

INVESTOR PRESENTATION

2020 9M RESULTS

4iG Nyrt.

27th November 2020



4iG

2020 9M KEY HIGHLIGHTS

- 4iG now is the #2 IT system integrator in Hungary following its change of management
 - Up from #6 in 2018
- 2020 9M was 4iG's strongest ever first three quarters and we continued to show strong growth both on revenue and EBITDA levels
 - 33,5 bn HUF of revenue (a 34% increase on 2019 Q1-Q3)
 - 2,8 bn HUF of EBITDA (a 13% increase on 2019 Q1-Q3)
- Topline growth of 34% was purely organic and majority of growth generated by Software development and Outsourcing proving that our investments in these areas have started to pay off
- Employee number further increased to 735 as of 27th November 2020

2020 9M MAJOR POST BALANCE EVENTS

- On the Extraordinary General Meeting, held on the 25th November 2020 the following organizational changes have been concluded:
 - Zoltán Simon and Béla Zibriczki, members of the Board of Directors resigned from their positions with effect from the date of the Extraordinary General Meeting and the Board of Directors elected Péter Fekete and László Blénessy as new members of the Board
 - János Tima and Zsuzsanna Ódorné Angyal resigned from their positions on the Supervisory Board and the Audit Committee with effect from the date of the Extraordinary General Meeting and the Board of Directors elected Zoltán Simon and dr. Ildikó Rózsa as new members of the Supervisory Board and the Audit Committee
- On 27th October, 4iG acquired 70% of the shares of INNObyte Zrt., a specialist software developer focused on the finance and telecommunication sector. INNObyte will help expand 4iG's existing programming capabilities in the custom solution development field as well as increasing its capacity.
- On 24th November, 4iG has signed the Sale and Purchase Agreement to acquire 100% of the shares of DTSM Kft., a specialist focusing on data center operations and integrations. The transaction is expected to be closed following the approval of the Competition Authorities.

A COMPREHENSIVE BUSINESS TRANSFORMATION

NEW OWNERSHIP

- Gellért Jászai first became Chairman in July 2018 then CEO in March 2019 and finally the majority owner of 4iG with a 40,2% control in July 2019
- In July 2020, Mr. Jászai further increased his shareholding to 61% in 4iG

VISION AND STRATEGY

- 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

- The existing management team of 4iG was complemented with new additions to help implement the new growth strategy

SALES STRATEGY

- 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

- Introduction of improved process management to handle 4iG's increasing number of large projects and clients

OPERATIONAL EFFICIENCIES

- Efficiency improvement initiatives implemented including changes in the organizational structure, consolidation of previously duplicate activities, review of contracts, strengthening of project control

ORGANISATION

- Hiring of new staff with a focus on flagship technologies and new matrix structure
- Our headcount increased from 376 in December 2018 to 735 in November 2020

EXPANSION APPROACH

- Organic growth expected to be complemented with acquisitions and partnerships / JVs
- 34% organic growth achieved in 2020 9M despite C19 slow-down



NEAR TERM OUTLOOK

- Our goal is to become the #1 IT system integrator within the next two years
- Expectations for 2020 are robust with 33,5 bn HUF of 2020 September YTD revenue and a 18,2 bn HUF of contracted backlog for 2020 as of 19th November 2020
- We will continue to grow strongly but we expect the growth rate to normalize
 - c. 20%+ topline growth expected in 2020
 - c. 10%+ average annual growth rate beyond 2020
- We are targeting an 8-10% EBITDA margin in the medium term (2-3 years)
- We declared a dividend for 2019 at 22 HUF per share representing a c. 4,3% dividend yield. The dividend payment has been completed

COVID19 IMPACTS

Operational

- 4iG responded to the pandemic situation proactively, consequently reverting back to the normal operations smoothly
- Delivery efficiency remained intact due to COVID19 tailored BCP, intensive process automation and scalable capacity through 4iG's outstanding partner network
- First wave lessons learned that makes 4iG's COVID19 response plan more accurate against coming waves
- Majority of the employees started working remotely that has been proofed to be a businesslike approach, therefore remains in practice

Financial

- As expected, COVID-19 slow-down influenced the 2020 9M financial results by a moderate extent
- Customers maneuvered their spending towards remote technologies and cyber security solution that could mitigate downturn in the backlog
- In order to maintain operational cost, Agile methodology has been adopted as well as the resource yield has been enhanced
- We are maintaining our previously announced FY20 financial guidance



