

4G

INVESTOR PRESENTATION

2021 Q1 RESULT



2021 Q1 KEY HIGHLIGHTS

- 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 2021.**
- Q1 2021 was the strongest quarter in 4iG's history:
 - **HUF 15.27 billion revenue (77.0% increase compared to Q1 2020);**
 - **HUF 1.00 billion EBITDA (73.7% increase compared to Q1 2020).**
- The **outstanding 77.0% 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.
- The number of employees continued to grow and **reached 944** on 31 March 2021.



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.

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**.



NEAR TERM OUTLOOK

- Our goal is to enter and further strengthen the company in its **three pillar strategic target segments (IT, Telco/Infrastructure, Space & Defense)** 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 35.97 billion** backlog, on top of sales already **completed by 31 May 2021**
- The **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)

FOCUS AREAS OF 4IG GROUP STRATEGY

4IG

IT /System Integrator



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

4iG

DOTO

INNObyte

Veritas

TR
Consult

SpaceNET

DTSM

Poli
Computer

HUMAN SOFT
Szervíz

Telecommunication & Infrastructure



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

Hungaro
DigiTel

DIGI*

Space & Defense



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

Rotors &
Cams

CarpathiaSat

4IG

*Acquisitions in progress



COMPANY OVERVIEW

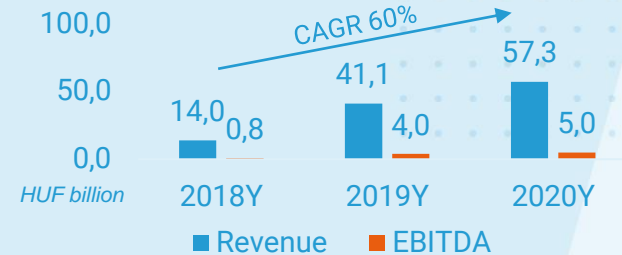
4iG

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 +700 technical employees (consultants and highly qualified engineers and technicians)
- Using the latest technological and technical solutions, 4iG is constantly striving to improve its services.

Financial Highlights (HUF bn)



