

INVESTOR PRESENTATION

2020 H1 RESULTS

4iG Nyrt.

28th August 2020



4iG

2020 H1 KEY HIGHLIGHTS

- 4iG now is the #2 IT system integrator in Hungary following its change of management
 - Up from #6 in 2018
- 2020 H1 was 4iG's strongest ever first half year and we continued to show strong growth both on revenue and EBITDA levels
 - 20,2 bn HUF of revenue (a 38,9% increase on 2019 H1)
 - 1,4 bn HUF of EBITDA (a 34,8% increase on 2019 H1)
- Topline growth of 38,9% 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
 - As a result the share of recurring revenue has increased from 10% in H1 2019 to 16% in H1 2020 and the share of Development, Outsourcing and Support / Consulting revenue has grown from 16% in H1 2019 to 36% in H1 2020
- Employee number further increased to 644 as of 30th June 2020

2020 H1 MAJOR POST BALANCE SHEET EVENTS

- On 2nd July 2020, Gellért Jászai, Chairman and CEO of 4iG, through his asset management company, announced the acquisition of all the 4iG shares owned by Opus Global Nyrt. and Konzum Private Equity. Following the acquisition, the ownership control of Gellért Jászai has increased to 61,8% in 4iG demonstrating his long-term strategic commitment towards the Company.
- On 9th July, as part of its ongoing buy-and-build strategy, 4iG announced the acquisition of TR Consult Kft., a specialist IT consultancy focused on the cybersecurity sector. TRC will help expand 4iG's existing capabilities in the information security area as well as increasing its capacity.
- On 17th August, 4iG announced the creation of CarpathiaSat Hungarian Space Telecommunications Corporation, a JV formed between 4iG (51%), Antenna Hungária (44%) and New Space Industries (4%) to launch and operate Hungary's first geostationary satellite for commercial, governmental and scientific research. Hungary's first satellite will broaden 4iG's footprint and progress its strategy to become the leading IT services company in Hungary and the CEE region. In addition to informatics and info communications, our goal is to acquire expertise and skills in technology industries such as telecommunications or the space industry.

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 majority owner of 4iG with a 40,2% control in July 2019• In July 2020, Mr. Jászai further increased his shareholding to over 61,8% in 4iG
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
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 644 in June 2020
EXPANSION APPROACH	<ul style="list-style-type: none">• Organic growth expected to be complemented with acquisitions and partnerships / JVs• 38,9% organic growth achieved in 2020 H1 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 revenue of 20,2 bn HUF for the six months to June 2020 and a contracted backlog of 20,8bn HUF for 2020 as of 14th Aug 2020
- We will continue to grow strongly but we expect the growth rate to normalise
 - 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 will be paid in September 2020.

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 will allow 4iG's COVID19 response plan to react to future waves more accurately
- Majority of the employees started working remotely which has been shown to support the business, therefore remains in practice

Financial

- As expected, COVID-19 slow-down influenced the 2020 H1 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 have kept our previously announced financial guidance unchanged

A blue-tinted cityscape, likely Vienna, featuring a prominent domed building (St. Stephen's Cathedral) and a river (the Danube). The image is overlaid with a network of white dots and lines, suggesting connectivity or data. The text 'COMPANY OVERVIEW' is positioned in the upper right, and '4iG' is in the lower right.

COMPANY OVERVIEW

4iG

COMPANY SNAPSHOT

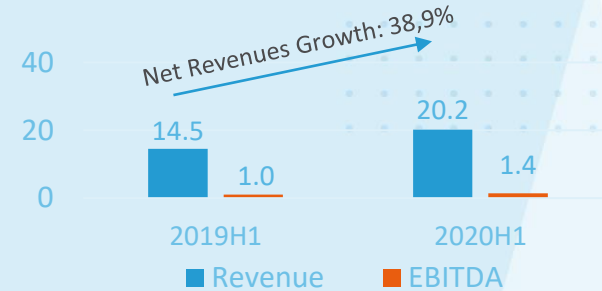
Business Highlights

- 4iG has proven to be flexible in order to fulfill our clients' expectations in timing and resources.
- 4iG's most important assets are the 400-500 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)

