

**4iG**  
Q3

**20**  
**20**

**4iG PLC. FLASH REPORT  
ON THE COMPANY'S Q3 2020 ACTIVITIES**



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## 1. EXECUTIVE SUMMARY

**4iG Plc.** (hereinafter referred to as: “4iG”, “Company”, “Corporation”, “Corporate Group”) is an innovative company in the phase of growing, which, due to its organic development and acquisitions, has **become the second biggest IT corporate group in Hungary**. Basically, Corona virus pandemic has not affected the national and international technological companies, but, especially, the thereof pandemic has a catalyst impact on certain industries like blockchain- and artificial intelligence-based developments, remote maintenance, digitization, etc.

Due to flexible operation of the corporate group and its outstanding experts, **the third quarter of 2020 could account prominent business results, the growth dynamism started in the first six months has been continuing further.**

### *Financial results*

Regarding the period under examination, 4iG has kept its developmental dynamics proved earlier. The book of orders of the Company shows a dynamic growth even in the third quarter and the relevant indicator of 2020 reached 18.2 billion Hungarian Forints on 19 November 2020. Herewith, the turnover as of 20 September 2020 and the value of aggregated book of contracts for 2020 exceeded 51 billion Hungarian Forints.

At the end of the third quarter, the consolidated sales revenue of 4iG Plc. accounted in line with IFRS was 33.5 billion Hungarian Forints, of which value is 34% higher compared to the same period in the previous year. Business effectiveness of the corporate group has also improved significantly: profit after tax of the Company accounted 1.87 billion Hungarian Forints exceeding as of the previous year’s by 11%, and the value of EBITDA is 2.81 billion Hungarian Forints, which is 13% higher compared to the earnings before financial and depreciation gained in the first nine months of 2019. The positions and situation of the Company are both stable and, due to the successful closed quarters, the Company still has significant reserve.

### *Change in the ownership structure, payment of dividend*

In accordance with the announcement of the Company on 01 July, Jászai Gellért, President and Chief Executive Officer, is the key shareholder of the company, who, by means of his asset management companies (IKON Befektetési Alapkezelő Zrt.<sup>1</sup>, KZF Vagyonkezelő Kft.<sup>2</sup>), owns 61.79% of the block of shares of 4iG Plc. The shares owned by Jászai Gellért grant 63.86% of the votes for him.

In line with the decision of the Board of Directors, 4iG started the payment of dividends for the accounted profit of last year as of 28 September, namely **22,- Hungarian Forints for per each equity share with the nominal value of 20,- Hungarian Forints**. The amount of the dividend not being paid

<sup>1</sup> IKON Befektetési Alapkezelő Zrt. in English: IKON Investment Fund Management Private Limited Company

<sup>2</sup> KZF Vagyonkezelő Kft. in English: KZF Asset Management Private Limited Liability Company

for the shareholder within one year as of being due is accounted for the accumulated profit reserve of the Company, with that, the claim related to dividend expires upon one year.

### ***New subsidiary companies***

**On 09 July 2020, 4iG acquired 100% business shares of TR Consult Kft.**, the aim of the herein acquisition is to expand the capacities of 4iG, and service portfolio provided in the areas of cyber security.

**On 24 September, the Company made a binding takeover bid for the acquisition of the majority (70%) shareholding in INNObyte Zrt. and Innoware Kft., the subsidiary company of the thereof** (hereinafter referred to as: "INNObyte Zrt.", "Company", and "Purpose Company"). INNObyte Informatikai Zrt.<sup>3</sup>, founded in 2014, with the registered office in Budapest and with a branch business in Pécs, and its subsidiary company, Innoware Kft.<sup>4</sup> employ, directly and indirectly, 200 workers. **INNObyte is a specialist company in the areas of contact centre services, business intelligence, test automatization, artificial intelligence development, database solutions, and has a significant professional history in software developer and application areas.** The orders of the Purpose Company come from the segments related to telecommunications, car manufacturing industry, health care, agricultural informatics, public administration, financial and banking informatics, and to the area of church digitization, primarily serving the needs of market customers, namely small and medium-sized enterprises, and corporations. **With regard to 4iG, the acquisition of the majority shareholding in INNObyte may substantially contribute to gain market leading status as an application developer in the areas of Fintech, Industry 4.0, Artificial intelligence development, and blockchain.**

In addition to the acquisitions, the **Board of Directors of the Company made the decision on the foundation of CarpathiaSat Magyar Űrtávközlési Zrt.**<sup>5</sup> (hereinafter referred to as: "Subsidiary Company") accounting 5,000,000,-HUF issued capital, and 365,000,000,-HUF capital reserve. In addition to the 44% shareholding in Antenna Hungária Zrt., and the 5% capital ownership in New Space Industries Zrt., 4iG holds 51% majority shareholding and dominant control in the aforesaid Subsidiary Company. Upon the foundation of the Subsidiary Company, the target of the founders is to have the first commercial satellite in Hungary suitable for performing governmental and scientific research tasks launched on the geostationary orbit in 2014, and to have the thereof operated in the long run. **The strategical target of 4iG is to become the leading IT and information, and communications technologies company in the Central and Eastern European region in addition to Hungary, and to have dominant positions established in the telecommunications sector.**

### ***Capital market performance***

The value of average stock market price of 4iG shares (548 Hungarian Forints) subject to the quarters from I to III in 2020 is 28.2% lower compared to the same period in the previous year. The closing price

<sup>3</sup> INNObyte Informatikai Zrt. in English: INNObyte Informatics Private Limited Company

<sup>4</sup> Innoware Kft. in English: Innoware Private Limited Liability Company

<sup>5</sup> CarpathiaSat Magyar Űrtávközlési Zrt. in English: CarpathiaSat Hungarian Space Telecommunications Private Company Limited by Shares

was 603 Hungarian Forints in September of 2020, which is 35% lower compared to the closing price in September of 2019. **At the time of compilation of this report, 4iG shares were traded in the range between 600-640 Hungarian Forints.** Market capitalization of the Company was 56.7 billion Hungarian Forints on 30 September 2020.

Edison Group, with the registered office in London, following the capital market performance and the activity of 4iG Plc. since May, defined the value of the shares of the company at the DCF-based fair value of 1,005,- Hungarian Forints. The management thinks that, by the relief of the pandemic situation, the capital market performance of the company will pass simultaneously with its business results.

### ***Market environment and vision***

**In the medium term, one of the most important targets of 4iG is to be in the very first place regarding the national IT companies,** to which the expansion of the already-available capacities is needed. In addition to the organic growth, the Company performs further investigations in relation to national and regional company acquisition possibilities, by which it can get into the next phase of growing. **The aim of 4iG is to have a dominant market position established in broad areas of IT services, and to become the strongest solution supplier in Hungary.**

Due to the successful closed third quarter, 4iG shall start the period ahead with a stable technical, human resource and economic background. **By the end of the period, the number of employees at the corporate group measured almost 700 persons, and by the date of the publication of this flash report, the direct and indirect number of employees is close to 1,000 persons.**

**In accordance with the expectations, and with regard to the steady development of the technological sector, the changed economic environment may bring new assignments and result new acquisitions relating to the main segments of the Company. The management is committed to make 4iG an unavoidable participant in the industry** regarding the areas of maintenance, software development, blockchain, artificial intelligence-development, and Industry 4.0.

