CONSOLIDATED

financial report

4iG

H1

2023

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The Consolidated Financial Statements were approved by the Board of Directors of the Company by written resolution on the 31 August 2023, by virtue of Board Resolution No. 1/2023 (31.08.).

EXECUTIVE SUMMARY

Introduction

4iG Plc. (hereinafter referred to as "4iG", "Company", "Enterprise", "Group", "4iG Group") has undergone a major transformation in recent years through acquisitions in the telecoms and IT sectors in Hungary and the Western Balkans, creating a new regional ICT group in the Central and South-Eastern European region. The Group developed into Hungary's second largest convergent telecoms operator and the market leader among Hungarian IT system integrators. Moreover, its telecom companies in Montenegro and Albania have established themselves as leading players within their respective markets.

The strategic acquisition of the Vodafone Magyarország Távközlési Zrt in the first quarter of 2023 enabled 4iG Group to gain the necessary size, scale, and critical foundation to exploit synergies and capitalize on the convergence between its Telecommunications, IT and Space divisions, both domestically and in international markets. One of the key principles behind 4iG's future growth strategy could be the exploitation of opportunities stemming from the integration of its subsidiaries and the rationalization of the Group’s existing telecommunications infrastructure. In the first half of 2023, the 4iG Group initiated a strategic review of its domestic and international operations, whereby the Company is exploring infrastructure separation and monetization opportunities. The primary objective of this initiative is to enhance deleverage, optimize asset utilization, and stimulate growth. The scope of the review encompasses both the fixed infrastructure within Hungary and the passive mobile infrastructure in the Western Balkans.

Hungary

4iG Group successfully streamlined its domestic portfolio of mobile networks in Hungary. Commencing on the 1st of July, the company migrated DIGIMobil customers to the Vodafone networks, while retaining DIGI as their designated operator. Subsequently, 4iG Group divested the tower network, active and passive radio network equipment, spectrum usage rights and radio licenses for the 1800 MHz frequency band previously carved out to MIS Omega Mobilhálózat Kft., to Pro-M Professzionális Mobilszolgáltató Zrt. The total transaction value of HUF 68 billion includes the cost of one-year operation required by Pro-M Zrt. and the costs of building the new core network for the tower infrastructure. Pro-M Zrt. will pay the acquisition price in three instalments, with the final payment due by the 31st of July 2024. The sale of DIGI's mobile infrastructure not only aligns with 4iG Group's telecommunications integration and monetization objectives but also yields a substantial return on investment on 4iG's prior acquisition of DIGI, while also enhancing DIGI’s EBITDA generating capacity going forward. The Group will allocate the proceeds from the transaction partly to deleverage and partly to invest in the transformation process and development of its fixed and mobile network infrastructure.

In the second quarter of 2023, 4iG's IT division kickstarted the Rheinmetall-4iG joint venture, known as Rheinmetall 4iG Digital Services Kft. (R4). This venture has been offering IT services to the Rheinmetall factory in Zalaegerszeg, where the Lynx infantry fighting vehicle is manufactured. The primary goal of the founding partners is to expediently position the joint venture to supply both project-based and operational IT services to Rheinmetall AG's subsidiaries in Western Europe.

Albania

In January 2023, 4iG Group successfully completed the legal merger of its Albanian subsidiaries, ALBtelecom and One Telecommunications. The merger led to the creation of a market-leading, fully converged telecommunications operator in Albania. On March 14, a successful rebranding was executed, with 4iG Plc. launching the ONE brand in Albania under which the Group offers its telecommunications services across the Western Balkans. Following the merger of the Albanian subsidiaries, 4iG significantly enhanced its mobile network capacity. An assessment conducted by the independent Finnish analyst firm Omnitele revealed that ONE Albania achieved the highest-ranking mobile network in the nation during the spring. The survey further indicated that the network's performance is now comparable to that of mobile operators in northern Europe. In addition, 4iG has embarked on substantial investments aimed at extending the coverage of its fiber-to-the-home (FTTH) network in Albania, a project that is currently under development.

