style="list-style-type: none">• Hiring of new staff with a focus on flagship technologies and new matrix structure• Our headcount increased from 376 in December 2018 to close to 600 in December 2019
EXPANSION APPROACH	<ul style="list-style-type: none">• Organic growth expected to be complemented with acquisitions and partnerships / JVs

NEAR TERM OUTLOOK

- Our goal is to become the #1 IT system integrator within the next two years
- Expectations for 2020 are robust with 23bn HUF contracted revenue for 2020 (compared to 11 bn HUF contracted revenue in February 2019 for 2019)
- We will continue to grow strongly but we expect the growth rate to normalize
 - c. 20%+ topline growth expected in 2020
 - similarly dynamic average annual growth rate beyond 2020
 - the above-mentioned growth expectations are organic and the planned acquisitions can increase further
- We are targeting an 8-10% EBITDA margin in the medium term (2-3 years)
- We expect to declare a dividend for 2019
 - Dividend policy to be discussed by the Board of Directors
 - Recommendations to be submitted to the Shareholders' Meeting in April 2020



COMPANY OVERVIEW

4iG

COMPANY SNAPSHOT

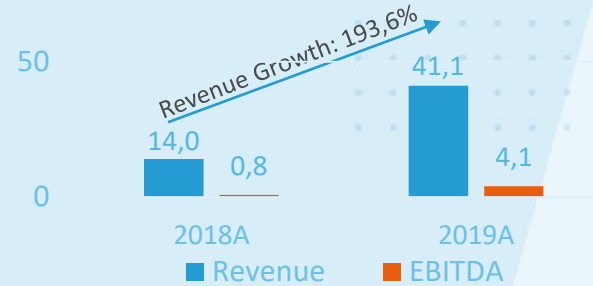
Business Highlights

- 4iG has proven to be flexible in order to fulfill our clients' expectations in timing and resources.
- 4iG's most important assets are the 400+ technical employees (consultants and highly qualified engineers and technicians)
- 4iG continuously thrives to improve services using the most up to date technology solutions.

