INDIVIDUAL FINANCIAL STATEMENTS COMPILED IN LINE WITH IFRS

4iG

2021

Plc.

COMPILED ON THE BASIS OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS INDIVIDUAL FINANCIAL STATEMENTS FOR 31 DECEMBER 2020

CONTENTS

The Standalone Financial Statement, by means of the written decision made by the Board of Directors of the Company as of 08 April 2022, was approved by the Board of Directors Resolution No. …./2022. (IV.08.).

Contents

1.1 Statement on comprehensive income

data in thousands of Hungarian Forints unless otherwise indicated
the numbers in brackets indicate negative value

	Annex	2021	2020
Net sales revenues	4	72 062 019	55 026 791
Other operating income	4	873 178	374 238
Revenues in total		**72 935 197**	**55 401 029**
Goods and services sold	5	52 267 432	40 411 401
Operational expenditures	6	5 237 552	2 286 072
Staff costs	7	10 723 406	7 897 481
Other expenditures	8	114 867	181 703
Operational expenses		**68 343 257**	**50 776 657**
Earning Before Interests, Taxes, Depreciation and Amortization (EBITDA)		**4 591 940**	**4 624 372**
Depreciation and impairment	9	1 285 788	763 094
Earnings Before Interest and Tax (EBIT)		**3 306 152**	**3 861 278**
Other financial income	10	4 286 852	342 795
Other financial expenditures	10	2 822 019	361 070
Profit before tax		**4 770 985**	**3 843 003**
Income taxes	11	804 610	682 949
Profit after tax	12	**3 966 375**	**3 160 054**
Other comprehensive income		**0**	**0**
Total comprehensive income	13	**3 966 375**	**3 160 054**
Of which: profit and loss of discontinuing operation		*0*	*0*

Annexes included on pages 26 to 79 are inseparable parts of the report

1.2 Statement on the financial status

(data in thousands of Hungarian Forints unless otherwise indicated the numbers in brackets indicate negative value)

	Annex	31 December 2021	31 December 2020
ASSETS			
Over-the-year assets			
Tangible assets	15	1 373 514	643 921
Intangible assets	16	1 483 300	714 685
Lease rights	16	4 316 046	464 384
Deferred tax assets	17	75 488	19 768
Goodwill	18	411 243	411 243
Equity	19	107 786 165	1 695 817
Other over-the-year assets	19	61 896 523	246 805
Over-the-year assets in total		**177 342 279**	**4 196 623**
Current assets			
Liquid assets and cash equivalents	20	250 166 079	6 254 927
Trade receivables	21	17 551 804	15 666 552
Other receivables and other accrued and deferred assets	22	8 686 999	5 594 012
Securities	23	17 150	417 730
Inventories	24	1 502 362	3 144 755
Current assets in total		**277 924 394**	**31 077 976**
Assets in total		**455 266 673**	**35 274 599**
RESOURCES			
Own equity			
Issued capital	25	2 064 158	1 880 000
Repurchased own shares	26	(245 725)	(322 930)
Capital reserve	27	3 868 592	816 750
Accumulated profit reserve	28	6 886 568	4 789 308
Own equity in total:		**12 573 593**	**7 163 128**
Long-term liabilities			
Provisions	29	54 749	72 301
ESOP liabilities	30	0	344 813
Long-term credits, bonds	31	405 887 633	0
Financial lease liabilities	32	3 525 125	182 724
Long-term liabilities in total		**409 467 507**	**599 838**
Short-term liabilities			
Trade creditors and other accounts payable	33	15 969 112	18 029 487
Short-term credits and loans	34	0	2 970 000
Short-term ESOP liabilities	30	865 740	
Other short-term liabilities and other accrued liabilities	35	15 570 707	6 199 854
Dividend liability accounted for owners	36	42	27
Financial lease liabilities	32	819 972	312 265
Short-term liabilities in total		**33 225 573**	**27 511 633**
Liabilities and own equity in total		**455 266 673**	**35 274 599**

Annexes included on pages 26 to 79 are inseparable parts of the report

1.3 Change in own equity

data in thousands of Hungarian Forints unless otherwise indicated

		Issued capital	Own shares	Capital reserve	Accumulated profit reserve	Own equity in total
Balance on 1 January 2020		**1 880 000**	**(92 251)**	**816 750**	**3 045 011**	**5 649 511**
Segregation and payment of dividend		–	–	–	(2 001 152)	(2 001 152)
Purchase of own share		-	(495 285)	–	–	(495 285)
Sale of own share		-	264 606		585 394	850 000
Profit after tax		-	–	–	3 160 054	3 160 054
Balance on 1 January 2021		**1 880 000**	**(322 930)**	**816 750**	**4 789 308**	**7 163 128**
Segregation and payment of dividend	36	–	–	–	(2 211 910)	(2 211 910)
Purchase of own share	26	-	(80 000)	–	–	(80 000)
Equitiy issue	25,27	184 158		3 051 842		3 156 000
Own share sale (exchange)	26	-	157 204		342 796	500 000
Profit after tax	12	-	–	–	3 966 375	3 966 375
Balance on 31 December 2021		**2 064 158**	**(245 726)**	**3 868 592**	**6 886 569**	**12 573 593**

Annexes included on pages 16 to 79 are inseparable parts of the report

1.4 Cash Flow statement

data in thousands of Hungarian Forints unless otherwise indicated
the numbers in brackets indicate negative value

	Annexes	31 December 2021	31 December 2020
Cash Flow from operating activities			
Profit after tax	12	3 966 375	3 160 054
Corrections:			
Depreciation and impairment in the current year	9	1 285 788	763 094
Impairment	9	313 100	113 832
Provisions	29	(17 552)	17 057
Deferred tax	17	(55 720)	(32 493)
Interests	10	1 812 451	25 280
Other items, which do not involve money flow		521 497	0
Impact of exchange rate fluctuation		(87)	(31 873)
Changes in working capital			
Changes in customers, affiliated and other receivables, accrued and deferred assets	21,22,	(5 001 759)	(6 313 141)
Change in inventories	24	1 642 393	(2 691 070)
Changes in trade creditors, affiliated and other accounts	33	(1 317 699)	6 740 834
Within-the-year part of the change in financial leasing	32	507 707	(26 962)
Changes in other liabilities and accrued liabilities	35	8 128 192	1 163 096
Net cash flow from operating activities		***11 784 686***	***2 887 708***
Cash Flow from investments			
Sale of tangible assets (purchase)	15	(952 559)	(559 771)
Purchase of intangible assets	15	(5 683 099)	(664 592)
Securities	23	111 000	0
Acquisition of interests	19	(101 934 918)	(853 716)
Other over-the-year assets	19	(61 649 718)	13 631
Net Cash Flow from investment activities		***(170 109 294)***	***(2 064 448)***
Cash Flow from financing activities			
Borrowing bank credits / (repayment)	34	(2 970 000)	1 470 000
Long-term credits	31	0	344 813
Borrowing financial leasing (repayment)	32	3 342 401	(118 813)
Issued/Repurchased own shares/business shares	26	0	(495 285)
Issued own bonds	31	405 887 633	0
Interests of credits and loans	10	(1 812 451)	(25 280)
Dividend payment	36	(2 211 910)	(2 001 152)
Net Cash Flow from financing activities		***402 235 673***	***(825 717)***
Impact of exchange rate fluctuation		87	31 873
Increase / decrease of cash and cash-equivalent assets		**243 911 152**	**29 416**
Balance of cash and cash-like items at the beginning of the year	20	6 254 927	6 225 511
Yearend balance of cash and cash-like items	**20**	**250 166 079**	**6 254 927**

Annexes included on pages 26 to 79 are inseparable parts of the report

2. General information

2.1 Introduction of the corporation

4iG Plc. is a publicly listed company in Standard section on Budapest Stock Exchange in Hungary. The company operates in compliance with the Hungarian laws and regulations, keeps it book and financial records pursuant to the International Financial Reporting Standards (the IFRS).

FreeSoft Kft., which has been a leading actor in the national IT market since 1990, was the predecessor of 4iG Plc. The hereof predecessor company was merged with Fríz 68 Rt. in 2003 upon capital increase realized by total cash contribution of thereof and total business value merge of FreeSoft Kft. to establish the listed company under the name of FreeSoft while continuing the former activities of FreeSoft Kft.

Following the thereof, in 2004 there was a public share offering. The publicly offered FreeSoft shares were introduced to Budapest Stock Exchange on 22 September 2004, in the share category of “B” section. The public share offering was followed by two private capital increases for the first time on 27 October 2007 and for the second time on 14 April 2008. The shares issued in the course of the private capital increase were introduced to the stock exchange on 17 March 2008 and 27 August 2008. Currently, the shares of 4iG are listed in the “Premium” share category of the Budapest Stock Exchange.

Since the resolution of the general meeting on the change of the company’s name upon 24 April 2014, the reporting entity’s official corporate name is 4iG Nyilvánosan Működő Részvénytársaság (Public Limited Company), while its official short name is 4iG Plc. publicly listed company at the Stock Exchange, and the main owner is Jászai Gellért Zoltán.

2.2 Basis for balance sheet preparation

I) Acceptance and statement on compliance with the International Financial Reporting Standards
The financial statements have been prepared in accordance with the International Financial Accounting Standards, and the standards adopted and published in the Official Journal of the European Union (EU) in the legal form of regulation. The IFRS comprises the standards and interpretations formulated by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

Unless provided otherwise, the data in the financial statements are given in HUF currency, rounded to thousands in Hungarian Forints. The figures put in brackets stand for negative values.

The report is audited by a certified auditor.

II.) The basis of reporting

The financial statements are made in compliance with the standards issued prior to 31 December 2021 and prevailing in 2021 as well as with the IFRIC Interpretations. Unless otherwise provided in the accounting policies, the financial report is to be compiled in line with the historical value principle, with that, in those cases where the application of different evaluation principles are required by IFRS are respectively applied. The company’s financial year lasts from 01 January 2021 to 31 December 2021.

III. The basis of evaluation

In the financial statements, the evaluation is based on the original historical value, except for the following assets and liabilities which are evaluated and measured as financial instruments to profit or loss at their fair values.

The preparation of IFRS-compliant financial statements requires the company’s management to apply professional judgment, estimations, and assumptions that influence the employed accounting policy, as well as the values of assets, liabilities, revenues, and expenditures listed in the report. The estimations and the related assumptions are based on past experiences and numerous other factors that are considered to be reasonable under the given circumstances, and the result of which serves as a basis to the evaluation of the book value of assets and liabilities, the value of which cannot be determined from other sources unambiguously. Actual results may differ from the herein assumptions.

The estimations and the base assumptions are revised on a regular basis. The modifications of accounting estimations are displayed in the period of the modification of the estimation if it affects the given year only, while, if a modification affects the current and the upcoming years as well, it is displayed both in the period of the modification and the future periods.

3 Accounting policy

The major accounting policies applied in the course of the preparation of the financial statements are presented hereunder, as follows. The accounting policies are applied consistently to the periods covered by the present financial statements.

Since 01 January 2014, the company keeps its records and books in the Microsoft Dynamics AX system. As of 01 January 2016, the company has switched to the system version AX-2012.

The major accounting principles applied in the course of the compilation of the financial statements are as follows:

3.1 Material elements of the accounting policy

3.1.1 Reporting currency and foreign currency balances

With regard to the substance and circumstances of the underlying economic events, the functional and reporting currency of the Company is Hungarian Forint (HUF). The financial statements are prepared in Hungarian Forint, rounded to the closest thousand HUF value, except indicated otherwise.

Originally, the foreign currency transactions were booked at their HUF equivalent upon the foreign currency exchange value valid on the day of the execution of the given transaction.

Receivables and liabilities denominated in foreign currency are converted to Hungarian Forint on the exchange value valid on the balance sheet date. The differences arising from the currency conversion are booked as either revenue from or expenditures on financial transactions in the profit and loss account.

The transactions performed in any foreign currency are shown in the functional currency, converted by using the foreign exchange rate between the given foreign currency and the reporting currency valid as of the date of the transaction. In the comprehensive income statement, the exchange rate differences that arise upon the settlement of monetary items, the period-opening initial display or from the use of a foreign exchange rate that differs from the exchange rate applied in the previous financial statements, are shown as either revenue or expenditure in the period of the arising thereof. The monetary assets and liabilities denominated in any foreign currency are converted to the functional currency by using the currency exchange rate valid at the end of the reporting period. The fair value of items denominated in any foreign currency is converted to the functional currency by using the exchange rate applicable at the date of establishment of the fair value. The foreign exchange differences from trade receivables and loans are shown as either revenue from or expenditures on financial transactions.

3.1.2 Revenue

The sales revenues of the Company are accounted in accordance with the IFRS 15 standard (issued in May 2014; validated by IASB in respect of the financial years starting as of 01 January 2018 or later. The EU has implemented the standard).

The new standard introduces the basic principle that revenues may be recognized when the goods or services are transferred to the customer at the agreed price. Each severable tie-in goods and services shall be accounted for separately, and the applicable discounts shall be distributed to the corresponding elements of the contract. Whenever the amount of the consideration is changed, the minimum value may only be accounted for if and when the likelihood of repayment does not involve significant risk. The expenditures that arose during the obtainment of the customer contract shall be capitalized and depreciated during the term of the contract in accordance with the obtainment of the related profits by the company.
The value of the net sales revenues equals to the total invoiced amounts for the goods and services provided during the given financial year. The net sales revenues can be accounted for when the amount of the income becomes unambiguous, and the realization of the revenue by the Company becomes likely. The amount of the sales revenue equals the aggregate of the invoiced amounts, minus the value added tax, and the discounts.

Performance obligations

The obligations related to the sales revenue are fulfilled by the Company in accordance with the provisions of the contract. When concluding the contract, the Company must identify which goods or services it has promised to provide to the buyer, i.e. what performance obligation it has undertaken. The Company may recognize revenue when it has fulfilled its performance obligations by delivering the promised goods or performing the promised service. We can speak of performance when the buyer has acquired control of the asset (service).

Determining Transaction Price

When the contract is performed, the Company is required to recognize revenue related to the performance, which is nothing more than the transaction price assigned to the performance obligation. The transaction price is the amount the Company is expected to receive in exchange for the sale of goods and services.

Main revenue types:
Product sales account for a significant portion of the Company's sales, for which revenue is recognized when control of the product is transferred to the customer.
Another significant part of the revenue comes from IT projects. If the Company transfers control over the service on an ongoing basis, upon the conditions specified in the standard being met, it also continuously recognizes income arising from the sale of services in accordance with the methods specified in the standard, according to the nature of the service. The Company's projects and the method of their implementation may differ from project to project (hourly rate, fixed fee, from own resources, subcontracted, etc.). If the outputs can be measured reliably, the Company prefers the output method; however, for some projects, this method is not applicable, in which case the input method is used. If possible, the degree of readiness of the projects is determined in proportion to the services delivered with the help of the company's and the client's experts.

Customers generally pay their invoices with a 30-day payment deadline, in the case of reliable large customers this can be longer, new customers can receive products with prepayment.
The Company does not act as an agent. Defective products will be accepted when returned, which we will repair or have repaired under the manufacturer's warranty.
The Company shows the additional costs related to the conclusion of customer contracts as assets if the return thereof is reasonably expected.

In the case of contracts with a significant payment component, the Company takes the time value of money into account when calculating sales revenue.

3.1.3 Land and buildings, machinery, equipment

The tangible assets are shown at their historical value, less by the accumulated depreciation. The accumulated depreciation includes the costs accounted for ordinary depreciation (that results from the continuous use and operation of the asset) and extraordinary depreciation (that results from the unexpected, material damage, or injury of the asset, caused by an unforeseen, extraordinary event).

The procurement costs of tangible assets consist of the historical value of the said asset or, in the case of own investment, the incurred material-type costs, the wages, and salaries as well as other direct costs. The interest paid upon a credit taken out for the tangible asset investment shall increase the historical value of the given asset until it is brought to a condition when it is fit for its intended purpose.

The book values of tangible assets are revised on a regular basis in order to establish, if the book value of any tangible asset exceeds, the actual market value thereof. Should such a case occur, the difference (the amount on top of the actual market value) shall be accounted as extraordinary depreciation. Should such a case occur, the difference (the amount on top of the actual market value) shall be accounted as extraordinary depreciation. The actual market value of an asset equals the higher amount of the asset's sales price and useful value. The useful value of an asset equals to the discounted value of the future cash flows generated by the asset.

The discount rate consists of the interest rate before corporate income tax, considering the time-value of money and the effects of other risk factors related to the given asset as well. If no future cash flow can be assigned to a given asset, the cash flow generated by the unit of which the asset is a part shall be taken into consideration. The impairment and extraordinary depreciation determined pursuant to the above shall be shown in the profit and loss account.

The costs of repair, maintenance, and replacement of spare parts of tangible assets shall be accounted for on the costs of repair and maintenance. The value-adding investments and renovations shall be recognized. The cost and accumulated depreciation related to assets of nil net value, sold or disused, shall be derecognized. Any profit or loss resulting from the above shall be shown in the current year's retained profit or loss.

The Company uses the linear depreciation method to depreciate the value of its assets during the useful life thereof. The term of the useful life is the following in the different asset groups:

Lands and buildings:	the Company owns no lands and buildings;
Equipment and machinery:	during 3 to 7 years;
Vehicles:	during 5 years;
Assets of a single value under 100,-HUF in thousands:	immediate depreciation

The depreciation period of tangible assets used for Research and Development and the software is 2 to 7 years.

If the management of the Company considers the useful life period of an asset to be longer than the above, accordingly, a special depreciation rate can be determined in respect of the given asset.

The Company has no assets of an undetermined useful life period.

The useful lives and the depreciation methods are revised on a yearly basis at least, on the basis of the actual economic benefits gained from a given asset. If necessary, modifications are measured to the current year's retained profit or loss.

3.1.4 Intangible assets

The intangible assets acquired individually shall be recognized at the date of acquisition with their purchase prices, while the intangible assets acquired in a business combination shall be recognized at the date of acquisition, with their fair values. An asset shall be recognized in the company's books, if, and when, the use of such assets will demonstrably generate the inflow of future financial assets, and the cost thereof can be unambiguously established.

Following the recognisation thereof, to the intangible assets, the cost model shall be applied. The life period of these assets is either limited or undeterminable. The assets of limited useful life periods are depreciated by using the linear method, based on the best possible estimation of the length of the life period. The depreciation period and the depreciation method are revised at the end of the financial year. The own works are not capitalized (except for the investment costs) but measured to the retained profit or loss in the year of their rise. The intangible assets are revised annually from the aspect of the loss in value either individually or on the level of the revenue-generating unit.

The depreciation period of the intellectual properties developed by the Company is 2 to 10 years.

The procurement costs of trademarks, licences, industrial properties and software are capitalized and depreciated according to the linear depreciation method during the estimated useful lives thereof, which is as follows:

Intellectual products (software):	during 2 to 7 years.

3.1.5 Goodwill

Goodwill is the positive difference between the purchase value and the fair value of the identified net assets of an acquired subsidiary company upon the day of acquisition. Goodwill is not depreciated, but the Company shall revise on a yearly basis whether there are any signs that imply the unlikelihood of the return of the book value. Goodwill is shown with the historical value, less by the impairment, if applicable.

3.1.6 Badwill

Badwill is the negative difference between the purchase value and the fair value of the identified net assets of an acquired subsidiary company upon the day of acquisition. In accordance with the regulations of Sections 3 to 34 of IFRS, badwill is accounted for as financial profit and loss in the current year.

3.1.7 Impairment

At the end of each reporting period, the Company shall examine if there are changes that imply the impairment in respect of any assets. If such a change is identified, the Company shall estimate the expected rate of return of the concerned asset. The expected rate of return of an asset or cash-generating unit equals to the higher amount of the fair value minus sales costs and the useful value. The Company account impairment against the profit or loss, if the expectable rate of return of the asset is lower than its book value. The Company's calculations are based on the appropriate discounting of the long-term future cash-flow plans.

Goodwill:

The Company examines on a yearly basis the eventual impairment of the goodwill.

The rate of return of the cash-generating units is determined on the basis of the useful value calculation. These calculations require estimations. In order to establish the impairment of the goodwill, the useful value of the cash-generating units to which the goodwill was assigned shall be estimated. The calculation of the useful value requires the management's estimation concerning the expectable future cash-flow of the cash-generating unit and the suitable discount rate, as these are the basis of the present value calculations.

3.1.8 Inventories / Stocks

The stocks are shown in the books at the lower amount of the following: either at historical value minus the depreciation derived for surplus and dead stock or at the net value, which can be realized. The decrease accounted for the inventories and stocks are booked by FIFO method.

3.1.9 Receivables

The receivables shall be shown in the statements at the nominal value minus the amount of depreciation allotted for the estimated losses. The uncertain claims shall be identified upon the exhaustive revision of the existing stock of receivables at the end of the year.

The Company shall account for a certain amount as impairment to cover unenforceable or disputed claims arising from eventual losses thereof.

Impairment losses on unrecoverable and doubtful receivables are recognized in the balance sheet and determined individually. Impairment of unrecoverable and doubtful receivables is estimated based on the aging of receivables, the creditworthiness of the customer and changes in the customer's payment habits, and other information acquired by the Company (e.g. liquidation, bankruptcy, etc.)

3.1.10 Financial assets

The financial assets falling in the scope of IFRS 9 are divided to three different evaluation categories: assets to be shown after the recognition at the depreciated cost, assets to be shown after the recognition at fair value through other comprehensive income (FVOCI) and the assets to be shown after the recognition at fair value through profit and loss account (FVPL).

Following the initial recognition, the financial assets kept for 'trading purposes' are to be shown at fair value through profit and loss (FVPL). The unrealized exchange gain or loss on the exchange related to the securities kept for trading purposes are accounted for as other income (expenditures).

In the case of investments listed on the stock exchange, the market value shall be determined on the basis of the current official rate valid as of the balance sheet date. The market of the securities not listed or sold on the stock exchange value equals the market value of a similar/substitute financial investment. If the market value cannot be determined by using this method, the market value of the investment shall be determined on the basis of the estimated future cash flow of the asset related to the investment.

The investments in securities shall be evaluated at the current price as of the day of execution and initially at the purchase price. Short-term investments that comprise securities held for trading are stated at fair market value at the next reporting date and their value is calculated at the publicly quoted exchange rate valid at the balance sheet date. The unrealized profits and losses are shown in the profit and loss account.

The Company shall investigate on each balance sheet day the necessity of depreciation in respect of the financial asset or a set of assets. If the need for depreciation arises in respect of an asset recognized at depreciated historical value, the amount thereof shall be the difference between the book value of the asset and the asset's future cash flows discounted with the original effective interest rate. The depreciation shall be shown in the profit and loss account. If the amount of depreciation decreases afterward, it shall be written off so that the book value of the asset does not exceed the depreciated value thereof as of the balance sheet day.

Credit-related loss of financial instruments

Based on changes in credit risk, impairment is reviewed at each balance sheet date and it must be assessed whether impairment is recognised up to the amount of the credit-related loss expected over the life of the credit or the credit-related loss expected over the 12-month life. If it is not possible to assess at the level of the individual financial instrument whether its credit risk has increased significantly, it shall be assessed in groups.

Simplified and general approaches are used to measure and account for impairment.

1. *Simplified approach*

All financial instruments assessed under the simplified approach are assessed at the expected life expectancy credit-related loss. The simplified approach is applied to receivables from customers, in case of contractual instruments.

2. *General approach*

Based on the expected credit loss model, financial instruments are classified into three groups. The classification into three groups is based on changes in the credit risk of the financial instrument. The relative credit risk model is used to assess increased credit risk. The increase in credit risk compared to the initial recognition is reflected in the reclassification of financial instruments between baskets.

Based on the expected credit loss model, the impairment can be divided into three groups: impairment calculated on the basis of the expected credit loss over 12 months / calculated on the basis of the expected credit loss over the life period / calculated using the effective interest rate method.

The general approach is applied to other financial receivables and loans granted.

3.1.11 Financial liabilities

The report on the Company’s financial status presents the following financial liabilities: trade creditors and other short-term liabilities, loans, credits, overdrafts, and futures. These liabilities are described and evaluated in the relevant parts of the notes to the financial statements attached to the financial report, as follows.

Upon the initial recognition, the Company shall evaluate each financial liability at fair value. In the evaluation of loans, the transaction costs directly related to the obtaining of the financial liability shall also be taken into consideration.

