

BUSINESS REPORT
Individual Financial
Statement

4iG

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BUSINESS REPORT FOR THE INDIVIDUAL FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

On the basis of the authorization of the Government Decree No. 502/2020 (XI. 16.) on the Re-implementation of the Derogations from Regulations on Operation of Partnerships and Corporations in case of Emergency and acting on behalf of the competence of the General Meeting, the herein Report, by means of the written decision made by the Board of Directors of the Company without holding a meeting, on 29 April 2021, was adopted by and upon the Board of Directors Resolution No. 3/2021. (IV. 29.).

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1. Summary

Due to the organic growth and acquisitions, 4iG Plc. (hereinafter referred to as: “4iG”, “Company”, “Corporation”) has become one of the most key players in domestic IT and ICT markets in 2020.

Despite of the fact, the far-reaching and severe impacts of the COVID19 pandemic on the economies, the slow-down in the IT and ICT sectors was not perceptible, rather in some segments the pandemic acted as a catalyst, the IT solutions have been appreciated and digital migration of the corporations and actors in the economy has been accelerated. Due to the flexible operation, 4iG has reacted quickly and efficiently to the challenges of the market, and as a result, the Corporate Group has retained its growth dynamism in its main strategical areas in 2020.

The management of 4iG is seeking a diversified, platform and independent manufacturer portfolio in the interest of ensuring business effectiveness in respect of the Corporate Group in the main strategy industries continuously.

Financial results

The Company fully met its goals for 2020, and achieved the best business result in its existence. Business efficiency was rocketed, with regards to the year of 2019 the amount of EBITDA increased to 4,624 million Hungarian Forints from the amount of 4,261 million Hungarian Forints. The amount of profit after tax measured to 3,160 million HUF, while the amount of the total comprehensive income accounted 3,160 million HUF.

Business performance

The Company could account several business successes in respect of 2020. The most prominent assignments were awarded in the areas of education, pharmaceutical industry, health care, logistics, automotive industry and passenger air transport, and the banking sector and financial advice, but the Company gained significant profit and loss in the fields of license and assets purchases and similarly in relation to infrastructure maintenance, and even in the areas of IT security.

Number of employees and employment

The number of employees increased further during 2020, the average statistical number of employees is more than 40% higher than the same figure in 2019.

The Company strives to be able to have all the competencies in-house that may be in serious demand from its clients and that are necessary to achieve its strategic goals. The recruitment practice employed by the company shall target career starter employees with a university degree besides recruiting qualified workforce with high level of experience. Both the training system and the career program shall hereby ensure the possibility to have an intense professional progress for the employee.

Business plans and vision

The Company with its subsidiary companies performed its expansion targets for 2020 and closes the most successful year during its existence of 25 years. Market positions of 4iG Plc. were further strengthening in 2020, and the accomplishments and the future business visions are all positive, and as a result of thereof, the management of the Company forecasts further dynamic growth even for 2021.

One of the most important targets of 4iG is to be in the very first place regarding domestic IT companies, and to establish dominant market positions in the broad areas of IT and ICT services.

2. General Meetings

2.1. The Company's ordinary general meeting held on 29 April 2020

With regards 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 period by means of personal participation of the shareholders, herewith, the Company did not hold the annual ordinary general meeting requiring personal attendance convened for at 10:00 on 29 April 2020.

The Board of Directors Resolutions of the Company replacing the annual ordinary general meeting held on 29 April 2020 as follows:

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 by means of a written decision-making, adopted the hereinunder resolutions as follows:

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

In line with 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 IFRS (International Financial Reporting Standards), the Company's main data of the (consolidated) annual financial statement 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 the 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 on, the Board of Directors shall hereby make the decision on the adoption regarding the content of the said Corporate Governance Report of the Company for the year of 2019.

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 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 Társaság¹ the audit of the Company is to be performed by INTERAUDITOR Kft. in respect of the business year 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 said 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 Option Plan of the Company (hereinafter referred to as: "ESOP") and the establishment of thereof 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 thereof (hereinafter referred to as: "Articles of Association"), and the same shall be applied to the remuneration policy (hereinafter referred to as: "ESOP Remuneration Policy"), and, moreover, the Articles of Association and the Remuneration Policy are to be included into a document countersigned by an attorney-at-law. With

¹ INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság – in English: INTERAUDITOR Neuner, Henzl, Honti Consultant Private Limited Liability Company

regards, the Articles of Association of ESOP Organization is to be included in Annex No. 1 of this resolution, while the ESOP Remuneration Policy is to be disclosed in Annex No. 2 of this 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 Iroda² 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 on behalf of 4iG Plc., to 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 thereof 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 on 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.

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.

² Kertész és Társai Ügyvédi Iroda – in English: Kertész and Partners PLLC.

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 line with the authorization of the Decree, the Board of Directors shall hereby make decision on the amendments of some of the regulations included in the Articles of Association as follows:

“1. INTRODUCTORY PROVISIONS

...

1.3. The Articles of Association replacing the former Articles of Incorporation was approved by the Company on the general meeting as of 25 April 2004, and it has been amended several times by the 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 Act on 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 the transformation or dissolution without succession of the Company;
- (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;
- (e) adoption 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 share capital increase;
- (j) the decision on the share capital decrease;
- (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) 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 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

...

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 with the simple majority of the votes.'

In line with the Decree and pursuant to Section 3:279 of the Act on Civil Code, the resolutions adopted within the competence of the general meeting were respectively disclosed on the websites of the Company (www.4ig.hu), and Budapest Stock Exchange (Budapesti Értéktőzsde) (www.bet.hu), and the Hungarian National Bank (Magyar Nemzeti Bank) (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.

2.2. Extraordinary general meeting of the Company held on 25 November 2020

With regards 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 period by means of personal participation of the shareholders, herewith, the Company did not hold the annual extraordinary general meeting convened for at 10:00 on 25 November 2020.

The Board of Directors Resolutions of the Company replacing the annual ordinary general meeting held on 29 April 2020 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 operate the real properties located in 1037 Budapest, Montevideo u. 2/C. and 1037 Budapest, Montevideo u. 6. as places of business, and moreover, to operate the real property located in 4025 Debrecen, Barna u. 23. as a branch business, and both the place of business and the branch business shall be included in the Articles of Association of the Company and 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 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 regards to 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

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 amounts 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.

3. General information

Name of the company:	4iG Nyilvánosan Működő Részvénytársaság ³ (former FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. ⁴)
Legal status of the company:	Public Limited Company
Registered office:	1037 Budapest, Montevideo u. 8.
Places of business:	1037 Budapest, Montevideo utca 2/C. 1037 Budapest, Montevideo utca 6.
Branch business:	8000 Székesfehérvár, Seregélyesi út 96. 6782 Mórahalom, Röszei út 43. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.