Montenegro

On July 27th, Dritan Abazović, Prime Minister of Montenegro, and 4iG Group Chairman Gellért Jászai signed a Memorandum of Understanding. Through the memorandum, the parties declared a shared commitment to fast-track the digital transition in Montenegro. The agreement is the first step of a long-term cooperation that grants a key role for 4iG Group in Montenegro’s digital development (digitization of public services, smart city projects) and the resulting increase in the country’s economic and social competitiveness.
4iG Group’s 5G radio spectrum in Montenegro boasts exceptional bandwidth by European standards and the Group is continuously developing its high-capacity infrastructure. Thanks to these investments, ONE Montenegro’s 5G networks have been made accessible across all major coastal destinations right from the commencement of this year's tourist season.

Financial performance

4iG Plc.’s consolidated net sales revenues according to IFRS for the first half of 2023 amounted to HUF 266.2 billion, the Group’s EBITDA according to IFRS exceeded HUF 95.2 billion, the profit after tax was HUF 7.8 billion. The EBITDA margin per net sales revenue was 35.8 percent. 87 percent of the net sales revenue was generated by the telecommunications and 13 percent by the IT division. Geographically, 86% of net sales were generated in Hungary, 10% in Albania and 4% in Montenegro.

The Group's positive profit after tax of HUF 7.8 billion for the period was due the favourable operational performance and due to the favourable exchange rates during the period, furthermore due to significant profitability (5-months) after the change of ownership at Vodafone Magyarország Távközlési Zrt. The Company recognised HUF 15.1 billion result on the group sale of property, plant and equipment, intangible assets, right of use of assets and related liabilities in the current period, which beside the non-realized exchange gain (HUF 9.3 billion) from the long-term loan in relation to finance the Vodafone acquisition is significantly contributed to the positive net profit of the current period.

However, the Group's results were adversely affected by depreciation, amortisation and interest expenses recognised in relation to previous acquisitions furthermore by the extra profit tax of approximately HUF 5.1 billion recognised relating to the telecommunications sector.

The future development in exchange rates and the valuation closure of the fair value of assets and liabilities based on the required International Financial Reporting Standards (IFRS) following acquisition of Vodafone Magyarország Távközlési Zrt. could significantly influence the expected net profit in the third as well as in the fourth quarter. However, the cash amount as of reporting date (HUF 47 billion), the excellent operating cash-flow (HUF 74.4 billion) and the outstanding EBITDA ensure the efficient operation of the Company, the successful continuation of the integration already being undertaken to fulfil the consolidated debt service in time.

Impacts of acquiring Vodafone Hungary on the Consolidated Financial Statements

Following the acquisition of Vodafone Magyarország Távközlési Zrt on 31 January, 2023, 4iG Group incorporated the subsidiary's 5-month financial results into this semi-annual report, adhering to IFRS. Consequently, the inclusion of Vodafone Magyarország Távközlési Zrt. has had a substantial positive impact on the Group's overall financial metrics, it contributed to the Group's profitability with an outstanding EBITDA of HUF 42.5 billion. This financial uplift comes despite Vodafone Magyarország Távközlési Zrt. reported a negative profit after tax of HUF 51 billion in its Standalone Financial Statements. These statements were released on 31 August, 2023, and is in line with the Hungarian Accounting Law (HAL), and span the period from 1 April, 2022, to 31 March, 2023.

The negative result of HUF 51 billion was influenced by three large items, which stemmed from the activities of the previous owner (Vodafone Group) and external economic factors prior to the acquisition of 4iG:

- Vodafone Group provided an intercompany loan of HUF 353 billion to its Hungarian subsidiary. Prior to transaction closing, Vodafone Hungary credited HUF 38.6 billion in interest payments to its UK parent company, Vodafone Group. This amount accounted for roughly 76% of the total negative result. Upon transaction closing, the intercompany loan was dissolved.
- An additional adverse effect on Vodafone Hungary's financial performance came from the telecommunications windfall tax, which amounted to HUF 10.3 billion.
- Elevated energy costs and other items from the previous year also contributed to the negative impact, totaling HUF 3.8 billion.

Excluding these three one-off items, Vodafone Hungary's profit before-tax for the entire previous financial year would have been HUF 1.7 billion, as per Hungarian Accounting Law.

