

**4iG**  
**Q3**

**20**  
**21**

**4iG PLC. FLASH REPORT  
ON THE COMPANY'S Q3 2021 ACTIVITIES**



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## 1. EXECUTIVE SUMMARY

**4iG Plc.** (hereinafter referred to as: "4iG", "Company", "Corporation", "Corporate Group", "Group") has been present in the field of industrial and non-industrial innovative technologies for more than 25 years, and the Corporate Group is continuously expanding its interests and services in the field of telecommunications and satellite communications. **Through its acquisitions and dynamic organic growth, 4iG is now one of the largest corporate IT groups in Hungary and aims to become one of the leading players in the telecommunications industry in the medium term.**

In order to increase its market weight, its profitability and the synergies between the companies in which it holds an interest, 4iG **has started to organise its companies into holding companies** in line with its IT and telecommunications profile. This process is supported by a restructuring of corporate governance and the establishment of a **body of experts**, modelled on the advisory boards operating in the international corporate world, whose members are recognised national and international experts. The establishment of a board supporting the work of the Board of Directors fits well with the Company's **regional growth strategy**, one of the main objectives of which is to **deepen the international embeddedness** of the Corporate Group. Thanks to acquisitions and start-ups in the past year, 4iG had 11 subsidiaries by the end of September. **The performance of these subsidiaries contributed significantly to the strong growth in 4iG's consolidated operating profitability**, i.e. revenue and profitability ratios, **in Q1-Q3.**

### *Financial results*

In the period under review, 4iG Group maintained the growth momentum it has shown in the past and **closed Q3 2021 with an operating performance above all previous periods:**

- the consolidated sales **revenue** of 4iG Plc. accounted in line with IFRS was **53 billion Hungarian Forints** of which value is **58% higher** compared to the previous year;
- business effectiveness thereof has also improved significantly: the **EBITDA** of the Company **grew over 3.5 billion Hungarian Forints exceeding** which is **25% higher** compared to the financial and depreciation profit and loss of 2020;
- **profit after tax** in accordance with IFRS in respect of the Corporation **2.9 billion Hungarian Forint.**

With regard to the capital efficiency ratios, **the value of EBITDA per share increased by 24%, and the own equity per share measured 142% growth. The subsidiaries contributed approximately 7 billion Hungarian Forints to 4iG's consolidated sales revenue in the third quarter and increased EBITDA by 1.3 billion Hungarian Forints.**

### *Acquisitions*

#### Hungarian expansion

In August 2021, a strategic cooperation agreement was signed between the Company and the Minister without portfolio responsible for the management of national assets representing the Hungarian State. The aim of the agreement is to create a **telecommunications and telecommunication**

**infrastructure service provider company** that, in addition to competitive market services, by combining public and private capital, will represent the national interests in the industry with sufficient weight.

The agreement will allow the Corporate Group to acquire a majority stake in **Antenna Hungária Zrt.**<sup>1</sup> (hereinafter referred to as AH).

AH has been a major player in the Hungarian telecommunications sector for decades. It is the exclusive provider of national digital terrestrial television and analogue radio broadcasting in Hungary. The company owns 25 percent of Telenor Hungary (Telenor Hungary and Telenor Real Estate, CETIN Hungary) and also owns MVM NET Zrt., which owns and operates the government telecommunications infrastructure. In addition, the state-owned company is also active in the fields of event management, programme production, broadcasting, telecommunications, satellite communications and IT services related to telecommunications. As one of the most successful Hungarian-owned information technology companies, it is constantly building its own networks, solutions and services, and thus has a substantial infrastructure of its own.

According to 4iG's plans, the acquisition of a majority stake in Antenna Hungária and the combination of the two companies' telecommunications portfolios, expertise and know-how will contribute to the **technological development** of the Hungarian **telecommunications** sector and to the provision of **competitive** and **high-quality services in both the business and private segments**.

Also in the third quarter, in September 2021, the previously announced **strategic acquisition** was **closed** with the approval of Gazdasági Versenyhivatal<sup>2</sup>: the telecommunications portfolio of 4iG was expanded with the addition of **Invitech ICT Services Kft.**<sup>3</sup> one of Hungary's **leading telecommunications and infrastructure service providers**. Together, the Company and Invitech are already one of the leading players in several areas of infocommunications services in Hungary. The Target Company's value lies in its more than 600 employees, 5 000 customers and the country's second largest own - 11 thousand kilometre long - optical backbone network while it operates 23 thousand end-user IT devices and has five own data centres. Invitech infrastructure services are used by all the national mobile operators. Thanks to its own infrastructure and services, the company has stable growth prospects in the business and enterprise segments. **The acquisition is an important step for 4iG in the development of end-to-end services, which allows the Corporate Group to expand its services in areas related to IT (e.g. cloud, data centre, IoT) in addition to telecommunications.**

#### International acquisitions

4iG Plc also continued its regional expansion in the same quarter.

As part of thereof, it has signed a **preliminary agreement** to acquire a 70 percent majority stake in the Belgrade-based **TeleGroup**, an IT and network development group with 28 years of professional experience as a **leading IT systems integrator** in Serbia, Bosnia and Herzegovina and Montenegro, which successfully sells its services in Europe and the Middle East through its subsidiary companies. The acquisition is expected to be completed by the end of December, following due diligence of TeleGroup, the conclusion of the definitive agreement and the necessary competition authority

<sup>1</sup> Antenna Hungária Zrt. – in English: Antenna Hungaria Plc.

<sup>2</sup> Gazdasági Versenyhivatal – in English: Hungarian Competition Authority

<sup>3</sup> Invitech ICT Services Kft. – in English: Invitech ICT Services Ltd.

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approvals. The successful completion of the acquisition **would give 4iG a simultaneous presence as a professional investor in three countries in the Balkan region.**

In the last quarter, 4iG continues to implement its dynamic acquisition strategy, resulting in the potential closing of the transaction with **Space-Communication Ltd.** for its 51% stake, and the acquisition of 100% of **Telenor Montenegro.**

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

The value of average stock market price of 4iG shares (840,- Hungarian Forints) subject to the I-III quarter of 2021 was 53.3% higher compared to the same period in the previous year. The closing price was 990 Hungarian Forints in September of 2021, which exceeded the closing price as at the end of September by 64.2%. **At the time of compilation of this report, 4iG shares were traded in the range between 850-900 Hungarian Forints.** Market capitalization of the Company was 98.2 billion Hungarian Forints on 30 September 2021.

### ***Vision***

**One of the most important targets of 4iG is to be in the very first place regarding domestic IT companies, as well as to establish further dominant market positions in the broad areas of IT and ICT services in Hungary.** The strong growth of the Group is expected to continue in the last quarter of 2021, supported by acquisitions and organic growth of the company.

In addition to IT, one of the **strategic growth areas** for 4iG Group continues to be the **telecommunications and telecommunications infrastructure segment**, which, thanks to easy-to-plan, long-term contracts, can further increase the Corporate Group's revenues and profitability.

**The Company sees significant growth potential in the Western Balkans region**, with economic growth in the region expected to be boosted significantly over the next five years by the enlargement of the European Union. In order to exploit this potential, our Company is continuously exploring investment opportunities in the IT, telecommunications and space industry sectors.

**Thanks to the Corporate Group's dynamic growth in the first nine months of 2021, by 2022 4iG Plc. will become the number one systems integration company in Hungary in all areas of IT, and a dominant player in the Central and Eastern European and South-East Europe regions as well.**

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 2021	Q1-Q3 2020	Change + / (-) in percentage
<b>Net sales revenues</b>	<b>53 011 682</b>	<b>33 504 157</b>	<b>58.22%</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>3 525 146</b>	<b>2 817 552</b>	<b>25.11%</b>
Earnings before interest and taxes (EBIT)	1 951 182	2 248 570	(13.23)%
Profit after tax (PAT)	2 925 021	1 874 430	56.05%
<b>Total comprehensive income</b>	<b>2 925 021</b>	<b>1 874 430</b>	<b>56.05%</b>
<b>Number of employees</b>			
Net turnover per person***	49 207	53 181	(7.47)%
Average staff number	1 077	630	71.00%
<b>Stock exchange indicators</b>			
Stock exchange closing share price* (in HUF)	990	603	64.18%
Average stock market price of the shares (in HUF)	840	548	53.28%
Market capitalization of 4iG Plc. (in billion HUF)	98.2	56.7	73.28%
<b>Value per share (HUF)</b>			
EBITDA**	37	30	23.98%
Net earnings per share (EPS)**	31	21	51.60%
Diluted EPS indicator**	31	20	53.71%
Own equity**	130	54	142.22%

\*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

	<u>30 September</u> <u>2021</u>	<u>30 September</u> <u>2020</u>
Net sales revenues	53 011 682	33 504 157
Other operating income	420 958	216 048
<b>Revenues in total</b>	<b>53 432 640</b>	<b>33 720 205</b>
Goods and services sold	35 570 594	23 337 938
Operational expenditures	4 153 322	1 619 799
Staff costs	10 068 244	5 893 395
Other expenditures	115 334	51 521
<b>Operational expenses</b>	<b>49 907 494</b>	<b>30 902 653</b>
<b>Earning Before Interests, Taxes, Depreciation and Amortization (EBITDA)</b>	<b>3 525 146</b>	<b>2 817 552</b>
Depreciation and impairment	1 573 964	568 982
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>1 951 182</b>	<b>2 248 570</b>
Financial income	2 329 708	275 700
Financial expenditures	582 199	246 132
<b>Profit before tax</b>	<b>3 698 691</b>	<b>2 278 138</b>
Income taxes	773 670	403 708
<b>Profit after tax</b>	<b>2 925 021</b>	<b>1 874 430</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>2 925 021</b>	<b>1 874 430</b>
<b>Earnings per share (HUF)</b>		
Base	31	21
Diluted	31	20
<b>From profit after tax:</b>		
Share per parent company	<b>2 768 025</b>	<b>1 966 510</b>
Share for external owner	<b>156 996</b>	<b>(92 080)</b>
<b>From total comprehensive income:</b>		
Share per parent company	<b>2 768 025</b>	<b>1 966 510</b>
Share for external owner	<b>156 996</b>	<b>(92 080)</b>