³ 4iG Nyilvánosan Működő Részvénytársaság – in English: 4iG Public Limited Company

⁴ FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. – in English: FreeSoft Plc. and Fríz 68 Service Provider and Trading Limited Company by shares

Company registration number: 01-10-044993
Tax number: 12011069-2-44
Statistical number: 12011069-6201-114-01
Share capital: 1,880,000,000,-HUF
Date of foundation: 08 January 1995
Date of transformation: 02 April 2004
Date of being listed on the stock exchange: 22 September 2004
Company website: www.4ig.hu

As of 01 January 2017, the Company compiles its records and reports in line with IFRS standards.

3.1. 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: 1,670,086,- quantity

Other information related to the shares:

- Each share shall hold the same rights and each share shall mean 1 vote.
- The shares are registered in "PREMIUM" share category in Budapest Stock Exchange and the shares herein shall represent the issued share capital in full, and hereby there shall not be other existing issued equity holding at 4iG Plc.
- Regarding the purchase of the shares and / or the right of first refusal there are not existing restrictions regarding the hereof, with that, the transfer of the shares shall be exclusively performed by debiting or crediting the securities settlement account. In case of a share transfer, the shareholder can practise his or her shareholder's rights if the name of the new shareholder is registered into the share register.
- The share register of the Company is kept by KELER Zrt.⁵
- Particular management rights are not specified.
- We are not aware of any shareholder's agreement related to management rights.
- Employee share ownership system do not operate at the Company.

⁵ KELER Zrt. – in English: Central Clearing House and Depository Plc.

- There are no restrictions in relation to voting rights, with that, no voting rights are attached to repurchased own shares. Upon 31 December 2020, the quantity of the repurchased own shares of the Company amounted 1,670,086,- quantity.
- Minority rights: Shareholders holding at a minimum of 1 percentage of the votes shall have the right to convene the general meeting of the Company upon indicating the reason and the aim at any time.
- In line with the Articles of Association the designated officers are elected upon simple majority by the General Meeting.
- Operational management of the Company is to be performed by the Board of Directors.
- The General Meeting makes decision on the share capital increase on the basis of the submission of the Board of Directors. There is no need of the General Meeting decision regarding the performance of the share capital increase, if, in line with the authorization of Articles of Association, it shall be only exercised within the scope of the board of directors. Upon compilation the herein Business Report, the Board of Directors shall not be entitled to issue new shares.
- According to the general meeting held on 17 January 2018, the Company shall entitle the Board of Directors to purchase a maximum of 470,000,- quantity or of 4,700.000,- quantity of own, A series, dematerialized shares of the Company at a nominal value of 1,000,-,HUF per quantity or 100,-,HUF per quantity for an eighteen-month period, namely until 17 July 2019, starting as of the day of the general meeting decision. The aforementioned purchase is primarily performed by means of exchange transactions at an exchange rate of, at a minimum of 1,000,-HUF or 100,-HUF and at a maximum of 5,000,-HUF or 500,-HUF. Within the framework of an over-the-counter transaction, the Board of Directors is exclusively allowed to purchase own shares if the exchange rate is at least 20 percent lower than the actual stock exchange rate. Upon the upcoming general meeting, the Board of Directors is obliged to give information on the reason for and the nature of the acquisition of own shares, and on the quantity of the acquired shares, aggregate face value of thereof, and on the rate of the shares calculated for the share capital of the listed company and the consideration paid for.
- Following the public takeover bid, there is no an existing agreement coming into force, or is to be amended or terminated as a reason of the change in the ownership structure of the entrepreneur.
- There is no an existing agreement concluded by and between the Company and its executive officer, or its employee which, in the event of resignation of the executive officer or employee's termination by notice, or of the legal relationship of the executive officer or that of the employee's is unlawfully expired, or the legal relationship is terminated on the grounds of public takeover bid, lays down indemnification.
- Jászai Gellért, the chairperson and chief executive officer of 4iG Plc., acquired 100% of the business shares owned by KZF Vagyonkezelő Kft.⁶ on 14 June 2019. Upon other and further share transactions performed on the herein day, KZF Vagyonkezelő Kft. and herewith Jászai Gellért, acquired 32.01% shareholding in 4iG Plc. He made a binding takeover bid for the rest of the shares until the prescribed deadline of 28 August 2019.
- The general meeting of the Company held on 26 July 2018 made the decision on the split of the shares. By virtue of thereof, the nominal value of the shares was changed to 100,-HUF per quantity.

- The 4iG Plc. shares have been traded at the nominal value of 100,-HUF per quantity in standard section at Budapest Stock Exchange since 5 October 2018.
- The general meeting of the Company held on 25 April 2019 made the decision on another split of the shares. By virtue of thereof, the nominal value of the shares was changed to 20,-HUF per quantity.
- The shares of 4iG Plc. are traded at the nominal value of 20,-HUF per quantity at Budapest Stock Exchange from 17 June 2019.
- The CEO of Budapest Stock Exchange reclassified 4iG shares into Premium share category upon 19 June 2019.

3.2. Main owners of the Company upon 31 December 2020

	31 December 2020	31 December 2019
KZF Vagyonkezelő Kft. ⁶	57.47%	35.02%
Manhattan Invest Kft.	3.29%	3.29%
MANHATTAN Magántőkealap ⁷	1.03%	1.90%
KONZUM PE Magántőkealap ⁸	n.d. ⁹	11.63%
OPUS GLOBAL Plc.	n.d.	9.95%
4iG own share shareholding	1.78%	2.39%
Free float	36.43%	35.82%
Total	100.00%	100.00%

3.3. Information on place of business and branch business

The Company has the hereinunder two places of business:

- 1037 Budapest, Montevideo utca 2/C
- 1037 Budapest, Montevideo utca 6.

The Company has four branch businesses:

- H-8000 Székesfehérvár, Seregélyesi út 96.

⁶ KZF Vagyonkezelő Kft. – in English: KZF Asset Management Private Limited Liability Company

⁷ MANHATTAN Magántőkealap – in English: MANHATTAN Private Equity Fund

⁸ KONZUM PE Magántőkealap – in English: KONZUM PE Private Equity Fund

⁹ n.d.: no data

- 6782 Mórahalom, Röszei út 43.
- 6722 Szeged, Tisza Lajos körút 41.
- 4025 Debrecen, Barna utca 23.

4. Management analysis of the Company

In this part of the herein report, the respective results of the Company as of 2020 are analyzed compared to the previous year and to the said target.