Data in millions of HUF, unless otherwise indicated

Major performance indicators

	H1 2023*	H1 2022**	Changes +/- % in
		Modified	
Net sales revenue	**266 247**	**121 851**	**118.50%**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**95 267**	**32 842**	**190.08%**
Earnings Before Interest and Tax (EBIT)	22 082	2 374	**830.16%**
Profit after tax (PAT)	7 787	-2 754	**n.a.**
Total comprehensive income	**4 057**	**-1 544**	**n.a.**
Data per share (in HUF)			
EBITDA	318.5	128.0	**148.83%**
Net profit (EPS)	26.0	-10.8	**n.a.**
Diluted EPS indicator	26.3	-10.7	**n.a.**
Equity	1 193.0	1 161.6	**2.70%**

*The valuation of the assets and liabilities of Vodafone Magyarország Távközlési Zrt. at the time of acquisition is still in progress in accordance with the requirements of IFRS 3 Business Combinations.

**The comparative figures for the consolidated statement of comprehensive income, the statement of financial position and for the statement of cash flow for the first half of 2022 are adjusted figures. The adjustments are presented in Section *2.1 Adjustment of previous year's financial data*.

Data in millions of HUF, unless otherwise indicated

Presentation of 4iG Group's Q2 2023 results

Description	H1 2023*	H1 2022**	Changes +/- % in	Q2 2023	Q2 2022**	Change +/- % in
		Modified			Modified	
Revenues	**289 117**	**144 355**	**100.28%**	**169 898**	**75 375**	**125.40%**
- Of which: Net sales revenue	266 247	121 851	118.50%	151 069	72 906	107.21%
Cost of goods and services sold	-73 785	-41 176	79.19%	-40 710	-21 494	89.40%
Operating expenses	-58 478	-26 309	122.27%	-34 481	-18 751	83.89%
Staff costs	-44 279	-24 992	77.17%	-25 005	-14 305	74.80%
Other expenses	-17 308	-19 036	-9.08%	-10 769	-3 685	192.24%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**95 267**	**32 842**	**190.08%**	**58 933**	**17 140**	**243.83%**
Depreciation and amortisation	-73 185	-30 468	140.20%	-40 497	-17 951	125.60%
Earnings Before Interest and Tax (EBIT)	**22 082**	**2 374**	**830.16%**	**18 436**	**-811**	**n.a.**
Financial income	24 731	10 960	125.65%	10 591	6 075	74.34%
Financial expenses	-37 508	-15 621	140.11%	-18 447	-9 601	92.14%
Profit before tax (PBT)	**9 305**	**-2 287**	**n.a.**	**10 580**	**-4 337**	**n.a.**
Income taxes	-1 518	-467	225.05%	-1 595	774	n.a.
Net result	**7 787**	**-2 754**	**n.a.**	**8 985**	**-3 563**	**n.a.**
Other comprehensive income	-3 730	1 210	n.a.	-1 361	1 876	n.a.
Total comprehensive income	**4 057**	**-1 544**	**n.a.**	**7 624**	**-1 687**	**n.a.**

4iG PLC
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ACCORDING TO INTERNATIONAL
FINANCIAL REPORTING STANDARDS
30 JUNE 2023

Data in millions of HUF, unless otherwise indicated

Consolidated statement of profit or loss and comprehensive income

	Annex	H1 2023*	H1 2022**
			Modified
Net sales revenue	3	266 247	121 851
Other operating income	4	22 870	22 504
Revenue in total		**289 117**	**144 355**
Goods and services sold	5	-73 785	-41 176
Operating expenses	6	-58 478	-26 309
Staff costs	7	-44 279	-24 992
Other operating expenses	8	-17 308	-19 036
Total operating costs		**-193 850**	**-111 513**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**95 267**	**32 842**
Depreciation and amortisation	9	-73 185	-30 468
Earnings Before Interest and Tax (EBIT)		**22 082**	**2 374**
Financial income	10	24 731	10 960
Financial expenses	10	-37 508	-15 621
Profit before tax		**9 305**	**-2 287**
Income taxes	11	-1 518	-467
Profit after tax		**7 787**	**-2 754**
Other comprehensive income	12	-3 730	1 210
Total comprehensive income		**4 057**	**-1 544**
Of which: result of discontinuing activity		*0*	*0*
Earnings per share (HUF)			
Base	13	26.04	-10.77
Diluted	13	26.26	-10.74
Profit after tax attributable to:		**7 787**	**-2 754**
Owners of the Company		3 278	-3 563
Non-controlling interest		4 509	809
Total comprehensive income attributable to:		**4 057**	**-1 544**
Owners of the Company		-1 301	-2 947
Non-controlling interest		5 358	1 403