Select Key Customers



Financial Highlights

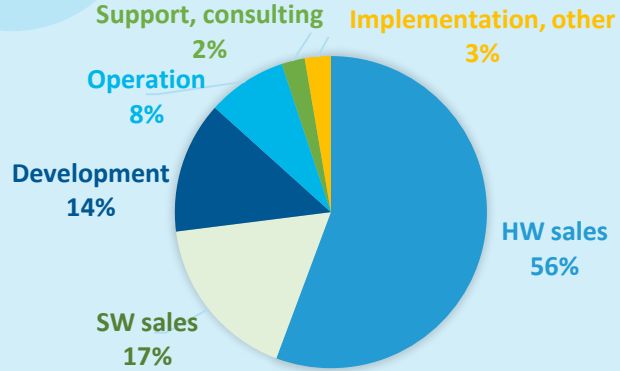


Long-standing Partnerships

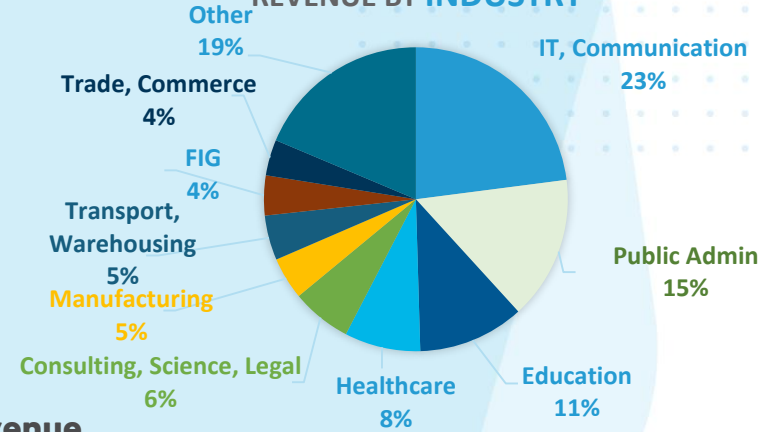


HIGHLY DIVERSIFIED BUSINESS MODEL

REVENUE BY SERVICE TYPE



REVENUE BY INDUSTRY

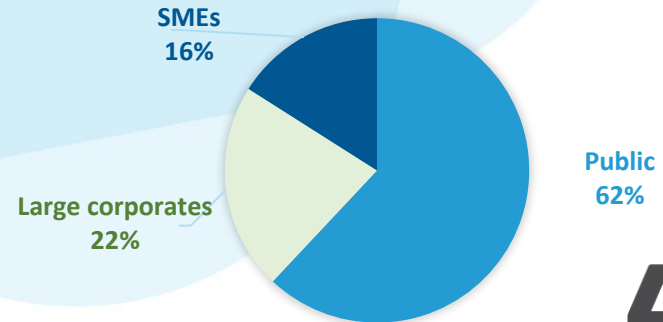


2019 revenue breakdown

REVENUE BY NATURE



REVENUE BY CLIENT TYPE



STRATEGY OVERVIEW

Vision and strategy

- Our goal is to become the #1 IT system integrator in Hungary and a significant player in CEE region

Target areas for growth

- Technologies: AI, Blockchain, Cyber Security, Digitalization, Fintech, Industry 4.0
- Market Segments: Transportation, Banking, Healthcare, Agriculture, Energetics
- Product Strategy: Developing own solutions

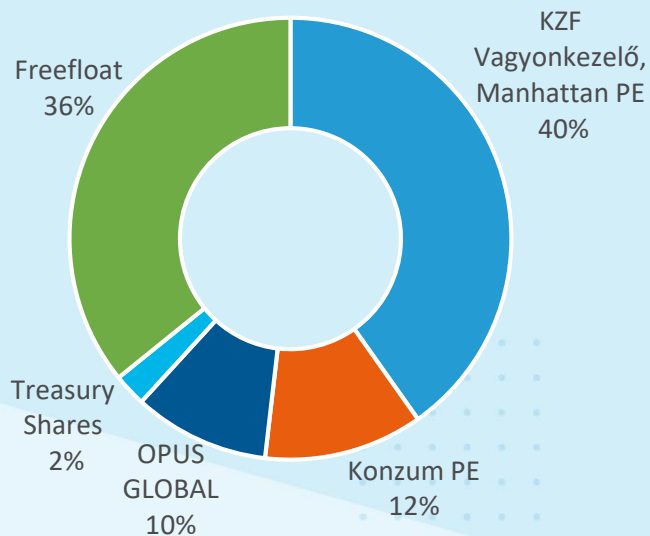
ACQUISITION PLANS

Robust organic growth complemented **by acquisitions**

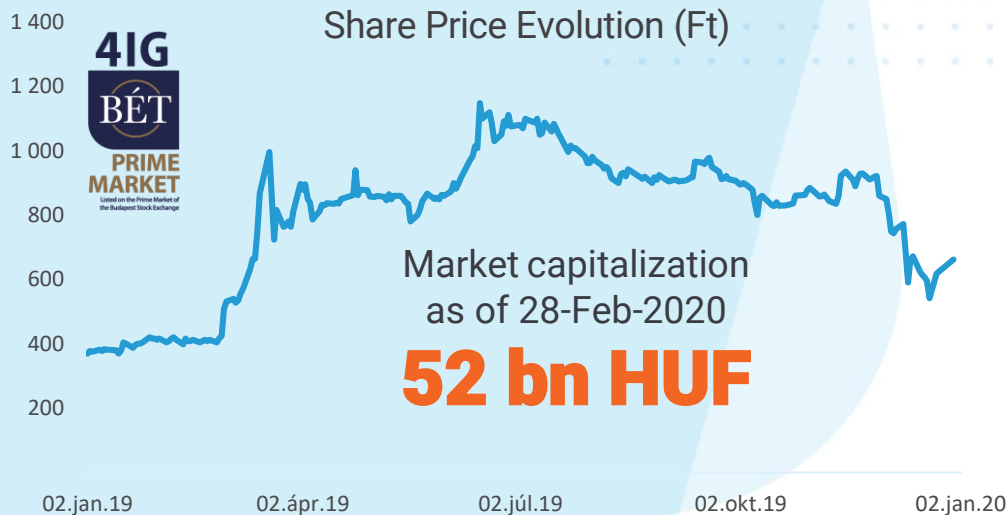
- **In Hungary**
 - Our goal is to consolidate our position
 - Invest into new technologies and
 - Enhance our capabilities in new sectors
- **In Central and Eastern Europe**
 - We are looking at opportunistic targets in the CEE region
- **Acquisition financing**
 - Combination of external financing (bond and loan) and own cash resources
- **Strategic partnerships - JVs**
 - Long-term cooperation with European / overseas group with complementary resources