4.1. Profit and loss of current year's management (HUF in thousands)

	2020	2019
Net sales revenues	55,026,791	40,463,187
Other operating income	374,238	340,738
Revenues in total	<u>55,401,029</u>	<u>40,803,925</u>
Goods and services sold	40,411,401	29,752,395
Operational expenditures	2,286,072	1,755,163
Staff costs	7,897,481	4,973,272
Other expenditures	181,703	61,945
Operating expenses	<u>50,776,657</u>	<u>36,542,775</u>
Earning Before Interests, Taxes, Depreciation and Amortization (EBITDA)	4,624,372	4,261,150
Depreciation and impairment	763,094	694,686
Earnings before interest and tax (EBIT)	<u>3,861,278</u>	<u>3,566,464</u>
Financial income	342,795	159,293
Financial expenditures	361,070	177,252
Profit before tax	<u>3,843,003</u>	<u>3,548,505</u>
Income taxes	682,949	499,069
Profit after tax	<u>3,160,054</u>	<u>3,049,436</u>
Other comprehensive income	–	–
Total comprehensive income	<u>3,160,054</u>	<u>3,049,436</u>
Of which: profit and loss of discontinuing operation	0	0

In 2020, the Company dynamically increased its sales revenue compared to the previous year. Export sales accounted 552,157,- HUF in thousands. The increase in revenue was greatly supported by the company's highly qualified professionals. The number of staff, at the end of the year, accounted 668 persons. In the interest of keeping and recruiting outstanding professionals and as a result of the wage

development the average income of the employees was increased significantly. Staff costs were close to 8 billion Hungarian Forints. The proper coordination of the internal and external resources are reflected in efficiency and effectiveness. As a result of the aforementioned, the operating profit grew from 3,566,- million Hungarian Forints to 3,861,- million Hungarian Forints in 2019.

The amount of the profit after tax of the Company in respect of 2020 accounted 3,160,054 in thousands HUF profit.

The breakdown of export sales revenue by countries in 2020 (HUF in thousands) is as follows:

Countries	Amount
The Netherlands	257,497
Denmark	63,572
the United Kingdom	52,074
Germany	51,748
Austria	40,860
Belgium	29,048
Romania	19,113
Switzerland	17,446
Poland	13,364
Ireland	5,838
Czech Republic	845
France	674
Italy	70
Slovakia	8
Total:	552,157

The breakdown of the export sales revenue by regions in 2020 (HUF in thousands) is as follows:

Regions	Amount
European Union	534,711
Outside the European Union	17,446
Total:	552,157

4.2. Results compared to the target

The target of EBITDA growth aimed in the plans of the Company in respect of 2020 was fully realized by the Company.

4.3. Financial indicators

The main financial-efficiency indicators of the Company for the years of 2020 and for 2019 are included in the hereinbelow chart as follows.

Liquidity indicators	2020	2019
Liquidity ratio	1.13	1.22
Liquidity quick ratio	1.13	1.22
Dynamic liquidity ratio	0.14	0.20
Net current assets collateral velocity (speed)	3.38	3.55
Net working capital	3,566,343	3,974,565
Debt and creditworthiness indicators		
Rate of own equity to resources / liabilities	20%	23%
Rate of outside capital to own equity	384%	322%
Rate of long-term liabilities to lasting resources	8%	7%
Long-term dynamic liquidity ratio	644	965%
Interest-coverage indicator	13.412%	37.358%

4.3.1. Liquidity

It can be seen in respect of the liquidation indicators that the Company fulfilled its short-term liabilities, but still had enough cash to settle the said liabilities until the stated payment deadline.

4.3.2. Debt and creditworthiness indicators

The rate of own equity compared to the resources accounted 20 percentage and 23 percentage in the presented periods representing an appropriate level.

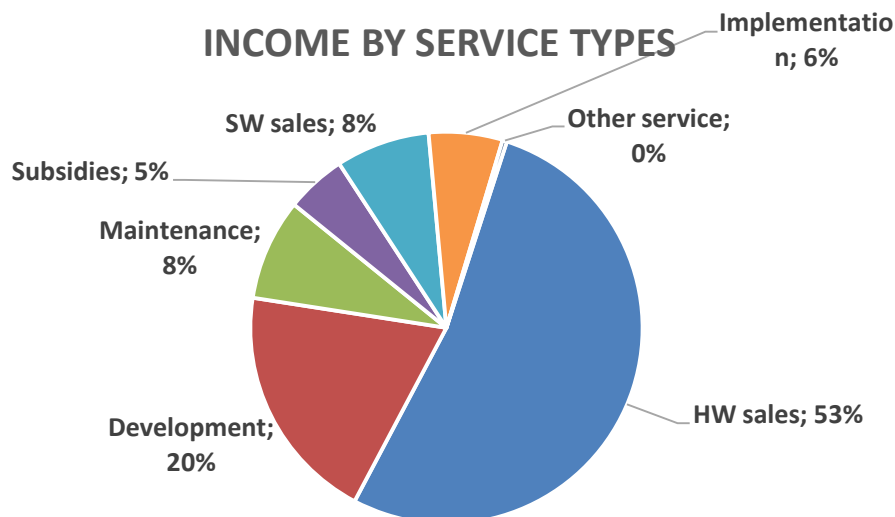
4.3.3. Effectiveness indicators

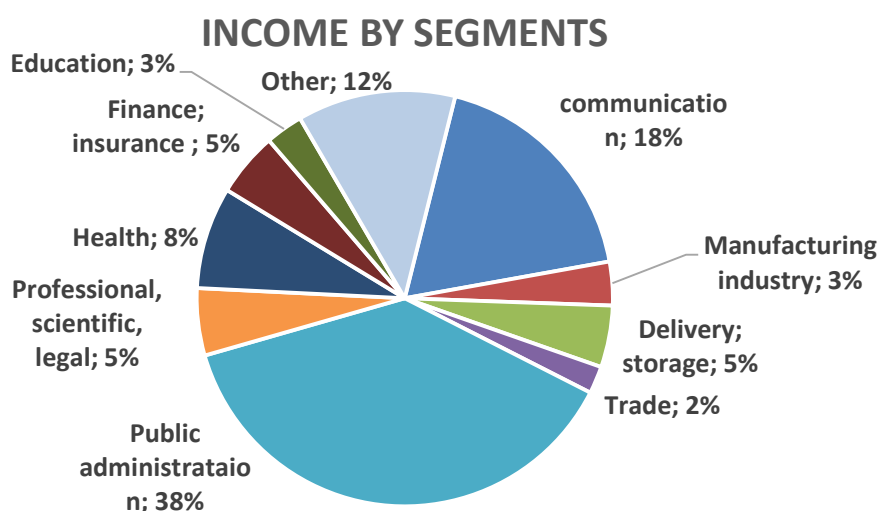
As a result of positive profit, the main indicators of the year 2020 present positive values. The ratio of the return on assets and the return on sales (ROS) shows an improving value but with regards to the other indicators the same shall be applied.

Profitability rates	2020	2019
Return on assets ratio (ROA) (%)	8.96%	12.61%
Return on sale profit (ROS) (%)	5.74%	7.54%
Collateral velocity of assets (speed)	46.23	34.81
Collateral velocity of trade receivables (speed)	3.86	5.96
Average collection period of trade receivables (day)	93.37	60.40
Collateral velocity of inventories and stocks (speed)	29.94	152.30
Average storage of inventories and stocks (day)	12.03	2.36
Return on tangible assets indicator (speed)	116	245
Rate of staff costs to the added value (%)	54%	46%
Added value (HUF in thousands)	14,615,390	10,710,792

4.4. Business relations

The content of the turnover for the year of 2020 broken down by market segments is shown by the hereinbelow diagram as follows:





4.5. Market positions and impact of the economic environment on the enterprise

The Company achieved outstanding results in 2019 and optimized thereof more. The company consolidated its market position and became one of the largest Hungarian-owned integrator companies in the IT market.