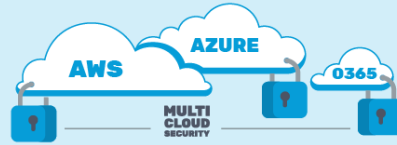
SELECT KEY COSTUMERS



LONG-STANDING PARTNERSHIPS

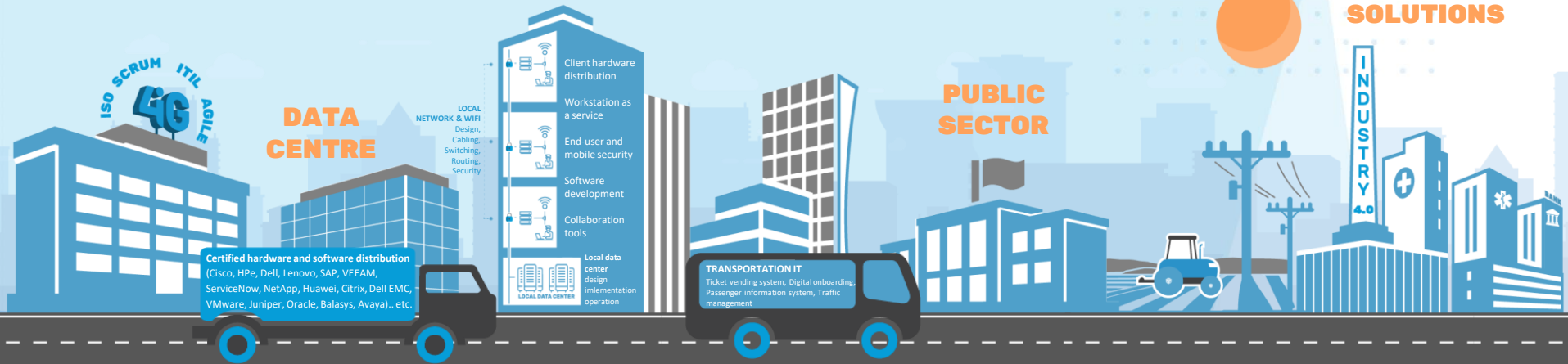


COMPETENCE MAP



CUSTOMER BACK OFFICE

INDUSTRY SPECIFIC SOLUTIONS



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

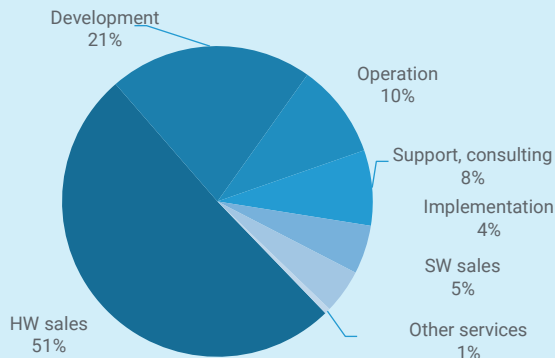
Fund management: application, evaluation, financing, controlling
Public sector tailored custom solutions