4iG Nyrt. IFRS-based consolidated statement of comprehensive income (profit and loss)

Description	Q1-Q3 2021	Q1-Q3 2020	Change +/- in percentage	Q3 2021	Q3 2020	Change +/- in percentage
<b>Revenues</b>	<b>53 432 640</b>	<b>33 720 205</b>	<b>58,46%</b>	<b>21 043 257</b>	<b>13 432 558</b>	<b>56,66%</b>
- of which: Net sales revenues	53 011 682	33 504 157	58,22%	20 889 451	13 314 107	56,90%
ELÁBÉ (in English: cost of goods sold) + Intermediation	35 570 594	23 337 938	52,42%	13 626 519	9 317 160	46,25%
Operational expenditures	4 153 322	1 619 799	156,41%	1 762 638	614 884	186,66%
Staff costs	10 068 244	5 893 395	70,84%	3 815 191	2 018 945	88,97%
Other expenditures	115 334	51 521	123,86%	87 666	24 260	261,36%
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>3 525 146</b>	<b>2 817 552</b>	<b>25,11%</b>	<b>1 751 243</b>	<b>1 457 309</b>	<b>20,17%</b>
Depreciation	1 573 964	568 982	176,63%	721 646	199 026	262,59%
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>1 951 182</b>	<b>2 248 570</b>	<b>(13.23)%</b>	<b>1 029 597</b>	<b>1 258 283</b>	<b>(18.17)%</b>
Financial income	2 329 708	275 700	745,02%	2 079 337	91 151	2181,20%
Financial expenditures	582 199	246 132	136,54%	241 221	60 588	298,13%
<b>Profit before tax (PBT)</b>	<b>3 698 691</b>	<b>2 278 138</b>	<b>62,36%</b>	<b>2 867 713</b>	<b>1 288 846</b>	<b>122,50%</b>
Profit-type taxes	773 670	403 708	91,64%	434 997	189 306	129,79%
<b>Net profit and loss</b>	<b>2 925 021</b>	<b>1 874 430</b>	<b>56,05%</b>	<b>2 432 716</b>	<b>1 099 540</b>	<b>121,25%</b>
Other comprehensive income	0	0	n.d.	0	0	n.d.
<b>Total comprehensive income</b>	<b>2 925 021</b>	<b>1 874 430</b>	<b>56,05%</b>	<b>2 432 716</b>	<b>1 099 540</b>	<b>121,25%</b>
<i>Of which: profit and loss of discontinuing operation</i>	0	0	n.d.	0		n.d.

## 2.2 Consolidated balance sheet

data in thousands of Hungarian Forints unless otherwise indicated

	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>ASSETS</b>		
<b>Over-the-year assets</b>		
Tangible assets	25 913 778	776 806
Intangible assets	5 155 564	709 689
Lease rights	9 454 098	965 959
Deferred tax assets	1 184 813	36 678
Goodwill	85 745 685	1 333 129
Other investments	473 903	166 570
<b>Over-the-year assets in total</b>	<b>127 927 841</b>	<b>3 988 831</b>
<b>Current assets</b>		
Liquid assets and cash equivalents	12 316 830	7 204 781
Trade receivables	20 916 555	17 494 311
Other receivables and accrued and deferred assets	8 182 085	5 397 751
Current income tax receivables	0	0
Securities	331 600	417 730
Inventories	2 944 671	3 359 619
<b>Current assets in total</b>	<b>44 691 741</b>	<b>33 874 192</b>
<b>Assets in total</b>	<b>172 619 582</b>	<b>37 863 023</b>
<b>RESOURCES</b>		
<b>Own equity</b>		
Issued capital	1 984 158	1 880 000
Repurchased own share	(226 397)	(322 930)
Capital reserve	3 868 592	816 750
Accumulated profit reserve	5 636 928	4 928 921
<b>Own equity per parent company in total</b>	<b>11 263 281</b>	<b>7 302 741</b>
Non-controlling interest	1 651 416	376 085
<b>Own equity in total:</b>	<b>12 914 697</b>	<b>7 678 826</b>
<b>Long-term liabilities</b>		
Provisions	2 640 881	92 287
Long-term credits, loans, bonds	116 543 262	105 777
Financial lease liabilities	7 274 163	524 484
ESOP liabilities	381 108	344 813
<b>Long-term liabilities in total</b>	<b>126 839 415</b>	<b>1 067 361</b>
<b>Short-term liabilities</b>		
Trade creditors and other accounts payable	12 212 214	18 882 421
Short-term credits and loans	3 700 263	3 018 719
Other short-term liabilities and accrued liabilities	14 401 378	6 745 519
Dividend payment liabilities	2 819	27
Financial lease liabilities	2 548 796	470 150
<b>Short-term liabilities in total</b>	<b>32 865 470</b>	<b>29 116 836</b>
<b>Liabilities and own equity in total</b>	<b>172 619 582</b>	<b>37 863 023</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 of parent company in total	interest	in total
<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)
Profit after tax	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>
<b>Balance on 1 January 2021</b>	<b>1 880 000</b>	<b>(322 930)</b>	<b>816 750</b>	<b>4 928 921</b>	<b>7 302 741</b>	<b>376 085</b>	<b>7 678 826</b>
Equity issue	104 158		3 051 842	0	3 156 000	0	3 156 000
Purchase of own share	0	(60 671)	0	0	(60 671)	0	(60 671)
Own share sale (exchange of shares)		157 204	0	342 796	500 000	0	500 000
Dividend payment		0	0	(2 211 910)	(2 211 910)	0	(2 211 910)
Profit after tax	0	0	0	2 768 025	2 768 025	156 996	2 925 021
NCI (non-controlling interest)	0	0	0	(190 904)	(190 904)	1 118 336	927 432
Rounding					(1)		(1)
<b>Balance on 30 September 2021</b>	<b>1 984 158</b>	<b>(226 397)</b>	<b>3 868 592</b>	<b>5 636 928</b>	<b>11 263 281</b>	<b>1 651 416</b>	<b>12 14 697</b>

## 2.4 Consolidated Cash Flow statement

data in thousands of Hungarian Forints unless otherwise indicated

	30 September 2021	30 September 2020
<b>Cash Flow from operating activities</b>		
Profit after tax	2 925 021	1 874 430
<i>Corrections:</i>		
Depreciation and impairment in the current year	1 573 964	568 982
Impairment booked for customers	0	0
Provisions	2 548 594	29 723
Deferred tax	(1 148 135)	(29 443)
Interests	15 304	5 896
<i>Changes in working capital</i>		
Changes in trade receivables	(3 422 245)	2 917 020
Change in inventories	414 949	(1 692 320)
Change in trade creditors	(6 670 207)	(2 111 990)
Change in financial leasing	2 078 646	(36 614)
Change in other assets and liabilities	4 868 680	(3 572 710)
<b>Net cash flow from operating activities</b>	<b>3 184 572</b>	<b>(2 047 027)</b>
<b>Cash Flow from investments</b>		
Sale of tangible assets (purchase)	(25 220 906)	(764 842)
Purchase of intangible assets	(14 424 044)	(186 053)
Purchase of securities	86 130	0
Change in over-the-year-assets	(311 890)	3 000
Acquisition of interests	(83 373 592)	181 302
<b>Net Cash Flow from investment activities</b>	<b>(123 244 302)</b>	<b>(766 592)</b>
<b>Cash Flow from financing activities</b>		
Borrowing long-term credits and loans	116 473 781	0
Borrowing bank credits and loans / (repayment)	684 362	1 653 855
Borrowing financial leasing (repayment)	6 749 679	(134 509)
Own shares issued/repurchased	3 148 375	(495 285)
Interests of credits and loans	(15 304)	(5 896)
Dividend paid	(2 211 910)	(1 915 849)
Profit of own share sale	342 796	0
<b>Net Cash Flow from financing activities</b>	<b>125 171 779</b>	<b>(897 684)</b>
Net change in cash and cash-like items	5 112 049	(3 711 304)
Balance of cash and cash-like items at the beginning of the year	7 204 781	6 237 873
<b>Interim balance of cash and cash-like items</b>	<b>12 316 830</b>	<b>2 526 570</b>

### 3. GENERAL INFORMATION ON THE ISSUER

Name of the company:	4iG Nyilvánosan Működő Részvénytársaság <sup>4</sup> (former FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. <sup>5</sup> )
Legal status of the company:	Public Limited Company
Registered office:	1037 Budapest, Montevideo u. 8.
Place of business:	1037 Budapest, Montevideo utca 2/C.  1037 Budapest, Montevideo utca 6.
Branch businesses:	8000 Székesfehérvár, Seregélyesi út 96. 6782 Mórahalom, Röskei út 43. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-44
Statistical number:	12011069-6201-114-01
Share capital:	1 984 158 420,-HUF + VAT.
Date of foundation:	08 January 1995
Date of transformation:	02 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 shares:	99 207 921 quantity
ISIN code of the shares:	HU 0000167788
Series of the share class:	"A"
Serial number of the shares:	0000001 – 99207921
Repurchased own shares:	857 078,- quantity

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

<sup>5</sup> Fríz 68 Szolgáltató és Kereskedelmi Rt. – in English: Fríz 68 Service Provider and Trading Limited Company by shares

## 5. SHAREHOLDER STRUCTURE

	30 September 2021	31 December 2020
KZF Vagyonkezelő Ltd.	54.46%	57.47%
Manhattan Invest Ltd.	3.12%	3.29%
MANHATTAN Magántőkealap <sup>6</sup>	1.59%	1.03%
Bartolomeu Investments Ltd.	5.25%	n.d. <sup>7</sup>
4iG own share shareholding	0.86%	1.78%
Free float	34.72%	36.43%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

4iG Plc. owned 857 078,- quantity of own shares on 30 September 2021.