SHAREHOLDER INFORMATION

KEY SHAREHOLDERS⁽¹⁾ BEST PERFORMING STOCK IN 2019 IN THE BET



Note (1): Shareholders as of 31st December 2019
Source: BET



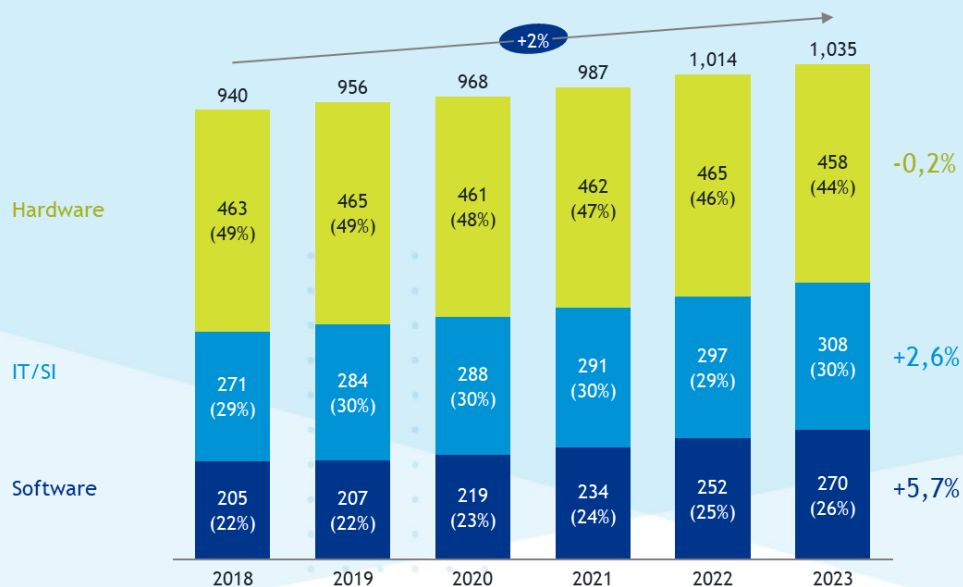
4iG is Part of The Austrian Wiener Börse region CECE Index



HUNGARIAN IT MARKET

HUNGARIAN IT MARKET EXPECTED TO GROW BY 2% ON AVERAGE, DRIVEN MAINLY BY PUBLIC SPENDING

IT spending of end users by segments (bn HUF)



Key Drivers

Need for Digital transformation

- Internet of Things (IoT) is used in the production, retail, utilities, agriculture and logistics, while Artificial Intelligence (AI) is used in customer service