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

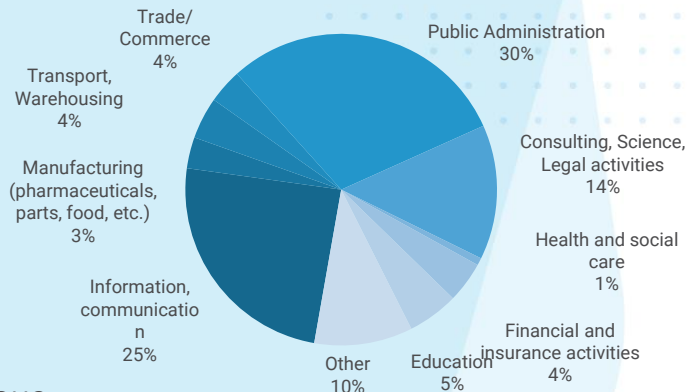


DIVERSIFIED BUSINESS MODEL

SALES BY SERVICE

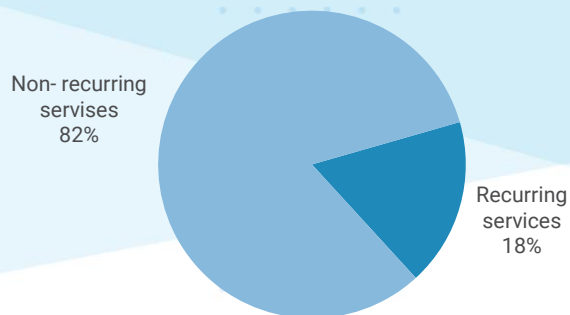


SALES BY INDUSTRY

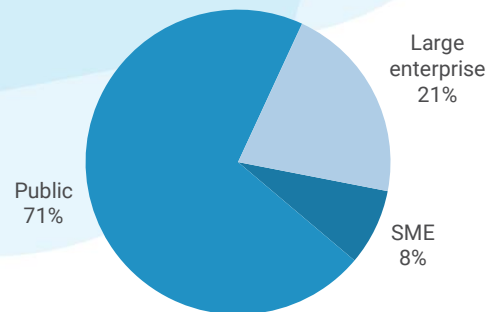


2021 Q1 revenue
breakdown

SALES BY TYPE OF CLIENT

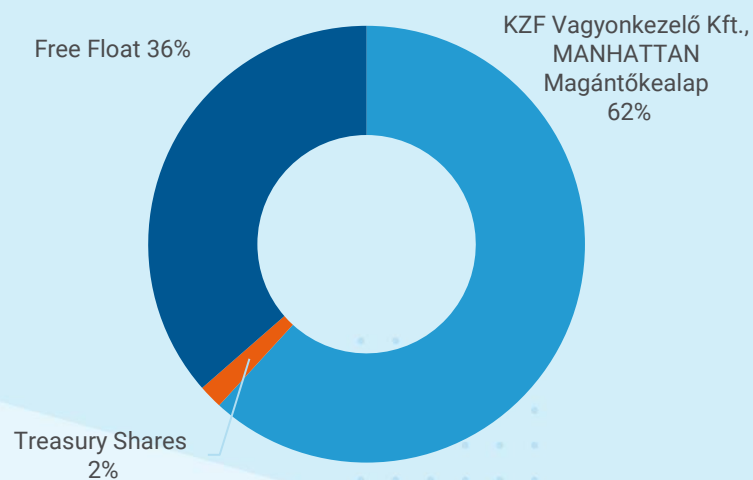


SALES BY CUSTOMER



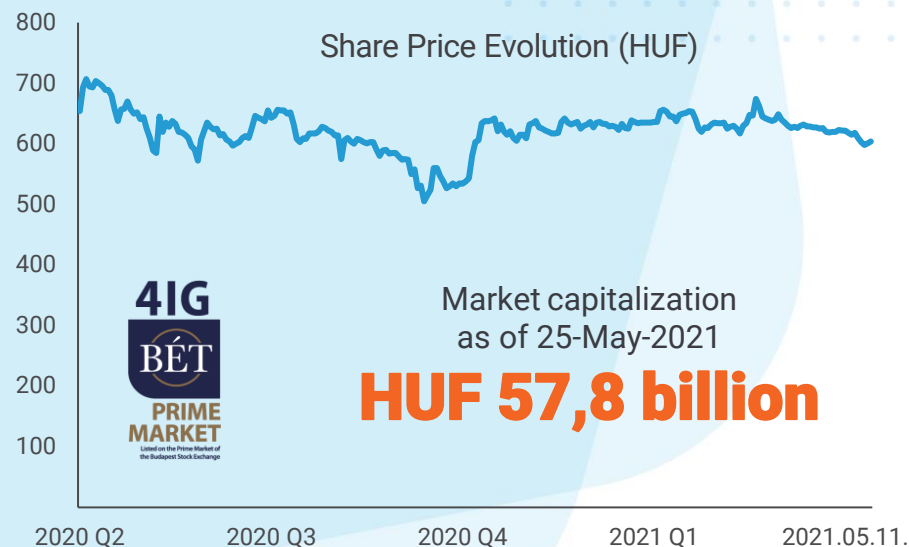
SHAREHOLDER INFORMATION

KEY SHAREHOLDERS(1)



Note (1): Shareholders as of 31th March 2021 Source: BET

SHARE PRICE PERFORMANCE



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



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:** Cisco Gold partner, 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 provider



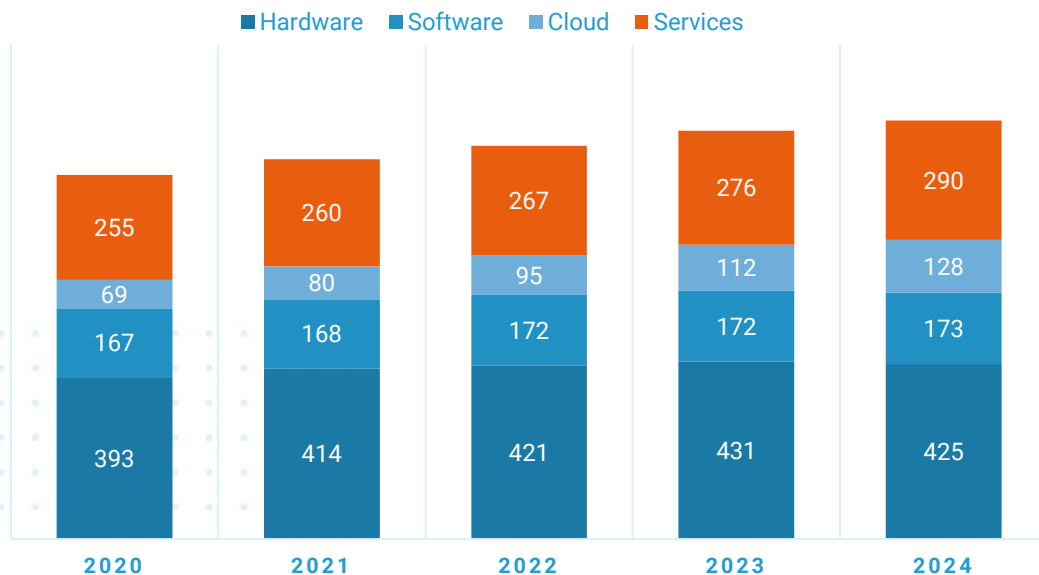
- **Acquired:** 2020
- **Activity:** offering support and maintenance services to Datacenter field infrastructure including high availability facility systems.



