



CONSOLIDATED

financial report **Q1 2023**

4iG

Q1

2023

4iG PLC

FLASH REPORT

ON THE COMPANY'S ACTIVITIES FOR THE FIRST QUARTER OF 2023

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The Report was approved by the Board of Directors of the Company by written decision on the 31st day of the 5th month of 2023, by Board Resolution 1/2023 (V.31.).

EXECUTIVE SUMMARY

4iG Plc. (hereinafter referred to as "4iG", "Company", "Enterprise", "Group", "4iG Group") underwent a significant transformation in the first quarter of 2023, as the Company achieved robust inorganic growth and expanded its service competencies through the acquisition of Vodafone Hungary. As a result of the acquisition, 4iG Group has emerged as a convergent telecommunications service provider in Hungary, while retaining its position as Hungary's leading IT systems integrator. This strategic move has repositioned 4iG and has equipped the Company with the necessary size, scale, and critical foundation to capitalize on the convergence between its telecommunications and IT divisions, both domestically and in international markets. The new telco-IT converged dynamic business model offers a significantly larger share of recurring revenues, higher EBITDA margin, and substantial synergies among the main business segments of telecommunications, IT, and satellite services. Following the successful acquisition of Vodafone Hungary, Scope ratings upgraded 4iG Plc.'s issuer rating by one notch to BB-/stable, and simultaneously upgraded the debt rating of 4iG's already issued bonds (BB-). 4iG Group boasts an exceptional market consolidation track record in both the Hungarian and Albanian markets. The integration of Hungarian and Western Balkan assets is proceeding at full speed, enabling the realization of identified synergies. The Group's growth could be further catalyzed by the potential expansion of 4iG's IT/SI business into global markets in the near future, through joint ventures with Rheinmetall.

Hungary

On January 31, 2023, 4iG Group successfully completed the most significant acquisitions in the Hungarian telecommunications market in the past 30 years. 4iG acquired a 51% stake in Vodafone Hungary, while the Hungarian state, through Corvinus Zrt., purchased the remaining 49%. Following the acquisition, on March 20th, 4iG further increased its indirect stake in Vodafone Hungary to 70.5% through a share swap. The Company exchanged its indirect 25% stake in PPF Group's Hungarian subsidiaries (Yettel-CETIN Hungary) for an additional 19.5% share packet in Vodafone Hungary, previously owned by Corvinus Zrt. After the share swap, 4iG Group no longer retains a shareholding in Yettel-CETIN Hungary. The acquisition enabled the Group to secure a substantial mobile market share in Hungary, while also strengthening its position in fixed telephony, fixed broadband, and TV services. As a result, 4iG has transformed into a comprehensive, fully converged telecommunications operator in Hungary, holding the second position in the mobile and fixed telephony markets and leading positions in fixed broadband, and TV services. The integration of these assets, coupled with the Groups IT capabilities, positions the 4iG Group as a frontrunner in the transformation and digitalization of the Hungarian economy. For the fiscal year of 2023, 4iG Group's primary objective will be the integration and transformation of the Hungarian telecommunication assets with Vodafone Hungary, as well as extracting the synergies identified across the Group.

The subsidiary of 4iG Group, "ANTENNA HUNGÁRIA" Zrt., decided and carved-out certain components of DIGI's mobile infrastructure and radio frequency usage rights to its new subsidiary, MIS OMEGA Mobilhálózat Kft. From June 1st onwards, the technological background of DIGIMobil's telecommunications services will be provided by Vodafone Hungary, which boasts an extensive nationwide network. The carved-out mobile network infrastructure, which includes more than 2500 base stations, coupled with other passive and active mobile communication devices, and radio frequency usage rights may be divested by 4iG Group at a later stage.

Albania

As of January 1, 2023, the 4iG Group successfully completed the legal merger of its Albanian subsidiaries, ALBtelecom and One Albania, an incumbent telecommunications operator and a prominent mobile-only operator. This merger resulted in the creation of a market-leading, fully converged telecommunications operation in Albania under the 4iG Group umbrella. The merger serves to elevate the operational competence and profitability of the subsidiary. On March 14, a successful rebranding was executed with 4iG Plc. launching the ONE brand in Albania. This brand represents the Group's telecommunications services across the Western Balkans. In fiscal year 2023, ONE Albania's strategic objective is to maintain its leading market position and consistently deliver high-quality services to its customers on its award-winning mobile and fixed network, while persistently focusing on the integration and leveraging of identified synergies from the merged entities.