**On the aforementioned basis, the Board of Directors of 4iG sees that the Company performs its expansion targets for 2020 and closes the most successful year during its existence of 25 years.**

The key financial 4iG Plc. indicators consolidated in accordance with the international financial reporting standards are included in the hereinunder table as follows:

Description (data in thousands of Hungarian Forints)	Q1-Q3 2020	Q1-Q3 2019	Change +/- in percentage
<b>Net sales revenues</b>	<b>33,504,157</b>	<b>24,972,718</b>	<b>34.16%</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>2,817,552</b>	<b>2,483,913</b>	<b>13.43%</b>
Earnings before interest and taxes (EBIT)	2,248,570	1,987,811	13.12%
Profit after tax (PAT)	1,874,430	1,691,965	10.78%
<b>Total comprehensive income</b>	<b>1,874,430</b>	<b>1,691,965</b>	<b>10.78%</b>
<b>Number of employees</b>			
Net sales revenue per person***	53,181	57,941	(8.22)%
Average staff number	630	431	46.17%
<b>Stock exchange indicators</b>			
Stock exchange closing share price* (in HUF)	603	907	(33.52)%
Average stock market price of the shares (in HUF)	548	763	(28.18)%
4iG Plc. market capitalization (in billion HUF)	56.7	85.3	(33.52)%
<b>Value per share (HUF)</b>			
EBITDA**	30	26	13.43%
Net earnings per share (EPS)**	21	18	11.60%
Diluted EPS indicator**	20	18	10.78%
Own equity**	54	47	14.06%

\*at the end of the period

\*\* in Hungarian Forint

\*\*\* per average number of employees

Unless otherwise indicated and in line with the IFRS principles, the data included in the Flash Report are consolidated, non-audited and given in thousands of Hungarian Forints.

The data in brackets indicate negative values.

## 2. IFRS CONSOLIDATED, NON-AUDITED QUARTERLY FINANCIAL STATEMENTS

### 2.1 Consolidated comprehensive profit and loss account

data in thousands of Hungarian Forints unless otherwise indicated

	<b>30 September 2020</b>	<b>30 September 2019</b>
Net sales revenues	33,504,157	24,972,718
Other operating income	216,048	213,170
<b>Revenues in total</b>	<b>33,720,205</b>	<b>25,185,888</b>
Goods and services sold	23,337,938	18,225,557
Operational expenditures	1,619,799	1,094,322
Staff costs	5,893,395	3,360,040
Other expenditures	51,521	22,056
<b>Operational expenses</b>	<b>30,902,653</b>	<b>22,701,975</b>
<b>Earning Before Interests, Taxes, Depreciation and Amortization (EBITDA)</b>	<b>2,817,552</b>	<b>2,483,913</b>
Depreciation and impairment	568,982	496,102
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>2,248,570</b>	<b>1,987,811</b>
Financial income	275,700	133,645
Financial expenditures	246,132	124,649
<b>Profit before tax</b>	<b>2,278,138</b>	<b>1,996,807</b>
Income taxes	403,708	304,842
<b>Profit after tax</b>	<b>1,874,430</b>	<b>1,691,965</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>1,874,430</b>	<b>1,691,965</b>
<b>Earnings per share (HUF)</b>		
Base	21	18
Diluted	20	18
<b>From profit after tax:</b>		
Share per parent company	<b>1,966,510</b>	<b>1,707,120</b>
Share for external owner	<b>(92,080)</b>	<b>(15,155)</b>
<b>From the total comprehensive income:</b>		
Share per parent company	<b>1,966,510</b>	<b>1,707,120</b>
Share for external owner	<b>(92,080)</b>	<b>(15,155)</b>



**4iG consolidated comprehensive income (profit and loss) statement for the third quarter of 2020 compiled in line with IFRS**

Description	Q1-Q3 2020	Q1-Q3 2019	Change +/- in percentage	Q3 2020	Q3 2019	Change +/- in percentage
<b>Revenues</b>	<b>33,720,205</b>	<b>25,185,888</b>	<b>33,89%</b>	<b>13,432,558</b>	<b>10,498,750</b>	<b>27,94%</b>
- out of which: Net sales revenues	33,504,157	24,972,718	34,16%	13,314,107	10,433,697	27,61%
ELÁBÉ <sup>6</sup> + Intermediation	23,337,938	18,225,557	28,05%	9,317,160	7,240,407	28,68%
Operational expenditures	1,619,799	1,094,322	48,02%	614,884	422,188	45,64%
Staff costs	5,893,395	3,360,040	75,40%	2,018,945	1,360,017	48,45%
Other expenditures	51,521	22,056	133,59%	24,260	1,531	1484,59%
<b>Earnings before interest, taxes, depreciation and amortization (EBITIDA)</b>	<b>2,817,552</b>	<b>2,483,913</b>	<b>13,43%</b>	<b>1,457,309</b>	<b>1,474,607</b>	<b>(1.17%)</b>
Depreciation	568,982	496,102	14,69%	199,026	201,992	(1.47%)
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>2,248,570</b>	<b>1,987,811</b>	<b>13,12%</b>	<b>1,258,283</b>	<b>1,272,615</b>	<b>(1.13%)</b>
Financial income	275,700	133,645	106,29%	91,151	62,597	45,62%
Financial expenditures	246,132	124,649	97,46%	60,588	40,792	48,53%
<b>Profit before tax (PBT)</b>	<b>2,278,138</b>	<b>1,996,807</b>	<b>14,09%</b>	<b>1,288,846</b>	<b>1,294,420</b>	<b>(0.43%)</b>
Profit-type taxes	403,708	304,842	32,43%	189,306	181,697	4,19%
<b>Net profit and loss</b>	<b>1,874,430</b>	<b>1,691,965</b>	<b>10,78%</b>	<b>1,099,540</b>	<b>1,112,723</b>	<b>(1.18%)</b>
Other comprehensive income	0	0	n.d. <sup>7</sup>	0	0	n.d.
<b>Total comprehensive income</b>	<b>1,874,430</b>	<b>1,691,965</b>	<b>10,78%</b>	<b>1,099,540</b>	<b>1,112,723</b>	<b>(1.18%)</b>

<sup>6</sup> ELÁBÉ in English: cost of goods sold

<sup>7</sup> no data: hereinafter referred to as: n.d.

## 2.2 Consolidated balance sheet

data in thousands of Hungarian Forints unless otherwise indicated

	<b>30 September 2020</b>	<b>31 December 2019</b>
<b>ASSETS</b>		
<b>Over-the-year assets</b>		
Tangible assets	690,992	322,353
Intangible assets	855,427	1,114,174
Deferred tax assets	32,645	3,202
Goodwill	683,263	411,243
Other investments	94,486	97,488
<b>Over-the-year assets in total</b>	<b>2,356,813</b>	<b>1,948,460</b>
<b>Current assets</b>		
Liquid assets and cash equivalents	2,526,570	6,237,873
Trade receivables	9,974,726	12,891,746
Other receivables and accrued and deferred assets	4,474,968	2,065,341
Current income tax receivables	0	0
Securities	442,600	442,600
Inventories	2,215,638	523,318
<b>Current assets in total</b>	<b>19,634,502</b>	<b>22,160,878</b>
<b>Assets in total</b>	<b>21,991,315</b>	<b>24,109,338</b>
<b>RESOURCES</b>		
<b>Own equity</b>		
Issued capital	1,880,000	1,880,000
Repurchased own share	(587,536)	(92,251)
Capital Reserve	816,750	816,750
Accumulated profit reserve	2,917,316	2,951,957
<b>Own equity per parent company in total</b>	<b>5,026,530</b>	<b>5,556,456</b>
Non-controlling interest	25,476	(63,743)
<b>Own equity in total:</b>	<b>5,052,006</b>	<b>5,492,713</b>
<b>Long-term liabilities</b>		
Provisions	86,439	56,718
Deferred tax liabilities	0	0
Finance lease liabilities	203,405	335,181
<b>Long-term liabilities in total</b>	<b>289,844</b>	<b>391,898</b>
<b>Short-term liabilities</b>		
Trade creditors and other accounts payable	9,497,100	11,609,090
Short-term credits and loans	3,068,552	1,500,000
Other short-term liabilities and accrued liabilities	3,674,013	4,751,793
Dividend payment liabilities	85,303	0
Finance lease liabilities	324,497	363,843
<b>Short-term liabilities in total</b>	<b>16,649,465</b>	<b>18,224,726</b>
<b>Liabilities and own equity in total</b>	<b>21,991,315</b>	<b>24,109,338</b>