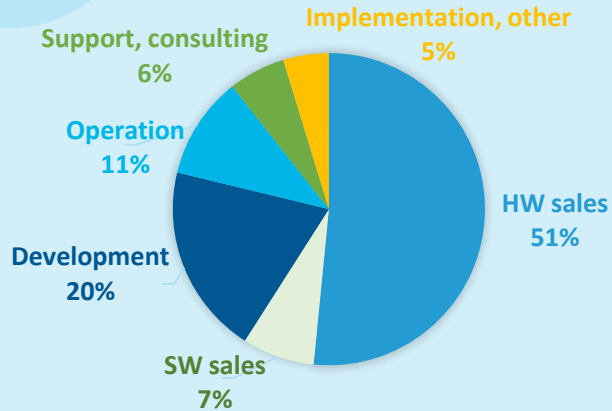


Long-standing Partnerships

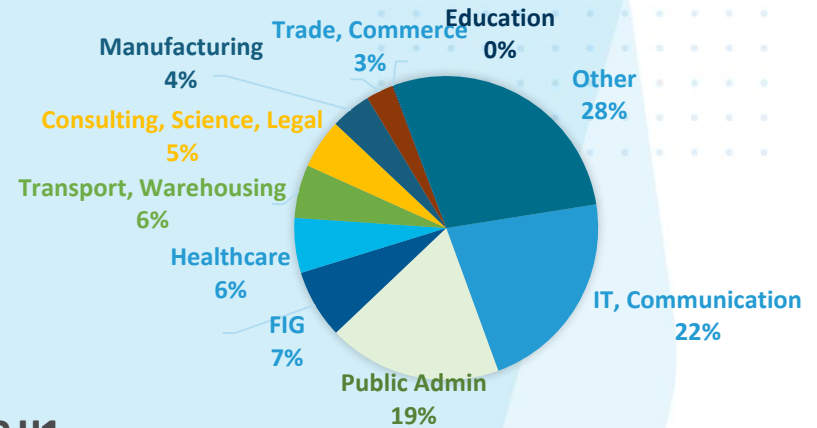


HIGHLY DIVERSIFIED BUSINESS MODEL

REVENUE BY SERVICE TYPE



REVENUE BY INDUSTRY

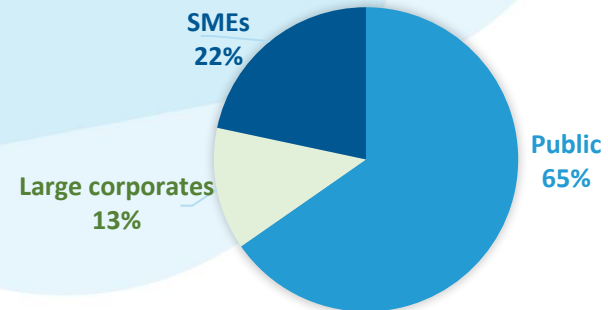


2020 H1
revenue
breakdown

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

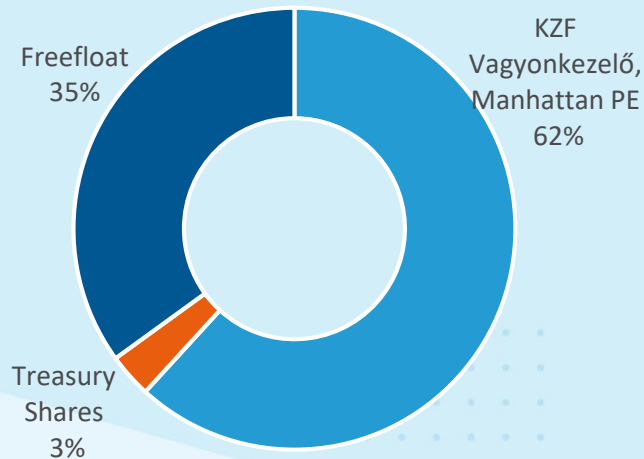
ACQUISITION PLANS

Robust organic growth complemented **by acquisitions**

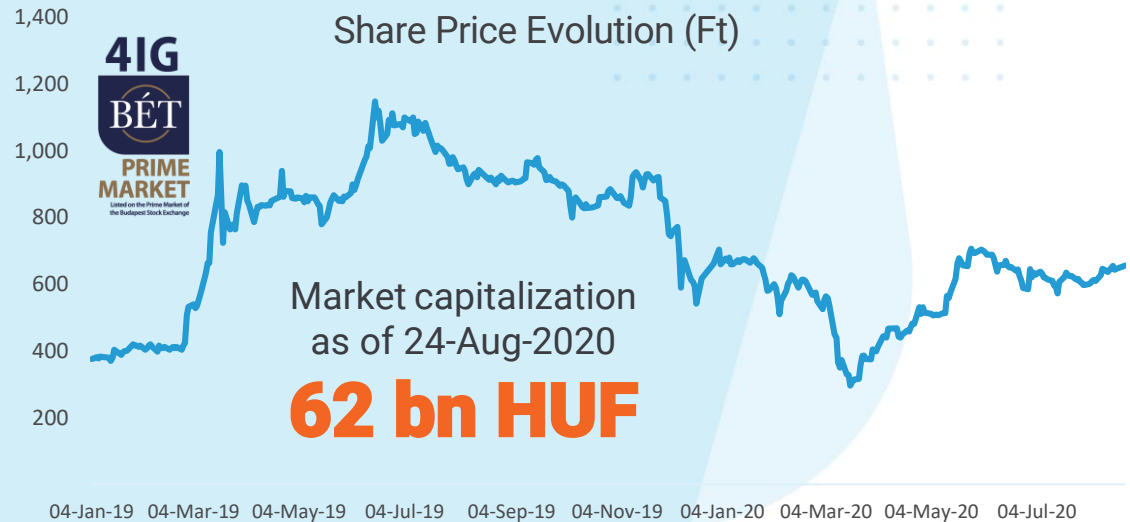
- **In Hungary**
 - Our goal is to consolidate our position