HUNGARIAN IT MARKET

HUNGARY'S IT MARKET EXPECTED TO GROW BY AVERAGE 3.5% PER YEAR, MAINLY IN THE INFRASTRUCTURE AND APP/SERVICE SEGMENTS

MARKET GROWTH FORECAST 2020-24



Source: IDC 2020

MAIN MARKET DRIVERS

International technology trends

IoT solutions have started to take off in the manufacturing, utilities, agribusiness and logistics segments, while AI is spreading intensively in the customer service areas

The need for digital switchover, COVID19 effect

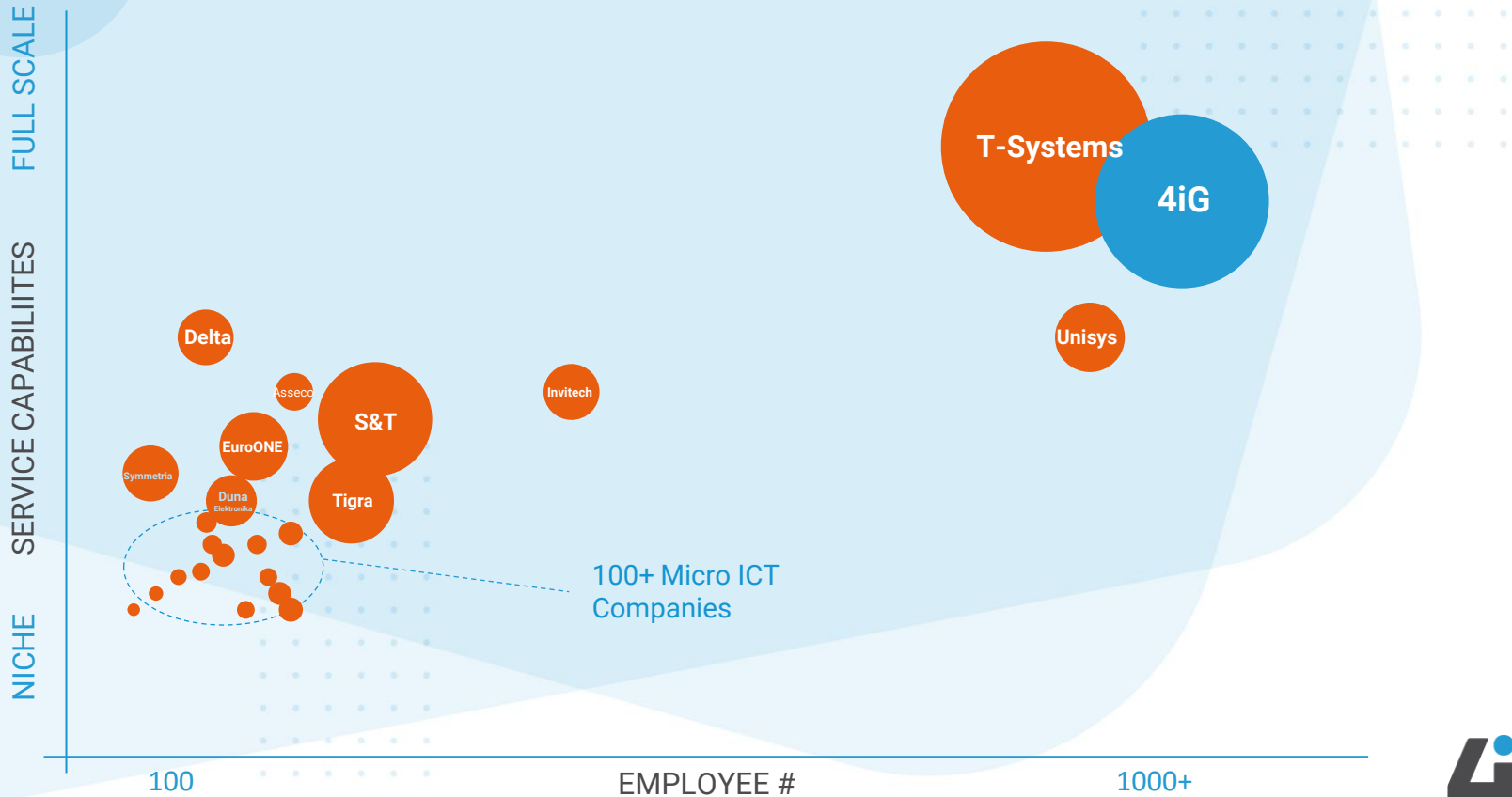
Within the large enterprise segment, digitization has been a high priority in recent years. In contrast, most SMEs have paid much less attention to digitalization until the beginning of 2020. Subsequently, COVID-19 has had a positive impact on digitization needs, providing project opportunities for IT solution providers