**2.3 Statement on consolidated own equity change**

data in thousands of Hungarian Forints unless otherwise indicated

	Issued capital	Own shares	Capital reserve	Accumulated profit reserve	Own equity per parent company in total	Non-controlling interest	Own equity in total
<b>Balance on 1 January 2019</b>	<b>1,880,000</b>	<b>(101,741)</b>	<b>816,750</b>	<b>124,547</b>	<b>2,719,556</b>	<b>0</b>	<b>2,719,556</b>
Delisting of the subsidiary company goodwill	0	0	0	(240,460)	(240,460)	0	(240,460)
Own share sale	0	9,490	0	175,183	184,673	0	184,673
Total comprehensive income	0	0	0	1,691,965	1,691,965	(15,155)	1,676,810
NCI (non-controlling interest)	0	0	0	15,155	15,155	2,000	17,155
<b>Balance on 30 September 2019</b>	<b>1,880,000</b>	<b>(92,251)</b>	<b>816,750</b>	<b>1,766,390</b>	<b>4,370,889</b>	<b>(13,155)</b>	<b>4,357,734</b>
<b>Balance on 1 January 2020</b>	<b>1,880,000</b>	<b>(92,251)</b>	<b>816,750</b>	<b>2,951,957</b>	<b>5,556,456</b>	<b>(63,743)</b>	<b>5,492,713</b>
Purchase of own share	0	(495,285)	0	0	(495,285)	0	(495,285)
Segregation and payment of dividend	0	0	0	(2,001,152)	(2,001,152)	0	(2,001,152)
Total comprehensive income	0	0	0	1,966,510	1,966,510	(92,080)	1,874,430
NCI (non-controlling interest)	0	0	0	0	0	181,300	181,300
<b>Balance on 30 September 2020</b>	<b>1,880,000</b>	<b>(587,536)</b>	<b>816,750</b>	<b>2,917,316</b>	<b>5,026,530</b>	<b>25,476</b>	<b>5,052,006</b>

## 2.4 Consolidated Cash Flow statement

data in thousands of Hungarian Forints unless otherwise indicated

	30 September 2020	30 September 2019
<b>Cash flow from operating activities</b>		
Profit after tax	1,874,430	1,691,965
<i>Corrections:</i>		
Depreciation and impairment in the current year	568,982	496,102
Impairment booked for customers	0	0
Provisions	29,723	(11,247)
Deferred tax	(29,443)	63,083
Interests	5,896	6,479
<i>Changes in working capital</i>		
Change in trade receivables	2,917,020	(249,603)
Change in inventories	(1,692,320)	(229,144)
Change in trade creditors	(2,111,990)	2,331,615
Change in finance leasing	(36,614)	360,871
Change in other assets and liabilities	(3,572,710)	(337,906)
<b>Net cash flow from operating activities</b>	<b>(2,047,027)</b>	<b>4,122,215</b>
<b>Cash-Flow from investments</b>		
Sale (and purchase) of tangible assets	(764,842)	(283,806)
Purchase of intangible assets	(186,053)	(1,022,516)
Purchase of securities	0	-
Change in over-the-year-assets	3,000	15,393
Acquisition of interests	181,302	2,300
<b>Net cash flow from investment activities</b>	<b>(766,592)</b>	<b>(1,288,630)</b>
<b>Cash flow from financing activities</b>		
Borrowing long-term credits and loans		
Borrowing bank credits and loans / (repayment)	1,653,855	(257,956)
Borrowing financial leasing (repayment)	(134,509)	414,929
Own shares issued/repurchased	(495,285)	9,490
Interests of credits and loans	(5,896)	(6,479)
Dividend paid	(1,915,849)	0
Profit of own share sale	0	175,184
<b>Net cash flow from financing activities</b>	<b>(897,684)</b>	<b>335,168</b>
Net change in cash and cash-like items and instruments	(3,711,304)	3,168,754
Balance of cash and cash-like items and instruments at the beginning of the year	6,237,873	175,570
<b>Interim balance of cash and cash-like items</b>	<b>2,526,570</b>	<b>3,344,324</b>

**3. GENERAL INFORMATION ON THE ISSUER**

Name of the company:	4iG Nyilvánosan Működő Részvénytársaság <sup>8</sup> (former FreeSoft Nyrt. <sup>9</sup> , and Fríz 68 Szolgáltató és Kereskedelmi Rt. <sup>10</sup> )
Legal status of the company:	Public Limited Company
Registered office:	1037 Budapest, Montevideo u. 8.
Branch businesses:	8000 Székesfehérvár, Seregélyesi út 96. 6782 Mórahalom, Röskei út 43. 6722 Szeged, Tisza Lajos krt. 41.
Company registration number:	01-10-044993
Tax number:	12011069-2-41
Statistical number:	12011069-6201-114-01
Share capital:	1,880,000,000,-HUF
Date of foundation:	8 January 1995
Date of transformation:	2 April 2004
Date of being listed on the stock exchange:	22 September 2004

**4. INFORMATION ON SHARES**

Type of shares:	registered equity share, dematerialized
Nominal value of the shares:	20,- HUF per quantity
Quantity of the shares:	94,000,000,- quantity
ISIN code of the shares:	HU 0000167788
Series of the share class:	"A"
Serial number of the shares:	0000001-94000000
Repurchased own shares:	3,038,544,- quantity

**5. SHAREHOLDER STRUCTURE**

Shareholder structure of the Company is as follows:	30 September	30 September
	2020	2019
KZF Vagyonkezelő Kft.	56.60%	35.02%
Manhattan Invest Kft. <sup>11</sup>	3.29%	3.29%
MANHATTAN Magántőkealap <sup>12</sup>	1.90%	1.90%
KONZUM PE Magántőkealap <sup>13</sup>	n.d.	11.63%
OPUS GLOBAL Plc.	n.d.	9.95%
4iG own share shareholder	3.23%	2.39%
Free float	34.98%	35.82%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>8</sup> 4iG Nyilvánosan Működő Részvénytársaság in English: 4iG Public Limited Company

<sup>9</sup> FreeSoft Nyrt. in English: FreeSoft Plc.

<sup>10</sup> Fríz 68 Szolgáltató és Kereskedelmi Rt. in English: Fríz 68 Service Provider and Trading Limited Company by Shares

<sup>11</sup> Manhattan Invest Kft. in English: Manhattan Invest Private Limited Liability Company

<sup>12</sup> MANHATTAN Magántőkealap in English: Private Equity Fund

<sup>13</sup> KONZUM PE Magántőkealap in English: KONZUM PE Private Equity Fund

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4iG Plc. owned 3,038,544,- quantity of own shares on 30 September 2020.

## 6. OFFICERS

With regard to the period between 01 January 2020 and 30 September 2020, the executive officers of 4iG Plc. were the hereinunder listed persons.

### 6.1 Company Management

Board of Directors:	Jászai Gellért, Chairperson of the Board of Directors, Chief Executive Officer Tóth Béla Zsolt, member of the Board of Directors Linczéni Aladin, member of the Board of Directors Zibriczki Béla, member of the Board of Directors Simon Zoltán, member of the Board of Directors
Supervisory Board:	Tomcsányi Gábor, chairperson of the Supervisory Board Kunosi András, member Ódorné Angyal Zsuzsanna, member Tima János, member
Audit Committee:	Tomcsányi Gábor, chairperson of the Supervisory Board Kunosi András, member Ódorné Angyal Zsuzsanna, member Tima János, member

### 6.2 Remuneration of the officers

With regard to the remuneration of the members of the Board of Directors, Supervisory Board and Audit Committee of the Company in the hereinabove said period is as follows.

In line with the general meeting resolution under the number of 37./2014 (10.27.) issued by the General Meeting, the members of the Board of Directors are entitled to receive remuneration in the amount of 175,000,-HUF per month per person, while the chairperson of the Board of Directors is eligible for 200,000,-HUF per month.

In line with the general meeting resolution under the number of 42./2014(10.27.) issued by the General Meeting, the members of the Supervisory Board are entitled to receive remuneration in the amount of 155,000,-HUF per month per person, while the chairperson of the Supervisory Board is eligible for 175,000,-HUF per month.

The members of the audit committee are not entitled to receive any remuneration for their work performed in the audit committee.

### 6.3 4iG shareholding of the executive officers

Name	Position	Direct capital ownership (quantity)	Indirect capital ownership (quantity)	Direct and indirect (quantity)	Capital ownership rate (%)
Jászai Gellért Zoltán	Chairperson – Chief Executive Officer	0	58,083,500	58,083,500	61.79%
Tóth Béla Zsolt	member of the Board of Directors	1,052,200	0	1,052,200	1.12%

### 7. PERSONS BEING ENTITLED TO SIGN THIS REPORT

Regarding signing the report, the chairperson of the board of directors is entitled to sign individually, or any two members of the herein board of directors shall jointly practice the thereof right of signing at the Company.