Montenegro

In the initial quarter of 2023, ONE Crna Gora maintained strong performance, primarily fuelled by a growing customer base and the transition from pre- to post-payment services. The company officially received its 5G spectrum licenses and deployed its first 5G base stations operating at 3.6GHz. In addition, ONE Crna Gora introduced its digital loyalty platform, 'ONE Friday,' in this quarter. This platform enables customers to win prizes, like data add-ons and tangible rewards, based on certain criteria, such as their length of service, Average Revenue Per User (ARPU), and timely bill payments, among other factors. ONE Crna Gora's focus for the fiscal year 2023 will be on CAPEX investments and the rollout of 5G.

Israel

The 4iG Group strengthened its presence in the midstream satellite market by increasing its ownership in Spacecom from 9.538% to 20%. Subject to the approval of regulatory bodies, the Group holds the possibility to increase its stake in Spacecom to 51% within the forthcoming three years.

Financial performance

4iG Plc's consolidated net sales revenue based on IFRS was HUF 115.2 billion in the first quarter of 2023, the Group's EBITDA according to IFRS exceeded HUF 36 billion, its EBITDA margin per net sales revenue was 31.5 percent. 87.4 percent of the net sales revenue was generated by the telecommunication division and 12.6 percent by the IT division.

The Group's HUF 1.2 billion negative net profit in the current period is mainly due to the non-cash depreciation, amortisation and deferred tax related to acquisitions in the previous period as well as due to the non-cash items related to leased assets (depreciation and interest expense) in order to comply with International Financial Reporting Standards.

Beside the above listed unfavourable factors, Company has shown a significant unrealised foreign exchange gain due to the favourable effect of foreign exchange rates in the current period.

The high cash and cash equivalents amount presented in the Group's consolidated statement of financial position (HUF 31.4 billion) and the ongoing cash inflow ensure the successful operation of the Company in the future, the continuation of the successful integration process and the timely fulfilment of consolidated debt service.

Capital market performance

	Q1 2023	Q1 2022	Change +/- in %
		Modified	
Net sales revenue	115 178	48 945	135.32%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	36 272	15 702	131.00%
Operating profit (EBIT)	3 670	3 185	15.23%
Profit after tax (PAT)	-1 173	809	-244.99%
Total comprehensive income	-3 542	143	-2 576.92%
Earnings per share (in HUF)			
EBITDA	121	74	63.51%
Net profit (EPS)	-3.9	3.8	-202.63%
Diluted EPS indicator	-3.9	3.8	-202.63%
Equity	1 167.6	1 393.9	-16.23%

	Q1 2023	Q1 2022	Change +/- in %
		Modified	
Revenues	119 219	68 980	72.83%
- Of which: Net sales revenue	115 178	48 945	135.32%
Value of purchases of goods sold and services rendered	-33 075	-19 682	68.05%
Operating expenses	-24 059	-7 558	218.32%
Staff costs	-19 274	-10 687	80.35%
Other expenses	-6 539	-15 351	-57.40%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	36 272	15 702	131.00%
Depreciation and amortisation	-32 602	-12 517	160.46%
Earnings before interest and taxes (EBIT)	3 670	3 185	15.23%
Financial income	14 103	4 885	188.70%
Financial expenses	-19 031	-6 020	216.13%
Profit before tax (PBT)	-1 258	2 050	-161.37%
Income taxes	85	-1 241	-106.85%
Net profit	-1 173	809	-244.99%
Other comprehensive income	-2 369	-666	255.71%
Total comprehensive income	-3 542	143	-2 576.92%

Consolidated statement of comprehensive income

	Q1 2023	Q1 2022 Modified*
Net sales revenue	115 178	48 945
Other operating revenue	4 041	20 035
Total revenue	119 219	68 980
Goods and services sold	-33 075	-19 682
Operating expenses	-24 059	-7 558
Staff costs	-19 274	-10 687
Other operating expenses	-6 539	-15 351
Total operating costs	-82 947	-53 278
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	36 272	15 702
Depreciation and amortisation	-32 602	-12 517
Earnings before interest and taxes (EBIT)	3 670	3 185
Financial income	14 103	4 885
Financial expenses	-19 031	-6 020
Profit before tax	-1 258	2 050
Income taxes	85	-1 241
Profit after tax	-1 173	809
Other comprehensive income	-2 369	-666
Total comprehensive income	-3 542	143
<i>Of which: result of discontinued operation</i>	<i>0</i>	<i>0</i>
Earnings per share (HUF)		
Base	-3.9	3,8
Diluted	-3.9	3,8
Profit after tax attributable to:		
Owners of the company	80	669
Non-controlling interest	-1 253	140
Total comprehensive income attributable to:		
Owners of the company	-3 252	-475
Non-controlling interest	-290	618