Main public sector expenditure

In 2020, a number of high-profile and high-budget projects were carried out in the public sector



KEY PLAYERS IN HUNGARIAN IT MARKET



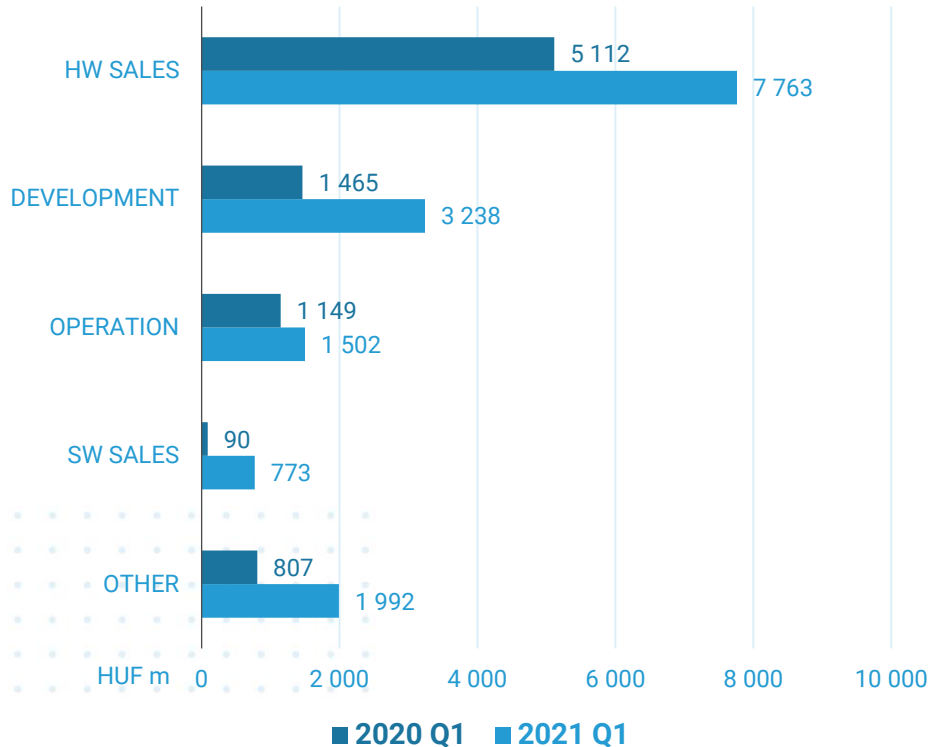
Note: Size of the bubble indicated estimated revenue
Source: 4iG, public sources