 - Invest into new technologies and
 - Enhance our capabilities in new sectors
- **In Central and Eastern Europe**
 - We are looking at opportunistic targets in the CEE region
- **Acquisition financing**
 - Combination of external financing (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⁾



SHARE PRICE PERFORMANCE



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

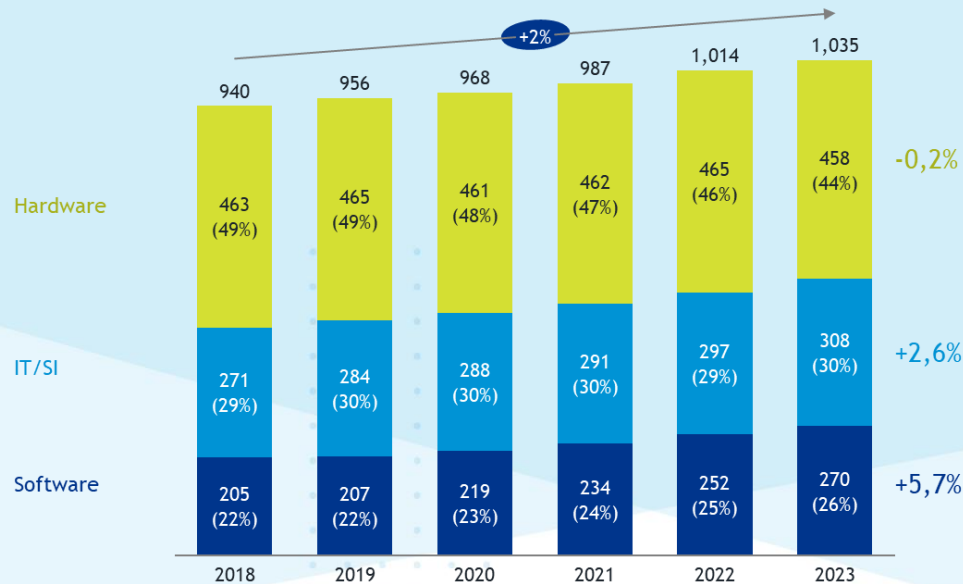
Note (1): Shareholders as of 24th Aug 2020
Source: BET



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)