## 6. OFFICERS

With regard to the period between 01 January 2021 and 30 September 2021, the executive officers of 4iG Plc. were the persons listed hereinunder.

### 6.1 Company Management

Board of Directors:

- Jászai Gellért Zoltán, Chairman-CEO
- Tóth Béla Zsolt, member of the board of directors
- Linczényi Aladin Ádám, member of the board of directors
- Blénessy László, member of the board of directors
- Fekete Péter Krisztián, member of the board of directors
- Pedro Vargas Santos David, member of the board of directors

Supervisory Board:

- Simon Zoltán, chairperson of the Supervisory Board
- Kunosi András, member
- Tóthné dr. Rózsa Ildikó, member

<sup>6</sup> MANHATTAN Magántőkealap – in English: MANHATTAN Private Equity Fund

<sup>7</sup> n.d. – no data

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Audit Committee: Simon Zoltán, chairperson of the Audit Committee  
Kunosi András, member  
Tóthné dr. Rózsa Ildikó, member

### 6.2 Remuneration of the officers

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

Pursuant to the General Meeting Resolution under the number of 37./2014(10.27), 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 shareholding (quantity)	Indirect capital shareholding (quantity)	Direct and indirect (quantity)	Capital shareholding rate (%)
Jászai Gellért Zoltán	Chairman – CEO	0	58 692 930	58 692 930	59.16%
Tóth Béla Zsolt	member of the board of directors	1 052 200	0	1 052 200	1.06%
Blénessy László	member of the board of directors	590 765	0	590 765	0.60%

## 7. PERSONS BEING ENTITLED TO SIGN THIS REPORT

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

## 8. SUBSIDIARY COMPANIES

Name of the subsidiary company	Registered office	Capital shareholding		Notes
		2021	2020	
CarpathiaSat Zrt.	1037 Budapest, Montevideo u. 8.	51%	51%	Founded on 17 August 2020
DOTO Systems Zrt.	1037 Budapest, Montevideo u. 8.	100%	60%	Founded on 03 July 2019
DTSM Kft.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired on 07 December 2020
Humansoft Szerviz Kft.	1037 Budapest, Montevideo u. 8.	100%	100%	Founded on 17 April 2019
Hungaro DigiTel Kft.	2310 Szigetszentmiklós / Lakihegy, Komp u. 2.	75%	n.d.	through PTI Ltd.
INNObyte Zrt.	1115 Budapest, Bartók Béla út 105-113. 6. em.	70%	70%	Acquired on 14 October 2020
INNOWARE Kft.	1113 Budapest, Karolina út 65.	70%	70%	through INNObyte
Invitech ICT Services Kft.	2040 Budaörs, Edison utca 4.	100%	n.d.	Acquired on 30 September 2021
InviTechnocom Kft.	2040 Budaörs, Edison utca 4.	100%	n.d.	through Invitech
Poli Computer PC Kft.	1037 Budapest, Montevideo u. 8.	100%	n.d.	Acquired on 01 June 2021
Portuguese Telecommunication Investments Kft. (hereinafter referred to as: "PTI")	1085 Budapest, Kálvin tér 12.	100%	n.d.	Contribution-in-kind by capital increase on 12 May 2021
Spacenet Zrt.	1124 Budapest, Lejtő út 17/A. III. em.	70%	n.d.	Acquired on 13 April 2021
TR Consulting Kft.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired on 09 July 2020
Veritas Consulting Kft.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired on 10 September 2019

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

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**9.1 Acquisition of 24% of the Rotors & Cams Zrt. block of shares (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").

**9.2 Conclusion of large amount contract (02 February 2021)**

The tender submitted by the consortium including T-Systems Magyarország Zrt.<sup>8</sup>, Officium Szolgáltató Kft.<sup>9</sup> and 4iG Plc. was announced to be the successful tender upon the open EU public procurement procedure named 'Budapalota IT Infrastructure' called for by Magyar Nemzeti Bank<sup>10</sup> (registered office: 1054 Budapest, Szabadság tér 8-9.; hereinafter referred to as: "MNB"). Contract value: 2 617 950 265,-HUF + VAT.

**9.3 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 named 'Realisation of KLIR System' called for by Magyar Nemzeti Bank (registered office: 1054 Budapest, Szabadság tér 8-9.; hereinafter referred to as: "MNB"). The total value of the procedure is 1 022 378 624,-HUF + VAT.

**9.4 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<sup>11</sup> (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 Versenyhivatal (hereinafter referred to as: "GVH").

**9.5 Participation in NKP 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. met the requirements needed for the participation in the aforesaid independent credit rating procedure. With regard to the requirements included in the General Meeting Resolution Number 3/2019 (IX.05.), 4iG Plc. planned to issue bonds for the purposes of acquisition up to the total appropriation of 15 billion Hungarian Forints.

**9.6 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.<sup>12</sup> (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.

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<sup>8</sup> T-Systems Magyarország Zrt. – in English: T-Systems Hungary Private Limited Company

<sup>9</sup> Officium Szolgáltató Kft. – in English: Officium Service Provider Private Limited Liability Company

<sup>10</sup> Magyar Nemzeti Bank – in English: Hungarian National Bank

<sup>11</sup> KZF Vagyonkezelő Korlátolt Felelősségű Társaság – in English: KZF Asset Management Private Limited Liability Company

<sup>12</sup> Digitális Kormányzati Ügynökség Zrt. – in English: Digital Governmental Agency Private Limited Company

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### **9.7 Signing a preliminary draft agreement on 75% shareholding acquisition in Hungaro DigiTel Kft. (23 February 2021)**

A preliminary draft agreement (hereinafter referred to as: the “Agreement”) was concluded by and between 4iG Plc., 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 75% shareholding acquisition 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 was performed on 1 July 2021 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”).

### **9.8 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>

### **9.9 Credit rating review of Scope Ratings (04 March 2021)**

Scope Ratings GmbH (hereinafter referred to as: “Scope Ratings”) (www.scooperatings.com), as an independent international credit rating agency, has subjected 4iG to a positive review following the announcement of a 75% 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.scooperatings.com/#!search/research/detail/166751EN>

### **9.10 Signing of a share purchase agreement aiming the acquisition of 70% of the block of shares in Spacenet Plc. (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 on 15 April following the competition oversight proceeding of Gazdasági Versenyhivatal (hereinafter referred to as: “GVH”).

### **9.11 Successful bond auction (25 March 2021)**

4iG Plc. announced that it had conducted a successful auction in Növekedési Kötvényprogram (in English: Funding for Growth Scheme). As a result of the tender, it could issue the bond named “4iG NKP Bond 2031/I.” (ISIN: HU0000360276), with a ten-year maturity and an average yield of 2.7328% (coupon rate: 2.9%), in a total aggregate face value of 15.45 billion HUF on 29 March 2021.

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

4iG Plc. has signed a preliminary draft, non-binding agreement with RCS & RDS Consortium (hereinafter referred to as: “RCS & RDS”) on the acquisition of DIGI Távközlési Szolgáltató Kft.<sup>13</sup> and its subsidiary companies, i.e. Invitel Zrt. and i-TV Zrt. The planned transaction may be completed following the due

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<sup>13</sup> DIGI Távközlési Szolgáltató Kft. – in English: DIGI Telecommunications Service Provider Private Limited Liability Company

diligence of the DIGI Group, the signing of the final sales contract and the necessary regulatory procedures.

### **9.13 4iG Plc. Board of Directors resolution on the annual ordinary general meeting of the Company**

Since the management of the public limited company is entitled to decide on all issues that are on the annual agenda of the previously published invitation to the ordinary general meeting, pursuant to Subsection (2) of Section 9 of 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 (hereinafter referred to as: "Decree"), in connection with the proposals and resolutions related to the items on the agenda of the General Meeting ("General Meeting") announced for the 29th of April 2021, the Board of Directors of 4iG Plc. made the following resolutions on the 29th of April 2021 acting under the authority of the General Meeting:

#### **Resolution of the Board of Directors No. 3/2021. (VI.29.)**

The Board of Directors, acting under the authority of the General Meeting, resolved to approve with content in accordance with the proposal

- the submission of the Board of Directors on the reports, balance sheet and profit and loss account for 2020, and the 2020 profit distribution;
- the Board of Directors' report on the Company's business activity for 2020;
- the Auditor's report on the examination of the reports for 2020, and description of the verification clause;
- the Audit Committee's report on the reports for 2020;
- the Supervisory Board's report on the reports for 2020;
- the report of the Board of Directors on the management of the Company and on the financial situation and business policy of the Company.