4.6. Number of employees and employment policy

The recruitment practice employed by the company targets career starter employees with a university degree besides recruiting qualified workforce with high level of experience. Both the training system and the career program shall hereby ensure the possibility to have an intense professional progress for the employee. The aim is to have such a team of colleagues of which members can perform the tasks in question at the possibly highest level while maintaining the efficiency. 4iG is trying to provide competitive and fair income for its employees in the Hungarian labour market.

	2020	2019
Average statistical number	599 persons	424 persons

5. Business concept of 4iG Plc.

4iG performed its expansion targets for 2020 and closes the most successful year during its existence of 25 years. Market position was further strengthening in 2020, and the accomplishments and the future business visions are all positive, and as a result of thereof, the management of the Company forecasts further dynamic growth even for 2021.

The already performed and the planned acquisitions all support largely the successful operation of the corporate group, the development of the result indicators, and moreover the large-scale expansion of resources and the realization of strategy aims.

One of the most important targets of 4iG is to be in the very first place regarding domestic IT companies, and to establish dominant market positions in the broad areas of IT and ICT services.

In addition, the company wishes to build 4iG strategy positions up in the telecommunications market as well, in which Antenna Hungária Zrt. is going to be a partner. 4iG plans to perform its expansion strategy in the domestic and regional telecommunications market together with the aforementioned state corporation.

In accordance with the expectations, and with regards to the steady development of the IT and technological sector in 2021, the changed economic environment may bring new assignments and result new acquisitions relating to the main segments of the Company mainly in the areas of services.

6. Capacity utilization

On account of the additional number of staff performed in respect of the last year, the utilization of the available machinery, programs and workforce slightly retrogressed. The turnover per person fell from 95,432,-HUF in thousands to 91,864,-HUF in thousands.

7. Innovation, research and development

Thanks to the explosive development of biotechnology and information technology, international biomedical research has achieved such significant and diversified results in the last two decades, which have also led to the transformation of practical medicine. Both diagnostic and therapeutic approaches have been based on molecular foundations. In 2020, 4iG started two new research and development projects in the thereof topic: on the one hand, it launched the “Medical Diagnostic Tools to Support the Evaluation of Genetic Results”, which won the tender of Nemzeti Kutatási és Fejlesztési, Innovációs Hivatal¹⁰ announced last summer, on the other hand, it is a member of a consortium whose work also started last year and in which several research topics are implemented under the leadership of the University of Pécs.

Here 4iG works to create a program that will result in the creation of a new competency centre with research infrastructure, new bioinformatics algorithms, the development of a medical diagnostic tool, and the creation of diagnostic tools to support personalized medicine. Its secondary results are the support of therapeutic (industrial) developments in rare genetically determined and common oncological diseases, the development of new professional disciplines and the education of new generations of professionals, laying the foundations of several research programs, raising Hungarian biomedical research and molecular medicine to international level and enabling international collaborations.

The close cooperation of the partners involved in the project ensures that the logical structure, specification and implementation of the laboratory information management system (LIMS system)

¹⁰ Nemzeti Kutatási és Fejlesztési, Innovációs Hivatal – in English: National Office for Research and Development and Innovation

supporting the planned New Generation Sequencing Processes results in a software and hardware system that can be introduced to the market and is not yet implemented by others.

In the meantime, at the end of 2020, the K+F¹¹ project under the title of ‘Launch of National Innovation Onco-genomics and Precision Oncotherapy Programme and the Integrated Development of the Related Technologies’ was successfully finished, which was realized by and upon the consortium of Integrated Szent István and Szent László Hospital and Clinic, and Országos Onkológiai Intézet¹², and Oncompass Medicine Hungary Kft., and, respectively, 4iG Plc.

8. Safety and security principles of 4iG Plc.

4iG Plc. and its subsidiary companies act with the utmost care in the interest of its clients, customers and own employees in every case. The corporate group considers security and safety as business advantage to its competitors. The Company focuses on trust with its partners and to realize the herein internal rules, trainings and developments are employed to enhance security awareness of the colleagues.

The Corporate Group of 4iG operates compliance program with the dedication to realize compliance-based corporate culture. The business activity of 4iG Group covers several countries, herewith the corporate group recognizes and analyses the relevant legal, regulatory and practical differences between the given countries upon operating the group of companies in a legal and ethical manner. In order to ensure the highest possible level of protection of personal data, each member of the 4iG Group has its own internal data protection policy and applies its provisions in order to respect the privacy of clients and employees and to protect their personal data.

9. Environmental protection

4iG Group is committed to preventing environmental damage and hazards and reducing health care, safety and environmental risks arising from its operations. The Company fulfils service activities but does not market material or substances being dangerous to the environment and does not own the stocks of thereof. To keep directives on environmental protection is highly important to the Company. The Company holds the quality assurance of the standards under the number of ISO 14001, which is renewed on a regular basis.

Our company:

- complies with the relevant technological rules in all its activities;
- the main aspect in creating a working environment is focused on humanity and environment, on the use of recycled materials, on the introduction of technologies and procedures to reduce waste emissions;
- also strives to reduce the environmental load in its internal operations by introducing selective waste collection and the use of environmentally friendly chemicals;

¹¹ K+F – in English: Research and Development

¹² Országos Onkológiai Intézet – in English: National Institute of Oncology

Our marketed and traded products shall hereby comply with RoHS directives in every case. In all cases, we use the assistance of a legally qualified, expert company in the destruction of unrepairable, discarded devices and parts, and they carry out the regular removal and destruction.

10. Quality policy

We have designed our integrated management system by taking into account industry best practices, standards and norms in mind. We regularly review and improve its operations for customer satisfaction. (ISO 9001, ISO 14001; ISO 20000-1, ISO 27001; ITIL4) Our standard-based management system is designed to provide requirements for the continuous monitoring, maintenance and continuous improvement of all of our company's business processes. Developing and maintaining a standard management system is a long-term strategic decision for our company.

Our principle is customer focus and providing the highest possible level of service. We pay special attention to ensuring and maintaining customer satisfaction, fully investigating incoming customer complaints and defining related measures. Herewith we ensure a high level of satisfaction of our customers' needs.

We regularly measure our customers' satisfaction, and we use the results in the development of our quality management system established in accordance with MSZ EN ISO 9001:2015.

Within every three-year certification cycle, each year, an external independent certification body certifies the effective operation of the integrated management system.

11. Information and interest system

In the interest of ensuring flexible operation, the Company's processes are transparent, and the hereinabove system follows the claims generated by everyday in the possible biggest scale. There is an ongoing commitment to increase operational efficiency, one of the cornerstones of which is the establishment and maintenance of a well-functioning information and interest system. 4iG's system of interests meets the expectations towards companies operating in the IT market: it is multi-layered and competitive. It is able to retain key employees, motivate its existing employees to achieve better performance, and is also able to attract candidates with new competencies. In 2021, we refine our organization and the related interest system, and we try to adjust the thereof to our new strategy to support the realization of the targeted results at a maximum level.