Source: IDC 2019

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

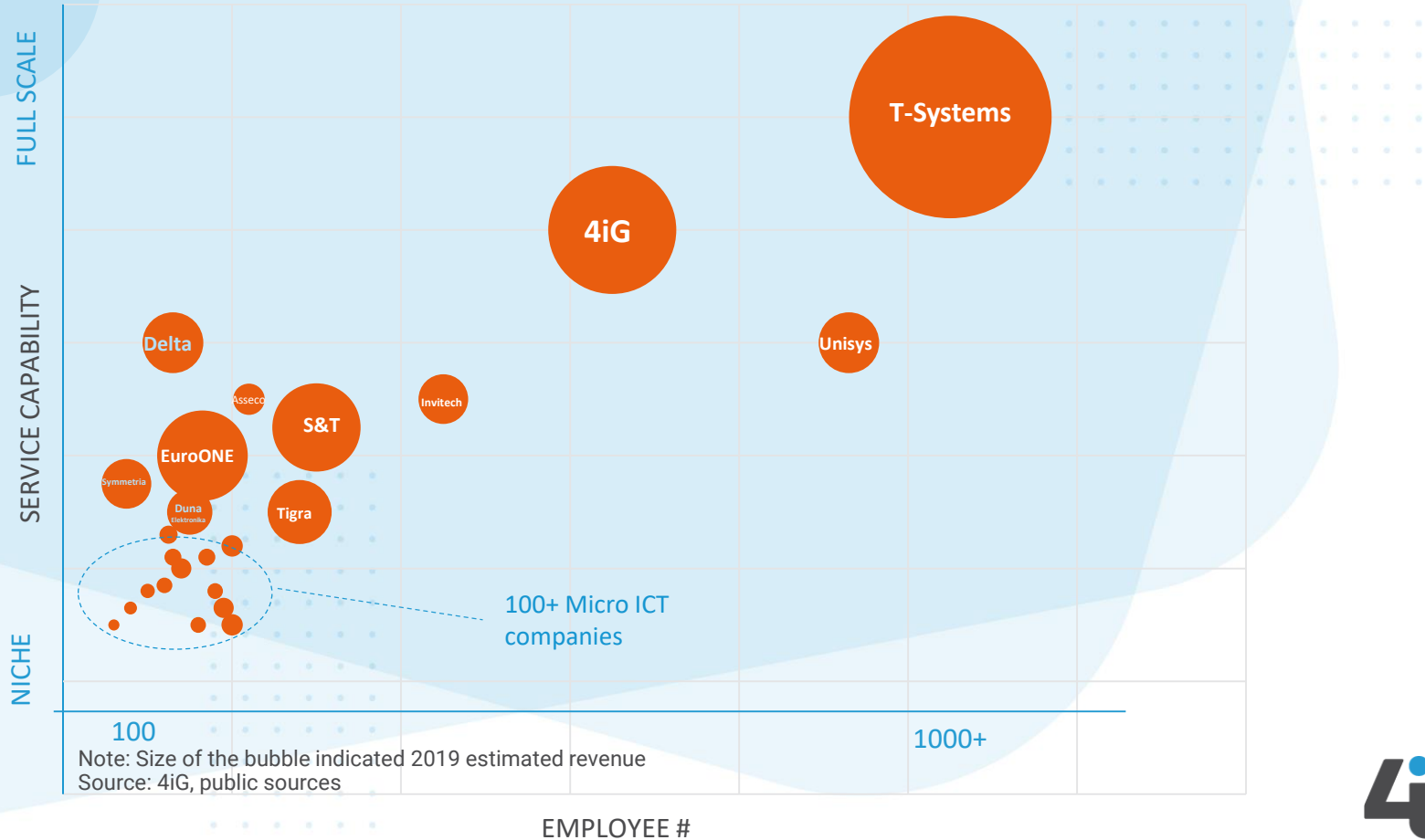
GDPR related backlog

- 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



4IG COMPETENCE MAP



CUSTOMER BACK OFFICE

INDUSTRY SPECIFIC SOLUTIONS

DATA CENTRE

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

LOCAL NETWORK & WIFI cabling and security



PUBLIC SECTOR

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

INDUSTRY 4.0

- 7x24h SLA based support-SSC and SOC workforce (managed outsourcing services):
 - Remote and onsite support/maintenance of datacentre and user workplace
 - Business application support
 - Managed cybersecurity
- Custom software development (desktop, web, mobile)
- Integration services (Infrastructure and application implementations)
- Consultancy, audit and quality assurance services