Data in millions of HUF, unless otherwise indicated

Consolidated statement of financial position

	Annex	30/06/2023*	31/12/2022** Modified
ASSETS			
Non-current assets			
Property, plant and equipment	14	407 943	281 690
Intangible assets	14	237 391	63 392
Customer relationship	15	60 626	62 115
Right of use of assets	16	123 546	43 937
Contract assets	17	12 253	2 232
Deferred tax receivables	18	3 956	159
Goodwill	19	370 452	163 428
Other investments and other non-current assets	20	2 140	1 168
Total non-current assets		**1 218 307**	**618 121**
Current assets			
Cash and cash equivalents	21	46 962	45 961
Trade receivables	22	108 279	58 910
Other receivables and other accrued and deferred assets	23	85 467	18 918
Securities	25	116	118
Inventories	26	17 324	10 727
Assets held for sale	27	0	190 271
Total current assets		**258 148**	**324 905**
Total assets		**1 476 455**	**943 026**
EQUITY AND LIABILITIES			
Equity			
Share capital	28	5 981	5 981
Treasury shares	29	-2 113	-922
Capital reserve	30	133 492	133 492
Retained earnings		-29 090	47 173
Accumulated other comprehensive income	31	5 143	9 722
Total equity per parent company		**113 413**	**195 446**
Non-controlling interest	32	243 383	102 520
Total equity		**356 796**	**297 966**
Non-current liabilities			
Provisions – non-current	33	7 934	4 888
Non-current loans, borrowings, bonds	34	737 002	424 320
Finance lease liabilities – non-current	35	104 567	34 522
Deferred tax liability	18	14 050	14 228
Other non-current liabilities	36	5 991	10 766
Total non-current liabilities		**869 544**	**488 724**
Current liabilities			
Trade payables	37	69 062	45 839
Current loans, borrowings, bonds	34	11 061	7 713
ESOP obligation	46	0	0
Dividends payable to owners	38	8	8
Provisions – current	33	3 610	4 674
Liabilities related to assets held for sale	27	0	23 349
Finance lease liabilities - current	35	23 703	9 055
Other current liabilities and accruals	39	142 671	65 698
Total current liabilities		**250 115**	**156 336**
Total liabilities and equity		**1 476 455**	**943 026**

Data in millions of HUF, unless otherwise indicated

Consolidated statement of changes in equity

	Share capital	Treasury shares	Capital reserve	Retained earnings	Accumulated other comprehensive income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance on 1 January 2022	**2 064**	**-246**	**3 869**	**9 791**	**136**	**15 614**	**1 641**	**17 255**
Acquisition - Purchase price allocation change				**-560**		**-560**	**-18**	**-578**
Accounting policy changes				**-17**		**-17**		**-17**
Modified balance on 1 January 2022	**2 064**	**-246**	**3 869**	**9 214**	**136**	**15 037**	**1 623**	**16 660**
Share issue	3 917		129 027			132 944		132 944
Purchase of treasury shares		-234				-234		-234
Allocation of dividends				-2 968		-2 968		-2 968
Profit after tax				396		396	1 210	1 606
NCI (non-controlling interest)						0	141 968	141 968
OCI					2 113	2 113	-1 385	728
Acquisition - Purchase price allocation change				-3 948	-1 497	-5 445	-1 193	-6 638
Accounting policy changes				-11		-11		-11
Modified balance on 30 June 2022	**5 981**	**-480**	**132 896**	**2 683**	**752**	**141 832**	**142 223**	**284 055**
Balance on 1 January 2023	**5 981**	**-922**	**133 492**	**47 170**	**9 722**	**195 443**	**102 111**	**297 554**
Acquisition - Purchase price allocation change				**3**		**3**	**409**	**412**
Modified balance on 1 January 2023	**5 981**	**-922**	**133 492**	**47 173**	**9 722**	**195 446**	**102 520**	**297 966**
Purchase of treasury shares		-1 191				**-1 191**		**-1 191**
Profit after tax				3 278		**3 278**	4 509	**7 787**
Other comprehensive income					-4 579	**-4 579**	849	**-3 730**
NCI (non-controlling interest)				-79 541		**-79 541**	135 505	**55 964**
Balance on 30 June 2023	**5 981**	**-2 113**	**133 492**	**-29 090**	**5 143**	**113 413**	**243 383**	**356 796**