12. Essential changes after the reporting day

12.1. Acquisition of 24% of the block of shares of Rotors & Cams Zrt. (26 January 2021)

4iG Plc. concluded a share transfer contract and acquired 24% of the block of shares of Rotors & Cams Zrt. (hereinafter referred to as: "Rotors & Cams").

12.2. Conclusion of large amount contract (02 February 2021)

The tender submitted by the consortium including T-Systems Magyarország Zrt.¹³, Officium Szolgáltató Kft.¹⁴ and 4iG Plc. was announced to be the successful tender upon the open EU public procurement procedure under the title of 'Budapalota IT Infrastructure' called for by Magyar Nemzeti Bank¹⁵.

The value of the contract is 2,617,950,265,-HUF + VAT.

12.3. Announcement of large amount successful tender (02 February 2021)

The tender submitted by 4iG Plc. was announced to be the successful tender upon the open EU public procurement procedure under the title of 'Realisation of KLIR System' called for by Magyar Nemzeti Bank.

The total value of the procedure is 1,022,378,624,-HUF + VAT.

12.4. A business share sales contract on the acquisition of 100% shareholding of the business shares in Poli Computer PC Kft. concluded by KZF Vagyonkezelő Kft. (03 February 2021)

A business share sales contract on 100% shareholding acquisition was concluded by and between KZF Vagyonkezelő Korlátolt Felelősségű Társaság (hereinafter referred to as: "KZF"), the main shareholder of 4iG Plc., and Poli Computer PC Kft. (hereinafter referred to as: "Poli Computer"). The business share of Poli Computer is going to get into the ownership of 4iG by means of contributions-in-kind performed by KZF. The herein transaction was performed following the competition oversight proceeding of Gazdasági Versenyhivatal¹⁶ (hereinafter referred to as: "GVH").

12.5. Participation in NKP¹⁷ program announced by MNB (08 February 2021)

In the interest of the future growth strategy, and as a precondition for the participation in NKP program called for by Magyar Nemzeti Bank (hereinafter referred to as: "MNB"), 4iG Plc. repeatedly met the requirements needed for the participation in the aforesaid independent credit rating procedure. With regards to the requirements included in the General Meeting Resolution Number 3/2019 (IX.05.), 4iG Plc. is planning to issue bonds for the purposes of acquisition up to the total appropriation of 15 billion Hungarian Forints.

¹³ T-Systems Magyarország Zrt. – in English: T-Systems Hungary Private Limited Company

¹⁴ Officium Szolgáltató Kft. – in English: Officium Service Provider Private Limited Liability Company

¹⁵ Magyar Nemzeti Bank – in English: Hungarian National Bank

¹⁶ Gazdasági Versenyhivatal – in English: Hungarian Competition Authority

¹⁷ NKP, Növekedési Kötvényprogram – in English: Funding for Growth Scheme

12.6. Announcement of large amount successful tender (15 February 2021)

The tender of the consortium managed by 4iG was announced to be the successful tender of Digitális Kormányzati Ügynökség Zrt.¹⁸ (hereinafter referred to as: “DKÜ”). In the procedure there were three different joint bidder consortiums announced to be the successful one by DKÜ, and the joint bidder consortium managed by 4iG was one of them.

The total appropriation of the umbrella agreement is net 14,800,000,000,-HUF.

12.7. Signing a draft agreement on 75% shareholding acquisition in Hungaro DigiTel Kft. (23 February 2021)

A draft agreement (hereinafter referred to as: the “Agreement”) was concluded by and between 4iG Plc. and Antenna Hungária Zrt. (hereinafter referred to as: “AH”) and Portuguese Telecommunication Investments Kft. (hereinafter referred to as: “PTI”), as a company being in the indirect management of Alpac Capital - Sociedade de Capital de Risco, S.A., in the interest of acquiring 75% shareholding in Hungaro DigiTel Kft. (hereinafter referred to as: “HDT”). In accordance with the Agreement, AH would sell 25% business share for 4iG while 50% of PTI business share would be accounted for 4iG by means of contributions-in-kind, following the performance of the necessary procedures. The transaction may be performed following the business share evaluation, the conclusion of the final version of the sales contract and the contract on contribution-in-kind, and the competition oversight proceeding carried out by Gazdasági Versenyhivatal (hereinafter referred to as: “GVH”).

12.8. Analysis by EDISON Group (04 March 2021)

EDISON Investment Research Limited, one of the world’s biggest investment research, investor relations and consulting firms, following the flash report for the fourth quarter of 2020, performed an analysis on 4iG Plc., which is available via the hereinunder link in English as follows:

<https://www.edisongroup.com/publication/strong-q4-helps-4ig-beat-fy20-estimates/28973>

12.9. Credit rating review of Scope Ratings (04 March 2021)

Scope Ratings GmbH (hereinafter referred to as: “Scope Ratings”) (www.scoperatings.com), as an independent international credit rating agency, has subjected 4iG to a positive review following the announcement of a 75 percent majority acquisition of Hungaro DigiTel Kft. (hereinafter referred to as: “HDT”).

The analysis of the Scope Ratings is available on the hereinunder webpage as follows:

<https://www.scoperatings.com/#!search/research/detail/166751EN>

¹⁸ Digitális Kormányzati Ügynökség Zrt. – in English: Digital Governmental Agency Private Limited Company

12.10. Signing of a share purchase agreement aiming the acquisition of 70% of the block of shares in Spacenet Zrt. (10 March 2021)

4iG Plc. has signed a share purchase agreement to acquire 70% of the majority controlling influence of Spacenet Zrt. (hereinafter referred to as: "Spacenet"). The herein transaction was performed following the competition oversight proceeding of Gazdasági Versenyhivatal (hereinafter referred to as: "GVH").

12.11. Successful bond auction (25 March 2021)

As a result of a successful auction, 4iG Plc. issues the "4iG NKP Bond 2031/I." (ISIN: HU0000360276), with a ten-year maturity and an average yield of 2.7328% (coupon rate: 2.9%), with a total nominal value of HUF 15.45 billion on 29 March 2021.

12.12. Signing of the draft agreement for the acquisition of a 100% shareholding in DIGI Távközlési és Szolgáltató Kft. (29 March 2021)

4iG Plc. has signed a draft, non-binding agreement with RCS & RDS Consortium (hereinafter referred to as: "RCS & RDS") on the acquisition of DIGI Távközlési Szolgáltató Kft. and its subsidiary companies, i.e. Invitel Zrt. and I TV Zrt. The planned transaction may be completed by the end of September 2021, following the due diligence of the DIGI Group, the signing of the final sales contract and the necessary regulatory procedures.