HIGH AVAILABILITY IT SYSTEM IMPLEMENTATIONS:

- IT Infrastructure:** datacentre, server, storage, backup, network, virtualization
- 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



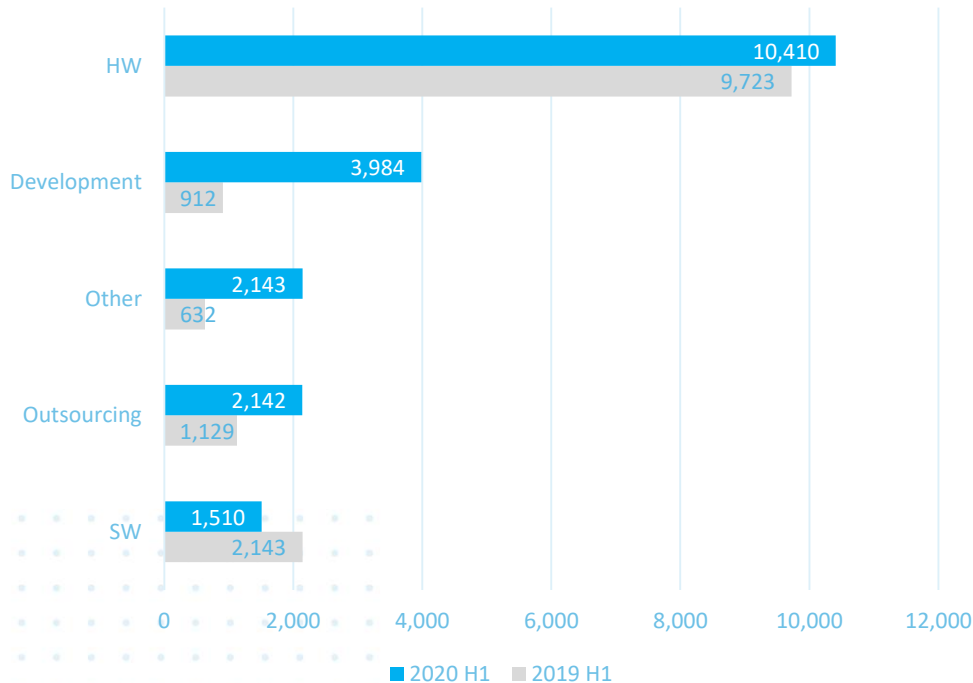
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FINANCIAL OVERVIEW

4iG

REVENUE EVOLUTION BY SEGMENTS

2019H1 / 2020H1 (million HUF)

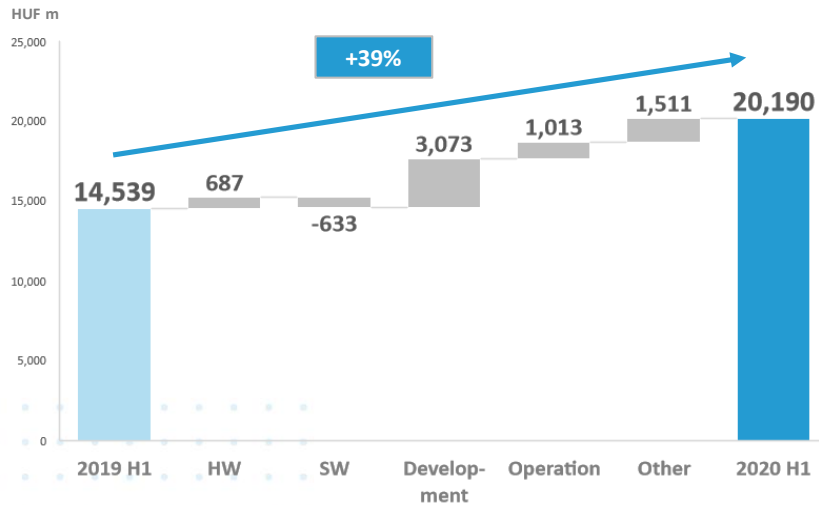


- **HW sales:** We have achieved higher growth in this segment, however the growth was due to the increase in the Q1 performance. After companies had provided their employees for the remote work with the necessary devices and infrastructure amid initial Covid 19 situation, the additional developments have been postponed 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:** Software development showed the strongest growth in H1 2020. Projects have not been impacted by the pandemic situation because programming, testing and the related alignments were managed through online channels and collaboration tools.
- **Outsourcing:** We have secured a number of long term outsourcing contracts in 2019. As a result, we almost doubled our revenue in H1 2020. Despite the pandemic situation our customers did not scale down the services.
- **Other:** 4iG's long standing partnerships had resulted in significant customer wins in 2019 in support services, infrastructure development and consultancy which generated robust revenue growth in H1 2020.