*The consolidated statement of comprehensive income has been restated as described in Section 6 titled *Adjustment of previous year's financial data*.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position

	31/03/2023	31/12/2022
ASSETS		
Non-current assets		
Property, plant and equipment	403 327	281 690
Intangible assets	238 401	61 161
Customer relationship	60 164	60 916
Right-of-use of assets	121 935	43 937
Contract assets	9 299	2 232
Deferred tax asset	3 567	366
Goodwill	371 929	164 652
Other investments and other non-current assets	4 314	1 168
Total non-current assets	1 212 936	616 122
Current assets		
Cash and cash equivalents	31 358	45 961
Trade receivables	97 222	58 910
Other receivables, other accrued and deferred assets	41 542	19 402
Securities	118	118
Inventories	22 951	10 727
Assets held for sale	63 794	190 271
Total current assets	256 985	325 389
Total assets	1 469 921	941 511
EQUITY AND LIABILITIES		
Equity		
Share capital	5 981	5 981
Treasury shares	-1 960	-922
Capital reserve	133 492	133 492
Retained earnings	20 610	47 170
Accumulated other comprehensive income	6 390	9 722
Equity attributable to the owners of the company	164 513	195 443
Non-controlling interest	184 696	102 111
Total equity	349 209	297 554
Non-current liabilities		
Provisions – non-current	7 919	4 888
Non-current loans, borrowings, bonds	740 111	424 320
Finance lease liabilities – non-current	103 015	34 522
Deferred tax liabilities	14 574	14 225
Other non-current liabilities	7 688	9 666
Total non-current liabilities	873 307	487 621
Current liabilities		
Trade payables	76 882	45 839
Short-term loans, borrowings, bonds	6 592	7 713
Dividends payable to owners	8	8
Provisions – current	4 395	4 674
Liabilities related to assets held for sale	22 653	23 349
Finance lease liabilities – current	22 842	9 055
Other current liabilities and accruals	114 033	65 698
Total current liabilities	247 405	156 336
Total equity and liabilities	1 469 921	941 511

Consolidated statement of changes in equity

	Share capital	Treasury shares	Capital reserve	Retained earnings	Accumulated other comprehensive income	Equity attributable to the owners of the company	Non-controlling interest	Total equity
On 1 January 2022	2 064	-246	3 869	9 791	136	15 614	1 641	17 255
Acquisition – Purchase price allocation change				-560		-560	-18	-578
Accounting policy changes				-17		-17		-17
Modified balance as of 1 January 2022	2 064	-246	3 869	9 214	136	15 037	1 623	16 660
Issue of share capital	3 917		129 027			132 944		132 944
Profit after tax				1 993		1 993	194	2 187
NCI (non-controlling interest)						0	140 873	140 873
Foreign exchange rate differences					-1 647	-1 647	477	-1 170
Acquisition – Purchase price allocation change				-1 320	502	-818	-52	-870
Accounting policy changes				-3		-3		-3
Balance on 31 March 2022	5 981	-246	132 896	9 884	-1 009	147 506	143 115	290 621
Balance on 1 January 2023	5 981	-922	133 492	47 170	9 722	195 443	102 111	297 554
Profit after tax				80		80	-1 253	-1 173
Purchase of treasury shares		-1 038				-1 038		-1 038
NCI (non-controlling interest)				-26 640		-26 640	82 875	56 235
Foreign exchange rate differences					-3 332	-3 332	963	-2 369
Balance on 31 March 2023	5 981	-1 960	133 492	20 610	6 390	164 513	184 696	349 209

1. General section

1.1. Presentation of the company

4iG Public Limited Company is a company registered in Hungary (registered office: Montevideo u. 8., 1037 Budapest), conducts its business in accordance with the provisions of Hungarian law, maintains its accounting and financial records in accordance with International Financial Reporting Standards (IFRS), and its shares are traded in the "Premium" category of the Budapest Stock Exchange (BSE).

No other company has independent control over the 4iG Group.

The backbone of the activities of the 4iG Group of Companies (hereinafter referred to as the "Company", the "Group" or the "Holding") is the provision of full-scale telecommunications services, the operation of telecommunications-related infrastructure, platform-independent, custom software design and development, the design and implementation of full-scale enterprise IT solutions, IT operation and support, service provision, the operation of ERP (complex enterprise resource planning) systems, full support for banking data services, the development and operation of document and case management systems.