The financial liabilities falling in the scope of IFRS 9 are divided to three different evaluation categories: assets to be shown after the recognition at the depreciated cost, assets to be shown after the recognition at fair value through other comprehensive income (FVOCI) and the assets to be shown after the recognition at fair value through profit and loss (FVPL). Each financial liability shall be classified according to the above by the Company when obtained.

The financial liabilities measured at fair value to the profit or loss are the liabilities obtained by the Company for trading purposes or which were classified upon recognition as measured at fair value to the profit or loss. Financial liabilities held for trading purposes are the liabilities acquired by the Company for the primary purpose of realizing profit from short-term price movements. The futures that are not classified as an effective hedging instrument shall fall into the same category.

Loans and credits are shown in the statement on the financial status at depreciated historical value, calculated with the effective interest rate method. Profit and loss related to loans and credits are accounted for in the profit and loss statement as depreciated calculated with the effective interest rate method and upon the derecognition of the financial liability. Depreciation shall be accounted for in the profit and loss statement as financial expenditure.

3.1.12 Provisions

The Company forms provisions for the (lawful or presumed) liabilities arising from past events that the Company is likely to be obliged to pay, provided that the amount of such liability can be accurately measured.

The amount of the provision equals to the best possible estimation of the expenditure required to settle the liability as of the balance sheet day, also considering the risks and uncertainties related to the liability. If the provision is evaluated on the basis of the cash flow expectably required to settle the liability, the book value of the provision shall be equal to the present value of such cash flow amount.

If the expenditures required to settle the liability is expected to be reimbursed either in full or in part by the other party, the liability may be presented as an asset if the receipt of the reimbursement by the economic unit is basically assured and the amount of it is accurately measurable.

The current liabilities resulting from onerous contracts are shown as provisions. A contract is classified onerous by the Company is the inevitable costs of performance of the Company's contractual obligations exceed the economic benefits expectedly gained from the same contract.

Restructuring provisions shall be shown if the Company has a detailed, formal restructuring plan prepared and either by the commencement of the execution of the plan or by the disclosure of the main elements of the plan to the concerned parties raised reasonable expectations concerning the realization of the restructuring. The restructuring provision covers only the direct costs of restructuring that are inevitably related to the restructuring and not related in any form to the continuing business operation of the economic entity.

3.1.13 Corporate income tax

The amount of the corporate income tax is based on tax payment obligation set forth in the Act on the Corporate Income Tax and Dividend Tax and the local regulation concerning the local business tax, to be modified by deferred taxes. The corporate income tax payment obligation covers tax obligations from the current year and deferred tax elements as well. The support of spectator sports is indicated in the corporate income tax row, as the Corporate Group shall essentially consider the hereof liability to be seen as income tax.

The payment obligation for the current year is calculated upon the taxable profit gained in the given year. The amount of the taxable profit differs from the profit and loss before taxation shown in the financial report; the difference arises from the non-taxable profits and losses, as well as items allotted to the taxable profit of other years. The current tax payment obligation of the Company is calculated upon the tax rate valid and effective (or officially announced, if the date thereof is the effective date of the respective law) on or before the balance sheet day. The amount of the deferred tax is calculated upon the liability method.

With regard to the deferred tax obligation incurred is accounted, if a financial item is calculated for in the annual financial statements and in the tax report at different times. The amount of the deferred tax assets and liabilities is calculated with the tax rates applicable to the taxable income of the year when the time-related difference is expected to be recovered. The amount of the deferred tax assets and liabilities reflects the Company's estimations concerning the method of realization of the tax assets and liabilities as of the balance sheet day.

Deferred tax assets arising from deductible time-related differences, rolling tax allowances, and negative tax base may only be included in the balance sheet if the realization of a taxable profit (against which the deferred tax assets can be settled) by the Company in the future is expectable.

On every balance sheet day, the Company shall revise the not-recognized deferred tax assets included in the balance sheet and the book value of the recognized tax assets. The Company shall enter the former off-balance sheet receivables that are expected to be recovered to the stock, in order to reduce the amount of the future corporate income tax. On the contrary, the Company shall reduce the deferred tax receivables with the amount the recovery of which is expectably not covered by after-tax profit resources.

The current and the deferred tax obligations are measured directly to own equity, if the tax base is or was measured to the own equity also either in the current or in a former reporting period, including the amendments of the initial values of reserves due to changes of retrospective effect in the accounting policies.

Regarding the possibility of the settlement of deferred tax assets and liabilities against each other is allowed, if the Company is exposed to tax obligations and tax claims with the same tax authority, and, moreover, the herein settlement is to be the intention of the Company in respect of the net accounting of the hereof assets and liabilities.

3.1.14 Lease transactions

As at 13 January 2016, IASB has issued a new standard under the number of IFRS 16 in relation with the settlement of lease transactions. The application of the new standard concerning the lease transactions is compulsory for the companies keeping their books according to the IFRS having an effective date as at 01 January 2019 and applicable in the reporting periods starting on the effective day or thereafter. The new standard shall replace the IAS 17 lease standard regulation and shall respectively introduce a new and fundamentally different accounting method for the account of operative lease transactions.
The evaluation of the scope and financial effects of IFRS 16 was initiated in 2018. A significant financial effect is identifiable in relation to the office lease transactions. There was a material change in the financial status statement and in the profit and loss account of the Company.
Pursuant to IFRS 16 Leases standard, the lessee is required to recognize the right of facility sharing upon indicating the amount of the hereof in the balance sheet item and the related liabilities are to be accounted in the item of assets and liabilities.
Otherwise, the right to use shall be handled and depreciated identically with the handling of other non-monetary assets. The initial evaluation of the lease obligation is based on the present value of lease payments during the maturity period. The hereof present value shall be calculated by using the implicit interest rate if that can be determined accurately. If the value of the interest rate is impossible or difficult to be determined accurately, the incremental borrowing rate may be used by the lease transactionbe Purchaser for discounts.
Pursuant to IFRS 16 (similarly to the provisions of former IAS 17), it shall be investigated on the lessor's side whether a lease transaction shall be classified as an operative or a financial lease.
A lease transaction shall be classified as a financial lease if the lessor basically transfers the entirety of the risks and benefits related to the possession of the subjected asset to the lease transactionbe Purchaser. Otherwise, the said transaction shall be classified as an operating lease.
The lessor shall present its financial revenues during the maturity period of the lease transaction resulting a constant periodical rate of return in respect of the net lease investment of the lessor.
The lease fees gained from the operative lease transactions shall be presented by using the linear method or another systematic method. The lessor shall apply a different systematic method if that reflects the decrease of the profit gained from the subjected asset more appropriately.

The Company applies the IFRS 16 standard from 1 January 2019; however, as an exception, the Company accounts for the lease fee paid for the short-term lease of small-value assets as an expenditure.

3.1.15 Earnings per share (EPS)

The earning per share is calculated by considering the Company's profit and loss and the share stock less by the average treasury stock of own shares repurchased in the given reporting period.

The value of the diluted earnings per share is calculated similarly to the earnings per share. However, in this calculation all dilutable shares on the market are taken into consideration, increasing the profit distributable on the ordinary shares by the output and dividend payable on the convertible shares in the given period, amending the value by the conversion revenues and expenditures, increasing the weighted average number of the shares on the market by the weighted average number of the shares which were on the market if all convertible bonds were converted.
As at 31 December 2021, 4iG Plc. had 857 078,-quantity of own shares and the 4iG ESOP organization had 4 million quantity of shares, which are treated as own shares of 4iG Plc. in the separate books due to the "extension approach" of ESOP organization. At the end of 2021, the value of EPS was diluted by the value of options granted under the ESOP program.

3.1.16 Off-balance sheet items

Off-balance sheet liabilities are not included in the balance sheet and the profit and loss account unless acquired in business combinations. The off-balance sheet items are presented in the notes to the financial statements, except if the possibility of an outflow of the sources of economic benefit is distant and minimal. Off-balance sheet receivables are not included in the balance sheet and the profit and loss account but may be presented in the notes to the financial statements if the inflow of economic benefits is likely.

3.1.17 Repurchased own shares

The purchase value of repurchased own shares is presented in the balance sheet, in a separate row among the capital items, with a negative sign.

3.1.18 Dividend

The amount of dividend shall be accounted for in the year when it is approved by the shareholders.
As of the 29 April 2021, the Board of Directors of the Company, with the authorization of the general meeting rights, made the decision on the payment of dividends at the value of 2 212 000 000,-HUF. The payment of dividends, with the exception of 42,- HUF in thousands, was performed upon the contribution of KELER Zrt. (in English: Central Clearing House and Depository).
A dividend of HUF 22.49,-HUF per share was determined and disbursed. The number of shares entitled to dividend payment as at 26 July 2021 is 98 350 843,-quantity of shares and the dividend payable is 2 211 910 459,-HUF.

Based on the 2021 results, the Board of Directors of the Company proposes to the General Meeting to pay a dividend of 29,- HUF, i.e. twenty-nine Hungarian forints, per share on the 103 207 921,-quantity of ordinary shares outstanding as of 31 December 2021.

3.1.19 Profit and loss on financial transactions

The profit and loss on financial transactions consists of income from interests and dividends, payable interests, and other financial expenditures; the profit gained/loss suffered from the fair evaluation of financial instruments, the realized and unrealized exchange rate differences.

3.1.20 State subsidies

The state subsidies are recognized when the amount of the subsidy is likely to be received, and the criteria of disbursement are met. Provided that the subsidy is intended to cover costs and expenses, it shall be accounted for among the revenues (in row 'other revenues') in the period when the relevant costs and expenses occur. To the extent that the subsidy is intended to cover the purchase price of assets, it shall be shown as deferred income and credited to the profit in equal amounts during the purchased asset's useful life.

3.1.21 IFRS 2 Share-based payment

As part of the restructuring of its remuneration structure, the Parent Company decided to introduce a share-based payment programme in 2020. The new remuneration component will be paid through ESOP Organization. Under the ESOP program, certain employees of the Company

will receive shares upon achievement of defined targets. ESOP Organization is established by the Parent Company.
In the course of accounting share-based payments, the Company treats ESOP Organization according to the "extension approach", i.e. ESOP Program is part of the separate financial statements, herewith transactions between 4iG Plc. and ESOP Organization are only accounted for as off-balance sheet items.

Several remuneration programs are being implemented through ESOP Organization.

Under ESOP I, launched in 2020, the remuneration was determined in the form of share options. The Company accounts the value of employee allowances on a pro rata basis over the vesting period. As the Company has assumed a cash-settled share-based payment for services, the expenditure is recognized against liabilities and revaluated at each reporting date.

During 2021, the Company also launched its ESOP II program, under which the ESOP Organization subscribed 4 million quantity of 4iG shares. Thereof shares are legally voting shares with dividend rights, however, due to the extension approach, they are presented as own shares in the Individual financial statement. Under ESOP II, employees may be entitled to receive share at the end of the vesting period by reimbursement of the historical value of thereof shares.

3.1.22 Events after the balance sheet day

The events that provide additional information concerning the circumstances at the end of the Company's reporting period shall be included in the financial report, even if such existing events (adjusting item) occur after the end of the reporting period. The post reporting period events that do not adjust the data of the financial report are included in the notes to the financial statements.

3.2 Changes in the accounting policy

The Company's financial report is compiled in accordance with the standards and interpretations valid and effective on 1 January 2021.

The Company applied the following new/amended and restated IFRS standard and IFRIC interpretation throughout the year. Besides the information provided hereunder, the application of the above standard and interpretation was of no material effect on the Company's financial statements; however, it resulted in the occurrence of further publication obligations.

The following standards or amendments, effective as of 1 January 2021, are not applicable in respect of the Company:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform - Phase 2 - adopted by the EU as at 13 January 2021 (effective for reporting periods starting as of or after 1 January 2021),

Amendments to IFRS 4 'Insurance Contracts' with IFRS 9 deferral – adopted by the EU on 15 December 2020 (effective for reporting periods starting as of or after 1 January 2021),
Amendments to IFRS 16 'Leases' - Lease concessions related to Coronavirus for the period after 30 June 2021 (effective for reporting periods starting as of or after 1 April 2021).

In respect of 2021, the Company has applied every IFRS standard, amendment, and the interpretations prevailing as of 1 January 2021, that are relevant from the aspect of the Company's operation.
Amendments and interpretations of existing standards and new standards not effective and herewith, not applied by the Company yet.

Amendments to IAS 1 „Presentation of financial statements" standard – Classification of Liabilities as Current or
Non-current (enter into force as of the date of 01 January 2023, and applicable in the reporting periods starting on the effective day or thereafter).

Amendments to IFRS 3 'Business Combinations'; IAS 16 'Property, Plant and Equipment'; IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Annual Improvements (effective for reporting periods starting as of or after 1 January 2022).

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates' (effective for reporting periods starting as of or after 1 January 2023).

IFRS 17 Insurance Contracts, including amendments to IFRS 17 (effective for reporting periods starting as of or after 1 January 2023).

IFRSs adopted by the EU currently do not differ significantly from regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards that have not yet been adopted in the EU at the date of publication of the financial statements:

Amendments to IAS 1 „Presentation of financial statements" standard – Classification of Liabilities as Current or
Non-current (enter into force as of the date of 01 January 2023, and applicable in the reporting periods starting on the effective day or thereafter),
Amendments to IAS 12 "Income Taxes" - for assets and liabilities arising from a single transaction deferred tax relating to assets and liabilities arising from a single event (effective for accounting periods starting as of or after 1 January 2023),

Amendments to IFRS 17 "Insurance Contracts" - initial application of IFRS 17 and IFRS 9 – Comparative Information (effective for reporting periods starting as of or after 1 January 2023)

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associated Enterprises and Joint Ventures"- Sale or transfer of assets between an investor and its associate or jointly controlled enterprise (effective date has been postponed indefinitely until the research project comes to a conclusion on the equity method),

IFRS 14 “Regulatory Deferral Accounts” (effective for reporting periods starting as of or after 1 January 2016) - the European Commission has issued a decision, in accordance therewith, the approval process will not apply to the current interim standard, and await the final standard.

There are no other new standards/amendments to standards that would affect the Company’s financial statements materially.

3.3 Uncertainty factors

The application of the accounting policy described in Section 2.1. herein requires the application of estimations and assumptions in the determination of the value on any given day of those assets and liabilities, the values of which are not identifiable from other sources. The estimation process considers the relevant factors and decisions based on latest available information. These significant estimations and assumptions influence the values of the assets and liabilities, revenues, and expenditures presented in the financial statements, and the presentation of the pending assets and liabilities in the notes to the financial statements. Actual results may differ from the assumptions.

The estimation processes are continuously updated. Changes in accounting estimations shall be taken into consideration in the period of occurrence of thereof.

The main areas of critical decisions adopted in relation to uncertainties in estimations and the accounting policy that have the most significant effect on the amounts presented in the financial statements are the following.

3.3.1 Impairment of goodwill

Pursuant to Section 2.1.7 of material accounting principles, the Company examines on a yearly basis whether there is an impairment in respect of the goodwill. The rate of return of the cash-generating units is determined on the basis of the useful value calculation. These calculations require estimations. In order to establish the impairment of the goodwill, the useful value of the cash-generating units to which the goodwill was assigned shall be estimated. The calculation of the useful value requires the management’s estimation concerning the expectable future cash-flow of the cash-generating unit and the suitable discount rate, as these are the basis of the present value calculations.

Based on the 2021 assessment, no circumstances inducing impairment have been identified.
The Freesoft goodwill was allocated as cash-generating unit in respect of the IT activities taken over from Freesoft acquisition. The evaluation of the cash-generating unit is calculated on the basis of the present value of future net transaction (DCF calculation).
Goodwill continues to be measured in relation to 4iG Plc. Group’s (expanded due to mergers and acquisitions and significant growth in business) IT activities as a cash-generating unit. The recoverable amount of IT activity as an operating segment is recognized each year based on the

same principles. Due to the constantly changing factors of the dynamically developing IT market, the DCF calculation is based on the precautionary principle, taking into account a 5-year time horizon. The calculation of goodwill impairment is included in point 18 of the notes to the financial statements.

3.3.2 Impairment accounted for unenforceable and disputed receivables

The Company shall account for a certain amount as impairment to cover the eventual losses arising from the customers' payment default in respect of unenforceable or disputed claims. The estimations used to evaluate the appropriateness of the impairment accounted for unenforceable and disputed receivables shall hereby be based on the aging of the receivables, the creditworthiness of the customer, and the changes in the customers' payment habits. The amount of the impairment accounted for unenforceable and disputed receivables in the consolidated balance sheet was 62 954,-HUF in thousands on 31 December 2021 and 39 668,-HUF in thousands on 31 December 2020.

3.3.3 Depreciation

The property, plant and equipment as well as the intangible assets, are recognized at their historical value. The applied depreciation method is the linear depreciation throughout the useful life of the assets. The useful life of the assets is determined on the basis of past experience in respect of similar assets, the expectable development of technology, and the expectable changes affecting the wider economic or industrial factors. The estimations concerning the useful lives are revised on a yearly basis.

4 Sales revenue and other operating income

	2021	2020
Net sales revenues	72 062 019	55 026 791
Own performance capitalized	617 327	134 814
Other revenues	255 851	239 424
Total	**72 935 197**	**55 401 029**

<u>Revenue:</u>

Distribution of sales by main types:
From IT service 36 082 744,-HUF in thousands
From supply of goods 35 660 783,-HUF in thousands
From other activities 318 492,-HUF in thousands

Main revenue types:

- Product sales account for a significant portion of the Company's sales, for which revenue is recognized when control of the product is transferred to the customer.
- Another significant part of the revenue comes from IT projects. If the Company transfers control over the service on an ongoing basis, upon the conditions specified in the standard being met, it also continuously recognizes income arising from the sale of services in accordance with the methods specified in the standard, according to the nature of the service. The determination of the stage of completion assumes significant estimates, for which the Company will execute detailed tests and evaluations. A description of the contractual assets and liabilities recognized at the balance sheet date is provided in Clause 22 and 36.

The Company's revenue has continued to increase significantly in 2021, with the reorganization and strengthening of the commercial organization. The increase in revenue also has an impact on the increase in other elements of costs and expenses.
The revenue in 2021 included export revenues of 720 426,-HUF in thousands and 552 157,-HUF in thousands in 2020. The export sales revenue was originated from countries of the European Union almost in full.
With regards to the sales revenue of the Company, one-year cyclicality shall be experienced. Due to the nature of the activity, sales revenues of quarters I and III are lower and thereof are more significant in quarter II but 40% of the annual turnover is realized in quarter IV. This is due to the fact that most government orders are delivered by the end of the year.

Own performance capitalized

Own performance capitalized includes the value of software of own production.

	2021	2020
Own performance capitalized	617 327	134 814
Own performance capitalized in total	**617 327**	**134 814**

Capitalized development projects in 2021 were as follows:
The amount of the capitalised completed developments in 2021 is as follows:
- data warehouse developed for internal use for 76 523,-HUF in thousands,
- Industry 4.0 product development for 39 810,-HUF in thousands and
- other product development for 212 348,-HUF in thousands

The amount of the capitalised unfinished developments at the end of 2021 is follows:
- Market KFI R&D development in the amount of 288 646,-HUF in thousands.

The Company investigated that the definition of intangible assets defined in Sections 8 to 17 of IAS 38 Standards and assessed that the requirements included in Sections 12 to 23 in the hereof standard are in compliance with the aforesaid software developed. On the basis of the identification related to IAS 38 Standard the incurred costs (material and personnel costs in

respect of the developers) are accounted for development activities and presented in the item of intellectual products.
The development of the data warehouse started already in 2019. Data warehouse development supports commercial, financial-accounting and corporate governance activities of the company.

For software of own production (mainly development projects in progress), the Company performed a return calculation at the balance sheet date, and accounting further impairment was not necessary, see also intangible assets.

The content of other operating income is as follows:

	2021	2020
R&D subsidies income accounted	175 356	147 132
Backmarking of impairment/provision	6 000	24 620
Refund of service costs	8 881	0
Workers fees	33 614	25 567
Income of tangible and intangible assets sold	3 286	1 614
Other state refunds	19 593	5 201
Income of liquidated damage	891	3 000
Subsidy received from other company	7 064	31 201
Other	1 166	1 089
Other income in total	**255 851**	**239 424**

Ongoing support projects during 2021: DRON, ONKO, VKE, EDIOP, Market-designated projects.

In accounting for R&D supports, only those revenues are recognized for which there is reasonable proof that: the Company will comply with the conditions attached to them and the Company will receive the supports.

An impairment loss is reversed in the amount of 6 000,-HUF in thousands, which was incurred in connection with the partial return of an impaired claim against Infokom-Pozi in previous years.

5 Goods and services sold

	2021	2020
Cost of goods sold	29 699 509	27 032 137
Cost of services sold	22 567 823	13 379 264
Total	**52 267 432**	**40 411 401**

The size of thereof cost of goods sold is justified by the nature of the Corporate Group's activities and by the fact of the need for external resources regarding the outstanding growth of the turnover. The increase is proportional to the increase in the Company's turnover.

6 Operational expenditures

	2021	2020
Material costs	268 442	156 868
Value of contracted services	4 839 407	2 042 778
Value of other service activities	129 703	86 426
Total	**5 237 552**	**2 286 072**

The significant increase in the services used was due to an increase in consultancy, legal and other acquisition and administrative costs related to the acquisitions made during 2021, and on the one hand, and to the significant expansion of the Company's activities, on the other.

7 Staff costs

	2021	2020
Wages and salaries	8 288 598	6 102 390
Other staff benefits	996 725	673 269
Contributions on wages and salaries	1 438 083	1 121 822
Total	**10 723 406**	**7 897 481**
Average statistical number	748	599

The development of the Company also required a similar increase in the number of employees and the hiring of highly skilled employees, and as a result, personnel costs increased significantly.

8 Other operating expenditures

	2021	2020
Grants for foundations	68 851	26 170
Bad debt	0	14 670
Derecognition value of tangible assets sold	567	804
Fines, default interest, liquidated damage paid	4 800	26 720
Inventories scrapped, impairment	0	77 701
Impairment of receivables	29 520	28 951
Taxes, duties, contributions	11 064	5 597

Other	65	1 090
Total	**114 867**	**181 703**

The Company's management has increased the amount of money it gives to foundations each year as the opportunities increase. The amounts of fines, penalties and interest on arrears has been significantly reduced due to continuous control.

9 Depreciation and impairment

	2021	2020
Concessions and similar rights depreciation	254	193
Depreciation of intellectual properties	343 003	162 345
Depreciation of rental and lease rights	604 344	377 590
Depreciation of investments on outside property	6 851	4 255
Depreciation of technical equipment	171	15
Depreciation of other machinery, equipment	331 164	218 696
Goodwill impairment	0	0
Total	**1 285 788**	**763 094**

10 Revenue from and expenses on financial transactions

Financial income	**2021**	**2020**
Interests received	347 020	12 473
Exchange gain	3 668 852	330 322
Dividend received	270 980	0
Total	**4 286 852**	**342 795**

Out of the interest revenue the amount of 158 309,-HUF in thousands was due to affiliated undertakings, and was primarily arisen from financial settlement of exchange gain accounted for the foreign currency and from revaluation. The significant increase is due to the significant foreign currency transactions made in the acquisitions during 2021.

Financial expenditures	**2021**	**2020**
Interests paid	2 192 311	37 753
Loss on exchange	314 972	298 447
Fair value adjustment of shares and business shares	314 450	24 870
Other	286	0
Total	**2 822 019**	**361 070**

The loss on exchange due to financial settlement of the currency item and currency receivables, and liabilities was arisen from the yearend measurement. Of the interest expense recognized, 1 387 589,-HUF in thousands is interest on bonds issued for the year 2021.

11 Income taxes

Income taxes related to expenditures consist of the hereunder as follows:

	2021	2020
Corporate income tax	424 460	392 063
Deferred tax (receivables)	(55 720)	(32 494)
Business tax	379 017	281 200
Contribution on innovation	56 853	42 180
Total	**804 610**	**682 949**

Corporate income tax of the current year was calculated in accordance with the rules on Companies compiling financial statements in line with the IFRS. The rate of the corporate income tax was 9 percentage in 2021.