FINANCIAL OVERVIEW

4G

REVENUE EVOLUTION BY SEGMENTS

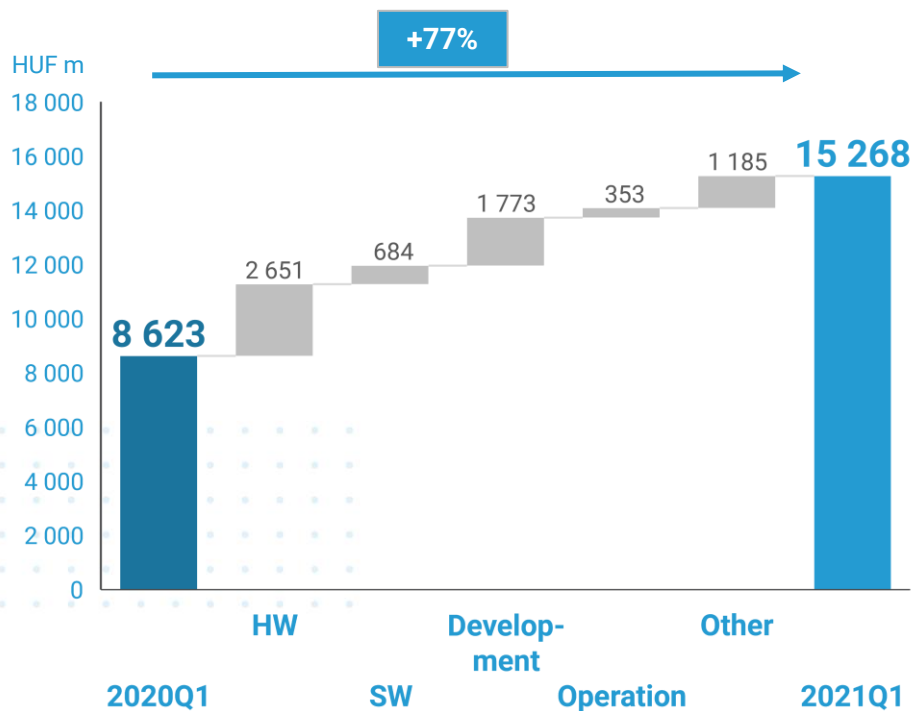


- **HW SALES:** Turnover increased compared to base
- **SOFTWARE DEVELOPMENT:** The number and value of development projects has increased, and 4iG is also working on a number of specific development projects that are longer-term and span several years.
- **OPERATION:** The turnover of the DTSM subsidiary, which was newly acquired at the end of 2020, and the operating contracts signed in previous periods increased operating revenues.
- **SW SALES:** The largest growth was in VMware license sales.
- **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.