In line with IFRS (International Financial Reporting Standards), the Company's main data concerning the annual report for 2020 are as follows:

- 35 274 599,- thousands in Hungarian Forints balance sheet total;
- 7 163 128,- thousands in Hungarian Forints own equity
- 3 160 054,- thousands in Hungarian Forints profit after tax

In line with IFRS (International Financial Reporting Standards), the Company's main data of the (consolidated) annual financial statement for 2020 are as follows:

- 37 863 023,- thousands in Hungarian Forints balance sheet total;
- 7 678 826,- thousands in Hungarian Forints own equity
- 3 438 803,- thousands in Hungarian Forints comprehensive profit after tax

The Board of Directors, acting under the authority of the General Meeting and having regard to the content of the disclosed annual financial statement for 2020, made the decision to pay dividend disbursement in the amount of 2 212 000,- thousands in Hungarian Forints, namely Two-Billion-Two-Hundred-and-Twelve-Million Hungarian Forints for the last business year. The Board of Directors,

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acting under the authority of the General Meeting, made 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 2021, the latest.

**Board of Directors Resolution No. 4/2021. (IV. 29.)**

Acting under the authority of the General Meeting, the Board of Directors decided to approve the Corporate Governance Report of the Company for 2020 with the content in accordance with the submission.

**Board of Directors Resolution No. 5/2021. (IV. 29.)**

Taking into account the standpoint of the Nomination and Remuneration Committee of the Company, acting under the authority of the General Meeting, the Board of Directors has concluded that the Chairman-CEO and the members of the Board of Directors performed their work in 2020 with the priority of the interests of the Company in mind, in view of which, acting under the authority of the General Meeting, the Board of Directors decided to grant the Members of the Board of Directors and CEO hold-harmless warrants for 2020.

**Board of Directors Resolution No. 6/2021. (IV. 29.)**

Acting under the authority of the General Meeting, upon this resolution, the Board of Directors shall hereby approve the re-appointment of INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság (registered office: 1074 Budapest, Vörösmarty utca 16-18. A. ép. fszt. 1/F.; company registration number: 01-09-063211; tax number: 10272172-2-42; hereinafter referred to as: "INTERAUDITOR Kft." or "Auditor") as of 01 May 2021 until the adoption of the individual and consolidated annual financial statements for the year of 2021, but not later than until 30 April 2022.

The Board of Directors, acting under the authority of the General Meeting, and on the basis of the prior negotiation with the Auditor, shall make the decision that, for the individual annual financial statement of the Company compiled in line with IAS-IFRS, the remuneration of the Auditor is to be 8 700,- thousands in Hungarian Forints + VAT, namely Eight-Million-Seven-Hundred-Thousand Hungarian Forints + VAT (with the gross value of 11 049,- thousands in Hungarian Forints), whereas, for the consolidated annual financial statement of the Company, thereof is defined in the amount of 2 700,- thousands in Hungarian Forints + VAT, namely Two-Million-Seven-Hundred-Thousand Hungarian Forints + VAT.

Acting under the authority of the General Meeting, the Board of Directors approved the appointment of Freiszberger Zsuzsanna (mother's maiden name: Böczkös Rózsa Mária; address: 2440 Százhalombatta, Rózsa utca 7.; membership number issued by the chamber of auditors: 007229) of INTERAUDITOR Kft., as the person bearing responsibility for the audit.

**Resolution of the Board of Directors No. 7/2021. (VI.29.)**

Acting under the authority of the General Meeting, the Board of Directors approved the Remuneration Policy of the Company by means of an opinion voting with the content in accordance with the submission.

**Resolution of the Board of Directors No. 8/2021. (VI.29.)**

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The Board of Directors, acting under the authority of the General Meeting, resolved to amend the Articles of Association of the Company as follows. Amendments to the Articles of Association are marked as follows: the deleted text is struck through and the newly inserted text is indicated in italics and bold editing mode. The particular provisions of the Articles of Association are amended as follows:

"2.2. The Company's foreign-language (English) company name is: 4iG Public Limited Company

The Company's foreign-language (English) abbreviated company name is: 4iG Plc.

2.3. The Company's foreign-language (German) company name is: 4iG Offene Aktiengesellschaft

The Company's foreign language (German) abbreviated company name is: 4iG Offene AG

2.2.4. The seat of the business of the Company: 1037 Budapest, Montevideo utca 8.

2.3.5. Branch business(es) of the Company: H-8000 Székesfehérvár, Seregélyesi út 96.

6782 Mórahalom, Röszei út 43.

6722 Szeged, Tisza Lajos körút 41.

4025 Debrecen, Barna utca 23.

2.4.6. Place(s) of business of the Company: 1037 Budapest, Montevideo utca 2/C

1037 Budapest, Montevideo utca 6."

#### "14. AUTHORIZED SIGNATURE

The following persons are entitled to sign for the Company

- a) the chairperson of the Board of Directors, independently,
- b) two members of the Board of Directors, jointly,
- c) the company manager with any member of the Board of Directors jointly, a member of the Board of Directors with an employee authorized by the Board of Directors to sign on behalf of the Company jointly;
- d) two employees granted by the Board of Directors with the right of representation jointly,

as set out in the signature specimen. Two of the employees authorized by the Board of Directors to sign on behalf of the Company, jointly, according to the signature specimen."

#### **Resolution of the Board of Directors No. 9/2021. (VI.29.)**

Within the scope of the competence of the General Meeting, the Board of Directors decided to elect Pedro Vargas Santos David (mother's name: Maria Filomena De Brito Vargas Lopes David; date of birth: 01 August 1984; address: AE Downtown Dubai, Standard Chartered Tower 5<sup>th</sup> floor; tax identification number: 8429464859; delivery agent: Kovács Márton Ügyvédi Iroda<sup>14</sup>, 1085 Budapest, Kálvin tér 12.) as a new member of the Board of Directors upon joint authorized signature for an indefinite period as of 29 of April 2021. The remuneration of the members of the Board of Directors is set by Board of Directors' Resolution No. 4/2020 (XI.25.), adopted by the Board of Directors acting under the authority of the General Meeting, in the gross amount of 175 000,-HUF / month.

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<sup>14</sup> Kovács Márton Ügyvédi Iroda – in English: Kovács Márton Law Firm

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### 9.14 Announcement of large amount successful tender (11 May 2021)

The tender of the consortium led by 4iG Plc. in the open EU public procurement tender procedure for the "Supply of Supercomputer and Storage", organised by Kormányzati Informatikai Fejlesztési Ügynökség<sup>15</sup> was announced as the winning bid. Total value of the procedure based on the summary document is: 3 138 582,- HUF in thousands + VAT. 4iG Plc.'s share of the value of the procedure is: 1 883 149,- HUF in thousands + VAT.

### 9.15. The purchase of Hungaro DigiTel Kft. (12 May 2021)

4iG Plc. acquired a 75% stake in Hungaro DigiTel Kft. (hereinafter referred to as: "HDT") through a previously disclosed multi-step process, i.e. through a contribution contract and related sale and purchase agreement between 4iG and Bartolomeu Investments Kft. (hereinafter referred to as: "Bartolomeu"), as an indirectly managed company of Alpac Capital - Sociedade de Capital de Risco, S.A. Pursuant to this contribution contract, following the completion of the necessary transactional steps and procedures, by bringing the 100% quota of Portuguese Telecommunication Investments Ltd. (hereinafter referred to as: "PTI") into 4iG as contribution in kind, Bartolomeu Investments Ltd. will become a shareholder of 4iG. As a subsequent step of the transaction, PTI purchased the 25% quota of Antenna Hungária Zrt. in HDT. As a result, 4iG became the 75% shareholder of HDT, and the stake of Antenna Hungária Zrt. in HDT Kft. decreased to 25%.

### 9.16. Analysis of WOOD & Company (26 May 2021)

Prague-based WOOD & Company, one of the leading investment banks and analysts in emerging European markets, has prepared a comprehensive analysis of 4iG Plc, which is available in English at the following link:

[View Document | WOOD & Company](#)

WOOD & Company will regularly monitor and analyse the operations and prospects of 4iG Plc on behalf of the Company in the future.

### 9.17 Share capital increase (01 June 2021)

Having regard to General Meeting Resolution No 2/2019 (IX.05.) passed on 5 September 2019, by its Board Resolution No. 2/2021 (VI.01.), on 1 2021, the Board of Directors of 4iG resolved to increase its share capital by making available to 4iG its 100% business share in Portuguese Telecommunication Investments Limited Liability Company ("PTI") (hereinafter referred to as: the "Business Share"), provided by Bartolomeu Investments Limited Liability Company (hereinafter referred to as: "Bartolomeu") as a contributor, by way of a non-monetary contribution, in the form of a placement of new shares, through private capital increase. Within the framework of the share capital increase, which will be implemented by the issue of 5 207 921,-quantity, i.e. five-million-two-hundred-and-seventy-thousand-nine-hundred-and-twenty-one quantity of shares of 4iG with a nominal value of 20,-HUF, i.e. twenty HUF, and an issue value of 606,-HUF, i.e. six hundred and six Hungarian Forints each, 104 158 420,-HUF, i.e. one-hundred-and-four-million-one-hundred-and-fifty-eight-thousand-four-hundred-and-twenty Hungarian Forints, is credited to the share capital (issued capital), while 3 051 841 706,-HUF, i.e. three-billion-and-fifty-one-million-eight-hundred-and-forty-one-thousand-seven-hundred-and-six Hungarian Forints, is credited to the capital reserve, the amount of the contribution, i.e. the amount of the increase in the share capital is 3 156 000 126,-HUF, i.e. three-billion-one-hundred-and-fifty-six-million-one-hundred-and-twenty-six Hungarian Forints. Bartolomeu has already committed in writing to receive the new 4iG shares issued. The placing of the new 4iG shares is considered to be

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<sup>15</sup> Kormányzati Informatikai Fejlesztési Ügynökség – in English: Governmental Agency for IT Development

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private pursuant to Subsection 1 of Section 5 Point 95 of the Act of CXX of 2001 on Capital Market (hereinafter referred to as: the "Capital Markets Act") and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are admitted to trading on a regulated market and repealing Directive 2003/71/EC (hereinafter referred to as: the "EU Regulation").