The corporate income tax in respect of 2021 was calculated in accordance with the general rules as follows:

	2021
Profit before taxation (IFRS)	4 770 985
Correction on account of local business tax (-)	(379 017)
Correction on account of innovation contribution (-)	(56 853)
Correction factors on account of special IFRS	742 730
Adjusted profit before tax	5 077 845
Depreciation set forth in the Act on Accounting (+)	1 388 948
Accelerated depreciation	0
Final fines accounted for expenditures (+)	8
Impairment accounted for receivables in the tax year (+)	29 520
Dividend received	(270 980)
Impairment marked back for receivables (-)	(6 000)
Depreciation set forth in the Act on Taxation (-)	(1 303 431)
TAO pledge crediting (-)	(8 208)
Reduction on account of R&D expenditures (-)	(191 476)
Base for corporate income and dividend tax	4 716 226
Corporate income and dividend tax (9%)	**424 460**

The corporate income tax of 2020 was calculated in line with the general rules as follows:

	2020
Profit before taxation (IFRS)	3 843 003
Correction on account of local business tax (-)	(281 200)
Correction on account of innovation contribution (-)	(42 180)
Correction factors on account of special IFRS	895 141
Adjusted profit before tax	4 414 764
Depreciation set forth in the Act on Accounting (+)	488 948
Accelerated depreciation	0
Final fines accounted for expenditures (+)	14
Impairment accounted for receivables in the tax year (+)	10 000
Cancelled receivables of non-bad debts in the tax year	0
Impairment marked back for receivables (-)	(17 670)
Depreciation set forth in the Act on Taxation (-)	(433 887)
Other adjustment items (accrued and deferred loss) (-)	(5 234)
Reduction on account of R&D expenditures (-)	(100 683)
Base for corporate income and dividend tax	4 356 252
Corporate income and dividend tax (9%)	**392 063**

12 Profit after tax

	2021	2020
Profit after tax	3 966 375	3 160 054

13 Total comprehensive income

	2021	2020
Profit after tax (net)	3 966 375	3 160 054
Other comprehensive income	0	0
Total comprehensive income	3 966 375	3 160 054

Other comprehensive income is not entered at the end of the period.

14 Earnings per share

The Company uses two types of EPS indicators to present profitability.

- EPS indicator – (net profit and loss / average quantity of shares carrying voting rights)
- Diluted EPS – (net profit and loss / number of shares carrying voting rights and options)

Net profit = 3 966 375 055,-HUF
Average number of voting shares = 95 966 909,-quantity
Stock option granted to ESOP likely to be called on = 1 664 533,-quantity

Indicator (HUF/share)	**2021**	**2020**
Diluted EPS indicator	40.6	34.0
Earnings per share (base) (HUF) EPS	41.3	34.6

On 31 December 2021, 4iG Plc. considered 1 664 533,-quantity of share options granted to the ESOP Organization and expected to be called on, which minimally diluted the value of the EPS ratio.

15 Tangible assets

data in HUF in thousands	**Technical machinery and equipment**	**Other equipment**	**Land and buildings, and the related economic rights**	**Unfinished investments**	**Total**
Gross value					
on 01 January 2020	**257 311**	**826 741**	**68 829**	**6 855**	**1 159 736**
Increase and reclassification	0	321 082	5 219	962 005	1 288 306
Decrease and reclassification	(784)	(63 073)	0	(727 731)	(791 588)
Rounding	1	(1)			
on 31 December 2020	**256 528**	**1 084 749**	**74 048**	**241 129**	**1 656 454**
Increase and reclassification	157	740 563	565 825	1 055 540	2 362 085
Decrease and reclassification	(206)	(25 429)	0	(1 293 739)	(1 319 374)
Other change	0	719	0	0	719
on 31 December 2021	**256 479**	**1 800 602**	**639 873**	**2 930**	**2 699 884**

Accrued depreciation					
on 01 January 2020	**257 272**	**577 248**	**18 100**	**0**	**852 620**
Current year depreciation	15	218 696	4 255	0	222 966
Decrease	(784)	(62 269)	0	0	(63 053)
Rounding	1	(1)	0	0	0
on 31 December 2020	**256 504**	**733 674**	**22 355**	**0**	**1 012 533**
Current year depreciation	171	331 164	6 851	0	338 186
Decrease	(206)	(24 143)	0	0	(24 350)
Rounding					
on 31 December 2021	**256 469**	**1 040 695**	**29 206**	**0**	**1 326 369**
Net book value					
on 01 January 2020	**39**	**249 493**	**50 729**	**6 855**	**307 116**
on 31 December 2020	**24**	**351 075**	**51 693**	**241 129**	**643 921**
on 31 December 2021	**10**	**759 907**	**610 667**	**2 930**	**1 373 514**

The increase in fixed assets in 2021 is the result of purchases amounting to 740 720,-HUF in thousands and investments in third-party property amounting to 565 825,-HUF in thousands. The leased property involved in the investments is leased by the Company on a long-term basis (15 years). Disposals in the year under review amounted to gross 25 635,-HUF in thousands in respect of assets that are worn out, obsolete or no longer needed by the Company.

16 Intangible assets

data in HUF in thousands	IFRS 16 lease concession and similar rights	Concessions and similar rights	Intellectual properties	Total
Gross value				
on 01 January 2020	**951 531**	**218 803**	**1 774 534**	**2 944 868**
Increase and reclassification	206 396	0	388 624	595 020
Decrease and reclassification	0	0	(131 500)	(131 500)
Unfinished / Semi-finished	0	69 571	0	69 571
on 31 December 2020	**1 157 927**	**288 374**	**2 031 658**	**3 477 959**
Increase and reclassification	4 466 668	5 500	856 737	5 328 905
Decrease and reclassification	(595 668)	(69 571)	0	(665 239)
Unfinished / Semi-finished	0	0	319 207	319 207
on 31 December 2021	**5 028 927**	**224 303**	**3 207 602**	**8 460 832**
Accrued depreciation				
on 01 January 2020	**315 954**	**218 596**	**1 355 713**	**1 890 263**
Current year depreciation	377 590	193	162 346	540 129
Decrease	0	0	(131 500)	(131 500)
Other changes / rounding	(1)	0	(1)	(2)
on 31 December 2020	**693 543**	**218 789**	**1 386 558**	**2 298 890**
Current year depreciation and merger	604 345	254	343 003	947 602
Decrease	(585 007)	0	0	(585 007)
Other changes / rounding	0	0	1	1
on 31 December 2021	**712 881**	**219 043**	**1 729 562**	**2 661 486**
Net book value				
on 01 January 2020	**635 577**	**207**	**418 821**	**1 054 605**
on 31 December 2020	**464 384**	**69 585**	**645 100**	**1 179 069**
on 31 December 2021	**4 316 046**	**5 260**	**1 478 040**	**5 799 346**

At the end of 2021, there are still uncompleted developments are as follows:

- Piaci (Market) KFI R&D development in the amount of 319 208,-HUF in thousands,

The Company investigated that the definition of intangible assets defined in Sections 8 to 17 of IAS 38 Standards and assessed that the requirements included in Sections 12 to 23 in the hereof standard are in compliance with the aforesaid software developed. On the basis of the identification related to IAS 38 Standard the incurred costs (material and personnel costs in respect of the developers) are accounted for development activities and presented in the item of intellectual products.

Some of the developments are registered by the Company as “unfinished development projects”. These are not depreciated because they are not ready for use and are tested for impairment at the end of each period. Based on the 2021 survey, there was no indication of impairment, so no impairment was recognized.

Value of developments started in previous years and completed at the end of 2021 is as follows:

- data warehouse developed for internal use for 121 471,-HUF in thousands,
- Industry 4.0 product development for 105 915,-HUF in thousands and

The development of the data warehouse started already in 2019. Data warehouse development supports commercial, financial-accounting and corporate governance activities of the company.

Tangible and intangible assets are encumbered by Raiffeisen Bank's mortgage rights in full.

Individually significant intangible assets:

The Company owned two individually significant own-developed intangible assets in the net value of more than 150 million Hungarian Forints in 2021. The herein amount was utilized for the running projects.

	Amortization period	**Amortization closing date**	**Book value**
4iG Contentum KIR software	7 years	31 December 2024	163 636
Piaci (Market) KFI R&D	3 years	30 April 2026	319 208
Total:			**482 844**

The Company carried out a thorough present value investigation on intellectual products with significant value upon 31 December 2021, the Company discounted the future expected target cash flow with 7.62% weighted capital cost. In respect of Contentum software, the management calculated targeted future cash flow on the basis of historical data. By the use of thereof software the Company continuously gains income, and 199 686,-HUF in thousands income was accounted for in 2021 as a result of the utilization of the herein, and for the years from 2020 to 2024 the amount of 100 million HUF is predicted with respect of thereof, and therefore no impairment is reasonable.

In case of Piaci (Market) KFI R&D (Medical Diagnostic software), the Company defines its expected cash flow on the basis of the existing market claims. The mode annually calculates constant turnover by conservative mode, and thereof model increases the expected costs in accordance with the inflation expectations. The Company did not account residual value by conservative mode in none of the software.

The result of the investigation in 2021, upon accounting and calculating the income and costs predicted for the following year, shows the hereunder present value:

	Present Value
4iG Contentum KIR software	231 322
Piaci (Market) KFI R&D	405 856
Total:	**637 178**

By the use of Contentum software the Company continuously gains income, and 199 686,-HUF in thousands income was accounted for in 2021 as a result of the utilization of the herein, and for the years from 2020 to 2024 the amount of 100 million HUF is predicted with respect of thereof, and therefore no impairment is reasonable.

In case of other development projects, the calculated rate of return is higher than the book value.

17 Deferred tax receivables

Upon calculating deferred tax, the Company compares the values allowed to be taken into account from the point of taxation with the book values by assets and liabilities. Provided that the nature of the difference is temporary, namely the difference is to be settled within a reasonable time, it is accounted for deferred tax liabilities or assets depending on its signs. Upon recognizing the asset, the Company calculates the return thereof separately.
Regarding the calculation of the deferred tax, the Company employs 9 percent tax rate. The reason for the statement of deferred tax receivables is that the calculated result of the Company makes the enforcement of deferred tax receivables possible. The significant estimates and considerations made in the calculation of the return are the same as those described under goodwill and intangible assets.

Regarding the identification of the differences resulting from the following deductible and taxable tax differentials is as follows:

	31 December 2020	**Increase**	**Utilization**	**31 December 2021**
Impairment of trade receivables	3 570	3 801	0	7 371
Land and buildings, machinery, equipment	(19 636)	4 909	0	(14 727)

Provisions	37 540	50 276	(4 972)	82 844
Impairment of other receivables	(1 706)	1 706	0	0
Negative tax base	0	0	0	0
Deferred tax assets in total	**19 768**	**60 692**	**(4 972)**	**75 488**

	31 December 2019	Increase	Utilization	31 December 2020
Impairment of receivables	4 260	900	(1 590)	3 570
Land and buildings, machinery, equipment	(24 591)	4 955	0	(19 636)
Provisions	4 972	37 540	(4 972)	37 540
Impairment of other receivables	2 634		(4 340)	(1 706)
Negative tax base	0	0	0	0
Deferred tax assets in total	**(12 725)**	**43 395**	**(10 902)**	**19 768**

18 Goodwill

Goodwill is the positive difference between the procurement cost and the fair value of the identified net assets in respect to an acquired subsidiary company, associated company or entity under joint control, as of the day of acquisition. The goodwill is unamortised, but the Company shall investigate every year whether there are the signs referring not to have the book value recovered. The goodwill is included at the historical value less by the possible impairment.
In line with the provisions of IFRS, the Company does not record subsidiary goodwill its individual financial statement. The subsidiary goodwill enhances the value of investments.

On 2 April 2004, the accounted FreeSoft goodwill is due to the acquisition of FreeSoft Kft. in line with the set accounting rules of that time. The hereof company, later, merged into FreeSoft Rt., (the predecessor of 4iG Plc.).

The changes in FreeSoft goodwill recognized at the Company are as follows:

on 01 January 2020	**411 243**
Impairment	0
on 31 December 2020	**411 243**
Impairment	0
on 31 December 2021	**411 243**

The Company tests for signs of impairment of goodwill annually. To assess this, it prepares an annual calculation of the goodwill of the cash-generating units.

Based on the 2021 assessment, no circumstances inducing impairment have been identified.
The Freesoft goodwill was allocated as cash-generating unit in respect of the IT activities taken over from Freesoft acquisition. The evaluation of the cash-generating unit is calculated on the basis of the present value of future net transaction (DCF calculation).
Goodwill continues to be measured in relation to 4iG Plc. Group's (expanded due to mergers and acquisitions and significant growth in business) IT activities as a cash-generating unit. The recoverable amount of IT activity as an operating segment is recognized each year based on the same principles. Due to the constantly changing factors of the dynamically developing IT market, the DCF calculation is based on the precautionary principle, taking into account a 5-year time horizon.

The basic data applicable for the calculation of the value of goodwill for 2021 are as follows:

For the IT segment and the IT Commercial segment, the Company has calculated the recoverable amount at weighted capital cost of 7.62% for the calculation of market value, taking into account the risks associated with the Company's growth and the expected capital increases and return expectations associated with the financing. The discount rate used in 2021 is therefore significantly higher than the previous year (4.52%). Compared to 2020, the macroeconomic environment has changed significantly, which has significantly increased both the return on invested capital and the return on debt. The growth rates determined in the DCF calculation have been determined by management in a historically conservative manner, based on historical data, for the next 5 years. During cost planning the expected growth rate of the sector and middle-term inflation expectations have been taken into account. In planning the most significant costs (personnel expenses), the Company has assumed an increase in the valuation that is higher than medium-term inflation.

On the basis of 2021 measurement, the DCF-based rate of return of IT segment as cash-generating unit is as follows:

IT segment investment value 31 December 2021	Goodwill	Market value in line with evaluation
3 699 717	411 243	25 674 968

Based on the above calculation, no circumstance inducing impairment has been identified, no impairment is required. The impairment test for shares is set out in Clause 19 of the notes to the financial statements.

19 Equity

Investments in the subsidiary companies of the Company are accounted for the balance sheet item of Investments. The Company's investments in subsidiary companies, joint ventures and associates are recognized at historical value in accordance with IAS 27.

In connection with the shares, each year, the Company reviews whether it is necessary to recognize an impairment loss. For the valuation, we examine the capital position of the acquired companies and evaluate the future prospects of the companies using the approved plans and the return calculations presented in the previous section. Based on the assumptions and calculations presented above, no impairment is required for any of the shares.

The consideration paid for the acquisition of subsidiary companies acquired during the current year is shown by the value of the shares. Of the purchase price paid, an amount of 500 000,- thousand Hungarian Forints has been settled by the transfer of treasury shares and 500 000,- thousands of Hungarian Forints by deferred payment

Key data for subsidiaries acquired in 2021 are as follows:

Description	ACE Network Plc.	Hungaro DigiTel Ltd.	Poli Computer PC Ltd.	Invitech ICT Services Ltd.	Telenor Podgorica D.o.o.**
Year of recognition	2021	2021	2021	2021	2021
Recognition mode	Acquisition	Acquisition	Acquisition	Acquisition	Acquisition
Equity	70%	75%	100%	100%	100%
Value of investment	1 866 000	6 856 597	2 006 000	96 909 120	52 822 207
Book value of net asset	560 104	5 419 539	321 152	19 552 159	21 539 140
Fair value / IFRS correction	-12 571	-17 348	-116 658	758 167	–
Fair / IFRS net asset value	547 533	5 402 191	204 494	20 310 326	21 539 140
Of which:					
Invested assets:	298 030	4 278 676	507 777	34 798 546	20 437 300
Liquid assets	643 513	2 339 518	73 008	2 372 992	4 002 793
Inventories	11 089	2 568	27 472	1 029 930	567 678
Receivables and accrued and deferred assets	637 844	1 532 014	467 539	8 334 267	6 554 926
Long-term liabilities	-224 151	-85 409	-42 640	-13 364 425	-4 755 009
Short-term liabilities	-818 792	-652 581	-828 663	-12 860 984	-5 268 548
Badwill	–	–	–	–	–
Goodwill	1 482 727	2 429 716	1 801 506	76 598 168	31 283 067
Non-controlling interest	164 260	975 309	–	–	–
Income since acquisition	4 167 089	3 967 616	1 766 627	8 321 175	–
Profit and loss since acquisition	1 007 806	631 840	180 936	2 143 762	–

* Shareholding through Portuguese Telecommunication Investments Ltd.
** Shareholding through 4iG Montenegro d.o.o.

In the case of Hungaro DigiTel Kft, Invitech ICT Services Kft and Telenor Podgorica d.o.o., the Company has started the process of determining the fair value of the assets, for which it has engaged an external expert, however, at the time of preparing the financial statements, the assessment of these assets is still ongoing due to the complexity of the activities and operations of these companies.

In accordance with IFRS 3 Business Combinations, the Company will determine the fair value of the assets and liabilities identified in the acquisition no later than one year from the acquisition date and will present them highlighted in the 2022 financial statement.

- no significant PPA adjustments are expected for Hungaro DigiTel Kft. at the consolidated level

- PPA adjustments may be identified for Invitech ICT Services Kft. and Telenor Podgorica d.o.o., but no substantiated calculation and valuation in relation thereto is available at this time. In accordance with the provisions of IFRS3, the cost amounts have been recognised in the consolidated financial statements for 2021 as provisional amounts that represent a reliable estimate of fair values.
- During the maximum 1-year valuation period allowed by IFRS3, the fair value valuation will be completed and the fair values will be adjusted retroactive to the acquisition date if necessary to reflect information about facts and circumstances at the acquisition date that, if known, would have affected the valuation of the amounts recognised at that date.

For the valuation of subsidiaries, the Company performs an impairment test each year, taking into account the expected cash flows. The valuations and expected cash flows are based on the consolidated segments of the 4iG Group. The assumptions for the IT segment and Commerce are the same as those presented for the goodwill impairment test.
The discount rates used to calculate the market for the telecommunication business are 7.2% in case of Invitech and its subsidiary companies, 7.62% in case of Hungaro DigiTel analysis and 8% in case of Telenor Podgorica, taking into account the different capital structure of the companies and the different country risk classification for the Montenegrin subsidiary.
The estimates used in the DCF calculation are in line with market expectations and the business plans approved during the acquisition. The synergistic effects of the group's dynamic expansion in 2022 have also been factored into management's expectations (both in terms of expected incremental revenue and cost optimisation). The combined present value of the cash flows from 2022-2026 and the residual value, calculated at 1.8% growth, significantly exceeds the book value of the cash-generating unit.

IT segment investment value 31 December 2021	Goodwill	Market value in line with evaluation
3 699 717	411 243	25 674 968

Investment value of trade segment 31 December 2021	Market value in line with evaluation
1 866 000	24 747 825

Investment value of telecommunications segment 31 December 2021	Market value in line with evaluation
102 215 717	127 961 648

Telenor Podgorica d.o.o. was acquired through 4iG Montenegro d.o.o. The analysis related to Telenor Podgorica d.o.o. is presented in the consolidated report of the 4iG group.

The accounted registered value of the investments as of 31 December 2021 is as follows:

	31 December 2021	31 December 2020
4iG Montenegro d.o.o. (subsidiary company)	0*	0
ACE Network Plc. (Spacenet)	1 866 000	n.d.
CarpathiaSat Ltd. (subsidiary company)	188 700	188 700
DOTO Systems Plc. (subsidiary company)**	5 000	3 000
DTSM Ltd. (subsidiary company)	150 001	150 001
Humansoft Szerviz Ltd. (subsidiary company)	3 000	3 000
INNObyte Zrt. (subsidiary company)	1 088 975	1 088 975
Invitech ICT Services Ltd. (subsidiary company)	96 909 120	n.d.
Poli Computer PC Ltd. (subsidiary company)	2 006 000	n.d.
Portuguese Telecommunication Investments Ltd. (subsidiary company)	5 306 598	n.d.
TR Consult Ltd. (subsidiary company)	257 091	257 091
Veritas Consulting Ltd. (subsidiary company)	3 000	3 000
Subsidiaries in total	**107 783 485**	**1 693 767**
Rotors & Cams Plc. (Affiliated Enterprise)	1 200	n.d.
Affiliated enterprises in total	1 200	n.d.
Alliance Klaszter Menedzsment Ltd. (11.11%)	350	350
Ökopolisz Ltd. (14.29%)	430	430
iCollWare Ltd. (19.80%)	700	700
SziMe3D Ltd.(19%)	0	570
Other equity in total	**1 480**	**2 050**
Equity in total	**107 786 165**	**1 695 817**

* 4iG Montenegro Doo The 100% owned subsidiary 4iG Montenegro Doo. was founded with a share capital of 1 EUR and a book value of 365,-HUF. Through this company, the Company acquired 100% shareholding of Telenor doo Podgorica.

**4iG Plc. acquired 40% of DOTO Plc. shares as of 27 August 2021, herewith thereof became a subsidiary company of the Company.

In addition to the above, the Group also discloses its 24% stake in Rotors & Cams Zrt. as a significant influence in an associate in the other investments balance sheet line.

Main data of the report compiled in line with the Hungarian Act on Accounting on affiliated enterprises as at 31 December 2021 are as follows:
Balance sheet total: 968 193 HUF in thousands
Net profit and loss 4 646 HUF in thousands

Other over-the-year assets:

	31 December 2021	31 December 2020
Long-term loan for subsidiary companies	61 599 201	0
DOTO Systems Plc. additional payment	165 000	165 000
iCollWare Ltd. additional payment	100 513	94 756
Impairment of additional payment	(18 951)	(18 951)
Loans provided for employees	50 760	0
Guarantee deposit	0	6 000
Total	**61 896 523**	**246 805**

The largest part of the subsidiary loans was granted to Telenor to Montenegro in the amount of 140 608 000,-EUR, which loan was capitalised as at 14 February 2022.
The additional payment of iCollWare Ltd., taking the expected return into account, was recognized as an impairment loss of 18 951,- HUF in thousands.

20 Liquid assets and cash equivalents

	31 December 2021	31 December 2020
Cash-desk	4 735	5 512
Bank	130 992 148	6 249 415
Government bonds	119 169 196	0
Total	**250 166 079**	**6 254 927**

On 31 December 2021, the amount of 142 215-HUF in thousands was available in Euro, while 4 726,-HUF in thousands was accounted in USD for liquid assets. The government bonds were purchased in the last days of December 2021 and by order at the end of December, they were sold on 3 January 2022, and are therefore shown as cash equivalents.

21 Trade receivables

	31 December 2021	31 December 2020
Trade receivables	17 591 090	15 676 552
Impairment of trade receivables	(39 286)	(10 000)
Total	**17 551 804**	**15 666 552**

Maturity analysis: trade receivables more than 30 days past due is 361 939,- HUF in thousands; more than 1 year past due is 39 860,- HUF in thousands.

The Company has assessed the need for a credit-related loss to be recognized in connection with receivables in accordance with the requirements of IFRS 9. When calculating the credit-related loss, the Company uses the simplified model for trade receivables and contract assets (the life-cycle method), for other assets - as our survey shows that credit risk has not increased significantly since initial recognition - the Company has calculated a 12-month expected credit-related loss.

Expected credit-related losses were assessed on a combined basis for each asset group as follows:

- trade receivables
- contractual instruments
- other receivables: other accrued and deferred assets, loans granted

Factors taken into account when measuring credit-related losses:

- whether the credit risk of financial instruments has increased significantly since initial recognition:
  - specific loans, contractual instruments: we consider these financial instruments to be of low credit risk, as these instruments are typically not past due on the reporting day, the risk of default is negligible
  - trade receivables: 3% of overdue receivables older than 30 days, no significant trade receivables depreciation has been made in previous years, there are no significant delays, therefore we consider the thereof receivables to be low risk
- Impaired financial assets: the financial assets shown in the financial statements are typically not classified as impaired, as we expect a full return, the risk of default is negligible. Classified as impaired: receivables in the amount of 39 268,-HUF in thousands – sold in the meantime and classified as other receivables – for which we have established a 100% impairment in previous years.
- forward-looking information (especially the effects of the Covid situation and the Ukrainian-Russian conflict) was also taken into account when estimating credit-related loss. The Company has no significant receivables in the segments affected by Covid or the Ukrainian-Russian conflict.

• in connection with trade receivables, the Company recorded a credit-related loss of 10 million HUF.

Movements in impairment loss in respect of credit-related loss and impaired financial assets:

Consolidated credit-related loss	Closing	Increase	Decrease	Opening
Trade receivables	10 000	0	0	10 000
other receivables	0	0	0	0
Impaired financial assets				
Trade receivables	29 286	29 286	0	0
other receivables	23 668		6 000	29 668

The reason of the significant growth of the stock of trade is that the turnover of the Company upon the order accelerations grew significantly and the project closures and the invoicing all peaked in December 2021.