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 +500 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 (HUF bn)

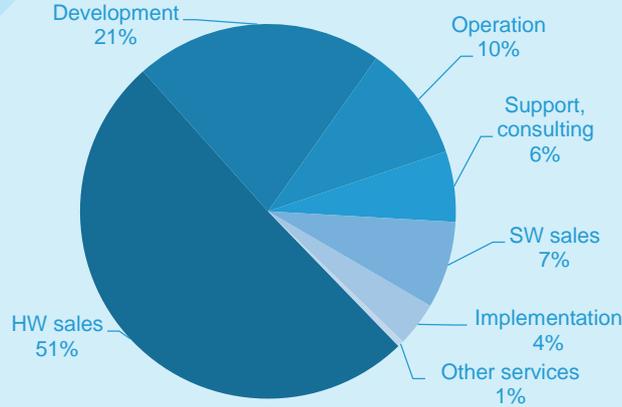


Long-standing Partnerships

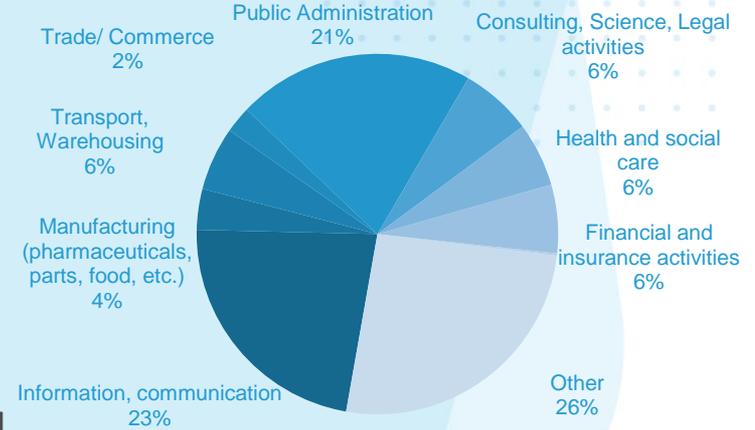


HIGHLY DIVERSIFIED BUSINESS MODEL

REVENUE BY SERVICE

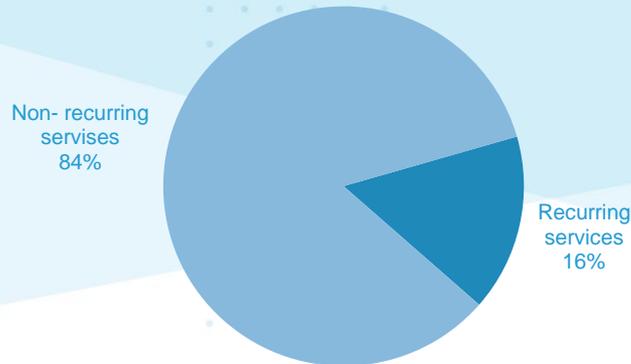


REVENUE BY INDUSTRY

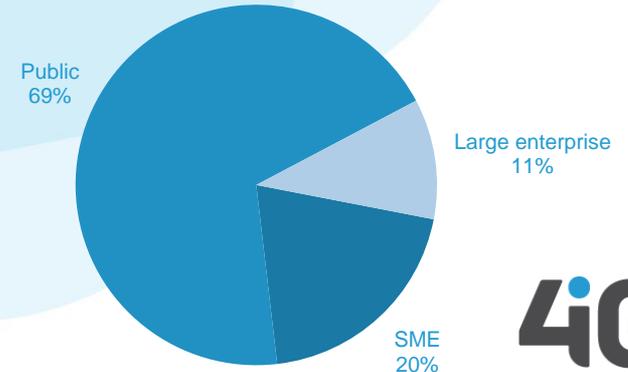


2020 9M revenue breakdown

REVENUE BY TYPE



REVENUE BY CUSTOMER



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

