

4G

INVESTOR PRESENTATION

2021 H1 RESULT



2021 H1 KEY MILESTONES

- *Since the change in ownership in July 2018, 4iG has become the number two integrator in the Hungarian IT market, up from number six in 2018, and **4iG is expected to take over the market leadership position in 2022.***
- *The first half of 2021 was the strongest in the history of 4iG:*
 - ***32.12 billion HUF (59.0% increase compared to H1 2020);***
 - ***1.77 billion HUF EBITDA (30.0% increase compared to H1 2020).***
- ***The outstanding 59.0% increase in sales is a mix of organic and acquisition-driven growth. Organic growth was driven primarily by Software Development, demonstrating the return on our previous investments.***
- *With the acquisition of **Poli Computer Ltd. and Hungaro DigiTel Ltd.**, the number of employees **increased by 312** compared to 944 as of 31 March 2021. This brings the **total number of employees in the 4iG Group to 1,256.***

2021 Q2 HIGHLIGHTS

- *On 14 April 2021, 4iG Plc. acquired 70% of the shares of Spacenet Ltd., thus acquiring a majority controlling stake in Spacenet.*
- *On 1 June 2021, following a successful procedure before the Hungarian Competition Authority, 4iG Plc. acquired yesterday, in a multi-stage process, 100% of the share capital of Poli Computer PC Ltd. through a share purchase agreement instead of a share transfer.*
- *On 1 June 2021, Hungaro DigiTel Ltd. acquired a 75% stake in Hungaro DigiTel Ltd. through the previously announced multi-stage process, i.e., through a share purchase agreement and the related **sale and purchase agreement between 4iG Plc. and Bartolomeu Investments Ltd.** as a company indirectly managed by Alpac Capital - Sociedade de Capital de Risco, S.A.*
- *On 17 June 2021, the 4iG NKP Bond 2031/I. issued by 4iG Plc. under the Growth Bond Programme announced by the Magyar Nemzeti Bank was registered in the BSE's XBond multilateral trading system.*
- *On 25 June 2021, Scope Ratings GmbH, an independent international rating agency, issued a [new analysis](#) of 4iG Plc.*

SUPERVISORY BOARD

- *In April 2021, 4iG has established a new **Strategic Advisory Board**, entrusting the professional body with the development of international relations and complex advisory tasks*
- *Establishing a panel that enhances the work of the Board of Directors fits into the **regional growth strategy** of the company*
- *The board is chaired by Ambassador Borbála Czakó, with members including Ambassador Nancy Goodman Brinker, Karen Tramontano, Sunil Sabharwal, Csaba Lantos, and János Martonyi.*

***Ambassador Borbála Czakó**, Founding President IoD Hungary, Chartered Director. Financial strategist, transformational leader, and diplomat. Borbála is former Hungarian Ambassador to the UK and Honorary President of the Hungarian Business Leaders Forum. During her professional career, Borbála served in various top-level management positions, including Chief of Mission for the World Bank, CEO of EY Hungary, Regional Managing Partner for CEE EY at Mergers & Acquisition Services, and Ambassador at the Foreign Office.*

***Karen Tramontano**, Co-chair of the 4iG Advisory Board. She is co-founder and CEO of Blue Star Strategies, a firm providing strategic advice to corporations, investors, and public sector actors. She served as Deputy Chief of Staff to President Bill Clinton between 1997-2001. Her portfolio encompassed international trade and transatlantic affairs, as well as the finances of several international economic organizations, such as the WTO and the World Bank.*

***Nancy Goodman Brinker** is one of America's most influential people. She is included in 21 Women to Watch in 2021, compiled by Brown Brothers Harriman, one of the oldest and largest private and investment banks in the US. She is an iconic leader of the breast cancer movement and founded the Susan G. Komen Foundation. She was awarded the Presidential Medal of Freedom by Barack Obama in 2009, the highest civilian decoration in the US and was Goodwill Ambassador of the World Health Organization (WHO). Between 2001-2003, she served as US Ambassador to Hungary, and she was White House Chief of Protocol between 2007-2009.*

***Csaba Lantos**, economist and businessman. He headed securities trading and investment fund management at Creditanstalt Group between 1989-2000. From 1997, he was CEO of CA IB Értékpapír Co., the investment bank controlling the entire Creditanstalt Group. Between 2000-2007, he was Deputy CEO and Member of the Board of Directors at OTP Bank Co. He was Member of the Exchange Council, which founded the Budapest Stock Exchange (BSE), and Chairman of the BSE Supervisory Board between 1990-2011.*

***János Martonyi**, legal scholar, diplomat, lawyer, professor, with a PhD in Law and Political Sciences. He taught at the Faculty of Law and Political Sciences, becoming Associate Professor, Head of Department, Professor and Head of Department in 2000. Since 2010 he has been Professor at the University of Szeged. Between 1989-1990, he was Government Commissioner for Privatisation, then State Secretary for Public Administration. From 1994 to 1998, he was a lawyer and senior partner at Baker & McKenzie and a member of its European Board of Directors. Between 2002-2009, he practiced law again and headed law firm Martonyi & Kajtár Baker & McKenzie. He was Foreign Minister in the first and second Orbán governments.*

NEAR TERM OUTLOOK

- *Our goal is to enter and further strengthen the company in its **three pillar strategic target segments (IT, Telco/Infrastructure, Space)** in 2021 and **become the #1 integrator in the Hungarian IT market in the next two years.***
- *We are looking forward to an **outstanding year in 2021**, with a current contract portfolio in excess of **HUF 42.69 billion backlog**, on top of sales already **completed by 27 Aug 2021***
- *The acquisition supported **dynamic growth** continues:*
 - *the growth rate is expected to be above 25% in 2021;*
 - *annual growth is expected to be above 10% after 2021;*
- *We are targeting an **8-10% EBITDA margin** in the medium term (2-3 years)*

COMPETENCE DEVELOPMENT OVERVIEW



On 26 January 2021, 4iG acquired a **24%** stake in **Rotors & Cams Ltd.**, making it a minority shareholder of the Target Company. 4iG will act as a professional investor in the target company, and the aim of the acquisition is to establish close professional cooperation between the companies in the IT and R&D-centric development of unique unmanned aerial devices. Rotors & Cams, which designs and manufactures industrial, agricultural, scientific and defense rotor-propelled drones, also offers solutions for drone defense, with annual sales of **HUF 4.3 billion** in 2020.