#### **9.18 Purchase of Poli Computer PC Kft. (01 June 2021)**

4iG Plc. acquired 100% of the share capital of Poli Computer PC Kft. (hereinafter referred to as: "Poli Computer") through a share purchase agreement. 4iG has taken significant steps to continuously increase its competences and strengthen its position among the major IT companies in Hungary. The acquisition of Poli Computer fits well into 4iG's growth strategy. As a result of the transaction, 4iG will have a total of 612 professionals working in IT outsourcing and operational services. Based on the expected revenues from this activity, the number of employees and orders, 4iG will become the market leader in this IT segment in Hungary. At present, Poli Computer provides IT services for 25 corporations. The turnover of Poli Computer in 2020 reached 2.51 billion Hungarian Forints, and thereof EBITDA accounted 218 billion Hungarian Forints.

#### **9.19 Articles of Association of 4iG Plc. following the capital increase (01 June 2021)**

4iG Plc has prepared and published its Articles of Association in a consolidated structure, also including the capital increase.

#### **9.20 Changes in senior management (07 June 2021)**

4iG Plc. has resolved to entrust the management of internal corporate processes to an independent manager. In line with the decision, Linczényi Aladin Ádám, member of the Board of Directors, will be responsible for the development of the holding organisation and the implementation of the growth strategy as Deputy CEO. As Deputy CEO in charge of the IT area, Tápai Tamás, joining the management of the companies group, is responsible for the day-to-day operational management of 4iG's IT department. Tápai Tamás is an engineering teacher with a degree in engineering and IT engineering, with experience in project management, senior management and corporate governance in a multinational environment. His professional career is marked by companies such as Audi Hungária Motor Kft., Daten-Kontor Kft. and MOL Nyrt. Between 2014 and 2016, he was the IT Manager of the Central and Eastern European region of Sanofi-Aventis Zrt., then between 2016 and 2020, he was the Head of Development and then Deputy CEO of T-Systems Hungary Ltd., responsible for IT. For the last year he has been running his own business. Tápai Tamás will take up his position as Deputy CEO of 4iG from 8 June 2021.

#### **9.21 EDISON Group analysis (14 June 2021)**

EDISON Investment Research Limited, one of the world's biggest investment research, investor relations and consulting firms, following the flash report for the first quarter of 2021, performed an analysis on 4iG Plc., which is available via the hereinunder link in English as follows:

[4iG - Executing at pace on its five-year plan | Edison \(edisongroup.com\)](#)

#### **9.22 Signing of a non-binding letter of intent to acquire 51% of the shares of Space-Communications Ltd. (14 June 2021)**

On 14 June 2021, 4iG Public Limited Company, together with its subsidiary companies Hungaro DigiTel Kft. and CarpathiaSat Zrt. (hereinafter collectively referred to as: "4iG") signed a non-binding letter of intent with Space-Communications Ltd. (hereinafter referred to as: "Spacecom", "Target"), a leading Israeli satellite fixed-location broadcasting and communications service provider. Spacecom operates

a fleet of four AMOS satellites in different geosynchronous orbits, providing broadcast and broadband satellite services to customers worldwide. Listed on the Tel Aviv Stock Exchange, Spacecom had revenues of 88 million American Dollars and EBITDA of 52 million American Dollars in 2020.

Under the preliminary terms, Spacecom will issue shares to 4iG representing, following the issue, approximately 51% of the issued and outstanding share capital and voting rights of the Target (partially diluted) in exchange for an amount of approximately 215 million Israeli Shekels (reflecting a price of 8.5 Israeli Shekels per share) (hereinafter referred to as: the "Proposed Transaction"). The Proposed Transaction is conditional upon the successful completion by 4iG of the negotiations and due diligence processes and the execution by the Parties of the Final Agreements on mutually satisfactory terms, subject to the approval of Spacecom's general meeting and the consent of third parties, including the Israeli Ministry of Communications. Following the consummation of the Proposed Transaction, 4iG shall appoint new directors such that the directors appointed by 4iG shall constitute a majority of the members of the Board of Directors of Spacecom. 4iG and Spacecom have agreed to an exclusivity period to finalise the Transaction, with 4iG's objective being to complete due diligence and to finalise the negotiation of the definitive transaction documentation.

### **9.23 Announcement of a successful large amount tender (16 June 2021)**

Médiaszolgáltatás-támogató és Vagyonkezelő Alap<sup>16</sup> (hereinafter referred to as: "MTVA") announced the winning bid of the joint tenderers 4iG Plc., Antenna Hungária Zrt., Appsters Kft. in the procurement procedure "IT support and further development of the MTVA complex media content management and distribution system". The procurement procedure was a negotiated public procurement procedure with publication of a contract notice in accordance with the EU procedures (EKR000208332021). The objective of the procurement is to provide IT support and further development of the complex web-based media content management and distribution system of the Médiaszolgáltatás-támogató és Vagyonkezelő Alap, as well as its process, technological, architectural and infrastructural renewal for a period of 48 months. The value of the tender is 4 436 264 184 Hungarian Forint + VAT.

### **9.24 Contract conclusion (22 June 2021)**

The bid of 4iG Plc. was declared the winning bid in the EU open public procurement procedure announced by MVM Démász Áramhálózati Kft. (registered office: 6724 Szeged, Kossuth Lajos sgt. 64-66.), MVM Égáz-Dégáz Földgázhálózati Zrt. (6724 Szeged, Pulcz utca 44.), MVM Főgáz Földgázhálózati Kft. (1081 Budapest, János Pál pápa II tér 20.), for "IT Development Umbrella Agreement - Provision of Systems Integration, Integration Development and Expert Services for Technical Systems". The objective of the project is to provide system integration, integration development and expert services related to IT Development - Technical Systems, which are the subject of the Umbrella Agreement, for 4iG. Assessment, analysis, design, implementation and testing of the integration needs of the operational systems supporting the core business managed by MVM Hálózat NKM ÜFM<sup>17</sup>. Performance of integration development tasks for HAP system components, and expert support of IT strategy and operational developments. The value of the umbrella agreement is 1 500 000,- thousands in Hungarian Forints + VAT.

<sup>16</sup> Médiaszolgáltatás-támogató és Vagyonkezelő Alap – in English: Media Service Support and Asset Management Fund

<sup>17</sup> MVM Hálózat NKM ÜFM – in English: MVM Network NKM TSO

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### 9.25 Scope Ratings credit rating review (25 June 2021)

Scope Ratings GmbH (hereinafter referred to as: "Scope Ratings") ([www.scooperatings.com](http://www.scooperatings.com)), an independent international agency, has issued a new warning on the positive review of 4iG's rating, which is available in English via the link below:

<https://www.scooperatings.com/#search/research/detail/167884EN>

### 9.26 The release of new shares issued (01 July 2021)

A total quantity of 5 207 921,-quantity, i.e. Five-Million-Two-Hundred-and-Seven-Thousand-Nine-Hundred-and-Twenty-One Series "A" ordinary shares with a nominal value of 20,-HUF each, giving the same rights as the shares already listed on the Budapest Stock Exchange, were released in connection with the capital increases decided by the Board of Directors on 1 June 2021. Given that the newly released shares were admitted to trading on Budapesti Értéktőzsde<sup>18</sup> today, they have been released with the same ISIN code HU0000167788 as the shares already listed.

The newly issued shares, a total of 5 207 921, i.e. Five-Million-Two-Hundred-and-Seven-Thousand-Nine-Hundred-and-Twenty-One shares, were registered today by Bartolomeu Investments Korlátolt Felelősségű Társaság (registered office: 1085 Budapest, Kálvin tér 12. ; company registration number: 01-09-347440), as a result of which the number of 4iG shares directly held by it and conferring voting rights increased from 0, i.e. zero, to 5 207 921, i.e. Five-Million-Two-Hundred-and-Seven-Thousand-Nine-Hundred-and-Twenty-One shares, and thus its voting rights in 4iG increased from 0% to 5.30%.

### 9.27 Announcement of large amount successful tender (02 July 2021)

The tender of the consortium managed by 4iG was announced to be the successful tender of Digitális Kormányzati Ügynökség Zrt. (hereinafter referred to as: "DKÜ"). The public procurement procedure for the conclusion of the umbrella agreement for the "Procurement of servers and storage and related services (SRVT21)" for entities subject to Government Decree 301/2018 (27.XII.) was carried out in two parts. Part 1: Procurement of homogeneous servers and storage, and Part 2: Procurement of inhomogeneous servers and storage. The total appropriation of the umbrella agreement is net 204 724 000 000,-HUF.