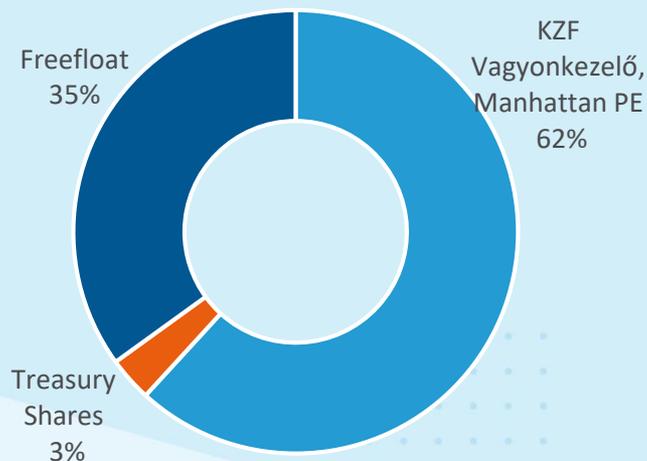
ACQUISITION PLANS

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⁾



Note (1): Shareholders as of 26th Nov 2020
Source: BET

SHARE PRICE PERFORMANCE

Share Price Evolution (Ft)



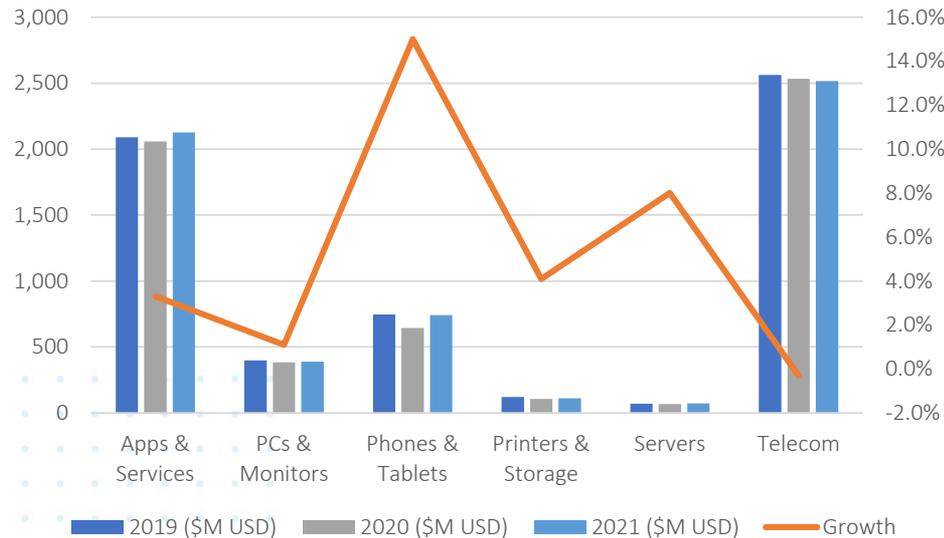
4iG is Part of The Austrian Wiener Börse region CECE Index



HUNGARIAN IT MARKET

HUNGARIAN IT MARKET EXPECTED TO GROW BY 3% ON AVERAGE DRIVEN MAINLY BY INFRASTRUCTURE TECHNOLOGY AND APPS/SERVICES SEGMENTS