### 8. SUBSIDIARIES

Name of the subsidiary company	Registered office	Capital ownership		Notes
		2020	2019	
CarpathiaSat Ltd.	H-1037 Budapest, Montevideo u. 8.	51%	n.d.	Founded on 17 August 2020
Humansoft Szerviz Kft.	H-1037 Budapest, Montevideo u. 8.	100%	100%	Founded on 17 April 2019
DOTO Systems Zrt.	H-1037 Budapest, Montevideo u. 8.	60%	60%	Founded on 03 July 2019
TR Consulting Kft.	H-1037 Budapest, Montevideo u. 8.	100%	n.d.	Acquired upon 09 July 2020
Veritas Consulting Kft.	H-1037 Budapest, Montevideo u. 8.	100%	100%	Acquired on 10 September 2019

### 9. MAJOR EVENTS OF THE SAID PERIOD (IN CHRONOLOGICAL ORDER)

#### 9.1 Announcement of large amount successful tender (10 January 2020)

Upon the recall of the competition in the subject matter of ‘„NAHU” 20 14-2020 on Software Development Services’ called for by Külgazdasági és Külügyminisztérium<sup>14</sup> initiating a centralized public procurement procedure, the tender submitted by 4iG Plc. was announced to be the successful one.

<sup>14</sup> Külgazdasági és Külügyminisztérium in English: Ministry of Foreign Affairs and Trade

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With regards, the 'NAHU 2014-2020' is the IT system of the ten national data recording support programs of the European Regional Development Fund, the Instrument for Pre-Accession Assistance, and the European Neighbourhood Instrument.

The total value of the procedures is 563,445,500,-HUF + VAT.

### **9.2 Announcement of large amount successful tender (13 January 2020)**

Upon the recall of the competition within the framework of the 'Hungarian Village Program' in relation to the subprogram under the title of 'Medical Equipment Pilot Program Promoting Medical Care' on the realization of IT systems called for by Emberi Erőforrások Minisztérium<sup>15</sup> (hereinafter referred to as: "EMMI") initiating a centralized public procurement procedure, the tender submitted by 4iG Plc. was announced to be the successful tender.

Following the aforesaid conclusion of the contract, the developments to be performed by 4iG within the framework of the basic health care shall support consultancy, prevention and the activities of the GP's population screening by means of the appropriate IT support provided for the herein activities.

The total value of the procedure is 1,555,346,000,-HUF + VAT.

### **9.3 Own share purchase of the Company (between 15 January 2020 and 27 January 2020)**

With regard to the period between 15 January 2020 and 27 January 2020, 4iG Plc. – with the contribution of Equilor Zrt., an investment service provider, – purchased 508,519,- quantity of own shares at Budapest Stock Exchange by means of stock exchange transaction. As a result of the thereof transactions performed at the end of 2019 and in January 2020, the quantity of the Company's own shares was changed from 2,250,000,- quantity to 2,938,544,- quantity. The total value of the treasury stock of own shares of the Company is 3.13%. The boundary limit was not exceeded.

### **9.4 Announcement of large amount successful tender (30 January 2020)**

Upon the recall of the competition within the framework of the projects of 'National Authentic Water and Sanitation Services Database', under the identification number of KEOP-1.4.0/12-2013-0001, and 'Integrated Public Water and Sanitation Services Database', under the identification number of KÖFOP-2.3.6-VEKOP-16-2017-00002, to provide complex performance of the operational tasks of the subsystems called for by Nemzeti Fejlesztési Programiroda<sup>16</sup> initiating a centralized public procurement procedure, the tender submitted by 4iG Plc. was announced to be the successful tender. The term for the performance of the service is 24 months.

The total value of the procedure is 906,624,000,-HUF + VAT.

### **9.5 Announcement of large amount successful tender (02 February 2020)**

Upon the recall of the competition in the subject of 'Procurement of Development, Implementation, Parameterization Services Related to Accounting Systems' called for by Magyar Államkincstár<sup>17</sup>

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<sup>15</sup> Emberi Erőforrások Minisztérium in English: Ministry of Human Capacities

<sup>16</sup> Nemzeti Fejlesztési Programiroda in English: National Development Program Office

<sup>17</sup> Magyar Államkincstár in English: Hungarian State Treasury



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(hereinafter referred to as: 'Treasury') initiating a centralized public procurement procedure, the tender submitted by 4iG Plc. was announced to be the successful tender.

The total value of the procedure is 3,469,838,990,-HUF + VAT.

#### **9.6 Announcement of large amount successful tender (03 February 2020)**

Upon the recall of the competition called for by Állami Egészségügyi Ellátó Központ (hereinafter referred to as: "ÁEEK") in the subject of 'Provision of Routers for the Participating Institutions in Healthy Budapest Project' initiating a centralized public procurement procedure, the tender submitted by 4iG Plc. was announced to be the successful tender.

The total value of the procedure is 754,535,000,-HUF + VAT.

#### **9.7 Announcement of large amount successful tender (09 March 2020)**

Upon the recall of the competition in the subject of 'Expansion of Management Procedures with HP Service Manager and License Tracking for 3 Years' called for by Nemzeti Adó- és Vámhivatal<sup>18</sup> (hereinafter referred to as: "NAV") initiating a centralized public procurement procedure, the tender submitted by 4iG Plc. was announced to be the successful tender.

The value of the tender is 1,083,556,965,-HUF + VAT.

#### **9.8 Company's own share purchase (12 March 2020)**

Upon 10 March 2020, 4iG Plc. – with the contribution of Equilor Zrt., an investment service provider, – purchased 100,000,- quantity of own shares at Budapest Stock Exchange by means of stock exchange transaction. As a result of the hereof transaction, the quantity of the Company's own shares was changed from 2,938,544,- quantity to 3,038,544,- quantity. The total value of the treasury stock of own shares of the Company is 3.23%. The boundary limit was not exceeded.

#### **9.9 COVID-19 pandemic**

The majority of the activities of 4iG Plc. includes software development, software implementation, software support, which can be performed in home-office so it, predictably, cannot cause significant loss from the turnover or profit. On account of Corona virus, the members of the Corporate Group compiled their estimations on the thereof. The aforesaid persons also investigated whether there is a substantial uncertainty for the continuous development in relation to the enterprise and they came to the conclusion that the herein uncertainty does not exist.

#### **9.10 4iG Plc. Board of Directors resolution on the annual ordinary general meeting of the Company**

With regard to the Hungarian Government Decree of 102/2020. (IV.10.) (hereinafter referred to as: "102/2020. Government Decree"), and, in line with the Government Decree No. 40/2020. (III.11.) on the announcement of emergency promulgated on account of the Corona virus epidemic, the Board of Directors of 4iG shall not be allowed to hold the general meeting convened during the emergency

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<sup>18</sup> Nemzeti Adó- és Vámhivatal in English: National Tax and Customs Administration of Hungary

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period by means of personal presence of the shareholders, hence, the Company did not hold the annual ordinary general meeting convened for at 10:00 on 29 April 2020.

**Board of Directors resolutions of the Company replacing the annual ordinary general meeting held on 29 April 2020**

Upon the authorization of the Government Decree No. 102/2020. and acting on behalf of the competence of the General Meeting, the Board of Directors of the Company, without holding a meeting on 29 April 2020 and within the form of written decision-making, adopted the hereinunder resolutions as follows:

**Board of Directors Resolution Number 1/2020. (IV. 29.)**

In line with the IFRS (International Financial Reporting Standards), the Company's main data concerning the annual report for the year of 2019 are as follows:

- the total amount of assets/capital and resources is 24,183,682,-HUF in thousands
- the amount of own equity is 5,649,511,-HUF in thousands
- the amount of income after taxes is 3,049,436,-HUF in thousands

In line with the IFRS (International Financial Reporting Standards), the Company's main data of the (consolidated) annual report for the year of 2019 are as follows:

- the total amount of assets/capital and resources is 24,109,338-HUF in thousands
- the amount of own equity is 5,492,713,-HUF in thousands
- the total amount of the comprehensive income after taxes is 2,826,944,-HUF in thousands

In accordance with the authorization of the thereof Decree and having regard to the content of the disclosed annual financial statement for the year of 2019, the Board of Directors, moreover, shall hereby make the decision that, for the business year of 2019, the Company is to pay dividend disbursement in the amount of 22,-HUF, namely twenty-two Hungarian Forints per share. In line with the authorization of the thereof Decree, the Board of Directors, moreover, shall make the decision to authorize the Board of Directors of the Company to define the date of the dividend payment upon taking the actual liquidity situation into account, with that, the payment of dividend shall be performed until 31 December 2020 the latest.