22 Other receivables and accrued and deferred assets

	31 December 2021	31 December 2020
Other receivables	3 694 978	2 163 885
Receivables through affiliated undertakings	1 437 732	534 475
Accrued and deferred assets	3 554 289	2 895 652
Total	**8 686 999**	**5 594 012**

Composition of other receivables:

	31 December 2021	31 December 2020
Advance payments	1 895 794	1 922 445
Lease deposit	191 288	89 052
Other receivables*	1 458 212	7 177
Guarantee granted	143 184	141 933
Short-term credit loans	6 500	3 278
Total	**3 694 978**	**2 163 885**

From the guarantees granted amounting to 143 184,-HUF in thousands said 129 930,-HUF in thousands is performance guarantee for the ongoing project, the implementation of the CTI, HKIR.

* Company presents advances received with VAT using the gross method instead of the net method used in the 2020 financial statements. This presentation does not have a significant impact on either the 2020 or the 2021 financial statements, neither significantly influences the comparison of the current and previous years' figures. These details are disclosed using the gross method in the 2021 financial statements. Should advances received have been disclosed using the gross method in the previous year, the given row would have shown 596 779 HUF in thousands, whereas other receivables and accrued and deferred assets row would have shown 6 183 614 HUF in thousands.

Receivables through affiliated undertakings of the Company are as follows.

	31 December 2021	31 December 2020
ACE Network Plc.	552	n.d.
CarpathiaSat Ltd.	1 351	67
DOTO Systems Plc.	454 476	334 000
DTSM Ltd.	39 358	0
Humansoft Szerviz Ltd.	18 166	7 698
INNObyte Plc.	763 791	0
Invitech ICT Services Ltd	198	n.d.
Poli Computer PC Ltd.	1 788	n.d.
TR Consult Ltd.	16 921	17 376
Veritas Consulting Ltd.	141 131	175 334
	1 437 732	**534 475**

Composition of accrued and deferred assets:

	31 December 2021	31 December 2020
Receivables under accrued and deferred assets	3 012 265	2 700 178
Costs and expenditures under accrued and deferred assets	542 024	195 474
Total	**3 554 289**	**2 895 652**

The costs and expenditures under accrued and deferred assets include costs and expenditures invoiced prior to the balance sheet day but accounted for 2022.

In line with IFRS 15 standard, the receivables under accrued and deferred assets include those items of the income which were actually performed in 2021, but only invoiced and documented at the beginning of 2022. Provided that the Company transfers control over the service on an ongoing basis, upon the conditions specified in the standard being met, it also continuously recognizes those arising from the sale of services in accordance with the methods specified in the standard, according to the nature of the service.

From the receivables under accrued and deferred assets, a more significant amount was accrued for the following projects:

22.1. State subsidy

The receivables under accrued and deferred assets includes an amount of 167 463,-HUF in thousands of state subsidies accrued in accordance with IAS 20 to the year 2022 in proportion to costs, according to the intensity of the subsidy.

22.2. Contractual instruments

The current value (amount) of contractual assets is the uninvoiced customer performance for ongoing projects.

	31 December 2021	**31 December 2020**
Contractual instruments	2 242 483	2 161 541

Main items on 31 December 2021:

Project's name	The amount of accrued income
HKIR turnover accrual	260 464
Tigra E-Ing turnover accrual	463 511
MÁK KSZR turnover accrual	240 050
MNB DLT turnover accrual	262 983
MÁK IFMIS turnover accrual	424 963
KKFI turnover accrual	291 184
HDT-spacekom acquisition income	164 262
KIFÜ ePince turnover accrual	232 095

Main items on 31 December 2020:

Project's name	The amount of accrued income
HKIR turnover accrual	260 464
Tigra E-Ing turnover accrual	553 224
MÁK KSZR turnover accrual	796 329
Új Világ turnover accrual	102 030
NISZ turnover accrual	414 846
HKIR - OBU	89 600

22.3. Current income tax receivables and liabilities

	31 December 2021	31 December 2020
Corporate income and dividend tax	(142 153)	(306 322)
Local business tax	(90 264)	(56 148)
Contribution on innovation	(30 991)	(34 522)
Total	**(263 408)**	**(396 802)**

The negative amount of the income tax receivable has been reclassified to liabilities in the balance sheet in accordance with the company's accounting policy.

23 Securities

The Company valuates its securities at fair value through profit or loss (equity instruments).
On 31 December 2021 the security stock of the Company measured 17 150,-HUF in thousands as follows hereunder.

	Purchase value	BSE exchange rate 31 December 2021	Fair value 31 December 2021
490,- quantity of Csokréta Holding shares (19.84%)	237 500	not relevant	12 250
64,- quantity of EBPP.HU shares (9.14%)	94 100	not relevant	4 900
Total	**331 600**		**17 150**

The fair value of the shares of EBPP.HU, Csokréta was estimated based on a sale and purchase agreement concluded on 31 December 2021, and the fair value of the shares was determined accordingly. The actual delivery of the shares took place in January 2022.

24 Inventories / Stocks

Inventories of the Company at the end of 2021:

	31 December 2021	31 December 2020
Inventory of raw materials	73 839	77 814
Stock and inventory of goods	1 484 477	3 122 706
Refundable packaging	0	190
Impairment of inventories	(55 955)	(55 955)
Total	**1 502 362**	**3 144 755**

The stock of inventories decreased due to deliveries at the end of the year, and accounting further impairment was not necessary, the acquired inventories are used for the activity.
Every year, 4IG Plc. reviews the marketability of its inventories and, based on the market knowledge of traders, recognizes impairment for inventories that are difficult to move, and discards dead stocks. The carrying amount of inventories is therefore the lower of sales value less costs to sell or historical value.

The inventories are fully encumbered by Raiffeisen Bank's mortgage rights.

25 Issued capital

The amount of the Company’s issued capital is 2 064 158,-HUF in thousands on 31 December 2021.

	31 December 2021	31 December 2020
Opening value	1 880 000	1 880 000
Increase	184 158	0
Decrease	0	0
Closing value	**2 064 158**	**1 880 000**

The IFRS share capital equals with the share capital registered by HAS and Cégbíróság (in English: Company Registry Court). During the year 2021, there were two share capital increase. As of 1 June 2021, Bartolomeu Investment Ltd. carried out a share capital increase by share premium of 104 158,-HUF in thousands. As of 30 November 2021, 4iG Plc. issued a block of shares with a nominal value of 80 000,-HUF for 4iG ESOP Organization.

26 Repurchased own shares

Historical value of own share: the consideration paid for repurchase of own shares, which reduces own equity (the nominal value is included in this item but is not deducted from issued capital).
As at 31 December 2021, the Company had 857 078,- quantity of repurchased own shares and as at 31 December 2021, the 4iG ESOP Organization also had 4 million quantity of 4iG shares, which are treated as own shares of 4iG Plc. in the separate books due to the presentation of the ESOP Organization's "extension approach" (in total: 4 857 078,- quantity of shares).

The repurchased shares are held by the Company for further acquisitions. The total book value of own shares is 245 725,-HUF in thousands.

27 Capital reserve

	31 December 2021	31 December 2020
Opening value	816 750	816 750
Increase	3 051 842	0
Decrease	0	0
Closing value	**3 868 592**	**816 750**

The increase in capital reserve is the result of the premium capital increase by of Bartolomeu Investment Ltd.

28 Accumulated profit reserve

Accumulated profit reserve accounted for the previous year and profit and loss of period under review are aggregated in the row of accumulated profit reserve.

	31 December 2021	31 December 2020
Accumulated profit reserve (profit and loss of the previous years)	4 789 308	3 045 012
Dividend	(2 211 910)	(2 001 152)
Profit and loss of own share sale	342 796	585 394
Profits in the current year	3 966 375	3 160 054
Accumulated profit reserve in total	**6 886 569**	**4 789 308**

As of the 29 April 2021, the Board of Directors of the Company, with the authorization of the general meeting rights, made the decision on the payment of dividends at the value of 2 212 000

000,-HUF. The payment of dividends, with the exception of 42,- HUF in thousands, was performed upon the contribution of KELER Zrt. (in English: Central Clearing House and Depository).
A dividend of HUF 22.49,-HUF per share was determined and disbursed. The number of shares entitled to dividend payment as at 26 July 2021 is 98 350 843,-quantity of shares and the dividend payable is 2 211 910 459,-HUF. Herewith, a fraction amount of 89 541,-HUF has been accounted to the accumulated profit reserve.

29 Provisions

The Company accounted provisions in the amount of 54 749,- HUF in thousands for the vacations subject to 2021 but deferred to 2022.
Provisioning of the periods was performed as follows hereinunder.

	31 December 2021	Annual provisioning	Backmarking	31 December 2020
Provisions due to deferred vacation	54 749	54 749	72 301	72 301
Provisions for expected losses	0	0	0	0
Total:	54 749	54 749	72 301	72 301

30 ESOP liabilities

In the course of the emergency situation, the Board of Directors of the Company, on the basis of the authorization of the Government Decree No. 102/2020 (IV.10.) on Derogations from Regulations on Operation of Partnerships and Corporations in case of emergency (hereinafter referred to as “Decree”) and acting on behalf of the General Meeting, on the 29 April 2020, by means of the Board of Directors Resolution No. 9/2020. (IV. 29.), adopted the initiation of the Employee Stock Option Plan (hereinafter referred to as “ESOP”) and the establishment of its organisation (hereinafter referred to as “ESOP Organization”) under the name of 4iG Employee Stock Option Plan Organization, abbreviated 4iG ESOP Organization and, moreover, the thereof Board of Directors adopted its articles of association (hereinafter referred to as “Articles of Association”) and its remuneration policy (hereinafter referred to as “ESOP Remuneration Policy”).
In the interest of the planned implementation of ESOP Remuneration Policy, the Company, as a founder, provided purchase option for the ESOP Organization in relation to the acquisition of 4iG Plc. equity shares in the amount of 2,500,000,- (namely two-million-five-hundred-thousand) quantity of the hereof at the nominal value of 20,-HUF per quantity under the ISIN identification number of HU0000167788. Herewith, the Company tries to realize enhanced interest in respect of the employees.
On the basis of Black-Scholes calculator, 4iG Plc. accounted 520 927,-HUF in thousands for staff costs through ESOP liabilities as a safeguard for expected ESOP Organization costs for 2021. Parameters considered during the measurement are as follows:

- 2-year service period
- 27 employees participating in the option
- Black-Scholes model
- the weighted average share price: 827.19,-HUF
- exercise price: 20,-HUF
- expected volatility: 45.5%
- option life period: 2 years
- expected dividend 2.6%
- risk-free interest rate: 4.3%

By Resolution No. 17/2021 (IX.30.) of the General Meeting, 4iG Plc. has launched a new remuneration program (ESOP II.) based on a new remuneration policy in addition to the existing remuneration policy, under which 4 000 000,-quantity of 4iG shares were allocated to 4iG ESOP Organization as founders' assets by means of a capital increase. The employees participating in the program will have the opportunity to acquire thereof shares at the price subscribed by the ESOP Organization, provided that the conditions are met, and therefore the net assets and results of the Company have not been and will not be affected by ESOP II program in the year 2021 and thereafter.

31 Long-term credits, bonds

The Company does not use long-term bank loans and solves its long-term financing needs by issuing corporate bonds.
In 2021, the Company issued bonds three times for acquisition purposes:

- 4iG Plc. could issue 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 15.45 billion Hungarian Forints on 29 March 2021.
- 4iG Plc. has issued the 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, the aggregate face value of thereof private listing is 100 billion Hungarian Forints.
- On 17 December 2021, the Company issued the so called "4iG NKP Bond 2031/II." 2021 (ISIN: HU0000361019), with a ten-year long maturity period, amortizing from the end of the fifth year, fixed interest rate of 6.00% per annum, nominal value of 50 000 000,-HUF with an average yield of 5.8026%, for a total nominal value of HUF 287.75,- billion.

Following the issuance of the first tranche of the 4iG NKP Bond 2031/II, on 23 December 2021 the Issuer repurchased 1 660,-quantity 4iG M&A Bond 2026 for the amount of 83,- billion HUF, and paid the accrued interest thereof, reducing the outstanding liability of herein serial bond to 17,- billion HUF.
The Company evaluated thereof bonds at the depreciated historical value.

32 Financial lease liabilities

Pursuant to the regulations of IFRS 16 standard, effective date as of 1 January 2019, the definition of a lease is interpreted in more wider terms. From the thereof date, in accordance with the requirements of the aforesaid standard, lease rights are to be included in the item of assets as concession and similar rights.
In accordance with the classical lease transactions the leasing liabilities itemized in the balance sheet are not accounted.

The extended leasing liabilities, as it is set forth in IFRS 16 standards, are presented as follows:

	31 December 2021	**31 December 2020**
Tangible assets finance lease liabilities	0	0
Concessions and similar rights lease fee liabilities (IFRS 16)	3 525 125	182 724
Financial lease liabilities (long-term)	**3 525 125**	**182 724**

	31 December 2021	**31 December 2020**
Tangible assets finance lease liabilities	0	0
Concessions and similar rights lease fee liabilities (IFRS 16)	819 972	312 265
Financial lease liabilities (short-term)	**819 972**	**312 265**

Presentation of right-of-use lease transactions included in accordance with IFRS 16 (31 December 2021):

Description	Related to land and buildings	Related to machinery, equipment, and vehicles	Total
Opening gross value	585 959	571987	1 157 946
Increase	3 240 334	1 226 334	4 466 668
Decrease	413 980	181 708	595 688
Closing gross value	3 412 334	1 616 613	5 028 927
Opening depreciation	384 795	308 768	693 563
Opening correction	(21)	0	(21)
Increase	315 818	288 527	604 345
Decrease	403 298	181 709	585 007
Closing depreciation	297 295	415 568	712 881
Closing net value	3 115 018	1 201 026	4 316 046
Interest expense of lease transaction	21 037	11 802	32 839
Expenditures related to small value assets	0	18 426	18 426
Expenditures related to lease transactions of short-term maturity period	38 549	245 862	284 411
Total cash out-flow of lease transactions in 2021	**375 403**	**564 617**	**940 020**

The remaining lease transactions included in IFRS (the present value is calculated with the lending rate of Raiffeisen Bank upon 1 month BUBOR (Budapest Interbank Offered Rate)+0.55%) are as follows:

	Current fees	Present value of the fees
in 2022	932 779	819 972
in the years 2023 to 2036	4 185 323	3 525 125
Lease transactions in total:	**5 118 102**	**4 345 097**

Disclosure in line with Section 51 of IFRS 16 is as follows:

a) the nature of the lessee’s leasing activities – real property and machinery hire

b) not-calculated future cash out-flow upon the evaluation of the lease transaction liabilities to which the lessee is potentially exposed. The hereinbelow exposures are included in thereof as follows:

i. variable lease payments (as described in paragraph B49) – in case of Office lease transaction

ii. extension options and termination options (as described in paragraph B50) – not relevant

iii. residual value guarantees (as described in paragraph B51) – not relevant

iv. leases not yet commenced to which the lessee is committed – not relevant

In line with Section 6, short-term maturity period lease transactions or small-value assets lease transactions are accounted for lease cost by the Company.

33 Change in trade creditors and other accounts payable

	31 December 2021	31 December 2020
Trade creditors and other accounts payable	15 969 112	18 029 487
Total	**15 969 112**	**18 029 487**

In order to increase the Company's turnover, subcontractors and suppliers also had to be used to a greater extent. It is agreed with some suppliers that payment of the supplier invoice will only be due after the 4iG customer invoice has been settled.

34 Short-term credits and loans

The stock of credits and loans accounted at the end of the two previous periods is as follows.

	31 December 2021	31 December 2020
Raiffeisen Bank revolving credit	0	2 970 000
Raiffeisen bank overdraft	0	0
Short term credits in total	**0**	**2 970 000**

The aforesaid data represent the amounts de facto called from and utilized from the available lending capacity for the Company.

As of 1 January 2021, 4iG Plc. had a bank loan agreement with Raiffeisen Bank for a total amount of 6 450 000 000,-HUF to the detriment of which it had originally contracted as follows:
1) Revolving credit in the amount of 4 620 000 000,-HUF expiring on 30 July 2021
2) Bank Credit Overdraft in the amount of 500 000 000,-HUF expiring on 30 July 2021
3) Bank Guarantee facility in the amount of 1 330 000 000,-HUF expiring 31 July 2027.
The Bank Credit Agreement was not amended during the financial year 2021 and has been available with unchanged terms since January 2020, so that a pledge is registered in the register of pledges of the Hungarian Chamber of Civil Law Notaries (MOKK) in favour of Raiffeisen Bank as a block security for the amount of 7 420 000 000,-HUF on the Company's current receivables and a further 810 000 000,-HUF on its inventories.
In mid-2021, Raiffeisen Bank revised the Company's bank loan agreement and its sub-agreements, the parameters of which were only amended with regard to their expirations, so that the working capital loans were extended until 29 July 2022 and the Bank Guarantee facility until 31 July 2027.
For working capital financing, the Company had continuous use of the revolving credit until December 2021 - its opening amount was 2 970 000 000,-HUF and it was repaid in full at the end of the year, with the contractual amount available until expiry.
The Bank Credit Overdraft was drawn down minimally during 2021 and is available in the Company's bank account as a liquidity reserve.
The Company has paid a transaction interest (with floating rate) fixed at 1 month BUBOR on the drawn down amounts and a retention commission on the undrawn amounts.
The Company uses the Bank Guarantee Facility for its performance type commitments (tenders, performance, warranty) under its contractor agreements with its customers. From the contracted amount, the bank guarantees issued by Raiffeisen Bank on behalf of the Company amounted to 443 833 816,-HUF as of 31 December 2021.
As security for the performance guarantees, a total of 45 297 669,-HUF was deposited in a dedicated account at Raiffeisen Bank.
The beneficiaries of the bank guarantees have not applied to Raiffeisen Bank in recent periods.
Cash deposit of 6 million Hungarian Forints has been placed for the safeguard in respect of the guarantees issued by CIB Bank. The Company does not have a credits relationship with CIB Bank.

The Issuer has no long-term loans.

Corporate bonds:
In order to finance domestic and foreign shares during 2021, the Issuer conducted 2 successful auctions in the Growth Bond Program (NKP) announced by the National Bank of Hungary and a private issuance of bonds.

4iG Plc. could issue the "4iG NKP Bond 2031/I." (ISIN: HU0000360276), with a ten-year maturity and a coupon rate of 2.9%), with a total nominal value of 15.45 billion Hungarian Forints on 29 March 2021. The bonds, with a nominal value of HUF 50 million, are amortized after a grace period of 5 years: 10% on anniversaries 5-9. and 50% at expiry repayment obligation, while interest payments due annually on the anniversary of the issue date.

4iG NKP Bond 2031/II (ISIN: HU0000361019), a ten-year bond with a nominal value of 50 000 000,-HUF amortizing from the end of the fifth year, bearing a fixed interest rate of 6.00% per annum, with a total nominal value of HUF 287.75 billion, was issued on 17 December 2021. The bonds, with a nominal value of HUF 50 million, are amortized after a grace period of 5 years: 10% on anniversaries 5-9. and 50% at expiry repayment obligation, while interest payments due annually on the anniversary of the issue date.

On 17 December 2021, the Board of Directors of 4iG, on the basis of the authorisation granted by the General Meeting in General Meeting Resolution No. 22/2021 (IX.30.), decided to issue further bonds as a new tranche of bonds within the framework of the re-issue of the "4iG BFGS Bond 2031/II." (ISIN HU0000361019) issued in the context of the Bond Funding for Growth Scheme programme announced by the Hungarian National Bank at the total nominal value of 287 750 000 000,-HUF (ISIN HU0000361019). The bonds have been listed by auction to the invited investors specified in the Information Memorandum relating to the bonds on 27 December 2021. The total nominal value of the bonds issued in the frame of re-issue is 83 000 000 000,-HUF and the debt service is the same as that of the bonds issued on 17 December 2021.

Between the two NKP auctions, 4iG Plc. issued a so called 4iG M&A Bond 2026 (ISIN: HU0000360813) bond, with an expiration of 5 years and an interest rate of 12 months BUBOR + 1.50%, with a total nominal value of HUF 100 billion on 27 September 2021. The series of 2 000,- quantity of bonds, each with a nominal value of HUF 50 million, will be amortized after a grace period of 2 years: 8% on the 2-4th anniversary and 76% at expiry, with interest payments due annually on the anniversary of the issue date. Following the issuance of the first tranche of the 4iG NKP Bond 2031/II series, on 23 December 2021, the Issuer repurchased 1 660,- quantity of 4iG M&A Bond 2026 for 83 billion HUF and paid the accrued interests thereof, reducing the outstanding liability of this serial bond to 17 billion HUF.

35 Other liabilities and accrued liabilities

	31 December 2021	31 December 2020
Tax liabilities and contributions	2 560 202	1 289 046
Wage transfer liabilities	20 594	709
Other liabilities	500 000	0
Advance payments received from customers**	6 852 772	2 183 710
Advance payment received from central budget	366 898	573 341
Corporate income tax liabilities	263 408	396 802
Interest liabilities (for bond)	1 387 589	n.d.
Accrued liabilities of revenues	29 424	21 656
Accrued liabilities of costs	2 437 255	1 404 102
Subsidies received, deferred revenue	87 614	8 171
Affiliated liabilities	1 064 951	322 317
Total	**15 570 707**	**6 199 854**

The Company does not have past due obligation in tax liabilities, and the Company is also noted in the free of public-law debt database. The Company presents the VAT on advances received from customers on a net basis.

When acquiring Ace Network Plc., 4iG Plc. was entitled to retain 500 million HUF of the contractual purchase price until certain performance requirements were met. This amount is presented in the table above under other payables, thereof liabilities will be settled on account of performance of the conditions in 2022.

** Company presents advances received using the net method instead of the gross method used previously, the related impact on other receivables regarding the previous year is disclosed in note 22. Should gross method have been applied in prior year, balance for advance payments received from customer would have 2 773 312 HUF in thousands, whereas balance of other liabilities and accrued liabilities would have risen to 6 789 456 HUF in thousands.

Contractual obligations

As a contractual liability, the Company has stated 564 945,-HUF in thousands as of December 31 2021, which is due to advance payments for government IT development.

Affiliated liabilities:

	31 December 2021	31 December 2020

Affiliated trade creditors liabilities	695 867	322 317
Affiliated loan liabilities	368 397	0
Affiliated interest liabilities	687	0
Affiliated bills of exchange liabilities	0	0
Total	**1 064 951**	**322 317**

The loan and interest liability were due to ACE Network Plc.
The affiliated trade creditors and other accounts payable on 31 December 2021 were as follows:

	31 December 2021	**31 December 2020**
ACE Network Plc.	201 764	n.d.
DOTO Systems Plc.		226 521
DTSM Ltd.	55 091	0
INNObyte Plc.	328 486	69 100
Poli Computer PC Ltd.	13 593	n.d.
TR Consult Ltd.	0	26 696
Veritas Consulting Ltd.	96 933	0
Total	**695 867**	**322 317**

36 Dividend liability for owners

On 31 December 2021, the Company had a dividend liability of 42,-HUF in thousands to the shareholders, for which no claim for payment has yet been received.

	31 December 2021	**31 December 2020**
Affiliated dividend liabilities	42	27
Total	**42**	**27**

37 Segment information

The two significant segments of the Company’s activity are IT commerce activity (resale of hardware and software) and the provision of IT services (development, operation, support, assistance, implementation, and other IT services). The effectiveness of the two aforementioned segments is presented hereunder up to the level of direct cost accountable for the activities. The segments-assets are divided in the rate of the accounted depreciation and the sales revenue of the segments for the activities. No activities and over-invoicing have been performed between the segments.

The Company Group has considered whether business entities under some government (including government agencies and similar local, national or international bodies) should be treated as a single customer, as a result of which it has determined that it treats such entities as separate customers by virtue of the fact that they have separate budgets.
None of the customers' turnover exceeded 10% of the income in 2021.