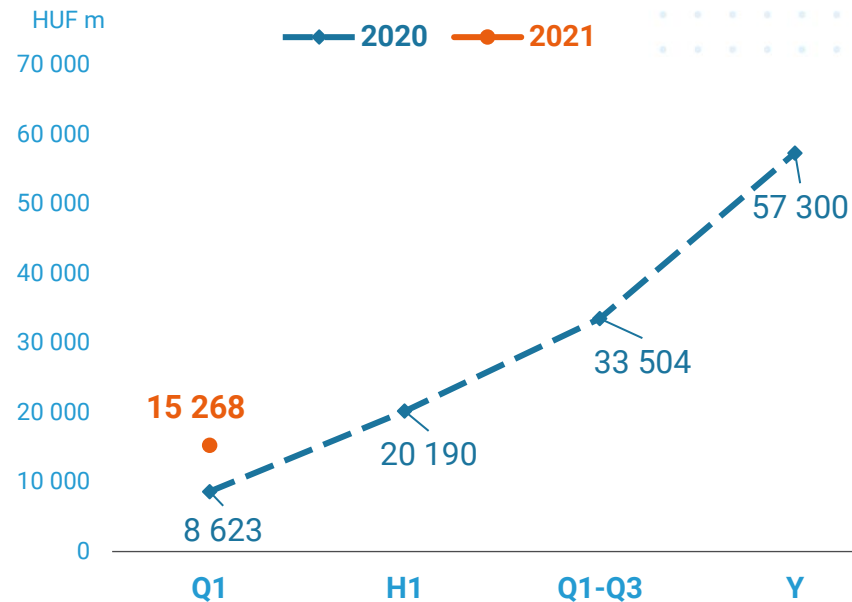


2021 Q1 REVENUE BRIDGE

REVENUE BY TYPE OF SERVICE



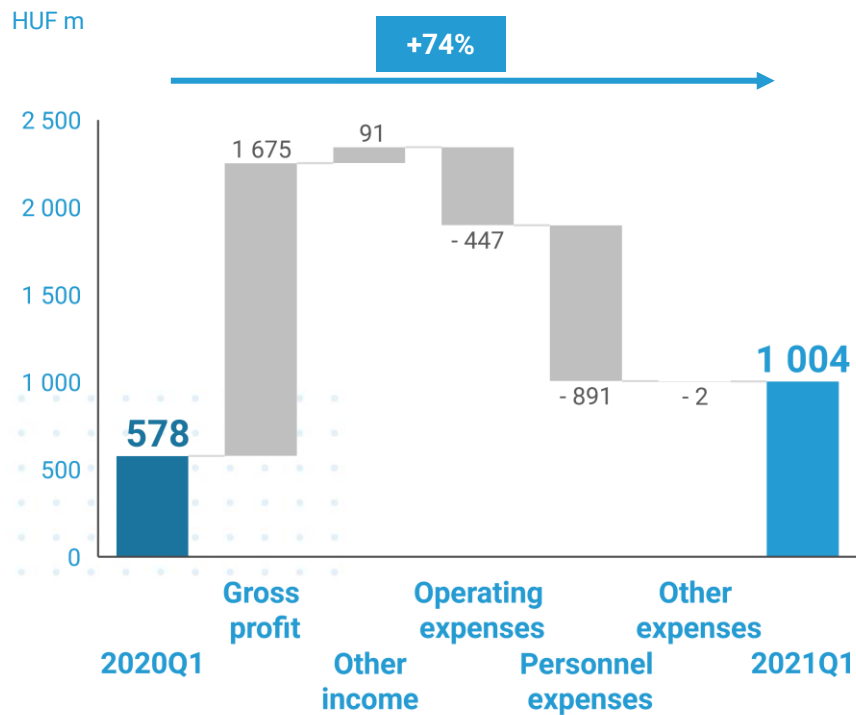
NET REVENUE BUILD-UP



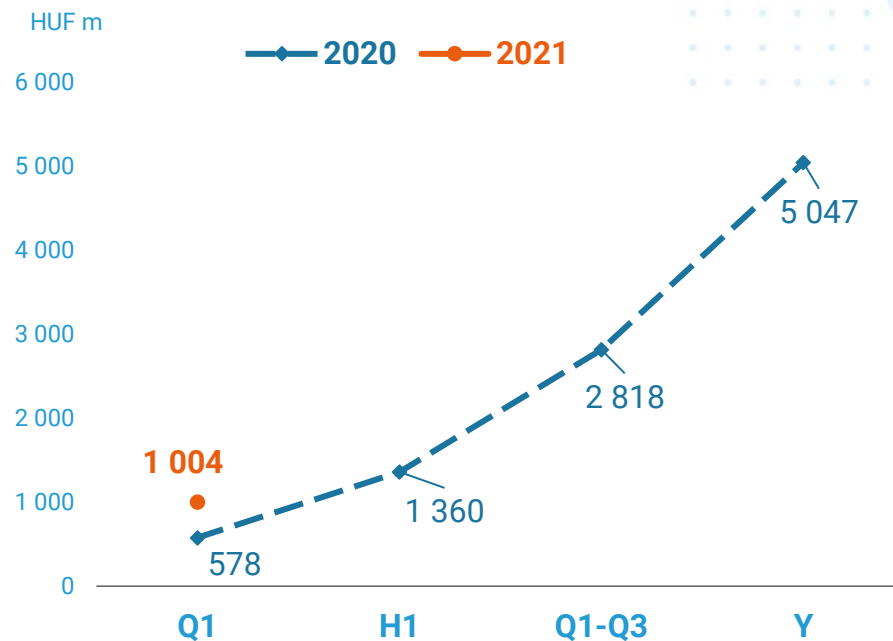
(1) Other revenue: support, consultancy, implementation and other services