**Board of Directors Resolution Number 2/2020. (IV. 29.)**

In line with the authorization of the thereof Decree and in accordance with the submission, the Board of Directors shall hereby make the decision on the adoption of the content of the said Corporate Governance Report of the Company for the year of 2019.

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**Board of Directors Resolution Number 3-7/2020. (IV. 29.)**

In line with the authorization of the Decree and in accordance with the opinion of the Nomination and Remuneration Committee of the Company, the Board of Directors shall hereby state that Jászai Gellért, Chairperson and Chief Executive Officer, Linczényi Aladin Ádám, member of the board of directors, Zibriczki Béla, member of the board of directors, Tóth Béla Zsolt, member of the board of directors and Simon Zoltán, member of the board of directors performed his work upon keeping the interest of the Company in mind in relation to the year of 2019 and with regard to the thereof the hold-harmless warrant concerning the year of 2019 is to be granted.

**Board of Directors Resolution Number 8/2020. (IV. 29.)**

In accordance with the authorization of the Decree and upon this resolution, the Board of Directors shall hereby state that in accordance with the personal service contract concluded between and by the Company and INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság<sup>19</sup> (seat of business: 1074 Budapest, Vörösmarty utca 16-18. A. ép. fszt. 1/F.; company registration number: 01-09-063211; tax number: 10272172-2-42, the person being personally responsible for performing the audit: Freiszberger Zsuzsanna [mother's name: Böczkös Rózsa Mária; address: 2440 Százhalombatta, Rózsa utca 7.; chamber membership number: 007229], hereinafter referred to as: "INTERAUDITOR Kft." or "Auditor") on 18 July 2018 – INTERAUDITOR Kft. is to be assigned to perform the audit in relation with the Company in the business year as of 2020.

In accordance with the authorization of the Decree and on the basis of the prior negotiation with the Auditor, the Board of Directors, moreover, shall hereby make the decision that the remuneration of the Auditor for the year of 2020 is to be 7,900,000,-HUF + VAT, namely seven-million-nine-hundred-thousand Hungarian Forints + VAT (with the gross value of 10,033,000,- Hungarian Forints) in respect to the individual annual financial statement of the Company compiled pursuant to the IAS-IFRS, while, with regard to the compilation of the consolidated annual financial statement of the Company, the aforesaid remuneration of the thereof Auditor is to be 2.500.000,-HUF + VAT, namely two-million-five-hundred-thousand Hungarian Forints + VAT (with the gross value of 3,175,000,-Hungarian Forints).

**Board of Directors Resolution Number 9/2020. (IV. 29.)**

In accordance with the authorization of the Decree and upon the approval of this resolution, the Board of Directors shall hereby adopt the initiation of the Employee Stock Ownership Plan of the Company (hereinafter referred to as "ESOP") and the establishment the hereof organization (hereinafter referred to as: "ESOP Organization") under the name of 4iG Employee Stock Option Plan Organization, abbreviated 4iG ESOP Organization, and respectively shall accept the articles of association of the thereof (hereinafter referred to as: "Articles"), and the same shall be applied to the remuneration policy (hereinafter referred to as: "ESOP Remuneration Policy"), and, moreover, the Articles of

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<sup>19</sup> INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság in English: INTERAUDITOR Neuner, Henzl, Honti Consultant Private Limited Liability Company

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Association and Remuneration Policy are to be included into a document countersigned by an attorney-at-law. With regards, the Articles of Association of the ESOP Organization is to be included in Annex No. 1 attached to this resolution, while the ESOP Remuneration Policy is to be disclosed in Annex No. 2 of the said resolution.

In accordance with the authorization of the Decree, the Board of Directors shall hereby make the decision on the assignment of Kertész és Társai Ügyvédi Iroda<sup>20</sup> (registered office: 1062 Budapest, Andrassy út 59.) to act as a proxy on behalf of the supreme body of the ESOP Organization for a specified term of seven (7) years as of the date of the decision.

In accordance with the authorization of the Decree upon this resolution, the Board of Directors shall hereby make the decision on the appointment of Salánki Olga Katalin (date of birth: 14 May 1977; address: 1117 Budapest, Fehérvári út 31. 5. em. 41., mother's name: Bacsa Katalin, tax identification number: 8403103646) to represent the ESOP Organisation for an unspecified term.

In accordance with the authorization of the Decree, the Board of Directors shall hereby make the decision that the name 4iG in both the full and the abbreviated name of ESOP Organization may be indicated.

In accordance with the authorization of the Decree and in the interest of the planned implementation of ESOP Remuneration Policy, the Board of Directors shall hereby make the decision that the Company, as a founder, is to provide purchase option for the acquisition of 4iG Plc. equity shares in the amount of 2,500,000,- (namely two-million-five-hundred-thousand) quantity at the nominal value of 20,-HUF per quantity under the ISIN identification number of HU0000167788, as a non-monetary contribution for the ESOP Organization. A purchase option in respect of the acquisition right of 2,500,000,- (namely two-million-five-hundred-thousand) quantity of 4iG Plc. equity shares is to be transferred for ESOP Organization until 30 April 2020, the latest.

In accordance with the authorization of the Decree and upon applying the general principles included in ESOP Remuneration Policy, the Board of Directors shall hereby resolve, that, on behalf of 4iG Plc., make decisions and declarations on the establishment, maintenance and operation of ESOP Organization. The authorization shall cover – particularly but not exclusively – the initiation of Programs grounding ESOP Organization, the designation of the beneficiary group and the requirements of the share acquisitions and the number of the hereof in relation to the Programs.

#### **Board of Directors Resolution Number 10/2020. (IV. 29.)**

In accordance with the authorization of the Decree and upon this resolution, the Board of Directors shall make the decision that the supreme body of the Company operating on the basis of the authorization provided by law, or the decision-making body acting on behalf of the supreme body shall hereby approve the Remuneration Policy of the Company by means of opinion voting at a later date during 2020.

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<sup>20</sup> Kertész és Társai Ügyvédi Iroda in English: Kertész and Partners PLLC.

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**Board of Directors Resolution Number 11/2020. (IV. 29.)**

In line with the authorization of the Decree, the Board of Directors shall hereby make the decision on the approval of the existing consolidated version of the text with amendments included in the Rules of Procedures of the Supervisory Board attached to the Annex of this draft resolution.

**Board of Directors Resolution Number 12/2020. (IV. 29.)**

In line with the authorization of the Decree, the Board of Directors shall hereby make the decision on the amendments of those regulations of the Articles of Association which are affected by the resolutions made in the course of the discussion regarding each agenda item.

In accordance with the authorization of the Decree, in order to indicate the amendments of the Articles of Association, the Board of Directors shall make the decision on the strikethrough form of the deleted text, while the new texts inserted are to be indicated in italics, underlined and bold editing modes.

In accordance with the authorization of the Decree, the Board of Directors shall hereby make the decision that some of the regulations included in the Articles of Association are to be amended as follows:

***“1. INTRODUCTORY PROVISIONS***

...

*1.3. The Articles of Association replacing the former Articles of Incorporation was approved by the Company upon the general meeting held as of 25 April 2004, and it has been amended several times by the hereof general meeting. With regards, this consolidated version of the amendments of the Articles of Association, under the authorization included in the Government Decree No. 102/2020. (IV.10.) on Derogations from Regulations on Operation of Partnerships and Corporations in case of Emergency, and in accordance with the Board of Directors Resolution No. 12/2020. (IV. 29.) concluded on 29 April 2020 and pursuant to the Act V of 2013 on the Civil Code (hereinafter referred to as: “Act on the Civil Code”) was compiled within the scope of the general meeting.”*

***“10. THE GENERAL MEETING***

...