For the year 2021:

Description	**IT services**	**Trade**	**Other activities**	**Total**
Net sales revenue	36 082 744	35 660 783	318 492	72 062 019
Cost of goods sold	0	(29 699 508)	0	(29 699 508)
Intermediations	(21 288 836)	(1 133 921)	(145 165)	(22 567 923)
Other revenues			873 178	873 178
Hedge 1	**14 793 908**	**4 827 353**	**1 046 504**	**20 667 766**
Direct costs	(8 804 193)	(723 374)	(126 284)	(9 653 850)
Hedge 2	**5 989 715**	**4 103 980**	**920 221**	**11 013 915**
Costs and expenditures that cannot be allocated directly to the segments				(7 707 763)
Earnings before interest and tax (EBIT)				**3 306 152**
Financial profit and loss				1 464 833
Profit before tax				**4 770 985**
Segment assets	**17 368 721**	**14 822 354**	**1 161 358**	**33 352 433**
Assets that cannot be allocated to the segments				421 914 240
Assets in total				**455 266 673**
Segment liabilities	**19 366 345**	**15 013 676**	**271 725**	**34 651 746**
Liabilities that cannot be allocated to the segments				**408 041 335**
Liabilities in total				**442 693 080**

For the year 2020:

Description	IT services	Trade	Other activities	Total
Net sales revenue	21 621 892	33 255 067	149 832	55 026 791
Cost of goods sold	0	(27 032 137)	0	(27 032 137)
Intermediations	(12 006 217)	(1 262 121)	(109 925)	(13 379 264)
Other revenues			374 238	374 238
Hedge 1	**9 614 675**	**4 960 808**	**414 145**	**14 989 628**
Direct costs	(6 035 348)	(1 375 038)	0	(7 410 386)
Hedge 2	**3 579 327**	**3 585 770**	**414 145**	**7 579 242**
Costs and expenditures that cannot be allocated directly to the segments				(3 717 964)
Earnings before interest and tax (EBIT)				**3 861 278**
Financial profit and loss				(18 275)
Profit before tax				**3 843 003**
Segment assets	**12 479 409**	**18 191 860**	**430 256**	**31 101 524**
Assets that cannot be allocated to the segments				4 173 075
Assets in total				**35 274 599**
Segment liabilities	**11 566 204**	**15 825 765**	**146 490**	**27 538 459**
Liabilities that cannot be allocated to the segments				**573 013**
Liabilities in total				**28 111 472**

38 Risk management

With the exceptions of the taxes, the liquid assets, trade and other receivables, and other assets are included in the items of assets of the Company. Credits and loans, trade creditors and other accounts payable, with the exception of taxes and the profit or loss arising from the revaluation of the financial liabilities at fair value are accounted for the resources of the Company.

The Company is exposed to the hereinbelow financial risks:

- credit risk
- liquidity risk
- market risk

The hereof chapter is to present the aforementioned risks of the Company, such as objectives, policy, measurement of processes and risk management, and moreover, the realization of capital management of the Company. The Board of Directors undertakes a general responsibility for the areas of establishment, supervision and risk management of the Company.

The aim of the risk management policy of the Company is to filter and investigate those risks which are to be faced by the Company, and, moreover, to adjust the appropriate controls and to supervise the risks in question. The policy and system of the risk management is revised in order to reflect the changed market conditions and the activities of the Company.

Capital management

The policy of the Company is to preserve the share capital in order to keep the trust of the investors and creditors and to ensure the development of the Company. On the basis of the benefits and strong capital position provided by the strong capital position, the management is trying to maintain the policy to undertake higher exposure arisen from loans granted upon higher profits.

The capital structure of the Company consists of net outside capital and own equity of the Company (the issued share capital, reserves and the equity of the non-controlled owners are included in the hereinbefore).

In the course of the Company’s capital management, the Company is trying to ensure for its members to be able to continue their activities and at the same time, and by optimum balancing to maximize the return of the loan capital and own equity for the owners, and in the interest of capital costs reduction, to preserve the optimum capital structure.
As the Company typically finances its activities from external resources, the capital risk became significant in 2021.

Credit risk

The credits risk defines the risk of non-performance in relation to the contractual obligations by the debtor or by the partner and, upon doing so, financial loss for the Company shall be accounted. Regarding those financial assets which are exposed to credit risk shall be accounted for short- or long-term placements, liquid assets, cash equivalents, trade or other receivables.

The book value of the financial instruments shows the maximum risk exposures. The table below shows the Company's maximum exposure to credit risk as at 31 December 2021 and 31 December 2020.

	31 December 2021	31 December 2020
Trade receivables	17 551 804	15 666 552
Other, and affiliated receivables, and accrued and deferred assets	68 880 390	5 594 012
Securities	119 186 346	417 730
Liquid assets and cash equivalents	130 996 883	6 254 927
Total	**336 615 423**	**27 933 221**

Ageing of the trade creditors and other accounts payable upon 31 December 2021 as as follows:

	Debts	Impairment	Total
Not due	15 951 091	0	15 951 091
between 1 and 30 days past due	1 321 054	0	1 321 054
between 30 to 90 days past due	101 390	0	101 390
between 90 and 180 days past due	131 352	0	131 352
between 180 and 360 days past due	50 033	0	50 033
due over 360 days	36 170		36 170
Impairment		(39 286)	(39 286)
Total	**17 591 090**	**(39 286)**	**17 551 804**

By checking continuously the recovery risks of the past due receivables and by the settlement of the impairment, the risk generally decreases.

Classification of customers is continuously performed. The value of the undue trade receivables was 1 721 792,-HUF in thousands, and the rate of the due and undue trade receivables does not account significant value for recovery risk, resulting that all our trade receivables were confirmed or settled until the time of compilation the report. The Company assessed its expected credit-related loss and recognized an impairment loss of 29 286- HUF in thousands in 2021 (see also Note 21).

Liquidity risk

Liquidity risk is the risk of that the Company is unable to perform its financial obligations when they are due. The liquidity management policy of the Company is that, as much as possible, to ensure appropriate liquidity for the due performance of the commitments, even upon ordinary or tight circumstances without producing unacceptable loss or risking the fame of the Company.

Ageing of the trade creditors and other accounts payable on 31 December 2021 is as follows:

	Liabilities
Not due	15 391 575
between 1 and 30 days past due	287 920
between 30 to 90 days past due	253 213
between 90 and 180 days past due	362
between 180 and 360 days past due	689
due over 360 days	35 353
Total	**15 969 112**

Maturity analysis of credits (in thousands of Hungarian Forints):

The Company held the hereinbelow lending capacity and credits claimed at the closure of the period.

	Lending capacity	**Claimed on 31 December 2021**	**Maturity**
Bank overdraft	500 000	0	29 July 2022
Revolving credit	4 620 000	0	29 July 2022
Total	**5 120 000**	**0**	

Measures on credits and loans repayment standstill period undertaken by the government to moderate the economic impact of COVID-19 is not relevant for the credits and loans of the Company, and the repayments were not rescheduled.

The redemption schedule for bonds issued in 2021 is summarised in the table below:

Capital repayments on bonds

Years	4iG NKP bond 2031/I. HU0000360276	4iG M&A Bond 2026 HU0000360813	4iG NKP Bond 2031/II HU0000361019	Total	
2022	0	17 000 000	0		0
2023	0	0	0		0
2024	0	0	0		0
2025	0	0	0		0
2026	1 545 000	0	37 075 000	55 620 000	
2027	1 545 000	0	37 075 000	38 620 000	
2028	1 545 000	0	37 075 000	38 620 000	
2029	1 545 000	0	37 075 000	38 620 000	
2030	1 545 000	0	37 075 000	38 620 000	
2031	7 725 000	0	185 375 000	193 100 000	

In line with its previously announced acquisition strategy, the Company plans to use the proceeds from the bonds still unused for the previously announced acquisitions in 2022. The cash flow and revenue-generating capacity of the acquired companies will ensure that the Company can meet both its interest and capital liabilities from 2026. Interest obligations are shown hereinunder.

Analysis of bank guarantees (in thousands of Hungarian Forints):

The Company has at its disposal a bank guarantee facility of 1 330 000,-HUF in thousands provided by Raiffeisen Bank until 31 July 2027, of which a total of 443 834,-HUF in thousands was drawn down as at 31 December 2021. 4iG Plc. received CIB bank guarantee in the amount of 6 000,-HUF in thousands upon 100 percentage of bank deposit. Regarding Raiffeisen Bank guarantees there is no cash deposit on thereof of the Company.

Market risk

Market risk is the risk that the market prices – as exchange rates, interest rates and the prices of the investments into investment funds, and the changes of the hereof – influence the profit and loss of the Company and the value of the investments into financial instruments. The purpose of the market risk analyses is to handle and check the exposure to the market risk upon acceptable frames while optimizing the profit.

Risk due to the 2019-nCoV (Corona virus) pandemic

In the interest of the prevention of the economic effects of the Corona virus pandemic on the Company, the conditions of home-office work in relation to the workers were established and the hereof work was ordered many times.

Risk due to the war in Ukraine

The Company has no business relations with Ukrainian companies and therefore no direct business risk is perceived.

Sensitivity analysis

The Company shall state that its profit and loss is substantially dependent on two basic financial key factors, namely on the foreign exchange risk and interest rate risk, and sensitivity analysis was carried out on the key factors thereof. With regard to the reduction of the interest rate risk, the Company primarily tries to ensure the herein by depositing free liquid assets.

Exposure to foreign currency of the Company on 31 December 2021 was as follows:

	HUF	EUR	USD	Total
Trade receivables	14 274 916	2 451 833	825 055	17 551 804
Trade creditors and other accounts payable	13 826 657	1 787 677	354 778	15 969 112
Liquid assets	130 849 942	142 215	4 726	130 996 883
Credits (bonds)	405 887 633	0	0	405 887 633

Foreign exchange risk of the Company is significant.

The Company does not employ the rules of hedge accounting.

The impact of the interest received on and provided for on cash flow

Regarding the interest revenues and interest expenses, the Company had the hereof items in relation to financing and investment activities in 2021.

	2021	2020
Interests received (actually accounted)	347 020	12 473
Interests paid	-2 192 310	-37 753
Interest spread	**-1 845 290**	**-25 280**

The interest revenues and interest expenses did not have significant influence on the cash flow of the Company.

As a result of year-end bond issues performed in 2021 interest burdens are larger by far in the following years.

Interest payment for bonds

Years	4iG NKP bond 2031/I. HU0000360276	4iG M&A Bond 2026 HU0000360813	4iG NKP Bond 2031/II HU0000361019	Total
2022	448 050	450 588	22 245 000	23 143 638
2023	448 050	591 600	22 245 000	23 284 650
2024	448 050	544 272	22 245 000	23 237 322
2025	448 050	496 944	22 245 000	23 189 994
2026	448 050	449 616	22 245 000	23 142 666
2027	403 245	0	20 020 500	20 423 745
2028	358 440	0	17 796 000	18 154 440
2029	313 635	0	15 571 500	15 885 135
2030	268 830	0	13 347 000	13 615 830
2031	224 025	0	11 122 500	11 346 525

The cash flow and revenue-generating capacity of the acquired companies will ensure that the Company can meet both its interest and capital liabilities from 2026.

Interest sensitivity analysis

At interest rate rise

Profit before tax (without interests)	6 616 275
Net value of interest expense	(1 845 290)
Profit before tax	**4 770 985**
Assets in total	**453 810 103**
1%	
Profit before tax (without interests)	6 616 275
Net value of interest expense	(1 863 743)
Profit before tax	**4 752 532**
Change in profit before tax	***(18 453)***
Change in profit before tax (%)	***(0.387%)***
Assets in total	***453 791 650***
Change in assets in total	***(18 453)***
Change in assets in total (%)	***(0.004%)***
5%	
Profit before tax (without interests)	6 616 275
Net value of interest expense	(1 937 555)
Profit before tax	**4 678 720**
Change in profit before tax	***(92 265)***
Change in profit before tax (%)	***(1.934%)***
Assets in total	***453 717 838***
Change in assets in total	***((92 265))***
Change in assets in total (%)	***(0.020%)***
10%	
Profit before tax (without interests)	6 616 275
Net value of interest expense	(2 029 819)
Profit before tax	**4 586 456**
Change in profit before tax	***(184 529)***
Change in profit before tax (%)	***(3.868%)***
Assets in total	***453 625 574***
Change in assets in total	***(184 529)***
Change in assets in total (%)	***(0.041%)***

In case of interest rate reduction

-1%	
Profit before tax (without interests)	6 616 275
Net value of interest expense	(1 826 837)
Profit before tax	**4 789 438**
Change in profit before tax	***18 453***
Change in profit before tax (%)	***0.387%***
Assets in total	***453 828 556***
Change in assets in total	***18 453***
Change in assets in total (%)	***0.004%***
-5%	
Profit before tax (without interests)	6 616 275
Net value of interest expense	(1 753 026)
Profit before tax	**4 863 250**
Change in profit before tax	***92 265***
Change in profit before tax (%)	***1.934%***
Assets in total	***453 902 368***
Change in assets in total	***92 265***
Change in assets in total (%)	***0.020%***
-10%	
Profit before tax (without interests)	6 616 275
Net value of interest expense	(1 660 761)
Profit before tax	**4 955 514**
Change in profit before tax	***184 529***
Change in profit before tax (%)	***3.868%***
Assets in total	***453 994 632***
Change in assets in total	***184 529***
Change in assets in total (%)	***0.041%***

Exchange rate sensitivity analysis

Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 423 830
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	2 142 455
Net assets	**12 573 593**
Profit before tax	**4 770 985**

At exchange rate rise

1%	
Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 458 068
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	2 163 880
Net assets	**12 586 407**
Change in net assets	***12 814***
Change in net assets (%)	***0.102%***
Profit before tax	***4 783 799***
Change in profit before tax	***12 814***
Change in profit before tax (%)	***0.269%***

5%	
Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 595 022
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	2 249 578
Net assets	**12 637 662**
Change in net assets	***64 069***
Change in net assets (%)	***0.510%***
Profit before tax	**4 835 054**
Change in profit before tax	**64 069**
Change in profit before tax (%)	**1.343%**

10%	
Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 766 213
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	2 356 701
Net assets	**12 701 731**
Change in net assets	***128 138***
Change in net assets (%)	***1.019%***
Profit before tax	***4 899 123***
Change in profit before tax	***128 138***
Change in profit before tax (%)	***2.686%***

At foreign currency decrease

-1%	
Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 389 592
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	2 121 030
Net assets	**12 560 779**
Change in net assets	***(12 814)***
Change in net assets (%)	***(0.102%)***
Profit before tax	***4 758 171***
Change in profit before tax	***(12 814)***
Change in profit before tax (%)	***(0.269%)***

-5%	
Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 252 639
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	2 035 332
Net assets	**12 509 524**
Change in net assets	***(64 069)***
Change in net assets (%)	***(0.510%)***
Profit before tax	**4 706 916**
Change in profit before tax	***(64 069)***
Change in profit before tax (%)	**(1.343%)**

-10%	
Non-monetary and forint-denominated assets	450 386 273
Foreign currency assets	3 081 447
Denominated liabilities in Hungarian Forints	439 094 055
Foreign currency liabilities	1 928 210
Net assets	**12 445 456**
Change in net assets	***(128 138)***
Change in net assets (%)	***(1.019%)***
Profit before tax	***4 642 848***
Change in profit before tax	***(128 138)***
Change in profit before tax (%)	***(2.686%)***

39 Financial instruments

Financial instruments shall respectively include financial investments, and trade receivables, loans, advance payments, bank deposits, securities and liquid assets, and loans and credits received, credit and loan, trade creditors and other accounts payable, advances received and other financial liabilities concerning current assets. With regards to the Company, the evaluation of the financial instruments is to be performed in line with the requirements of IFRS 9 in the books at the end of the period, and it shall be accounted accordingly.

Financial Instruments

2021.12.31		At fair value through profit or loss FVTPL	Loans, receivables and liabilities shown at depreciated historical value Costs depreciated historical value	Fair value through other comprehensive profit or loss FVTOCI*	Book value total
Book value of financial instruments					
Financial assets					
Other financial investments	Equity instruments			-	-
	Loans granted		61 896 523	-	61 896 523
	Deposits			-	-
	Financial lease receivables			-	-
	Other			-	-
Financial investments in total		**-**	**61 896 523**	**-**	61 896 523
Trade and other receivables			17 551 804	-	17 551 804
Financial lease receivables				-	-
Liquid assets and cash equivalents			250 166 079	-	250 166 079
Equity instruments, securities		17 150		-	17 150
Other short-term financial instruments	Loans granted		59 369	-	59 369
	Advance payments		1 896 774	-	1 896 774
	Lease charge deposit		185 512	-	185 512
	Affiliated receivables		1 437 732	-	1 437 732
	Other		96 753	-	96 753
Short-term financial instruments in total		**17 150**	**271 394 023**	**-**	271 411 173
Financial instruments in total		**17 150**	**333 290 546**	**-**	**333 307 696**

Financial liabilities	-	-	-	-
Financial lease liabilities		3 525 125	-	3 525 125
Other long-term financial liabilities		405 887 633	-	405 887 633
Long-term financial liabilities in total	-	**409 412 758**	**-**	**409 412 758**
Trade creditors and other obligations	-	15 969 112	-	15 969 112
Loans (short-term credits)	-	-	-	-
Advance payments received from customers	-	5 396 202	-	5 396 202
Advance payments received from central budget	-	366 898	-	366 898
ESOP liabilities		865 740	-	865 740
Financial lease liabilities	-	819 972	-	819 972
Other short-term financial liabilities	-	4 731 793	-	4 731 793
Short-term financial liabilities in total	**-**	**28 149 717**	**-**	28 149 717
Financial liabilities in total	**-**	**437 562 475**	**-**	437 562 475

Financial Instruments

2020.12.31		At fair value through profit or loss	Loans, receivables and liabilities shown at depreciated historical value costs	Fair value through other comprehensive profit or loss	Book value
		FVTPL	depreciated historical value	FVTOCI*	total
Book value of financial instruments					
Financial assets					
Other financial investments	Equity instruments	-	-	-	-
	Loans granted	-	240 805	-	240 805
	Deposits	-	6 000	-	6 000
	Financial lease receivables	-	-	-	-
	Other	-	19 768	-	19 768
Financial investments in total		**-**	**266 573**	**-**	266 573
Trade and other receivables		-	15 666 552	-	15 666 552
Financial lease receivables		-	-	-	-
Liquid assets and cash equivalents		-	6 254 927	-	6 254 927
Equity insturments, securities		417 730	-	-	417 730
Other short-term financial instruments	Loans granted	-	3 278	-	3 278
	Advance payments	-	1 922 445	-	1 922 445
	Lease charge deposit	-	89 052	-	89 052
	Other	-	683 585	-	683 585
Short-term financial instruments in total		**417 730**	**24 619 839**	**-**	25 037 569
Financial instruments in total		**417 730**	**24 886 412**	**-**	25 304 142
Financial liabilities		-	-	-	-
ESOP liabilities		-	344 813	-	344 813
Financial lease liabilities		-	182 724	-	182 724
Other long-term financial liabilities		-	-	-	-
Long-term financial liabilities in total		- -	**527 537**	**-**	**527 537**
Trade creditors and other obligations		-	18 029 487	-	18 029 487
Loans (short-term credits)		-	2 970 000	-	2 970 000
Advance payments received from customers		-	2 183 710	-	2 183 710
Advance payments received from central budget		-	573 341	-	573 341
Financial lease liabilities		-	312 265	-	312 265
Other short-term financial liabilities		-	397 538	-	397 538
Short-term financial liabilities in total		-	**25 755 387**	-	25 755 387
Financial liabilities in total		-	**26 282 924**	-	26 282 924

Fair value hierarchy

	31 December 2021				31 December 2020			
	1st level Not modified quoted active market price	2nd level Assessment processes based on available and monitored market data	3rd level Assessment processes based on not available and not monitored mrket data	Fair value in total	1st level Not modified quoted active market price	2nd level Assessment processes based on available and monitored market data	3rd level Assessment processes based on not available and not monitored market data	Fair value in total
Financial assets								
Equity instruments		–	–		–	–	–	–
Equity instruments, securities		17 150	–	17 150	–	–	417 730	417 730
Derivative transactions	–	–	–	–	–	–	–	–
Financial instruments in total	**-**	**17 150**	**-**	**17 150**	**-**	**-**	**417 730**	**417 730**
Financial liabilities	–	–	–	–	–	–	–	–
Derivative transactions	–	–	–	–	–	–	–	–
Financial liabilities in total	–	–	–	–	–	–	–	–

40 Transactions with subsidiaries

Transactions with affiliated parties in 2021 were as follows:

with ACE Network Plc.	**Amount**
Income:	952
Supply	860 662
Interest expense	687

with 4iG Montenegro d.o.o.	**Amount**
Interest revenue	19 899

with CarpathiaSat Ltd.	**Amount**
Income:	1 063
Other operating income	547

with DOTO Systems Plc.	**Amount**
Income:	17 488
Contracted subcontractors	54 263
Interest revenue	13 503

with DTSM Ltd.	**Amount**
Internal service	6 818
Other operating income	6 986
Expenditures	146 654
Interest received	500

with Humansoft Szerviz Ltd.	**Amount**
Income:	8 445

with INNObyte Plc.	Amount
Income:	58 858
expenditures	1 110 585
Interest revenue	532

with Portuguese Telecommunication Investments Ltd.	Amount
Interest revenue	35 286

with Poli Computer PC Ltd.	Amount
Income:	1 408
expenditures	25 499

with Hungaro DigiTel Ltd.	Amount
Income	25 499

with Invitech ICT Services Ltd	Amount
Income:	470
Expenditures	8 332
Interest revenue	87 788

with TR Consult Ltd.	Amount
Income:	39 171
expenditures	4 300

with Veritas Consulting Ltd.	Amount
Income:	21 290
expenditures	95 619
Interest revenue	801

Other related party transactions can be found in point 42.

41 Contingent assets and contingent liabilities

On 31 December 2021, regarding the unclosed legal transactions and legal proceedings of 4iG Plc. in relation to inheritance from its merged subsidiary company upon acquisition, namely from HUMANsoft Ltd., were as follows:

	Type	Description	Return / cost	Date	Company
As plaintiff	under enforcement	credits and its interests	33 000 000	in progress	Infokom-Innovátor Nonprofit Ltd.

4iG Plc. initiated liquidation proceedings against Infokom, in 2020 the Company sold its receivables from Infokom, therefore it proposed to terminate the liquidation proceedings.
In addition, the Company initiated liquidation proceedings against more non-paying companies.

42 Key management personnel and their remuneration

The Company has identified the following key management personnel (CEO, members of the Board of Directors, Supervisory Board and Audit Committee) for whom the remuneration paid or payable for services rendered by employees during the period is set out below:

Renumeration of 4iG Plc. executive officers

in 2021, in HUF

Name	Company	Position	Wage	Honorarium	Remuneration fee	Other benefits	Total
Jászai Gellért	4iG	Chairperson and Chief Executive Officer	36 342 000	2 400 000		420 000	39 162 000
Linczényi Aladin	4iG	Member of the Board of Directors	97 428 468	2 100 000		420 000	99 948 468
Blénessy László		Member of the Board of Directors	25 350 000	2 100 000		420 000	27 870 000
Fekete Péter Krisztián		Member of the Board of Directors	36 150 000	2 100 000		420 000	38 670 000
Tóth Béla Zsolt	4iG	Member of the Board of Directors	23 968 968	2 100 000		420 000	26 488 968
Pedro Vargas Santos David	4iG	Member of the Board of Directors		1 417 500			1 417 500
Simon Zoltán	4iG	Chairperson of the Supervisory Board and Audit Committee		2 100 000	42 772 000		44 872 000
Kunosi András		Member of the Supervisory Board and Audit Committee		1 860 000	20 506 500		22 366 500
Büdyné (Tóthné) dr. Rózsa Ildikó	4iG	Chairperson of the Supervisory Board and Audit Committee		1 860 000			1 860 000
Total			**219 239 436**	**18 037 500**	**63 278 500**	**2 100 000**	**302 655 436**

Transactions of officers in key positions with companies of other interest in the course of 2021:

Customer turnover:
iKON Befektetési Alapkezelő Zrt. – 885,-HUF in thousands

Customer turnover:
MNTVD2C Zrt. – 534 697,-HUF in thousands
Torento Property Kft. – 99 927,-HUF in thousands
FLZM53 Ingatlanhasznosító és Üzemeltető Kft. – 9 000 HUF in thousands
Ergonom Munkavédelmi Szog. KFT. – 280,-HUF in thousands
REPRO Ingatlanhasznosító és Üzemeltető Kft. – 7 067 HUF in thousands

43 Continuing the enterprise

In light of the impact of the Corona Virus situation and the war in Ukraine, and after considering other market and liquidity risks, the Company has assessed and made estimates as to whether there is any material uncertainty as to its ability to continue the enterprise and has concluded that it is appropriate to assume that it will continue as an enterprise for the foreseeable future and that there is no material uncertainty.