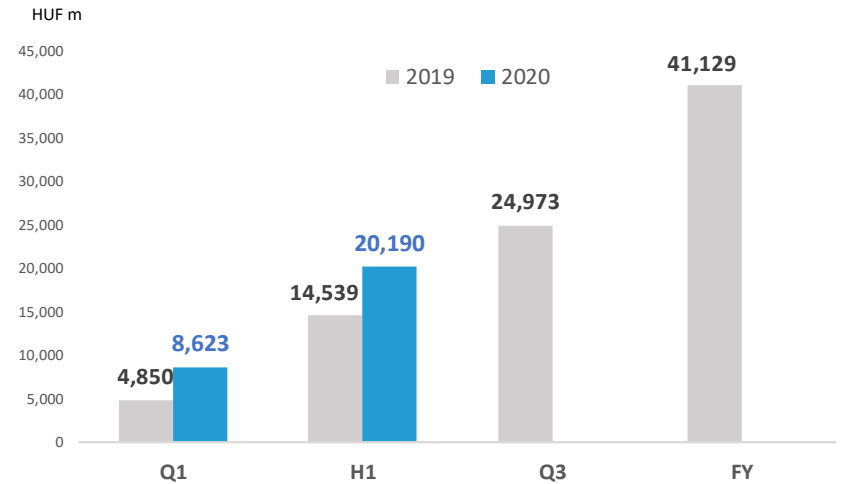
(1) Other revenue includes Support and Consulting, Implementation and Other Services