MARKET ESTIMATES HUNGARY 2020/2021



KEY DRIVERS

Global technology trends

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

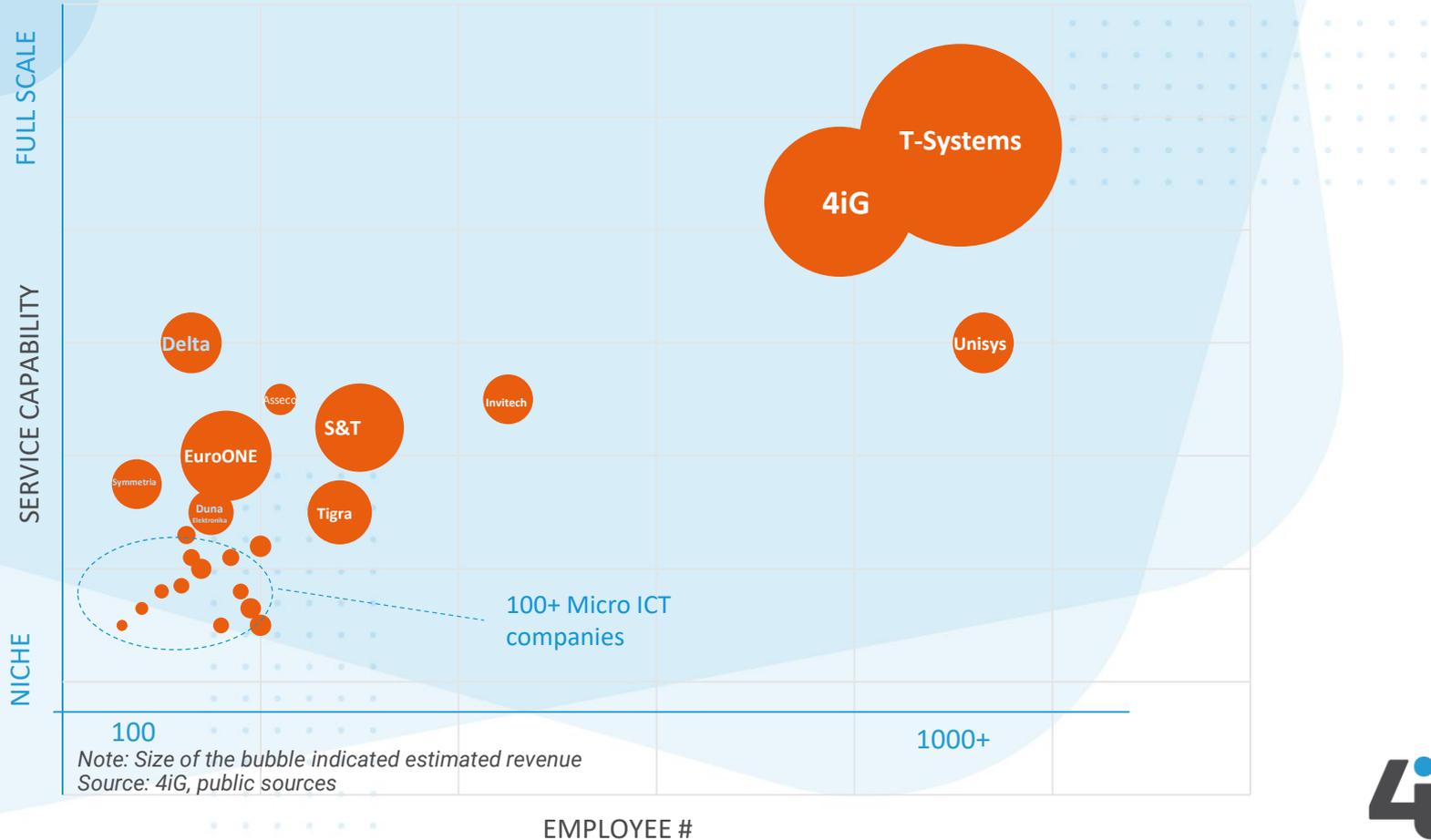
Need for Digital transformation, COVID19

Digital transformation has been a top priority among large enterprises for the last few years. In contrast, many small and medium-sized businesses were reticent to transform — until earlier this year, when the COVID-19 pandemic changed everything and attitudes to digital transformation shifted in a positive direction across the entire market

Major expenses of the public sector

In 2019, several megaprojects in the public sectors (e.g., involving ÁEEK, the National Tax Authorities, the Hungarian National Bank, the Ministry of Defense, and Hungarian Post) featured large-volume hardware purchases that generates long term demand towards operational services

HUNGARIAN IT MARKET LANDSCAPE



COMPTECE MAP



CUSTOMER BACK OFFICE

INDUSTRY SPECIFIC SOLUTIONS



Certified hardware and software distribution
(HP, HPe, Dell, Lenovo, SAP, VEEAM, ServiceNow, NetApp, Huawei, Citrix, Dell EMC, VMware, Juniper, Oracle, Balasys, Avaya)... etc.

TRANSPORTATION IT
Ticket vending system, Digital onboarding, Passenger information system, Traffic management

1. 7x24h SLA based support-SSC and SOC workforce (managed outsourcing services):

- Remote and onsite support/maintenance of datacenter and user workplace
- Business application support
- Managed cybersecurity

2. Custom software development (desktop, web, mobile)

3. Integration services (Infrastructure and application implementations)

4. Consultancy, audit and quality assurance services

HIGH AVAILABILITY IT SYSTEM IMPLEMENTATIONS:

1. IT Infrastructure: datacenter, server, storage, backup, network, virtualization
2. Business critical backend, middleware platforms: Business applications, Databases, Framework systems