1.2. General information about the Company

Company's name:	4iG Public Limited Company (formerly FreeSoft Nyrt. (Plc), formerly Fríz 68 Szolgáltató és Kereskedelmi Rt. (Service and Trade Co.)
Company form:	Public limited company
Registered office:	1037 Budapest, Montevideo u. 8.
Sites:	1037 Budapest, Montevideo utca 2/C. 1037 Budapest, Montevideo utca 4. 1037 Budapest, Montevideo utca 6. 1107 Budapest, Somfa utca 10.
Branches:	8000 Székesfehérvár, Seregélyesi út 96. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-44
Statistical code:	12011069-6201-114-01
Share capital:	HUF 5,981,499,480
Date of foundation:	8 January 1995
Date of transformation:	2 April 2004
Listing date:	22 September 2004

2. Share information

Type of shares:	registered ordinary shares, dematerialised
Nominal value of shares:	HUF 20 /share
Number of shares:	299,074,974 shares
ISIN code of the shares:	HU 0000167788
Series of shares:	"A"
Shares serial number:	0000001 – 299074974
Number of treasury shares repurchased:	2,774,383 shares
Number of treasury shares owned by 4iG ESOP Organisation:	4,000,000 shares

Other information on shares:

- Each share carries the same rights, each share represents 1 vote.
- The shares are traded in the "PREMIUM" category of the Budapest Stock Exchange and represent the total issued share capital, there are no other issued shares of 4iG Plc.
- There are no restrictions on the sale of shares, no pre-emptive rights are stipulated, but shares may only be transferred by debiting or crediting a securities account. In the event of a transfer of shares, the shareholder may only exercise his/her shareholder rights vis-à-vis the Company if the name of the new owner is entered in the share register.
- The share register of the Company is managed by KELER Zrt.
- There are no specific management rights.
- There is no shareholder agreement on management rights that we are aware of.
- The Company does not have an employee shareholder scheme.
- Voting rights are not restricted, only the repurchased treasury shares do not carry voting rights. On 31 March 2023, there were 2,774,383 repurchased treasury shares.
- Minority rights: shareholders representing at least 1% of the voting rights may request the convening of a general meeting of the Company at any time, stating the reason and purpose.
- The elected officers are elected by the General Meeting by simple majority, in accordance with the Articles of Association.
- The operational management of the Company is carried out by the Board of Directors.
- The General Meeting decides on the increase of the share capital on the basis of a proposal by the Board of Directors. The decision of the General Meeting is not required only if the increase of the share capital is made under the authority of the Board of Directors pursuant to the Articles of Association. At the time the Annual Report is drawn up, the Board of Directors is not authorised to issue new shares.
- No agreement shall enter into force, be modified or terminated as a result of a change in the contractor's management following a public tender offer.
- There is no agreement between the Company and an officer or employee that provides for indemnification in the event of the officer's resignation or termination, the officer's or employee's termination of employment, or the termination of employment as a result of a tender offer.

- On 14 June 2019, Gellért Zoltán Jászai, Chairman of the Board of Directors (previously CEO-Chairman) of 4iG Plc., acquired 100% of the shares of KZF Vagyonkezelő Kft. Through other share transactions on the same day, KZF Vagyonkezelő Kft. and, thus, indirectly Gellért Zoltán Jászai acquired a 32.01% stake in 4iG Plc. For the remaining shares, a mandatory tender offer was made, which was open until 28 August 2019.
- The Company's General Meeting of 26 July 2018 decided on a share split, according to which the nominal value of the shares was changed to HUF 100 per share. On 5 October 2018, the shares of 4iG Plc. were traded at HUF 100 per share in the standard section of the Budapest Stock Exchange. The Company's General Meeting of 25 April 2019 decided on a new share split, according to which the nominal value of the shares was changed to HUF 20 per share. From 17 June 2019 the nominal value of shares of 4iG Plc. is HUF 20 per share on the Budapest Stock Exchange.
- As of 19 June 2019, 4iG shares were reclassified to the Premium category by the Director of the Budapest Stock Exchange.
- In connection with the capital increases decided on 1 June 2021, a total of 5,207,921, i.e. five million two hundred seven thousand nine hundred twenty-one ordinary shares of Series A with a nominal value of HUF 20 each, granting the same rights as the shares already listed, were listed on the Budapest Stock Exchange on 1 July 2021.
- In connection with the capital increases decided on 24 January 2022, a total of 116,417,910, i.e. one hundred sixteen million four hundred seventeen thousand nine hundred ten ordinary shares of Series A with a nominal value of HUF 20 each, with rights equivalent to those of the shares already issued, were subscribed by iG COM private equity fund.
- In connection with the capital increases resolved on 23 February 2022, subscribed for a total of 50,223,881, i.e. fifty million two hundred twenty-three thousand eight hundred eighty-one ordinary shares of Series A shares with a nominal value of HUF 20 each, with rights equivalent to those of the shares already issued, were subscribed by Rheinmetall AG.
- In connection with the capital increase decided on 23 February 2022, a total of 19,761,380, i.e. nineteen million seven hundred and sixty-one thousand three hundred and eighty pieces ordinary shares of Series A, with a nominal value of HUF 20 each, with the same rights as the shares already issued, were subscribed by Bartolomeu Investments Kft.
- In connection with the capital increases decided on 23 February 2022, a total of 9,463,882, i.e. nine million four hundred and sixty-three thousand eight hundred and eighty-two ordinary shares of Series A, with a nominal value of HUF 20 each, with the same rights as the shares already issued, were subscribed by Çalik Holding Anonim Sirketi of Turkey.