*10.1. The scope of competence of the general meeting*

*Matters within the exclusive scope of the authority and the competence of the General Meeting:*

- (a) the decision on the establishment and amendment of the Articles of Association – unless provided otherwise by the Civil Code or the articles of association;*
- (b) the decision on the change of the form of operation of the Company;*
- (c) the decision on transformation or termination of the Company without a legal successor;*
- (d) the election and removal of the members of the Board of Directors, the members of the Supervisory Board, the Auditor and the manager, as well as the establishment of their remuneration;*

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- (e) *acceptance of the annual financial statements;*
  - (f) *the decision on the distribution of dividends and interim dividends,*
  - (g) *modification of the rights attached to a certain series of shares and the transformation of categories or classes of shares;*
  - (h) *the decision on the issue of convertible bonds or bonds with subscription rights;*
  - (i) *unless the general meeting provides otherwise, the decision on the share capital increase;*
  - (j) *the decision on the decrease of registered capital;*
  - (k) *the decision on exclusion of exercising subscription priority right, on the authorization of the Board of Directors to restrict or prohibit the exercise of subscription priority right;*
  - (l) *the decision on the acceptance of a public takeover bid made on the Company's own share;*
  - (m) *the decision on taking measures that would disturb the public takeover bidding procedure;*
  - (n) *the opinion voting on remuneration policy decision on the frameworks and guidelines of the long-term remuneration and incentive scheme applicable to the executive officers, supervisory board members and member of the senior management;*
  - (o) *the election of the members of the audit committee;*
  - (p) *the decision on the initiation of listing on and delisting from the stock exchange of the Company's securities;*
  - (q) *Deleted;*
  - (r) *the approval of the rules of procedure of the Supervisory Board;*
  - (s) *the decision on all further subjects which are assigned to the exclusive scope of competence of the general meeting by the Act on the Civil Code or this Articles of Association."*

*"11. THE BOARD OF DIRECTORS*

*...*

*11.10. The decisions within the scope of the competences of the Board of Directors*

*...*

*11.10.4. The Board of Directors shall be entitled to establish, maintain and make any relevant and necessary decision and declaration in relation to the Organization ("ESOP Organization") within the Employee Stock Option Plan ("ESOP"). The authorization shall cover – particularly but not exclusively – the initiation of Programs grounding ESOP Organization, the designation of the beneficiary group and the requirements of the equity share acquisition, and, respectively, of the number, value and acquisition of the rights related to the hereof equity shares.*

*11.10.45 The Board of Directors is entitled to resolve upon questions not vested to the exclusive scope of competence of the general meeting by either the Civil Code or by the present Articles of Association."*

*"14. Supervisory Board, Audit Committee*

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...

*14.12 The Supervisory Board shall have a quorum if, in the case of a Supervisory Board consisting of three (3) members, all members, or, in the case of a Supervisory Board consisting of more than three (3) members, minimum two-third of the members, but at least four (4) three (3) members are present at the Supervisory Board's meeting. The Supervisory Board shall adopt its resolutions by means of simple majority of the votes."*

In line with the Decree and pursuant to Section 3:279 of the Act on the Civil Code, the resolutions adopted within the competence of the general meeting were respectively disclosed on the websites of the Company ([www.4ig.hu](http://www.4ig.hu)), and Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)), and Magyar Nemzeti Bank<sup>21</sup> ([kozvetetelek.mnb.hu](http://kozvetetelek.mnb.hu)).

In line with Subsection 7 of Section 9 of the Decree, the Company informed its Esteemed Investors and Shareholders that shareholders holding at a minimum of 1% of the votes shall convene the general meeting within the forfeit deadline of 30 (thirty) days following the emergency cessation in the interest of the posterior approval of the general meeting resolutions made during the emergency period by the Board of Directors, with that, the resolutions made on the report and on the approval of the utilization of the profit after tax respectively are not to be included in the item of the thereof convocation. In line with Subsection 6 of Section 9 of the Decree, shareholders holding at a minimum of 1% of the votes shall have the right to convene the general meeting on the posterior approval of the annual financial statement and the profit after tax utilization not later than 31 May 2020.

Regarding the case that the period between the emergency cessation and 01 April of the following calendar year is shorter than 180 days, the aforesaid cessation of the general meeting is not allowed, with that, the general meeting resolutions approved by the Board of Directors during the emergency shall be included in the agenda items upon the following general meeting.

#### **9.11 Analysis of the EDISON Investment Research Limited on the Company (13 May 2020)**

EDISON Investment Research Limited, one of the world's biggest investment research, investor relations and consulting firms, performed a comprehensive analysis on 4iG Plc., which is available via the hereinunder link in English as follows:

<https://www.edisongroup.com/publication/building-on-a-transformational-fy19/26819>

Following the initial comprehensive analysis, EDISON shall hereby disclose analyses on 4iG Plc. on a quarterly basis.

#### **9.12 Disclosure of information on the first quarter (Q1) management (20 May 2020)**

The Company disclosed its management review on its data in relation to the management of the first quarter of 2020 upon 20 May 2020.

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<sup>21</sup> Magyar Nemzeti Bank in English: Hungarian National Bank

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### 9.13 Analyses of the EDISON Investment Research Limited on the Company (21 May 2019)

EDISON Investment Research Limited performed an analysis on 4iG Plc. following the the first quarter flash report of 2020, which is available via the hereinunder link in English as follows:

<https://www.edisongroup.com/publication/continuing-momentum-despite-lockdown/26892>

### 9.14 Announcement of large amount successful tender of the Company (25 May 2019)

It is the result of the announcement of the successful tender submitted by 4iG and called for by Élelmiszerlánc-biztonsági Centrum Nonprofit Kft.<sup>22</sup> under the title of “The Tasks of Software Development and Application related to Specialized System at NÉBIH<sup>23</sup> ” within the re-call of the competition upon a centralized public procurement procedure.

The total value of the procedures is 3,721,242,-HUF + VAT.

### 9.15 Announcement of large amount successful tender of the Company (26 May 2019)

It is the result of the announcement of the successful tender submitted by 4iG Plc. called for by NISZ Nemzeti Infokommunikációs Szolgáltató Zártkörűen Működő Részvénytársaság<sup>24</sup> under the title of “IT-related Developments Needed for the Introduction of EES” within the re-call of the competition upon a centralized public procurement procedure.

The total value of the procedure is 970,447,184,-HUF + VAT.

### 9.16 Modification of the ownership structure (01 July 2020)

As a result of over-the-counter transactions as of 01 July 2020, the number of dematerialized equity shares directly held by KZF Vagyonkezelő Korlátolt Felelősségű Társaság (registered office: 1037 Budapest, Montevideo utca 8 .; company registration number: 01-09-294248; court of registration: Fővárosi Törvényszék Cégbírósága<sup>25</sup>; (hereinafter referred to as: “KZF Vagyonkezelő Kft.”) conferring voting rights and issued by 4iG Plc. at the nominal value of 20,-HUF (hereinafter referred to as: “4iG Share”) is to be increased to 53,203,500,- quantity, namely fifty-three-million-two-hundred-and-three-thousand-five-hundred quantity, with 20,284,650,- quantity, namely twenty-million-two-hundred-and-eighty-four-thousand-six-hundred-and-fifty quantity, from 32,918,850,- quantity, namely thirty-two-million-nine-hundred-and-eighteen-thousand-eight-hundred-and-fifty quantity, herewith, pursuant to Subsection 3 of Section 61 of the Act of CXX of 2001 on Capital Market, the value of the existing voting right of the herein said company in relation to the Company is to be increased to 58.49% from 36.19% upon exceeding the thresholds of 40%, 45% and 50%.

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<sup>22</sup> Élelmiszerlánc-biztonsági Centrum Nonprofit Kft. in English: Safety of Food Supply Chain Center Nonprofit Plc.