Management: decision support/reporting dashboard
Purchasing: tender/bidding system

Finance: regulatory reporting, budget management system

Legal: GDPR and data, access security

HR: recruitment, examination, training system

BUSINESS ADMINISTRATION EFFICIENCY
ERP

Digitalization
Business intelligence/ data warehouse
Process automation/workflow system

Document management
Artificial Intelligence
Machine learning

Fund management: application, evaluation, financing, controlling

Public sector tailored custom solutions

INDUSTRY 4.0 / IoT / AI / Machine Learning / Blockchain
Manufacturing: Production and supply chain traceability system
Pharma: FDA/GxP validation, FDI readiness

Bank: Fintech regulatory, productivity and security solutions

Utility/Energy: Mobile client framework for unified field work

3D: Building digitalization, facility, asset management

Agriculture: IoT solutions, Process automation, digitalization, Drone systems

Health Care: Digital diagnostics, process digitalization



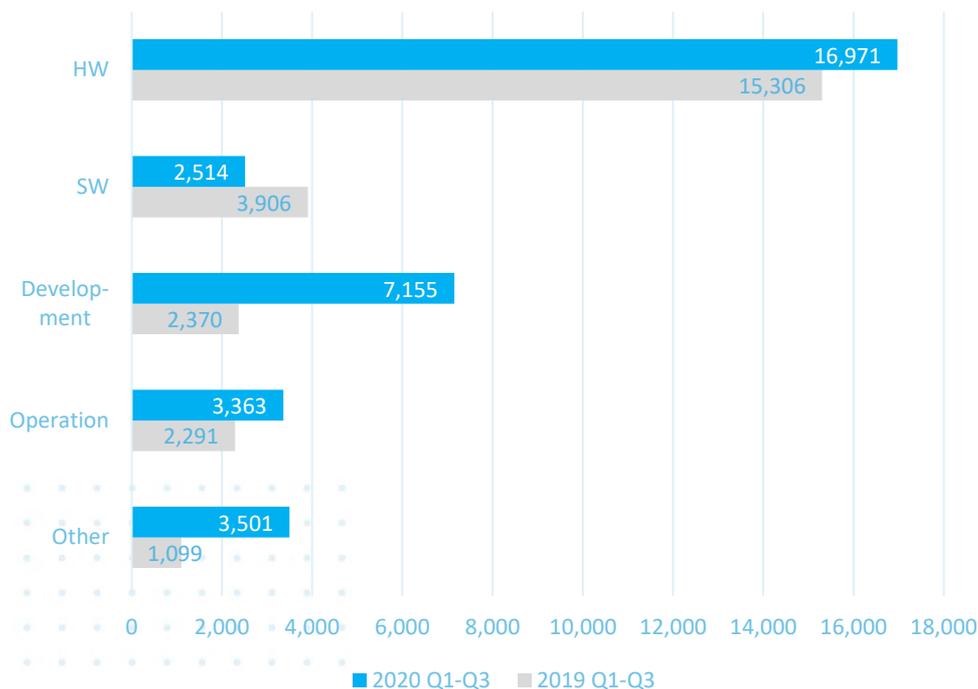
The image features a blue-tinted aerial view of a city, likely Vienna, with a prominent network overlay of white lines and dots. The network consists of numerous white circular nodes of varying sizes connected by thin white lines, creating a complex web across the entire scene. The city below shows a river, various buildings, and a large domed structure in the background. The overall aesthetic is modern and technological.

FINANCIAL OVERVIEW

4iG

REVENUE EVOLUTION BY SEGMENTS

2019 9M / 2020 9M (million HUF)



HW SALES: hardware projects that have been postponed in H1 due to Covid19 impact, have been relaunched in Q3. Furthermore the Q2 manufacturing downturn of far east HW companies has restored and the delayed deliveries got accomplished in Q3. Consequently 4iG has achieved higher growth in this segment despite the Covid19's impact in Q2

SW SALES: In some cases the HW manufacturers (OEM) bundled the associated SW elements to the core HW as bundle. As a result, certain SW sales appear in the HW category.

DEVELOPMENT: as a result of 4iG's competence expansion program, the company successfully constituted a dedicated developer unit including 100+ highly skilled programmer, architect and tester through 4iG's three regional offices. Launching the competence center with wide geographical representation, significantly enhanced delivery performance of the company in the development field. Software development could further growth in the period because pandemic did not hamper the delivery due to its nature as programming, testing and the related alignments were managed through online channels and collaboration tools.