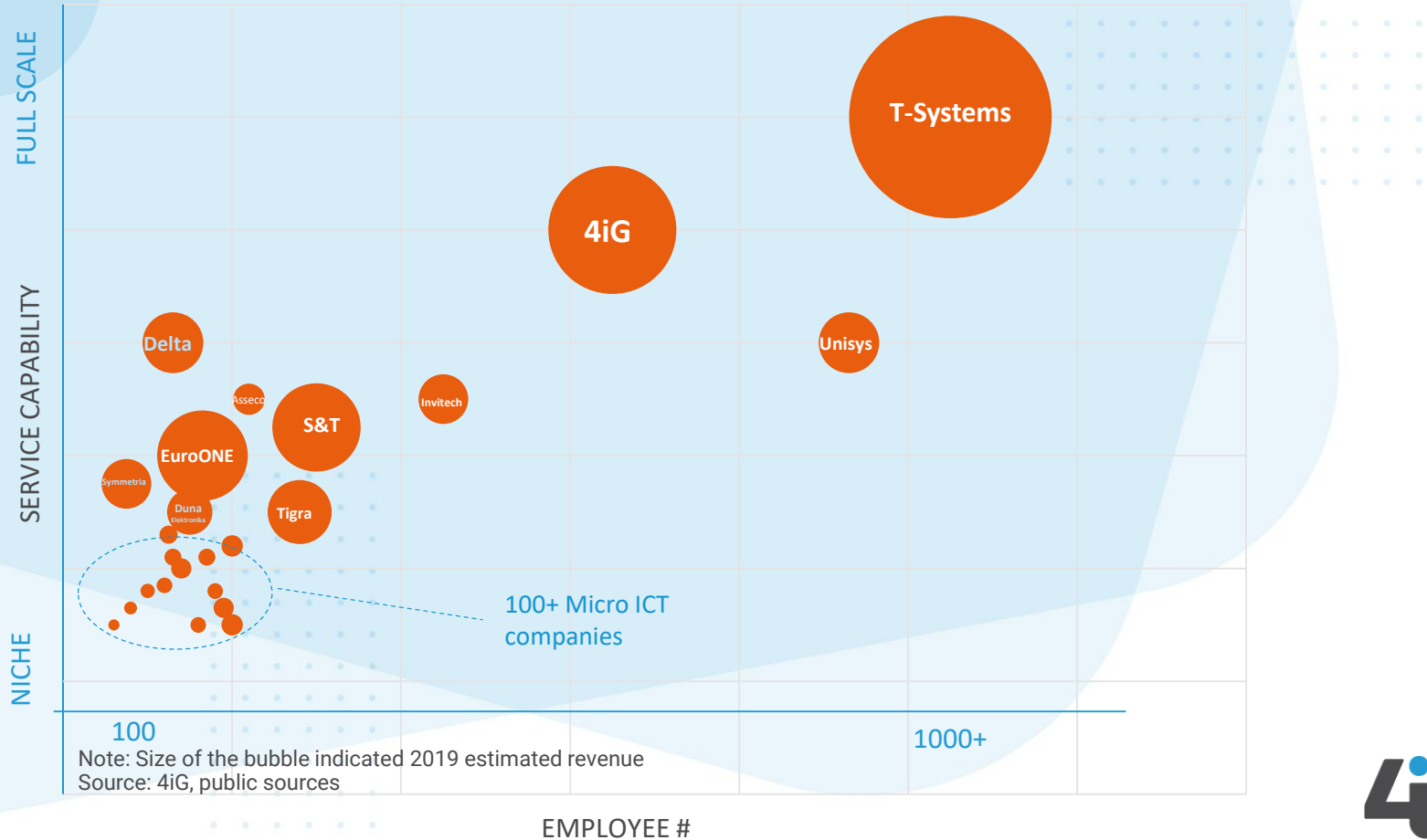
GDPR related backlog

- Regulation (mainly in EU GDPR) was a key factor in the Hungarian Information service market in 2018

Major expenses of the public sector

- The public sector spent more than 50 billion HUF for IT services, which is the 21,3% of the whole information service market, including the use of the majority of EU funds till 2021