Data in millions of HUF, unless otherwise indicated

Consolidated statement of cash flows

	Annex	30/06/2023*	30/06/2022** Modified
Cash flow from operating activities			
Profit after tax		**7 787**	-2 754
Adjustments:			
Depreciation and amortisation for the year	9	73 185	30 468
Impairment	8	3 555	1 311
Provisions	33	-1 619	849
Income taxes	11	1 518	467
Other financial income/(expenses)	10	24 468	4 661
ESOP		0	128
Other non-cash items		0	-18 092
Foreign exchange rate differences		-11 218	-3 998
Profit and loss of associates		-50	7
(Gain)/loss on sale of non-current assets		-15 143	0
Profit tax paid		-6 137	-420
Changes in working capital			
Changes in trade receivables	22	1 443	12 998
Change in inventories	26	-503	-4 355
Change of suppliers	37	-12 744	-12 187
Change in finance lease (current)	35	4 298	-2 098
Changes in other receivables and payables	23, 39	5 577	-327
Net cash flow from operating activities		***74 417***	***6 658***
Cash flow from investment activities			
Sale/(purchase) of property, plant and equipment	14	-28 708	-17 907
Sale/(purchase) of intangible assets	14	-16 895	-7 142
Sale/(purchase) of securities	25	1	17
Sale/(purchase) of other investments		-2 077	0
Non-current receivables		0	-699
Net cash flow from acquisition of subsidiaries		-324 651	-257 447
Dividends and interest received on investments		1 250	0
Net cash flow from investment activities		***-371 080***	***-283 178***
Cash flow from financing activities			
Issue/(repayment) of bonds	34	0	-16 870
Withdrawal/(repayment) of loans and borrowings	34	326 037	-15 550
Finance lease withdrawal/(repayment)	35	-20 516	29 919
Repurchased and issued treasury shares	29	-1 191	111 641
Interest paid	10	-6 599	-3 676
Capital increase/(decrease)		0	2 328
Net cash flow from financing activities		***297 731***	***107 792***
Foreign exchange rate differences		-67	4 117
Net change in cash and cash equivalents	**21**	**1 001**	**-164 611**
Cash and cash equivalents at the beginning of the year	21	45 961	266 530
Cash and cash equivalents at the end of the period		**46 962**	**101 919**

* The valuation of the assets and liabilities of Vodafone Magyarország Távközlési Zrt. at the time of acquisition is still in progress in accordance with the requirements of IFRS 3 Business Combinations.

**The comparative figures for the consolidated statement of comprehensive income, the statement of financial position and for the statement of cash flow for the first half of 2022 are adjusted figures. The adjustments are presented in Section *2.1 Adjustment of previous year's financial data*.

Data in millions of HUF, unless otherwise indicated

1. General section

1.1. Presentation of the company

4iG Public Limited Company is a company registered in Hungary (registered seat: Krisztina körút 39., 1013 Budapest, Hungary), conducts its business in accordance with the provisions of Hungarian laws, maintains its accounting and financial records in accordance with International Financial Reporting Standards (IFRS), and its shares are traded in the "Premium" category of the Budapest Stock Exchange (BSE).

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

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

1.2. General information about the Company

Company name:	4iG Public limited company
Company form:	Public limited company
Registered seat:	1013 Budapest, Krisztina körút 39.
Sites:	1037 Budapest, Montevideo utca 2/C.
	1037 Budapest, Montevideo utca 4.
	1037 Budapest, Montevideo utca 6.
	1037 Budapest, Montevideo utca 8.
	1107 Budapest, Somfa utca 10.
Branches:	8000 Székesfehérvár, Seregélyesi út 96.
	6722 Szeged, Tisza Lajos krt. 41.
	4025 Debrecen, Barna utca 23.
Company registration number:	01-10-044993
Tax number:	12011069-2-44
Statistical code:	12011069-6201-114-01
Share capital:	HUF 5,981,499,480
Date of formation:	8 January 1995
Date of transformation:	2 April 2004
Listing date:	22 September 2004