12.13. 70% shareholding acquisition of Spacenet (14 April 2021)

Thereafter that Gazdasági Versenyhivatal (GVH) approved the said transaction, 4iG acquired 70% shareholding of Spacenet Zrt., herewith gaining a majority controlling influence.

13. Globalization and concentration

There is a clear trend in the world towards globalization and concentration within industries. The aforesaid trend was further accelerated by Corona virus epidemic. With many small and large, less capital-intensive businesses going out of business altogether or becoming part of a company with a financially stable background. This tendency is also prevalent in the Hungarian IT sector. 4iG Plc.'s goal remains to become a significant player in international markets as Hungary's largest integrator company.

14. Accelerated changes in technology

Technological changes require exceptional adaptation from companies. This is especially true for IT market players, as technical development in this sector is much faster than in a traditional industry, for example in construction. In the interest of the correct follow-up of the changes and preservation of competitiveness, continuous trainings, effective management with the accumulating knowledge within the company and appropriate internal communication are all needed.

Choosing carefully the applied and used technologies are extremely important from the point of view to be ahead of the competitors but, at the same time, the application of mature, stable and practical technologies is also in the focus of the Company. 4iG Group shall hereby take the needs of clients, suppliers and business partners into consideration. It continuously monitors, evaluates and develops its

products, services, technological solutions and business processes in the interest of providing quality, safety and innovative solutions for those who take advantage of the thereof in all areas of the value chain.

15. Financing

In order to finance the Company's activities continuously, in addition to one-off business revenues, it also provides products and services to its customers that provide predictable regular revenues. It aims to keep the rate of this type of 'continuous revenue' to total revenue high, herewith covering its fixed costs as much as possible.

16. Acquisition intentions of the Company

With regards, seeking new potential acquisition targets, and analyses of new business possibilities, a separate strategical organisation was set up to deal with within 4iG. Important aspect in the selection regarding acquisition targets is that the Company shall acquire shareholding in companies, which ensures technological or any other market advantage over its competitors, or possibly to enrich 4iG with new competencies. The Company only examines target companies that dovetail with its strategic goals and help to achieve them. 4iG plans further growth both domestically and internationally.

17. Projects with risks

In the course of its operations, the Company endeavours to minimize the business risks arising from its projects and participates only in collaborations that do not derogate its professional reputation and social image.

4iG Plc. forms its business activities in such a way that it complies with the prevailing laws and the strictest ethical norms, regulations and practices of the industry. The Code of Ethics of the Company was issued, of which implementation is largely supervised by the Company.

18. Risk due to the 2019-nCoV (corona virus) pandemic

Despite of the fact regarding the far-reaching and severe impacts on the economies regarding COVID-19 pandemic, the slow-down in the IT and ICT sectors were not perceptible, and in some segment the pandemic even acted as a catalyst as the IT solutions have been appreciated and digital migration has been accelerated regarding the corporations and the actors in the economy. Due to the flexible operation, 4iG has reacted quickly and efficiently to the challenges of the market, and as a result, the Corporate Group has retained its growth dynamism in its main strategical areas in 2020. In order to prevent the economic effects of the coronavirus epidemic and to protect its employees and their family, the Company has introduced strict occupational health regulations at its sites, restricted and banned participation in events and international delegations. Business undertakings of 4iG were performed in full upon keeping the rules prescribed.



19. NON-FINANCIAL REPORT TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2020

OUR MISSION, OUR APPROACH

As a key, leading player in the Hungarian IT sector, our company creates value for its customers throughout the entire IT lifecycle: from the formulation of demand through the development of complex systems to the maintenance of reliable operation. Our competitiveness stems from the fact that our operations are based on stable, predictable, large corporate foundations, but at the same time an agile, innovative, start-up approach is also present in our activities. As a listed company, our processes and activities are transparent, our financial and professional results are public.

The change in the information and communication technology (ICT) market has accelerated greatly as technology has become a key, unavoidable building block of business in recent years, further strengthened by the effects of COVID-19. Adapting to these market trends, 4iG is shaping its portfolio and expanding its staff: combining traditional and innovative elements, it progresses shaping the future of the domestic ICT market and digital business. Our approach goes beyond IT systems: we believe in partnership based on joint innovation and solutions tailored to the rhythm and business goals of our clients, be it a system that can be implemented almost immediately or the result of individual, customized development.

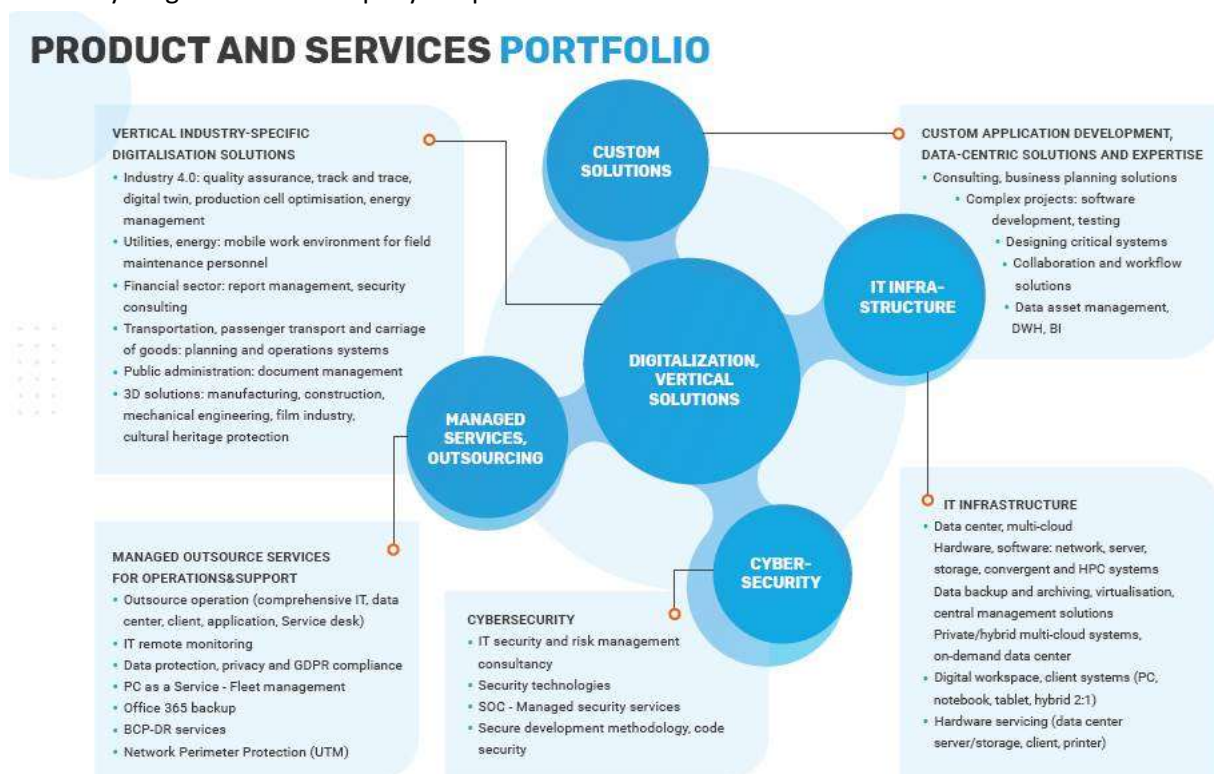
OUR COMPETENCES

Thanks to our company's 30-year history, a fine-tuned service portfolio has developed, which includes elements capable of serving basic IT needs, as well as future-proof, innovative solutions. The company considers orders received from clients as a value chain, thanks to which it has become able to advise on the development of clients' IT needs, to design and implement, as well as to operate them. In terms of system solutions, 4iG mainly offers medium and large enterprise standard and custom solutions to its clients. These include high-availability, monolithic infrastructure systems and business applications that include the design and delivery, implementation, and integration of hardware and software license needs to the client's system environment. Our company has distributor and integrator certifications from the largest global technology companies, such as DELL, HPe, Cisco, SAP, Oracle, Symantec, Lenovo.