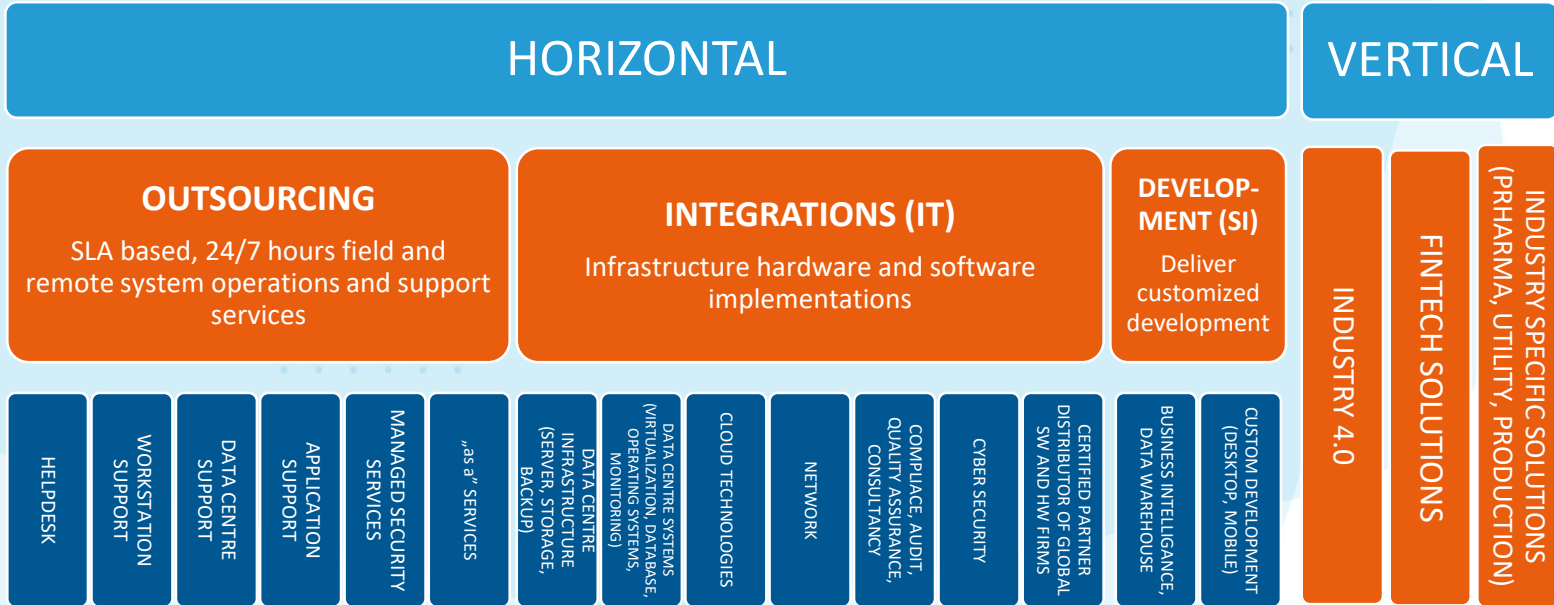
HUNGARIAN IT MARKET LANDSCAPE



Note: Size of the bubble indicated 2019 estimated revenue
 Source: 4iG, public sources