3. Ownership structure

	<u>31/03/2023</u>	<u>31/03/2022</u>
iG COM Magántőkealap (Private Equity Fund)	38.93%	38.93%
KZF Vagyonkezelő Kft. (Asset Management Ltd.)	10.68%	9.74%
Manhattan Invest Kft. (Ltd.)	1.03%	1.03%
Manhattan Magántőkealap (Private Equity Fund)	0.58%	0.58%
Rheinmetall AG	25.12%	25.12%
Bartolomeu Investments Kft. (Ltd.)	6.44%	8.35%
Treasury Shares	0.93%	0.29%
4iG Employee Stock Option Plan	1.34%	1.34%
Free Float	14.95%	14.63%
Total	<u>100.00%</u>	<u>100.00%</u>

4. Officials

The executive officers of 4iG Plc on 31 March 2023 were as follows.

4.1. Company management

Board of Directors:	Gellért Zoltán Jászai, Chairman of the Board Béla Zsolt Tóth, Member of the Board Aladin Ádám Linczényi, Member of the Board László Blénessy, Member of the Board Péter Krisztián Fekete, Member of the Board, CEO Pedro Vargas Santos David, Member of the Board
Supervisory Board:	Dr Tamás László Fellegi, Chairman of the Supervisory Board Dénes Jobbágy, Member Dr Ildikó Rózsa Tóthné, Member Helmut Paul Merch, Member
Audit Committee:	Dr Tamás László Fellegi, Chairman of the Audit Committee Dénes Jobbágy, Member Dr Ildikó Rózsa Tóthné, Member

4.2. Remuneration of officials

The remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee of the Company during this period was as follows. The General Meeting decided in its Resolution 15/2022 (IV.29.) that the members of the Board of Directors shall receive an honorarium of HUF 600,000/month each, while the Chairman of the Board of Directors shall receive an honorarium of HUF 750,000/month. The General Meeting decided in its Resolution 14/2022 (IV.29.) that the members of the Supervisory Board shall receive an honorarium of HUF 450,000/month each and the Chairman of the Supervisory Board shall receive an honorarium of HUF 600,000/month. The members of the Audit Committee shall not receive any special remuneration for their work on the Audit Committee.

4.3. 4iG shareholdings of executive officers on 31 March 2023

Name	Position	Direct ownership (pcs)	Indirect ownership (pcs)	Direct and indirect (pcs)	Ownership (%)
Gellért Zoltán Jászai	Chairman of the Board of Directors	0	153 191 954	153 191 954	51.22%
Béla Zsolt Tóth	Member of the Board of Directors	1 052 200	0	1 052 200	0.35%
László Blénessy	Member of the Board of Directors	911 265	0	911 265	0.30%
Pedro Vargas Santos David	Member of the Board of Directors	0	19 258 398	19 258 398	6.44%

4.4. Persons authorised to sign the report

Pursuant to the resolutions of the Extraordinary General Meeting of the Company held on 21 January 2013, the Chairman of the Board of Directors is authorised to sign the report either individually or jointly with any two members of the Board of Directors.

4.5. Election and removal of officers

The General Meeting elects and may remove the Company's executive officers.

4.6. Authority of officials

The executive officers of the Company are not authorised to issue or purchase shares. The General Meeting may, on a case-by-case basis, authorise the Board of Directors to issue or repurchase its own shares.

4.7. Amendment of the Articles of Association

The Articles of Association of the Company may only be amended by the General Meeting.