In addition to software, hardware and network infrastructure solutions, our company prioritizes custom software development, cyber security and industry-specific solutions such as IPAR4.0-based technologies. In the area of custom software development, we employ more than 150 colleagues. Our company strives to have the highest possible rate of its total staff to be constituted by technical professionals.

Our colleagues are constantly working to create both time-resistant and future-building solutions. We have significant expertise in our innovative target areas such as Block Chain, Artificial Intelligence, Machine Learning and are constantly researching the expandability of the application areas of these technologies.

Summary diagram of the company's capabilities:



COMMERCIAL APPROACH

4iG is committed to having orders in a proportionate manner for ongoing, operation, support-type assignments and project-type orders. It strives to receive as many operational opportunities as possible in connection with the project constructions. Thanks to the company's past, we have a significant number of buyers that come extensively from most industries. Our clients include SMEs, large companies and international companies in the domestic competitive sector, as well as a significant part of state-owned companies.

Our commercial strategy is two-dimensional. On the one hand, it strives to retain existing clients, and on the other hand, it is constantly researching opportunities to expand its clientele. This approach underpins the fundamental goal of the company's management to ensure the sustainability of continuous growth.

MARKET PRESENCE

Today, 4iG has become the second most important player in the domestic market. Its growth also has a positive effect on the smaller players in the market by constantly looking for opportunities for cooperation, and it also supports its expansion and growth through acquisitions in addition to organic opportunities. The transparent, reliable operation of the company, its solutions delivered in high quality have a serious customer retention effect, and they can also have an exemplary effect on competitors. We believe that the company's domestic profitability can provide a solid basis for foreign expansion as well.

KNOWLEDGE AND HUMAN FOCUS

The client is at the heart of our company's activities, and the basic condition of our operation is correct and accurate customer service. To this end, we continuously train our specialists to solve our clients' problems, using the latest, reliable technologies and with a short response time, regardless of the segment of IT involved. In addition, we always keep in mind that man is behind the technical need. The three basic conditions for business success are the coordination of technology, processes and the human factor, so in addition to the continuous training of our colleagues, we also consider the education of our clients to be equally important. To reduce risks, we regularly hold security awareness training sessions as well as consulting workshops to help one operate more efficiently digitally. It is important for our company to provide a liveable workplace, with which we contribute to creating a healthy work-life balance. Within the framework of our welfare program, our colleagues can participate in various activities, where, in addition to maintaining health, team building also plays a significant role. 4iG Plc. offers its employees a wide range of career opportunities, from the internship level to the expert and management level. We are open to accepting those beginning their careers who, with their thinking, new ideas and creativity, make the work of our teams, and overall, the operation of our large company even more dynamic. Through our own development, we all contribute to the success of our clients and our company.

ETHICS AND ANTI - CORRUPTION COMPLIANCE

The 4iG Group operates a compliance program aimed at establishing a value-conscious corporate culture. The business of 4iG Group spans over several countries, so the Companies Group recognizes and analyses the legal, regulatory and practical differences between the countries in question while operating the Companies Group in a legal and ethical manner.

4iG Plc. is committed to the transparency and cleanliness of its processes, in accordance with which it pays special attention to the fact that the internal processes of the companies group, its internal regulations related to ethics and conflicts of interest comply with international requirements. The 4iG Group Code of Conduct for Ethics and Business states in principle that the 4iG Group does not tolerate any form of corruption (including bribery, gratuities given to officials, redistribution, extortion, abuse of power for personal gain, influence unjustified advantages and gifts with the intention of influencing) in relation to those operating in the competition (private) or in the public or municipal sector.

The 4iG Group strictly prohibits its employees and any person acting on behalf of or representing the 4iG Group from offering, giving, soliciting, accepting or collecting an undue advantage. Employees and others acting on behalf of or representing the 4iG Group may never offer or hand over (or authorize to offer or hand over) funds or other advantages for the purpose of exercising undue influence over an official or providing an unlawful business advantage (or even only to give the appearance of these).

In order to operate the effective controls required to manage the risks related to corruption, in 2020, 4iG Plc. introduced an anti-corruption management system and - as a result of the adequacy of the applied controls - in December 2020 it was among the first domestic companies to obtain the MSZ ISO 37001:2019 certificate. The 4iG Group has explored and assessed the corruption risks arising in the course of its operations in detail and has determined that a higher-than-low corruption risk can be identified, especially in relations with suppliers, clients and other business partners. 4iG Plc. secures the corruption risks

especially through the creation of the right regulatory environment (in addition to the Code of Ethics already referred to, the 4iG Group has several other anti-corruption regulatory documents; e.g. Compliance Function Code, Anti-Corruption and Bribery Policy, Gift Policy), the anti-corruption education of our colleagues, the development of a value-conscious corporate culture, the creation of conflict of interest rules, securing the transparency of decision-making processes, the screening and qualification of business partners and internal audit.

QUALITY MANAGEMENT

We have designed our integrated management system by taking into account industry best practices, standards and norms in mind. We regularly review and improve its operations for customer satisfaction. (ISO 9001, ISO 14001; ISO 20000-1, ISO 27001; ITIL4) Our standard-based management system is designed to provide requirements for the continuous monitoring, maintenance and continuous improvement of all of our company's business processes. Developing and maintaining a standard management system is a long-term strategic decision for our company.

Our principle is customer focus and providing the highest possible level of service. We pay special attention to ensuring and maintaining customer satisfaction, fully investigating incoming customer complaints and defining related measures, thus ensuring a high level of satisfaction of our customers' needs.

We regularly measure our customers' satisfaction, and we use the results in the development of our quality management system established in accordance with MSZ EN ISO 9001:2015. In connection with this, the 4iG Group is not satisfied with the introduction of operation according to ISO standards, but continuously determines metrics with which the efficiency of management systems can be measured, and their evaluation provides an opportunity for continuous improvement. During the operation of the 4iG Group's integrated management system (quality, environmental and information security management system), it continuously monitors key financial and non-financial indicators, from which it assesses and monitors the achievement of goals set according to various ISO standards along the PDCA cycle.