SERVICE PORTFOLIO STRUCTURE





FINANCIAL OVERVIEW

4iG

2019 FINANCIAL SUMMARY

2019 FY

Revenue:
41,2 bn HUF

EBITDA:
4,1 bn HUF

Net Profit:
2,8 bn HUF

Diluted EPS:
30,1 HUF

Y-on-Y Growth:
194%

EBITDA Margin:
9,88%

Profit Margin:
6,87%

Y-on-Y Growth:
2 673%

2019 Q4

Revenue:
16,2 bn HUF

EBITDA:
1,6 bn HUF

Net Profit:
1,1 bn HUF

Diluted EPS:
12,1 HUF

Y-on-Y Growth:
243%

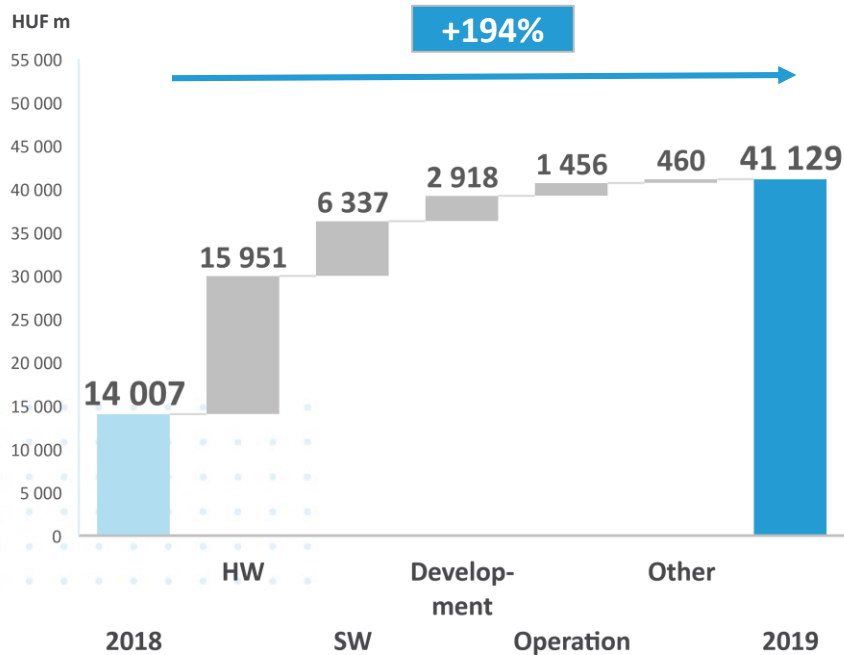
EBITDA Margin:
9,79%

Profit Margin:
7,02%

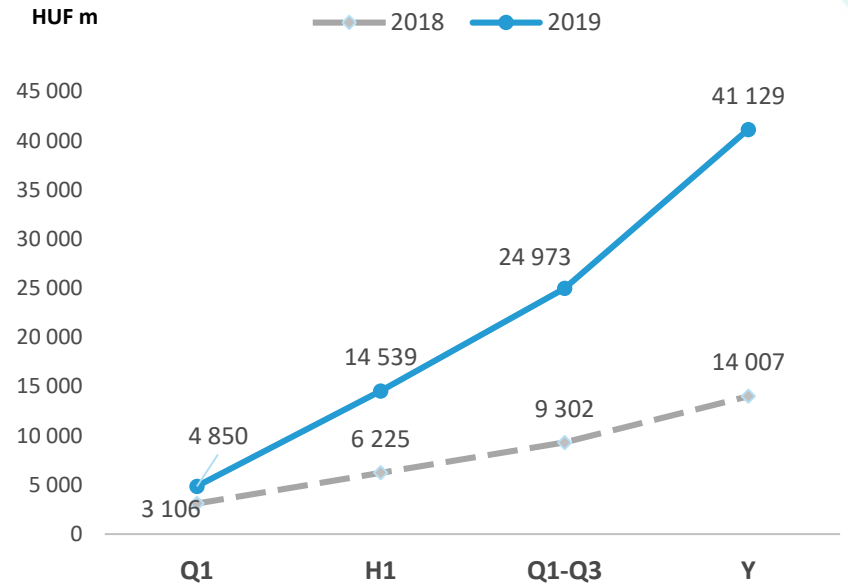
Y-on-Y Growth:
188%

2019 REVENUE BRIDGE

SALES REVENUE BRIDGE

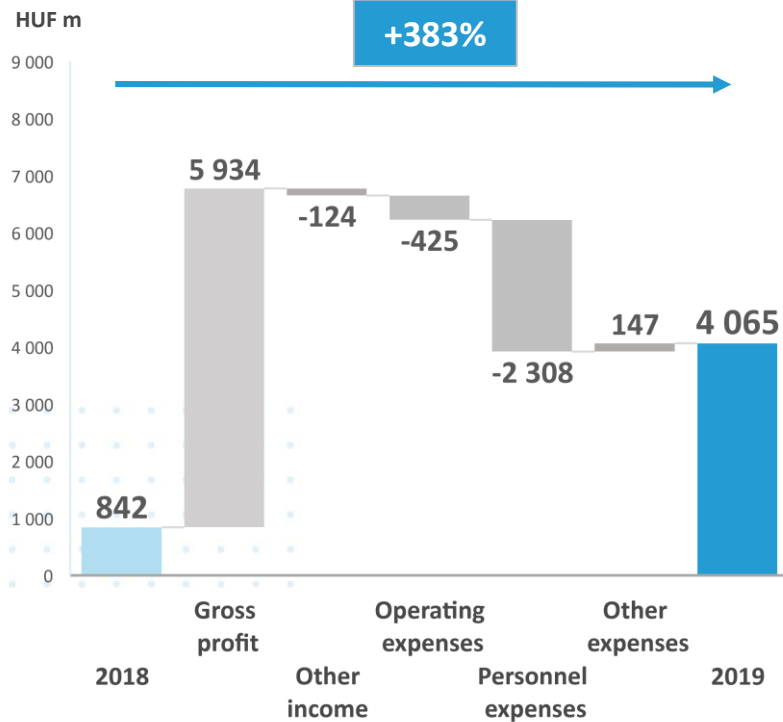


SALES REVENUE BUILD-UP

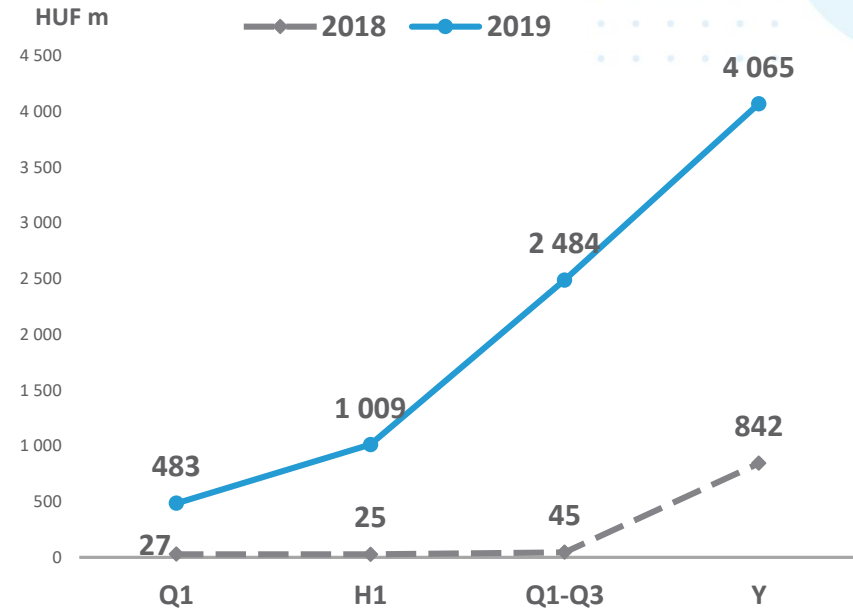


2019 EBITDA BRIDGE

EBITDA BRIDGE



EBITDA BUILD-UP



INCOME STATEMENT OVERVIEW

4iG Nyrt (HUF M)	2018	%	2019	%	2019/ 2018
Net Revenues	14 007	97%	41 129	99%	294%
Other operating income	480	3%	356	1%	74%
Total income	14 488	100%	41 485	100%	286%
Cost of Goods and Subcontractors	8 938	65%	30 126	81%	337%
Operating expenses	1 425	10%	1 850	5%	130%
Personnel expenses	3 071	23%	5 379	14%	175%
Other expenses	212	2%	65	0%	31%
Operating costs	13 646	100%	37 420	100%	274%
EBITDA	842		4 065		483%
Depreciation and impairment	601		737		123%
Net financial income	-21		-8		39%
Profit before taxes (PBT)	219		3 320		1 516%
Income taxes	117		493		421%
Profit / Loss after Tax	102		2 827		2 774%