44 Off-balance sheet items

In the course of accounting for share-based payments, the Company treats the ESOP organization according to the "extension approach", i.e. the ESOP program is part of the individual financial statement, so that transactions between 4IG Plc. and ESOP organization are only accounted for as off-balance sheet items, which were as follows during 2021:

- 4iG ESOP organization subscribed for a new issue of 4 million quantity of 4iG shares ISIN HU0000167788 in accordance with the new remuneration program adopted at the Extraordinary General Meeting of 4iG Plc. on 30 September 2021.

In 2021, the Company transferred 65,- HUF in thousands to the maintenance costs of 4iG ESOP Organization.

On 21 December 2021, the Company signed an option sale agreement for the transfer of 50% of the shares and control rights of a subsidiary owned by the Company. Under the agreement, the option is exercisable from 1 April 2022 until the end of 2022. Under the agreement, the partner is entitled to exercise the option at current market value and therefore the Company has not recognised a value in the financial statements in relation to the option. The integration of the subsidiary and the parent company has been practically completed during the year 2021, therefore, even if the option were to be exercised later, the transfer of control of the subsidiary would only take place over a longer period of time and therefore has no impact on the 2021 financial statements.

45 Events after the balance sheet day

45.1 Acquisition of 100% ownership of DIGI Távközlési és Szolgáltató Kft. (in English: DIGI Telecommunications and Service Ltd.) and its subsidiaries (3 January 2022)

4iG Plc. acquired the business share of DIGI Távközlési Szolgáltató Kft. (hereinafter referred to as: "DIGI") and its subsidiaries, that is Invitel Zrt. (in English: Invitel Plc.), I TV Zrt. (in English: I TV Plc.) and DIGI Infrastruktúra Kft. (in English: DIGI Infrastructure Ltd.) constituting 100% of its issued share capital.

45.2 Board of Directors' decision on share capital increase (25 January 2022)

On 24 January 2022, by its Board of Directors Resolution No. 6/2022 (I.24.), in view of the General Meeting Resolution No. 21/2021 (IX.30.) adopted on 30 September 2021, the Board of Directors of 4iG decided to increase its share capital by 77 999 999 700,-HUF, i.e. Seventy-Seven-Billio-Nine-Hundred-Ninety-Nine-Million-Nine-Nundred-Ninety-Nine-Thousand-Seven-Hundred Hungarian Forints, made available to 4iG by iG COM Magántőkealap (in English: iG COM Private

Equity Fund) (registered office: 1037 Budapest, Montevideo utca 8.; registration number: 6122-162; registration authority: Magyar Nemzeti Bank (in English: Hungarian National Bank); administrator: 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/) by way of a cash contribution, by placing new shares in a private placement.

Within the framework of the share capital increase, which will be implemented by the issue of 116 417 910,-quantity, i.e. One-Hundred-Sixteen-Million-Four-Hundred-Seventeen-Thousand-Nine-Hundred-and-Ten shares of 4iG with a nominal value of 20,-HUF, i.e. Twenty Hungarian Forints, and an issue value of 670,-HUF, i.e. six hundred and seventy Hungarian Forints (the "New Shares"), the share capital (issued capital) of 4iG will be increased by the amount of 2 328 358 200,-HUF, i.e. Two-Billion-Three-Hundred-Twenty-Eight-Million-Three-Hundred-Fifty-Eight-Thousand-Two-Hundred Hungarian Forints, with the excess of the cash contribution over the amount of the share capital increase, 75 671 641 500,-HUF, i.e. Seventy-Five-Billion-Six-Hundred-Seventy-One-Million-Six-Hundred-Forty-One-Thousand-Five-Hundred Hungarian Forints, being transferred to the capital reserve of 4iG.

In the context of the capital increase, iG COM Magántőkealap (in English: iG COM Private Equity Fund) has undertaken the obligation not to sell the 4iG shares it acquires in the course of the capital increase for a period of one (1) year from the date of the resolution on the capital increase (the "Lock-Up Period").

45.3 Signing of the contract for the acquisition of a 25.12% stake in 4iG Plc. (25 January 2022)

Following the successful due diligence of 4iG Plc., a package of contracts for the acquisition of the 25.12% stake in 4iG as a result of a multi-stage process was signed between, among others, the investment company of Jászai Gellért Zoltán, KZF Vagyonkezelő Ltd. (in English: KZF Asset Management Ltd.), 4iG and Rheinmetall AG. Rheinmetall AG. Rheinmetall AG will acquire a 25.12 percent stake in 4iG through share purchase and capital increase, making it the largest international investor in the Hungarian IT and telecommunications group. The closing of the multi-stage transaction is conditional on the approval by the General Meeting of 4iG of the new articles of association and the new supervisory board member of 4iG and the consent of the Ministry of the Interior to the acquisition of Rheinmetall AG under the law on the control of foreign investments that are detrimental to Hungary's security interests.

According to the agreements, Rheinmetall AG will purchase 4iG shares from KZF Vagyonkezelő Ltd. in an over-the-counter (OTC) transaction. Rheinmetall AG will also participate in a multi-stage capital increase worth a total of 125 billion HUF, in which, as announced in November last year, iG COM Magántőkealap (in English: iG COM Private Capital Fund) and a fund managed by Alpac Capital will participate alongside Rheinmetall AG. The capital increase by share premium will be carried out by placing 4iG shares with an issue value of 670,-HUF. The main steps of the transaction series are:

- iG COM Magántőkealap will carry out a capital increase of 78 billion HUF in 4iG, with a lock-up period of 1 year for the share package to be acquired through the capital increase;
- 4iG convenes a General Meeting to have the new articles of association of 4iG and the new supervisory board member nominated by Rheinmetall AG approved by the shareholders of 4iG;

• Following a positive decision by the General Meeting, Rheinmetall AG purchases 24.9 million shares in an over-the-counter (OTC) transaction from the investment company of Jászai Gellért Zoltán, KZF Vagyonkezelő Ltd., and raises capital in 4iG to the amount of 33.65 billion HUF, with a 24-month lock-up period for the share package acquired through the share purchase and capital increase;
• The fund managed by Alpac Capital will increase the capital of 4iG by 13.24 billion HUF.

On 21 December 2021, the Company signed an option sale agreement for the transfer of 50% of the shares and control rights of a subsidiary owned by the Company at market value. Subsequent to the balance sheet date, the Company terminated this option with effect from 11 February 2022 before expiry due to a change in its strategic interests and therefore agreed to compensate the partner with a consideration of HUF 13.2 billion, in which amount the partner will increase the Company's capital.

As a result of the share package sale and the capital increase, the indirect ownership of Jászai Gellért Zoltán in 4iG is expected to decrease from 56.85 percent to 50.22 percent, so his influence over 4iG will not change significantly. Rheinmetall AG's stake in 4iG will amount to 25.12 percent.

45.4 Signing of a non-binding Term Sheet Termination Agreement for the acquisition of 70% of TeleGroup Limited and 70% of TeleGroup Banja Luka (28 January 2022)

4iG Plc. and Milomir Gligorijević (collectively the "Parties") have signed a joint termination agreement (hereinafter referred to as: the "Termination Agreement") on the joint termination of a non-binding agreement (the "Term Sheet") dated 20 September 2021 relating to the acquisition of 70% of the shares of TeleGroup Limited and TeleGroup Banja Luka ("TeleGroup"), including its subsidiaries.)

45.5 Publication of the Articles of Association (2 February 2022)

4iG Plc. has published its new Articles of Association.

45.6 Share capital increase registered by the Company Registry Court (2 February 2022)

With regard to the decision of the Board of Directors concerning the share capital increase published on 25 January 2022, the Company Registry Court, by its order No. Cg.01-10-044993/302, approved the registration of the changes in connection with the increase of the share capital of 4iG by the issue of new shares, and the share subscription and listing processes will therefore commence.

45.7 Information on the share subscription and share transfer agreement for the acquisition of the majority stake in "ANTENNA HUNGÁRIA" Zrt. (in English: ANTENNA HUNGÁRIA Plc.) (2 February 2022)

The Share Purchase Agreement concluded between AH and MVM Zrt. (in English: MVM Plc.), aimed at the acquisition of the 100% share package of AH NET Zrt. (in English: AH NET Plc.) (formerly known as MVM NET Zrt., in English: MVM NET Plc.), which, according to the official information of the Hungarian State, remains valid and in force, is still a part of the share subscription and transfer agreement concluded between 4iG and the Minister without Portfolio responsible for the Management of National Assets, acting on behalf of the Hungarian State, exercising the owner’s rights over "ANTENNA HUNGARIA" Zrt. ("AH"), on 1 September 2021.

45.8 EDISON Group analysis (09 February 2022)

EDISON Investment Research Limited, one of the world's biggest investment research, investor relations and consulting firms performed another analysis on 4iG Plc., which is available via the hereinunder link in English as follows:
4iG – New regional ICT/telecoms group emerging | Edison (edisongroup.com)

45.9 Signing of the amendment to the contract for the acquisition of 51% of the shares of Space-Communications Ltd. (09 February 2022)

Hungaro Digitel Kft. (in English: Hungaro Digitel Ltd.) (hereinafter referred to as: "the Purchaser", "HDT"), a subsidiary of 4iG and Antenna Hungária Plc. and Space-Communication Ltd (hereinafter referred to as: "Spacecom") (HDT and Spacecom together the "Parties"), have today signed an amendment to the contract entered into between the Parties on 11 October 2021 for the acquisition of 51% of the shares of Space-Communications Ltd.
Pursuant to the Amendment, the Parties have agreed to extend the deadline for the fulfilment of the closing conditions until 28 February 2022.

45.10 On the acquisition of the majority stake in ANTENNA HUNGÁRIA Zrt. as a result of a capital increase by way of contribution (22 February 2022)

Mager Andrea, Minister without Portfolio responsible for the Management of National Assets, on behalf of the Hungarian State, and 4iG have agreed on the closing of the implementation of the share subscription and share transfer agreement (hereinafter referred to as: the "Closing Agreement") in connection with the acquisition of 4iG's stake in "ANTENNA HUNGÁRIA" Zrt. (hereinafter referred to as: "ANTENNA HUNGÁRIA Zrt."). As the first step, 4iG will acquire a 71.6 percentage stake in ANTENNA HUNGÁRIA Zrt. by way of capital increase through contribution of its 100% shares in DIGI Távközlési és Szolgáltató Kft. and its subsidiaries (Invitel Zrt., DIGI Infrastruktúra Kft., and i-TV Zrt, hereinafter collectively referred to as: "DIGI Group"), in 4iG Montenegro d.o.o. Podgorica (hereinafter referred to as: "4iG Montenegro"), which is the sole owner of Telenor d.o.o. Podgorica (hereinafter referred to as: "Telenor Montenegro"), and Invitech ICT Services Kft. (in english: ICT Services Ltd.) ('Invitech').

45.11 Board of Directors' decision on share capital increase (23 January 2022)

With view to General Meeting Resolution No. 21/2021 (IX.30.) adopted on 30 September 2021, with its Board of Directors Resolution No. 2/2022. (II.23.), on 23 February 2022, the Board of Directors of 4iG resolved to increase its share capital by Rheinmetall Aktiengesellschaft (registered office: Rheinmetall Platz 1., Düsseldorf, Germany DE-40476; registration number: HRB 39401) making available to 4iG 33 650 000 270,-HUF, i.e. Thirty-Three-Billion-Six-Hundred-and-Fifty-Million-Two-Hundred-and-Seventy Hungarian Forints in the form of a cash contribution, by issuing new shares in a private placement. The capital increase of Rheinmetall Aktiengesellschaft is part of a multi-stage transaction announced on 25 January 2022, in which institutional investors will implement capital increase in the total amount of 125 billion in 4iG Plc.

45.12 Extraordinary general meeting (24 February 2022)

4iG Plc. held an Extraordinary General Meeting on 30 September 2022, at which the following main resolutions were adopted:

General Meeting Resolution No. 3/2022 (II.24.):

The General Meeting adopted the Remuneration Policy of the Company by means of an opinion voting in accordance with the content of the proposal.

General Meeting Resolution No. 4/2022 (II.24.):

The General Meeting elected Helmut Paul Merch (mother's name: Edith Siegel; date of birth: 20 February 1956; residential address: Rheinmetall Platz 1, 40476 Düsseldorf, Germany; tax number: 122/5413/5635; agent for service of process: CMS Cameron McKenna Nabarro Olswang LLP Hungary Branch) as a new member of the Supervisory Board of the Company for an indefinite term of office as of 24 February 2022. The remuneration of the members of the Supervisory Board is set by the Board of Directors in Board of Directors Resolution No. 5/2020 (XI.25.), adopted by the Board of Directors with the authority of the General Meeting, at 155 000,-HUF gross/month.

General Meeting Resolution No. 5/2022 (II.24.):

The General Meeting repealed General Meeting Resolution No. 21/2021 (IX.30.).

General Meeting Resolution No. 6/2022 (II.24.):

The General Meeting repealed General Meeting Resolution No. 23/2021 (IX.30.).

General Meeting Resolution No. 7/2022 (II.24.):

The General Meeting resolved to authorise the Board of Directors for a period until 31 May 2022 to increase the share capital of the Company, by any method(s) of capital increase permitted by law, including conditional capital increase, (i) by issuing 19 761 381,- quantity ordinary shares with a nominal value of 20,-HUF, i.e. twenty Hungarian Forints each and an issue value of 670,-HUF, i.e. Six-Hundred-Seventy Hungarian Forints (Series A), granting the same rights, in private placement, (ii) 9 463 882,- quantity ordinary shares with a nominal value of 20,- HUF, i.e. Twenty Hungarian Forints each and an issue value of 850,- HUF, i.e. Eight-Hundred-Fifty Hungarian Forints (Series A), granting the same rights, by granting which authorisation the General Meeting, that is the shareholders expressly consent to the increase of the share capital to be decided by the Board of Directors in accordance with this resolution. 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. 8/2022 (II.24.):

The General Meeting adopted the amended Articles of Association of the Company, which were published after the General Meeting.

General Meeting Resolution No. 9/2022 (II.24.):

The General Meeting adopted the consolidated text of the Rules of Procedure of the Supervisory Board, in force, as amended, with the content as presented.

45.13 Board of Directors' decision on share capital increase (23 January 2022)

On 25 February 2022, 4iG incorporated a Hungarian subsidiary company registered by Fővárosi Törvényszék Cégbírósága (in English: Company Registry Court of Budapest-Capital Regional Court) named 4iG Albania Private Limited Liability Company.

45.14 EDISON Group analysis (28 February 2022)

EDISON Investment Research Limited, one of the world's biggest investment research, investor relations and consulting firms performed another analysis on 4iG Plc., which is available via the hereinunder link in English as follows:
4iG – Another major building block falls into place | Edison (edisongroup.com)

45.15 Closing of the transaction for the acquisition of a 25.12% shareholding in 4iG Plc (03 March 2022)

Rheinmetall AG has acquired from KZF Vagyonkezelő Ltd. the ownership of a total of 24 901 188,- quantity i.e. twenty-four million nine hundred and one thousand one hundred and eighty-eight quantity dematerialized ordinary shares of series A, with a nominal value of 20,-HUF per each, having the code of ISIN HU0000167788, with identical rights, already listed on the Budapest Stock Exchange.

45.16 Acquisition of 80.27 per cent of the block of shares of ALBtelecom sh.a and further decision of the Board of Directors regarding the share capital increase (03 March 2022)

Following the approval of the Albanian authorities, 4iG Plc. has today acquired an 80.27 percent block of shares in ALBtelecom sh.a ("ALBtelecom"). The Board of Directors decided to increase the share capital in a private round.

45.17 Indirect acquisition of a 99.899 per cent block of shares in One Telecommunications sh.a. (21 March 2022)

4iG Plc. acquired 100 per cent of the shares in Albania Telekom Invest AD following the successful procedure before the Albanian Competition Authority and the financial closing of the transaction. Albania Telekom Invest AD is the owner of 99.899 percent of the shares of One Telecommunications sh.a. (hereinafter referred to as: ONE). By the transaction closure, 4iG has indirectly acquired the Albanian ONE mobile operator.

45.18 Extraordinary general meeting (31 March 2022)

4iG Plc. held an Extraordinary General Meeting on 31 March 2022, at which the following main resolutions were adopted:

General Meeting Resolution No. 2/2022 (III.31.):

The General Meeting hereby adopts the final balance sheet and the inventory of assets and liabilities and its final financial statements of TR Consult Limited Liability Company.

The General Meeting hereby adopts the final balance sheet and the inventory of assets and liabilities and its final financial statements of DOTO Systems Private Limited Company.

General Meeting Resolution No. 4 and 5/2022 (III.31.):

The General Meeting hereby adopts the final balance sheets and inventories of assets and liabilities and the issuance of the auditor's report thereon, including the auditor's report itself regarding TR Consult Limited Liability Company and DOTO Systems Private Limited Company in connection with their merger into the Company as of 31 December 2021.

General Meeting Resolution No. 6/2022 (III.31):

The General Meeting hereby resolves to authorize the Board of Directors to acquire the Company's own shares for the following reasons:
I. to use the own shares as acquisition consideration, or
II. to preserve the Company's flexibility for possible further capital structure optimization, redemption and/or investments of shares, or
III. the Company, in addition to the existing options, has further possibility to establish and operate share-based incentive systems, or
IV. to allow the Company to establish or change share-like or hybrid financing instruments and other investment structures.

The General Meeting hereby resolves to authorize the Board of Directors to acquire own shares as follows (Section 3:223 (1) of the Hungarian Civil Code):
I. Method of acquiring own shares: own shares may be acquired for consideration and free of charge, in exchange trading, by public offer or, unless the law excludes it, in over-the-counter trading, including by exercising a right secured by a financial instrument entitling the holder to acquire own shares (e.g. option right, conversion right, etc.).
II. The authorization shall entitle to acquire shares of all types and nominal values issued by the Company.
III. The quantity (number) of shares that may be acquired under the authorization: the total nominal value of the own shares held by the Company may not exceed 25% of the share capital at any time.
IV. The duration of the authorization shall be 18 months from the date of the resolution of the General Meeting.

If the share is acquired for consideration, the lowest amount of consideration payable for a share is 1,- HUF (i.e. one Hungarian Forint), the highest amount may not exceed 150% of the highest of the following:
1. the price of the highest of the transactions regarding 4iG shares concluded on the Budapest Stock Exchange ("BSE") on the transaction date, or
2. the highest average price of the daily turnover-weighted average prices for 4iG shares of the 90 BSE trading days preceding the day of the transaction, or
3. the turnover-weighted average price of 4iG shares for the 90 BSE trading days preceding the date of (i) the conclusion of a contract (including, in particular, a sales agreement, option right or other security agreement) on the basis of which the own shares were acquired, or (ii) the acquisition of financial instruments giving the right to acquire own shares, or (iii) exercise of the option right or pre-emptive right, the exercise of the rights granted by the security agreement or the exercise of the financial instruments giving the right to acquire own shares, or, or
4. 4. the closing price of 4iG shares for the BSE trading days preceding the date of (i) the conclusion of a contract (including, in particular, a sales agreement, option right or other security agreement) on the basis of which the own shares were acquired, or (ii) the acquisition of financial instruments giving the right to acquire own shares, or (iii) exercise of the option right or pre-

emptive right, the exercise of the rights granted by the security agreement or the exercise of the financial instruments giving the right to acquire own shares.
The authorization shall be subject to all the related issues and resolutions on decisions otherwise referred to the scope of the general meeting.

General Meeting Resolution No. 7/2022 (III.31.):

The General Meeting amended Articles 1.4 and 11.10.2 of the Articles of Association of the Company and published the amended Articles of Association.

45.19 Increase of share capital (1 April 2022)

The Board of Directors of 4iG Plc. decided on 1 April 2022 with the Board of Directors' Decision No. 3/2022 (IV.01.) in view of the authorization granted to it in the General Meeting resolution No. 7/2022 (II.24.) to privately increase the share capital by making available to 4iG a claim of 13 240 124 600,- HUF - equivalent to 37 500 000,- EUR at an exchange rate of 353,07 EUR/HUF - (the "Claim") provided by Bartolomeu Investments Limited Liability Company (registered office: 1085 Budapest, Kálvin square 12., company registration number: 01-09-347440, “Bartolomeu”) as a contributor by way of a non-cash contribution, by placing new shares on market (the "Share Capital Increase"). 4iG has previously informed capital market participants of the multi-step capital increase on 25 January 2022, whereby Bartolomeu, owned by a fund managed by Alpac Capital, will participate in the current Share Capital Increase.

46 Authorization for the financial statement disclosure

On 8 April 2022, the Board of Directors of the Company approved the publication of the financial statements in its present form.

47 The IFRS registered chartered accountant being responsible for the compilation of the report is as follows:

Piros Ferenc
2097 Pilisborosjenő, Tulipán köz 1.
IFRS chartered accountant registration number: 145011

48 Persons being entitled to sign the herein report:

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

49 Additional data

49.1 General additional notes

Name of the company:	4iG Nyilvánosan Működő Részvénytársaság (in English: 4iG Public Limited Company) (former FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. (in English: FreeSoft Plc. and Fríz 68 Service Provider and Trading Limited Company by shares))
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 4. 1037 Budapest, Montevideo utca 6. 1107 Budapest, Somfa utca 10.
Branch businesses:	8000 Székesfehérvár, Seregélyesi út 96. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-44
Statistical 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

At the time of the completion date of the herein notes to the financial statements, 4iG Plc. is a publicly listed company in Premium Section at Budapest Stock Exchange.

49.2 Information on shares

Type of shares:	registered equity share, dematerialized
Nominal value of the shares:	20 Hungarian Forints/quantity
Quantity of the shares:	103 207 921,- quantity
ISIN-code of the shares:	HU 0000167788
Series of the shares:	“A”
Serial number of the shares:	0000001 – 103207921

Repurchased own shares: 857 078,- quantity

Held by 4iG ESOP Organization 4 000 000 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 represents the issued share capital in full, and there are not be other existing issued equity holding at 4iG Plc.
- Purchase of the shares is not restricted, there are not rights of first refusal, but the transfer of the shares shall be exclusively performed after 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. (in English: Central Clearing House and Depository Plc.).
- Particular management rights are not specified.
- We are not aware of any shareholder's agreement related to management rights.
- Employee Stock Option Program has been operating since 2020 at the Company.
- There are no restrictions in relation to voting rights, with that, no voting rights are attached to repurchased own shares. As of 31 December 2020, the quantity of repurchased own shares of the Company was amounted to 857,078,- quantity. Shares held by 4iG ESOP Organization amounting to 4,000,000,- quantity have voting rights.
- 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 by simple majority by the General Meeting.
- Operational management of the Company is performed by the Board of Directors.
- The General Meeting, on the basis of the submission of the General Meeting, makes decision on the share capital increase. There is no need of the General Meeting decision regarding the performance of the share capital increase, if, in line with the authorization of the 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 is 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, commencing as of the day of the general meeting decision. The aforementioned purchase is primarily performed by means of exchange transactions at a minimum exchange rate 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. At 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 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 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.

- With regard to the general meeting held on 26 July 2018, the Company made a 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 were traded at the nominal value of 100,-HUF per quantity in standard section at Budapest Stock Exchange as at 5 October 2018.
  The general meeting of the Company, held on 25 April 2019, made decision on the split of the shares. By virtue of the hereof, 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 as of 17 June 2019.
  The CEO of Budapest Stock Exchange reclassified 4iG shares into Premium category as of 19 June 2019.