On 10 March 2021, 4iG acquired a **70%** stake in **Spacenet LLC.**, making it the majority shareholder of the Target Company. Spacenet is a provider of network, IT security, collaboration and data center infrastructure solutions, including the implementation, operation, high-level automation and support of these solutions. Spacenet is a **Cisco GOLD partner**, which enables it to provide support services to its customers independently, and since its foundation it has been the exclusive representative of the German DataCenter Group for data center core infrastructure in Hungary. Spacenet currently employs **20 people** and has a turnover of more than **HUF 5.1 billion** in 2020.



On 1 June 2021, 4iG successfully completed its acquisition of the ownership of **Poli Computer Ltd.**, through which it acquired a **100%** stake in the Company. With the acquisition of Poli Computer, 4iG will become the market leader in the outsourced and managed IT services segment in Hungary. The company, headquartered in Budapest, has a turnover of more than **HUF 2.4 billion** in 2020 and **197 employees**.



On 1 June 2021, 4iG successfully completed its acquisition of a **majority stake** in **Hungaro DigiTel Ltd.** Hungaro DigiTel Ltd. is Hungary's leading satellite telecommunications operator and one of the region's leading satellite telecommunications operators. **HDT's headcount is 45.**

COMPETENCY DEVELOPMENT

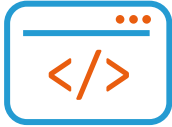
The Company introduced itself developed, bearing the brand name **4iOP** integrated product family, which ensures digital solutions in the areas of **Industry 4.0, operation and manufacturing**. The system, adjusted to the claims of clients, modularly constructed and machine-learning supported, offers IT solutions for each level regarding the manufacturing processes. The favorable market welcome of the product family pursues 4iG to strengthen its product and service palettes in such key areas like **blockchain, cybersecurity** or **fintech**.



FOCUS AREAS OF 4IG GROUP

4iG GROUP

IT /SYSTEM INTEGRATOR



- Aim to become the market leader
- Harmonization and exploitation of competences between IT member companies

TELECOMMUNICATION & INFRASTRUCTURE



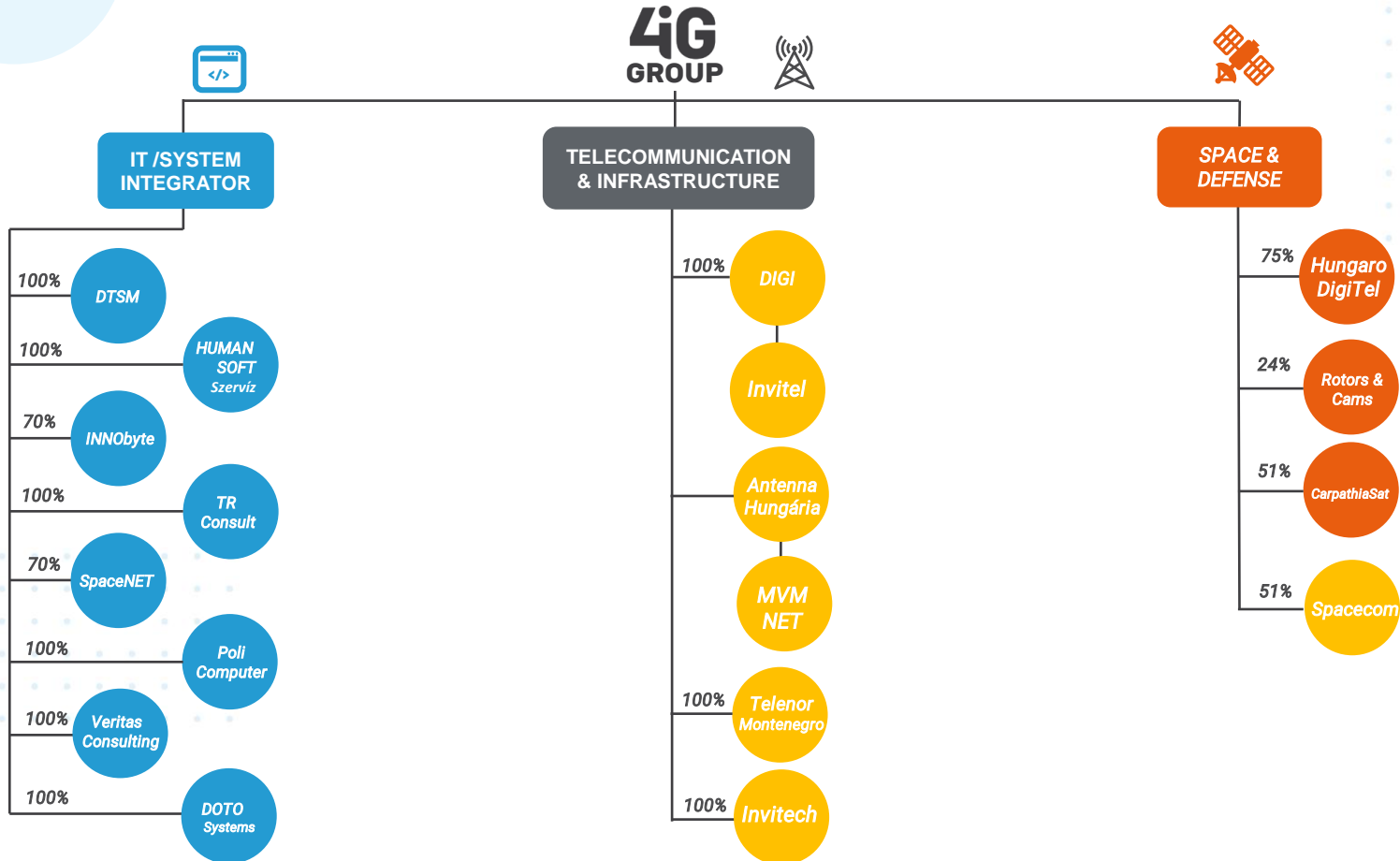
- Significant synergistic opportunities in the IT and Telco industry
- In the form of long-term, predictable contracts that generate ongoing revenue