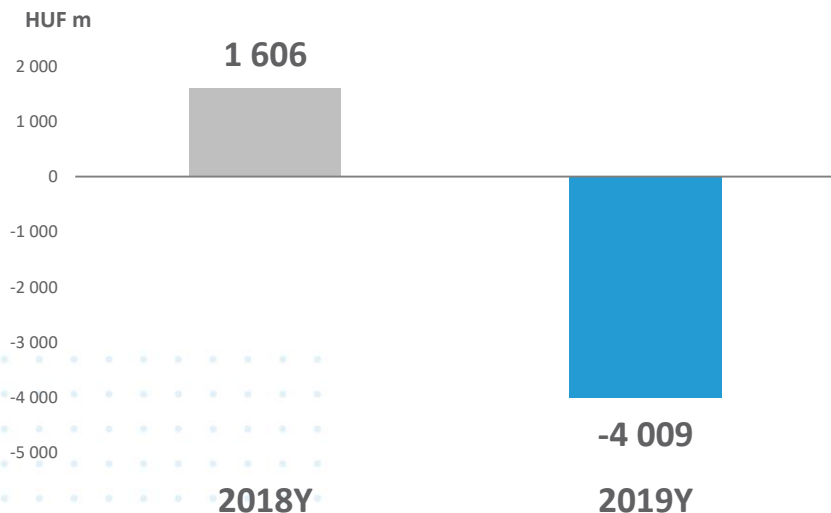
➤ Hardware and software sales do not require significant additional workforce and OpEx

➤ IFRS 16 – long term lease and leaseings are not classified as OpEx since 2019. Reclassification effect: ca. HUF 320 m consisting of office rent and car leasing.

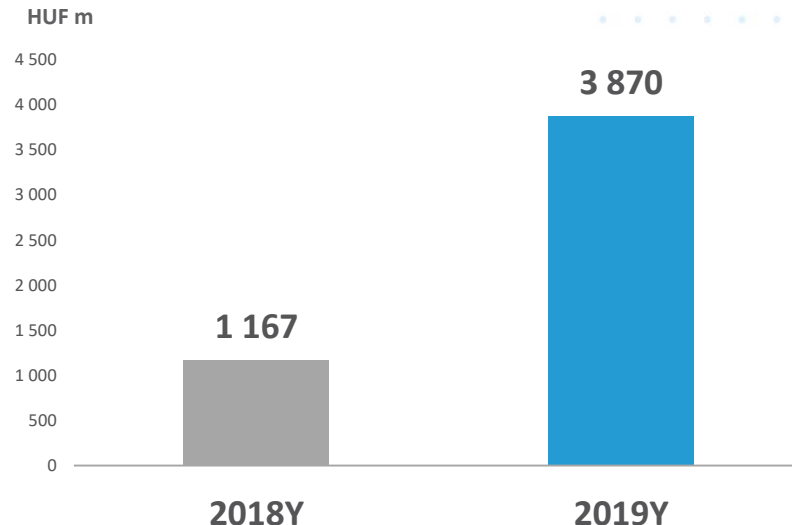
➤ Ongoing hiring process due to growth of the business. Headcount increased from 376 at end of 2018 to 600 at 2019

BALANCE SHEET SUMMARY

NET DEBT/(-CASH) *



NET WORKING CAPITAL**



*Net debt: with Provisions, Financial leasing IFRS 16, without Guarantees and Securities

**Working capital: Current – Current Liabilities

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4iG

H-1037 Budapest, Montevideo u. 8.

Tel: +36 1 270 7600

Fax: +36 1 270 7679

www.4ig.hu