5. Basis of preparation of the balance sheet

i) Acceptance and declaration

The consolidated financial statements were approved by the Board of Directors on 31 May 2023. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published and incorporated by regulation in the Official Journal of the European Union (EU). IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements are presented in Hungarian forints, rounded to the nearest million forints, unless otherwise indicated.

The report includes consolidated unaudited financial statements for the period ending 31 March 2023.

ii) Basis of preparation of the statements (Statement of compliance)

The financial statements have been prepared under the historical cost convention, except where IFRS requires the use of a different measurement basis than that disclosed in the accounting policies. The financial year is the same as the calendar year.

iii) Basis of assessment

For consolidated financial statements, the basis of measurement is the original cost, except for assets and liabilities carried at fair value, which are financial instruments at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the accounting policies used. Estimates and related assumptions are based on historical experience and a number of other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimating the carrying amounts of assets and liabilities that are not readily determinable from other sources. Actual results may differ from these estimates.

Estimates and baseline assumptions are regularly reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only the current year, and in the period of the revision and future periods if the revision affects both current and future years.

6. Adjustment of previous year's financial data

The consolidated statement of total comprehensive income and the statement of changes in equity for the first quarter of 2022 have been restated to reflect the purchase price allocation under IFRS 3 Business Combinations and the effects of the change in the Group's accounting policies.

The impact of the purchase price allocation resulting from the following acquisitions has not yet been included in the financial statements for Q1 2022 and has therefore been adjusted in this flash report:

- On 12 May 2021, the transaction to acquire 100% of the shares of Portuguese Telecommunication Investments Kft. (Ltd.) was completed, as a result of which 4iG Plc acquired a 75% indirect stake in Hungaro DigiTel Kft. (Ltd.).
- On 30 September 2021, 4iG Plc acquired 100% of the shares in Invitech ICT Services Kft. (Ltd.) and InviTechnocom Kft. (Ltd.).
- 4iG Plc acquired 100% ownership of ONE Crna Gora d.o.o. (formerly Telenor Podgorica d.o.o.) through its subsidiary 4iG Montenegro d.o.o., established on 21 December 2021.
- On 3 January 2022, 4iG Plc acquired a 100% stake in DIGI Távközlési és Szolgáltató Kft. (Telecommunications and Service Provider Ltd.) and also acquired the majority ownership of the subsidiaries of this company (100% ownership of DIGI Infrastruktúra Kft. (Ltd.), i-TV Zrt. (Co.) and 99.99% ownership of INVITEL Zrt. (Co.)).
- On 4 March 2022, 4iG Plc through its subsidiary 4iG Albánia Kft. (Ltd.), acquired 80.27% of the shares of Albanian ALBtelecom sh.a.

The Group's accounting policies have changed in respect of the following:

Unlike in previous financial years, 4iG Group started to apply the practical solution provided by IFRS 16 from 1 January 2022, whereby non-lease components are not separated from lease components, but these items are accounted for as a single lease component and recognised in the value of lease liabilities.

Completion of the purchase price allocation measurement period and the impact of the change in accounting policy on equity is presented separately within equity, while the overall impact on comprehensive income is presented below:

Consolidated statement of profit or loss and other comprehensive income

	Q1 2022	Q1 2022	Q1 2022	Q1 2022
	Modified	Purchase price allocation adjustment	Accounting policy change	Published
Net sales revenue	48 945			48 945
Other operating revenue	20 035			20 035
Total revenue	68 980			68 980
Goods and services sold	-19 682	432		-20 114
Operating expenses	-7 558	867	35	-8 460
Staff costs	-10 687	-66		-10 621
Other operating expenses	-15 351	-86		-15 265
Operating costs	-53 278	1 147	35	-54 460
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	15 702	1 147	35	14 520
Depreciation and amortisation	-12 517	-4 388	-31	-8 098
Earnings before interest and taxes (EBIT)	3 185	-3 241	4	6 422
Financial income	4 885	-910		5 795
Financial expenses	-6 020	2 318	-7	-8 331
Profit before tax	2 050	-1 833	-3	3 886
Income taxes	-1 241	459		-1 700
Profit after tax	809	-1 374	-3	2 186
Other comprehensive income	-666	504		-1 170
Total comprehensive income	143	-870	-3	1 016
Profit after tax attributable to:				
Owners of the company	669	-1 320	-3	1 992
Non-controlling interest	140	-54		194
Total comprehensive income attributable to:				
Owners of the Company	-475	-818	-3	346
Non-controlling interest	618	-52		670

7. Subsidiaries involved in consolidation

In Q1 2023, changes in the Group were reflected in the consolidated financial statements of the Company.