### 9.28 Signing of a non-binding Term Sheet for the acquisition of 100% stake in Telenor d.o.o., Podgorica (09 July 2021)

4iG has signed a preliminary non-binding agreement (hereinafter referred to as: the "Term Sheet") with the company PPF TMT Bidco 1 B.V. to acquire 100% of the shares of Telenor Crna Gora d.o.o., Podgorica (hereinafter referred to as: "Telenor Montenegro" or "Target Company"), including its subsidiary companies. The proposed transaction is expected to be completed by the end of November 2021, following due diligence of Target Company and its subsidiary companies, the signing of the Sale and Purchase Agreement and the approval of the Montenegrin Competition Authority.

Thanks to the 338 thousand subscribers and revenues of 43 million Euro in 2020, based on its revenue, Telenor Montenegro is the absolute market leader in the Montenegrin mobile segment. The Podgorica-based Target Company's main revenue comes from private and business subscribers (67%). Telenor Montenegro has 150 privately-owned base stations covering all major roads, most tunnels and all beaches and winter resorts in Montenegro. As a result, Telenor Montenegro's 4G-based mobile services are available to 98% of the Montenegrin population, therewith providing a stable growth platform.

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<sup>18</sup> Budapesti Értéktőzsde – in English: Budapest Stock Exchange

The potential acquisition of the Target Company is in line with 4iG's regional expansion strategy, which 4iG intends to further strengthen in the South-East European region in the coming period.

### **9.29 The 4iG share purchases of MANHATTAN Magántőkealap<sup>19</sup> (13 July – 29 July 2021)**

In the context of stock exchange transactions carried out between 13 and 29 of July 2021, Manhattan Private Equity Fund (registered office: 1037 Budapest, Montevideo utca 8., registration number: 6122-80), managed by iKON Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság (in English: iKON Investment Fund Management Private Limited Company) (registered office: 1037 Budapest, Montevideo utca 8.; company registration number: 01-10-140332), under the exclusive ownership of Jászai Gellért Zoltán, Chief Executive Officer of 4iG Plc. (senior officer), purchased altogether 609 430,-quantity of dematerialized ordinary shares issued by 4iG Plc. with a nominal value of 20,-HUF as a result of which the number of ordinary shares of 4iG Plc. directly and indirectly owned by MANHATTAN Magántőkealap changed from 4 058 982,-quantity to 4 668 412,-quantity of shares, herewith its ownership percentage changed from 4.09% to 4.71%, thus increasing its voting rights in 4iG Plc from 4.13% to 4.75%, as a result of which the number of shares indirectly held by Jászai Gellért Zoltán changed from 58 083 500,-quantity to 58 692 930,-quantity hereby his indirect holding changed from 58.55% to 59.16%, and his voting rights in 4iG Plc increased from 59.06% to 59.68%.

### **9.30 Dividend payment (26 July 2021)**

With the assistance of KELER Zrt., 4iG Plc. has started to pay a dividend of 22.49,-HUF per share for the year 2020.

### **9.31 Establishment of a Technical Advisory Board (26 July 2021)**

At 4iG Plc, a Technical Advisory Board of 3 to 9 members with appropriate professional competence has been established by the Board of Directors of 4iG Plc, subordinate to the Board of Directors, in accordance with Article 11.10.12 of the 4iG Articles of Association and Point 2.7 of the 4iG Rules of Procedure. The tasks of the Technical Advisory Board include, among others, the development of international relations and complex advisory tasks. In order to achieve herein tasks, the members of the Technical Advisory Board include current and former leaders and key figures from both Hungarian and foreign governmental and non-governmental organisations, who support the work of the Board with their various professional backgrounds. Members of the Advisory Board: Czakó Borbála, Nancy Brinker, Karen Tramontano, Martonyi János and Lantos Csaba.

### **9.32 Major development contract (30 July 2021)**

4iG Plc. and Magyar Exporthitel Biztosító Zrt.<sup>20</sup> (hereinafter referred to as: "MEHIB") (seat of business: 1065 Budapest, Nagymező u. 46-48.) concluded a contract on the procurement and support of MEHIB insurance CORE providing negotiating and released procurement procedure named CORE (Centralized Online Real-Time Exchange). During the project, 4iG Plc will deliver MEHIB's new business management system, perform the related integrations and migrate data from the existing system to the new system. After the implementation, 4iG will provide manufacturer and integrator support for the system. Contract value: 2 960 270,-EUR + VAT, including the fee of the implementation and 2+2 years of system support.

<sup>19</sup> MANHATTAN Magántőkealap – in English: MANHATTAN Private Equity Fund

<sup>20</sup> Magyar Exporthitel Biztosító Zrt. – in English: Hungarian Export Credit Insurance Plc.

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### **9.33 Signing of the Term Sheet for the acquisition of the majority stake in "ANTENNA HUNGÁRIA" Zrt. (25 August 2021)**

4iG Nyrt. has signed a preliminary agreement ("Term Sheet") with the Minister without portfolio responsible for the management of national assets representing the Hungarian State, exercising the ownership rights of "ANTENNA HUNGÁRIA" Zrt., on the acquisition of the stake in "ANTENNA HUNGÁRIA" Zrt. as a result of a capital increase by way of a contribution ("Transaction"). Under the terms of the preliminary Agreement, the telecommunications profile companies coming under the ownership of 4iG will be contributed to a joint company with the State, i.e. "ANTENNA HUNGARIA" Zrt. The Transaction will allow 4iG to acquire a majority stake in Antenna Hungária Zrt. The parties are expected to decide on the contribution of the companies corresponding to the profile of the national telecommunications company after the finalisation of the preliminary agreements and the due diligence and asset valuation of ANTENNA HUNGARIA Zrt.

The aim of the Transaction is to create such a strategy telecommunications and telecommunication infrastructure service provider company that, in addition to competitive market services, by combining public and private capital, will represent the national interests in the industry with sufficient weight.

### **9.34 The acquisition of the 100% stake in DOTO Systems Zrt.<sup>21</sup> (27 August 2021)**

On 27 August 2021, 4iG Nyrt., as the majority shareholder of DOTO Systems Zrt., acquired all ordinary shares issued by DOTO Systems Zrt., thus becoming the sole shareholder of DOTO Systems Zrt.

### **9.35 Convening of the Extraordinary General Meeting of 4iG Nyrt. on 30 September 2021 (31 August 2021)**

4iG Nyrt. convened an Extraordinary General Meeting for 10:00 on 30 September 2021, the main items on the agenda of which are the merger of TR Consult Kft.<sup>22</sup> and DOTO Systems Zrt. into the parent company, the adoption of the new remuneration policy of the existing ESOP (Employee Stock Ownership Plan) of 4iG Nyrt. and other related decisions. Following a shareholder proposal, the agenda of the General Meeting included the authorisation of the Board of Directors for a period of 2 years to increase the share capital by up to 7 billion Hungarian Forint and to issue bonds in the amount of 400 billion Hungarian Forint.

### **9.36 Large amount successful tender announcement (3 September 2021)**

The tender of the consortium managed by 4iG was announced to be the successful tender of Digitális Kormányzati Ügynökség Zrt. (hereinafter referred to as: "DKÜ"). The public procurement procedure for the conclusion of a framework agreement for "Application Development and Operations Support Services (SWF)" for entities subject to Government Decree 301/2018 (27.XII.) in two parts. Part 1: MS .NET and MS Business Intelligence development services, the second part: Java or Business Intelligence development services. In both parts of the procedure, the Digital Government Agency announced four different joint bidding consortiums as the winning bidders, of which the joint bidding consortium led by 4iG was one of the winners in the second part.

The total amount of the framework agreement is net 90 000 000 000,-HUF. The second part has a total appropriation of the net budget of 60 000 000 000 000,-HUF.

The framework agreement does not provide for automatic orders, and specific purchases will be re-tendered between the consortium participating in the framework agreement on the basis of the needs

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<sup>21</sup> DOTO Systems Zrt. – in English: DOTO Systems Plc.

<sup>22</sup> TR Consult Kft. – in English: TR Consult Ltd.

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of the organisations concerned. The maximum duration of the framework agreement is 48 months from its entry into force.

### **9.37 Large amount successful tender announcement (3 September 2021)**

The tender of the consortium managed by 4iG was announced to be the successful tender of Digitális Kormányzati Ügynökség Zrt. (hereinafter referred to as: "DKÜ"). The public procurement procedure for the conclusion of a framework agreement for "Application Development from EU resources (SWFEE)" for entities subject to Government Decree 301/2018 (27.XII.) in two parts. Part 1: MS .NET and MS Business Intelligence development services, the second part: Java or Business Intelligence development services.

In both parts of the procedure, the Digital Government Agency announced five different joint bidding consortiums as the winning bidders, of which the joint bidding consortium led by 4iG was one of the winners in both parts.

The total amount of the framework agreement is net 520 000 000 000,-HUF.

The framework agreement does not provide for automatic orders, and specific purchases will be re-tendered between the consortium participating in the framework agreement on the basis of the needs of the organisations concerned.

The maximum duration of the framework agreement is 48 months from its entry into force.