SPACE



- 4iG as an industry-specific system integrator
- Significant synergies between CapathiaSat and target companies

4IG HOLDING STRUCTURE



● Ongoing acquisitions





COMPANY OVERVIEW

4G

COMPANY SNAPSHOT

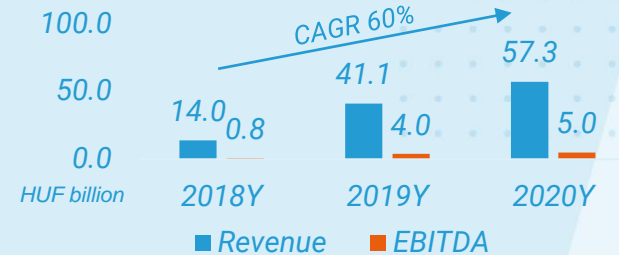
BUSINESS HIGHLIGHTS

- Due to its uniquely wide-range of competence and flexibility, 4iG is able to serve its customers' needs of any size or complexity
- 4iG's most important assets are the +800 technical employees (consultants and highly qualified engineers and technicians)
- Using the latest technological and technical solutions, 4iG is constantly striving to improve its services.

SELECT KEY COSTUMERS



FINANCIAL HIGHLIGHTS (HUF BN)



LONG-STANDING PARTNERSHIPS



ACTIVITIES OF SUBSIDIARIES



- **Founded:** 2019
- **Activity:** certified hardware service



- **Acquired:** 2020
- **Activity:** Hardcore developer company that delivers custom software solutions in the field of Artificial intelligence, data warehouse, FINTECH and test automation.



- **Founded:** 2019
- **Activity:** integrated solution for administration and process management through a program package



- **Acquired:** 2021 April
- **Activity:** Delivery of end-to-end IT network solutions in the field of switching, routing and firewalling



- **Acquired:** 2019
- **Activity:** integrated control system, enterprise resource planning system (SAP) consulting, sales



- **Acquired:** 2021 January
- **Activity:** Design, assembly and operation of own UAV defense systems



- **Founded:** 2020
- **Activity:** Space telecommunication, commercial/governmental/scientific research



- **Acquisition:** 2021 – June
- **Activity:** Focus on outsourcing stack of IT from end user support and infrastructure to Microsoft technologies



- **Acquired:** 2020
- **Activity:** Cybersecurity profiled company offering penetration audit, end point security, security operation center services (SOC) and ethical hacking



- **Acquisition:** 2021 – June
- **Activity:** Satellite telecommunication and broadcasting service providers



- **Acquired:** 2020
- **Activity:** offering support and maintenance services to Datacenter field infrastructure including high availability facility systems.



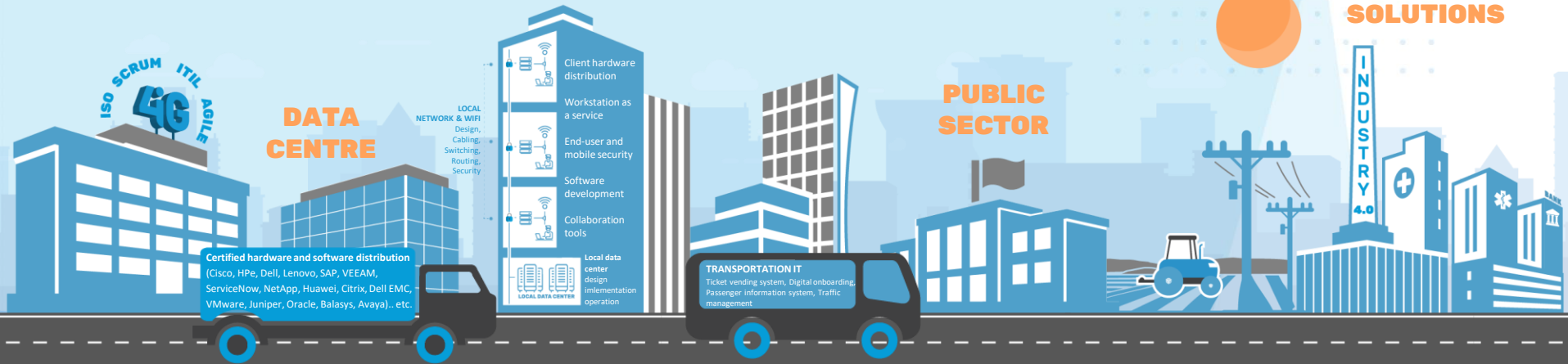
COMPETENCE MAP



AIRLINE IT SUPPORT AND OPERATIONS

CUSTOMER BACK OFFICE

INDUSTRY SPECIFIC SOLUTIONS



DATA CENTRE

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

LOCAL NETWORK & WIFI
Design, Cabling, Switching, Routing, Security

Client hardware distribution
Workstation as a service
End-user and mobile security
Software development
Collaboration tools
Local data center design implementation operation