The merger of ONE Telecommunications sh.a. and ALBtelecom sh.a. was completed on 1 January 2023, and they will continue to operate as one company, ONE Albania sh.a.

As of 1 January 2023, the companies of the DIGI Group (Invitel Zrt., DIGI Infrastruktúra Kft., i-TV Zrt.) were merged into DIGI Távközlési és Szolgáltató Kft. and will continue their activities as the legal successor DIGI Távközlési és Szolgáltató Kft.

On 31 January 2023, "ANTENNA HUNGÁRIA" Zrt. acquired 51% of the shares of Vodafone Hungary Zrt. On 20 March 2023, "ANTENNA HUNGÁRIA" Zrt. acquired by way of share exchange 35,476,749 ordinary shares of series A, each with a nominal value of HUF 500, representing 19.5% of the share capital of Vodafone Magyarország Zrt. owned by Corvinus Zrt. With the transaction "ANTENNA HUNGÁRIA" Zrt. increased its direct majority stake in Vodafone Hungary Zrt. to 70.5%.

Name of subsidiary	Majority owner	Date of inclusion in consolidation	Way of acquiring	Indirect ownership
4iG Albánia Kft.	"ANTENNA HUNGÁRIA" Zrt.	23/02/2022	incorporated	76.78%
ACE Network Zrt.	4iG Plc.	14/04/2021	acquisition	70.00%
Albania Telecom Invest AD	"ANTENNA HUNGÁRIA" Zrt.	21/03/2022	acquisition	76.78%
"ANTENNA HUNGÁRIA" Zrt.	4iG Plc.	31/03/2022	cont. in kind	76.78%
Antenna Hungária Innovációs Kft.	"ANTENNA HUNGÁRIA" Zrt.	31/03/2022	cont. in kind	76.78%
BRISK Digital Group Kft.	4iG Plc.	15/11/2022	acquisition	75.00%
BRISK Digital Hungary Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%
BRISK Digital International Kft.	BRISK Digital Group Kft.	15/11/2022	acquisition	75.00%
CarpathiaSat Zrt.	4iG Plc.	17/08/2020	incorporated	84.78%
"Digitális Átállásért" Nonprofit Kft.	"ANTENNA HUNGÁRIA" Zrt.	31/03/2022	cont. in kind	76.78%
DIGI Távközlési és Szolgáltató Kft.	"ANTENNA HUNGÁRIA" Zrt.	03/01/2022	acquisition	76.78%
DTSM Kft.	4iG Plc.	07/12/2020	acquisition	100.00%
Humansoft Szerviz Kft.	4iG Plc.	17/04/2019	incorporated	100.00%
Hungaro DigiTel Kft.	Portuguese Telecommunication Investments Kft.	12/05/2021	acquisition	94.20%
INNObyte Zrt.	4iG Plc.	14/10/2020	acquisition	100.00%
INNOWARE Kft.	INNObyte Zrt.	14/10/2020	acquisition	100.00%
Invitech ICT Services Kft.	"ANTENNA HUNGÁRIA" Zrt.	30/09/2021	acquisition	76.78%
InviTechnocom Kft.	Invitech ICT Services Kft.	30/09/2021	acquisition	76.78%
ONE Crna Gora d.o.o.	"ANTENNA HUNGÁRIA" Zrt.	21/12/2021	acquisition	76.78%
ONE Albania sh.a.	Albania Telecom Invest AD	21/03/2022	acquisition	73.92%
Poli Computer PC Kft.	4iG Plc.	01/06/2021	acquisition	100.00%
Portuguese Telecommunication Investments Kft.	4iG Plc.	12/05/2021	acquisition	100.00%
Rheinmetall 4iG Digital Services Kft.	4iG Plc.	16/11/2022	incorporated	51.00%
Soft Media Europe srl.	BRISK Digital International Kft.	15/11/2022	acquisition	49.50%
Veritas Consulting Kft.	4iG Plc.	10/09/2019	acquisition	100.00%
Vodafone Magyarország Távközlési Zrt.	"ANTENNA HUNGÁRIA" Zrt.	31/01/2023	acquisition	70.50%

8. Events after the reporting date

8.1 Sale of certain mobile network infrastructure elements of DIGI Távközlési és Szolgáltató Kft. in the near future (13 April 2023)

4iG Plc ("4iG") informs capital market participants that its subsidiary DIGI Kft., wholly owned by "ANTENNA HUNGÁRIA" Zrt., intends to sell certain elements of its mobile network infrastructure owned and operated by 4iG and certain radio frequency usage rights exercised in the context of mobile telecommunications services in the near future, based on the opinion of decision-making forums.