Regular internal audits verify the achievement of policy objectives, compliance with relevant instructions and provisions, and the implementation of action plans identified in previous audits.

Each year, the effective operation of the integrated management system is certified by an external independent certification body for every three-year certification cycle.

The 4iG Group is committed to being part of, helping and developing the community and environment in which it operates. Our company considers it important to stand by exemplary and value-creating initiatives. Be it culture or sport, science and innovation, or current social problems. At the same time, all sponsored and supported individuals and organizations are expected to act in accordance with the ethical values and principles of the 4iG Group.

ENVIRONMENTAL PROTECTION

The 4iG Group is committed to preventing environmental damage and hazards and reducing the health, safety and environmental risks arising from its operations. The Company fulfils service activities but does not market material or substances being dangerous to the environment, and does not own the herein stocks. To keep directives on environmental protection is highly important to the Company. The company has an environmental management system established according to the MSZ EN ISO 14001:2015 standard

at the group level and aims to obtain the energy management system certificate according to MSZ EN ISO 50001:2019 by 2021. The sparing treatment of natural resources and energy is a key element of our company's environmental strategy, our long-term goal is to develop and apply technical solutions and processes that lead to material and energy savings while reducing the burden on the environment, as well as reducing environmental risks.

Our company: complies with the relevant technological rules in all its activities; human and environmental focus, the use of recycled materials, and the introduction of waste reduction technologies and procedures are key considerations in the design of the workplace environment; the products we trade comply with RoHS guidelines in all cases. In all cases, we use the assistance of a legally qualified, expert company in the destruction of unrepairable, discarded devices and parts, and they carry out the regular removal and destruction.

SAFETY AND SECURITY PRINCIPLES OF 4iG PLC

In all cases, 4iG Plc. and its subsidiaries act with utmost care to ensure the safety of their clients, suppliers and their own employees. The corporate group considers security and safety as business advantage to its competitors. The Company focuses on maintaining existing trust in partners by deepening employee security awareness through internal policies, training and development.

In the course of its operations and the performance of the services it provides, the 4iG Group is committed to complying with the guidelines set out in the MSZ ISO/IEC 27001:2014 standard by recognizing it as mandatory for itself. To ensure business continuity, the 4iG Group takes all necessary information protection measures, designing all its data management processes in accordance with data protection and information security requirements.

In order to ensure the highest possible level of protection of personal data, the 4iG Group has comprehensive policies and regulations that respond to all points of the relevant legislation, through the creation and documentation of which our colleagues work more security-consciously and help our partners through awareness.

INFORMATION AND INTEREST SYSTEM

In 2020, the Company and its subsidiary companies operated under a common corporate governance system. Processes are transparent, following everyday needs as much as possible to ensure operational flexibility. In 2021, we refine our organization and the related interest system and we try to adjust the thereof to our new strategy to support the realization of the targeted results at a maximum level.

POLICY ACHIEVEMENTS

Results of Anti-corruption Policy

Our company operates an Ethics and Compliance reporting line, which is also available on the 4iG website. The reports received during the year were investigated and it was decided to take the necessary measures. A full compliance-focused audit was performed, as a result of which we identified the Company's corruption risks and defined the controls aimed at managing the risks. After that, 4iG Plc. was

one of the first in Hungary to obtain a certificate accredited by Akkreditáló Hatóság¹⁹ for its management system developed according to the ISO 37001 standard. We provided anti-corruption and ethics training in relation to the hereinabove, as a result of which 97% of our employees passed the examination and made statements on anti-corruption on two levels (Employee and Senior Management / Board of Directors) in accordance with the standard requirement.

Our most important anti-corruption indicators:

- full investigation of notifications received
- conducting annual audits
- continuous monitoring of controls
- participation rate in trainings

Results of environmental policy

In the course of its operations, 4iG Plc. pays great attention to environmental protection and communicates its related objectives in its environmental policy to its employees and stakeholders, in line with environmental goals and programs. The Quality Management organizational unit compiles a list of the Company's activities to be audited at planned intervals.

In the list, it divides the processes into sub-activities, through which the environmental impacts can be identified, the assessment of which serves as a basis for selecting the significant ones from the many impacts, and the Company can focus its resources on them when defining environmental goals, plans and programs.

We are continuously monitoring the implementation of the environmental programs launched in the current year, the most important of which are the reduction of fuel consumption by 5%, the reduction of paper consumption by 10%, and the implementation of selective waste collection in office units.

We evaluated our suppliers involved in our environmental management system and found them to be suitable in the assessment taking into account environmental considerations, i.e. we requested them to submit their permits in connection with the disposal of waste.

During the selective collection and storage of waste, we pay special attention to avoiding the mixing of hazardous and other wastes, thereby preventing environmental pollution and reducing the environmental impact. In the recent period, we have placed great emphasis on reducing the amount of electronic waste and recycling it as much as possible.

We introduced our subcontractors to the basic requirements of our environmental management system (application of the 'Environmental Information Document' as an annex to the Contracts).

Our most important environmental indicators:

- hazardous and non-hazardous waste collection
- fuel consumption
- reducing energy consumption

Results of information security policy

¹⁹ Akkreditáló Hatóság – in English: National Accreditation Authority

The 4iG Group conducts regular audits to ensure that the objectives set out in the information security policy are being met and that the relevant instructions and procedures are being followed by those concerned. If an irregular process or employee behavior is experienced, the necessary action is taken to correct the problem. As a basic training for new entrants introduced in the current year, our employees receive information security education in accordance with our policy within the framework of the 'Welcome Day' designed for them to get to know the Company.

Results of quality policy

Based on 'our vision, our mission', we are continuously developing our quality management system in proportion to the growth of 4iG, and we are examining the adequacy and effectiveness of our processes. We ensure the compliance of the group of suppliers and subcontractors with the certification in the interest of the responsibility undertaken for quality.

In the current year, the GRC (Governance, Risk Management, Compliance) system was introduced, which promotes transparent operation, greatly helping to monitor operational processes.

Our most important indicators:

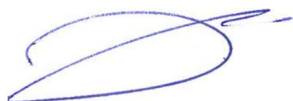
- completion of an annual audit program
- monitoring the effectiveness of corrective actions taken for nonconformities identified during the audit
- number of follow-up audits
- full investigation of complaints received
- participation rate in trainings

20. Liability and responsibility for the report as of 31 December 2020

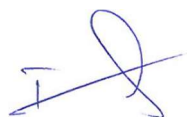
The data and statements of the present annual report for 2020 are true, the report reliably presents the development and performance of the Company, it does not conceal any fact that is significant for the assessment of the position of the Company.

We, the undersigned, are liable and responsible for the figures in this 2020 report and for the reality of the content of the analysis and conclusions.

Dated as of 19 April 2021 in Budapest



Jászai Gellért
Chief Executive Officer



Tóth Béla Zsolt
Member of the Board of Directors

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