PUBLIC SECTOR

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

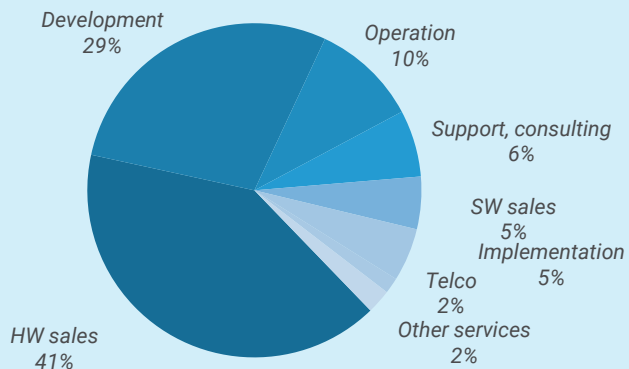
Fund management: application, evaluation, financing, controlling
Public sector tailored custom solutions

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

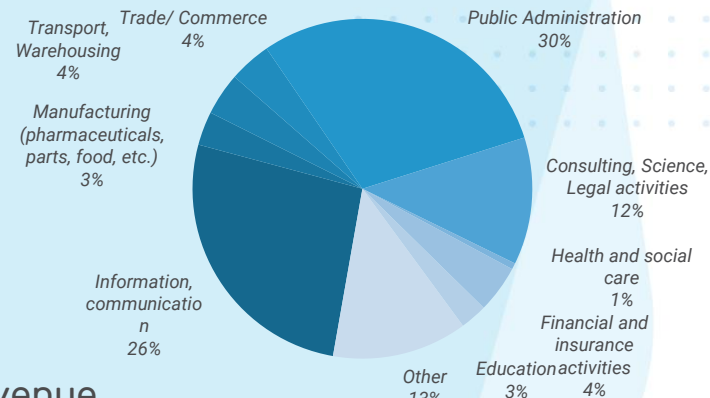


DIVERSIFIED BUSINESS MODEL

SALES BY SERVICE

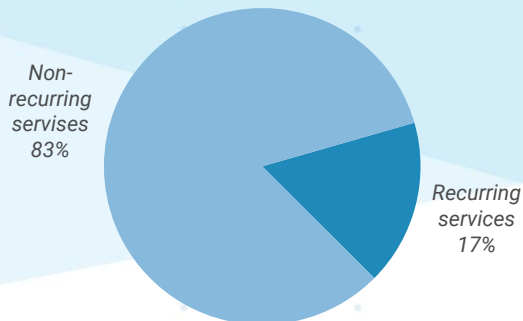


SALES BY INDUSTRY

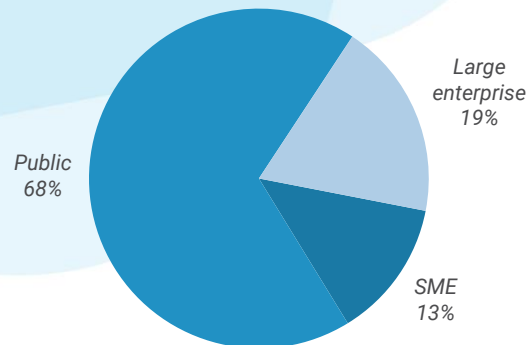


2021 H1 revenue
breakdown

SALES BY TYPE OF CLIENT

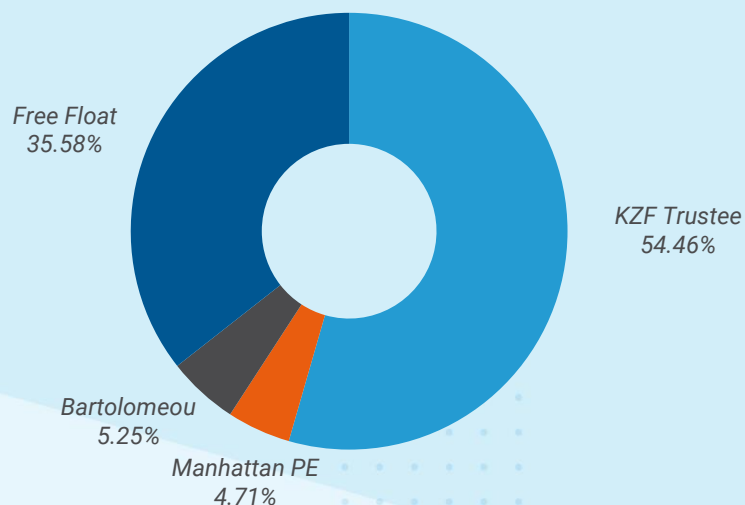


SALES BY CUSTOMER



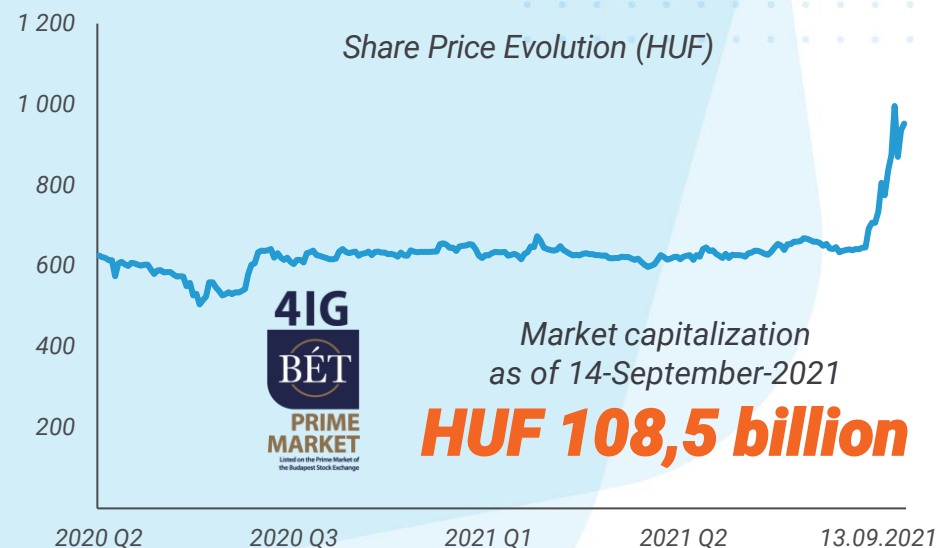
SHAREHOLDER INFORMATION

KEY SHAREHOLDERS⁽¹⁾



Note (1): Shareholders as of 25th Aug 2021
Source: BET

SHARE PRICE PERFORMANCE



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



HUNGARIAN IT MARKET

HUNGARY'S IT MARKET EXPECTED TO GROW BY 4% PER YEAR, MAINLY IN THE DEVELOPMENT AND SUPPORT SEGMENTS

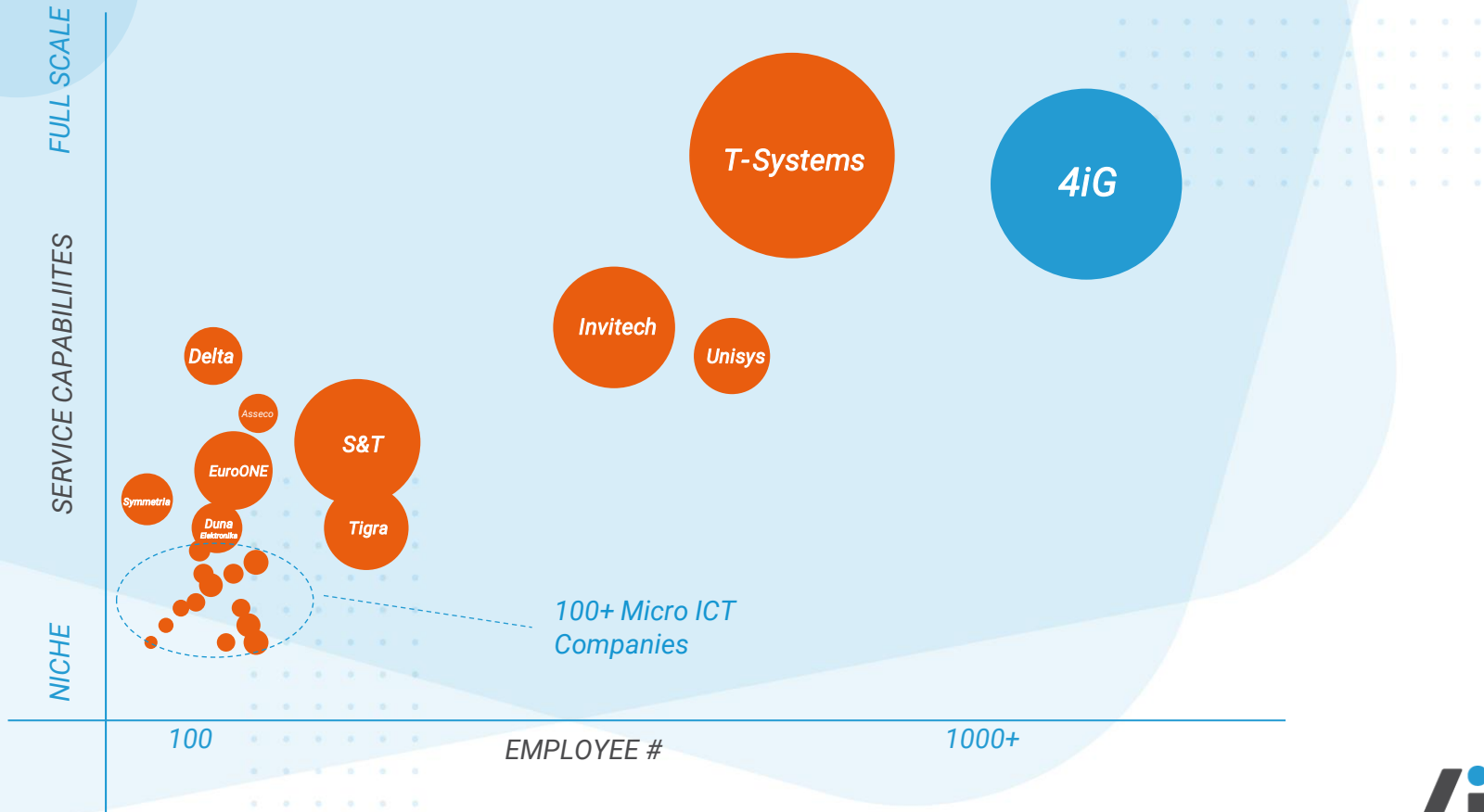
MARKET GROWTH FORECAST 2020-25 (mHUF)



MAIN MARKET DRIVERS

- Changing customer behavior; many companies need to adapt their business models and underlying IT infrastructures
- The 6.6% yearly growth of Support services in 2020 is slightly above the total market growth (5.5%) and it's generated by especially the massive growth of software support services (8.8%). Covid has had higher impact on the other two submarkets, but only slowed down their development as the need for hardware infrastructure and its support remained solid which was only mitigated by the shipment difficulties.
- Projects has not stopped in the public sector too. Many of the significant state-run companies (posta, MÁV) has continued their digitalization journey, bringing various new projects.
- The growth of the total project services market was 3.6% in 2020, and the compound annual growth of the foundation market is expected to be 4.0% (2020-2025).
- The growth of the total outsourcing market was 8.0% in 2020, and the compound annual growth of the foundation market is expected to be 3.6% (2020-2025).
- The growth of the Outsourcing was the highest one among the foundation markets, reflecting to the still existing need for traditional outsourcing services, thanks to the core business attitude of end user companies and the increasing demand of continuous professional it services.