### **9.38 Large amount successful tender announcement (09 September 2021)**

The tender of the consortium managed by 4iG was announced to be the successful tender of Digitális Kormányzati Ügynökség Zrt. (hereinafter referred to as: "DKÜ"). The public procurement procedure for the conclusion of a framework agreement for "Procurement of Active and Passive Network Devices" for entities subject to Government Decree 301/2018 (27.XII.) in two parts. Part 1: Homogeneous network devices and accessors, second part: Procurement of general network devices and accessors. In first part of the procedure, the Digital Government Agency announced five, and in the second part of thereof four different joint bidding consortiums as the winning bidders, of which the joint bidding consortium led by 4iG was one of the winners in both parts.

The total amount of the framework agreement is net 300 000 000 000,-HUF.

The framework agreement does not provide for automatic orders, and specific purchases will be re-tendered between the consortium participating in the framework agreement on the basis of the needs of the organisations concerned.

The maximum duration of the framework agreement is 42 months from its entry into force.

### **9.39 Signing of the contract for the acquisition of 100% of the shares of Invitech ICT Services Kft. (13 September 2021)**

4iG has signed a share purchase agreement for the acquisition of 100% of the shares of Invitech ICT Services Korlátolt Felelősségű Társaság<sup>23</sup> (registered office: 2040 Budaörs, Edison utca 4; company registration number: 13-09-190552; court of registration: Budapest Környéki Törvényszék Cégbírósága ("Invitech") (the "Transaction") with Rotamona Limited, the owner of Invitech. The herein Transaction

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<sup>23</sup> Invitech ICT Services Korlátolt Felelősségű Társaság – in English: Invitech ICT Services Limited Liability Company

was performed following the competition oversight proceeding of Gazdasági Versenyhivatal (hereinafter referred to as: "GVH").

With more than 600 employees, Invitech is one of the leading players in Hungary in the field of high-capacity optical backbone networks and wholesale services to market players, with a lead role in several areas. The company provides managed info-communications services to more than 5 000 corporate, institutional and wholesale customers. Its portfolio includes broadband business internet, data centre, IT security and cloud solutions, voice and IT services. Invitech's own fibre network is the second largest in the country, with 11 border crossing points and a total national coverage of 11 000 km. The Company operates IT equipment for 23 000 end-users, has five data centres of its own and its infrastructure services are used by all the national mobile operators.

#### **9.40 Signing of a non-binding Term Sheet for the acquisition of a 70% stake in TeleGroup Limited and TeleGroup Banja Luka (20 September 2021)**

4iG has signed a preliminary non-binding agreement (hereinafter referred to as: the "Term Sheet") with Milomir Gligorijević to acquire 70% of the shares of TeleGroup Limited, and TeleGroup Banja Luka (hereinafter referred to as: "TeleGroup" or "Target Companies"), including its subsidiary companies. The planned transaction is expected to close by the end of December 2021, following due diligence of the Target Companies and their subsidiary companies, the signing of the Sale and Purchase Agreement and the necessary competition authority approvals.

Since its founding in 1992, TeleGroup has grown into an international technology company operating successfully in European and Middle Eastern markets. TeleGroup provides comprehensive IT solutions and infrastructure design services to meet the needs of different industries, from data centre, through communication and collaboration systems to security solutions. TeleGroup currently employs more than 250 people, with consolidated revenues of more than 64 million EUR in 2020.

The potential acquisition of the Target Companies is in line with 4iG's regional expansion strategy, which 4iG intends to further strengthen in the Western Balkans region in the coming period.

#### **9.41 Successful bond auction (24 September 2021)**

4iG Nyrt. has privately issued the floating rate 4iG M&A Bond 2026 (ISIN: HU0000360813; "Bond") with a maturity date of 27 September 2026. The private placement of the Bond with a nominal value of 50 000 000,-HUF, i.e. Fifty-Million Hungarian Forint, was completed on 24 September 2021 on total nominal value.

Total aggregate face value of the 4iG M&A Bond 2026: 100 000 000 000 000,-HUF.

#### **9.42 A Scope Ratings credit rating agency review (25 September 2021)**

Scope Ratings GmbH (hereinafter referred to as: "Scope Ratings") ([www.scoperatings.com](http://www.scoperatings.com)), an independent international, has issued a new warning on the positive review of 4iG's rating, which is available in English via the link below:

[Scope changes 4iG's rating under review direction to possible downgrade from developing outcome \(scoperatings.com\)](https://www.scoperatings.com/press-releases/scope-changes-4ig-rating-under-review-direction-to-possible-downgrade-from-developing-outcome)

#### **9.43 High value contracting (27 September 2021)**

4iG's bid was announced as the winning bid in the EU open tender procedure for the "Procurement of a Central Data Storage" launched by Magyar Nemzeti Bank (MNB) and the contract was signed.

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Purpose of the procurement: The HPE 3PAR 7200 series corporate central data storage products have reached the end of their planned lifetime. This required the introduction of a new storage device with a higher performance and service position than the existing one, while increasing capacity. The central repository is the core equipment of the IT infrastructure of MNB. The equipment to be delivered must be able to support the data storage needs for the next 7 years, the server park, the data processing systems, virtualised tools and solutions, with high availability.

A framework agreement total appropriation net 1 924 835 800,- HUF

#### **9.44 Extraordinary General Meeting (30 September 2021)**

4iG Nyrt. held an Extraordinary General Meeting on 30 September 2021, at which the following main resolutions were adopted:

##### **General Meeting Resolution No. 3/2021 (IX.30.):**

The General Meeting, exercising the option provided by Section 8 (1) of Act CLXXVI of 2013, on the Reorganisation, Merger and Demerger of Certain Legal Persons (hereinafter referred to as: "Reorganisation Act"), resolves, within the framework of a resolution, on a merger (Merger) pursuant to Act V of 2013, on the Civil Code (hereinafter referred to as: "Civil Code") and the Reorganisation Act, in the framework of which TR Consult Korlátolt Felelősségű Társaság (registered office: 1037 Budapest, Montevideo utca 8. ; company registration number: 01-09-686917; court of registration: Fővárosi Törvényszék Cégbírósága<sup>24</sup> will be merged into 4iG Nyilvánosan Működő Részvénytársaság (registered office: 1037 Budapest, Montevideo u 8.; company registration number: 01-10-044993; court of registration: Fővárosi Törvényszék Cégbírósága), whereby the entire assets of TR Consult Korlátolt Felelősségű Társaság will be transferred to 4iG Nyilvánosan Működő Részvénytársaság as the general legal successor. The business company acting as the successor company in the Merger is 4iG Nyilvánosan Működő Részvénytársaság.

##### **General Meeting Resolution No. 4/2021 (IX.30.):**

The General Meeting, exercising the option provided by Section 8 (1) of Act CLXXVI of 2013, on the Reorganisation, Merger and Demerger of Certain Legal Persons ("Reorganisation Act"), resolves in a resolution on a merger (Merger) pursuant to Act V of 2013, on the Civil Code ("Civil Code") and the Reorganisation Act, in the framework of which DOTO Systems Zártkörűen Működő Részvénytársaság (registered office: 1037 Budapest, Montevideo utca 8. ; company registration number: 01-10-140395; court of registration: Fővárosi Törvényszék Cégbírósága will be merged into 4iG Nyilvánosan Működő Részvénytársaság (registered office: 1037 Budapest, Montevideo u 8.; company registration number: 01-10-044993; court of registration: Fővárosi Törvényszék Cégbírósága), whereby the entire assets of DOTO Systems Zártkörűen Működő Részvénytársaság will be transferred to 4iG Nyilvánosan Működő Részvénytársaság as the general legal successor. The business company acting as the successor company in the Merger is 4iG Nyilvánosan Működő Részvénytársaság.

##### **General Meeting Resolution No. 5/2021 (IX.30.):**

The General Meeting adopted the Reorganisation Plan (Merger Plan) annexed to the proposal. The General Meeting also adopted the draft balance sheets and draft inventory of assets and liabilities of

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<sup>24</sup> Fővárosi Törvényszék Cégbírósága – in English: Company Registry Court of Budapest-Capital Regional Court

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the Merging Companies, which are part of and annexed to the Reorganisation Plan (Merger Plan), and the auditor's report on these drafts.

**General Meeting Resolution No. 6/2021 (IX.30.):**

The General Meeting adopted the draft balance sheet and the draft inventory of assets and liabilities of the Receiving Company (before the Merger) and the draft balance sheet and the draft inventory of assets and liabilities of the Successor Company resulting from the Merger, which are part of and annexed to the Reorganisation Plan (Merger Plan), as well as the auditor's report on these drafts and the report of the Supervisory Board and the Audit Committee, in such a way that in the course of the audit of the draft asset balance sheets published on 31 August 2021, it was established that the cost value of the bonds issued by the Receiving Company, listed in the draft balance sheets of the Receiving Company was incorrectly stated, resulting in an overstatement of both liabilities and accrued income of almost 3.5 billion Hungarian Forint. As a result of the correction, there was no change in the Receiving Company's equity, the balance sheet total decreased by 3 486 086,-HUF in thousands, and therefore the balance sheet total is correctly 45 239 850,-HUF in thousands, i.e. Forty-Five-Billion-Two-Hundred-and-Thirty-Nine-Million-Eight-Hundred-and-Fifty-Thousand Hungarian Forints.

**General Meeting Resolution No. 7/2021 (IX.30.):**

The General Meeting adopted the Articles of Association of the Successor Company, which form part of and are annexed to the Reorganisation Plan (Merger Plan).

**General Meeting Resolution No. 8/2021 (IX.30.):**

The General Meeting adopted the Merger Agreement as part of and annexed to the Reorganisation Plan (Merger Plan).