8.2 Annual General Meeting (28 April 2023)

4iG Plc held its Annual General Meeting on 28 April 2023, at which the following main resolutions were adopted:

Resolution of the General Meeting No. 2/2023 (IV.28.):

The General Meeting amended the Articles of Association of the Company on several points and published the amended consolidated Articles of Association on the day of the General Meeting.

Resolution of the General Meeting No. 3-4-5-6-7-8/2023 (IV.28.):

The General Meeting approved the individual and consolidated financial statements of 4iG Plc. for 2022 in accordance with IFRS and the auditor's report.

The General Meeting decides that no dividend will be paid after the financial year of 2022.

Resolution of the General Meeting No. 11/2023 (IV.28.):

The General Meeting resolves to adopt the Company's Corporate Governance Report and Statement for the year of 2022 in accordance with the content of the proposal, which will ensure that the Company operates in a clear and transparent manner for its shareholders, investors and all other market participants.

Resolution of the General Meeting No. 12/2023 (IV.28.):

The General Meeting has concluded that the members of the Board of Directors performed their duties in 2022 with the best interests of the Company as their primary consideration, and in view of this, the General Meeting resolves to issue a hold-harmless warrant for them for the year of 2022.

Resolution of the General Meeting No. 13/2023 (IV.28.):

The General Meeting hereby re-elects *Interauditor Consulting Korlátolt Felelősségű Társaság* (Limited Liability Company) from 1 May 2023 until the adoption of the individual and consolidated annual statements for 2023, but no later than 30 April 2024, with the appointment of the person responsible for the audit to be carried out by *Interauditor Consulting Ltd.*

The General Meeting set the remuneration of the Auditor at the following amounts:

The stand-alone annual statement of the Company under IAS-IFRS: HUF 10,000,000 + VAT (gross HUF 12,700,000).

The consolidated annual statement of the Company: HUF 20,000,000 + VAT (gross HUF 25,400,000).

Resolution of the General Meeting No. 14/2023 (IV.28.):

The General Meeting hereby acknowledges the resignation of Helmut Paul Merch (nominated by Rheinmetall Aktiengesellschaft) and Dénes Jobbágy (nominated by iG COM Magántőkealap) from the Supervisory Board.

The General Meeting elected Dagmar Steinert, nominated by the shareholder Rheinmetall Aktiengesellschaft, and Gergely Böszörményi-Nagy, nominated by the shareholder iG COM Magántőkealap, as new members of the Supervisory Board of the Company for an indefinite term starting from 28 April 2023.

The General Meeting records that the remuneration of the Members of the Supervisory Board is set by the Resolution of the General Meeting No 14/2022 (IV.29.) at HUF gross 450,000/month.

Resolution No. 15/2023 (IV.28.) of the General Meeting:

The General Meeting hereby elects Gergely Böszörményi-Nagy as a new member of the Audit Committee of the Company for an indefinite term starting from 28 April 2023.

The members of the Audit Committee shall perform their duties without additional remuneration.

Resolution No. 17/2023 (IV.28.) of the General Meeting:

The General Meeting adopted the Company's Remuneration Policy as presented.

Resolution No. 19/2023 (IV.28.) of the General Meeting:

The General Meeting decides to authorise the Board of Directors to acquire the Company's treasury shares as of 1 October 2023 for the following reasons:

- I. to use treasury shares as acquisition consideration, or
- II. to preserve the Company's flexibility for possible further capital optimisation, equity raisings and/or investments, or
- III. in addition to the existing options, the Company should have the possibility to establish and operate share-based incentive schemes, or
- IV. the possibility for the Company to establish or change equity or hybrid financing instruments and other investment structures.

9. Statement

The Issuer declares that the unaudited Report on the basis of the information available at the date of publication gives a true and fair view of the development and performance of the Company, that its data and statements are accurate and that it does not omit any fact material to the assessment of the Issuer's position.

Pursuant to Section 57 (1) of Act CXX of 2001 on the Capital Market, the Issuer shall be liable for compensation for any damage caused by the non-disclosure or misleading content of regulated information.

I accept responsibility for the figures in this report for Q1 2023 and for the accuracy of the analyses and conclusions.

Budapest, 31 May 2023

Gellért Zoltán Jászai
Chairman of the Board of Directors

Péter Krisztián Fekete
Chief Executive Officer



4iG NYRT.

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