KEY PLAYERS IN HUNGARIAN IT MARKET



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

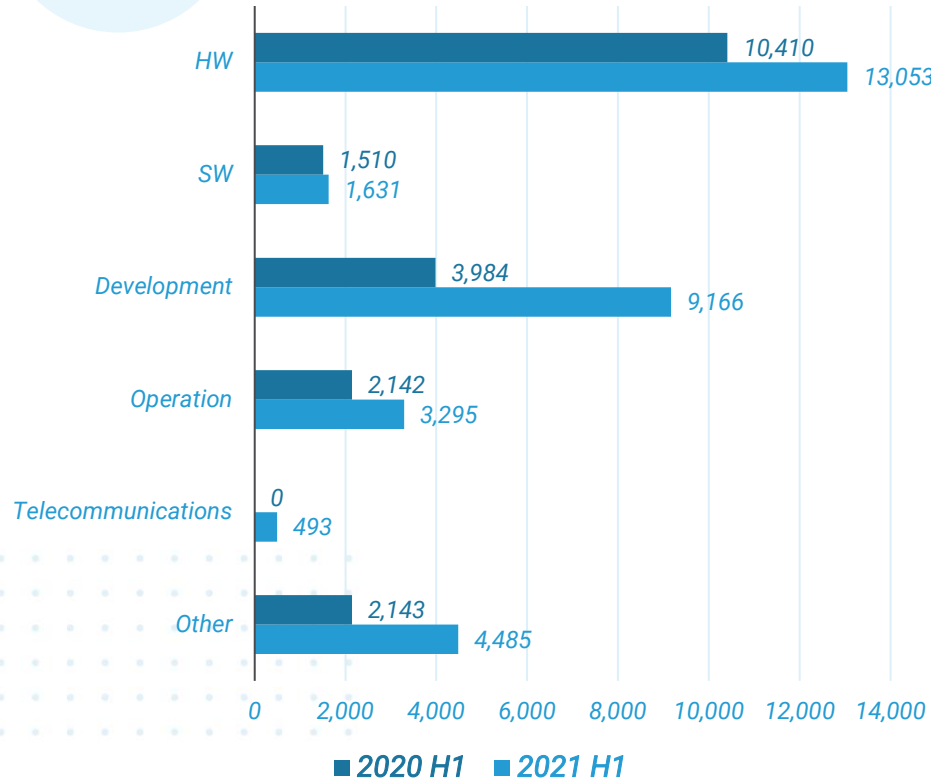




FINANCIAL OVERVIEW

4iG

REVENUE EVOLUTION BY SEGMENTS



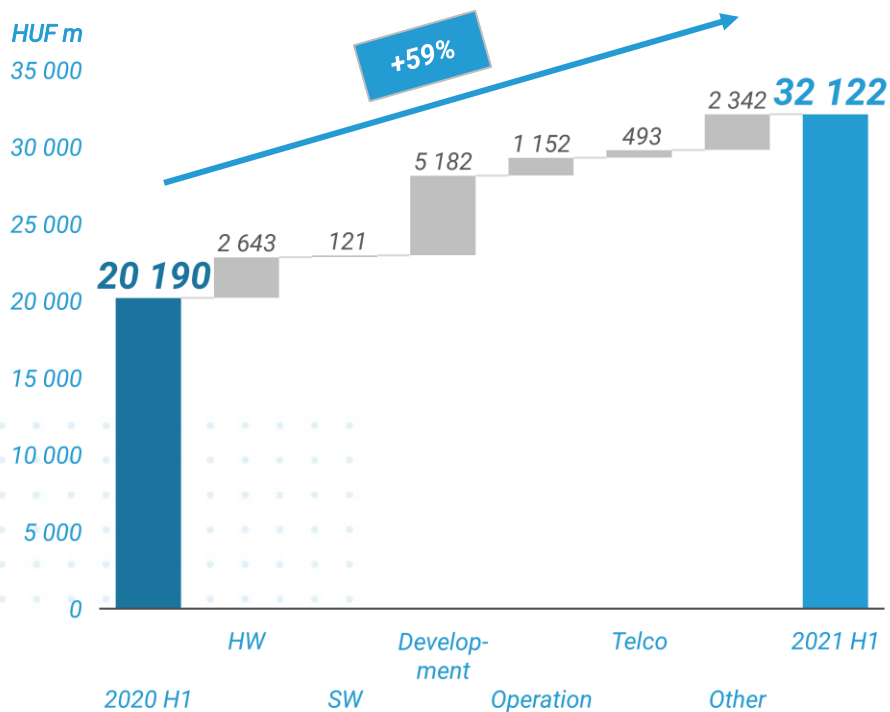
- HW SALES:** Turnover trend followed the increasing hardware sales market
- SW SALES:** The largest growth was in VMware license sales.
- DEVELOPMENT:** The number and value of development projects has increased, and 4iG is also working on a number of specific development projects that are longer-term and span several years.
- OPERATION:** The turnover of the DTSM subsidiary, which was newly acquired at the end of 2020, and the operating contracts signed in previous periods increased operating revenues.
- OTHER:** The success of our clients' ongoing support contracts, infrastructure development projects and consultancy services has been driven by the growth of our existing contracts, the quality and timeliness of the delivery of existing contracts, and the new subsidiaries.