**General Meeting Resolution No. 9/2021 (IX.30.):**

The General Meeting resolved that the 4iG Shareholders intending to withdraw shall be paid 95.60,- HUF (i.e. Ninety-Five point Sixty Hungarian Forint) per 20.00,-HUF nominal value share within sixty (60) days of the registration of the reorganisation by the court of registration, by applying Section 6(3) of the Reorganisation Act. The names of the withdrawing shareholders and the number of shares they hold are recorded in the minutes of the General Meeting. The shares of the withdrawing shareholders shall become treasury shares of the Company. In view of the fact that the acquisition of treasury shares takes place in connection with a merger, pursuant to Section 3:223 (3) of the Civil Code, no prior authorisation of the Board of Directors by the General Meeting is required for the acquisition of treasury shares.

**General Meeting Resolution No. 10/2021 (IX.30.):**

The General Meeting set the date of the draft balance sheet and the draft inventory of assets and liabilities as 30 June 2021, while the date of the merger (Merger) was set as 31 December 2021 (Merger Date), with the proviso that if, for whatever reason, the Court of Registration were to enter the Merger in the Commercial Register on a date after 31 December 2021, the Merger Date shall be the date on which the Court of Registration cancels the Merging Companies from the Commercial Register.

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**General Meeting Resolution No. 17/2021 (IX.30.):**

Pursuant to the Government Decree No. 102/2020. (IV.10.) on Derogations from Regulations on Operation of Partnerships and Corporations in case of Emergency, within the framework of the Employee Stock Ownership Plan (ESOP) established by the Board of Directors, acting under the authority of the General Meeting, by Board Resolution 9/2020 (IV.29.) of 29 April 2020, the General Meeting adopts the launch of a new remuneration programme based on a new remuneration policy ("New Remuneration Programme") in addition to the remuneration programme based on the existing remuneration policy.

**General Meeting Resolution No. 18/2021 (IX.30.):**

The General Meeting resolved to amend Article 10.4 of the Articles of Association of the Company as proposed by the Board of Directors.

**General Meeting Resolution No. 20/2021 (IX.30.):**

The General Meeting resolved to increase the share capital of the Company by 4 000 000, i.e. Four-Million shares with a nominal value of 20.00,-HUF each, of a total nominal value of 80 000 000,-HUF, i.e. Eighty-Million Hungarian Forints, under identification number ISIN HU0000167788, by private placement of new 4iG Ordinary Shares, with the issue price of these shares equalling the average share price published on the Budapest Stock Exchange during the 180-day period preceding the decision on the capital increase. In the capital increase, the subscription priority of shareholders will be excluded in order to fully implement the New Remuneration Programme, with the right of the ESOP Organisation to receive the shares until 30 November 2021.

**General Meeting Resolution No. 21/2021 (IX.30.):**

With its present resolution, the General Meeting repealed its resolution No. 2/2019 (IX.05.) and at the same time authorized the Board of Directors for a period of two (2) years to increase the share capital of the Company, including the conditional increase of the share capital, with the Board of Directors being entitled to authorize any increase of the share capital of the Company, by any method(s) of capital increase permitted by law and with any frequency, up to a maximum total amount of 7 000 000 000 000,-HUF, i.e. Seven-Billion Hungarian Forints, and is entitled to determine the issue value other than the nominal value. The authorization shall be subject to all related issues and resolutions on decisions otherwise referred to the scope of the general meeting, particularly – but not exclusively – the necessary amendments of the Articles of Association of the Company.

**General Meeting Resolution No. 22/2021 (IX.30.):**

In order to promote the dynamic development of the Company and thus attract investors, with its present resolution, the General Meeting repealed its resolution No. 3/2019 (IX.05.), and at the same time, the General Meeting authorised the Board of Directors for a period of two (2) years to issue corporate bonds by the Company up to a total amount of 400 000 000 000 000,-HUF, i.e. Four-Hundred-Billion Hungarian Forints, which placement may be executed both publicly and privately. The authorization shall be subject to all the related issues and resolutions on decisions otherwise referred to the scope of the general meeting.

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**General Meeting Resolution No. 23/2021 (IX.30.):**

In order to ensure the full implementation of the capital increase and the bond issue, the General Meeting approved the addition of a future clause to the Articles of Association of the Company to the effect that the General Meeting shall be entitled to exclude the pre-emptive subscription rights of shareholders on the basis of a proposal by the Board of Directors, including a justification and a presentation of the proposed issue value of the shares. The General Meeting further authorises the Board of Directors to exclude the preferential subscription rights of shareholders in the context of the authorisation to increase the share capital ending on 30 September 2023, taking into account the above reasons.

**General Meeting Resolution No. 24/2021 (IX.30.):**

By the present resolution, the General Meeting resolved to appoint Interauditor Consulting Korlátolt Felelősségű Társaság<sup>25</sup> (registered office: 1074 Budapest, Vörösmarty u. 16-18. A. ép. fsz. 1/F.; company registration number: 01-09-388885; court of registration: Fővárosi Törvényszék Cégbírósága; "Interauditor Kft." or "Auditor") from the day the Auditor is registered by the Hungarian National Chamber of Auditors in the Chamber's register. The Auditor shall be elected as the Company's Auditor for the period until the adoption of the individual and consolidated annual reports for the year 2021, but not later than 30 April 2022.

The General Meeting, on the basis of the prior negotiation with the Auditor, shall make the decision that, in respect to the individual annual financial statement of the Company compiled in line with IAS-IFRS, the remuneration of the Auditor is to be 8 700 000,-HUF + VAT, namely Eight-Million-Seven-Hundred-Thousand Hungarian Forints + VAT (with the gross value of 11 049 000,- Hungarian Forints), whereas, in respect to the consolidated annual financial statement of the Company, thereof is defined in the amount of 4 700 000,-HUF + VAT, namely Four-Million-Seven-Hundred-Thousand Hungarian Forints + VAT.

The General Meeting further approves by the present resolution the appointment of Freiszberger Zsuzsanna (mother's maiden name: Böczkös Rózsa Mária; address: 2440 Százhalombatta, Rózsa utca 7.; chamber registration number: 007229) as the person personally responsible for the audit by Interauditor Kft.

**General Meeting Resolution No. 25 and 26/2021 (IX.30.):**

The General Meeting resolved to amend the Articles of Association of the Company in accordance with the proposal of the Board of Directors, and the amended, consolidated Articles of Association were published by the Company on 30 September 2021.

**9.45 Acquisition of a 100% stake in Invitech ICT Services Kft. (30 September 2021)**

Following a successful procedure before Gazdasági Versenyhivatal, 4iG has acquired 100% of the share capital of Invitech ICT Services Korlátolt Felelősségű Társaság (registered office: 2040 Budaörs, Edison utca 4.; company registration number: 13-09-190552; registration authority: Budapest Környéki Törvényszék Cégbírósága<sup>26</sup>; hereinafter referred to as: "Invitech").

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<sup>25</sup> Interauditor Consulting Korlátolt Felelősségű Társaság – in English Interauditor Consulting Limited Liability Company

<sup>26</sup> Budapest Környéki Törvényszék Cégbírósága – in English: Company Registry Court of Budapest Environs Regional Court

## 10. EVENTS AFTER THE BALANCE SHEET DATE

### **10.1 Signing of the contract for the acquisition of 51% of the shares of Space-Communications Ltd. (11 October 2021)**

On 11 October, Hungaro DigiTel Kft., the joint subsidiary of 4iG Nyrt. (75%) and Antenna Hungária Zrt. (25%), entered into a definitive agreement with Space-Communication Ltd. (SpeceCom) for the acquisition of a 51 percent stake in the company. At the closing of the Transaction, SpaceCom will issue to the Purchaser 26 028 593,-quantity of ordinary shares in an exceptional private placement representing 51% of the issued and outstanding share capital and voting rights, when issued, for a total consideration of 221 243 040 Israeli Shekels (reflecting a price of 8.5 Israeli Shekels per share) ("Purchase Price" and "Exceptional Private Placement").

### **10.2 Company establishment (12 October 2021)**

4iG Nyrt. has established a 100% owned subsidiary company in Montenegro, which has been registered with the Register of Companies of the Court of Podgorica under the name "4iG Montenegro" Podgorica on 11 October 2021.

### **10.3 Signing of the contract for the acquisition of 100% of the shares of Telenor d.o.o. Podgorica (27 October 2021)**

The local subsidiary company of 4iG Nyrt (4iG Montenegro) and PPF Telecom Group entered into a definitive agreement on the acquisition of 100 percent of the share package of Telenor d.o.o. The company, the market leader in the Montenegrin mobile operator market on the basis of its sales revenue, with 413 thousand subscribers and 436 base stations, will strengthen 4iG's telecom portfolio. The transaction could be completed by the end of the year, subject to the outcome of the necessary competition proceedings.

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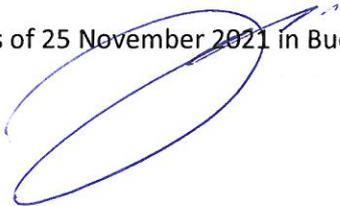
**11. REPRESENTATION**

The Issuer shall hereby state 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 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 made available for the public.

I, the undersigned, shall undertake, that the data of the statement included in the flash report on the quarters of I-III regarding 2021 and the contents of the analyses and the conclusions are in compliance with reality.

Dated as of 25 November 2021 in Budapest



Jászai Gellért Zoltán  
Chairman-CEO



Tóth Béla Zsolt  
member of the Board of Directors

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