Data in millions of HUF, unless otherwise indicated

1.3. Share information

Type of shares:	registered ordinary shares, dematerialised
Nominal value of shares:	20 HUF/share
Number of shares:	299,074,974 shares
ISIN code of the shares:	HU 0000167788
Series of shares:	"A"
Shares serial number:	0000001 – 299074974
Treasury shares:	3,082,976 shares
The 4iG ESOP Organisation own shares held by:	4,000,000 shares

Other information on shares:

- Each share carries the same rights, each share represents 1 vote.
- The shares are traded in the "PRÉMIUM" category of the Budapest Stock Exchange and represent the total issued share capital, there are no other issued shares of 4iG Plc.
- There are no restrictions on the sale of shares, no pre-emptive rights are stipulated, but shares may only be transferred by debiting or crediting a securities account. In the event of a transfer of shares, the shareholder may only exercise his/her shareholder rights vis-à-vis the Company if the name of the new owner is entered in the share register.
- The share register of the Company is kept by KELER Zrt.
- There are no special management rights.
- We are not aware of any shareholder agreement on management rights.
- Voting rights are not restricted, only the treasury shares do not carry voting rights. As of 30 June 2023, there were 3,082,976 treasury shares.
- Minority rights: shareholders representing at least 1% of the voting rights may request the convening of a general meeting of the Company at any time, stating the reason and purpose.
- The elected officers are elected by the General Meeting by simple majority, in accordance with the Articles of Association.
- The operational management of the Company is carried out by the Board of Directors.
- The General Meeting decides on the increase of the share capital on the basis of a proposal by the Board of Directors. The decision of the General Meeting is not required only if the increase of the share capital is made under the authority of the Board of Directors pursuant to the Articles of Association. At the time the Annual Report is drawn up, the Board of Directors is not authorised to issue new shares.
- No agreement shall enter into force, be modified or terminated as a result of a change in the contractor's management following a public tender offer.
- There is no agreement between the Company and an officer or employee that provides for indemnification in the event of the officer's resignation or termination, the officer's or employee's termination of employment, or the termination of employment as a result of a tender offer.
- Gellért Zoltán Jászai, (former Chairman and CEO), Chairman of the Board of Directors of 4iG Plc. acquired 100% of the shares of KZF Vagyonkezelő Kft. on 14 June 2019.

Data in millions of HUF, unless otherwise indicated

Through other share transactions on the same day, KZF Vagyonkezelő Kft. and thus indirectly Gellért Zoltán Jászai acquired a 32.01% stake in 4iG Plc. For the remaining shares, a mandatory tender offer was made, which was open until 28 August 2019.

- The Company's General Meeting of 26 July 2018 decided on the share split, according to which the nominal value of the shares was changed to HUF 100 per share. As of 5 October 2018, the shares of 4iG Plc. were traded at HUF 100 per share in the standard section of the Budapest Stock Exchange. On 25 April 2019, the Company's General Meeting decided on a new share split, according to which the nominal value of the shares was changed to HUF 20 per share.
- As of 19 June 2019, 4iG shares were reclassified to the Premium category by the Director of the Budapest Stock Exchange.
- In connection with the capital increases decided on 1 June 2021, a total of 5,207,921, i.e. five million two hundred seven thousand nine hundred twenty-one Series A ordinary shares with a nominal value of HUF 20 each, granting the same rights as the shares already listed, were listed on the Budapest Stock Exchange on 1 July 2021.
- In connection with the capital increases decided as of 24 January 2022, a total of 116,417,910 ordinary shares of series A with a nominal value of HUF 20 each, with rights equivalent to those of the shares already issued, of 116,417,910 or one hundred sixteen million four hundred seven thousand nine hundred ten shares, were subscribed by the iG COM private equity fund.
- In connection with the capital increases resolved on 23 February 2022, Rheinmetall AG subscribed for a total of 50,223,881, i.e. fifty million two hundred twenty-three thousand eight hundred eighty-one Series A ordinary shares with a par value of HUF 20 each, which confer the same rights as the shares already listed.
- In connection with the capital increase decided on 23 February 2022, a total of 19,761,380 ordinary shares of series A, with a nominal value of HUF 20 each, with the same rights as the shares already issued, were subscribed by Bartolomeu Investments Kft.
- In connection with the capital increases decided on 23 February 2022, a total of 9,463,882 ordinary shares of series A, with a nominal value of HUF 20 each, with the same rights as the shares already issued, of 9,463,882 shares, or nine million four hundred and sixty-three thousand eight hundred and eighty-two, were subscribed by Çalik Holding Anonim Sirketi of Turkey.