OPERATION: We secured a number of long-standing outsourcing contracts in 2020 due to scalable service structure that could be flexibly adopted to pandemic. As a result, we have achieved a solid revenue growth in the first 9 months in 2020. Despite the economic slow-down our customers have not scaled down the services.

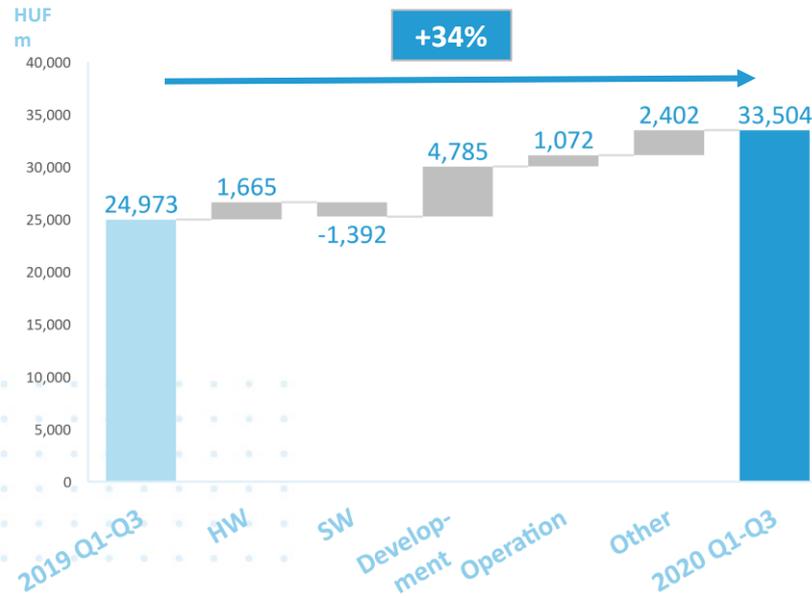
OTHER: 4iG's long standing partnerships had resulted in significant customer wins in 2020 in support services, infrastructure development and consultancy which generated robust revenue growth in the period

(1) Other revenue includes Support and Consulting, Implementation and Other Services