2021 Q1 EBITDA BRIDGE

EBITDA



EBITDA BREAKDOWN BY QUARTER



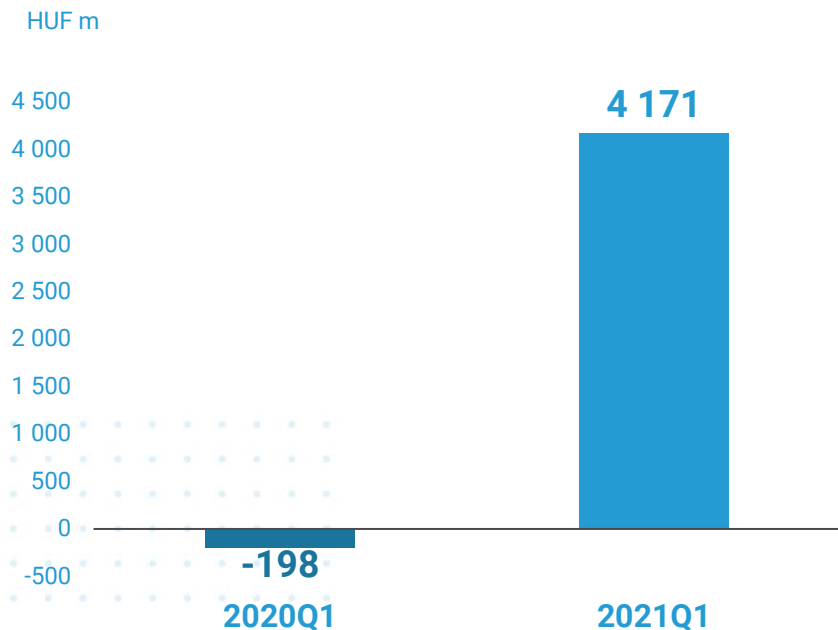
2021 Q1 P&L OVERVIEW

<i>4iG Nyrt</i> (HUF M)	2020Q1	%	2021Q1	%	2021Q1 / 2020Q1
Net Revenues	8 623	100%	15 268	99%	177%
Other operating income	39	0%	130	1%	332%
Total income	8 662	100%	15 398	100%	178%
Cost of Goods and Subcontractors	5 882	73%	10 852	75%	185%
Operating expenses	493	6%	940	7%	191%
Personnel expenses	1 705	21%	2 596	18%	152%
Other expenses	5	0%	7	0%	141%
Operating costs	8 084	100%	14 395	100%	178%
EBITDA	578		1 004		174%
Depreciation and impairment	190		293		154%
Net financial income	12		-1		-9%
Profit before taxes (PBT)	399		709		178%
Income taxes	87		144		164%
Profit / Loss after Tax	312		566		181%

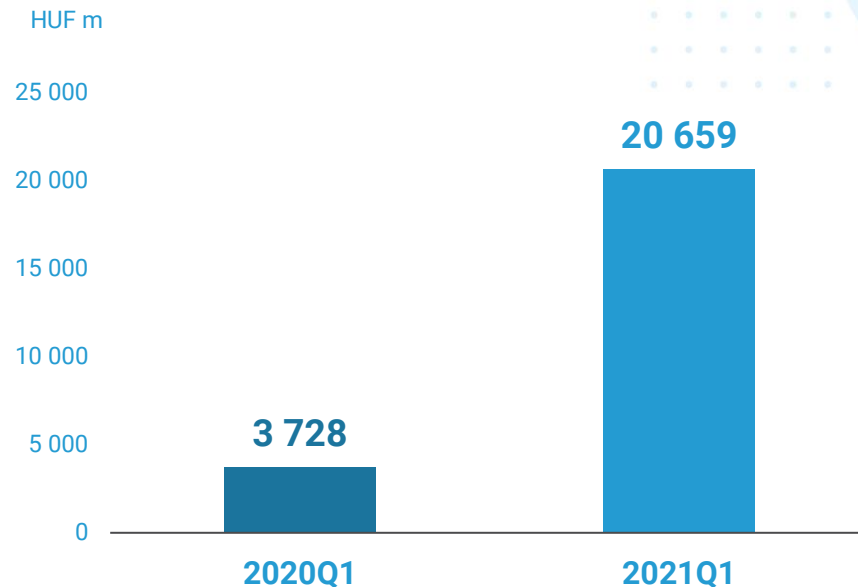
- In 2021 Q1, the earnings growth was generated by the combined effect of significant organic sales growth and the companies acquired in 2020 H2.
- In line with the strategic objectives, the share of revenues from services has increased and our development type projects are typically on track, contributing to the balanced operation of the company.
- In line with our growth strategy, the headcount has been steadily and dynamically increasing and in 2021 there was also a wage increase in line with market trends. The impact of this is being reflected 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 Q1 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



DISCLAIMER

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4iG

H-1037 Budapest, Montevideo u. 8.

Tel: +36 1 270 7600

Fax: +36 1 270 7679

www.4ig.hu