<sup>23</sup> NÉBIH in English: National Food Chain Safety Office

<sup>24</sup> NISZ Nemzeti Infokommunikációs Szolgáltató Zártkörűen Működő Részvénytársaság in English: National Infocommunications Service Company Ltd.

<sup>25</sup> Fővárosi Törvényszék Cégbírósága in English: Company Registry Court of Budapest-Capital Regional Court



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### 9.17 Conclusion of large amount contract (03 July 2020)

Upon 16 June 2020, a large amount contract was concluded between and by 4iG Plc. and MVM NET Távközlési Szolgáltató Zártkörűen Működő Részvénytársaság<sup>26</sup> (registered office: 1134 Budapest, Róbert Károly körút 59.).

Upon the conclusion of a framework contract between and by MVM NET Távközlési Szolgáltató Zrt. and 4iG Plc. in the subject of “WDM-tools Delivery” the parties also signed the first individual order as part of the hereof framework contract.

The amount of the first individual order of the framework contract is: 1,313,507,-EUR.

### 9.18 Takeover of the Company (09 July 2020)

4iG Plc. acquired 100% ownership of the business shares over TR Consult Kft. (registered office: 1144 Budapest, Gvadányi utca 61-65., company registration number: 01-09-686917, hereinafter referred to as: “Purpose Company”) and herewith, 4iG Plc. became the exclusive owner of the herein Purpose Company.

### 9.19 Announcement of large amount successful tender (16 July 2020)

The Company was announced to be the successful tenderer in two part-tenders aiming a conclusion of a framework agreement upon a public procurement procedure called for by Digitális Kormányzati Ügynökség Zrt.<sup>27</sup> in the subject of “Procurement of Display Devices and Performance of the Related Services”. In respect of one of the parts, 4, while in the other part 5, different bidder consortiums were announced to be the successful tenderers.

The framework agreement shall not ensure automatic orders, as on the basis of the institutional claims, the individual procurements are to be repeatedly tendered among the consortiums entered into. With regard to Part 1, the maximum quantity of projectors and its accessories in respect of the framework agreement is to be 34,750,- quantity, while Part 2 shall mean the maximum quantity of interactive whiteboards of 3,700,- quantity.

### 9.20 Large amount successful tender announcement (17 July 2020)

The Company submitted a successful tender upon the open EU public procurement procedure called for by IKK Innovatív Képzéstámogató Központ Zrt.<sup>28</sup> in the subject of “Development, Pilot System Introduction and Testing of Digital Educational Materials, and Providing Related Services”.

The procurement procedure is to be realized by means of the sources of GINOP-6.2.4-VEKOP-16-2017-00001 upon the aims as follows:

- pilot system introduction and testing of digital educational materials and teaching aids;

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<sup>26</sup> MVM NET Távközlési Szolgáltató Zártkörűen Működő Részvénytársaság (Zrt.) in English: MVM NET Telecommunications Operator Private Limited Company

<sup>27</sup> Digitális Kormányzati Ügynökség Zrt. in English: Digital Governmental Agency Private Limited Company

<sup>28</sup> IKK Innovatív Képzéstámogató Központ Zrt. in English: Innovative Training Support Center Private Limited Company

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- development of teaching aids;
  - suitability verification of the digital educational materials and teaching aids;
  - compilation of digital materials for training purposes of teachers in order to make them able to employ digital materials worked out in projects and teaching aids;
  - the implementation of the application of digital materials worked out in projects and teaching aids upon the preparation of teachers.

The total value of the procedure is 4,239,000,000,-HUF + VAT.

#### **9.21 Announcement of large amount successful tender (30 July 2020)**

The tender submitted jointly by 4iG Plc., Getronics Magyarország Kft.<sup>29</sup> and ASH Szoftverház Kft.<sup>30</sup> was announced to be the successful tender upon public procurement procedure under the title of “e-Commerce Server Infrastructure and License Procurement” called for by Nemzeti Adó- és Vámhivatal. The procurement procedure was realized by means of the agreement under the number of KM02SRVT17 concluded by KEF<sup>31</sup> upon reopening the competition. The aim of the procurement is to procure servers and storages and related services for the institutions of National Tax and Customs Administration of Hungary. It is 4iG Plc. who is the supplier out of the members of the consortium.

The value of the tender is 1,103,498,538,-HUF + VAT

#### **9.22 Announcement of large amount successful tender (05 August 2020)**

Upon reopening the centralized public procurement procedure competition called for by Kormányzati Informatikai Fejlesztési Ügynökség<sup>32</sup>, 4iG Plc., the Company, submitted a successful tender in the subject of “Providing WIFI-coverage in Vocational Training Institutions of Convergence Regions”. The procurement procedure is to be realized by the means of GINOP 3.4.6-17-2017-00001 source upon the aim to establish the infrastructure for a unified and modern wireless network system at public educational and vocational institutions in the convergence regions (in all parts of the country outside Budapest and Pest county).

On the basis of the summary document, the total value of the procedure is 3,310,483,720,-HUF + VAT.

#### **9.23 Foundation of subsidiary company (17 August 2020)**

The Board of Directors of 4iG Plc. made the decision on the foundation of CarpathiaSat Magyar Űrtávközlési Zrt. (hereinafter referred to as: “Subsidiary Company” or “CarpathiaSat”). The Subsidiary Company was founded upon issued capital in the amount of 5,000,000,-HUF and capital reserve in the amount of 365,000,000,-HUF, in which the majority capital ownership and the dominant control of 4iG measure 51% over the thereof. In addition to 4iG, Antenna Hungária Zrt. also holds 44% capital ownership in CarpathiaSat, while the thereof in respect of New Space Industries Zrt. is measured to 5%.

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<sup>29</sup> Getronics Magyarország Kft. in English: Getronics Hungary Private Limited Liability Company

<sup>30</sup> ASH Szoftverház Kft. in English: ASH Software House Private Limited Liability Company

<sup>31</sup> KEF in English: General for Public Procurement and Supply

<sup>32</sup> Kormányzati Informatikai Fejlesztési Ügynökség in English: Governmental Agency for IT Development

#### **9.24 Tender for the acquisition of subsidiary company (24 September 2020)**

4iG Plc. made a binding takeover bid for the acquisition of the majority ownership in INNObyte Zrt. and Innoware Kft., the subsidiary company of the thereof. The owners of INNObyte accepted the bid. The said preparation phase of the transaction is closed, upon which 4iG experts of transactions screened the purpose companies. The sales contract has been concluded between and by the parties until mid-October, herewith 4iG acquires majority controlling ownership of 70 percentage in INNObyte.

#### **9.25 Dividend payment (28 September 2020)**

On 28 September 2020, upon the contribution of KELER Zrt.<sup>33</sup>, 4iG paid the dividends for its shareholders for the year of 2019 in the prescribed amount of 22,-HUF per share.

#### **9.26 Announcement of large amount successful tender (29 September 2020)**

Upon the recall of the competition initiating a centralized public procurement procedure within the framework of the “Purchase of Computers and Notebook” project, under the identification number of EFOP-3.2.4-16-2016-00001, within the priority project under the title of Development of Digital Competence” of Klebelsberg Központ<sup>34</sup>, and in line with the framework agreement concluded by Közbeszerzési és Ellátási Főigazgatóság<sup>35</sup>, 4iG Plc. submitted a successful tender in the third phase of the procedure. 4iG Plc. made the most favourable offer upon taking the lowest price evaluation criteria into account in the course of the third phase called Student PC Monitor. Within the framework of the project, 4iG Plc. delivers 6,145 pieces student PC for the specified locations all over the country.

The value of the tender is 776,728,000,-HUF + VAT.

### **10. MAJOR EVENTS AND CHANGES FOLLOWING THE REPORTING DAY**

#### **10.1 Announcement of large amount successful tender (08 October 2020)**

Within the framework of Economic Development and Innovation Operational Programme, Pénzügyminisztérium<sup>36</sup> published an invitation in the subject matter of “Centre for University-Industry Cooperation – Development of Research Infrastructure”, for which 4iG Plc. and Pécsi Tudományegyetem<sup>37</sup>, together, registered under the identification number of GINOP-2.3.4-15-2020-00010, and upon 20 February 2020, the thereof submitted an application under the title of “Establishment of Health Data Analyzer, Data Utilization, and Smart Device and Technology Developer Competency Centre at University of Pécs” and the Ministry of Finance supported the herein application with subsidy by means of the Ministry of Finance decision dated as of 11 May 2020. The total amount of the total development costs accountable for 4iG Plc. is 550,728,266,-HUF, and the amount of the subsidy allocated the purposes of the herein work is 325,734,623,-HUF.