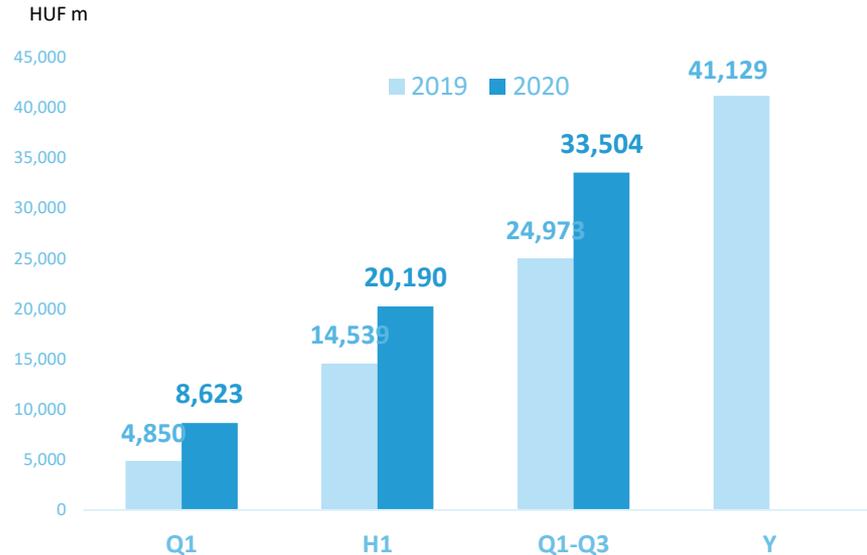


2020 9M REVENUE BRIDGE

NET REVENUE BRIDGE



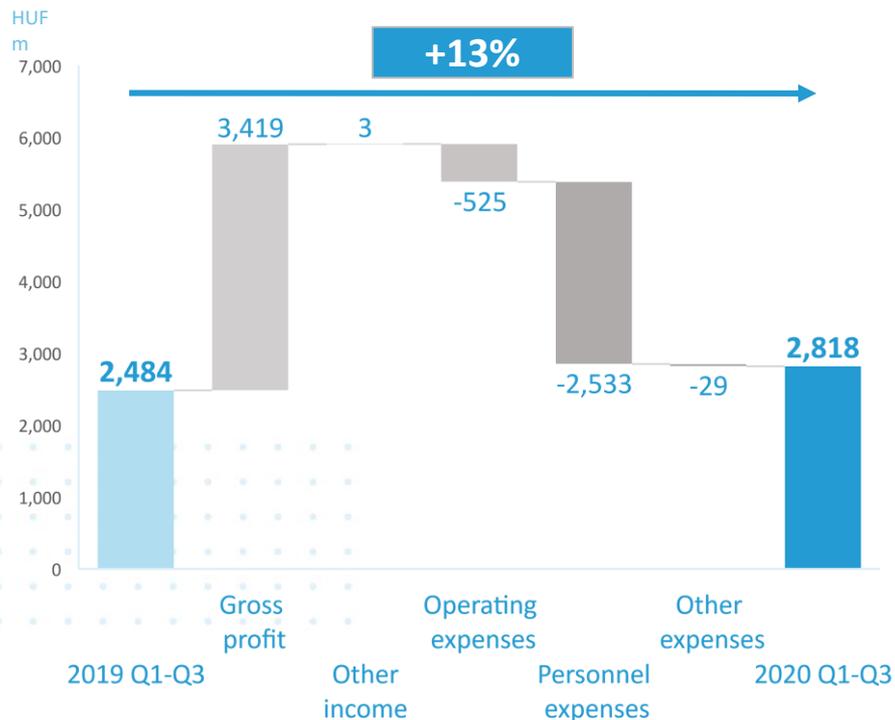
NET REVENUE BUILD-UP



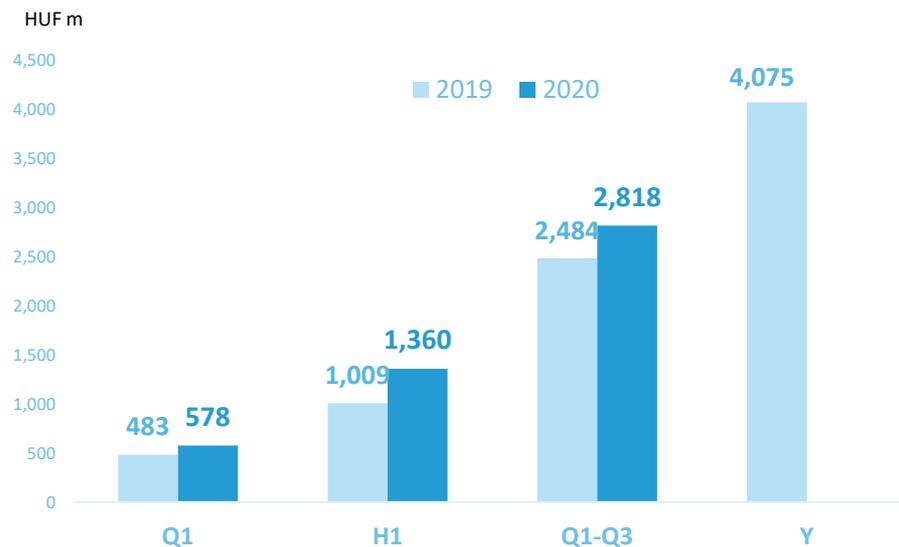
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2020 9M EBITDA BRIDGE