49.3 Scope of activities

Main scope of activities of the Company: **6201 '08 Computer programming services**

On the basis of Gazdasági Tevékenységek Egységes Ágazati Osztályozási Rendszere (in English: the General Industrial Classification of Economic Activities) (TEÁOR) (in English: NACE classification) the other scopes of activities are as follows:

2620 '08	Manufacture of computers and peripheral equipment
2823 '08	Manufacture of office machinery and equipment (except computers and peripheral)
3320 '08	Installation services of industrial machinery and equipment
4651 '08	Wholesale trade services of computers, computer peripheral equipment and software
4741 '08	Retail trade services of computers, peripheral units and software in specialised stores
4690 '08 4741 '08	Non-specialized wholesale trade

	Retail trade services of computers, peripheral units and software in specialised stores
4742 ‘08	Retail trade services of telecommunications equipment in specialised stores
5811 ‘08	Book publishing services
5812 ‘08	Publishing directories and mailing lists
5821 ‘08	Publishing services of computer games
5829 ‘08	Other software publishing services
6203 ‘08	Computer facilities management activities
6209 ‘08	Other information technology and computer service activities
6311 ‘08	Data processing, hosting and related activities
6312 ‘08	Web portal content
6420 ‘08	Services of holding companies
6920 ‘08	Accounting, bookkeeping and auditing services, tax consultancy
7021 ‘08	Public Relations and communication services
7022 ‘08	Business and other management consultancy services
7219 ‘08	Research and experimental development services in other natural sciences and engineering
7490 ‘08	Not elsewhere classified other professional, scientific and technical activities
7830 ‘08	Other human resource provision and management services
8532 ‘08	Technical and vocational secondary education services
8551 ‘08	Sports and recreation education services
8552 ‘08	Cultural education services
8559 ‘08	Not elsewhere classified, other education services
8560 ‘08	Educational support services
9511 ‘08	Repair services of computers and peripheral equipment
4110 ‘08	Development of building projects
4312 ‘08	Site preparation works
5819 ‘08	Other publishing services

5911 ‘08	Motion picture, video and television programme production services
6202 ‘08	Computer consultancy services
6820 ‘08	Rental and operating services of own or leased real estate
7112 ‘08	Engineering services and related technical consulting services
7120 ‘08	Technical testing and analysis services
7311 ‘08	Services provided by advertising agencies
7733 ‘08	Rental and leasing services of office machinery and equipment (including computers)
8230 ‘08	Conventions and trade show organisation services
9499 ‘08	Not elsewhere classified, services furnished by other membership organisations

49.4 Officers, controlled business associations

49.4.1 Officers in 2021

Board of Directors:	Jászai Gellért, chairperson of the board of directors, chief executive officer
	Tóth Béla Zsolt, member of the board of directors
	Linczényi Aladin, 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
Audit Committee:	Simon Zoltán, chairperson of the Audit Committee
	Kunosi András, member
	Tóthné dr. Rózsa Ildikó, member

49.4.2 Remuneration of the officers in 2021

The remuneration of the members of the Board of Directors, Supervisory Board and Audit Committee of the Company in the said period is as follows. In line with the General Meeting Resolution No. 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 the amount of 200,000,-HUF per month. In line with the General Meeting Resolution No. 42./2014(10.27), 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 the amount of 175 000,-HUF per month. The members of the audit committee are not entitled to receive any renumeration for their work performed in the audit committee.

49.5 Persons entitled to sign the 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.

49.6 Data of subsidiaries on the balance sheet day

Name of the subsidiary company	Registered office	Capital shareholding 2021	Capital shareholding 2020	Notes
4iG Montenegro Doo	Seika Zaida 2, Podgorica	100%	n.d.	Incorporated: 08 October 2021
ACE Network Plc.	1124 Budapest, Lejtő út 17/A. III. em.	70%	n.d.	Acquired: 14 April 2021
CarpathiaSat Ltd.	1037 Budapest, Montevideo u. 8.	51%	51%	Incorporated: 17 August 2020
DOTO Systems Plc.	1037 Budapest, Montevideo u. 8.	100%	60%	Incorporated: 03 July 2019
DTSM Ltd.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired: 07 December 2020
Humansoft Szerviz Ltd.	1037 Budapest, Montevideo u. 8.	100%	100%	Incorporated: 17 April 2019
Hungaro DigiTel Ltd.	2310 Szigetszentmiklós / Lakihegy, Komp u. 2.	75%	n.d.	through PTI Ltd.
INNObyte Plc.	1115 Budapest, Bartók Béla út 105-113. 6. em.	70%	70%	Acquired: 14 October 2020
INNOWARE Ltd.	1113 Budapest, Karolina út 65.	70%	70%	through INNObyte
Invitech ICT Services Ltd	2040 Budaörs, Edison utca 4.	100%	n.d.	Acquired: 30 September 2021
InviTechnocom Ltd.	2040 Budaörs, Edison utca 4.	100%	n.d.	through Invitech
Poli Computer PC Ltd.	1037 Budapest, Montevideo u. 8.	100%	n.d.	Acquired: 01 June 2021
Portuguese Telecommunication Investments Ltd. (PTI)	1085 Budapest, Kálvin tér 12.	100%	n.d.	Acquired: 12 May 2021
Telenor doo Podgorica	Bb Square of the Republic, Podgorica 81000, Montenegro	100%	n.d.	Acquired: 21 December 2021 through 4iG Montenegro
TR Consult Ltd.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired: 09 July 2020
Veritas Consulting Ltd.	1037 Budapest, Montevideo u. 8.	100%	100%	Acquired: 10 September 2019

49.7 Consolidated report

The consolidated report of the corporate group is compiled by 4iG Plc. in line with IAS-IFRS international standards, to which the subsidiary companies provide data. The consolidated report is available for the public. The hereof report is available on the following webpages, www.4ig.hu; www.bet.hu and www.kozzetetelek.hu, and it can be inspected in the office building of 4iG Plc., at the address of 1037 Budapest, Montevideo u. 8.

49.8 Shareholding structure on 31 December 2021

	31 December 2021	31 December 2020
KZF Vagyonkezelő Ltd. (in English: KZF Asset Management Private Limited Liability Company)	52.34%	57.47%
Manhattan Invest Ltd.	3.00%	3.29%
MANHATTAN Magántőkealap (in English: MANHATTAN Private Equity Fund)	1.52%	1.03%
Bartolomeu Investments Ltd.	5.05%	n.d.
4iG ESOP Organization	3.88%	n.d.
4iG own share shareholding	0.83%	1.78%
Free float	33.38%	36.43%
Total	**100.00%**	**100.00%**

49.9 Auditor

Due to its transformation, the INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Ltd. (registered office: 1074 Budapest, Vörösmarty str. 16-18. building A. ground floor 1/F.; company registration number: 01-09-063211) elected by the General Meeting of the Company on 29 April 2021, has transferred its activities related to auditing of public interest entities to Interauditor Consulting Ltd. (registered office: 1074 Budapest, Vörösmarty str. 16-18. A. ground floor. 1/F.; company registration number: 01-09-388885) as its legal successor. As a result of this succession, the auditing of the Company will be performed by Interauditor Consulting Ltd. from 29 November 2021.

49.10 Change to the application of IFRS

The Company changed to the application of IFRS on 01 January 2017.

49.11 The issued capital of the Company

The share capital of the Company amounted to 2 064 158 420,- Hungarian Forints on 31 December 2021. The amount of the capital registered by the company registry court equals with the amount of the share capital under IFRS: 2 064 158 420,- Hungarian Forints.

49.12 Merger of subsidiary companies

The management of the Company has decided and the General Meeting of 30 September 2021 approved the merger of DOTO Plc. and TR Consult Ltd. into 4iG Plc. as of 31 December 2021. The merger was registered by the Registry Court on 31 December 2021.

49.13 Own equity compliance

Data in Hungarian Forints

	Own equity in line with IFRS (as set forth in (4)114/B of the Accounting Act)	2020	2021
	Issued capital	1 880 000 000	2 064 158 420
	Repurchased own share	-322 929 632	-245 725 527
	Reserves	2 446 004 387	6 788 785 292
	Profit after tax	3 160 053 763	3 966 375 055
	Own equity in line with IFRS (which is a difference between assets and liabilities) 114/B (4) a	**7 163 128 518**	**12 573 593 240**
	Own equity (114/B (4) a of Accounting Act)		
		7 163 128 518	12 573 593 240
+	Amount of supplementary capital contribution received accounted as liabilities in accordance with IFRS standards	0	0
–	Amount of supplementary capital contribution given as assets in accordance with IFRS standards	-240 805 000	-246 561 800
+	liquid assets accounted into capital reserve, if thereof is deferred revenue (IFRS)	0	0
+	value of assets taken over, if thereof is accounted as deferred revenue (IFRS)	0	0
–	capital increase resulting equity instrument, if thereof is accounted on account of shareholding acquisition (IFRS)	0	0
	Own equity in total (collated)	**6 922 323 718**	**12 327 031 440**
	Issued capital in line with IFRS, 114/B. (4) b		
	Issued capital indicated in the instrument of constitution, equals with the issued share capital in the company registry court	1 880 000 000	2 064 158 420
–	Nominal value of repurchased share	0	0
	Issued capital in line with IFRS (collated)	**1 880 000 000**	**2 064 158 420**
	Issued but unpaid capital 114/B (4) c.		
	Issued but unpaid capital	0	0
	Issued but unpaid capital (collated)	**0**	**0**
	Capital reserve 114/B. (4) d.		
	The sum of all elements of own equity that do not meet the IFRS definition of subscribed capital, subscribed but has not yet been paid-up capital, accumulated profit reserve, revaluation reserve, profit/loss for the year or distributable reserves **(this row is adjusted for the historical value of own shares)**	493 820 458	3 622 866 269
	Capital reserve (collated)	**493 820 458**	**3 622 866 269**

	Accumulated profit reserve – 114/B. (4) e.		
	Previous years' accumulated results after tax in accordance with IFRSs, not yet distributed among the owners (without the current year)	1 629 254 297	2 920 193 496
(±)	The sums credited or charged directly to such accumulated results in accordance with IFRSs		
+	including the part of supplementary payment, where the owner (shareholder) of the business association waived his claim from such supplementary payment.		
–	Supplementary payments provided and shown	-240 805 000	-246 561 800
+	under assets transferred from the subscribed capital or from the capital reserve to cover the losses,		
(±)	any sum transferred from other reserves, as required or permitted by IFRSs		
–	Unused portion of the provision for developments with the sum of deferred tax deducted (tied-up reserve)	0	0
	Accumulated profit reserve (collated)- 114/B. (4) e.	**1 388 449 497**	**2 673 631 696**
	Revaluation reserve 114/B. Section (4) f)		
(±)	Within the comprehensive income statement including other comprehensive income accumulated (±)	0	0
(±)	Within the comprehensive income statement including other comprehensive income and other income of the current year (±)	0	0
	Revaluation reserve (collated)	**0**	**0**
	Profit after tax 114/B. (4) g.		
(±)	Total amount of gain or loss (-) from ongoing activities of the current year shown in statement of performance in its own right within the comprehensive income statement or in the separate income statement.	3 160 053 763	3 966 375 055
(±)	Total amount of gain or loss from discontinued activities of the current year shown in statement of performance in its own right within the comprehensive income statement or in the separate income statement.		
(±)	In accordance with the Act on Accounting through profit or loss, and measured to equity in accordance with IFRSs, such as in particular subsidy and support, non-reimbursable capital contribution and non-repayable funds received;	0	0
	Profit after tax, Accounting Act 114/A. (9), 114/B. (4) g.	**3 160 053 763**	**3 966 375 055**
	Distributable reserve 114/B. (4) h.		
+	Supplementary payments received and shown under liabilities in accordance with IFRSs	0	0
+	Unused portion of the provision for developments with the sum of deferred tax deducted (tied-up reserve)	0	0
	Distributable reserve In total (collated)	**0**	**0**
	114/B (5) (a) a reconciliation of the capital registered by the Court of Registry with the subscribed capital under IFRSs;		
	Issued capital registered in the Company Registry Court	1 880 000 000	2 064 158 420
	Issued capital in line with IFRS	1 880 000 000	2 064 158 420
	Discrepancy (nominal value of repurchased own shares)	**0**	**0**
	Accumulated profit reserve available for dividend (Accounting Act, 114/B (5) b.)		
	Accumulated profit reserve of previous years (collated)	1 388 449 297	2 673 631 496
+	Profit after tax in the current year	3 160 053 763	3 966 375 055

–	Accrued increase in value of investment properties (adjusted by tax effect)		
	Accumulated profit reserve available for dividend	**4 548 503 260**	**6 640 006 751**
+	Dividends received (due) before the date when authorized for issue	0	0
	Retained earnings available for dividend payments + dividends received and payable after the current year	**4 548 503 260**	**6 640 006 751**

Own equity resulting from the reconciliation:	**in HUF**
Issued capital	2 064 158 420
Capital reserve	3 622 866 269
Accumulated profit reserve	2 673 631 696
Revaluation reserve	0
Own equity in accordance with IFRS standards	3 966 375 055
Collated own equity in total	**12 327 031 440**

50 Representation

The Issuer shall state hereby that the Report on the representation regarding the development and performance of the Company is reliable, and the data and statements are in compliance with reality, and do not hide any fact which is considered to be significant from the point of evaluating the Issuer's situation.

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 hereby undertake that the data of the statement included in the herein report on 31 December 2021 and the contents of the analyses and the conclusions are in compliance with reality.

Dated as of 08 April 2022 in Budapest

Jászai Gellért	Tóth Béla Zsolt
Chairperson and Chief Executive Officer	member of the board of directors

BUSINESS REPORT
Individual Financial Statement

2021

Plc.

BUSINESS REPORT FOR THE INDIVIDUAL FINANCIAL STATEMENT AS OF 31 DECEMBER 2021

Contents

1. Summary

Due to the acquisitions, 4iG Nyrt. (hereinafter referred to as: „4iG”, „Company”, „Corporation”) has shown significant increase in 2021. As a result, the Company has become the leading IT systems integrator in Hungary, with dominant interests in the domestic and regional telecommunications markets at group level.

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. Its objectives include the increase of the proportion of contracts that will enable it to deliver predictable, continuous revenues for its investors.

Financial results

The Company met its objectives for 2021. While its EBITDA stagnated compared to the same period last year, its profit after tax and total comprehensive revenue increased by more than 25% from 3.16 billion HUF of 2020 to 3.966 billion HUF.

Business performance

The Company could account several business successes in respect of 2021. 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 2021, the average statistical number of employees nearly exceeded the same figure of 2020 by 25%.

The Company continues to strive 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 attractive professional progress for the employee.

Business plans and vision

One of 4iG's key objectives is to build dominant market positions in Hungary and the region in a wide range of information and communication technologies services. The company continues to invest significant resources into creating continuous value for its customers. Its management seeks opportunities to develop its competencies and continuously improve its profitability.

2. General Meetings

2.1. The Company's ordinary general meeting held on 29 April 2021

Since the management of the public limited company is entitled to decide on all issues that are on the agenda of the previously published invitation to the annual 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 (hereinafter referred to as: "General Meeting") announced on 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 regarding the reports, balance sheet and profit and loss account for the year 2020, and the 2020 profit distribution;
- the Board of Directors' report on the Company's business activity for the year 2020;
- the Auditor's report on the examination of the annual reports for the year 2020, and description of the verification clause;
- the Audit Committee's report on the reports for the year 2020;
- the Supervisory Board's report on the reports for the year 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 the year 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 the year 2020, hereby made the decision that, for the business year of the last year, 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. The Board of Directors, acting under the authority of the General Meeting, moreover, 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 the year 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 President-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, by 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; “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, within the scope of competence of the General Meeting, and on the basis of the prior negotiation with the Auditor, made 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 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, in respect to 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.

The Board of Directors, within the scope of competence of the General Meeting, by this resolution, approved the appointment of Freiszberger Zsuzsanna (mother's maiden name: Böczkös Rózsa Mária; residential address: 2440 Százhalombatta, Rózsa utca 7.; chamber registration number: 007229) as the person personally responsible for the audit by INTERAUDITORr Kft.

Board of Directors Resolution Number 7/2021. (IV. 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 of the submission.

Board of Directors Resolution Number 8/2021. (IV. 29.)

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. Registered office of the Company: 1037 Budapest, Montevideo utca 8.
2.3.5. Branch business(es) of the Company: H-8000 Székesfehérvár, Seregélyesi út 96.
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) 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 of the employees authorized by the Board of Directors to sign on behalf of the Company, jointly, according to the signature specimen."

Board of Directors Resolution Number 9/2021. (IV. 29.)
With its present resolution, the Board of Directors, acting under the authority of the General Meeting, elects Mr. Pedro Vargas Santos David (mother's name: Maria Filomena De Brito Vargas Lopes David; date of birth: 1 August 1984; address: AE Downtown Dubai, Standard Chartered Tower 5th floor; tax identification number: 8429464859, agent for service of process: Kovács Márton Law Office, 1085 Budapest, Kálvin tér 12.) as a new member of the Board of Directors with joint procuration right, for an indefinite period starting from the 29th day 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.

2.2. Extraordinary general meeting of the Company held on 30 September 2021

4iG Plc. 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 (in English: Company Registry Court of Budapest-Capital Regional Court) 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 (in English: Company Registry Court of Budapest-Capital Regional Court) 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 (hereinafter referred to as: “Merger Plan”) annexed to the proposal. The General Meeting also adopted the draft statement of assets and draft inventory of assets and liabilities of 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 statement of assets 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 statement of assets published on 31 August 2021, it was established that the cost value of the bonds issued by the Receiving Company, listed in the draft statement of assets 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 own equity, the balance sheet total decreased by 3 486 000,- Hungarian Forint therefore the balance sheet total is correctly 45 239 850 000,-Hungarian Forint, 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 (hereinafter referred to as: “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 share at the nominal value of 20.00,-Hungarian Forint within sixty (60) days of the registration of the reorganisation by the court of registration, by applying Section 6 of Point 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 own 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.
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 Clause 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-,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,-HUF, i.e. Four-Hundred-Billion Hungarian Forints, which may be performed 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.
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.):
With its present resolution, the General Meeting resolved to appoint Interauditor Consulting Korlátolt Felelősségű Társaság (in English Interauditor Consulting Limited Liability Company) (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; hereinafter referred to as: "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 8 700 000,-Hungarian Forint + 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,-Hungarian Forint + VAT, namely Four-Million-Seven-Hundred-Thousand Hungarian Forints + VAT (with the gross value of 5 969 000,-Hungarian Forints).
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.

3. General information

Name of the company: 4iG Nyilvánosan Működő Részvénytársaság (in English: 4iG Public Limited Company) (former FreeSoft Nyrt., and Fríz 68 Szolgáltató és Kereskedelmi Rt. (in English: FreeSoft Plc. and Fríz 68 Service Provider and Trading Limited Company by shares))

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 4. 1037 Budapest, Montevideo utca 6. 1107 Budapest, Somfa utca 10.
Branch business:	8000 Székesfehérvár, Seregélyesi út 96. 6722 Szeged, Tisza Lajos krt. 41. 4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-44
Statistical number:	12011069-6201-114-01
Share capital:	2 064 158 420,-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 complies 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:	103 207 921,- quantity
ISIN-code of the shares:	HU 0000167788
Series of the shares:	“A”
Serial number of the shares:	0000001 – 103207921
Repurchased own shares:	857 078,- quantity
Held by 4iG ESOP Organization	4 000 000,- 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 represents the issued share capital in full, and there are no other existing issued equity holding at 4iG Plc.
- Purchase of the shares is not restricted, there are not rights of first refusal, but the transfer of the shares shall be exclusively performed after 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. (in English: Central Clearing House and Depository Plc.).
- Particular management rights are not specified.
- We are not aware of any shareholder's agreement related to management rights.
- Voting rights are not restricted, with that, no voting rights are attached to repurchased own shares.
- 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 by simple majority by the General Meeting.
- Operational management of the Company is performed by the Board of Directors.
- The General Meeting, on the basis of the submission of the General Meeting, makes decision on the share capital increase. There is no need of the General Meeting decision regarding the performance of the share capital increase, if, in line with the authorization of the 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 is 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, commencing as of the day of the general meeting decision. The aforementioned purchase is primarily performed by means of exchange transactions at a minimum exchange rate 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. At 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 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 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 the chief executive officer of 4iG Plc., acquired 100% of the business shares owned by KZF Vagyonkezelő Kft. (in English: KZF Asset Management Private Limited Liability Company) on 14 June 2019. By 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 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 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 on 19 June 2019.

3.2. Main owners of the Company on 31 December 2021

	31 December 2021	31 December 2020
KZF Vagyonkezelő Kft. (in English: KZF Asset Management Private Limited Liability Company)	52.34%	57.47%
Manhattan Invest Ltd.	3.00%	3.29%
MANHATTAN Magántőkealap (in English: MANHATTAN Private Equity Fund)	1.52%	1.03%
Bartolomeu Investments Ltd.	5.05%	n.d.
4iG own share shareholding	0.83%	1.78%
Held by 4iG ESOP Organization	3.88%	n.d.
Free float	33.38%	36.43%
Total	100.00%	100.00%

3.3. Information on place of business and branch business

Places of business: 1037 Budapest, Montevideo utca 2/C.
1037 Budapest, Montevideo utca 4.
1037 Budapest, Montevideo utca 6.
1107 Budapest, Somfa utca 10.

Branch business: 8000 Székesfehérvár, Seregélyesi út 96.
6722 Szeged, Tisza Lajos krt. 41.
4025 Debrecen, Barna utca 23.

4. Management analysis of the Company

In this part of the report, the profit and loss of the Company for the year 2021 is analysed, compared to the previous year and thereof targets.

4.1. Profit and loss of current year's management

	2021	2020
Net sales revenues	72 062 019	55 026 791
Other operating income	873 178	374 238
Revenues in total	72 935 197	55 401 029
Goods and services sold	52 267 432	40 411 401
Operational expenditures	5 237 552	2 286 072
Staff costs	10 723 406	7 897 481
Other expenditures	114 867	181 703
Operating expenses	68 343 257	50 776 657
Earning Before Interests, Taxes, Depreciation and Amortization (EBITDA)	4 591 940	4 624 372
Depreciation and impairment	1 285 788	763 094
Earnings before interest and tax (EBIT)	3 306 152	3 861 278

Financial income	4 286 852	342 795
Financial expenditures	2 822 019	361 070
Profit before tax	4 770 985	3 843 003
Income taxes	804 610	682 949
Profit after tax	3 966 375	3 160 054
Other comprehensive income	–	–
Total comprehensive income	3 966 375	3 160 054

In 2021, the Company dynamically increased its sales revenue compared to the previous year. Export sales accounted 720 426,- 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 831 persons. In the interest of keeping and recruiting professionals and as a result of the wage development, the average income of the employees was increased significantly. Staff costs have exceeded 10 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 3 160,- million Hungarian Forints to 3 966,- million Hungarian Forints in 2020. The amount of the profit after tax of the Company in respect of 2021 accounted 3 160 054,- thousands in Hungarian Forints profit.

The breakdown of export sales revenue by countries in 2021 (HUF in thousands) is as follows:

Countries	Amount
Ireland	198 744
Switzerland	152 066
Germany	89 043
The Netherlands	84 877
Denmark	52 196
Great Britain	45 814
France	36 113
Romania	23 649
Belgium	14 746
United Arab Emirates	9 324
Poland	9 120
Austria	4 308
The USA	318
Czech Republic	108
Total:	720 426

The breakdown of export sales revenue by regions in 2021 (HUF in thousands) is as follows:

Regions	Amount
European Union	512 904
Outside the European Union	20 7522
Total:	720 426

4.2. Profit and loss compared to the target

The target of EBITDA growth aimed in its plans in respect of 2021 was fully realized by the Company.

4.3. Financial indicators

The main financial-efficiency indicators of the Company for the years 2021 and 2020 are included in the hereinbelow chart as follows.

Liquidity indicators	2021	2020
Liquidity ratio	8.80	1.13
Liquidity quick ratio	8.80	1.13
Dynamic liquidity ratio	0.11	0.14
Net current assets collateral velocity (speed)	0.48	3.38
Net working capital	245 035 190	3 566 343
Debt and creditworthiness indicators		
Rate of own equity to resources	3%	20%
Rate of outside capital to own equity	250%	384%
Rate of long-term liabilities to lasting resources	3 257%	8%
Long-term dynamic liquidity ratio	1%	644
Interest-coverage ratio	176%	13 412%

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 ratio of own equity to resources was 3 percent and 20 percent at the dates shown, indicating significant indebtedness in 2021.