2020 H1 REVENUE BRIDGE

NET REVENUES BRIDGE



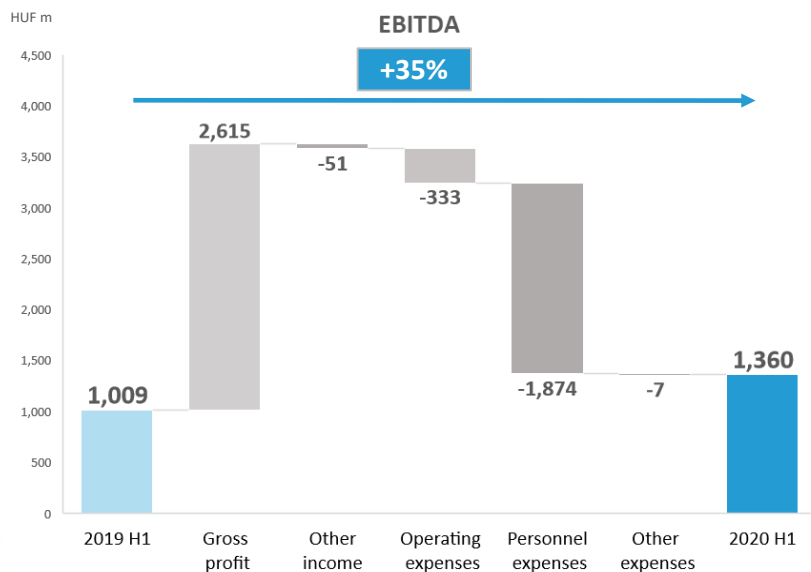
NET REVENUES BUILD-UP



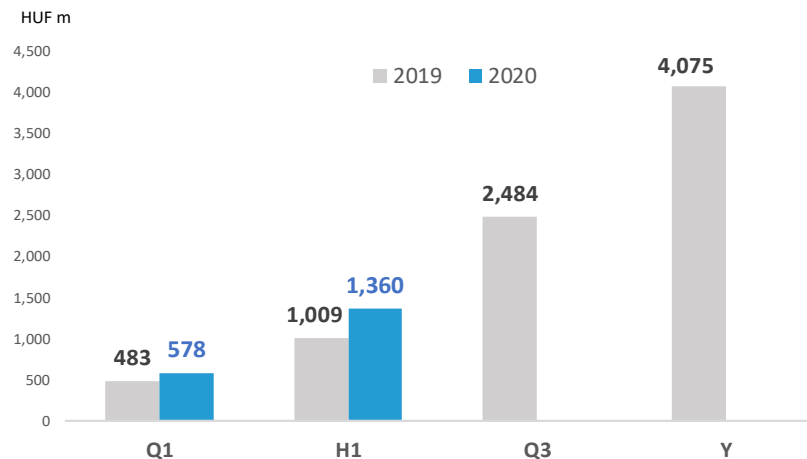
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2020 H1 EBITDA BRIDGE

EBITDA BRIDGE



EBITDA BUILD-UP



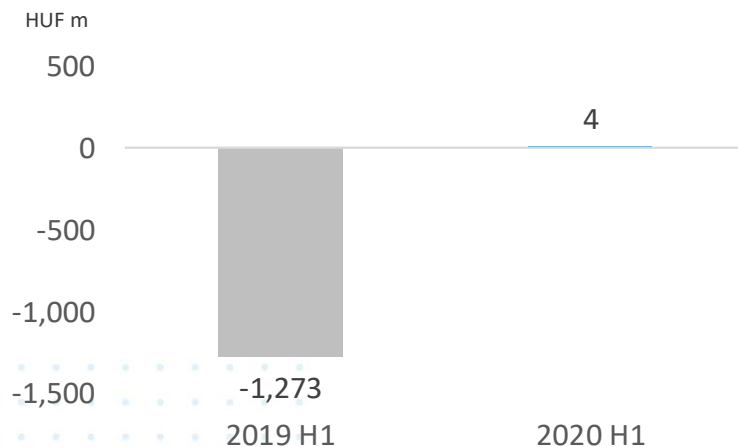
2020 H1 P&L OVERVIEW

4iG Nyrt (HUF M)	2019 H1	%	2020 H1	%	2020 H1 vs 2019 H1
Net Revenues	14,539	99%	20,190	100%	139%
Other operating income	148	1%	98	0%	66%
Total income	14,687	100%	20,288	100%	138%
Cost of Goods and Subcontractors	10,985	80%	14,021	74%	128%
Operating expenses	672	5%	1,005	5%	150%
Personnel expenses	2,000	15%	3,874	20%	194%
Other expenses	21	0%	27	0%	133%
Operating costs	13,678	100%	18,927	100%	138%
EBITDA	1,009		1,360		135%
Depreciation and impairment	294		370		126%
Net financial income	-13		-1		8%
Profit before taxes (PBT)	702		989		141%
Income taxes	123		214		174%
Profit / Loss after Tax	579		775		134%

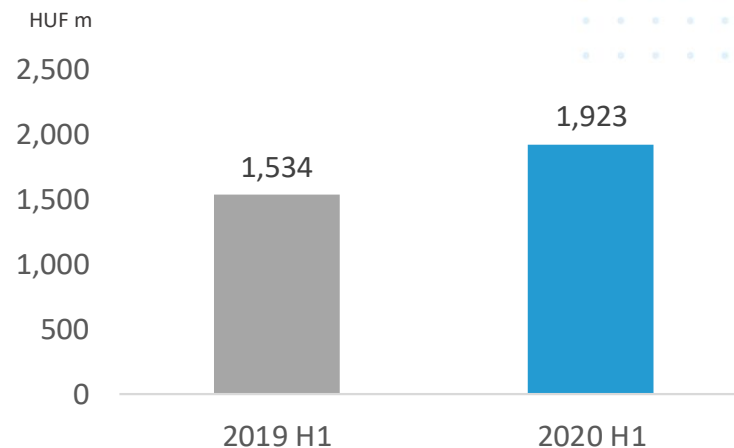
- 2020 Q1 revenue growth of 4iG's strategic services in Outsourcing and Development have been further increased in Q2 which represent a solid pillar to the topline growth of the business.
- Development projects have followed the planned schedule supporting the stable financials of the Company.
- The headcount increase in H1 compared to 2019 has moderated, 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 full benefits of this restructuring are expected to be seen in the 2020 financial year.

2020 H1 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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