<sup>33</sup> KELER Zrt. in English: Central Clearing House and Depository Private Limited Company

<sup>34</sup> Klebelsberg Központ in English: Klebelsberg Center

<sup>35</sup> Közbeszerzési és Ellátási Főigazgatóság in English: General for Public Procurement and Supply

<sup>36</sup> Pénzügyminisztérium in English: Ministry of Finance

<sup>37</sup> Pécsi Tudományegyetem in English: University of Pécs

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The total amount of the costs is 2,218,326,143,-HUF.

The subsidy intensity is 89.86%.

#### **10.2 Conclusion of a contract on the acquisition of INNOByte Zrt. shares (14 October 2020)**

4iG Plc. signed a share sale contract on the acquisition of the majority ownership in INNObyte Zrt. and Innaware Kft., the subsidiary company of the thereof. The transaction was performed following the competition oversight proceeding carried out by Gazdasági Versenyhivatal<sup>38</sup> (hereinafter referred to as: "GVH").

#### **10.3 Convocation of the extraordinary general meeting of the Company (22 October 2020)**

4iG Plc. convened an extraordinary general meeting on 25 November 2020 starting at 10:00.

#### **10.4 Acquisition of the Company (27 October 2020)**

Following the transaction approval made by Gazdasági Versenyhivatal (GVH), 4iG Plc. acquired the majority ownership (70%) in INNObyte Zrt.

#### **10.5 Board of Directors of the Company resolution on the extraordinary general meeting of the Company (18 November 2020)**

With regard to the Hungarian Government Decree of 502/2020. (IV.10.) (hereinafter referred to as: "502/2020. Government Decree"), and, in line with the Government Decree No. 478/2020. (III.3.) on the announcement of emergency promulgated on account of the Corona virus epidemic, the Board of Directors of 4iG shall not be allowed to hold the general meeting convened during the emergency period by means of personal presence of the shareholders, hence, the Company shall not hold the annual extraordinary general meeting convened at 10:00 on 25 November 2020.

#### **10.6 Conclusion of contract on the acquisition of 100% ownership in DTSM Kft. regarding business shares**

Business Share Sale Contract was concluded between and by 4iG Plc. and DTSM Kft. (hereinafter referred to as: "DTSM") for the acquisition of 100% ownership of DTSM Kft. business shares. The herein transaction was performed following the competition oversight proceeding of Gazdasági Versenyhivatal.

#### **10.7 Board of Directors of the Company resolution on the extraordinary general meeting of the Company (25 November 2020)**

#### **Board of Directors resolutions of the Company replacing the extraordinary general meeting held on 25 November 2020**

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<sup>38</sup> Gazdasági Versenyhivatal in English: Hungarian Competition Authority

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Upon the authorization of the Government Decree No. 478/2020. (XI. 3.), on 25 November 2020, the Board of Directors of the Company within the competence of the General Meeting adopted the hereinunder resolutions as follows:

**Board of Directors Resolution Number 3/2020. (XI.25.)**

Upon this resolution, the Board of Directors within the competence of the General Meeting, decides to have the real properties located in 1037 Budapest, Montevideo u. 2/C. and 1037 Budapest, Montevideo u. 6. operated as places of business, and moreover, to have the real property located in 4025 Debrecen, Barna u. 23. operated as a branch business, with that, both the place of business and branch business shall be included in the Articles of Association of the Company and respectively in the company register.

**Board of Directors Resolution Number 4/2020. (XI.25.)**

Upon this resolution, the Board of Directors within the competence of the General Meeting shall hereby acknowledge the resignation of Simon Zoltán and Zibriczki Béla, members of the Board of Directors, from the post of the membership in the the board of directors as of the date of the extraordinary general meeting, namely as of 25 November 2020, and moreover, the hereof board shall state that the said members of the board of directors performed their work in the interest of the Company regarding the year of 2020, and with regard to the thereof, the Company shall hereby grant hold-harmless warrant related to 2020 for the persons in question.

Upon this resolution, the Board of Directors within the competence of the General Meeting shall hereby elect the persons hereinunder as new members of the Board of Directors of the Company upon joint authorized signature as of the day of 25 November 2020 for an unspecified term as follows:

Blénessy László (mother's maiden name: Bordos Mária Magdolna; address: 1221 Budapest, Murányi utca 7.)

Fekete Péter Krisztián (mother's maiden name: Szabó Katalin; address: 5600 Békéscsaba, Jókai utca 46/1. 1ép.)

The Board of Directors within the competence of the General Meeting shall hereby state that the new members of the Board of Directors perform their tasks upon agency contract.

Upon this resolution, the Board of Directors within the competence of the General Meeting shall hereby define the monthly remuneration in respect of the members of the Board of Directors in the hereinunder amount as follows:

Chairperson of the Board of Directors: gross 200,000,-HUF per month

Member of the Board of Directors: gross 175,000,-HUF per month

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**Board of Directors Resolution Number 5/2020. (XI.25.)**

Upon this resolution, the Board of Directors within the competence of the General Meeting shall hereby acknowledge the resignation of Tomcsányi Gábor, Tima János and Ódorné Angyal Zsuzsanna, the members of the Supervisory Board and Audit Committee, from the posts of the membership in the Supervisory Board and Audit Committee as of the date of the extraordinary general meeting, namely as of 25 November 2020, and, moreover, the Board of Directors shall hereby elect the persons hereinunder as new members of the Supervisory Board and Audit Committee of the Company as of the day of 25 November 2020 for an unspecified term as follows:

**Members of the Supervisory Board:**

Simon Zoltán Zoltán (mother's maiden name: Kiss Julianna; address: 1033 Budapest, Huszti út 21. 5. em. 45.)

Büdyné dr. Rózsa Ildikó (mother's maiden name: Hamar Zsófia; address: 1221 Budapest, Péter Pál utca 102.)

The Board of Directors within the competence of the General Meeting shall hereby state that the new members of the Supervisory Board and Audit Committee perform their tasks upon agency contract. Upon this resolution, the Board of Directors within the competence of the General Meeting shall hereby define the monthly remuneration in respect of the members of the Supervisory Board in the hereinunder amount as follows:

Chairperson of the Supervisory Board: gross 175,000,-HUF per month

Member of the Supervisory Board: gross 155,000,-HUF per month

**Members of the Audit Committee:**

Simon Zoltán Zoltán (mother's maiden name: Kiss Julianna; address: 1033 Budapest, Huszti út 21. 5. em. 45.)

Büdyné dr. Rózsa Ildikó (mother's maiden name: Hamar Zsófia; address: 1221 Budapest, Péter Pál utca 102.)

**Board of Directors Resolution Number 6/2020. (XI.25.)**

Upon this resolution, the Board of Directors within the competence of the General Meeting shall adopt the amendments of the Articles of Association with identical content of the submissions.

## 11. DECLARATION

The Issuer shall state hereby that the flash report on the development and performance of the Company is reliable, and the data and statements are in accordance with reality, and do not hide any fact which is/are considered to be significant from the point of evaluating the situation of the Issuer. In line with Subsection 1 of Section 57 of the Act on the Capital Market, the Issuer shall be liable for any and all damages caused by his failure to meet the obligations of disclosure of the regulated information and the same shall be applied for false or untrue information that is made available to the public.

I, the undersigned, shall undertake, that the data of the statement included in the flash report on the quarters of I-III and the contents of the analyses and the conclusions are in compliance with reality.

Dated as of 27 November 2020 in Budapest

Jászai Gellért  
President and Chief Executive Officer

Tóth Béla Zsolt  
member of the Board of Directors

4iG Plc.

H-1037 Budapest, Montevideo u. 8.

Tel.: +36 1 270 7600

Fax.: +36 1 270 7679

Web: [www.4ig.hu](http://www.4ig.hu)