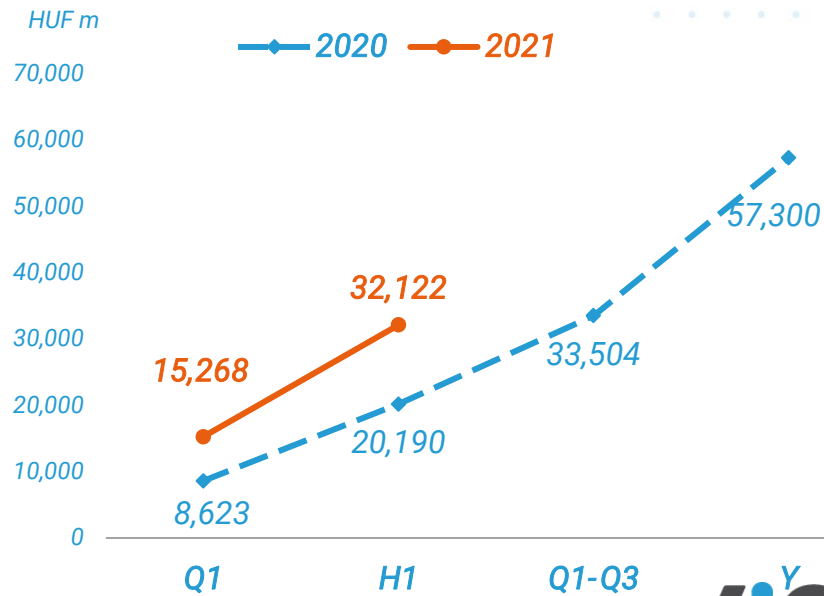
(1) Other revenue includes Support, Consulting, Implementation and Other services

2021 H1 REVENUE BRIDGE

REVENUE BY TYPE OF SERVICE



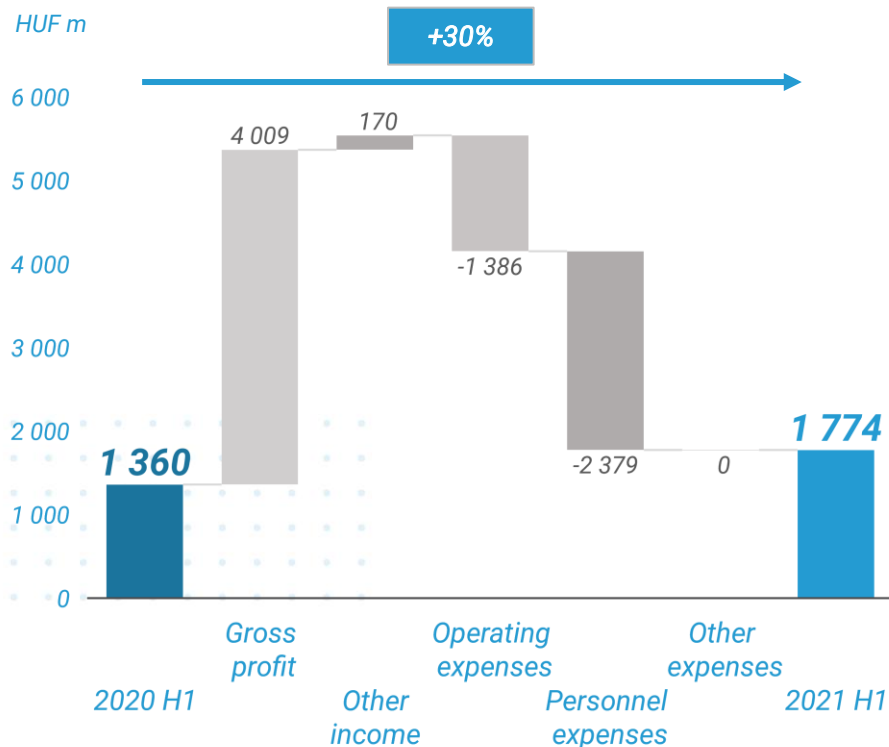
NET REVENUE BUILD-UP



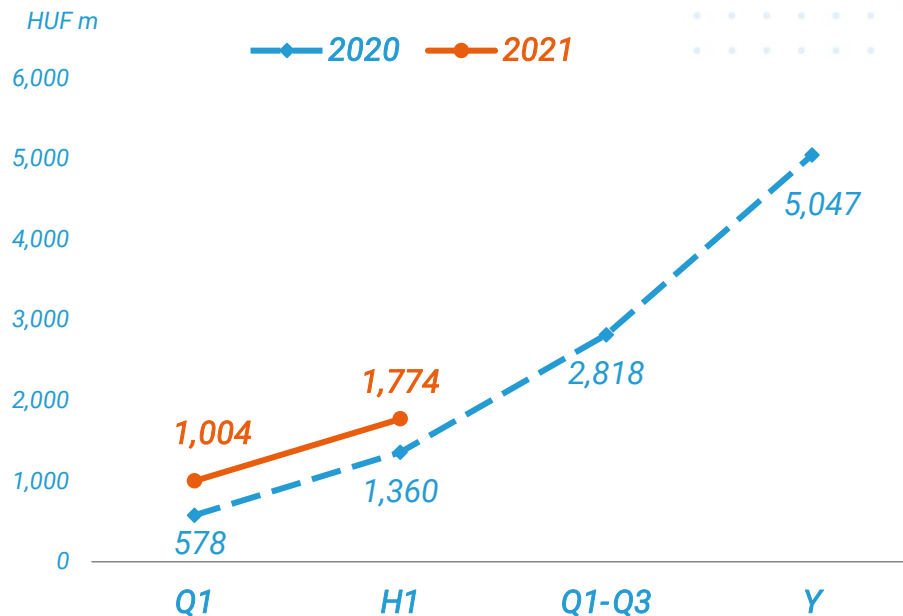
(1) Other revenue: support, consultancy, implementation and other services