EBITDA BRIDGE



EBITDA BUILD-UP



2020 9M P&L OVERVIEW

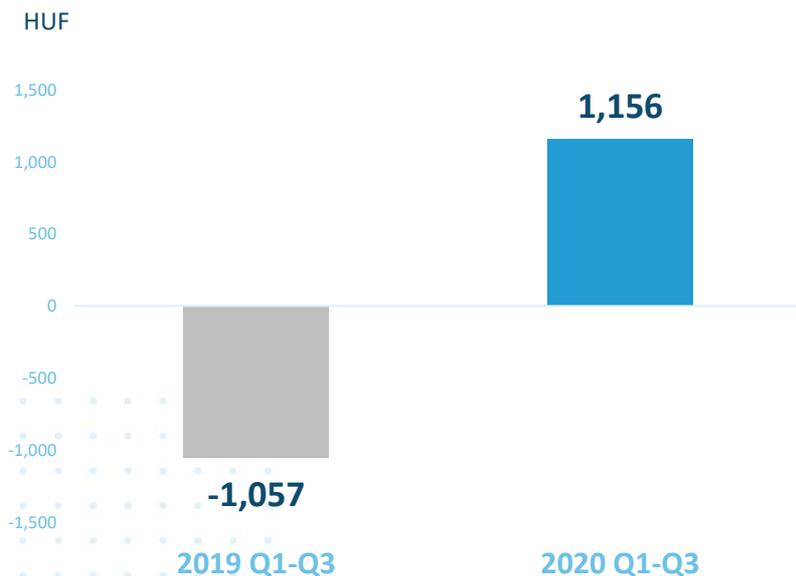


4iG Nyrt (HUF M)	2019 Q1-Q3	%	2020 Q1-Q3	%	2020 Q1-Q3 / 2019 Q1-Q3
Net Revenues	24,973	99%	33,504	99%	134%
Other operating income	213	1%	216	1%	101%
Total income	25,186	100%	33,720	100%	134%
Cost of Goods and Subcontractors	18,226	80%	23,338	76%	128%
Operating expenses	1,094	5%	1,620	5%	148%
Personnel expenses	3,360	15%	5,893	19%	175%
Other expenses	22	0%	52	0%	234%
Operating costs	22,702	100%	30,903	100%	136%
EBITDA	2,484		2,818		113%
Depreciation and impairment	496		569		115%
Net financial income	9		30		329%
Profit before taxes (PBT)	1,997		2,278		114%
Income taxes	305		404		132%
Profit / Loss after Tax	1,692		1,874		111%

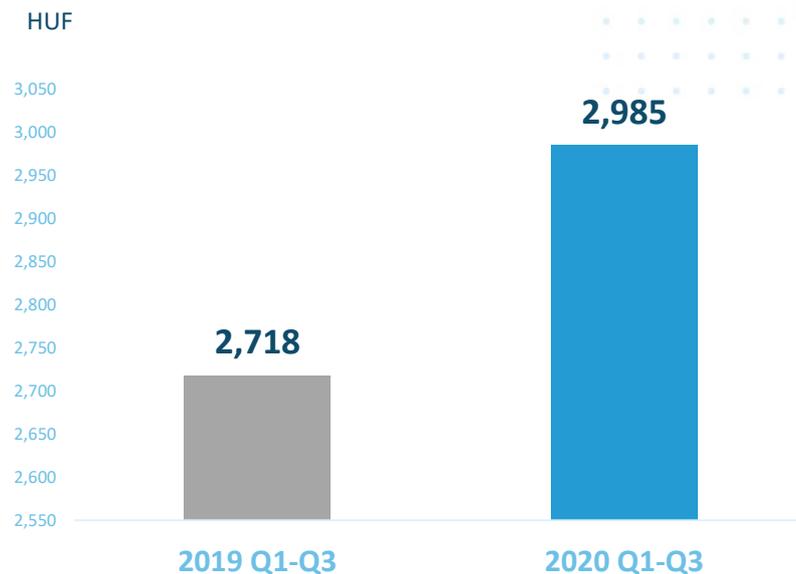
- 2020 Q3 revenue growth of 4iG's strategic services in Outsourcing and Development have been further increased in the period which represent a solid pillar to the topline growth of the business.
- Development projects have followed the planned schedule supporting the stable financials of the Company.
- The headcount increase in Q3 has slowed down, however with the rapid revenue increase, the revenue per headcount has improved significantly.
- The rapid growth of the Company also prompted a restructuring of the organization including the optimization of our internal and external resources. The impact of these is expected to show results in our full year 2020 financials
- Consolidation effect of 4iG's subsidiary named DOTO Plc. has influenced the operational and personal expenses

2020 9M BALANCE SHEET SUMMARY

NET DEBT/(-CASH) ⁽¹⁾



WORKING CAPITAL ⁽²⁾



Note (1): Net debt includes Provisions, Financial leasing IFRS 16, without Guarantees and Securities

Note (2): Working capital denotes Current Assets (without accrued) – Current Liabilities (without accrued)

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*We provide solutions and
create value for the
complete IT life cycle,
supporting
your business 24x7.*

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