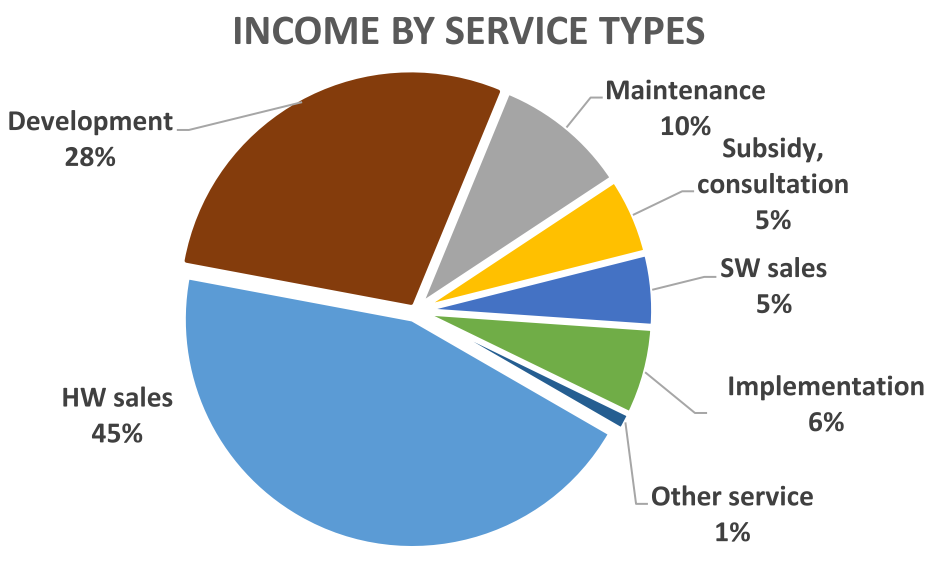
4.3.3. Effectiveness indicators

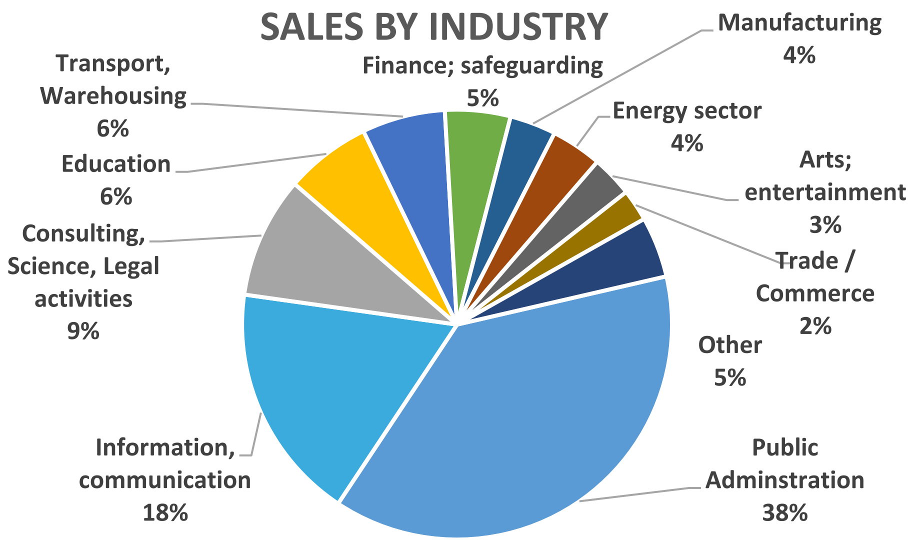
As a result of positive profit, the main indicators of the year 2021 present positive values. The ratio of the return on assets and the return on sales (ROS) shows a slightly deteriorating value, in respect of the other indicators improvement can be experienced in general.

Profitability rates	2021	2020
Return on assets rates (ROA) (%)	0.87%	8.96%
Return on sale profit (ROS) (%)	5.50%	5.74%
Collateral velocity of assets (speed)	352.94	46.23
Collateral velocity of trade receivables (speed)	4.34	3.86
Average collection period of trade receivables (day)	82.97	93.37
Collateral velocity of inventories and stocks (speed)	31.01	29.94
Average storage of inventories and stocks (day)	11.61	12.03
Return on tangible assets indicator (speed)	71	116
Ratio of staff costs to the added value (%)	54%	54%
Added value (HUF in thousands)	19 794 587	14 615 390

4.4. Business relations

The content of the turnover for the year 2021 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 year 2021 was a year of growth for the Company, during which it focused its resources on fulfilling its existing mandates, as well as exploiting new market opportunities and acquiring additional companies to achieve its strategic goals. The company 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.

	2021	2020
Average statistical number	748 persons	599 persons

5. Business concept of 4iG Plc.

Market positions of 4iG were further strengthening in 2021, and the accomplishments and the future business visions are all positive, and as a result thereof, the management of the Company forecasts successful operation even for 2022.

In addition, in 2022, the focus will be on transforming and optimising its existing operations. The aim of 4iG Plc. is the rapid and successful integration of the companies acquired through acquisitions, in which the company also intends to build the synergies between the companies. The already performed and the planned acquisitions all support the successful operation of the corporate group, the development of the profit and loss indicators, and, moreover, the expansion of its competences and the realization of strategy aims, largely.

It is expected that the IT and technology sector will continue to grow steadily in 2022, especially in the services sector, and the changed economic environment could bring new assignments in the Company's main segments.

6. Capacity utilization

The utilisation of the available machinery, programmes and workforce has improved in the past year, with per capita turnover increasing from 91 864,-HUF in thousands to 96 340,-HUF in thousands.

7. Innovation, research and development

Thanks to the explosive development of biotechnology and information technology and the impact of the Covid-19 epidemic, bioinformatics research has become even more important in recent years. Both diagnostic and therapeutic approaches have become molecular-based. in 2021, 4iG continued its already running two projects in 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 Hivatal (in English: National Office for Research and Development and Innovation) announced in 2020, and on the other hand, it is still a member of a consortium whose work also started before 2021 and in which several research topics are implemented under the leadership of 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.

In parallel, at the end of 2021, the R&D project "Development of a Complex Sensor System for the Detection of UAV equipment" was successfully completed, which was implemented in a consortium with several other members.

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 maintaining existing trust in partners by deepening employee security awareness through inter policies, training and development.

4iG operates compliance program with the dedication to realize compliance-based corporate culture. The business activity of 4iG Group covers several countries, herewith continuously 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 regarding personal data, 4iG 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 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 thereof stocks. 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.

4iG:

- 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.

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

The Company has designed its integrated management system by taking the industry’s best practices, standards and standards in mind. The Company regularly reviews and improves its operations for customer satisfaction. (ISO 9001, ISO 14001; ISO 20000-1, ISO 27001; ITIL4; ISO 37001) Standard-based management system of the Company is designed to provide requirements for the continuous monitoring, maintenance and continuous improvement of all of its business processes. Developing and maintaining a standard management system is a long-term strategic decision for 4iG.

Its principle is customer focus and providing the highest possible level of service. The Company pays special attention to ensuring and maintaining customer satisfaction, fully investigating incoming customer complaints and defining related measures. Herewith the Company ensures a high level of satisfaction for its customers' needs.

The Company regularly measures its customers' satisfaction, and thereof uses the results in the development of its quality management system 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 2022, it will further refine the operation of its organisation and the related stakeholder structure, adapting it to its new, increased size, so that it can maximise its support to achieve its planned results.

12. Essential changes after the reporting day

12.1. Acquisition of 100% shareholding of DIGI Távközlési és Szolgáltató Kft. (in English: DIGI Telecommunications and Service Ltd.) and its subsidiaries (3 January 2022)

4iG Plc. acquired the business share of DIGI Távközlési Szolgáltató Kft. (hereinafter referred to as: "DIGI") and its subsidiaries, that is Invitel Zrt. (in English: Invitel Plc.), I TV Zrt. (in English: I TV Plc.) and DIGI Infrastruktúra Kft. (in English: DIGI Infrastructure Ltd.) constituting 100% of its subscribed capital.

12.2. Board of Directors' decision on share capital increase (25 January 2022)

On 24 January 2022, by its Board of Directors Resolution No. 6/2022 (I.24.), in view of the General Meeting Resolution No. 21/2021 (IX.30.) adopted on 30 September 2021, the Board of Directors of 4iG decided to increase its share capital by 77 999 999 700,-HUF, i.e. Seventy-Seven-Billio-Nine-Hundred-Ninety-Nine-Million-Nine-Nundred-Ninety-Nine-Thousand-Seven-Hundred Hungarian Forints, made available to 4iG by iG COM Magántőkealap (in English: iG COM Private Equity Fund) (registered office: 1037 Budapest, Montevideo utca 8.; registration number: 6122-162; registration authority: Magyar Nemzeti Bank (in English: Hungarian National Bank); administrator: 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/) by way of a cash contribution, by placing new shares in a private placement.

Within the framework of the share capital increase, which will be implemented by the issue of 116 417 910,-quantity, i.e. One-Hundred-Sixteen-Million-Four-Hundred-Seventeen-Thousand-Nine-Hundred-and-Ten shares of 4iG with a nominal value of 20,-HUF, i.e. Twenty Hungarian Forints, and an issue value of 670,-HUF, i.e. six hundred and seventy Hungarian Forints (the "New Shares"), the share capital (issued capital) of 4iG will be increased by the amount of 2 328 358 200,-HUF, i.e. Two-Billion-Three-Hundred-Twenty-Eight-Million-Three-Hundred-Fifty-Eight-Thousand-Two-Hundred Hungarian Forints, with the excess of the cash contribution over the amount of the share capital increase, 75 671 641 500,-HUF, i.e. Seventy-Five-Billion-Six-Hundred-Seventy-One-Million-Six-Hundred-Forty-One-Thousand-Five-Hundred Hungarian Forints, being transferred to the capital reserve of 4iG.

In the context of the capital increase, iG COM Magántőkealap (in English: iG COM Private Equity Fund) has undertaken the obligation not to sell the 4iG shares it acquires in the course of the capital increase for a period of one (1) year from the date of the resolution on the capital increase (the "Lock-Up Period").

12.3. Signing of the contract for the acquisition of a 25.12% stake in 4iG Plc. (25 January 2022)

Following the successful due diligence of 4iG Plc., a package of contracts for the acquisition of the 25.12% stake in 4iG as a result of a multi-stage process was signed between, among others, the investment company of Jászai Gellért Zoltán, KZF Vagyonkezelő Kft. (in English: KZF Asset Management Ltd.), 4iG and Rheinmetall AG. Rheinmetall AG. Rheinmetall AG will acquire a 25.12 percent stake in 4iG through share purchase and capital increase, making it the largest international investor in the Hungarian IT and telecommunications group. The closing of the multi-stage transaction is conditional on the approval by the General Meeting of 4iG of the new articles of association and the new supervisory board member of 4iG and the consent of the Ministry of the Interior to the acquisition of Rheinmetall AG under the law on the control of foreign investments that are detrimental to Hungary's security interests.
According to the agreements, Rheinmetall AG will purchase 4iG shares from KZF Vagyonkezelő Ltd. in an over-the-counter (OTC) transaction. Rheinmetall AG will also participate in a multi-stage capital increase worth a total of 125 billion HUF, in which, as announced in November last year, iG COM Magántőkealap (in English: iG COM Private Capital Fund) and a fund managed by Alpac Capital will participate alongside Rheinmetall AG. The capital increase by share premium will be carried out by placing 4iG shares with an issue value of 670,-HUF. Main steps of the transaction series are:

- iG COM Magántőkealap (in English: iG COM Private Equity Fund) will carry out a capital increase of 78 billion HUF in 4iG, with a lock-up period of 1 year for the share package to be acquired through the capital increase;
- 4iG convenes a General Meeting to have the new articles of association of 4iG and the new supervisory board member nominated by Rheinmetall AG approved by the shareholders of 4iG;
- Following a positive decision by the General Meeting, Rheinmetall AG purchases 24.9 million shares in an over-the-counter (OTC) transaction from the investment company of Jászai Gellért Zoltán, KZF Vagyonkezelő Kft., and raises capital in 4iG to the amount of 33.65 billion HUF, with a 24-month lock-up period for the share package acquired through the share purchase and capital increase;
- The fund managed by Alpac Capital will increase the capital of 4iG by 13.24 billion HUF.

As a result of the share package sale and the capital increase, the indirect ownership of Jászai Gellért Zoltán in 4iG is expected to decrease from 56.85 percent to 50.22 percent, so his influence over 4iG will not change significantly. Rheinmetall AG's stake in 4iG will amount to 25.12 percent.

12.4. Termination of a non-binding preliminary draft agreement for the acquisition of 70% of TeleGroup Limited and 70% of TeleGroup Banja Luka (28 January 2022)

4iG Plc. and Milomir Gligorijević (collectively the "Parties") have signed a joint termination agreement (hereinafter referred to as: the "Termination Agreement") on the joint termination of a non-binding agreement (the "Term Sheet") dated 20 September 2021 relating to the acquisition of 70% of the shares of TeleGroup Limited and TeleGroup Banja Luka ("TeleGroup"), including its subsidiaries.)

12.5. Publication of the Articles of Association (2 February 2022)

4iG Plc. has published its new Articles of Association.

12.6. Share capital increase registered by the Company Registry Court (2 February 2022)

With regard to the decision of the Board of Directors concerning the share capital increase published on 25 January 2022, the Company Registry Court, by its order No. Cg.01-10-044993/302, approved the registration of the changes in connection with the increase of the share capital of 4iG by the issue of new shares, and the share subscription and listing processes will therefore commence.

12.7. Information on the share subscription and share transfer agreement for the acquisition of the majority stake in “ANTENNA HUNGÁRIA Zrt.” (in English: ANTENNA HUNGÁRIA Plc.) (2 February 2022)

The Share Purchase Agreement concluded between AH and MVM Zrt. (in English: MVM Plc.), aimed at the acquisition of the 100% share package of AH NET Zrt. (in English: AH NET Plc.) (formerly known as MVM NET Zrt., in English: MVM NET Plc.), which, according to the official information of the Hungarian State, remains valid and in force, is still a part of the share subscription and transfer agreement concluded between 4iG and the Minister without Portfolio responsible for the Management of National Assets, acting on behalf of the Hungarian State, exercising the owner’s rights over "ANTENNA HUNGARIA" Zrt. ("AH"), on 1 September 2021.

12.8. EDISON Group analysis (09 February 2022)

EDISON Investment Research Limited, one of the world’s biggest investment research, investor relations and consulting firms performed another analysis on 4iG Plc., which is available via the hereinunder link in English as follows:
4iG – New regional ICT/telecoms group emerging | Edison (edisongroup.com)

12.9. Signing of the amendment to the contract for the acquisition of 51% of the shares of Space-Communications Ltd. (09 February 2022)

Hungaro Digitel Kft. (in English: Hungaro Digitel Ltd.) (hereinafter referred to as: "the Purchaser", "HDT"), a subsidiary of 4iG and Antenna Hungária Zrt. and Space-Communication Ltd (hereinafter referred to as: "Spacecom") (HDT and Spacecom together the "Parties"), have today signed an amendment to the contract entered into between the Parties on 11 October 2021 for the acquisition of 51% of the shares of Space-Communications Ltd.
Pursuant to the Amendment, the Parties have agreed to extend the deadline for the fulfilment of the closing conditions until 28 February 2022.

12.10. On the acquisition of the majority stake in ANTENNA HUNGÁRIA Zrt. as a result of a capital increase by way of contribution (22 February 2022)

Mager Andrea, Minister without Portfolio responsible for the Management of National Assets, on behalf of the Hungarian State, and 4iG have agreed on the closing of the implementation of the share subscription and share transfer agreement (hereinafter referred to as: the "Closing Agreement") in connection with the acquisition of 4iG's stake in "ANTENNA HUNGÁRIA" Zrt. (hereinafter referred to as: “ANTENNA HUNGÁRIA Zrt.”). As the first step, 4iG will acquire a 71.6 percentage stake in ANTENNA HUNGÁRIA Zrt. by way of capital increase through contribution of its 100% shares in DIGI Távközlési és Szolgáltató Kft. and its subsidiaries (Invitel Zrt., DIGI Infrastruktúra Kft., and i-TV Zrt, hereinafter collectively referred to as: "DIGI Group"), in 4iG Montenegro d.o.o. Podgorica (hereinafter referred to as: "4iG Montenegro"), which is the sole owner of Telenor d.o.o. Podgorica (hereinafter referred to as: "Telenor Montenegro"), and Invitech ICT Services Kft. (in english: ICT Services Ltd.) ('Invitech').

12.11. Board of Directors' decision on share capital increase (23 January 2022)

With view to General Meeting Resolution No. 21/2021 (IX.30.) adopted on 30 September 2021, with its Board of Directors Resolution No. 2/2022. (II.23.), on 23 February 2022, the Board of Directors of 4iG resolved to increase its share capital by Rheinmetall Aktiengesellschaft (registered office: Rheinmetall Platz 1., Düsseldorf, Germany DE-40476; registration number: HRB 39401) making available to 4iG 33 650 000 270,-HUF, i.e. Thirty-Three-Billion-Six-Hundred-and-Fifty-Million-Two-Hundred-and-Seventy Hungarian Forints in the form of a cash contribution, by issuing new shares in a private placement. The capital increase of Rheinmetall Aktiengesellschaft is part of a multi-stage transaction announced on 25 January 2022, in which institutional investors will implement capital increase in the total amount of 125 billion in 4iG Plc.

12.12. Extraordinary general meeting (24 February 2022)

4iG Plc. held an Extraordinary General Meeting on 30 September 2021, at which the following main resolutions were adopted:
General Meeting Resolution No. 3/2022 (II.24.):
The General Meeting adopted the Remuneration Policy of the Company by means of an opinion voting in accordance with the content of the proposal.
General Meeting Resolution No. 4/2022 (II.24.):
The General Meeting elected Helmut Paul Merch (mother's name: Edith Siegel; date of birth: 20 February 1956; residential address: Rheinmetall Platz 1, 40476 Düsseldorf, Germany; tax number: 122/5413/5635; agent for service of process: CMS Cameron McKenna Nabarro Olswang LLP Hungary Branch) as a new member of the Supervisory Board of the Company for an indefinite term of office as of 24 February 2022. The remuneration of the members of the Supervisory Board is set by the Board of Directors in Board of Directors Resolution No. 5/2020 (XI.25.), adopted by the Board of Directors with the authority of the General Meeting, at 155 000,-HUF gross/month.
General Meeting Resolution No. 5/2022 (II.24.):
The General Meeting repealed General Meeting Resolution No. 21/2021 (IX.30.).
General Meeting Resolution No. 6/2022 (II.24.):
The General Meeting repealed General Meeting Resolution No. 23/2021 (IX.30.).
General Meeting Resolution No. 7/2022 (II.24.):
The General Meeting resolved to authorise the Board of Directors for a period until 31 May 2022 to increase the share capital of the Company, by any method(s) of capital increase permitted by law, including conditional capital increase, (i) by issuing 19 761 381,- quantity ordinary shares with a nominal value of 20,-HUF, i.e. twenty Hungarian Forints each and an issue value of 670,-HUF, i.e. Six-Hundred-Seventy Hungarian Forints (Series A), granting the same rights, in private placement, (ii) 9 463 882,- quantity ordinary shares with a nominal value of 20,- HUF, i.e. Twenty Hungarian Forints each and an issue value of 850,- HUF, i.e. Eight-Hundred-Fifty Hungarian Forints (Series A), granting the same rights, by granting which authorisation the General Meeting, that is the shareholders expressly consent to the increase of the share capital to be decided by the Board of Directors in accordance with this resolution. 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. 8/2022 (II.24.):
The General Meeting adopted the amended Articles of Association of the Company, which were published after the General Meeting.
General Meeting Resolution No. 9/2022 (II.24.):
The General Meeting adopted the consolidated text of the Rules of Procedure of the Supervisory Board, in force, as amended, with the content as presented.

12.13. Company foundation (25 February 2022)

On 25 February 2022, 4iG Plc. incorporated a Hungarian subsidiary company registered by Fővárosi Törvényszék Cégbírósága (in English: Company Registry Court of Budapest-Capital Regional Court) named 4iG Albania Private Limited Liability Company.

12.14. EDISON Group analysis (28 February 2022)

EDISON Investment Research Limited, one of the world's biggest investment research, investor relations and consulting firms performed another analysis on 4iG Plc., which is available via the hereinunder link in English as follows:
4iG – Another major building block falls into place | Edison (edisongroup.com)

12.15. Rheinmetall AG acquisition in 4iG Plc. (03 March 2022)

According to the preliminary draft agreement, Rheinmetall AG purchased 4iG shares from KZF Vagyonkezelő Kft. in an over-the-counter (OTC) transaction ("Share Purchase"). Rheinmetall AG will also participate in a multi-stage capital increase worth a total of 125 billion HUF, in which, as announced in November last year, iG COM Magántőkealap (in English: iG COM Private Capital Fund) and a fund managed by Alpac Capital will participate alongside Rheinmetall AG. The capital increase by share premium will be carried out by placing 4iG shares with an issue value of 670,-HUF.

12.16. Board of Directors decision on the acquisition of the 80.27% share package of ALBtelecom sh.a. (04 March 2022)

With view to the authorisation granted by General Meeting Resolution No. 7/2022 (II.24.) adopted on 24 February 2022, and the multi-step transaction for the acquisition of a share package in ALBtelecom, as a result of which one of the most significant family enterprises of Turkey, ÇALIK HOLDING ANONIM SIRKETI (registered office: Büyükdere Cad. No: 163 Esentepe, Şişli, Istanbul, Turkey, registration number: 309281; hereinafter referred to as: "ÇALIK"), as an institutional investor, will acquire a stake of around 3 percent in 4iG, with its Board of Directors Resolution No. 3/2022. (III.04.), on 4 March 2022, the Board of Directors of 4iG resolved to increase its share capital by putting the receivables (the "Receivable") at the disposal of 4iG by way of a non-cash contribution in kind in the amount of HUF 8,044,299,700.00, which, calculated at the EUR/HUF exchange rate of the Hungarian national Bank on 7 December 2021, corresponds to EUR 22,000,000.00, provided by ÇALIK as the transferor, through the issue of new shares in a private placement.

12.17. Indirect acquisition of a 99.899 per cent block of shares in One Telecommunications sh.a. (21 March 2022)

4iG Plc. acquired 100 per cent of the shares in Albania Telekom Invest AD following the successful procedure before the Albanian Competition Authority and the financial closing of the transaction. Albania Telekom Invest AD is the owner of 99.899 percent of the shares of One Telecommunications sh.a. (hereinafter referred to as: "ONE"). By closing of the transaction, 4iG has indirectly acquired the Albanian ONE mobile operator.

12.18. Release of shares (21 March 2022)

As of the value date, 21 March 2022, a total of 176 105 673,-quantity, i.e. One-Hundred-and-Seventy-Six-Million-One-Hundred-and-Five-Thousand-Six-Hundred-and-Seventy-Three quantity 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 increase decided by the Board of Directors on 24 January 2022, 23 February 2022 and 4 March 2022.

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. 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 IT 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. Corporate governance statement

The Company is listed on the Budapest Stock Exchange, and its ordinary shares are traded on a regulated market operated by the Budapest Stock Exchange. In 2020, the Budapest Stock Exchange published its Corporate Governance Recommendations (Recommendations), which contained recommendations and suggestions on the corporate governance practices of companies listed on the Budapest Stock Exchange.

The Recommendations are available on the website of the Budapest Stock Exchange:
https://www.bet.hu/Kibocsatok/Ajanlasok-kibocsatoknak/Felelos-tarsasagiranyitas

The Company declares its compliance with the Corporate Governance Recommendations of the Budapest Stock Exchange annually, which it publishes on the websites of both the Budapest Stock Exchange (www.bet.hu) and the Company after approval by the General Meeting. The statement presents and explains any deviations from the recommendations and the main features of the Company's internal control and risk management systems in connection with the preparation of the financial statements.

19. Risk due to the 2019-nCoV (Corona virus) pandemic

Despite of the fact regarding the far-reaching and severe impacts on the economies regarding COVID19 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 2021. 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.

Plc.

20. NON-FINANCIAL REPORT FOR THE FINANCIAL STATEMENTS OF 31 DECEMBER 2021

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.

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 one of the most important players 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 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 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.

4IG PLC. PRINCIPLES OF SECURITY

In all cases, 4iG Nyrt. 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 regarding 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 Hatóság (in English: National Accreditation Authority) 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
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 behaviour 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

21. Liability for the report of 31 December 2021

The data and statements of the present annual report for 2021 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 2021 report and for the reality of the content of the analysis and conclusions.

Dated as of 08 April 2022 in Budapest

Jászai Gellért	Tóth Béla Zsolt
chairperson and chief executive officer	member of the board of directors

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