2021 H1 EBITDA BRIDGE

EBITDA



EBITDA BREAKDOWN BY QUARTER



2021 H1 P&L OVERVIEW

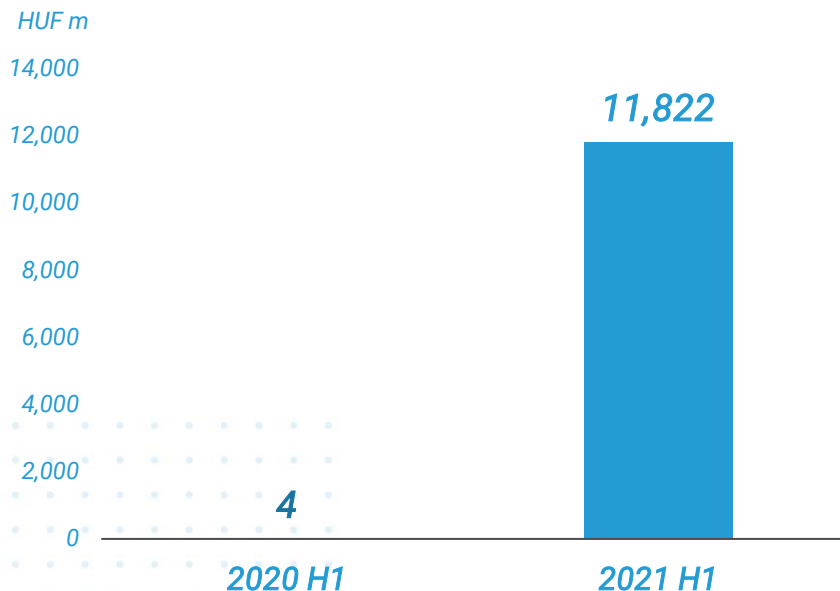
4iG Nyrt (HUF M)	2020 H1	%	2021 H1	%	2021 H1 / 2020 H1
Net Revenues	20 190	100%	32 122	99%	159%
Other operating income	98	0%	267	1%	274%
Total income	20 288	100%	32 389	100%	160%
Cost of Goods and Subcontractors	14 021	74%	21 944	72%	157%
Operating expenses	1 005	5%	2 391	8%	238%
Personnel expenses	3 874	20%	6 253	20%	161%
Other expenses	27	0%	28	0%	101%
Operating costs	18 927	100%	30 615	100%	162%
EBITDA	1 360		1 774		130%
Depreciation and impairment	370		852		230%
Net financial income	-1		-91		9106%
Profit before taxes (PBT)	989		831		84%
Income taxes	214		339		158%
Profit / Loss after Tax	775		492		64%

- In 2021 H1, the earnings growth was generated by the combined effect of significant organic sales growth and the companies acquired in 2020 H2.
- In line with the strategic objectives, the share of revenues from services has increased and our development type projects are typically on track, contributing to the balanced operation of the company.
- In line with our growth strategy, the headcount has been steadily and dynamically increased and in 2021 there was also a wage increase in line with market trends. The impact of this is being felt in the EBITDA margin.
- Along with permanent expansion and turnover growth, there is also a continuous process of organizational development, the exploitation of synergies and the creation of the right balance between external and internal resources.

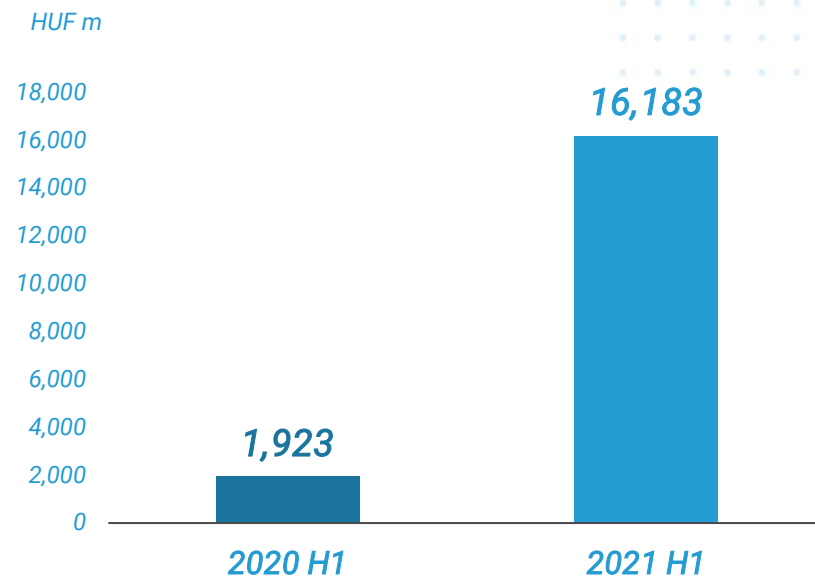


2021 H1 BALANCE SHEET SUMMARY

NET DEBT/(-CASH)⁽¹⁾



WORKING CAPITAL⁽²⁾



(1) Net debt: including provisions and long-term leases, rentals (IFRS16), excluding guarantees and securities

(2) Working capital = Fixed assets - Current liabilities



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