1.4. Ownership structure

	30/06/2023	31/12/2022
iG COM Magántőkealap (Private Equity Fund)	38.93%	38.93%
KZF Vagyonkezelő Kft.	11.07%	10.68%
Manhattan Invest Kft.	1.03%	1.03%
Manhattan Magántőkealap (Private Equity Fund)	0.58%	0.58%
Rheinmetall AG	25.12%	25.12%
Bartolomeu Investments Kft.	6.44%	7.41%
4iG treasury share ownership	1.03%	0.45%
Owned by 4iG ESOP Organisation	1.34%	1.34%
Free float	14.46%	14.46%
Total	**100.00%**	**100.00%**

Data in millions of HUF, unless otherwise indicated

1.5. Officials

The senior officials of 4iG Plc. as of 30 June 2023 were as follows:

Board of Directors:	Gellért Zoltán Jászai, Chairman of the Board Aladin Ádám Linczényi, Member of the Board, Vice Chairman Péter Krisztián Fekete, Member of the Board, CEO László Blénessy, Member of the Board Zsolt Béla Tóth, Member of the Board Pedro Vargas Santos David, Member of the Board
Supervisory Board:	Dr Tamás László Fellegi, Chairman of the SB Gergely Böszörményi-Nagy, Member Dagmar Steinert, Member Tóthné dr Rózsa Ildikó, Member
Audit Committee:	Dr Tamás László Fellegi, Chairman of the AC Gergely Böszörményi-Nagy, Member Dr Ildikó Rózsa Tóthné, Member

1.6. Remuneration of officials

The remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee of the Company during this period was as follows. The General Meeting decided in its Resolution No. 15/2022 (IV.29.) that the members of the Board of Directors shall receive an honorarium of HUF 600,000/month each, while the Chairman of the Board of Directors shall receive an honorarium of HUF 750,000/month. The General Meeting decided in its Resolution No. 14/2022 (IV.29.) that the members of the Supervisory Board shall receive an honorarium of HUF 450,000/month each and the Chairman of the Supervisory Board shall receive an honorarium of HUF 600,000/month. The members of the Audit Committee do not receive any special honorarium for their work on the Audit Committee.

1.7. 4iG shareholdings of executive officers as of 30 June 2023

Name	Position	Direct ownership (units)	Indirect ownership (units)	Direct and indirect (units)	Ownership (%)
Gellért Zoltán Jászai	Chairman of the Board of Directors	0	154 363 954	154 363 954	51.61%
Zsolt Béla Tóth	Member of the Board of Directors	752 200	0	752 200	0.25%
László Blénessy	Member of the Board of Directors	611 265	0	611 265	0.20%
Pedro Vargas Santos David	Member of the Board of Directors	0	19 258 398	19 258 398	6.44%

1.8. Authorised signatories of the Report

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

1.9. Election and removal of officials

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

1.10. Powers of officials

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

1.11. Amendment of the Articles of Association

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

1.12. Basis of preparation of the balance sheet

i) Acceptance and declaration

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

The consolidated financial statements are presented in Hungarian forints, rounded to the nearest million forints, unless otherwise indicated.
The report includes consolidated unaudited financial statements for the period ending 30 June 2023.

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

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

iii) Going concern

The financial statements have been prepared on a going concern basis. This means that they have been prepared on the assumption that the Company will continue its operation for the foreseeable future without management's intention to wind up the entity or significantly reduce its level of activity.

iv) Basis of assessment

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

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

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

2. Accounting policies and other explanatory information

2.1. Adjustment of previous year's financial data

Within the framework of the interim concise consolidated financial statements for the first half-year ended 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the same period of the previous financial year have been adjusted.

The impact of the purchase price allocation under IFRS 3 Business Combinations resulting from the following acquisitions has not yet been included in the financial statements published for the first half of 2022, but is already reflected in the statement of comprehensive income for the comparative period of this report:

- On 12 May 2021, the transaction to acquire 100% of the shares of Portuguese Telecommunication Investments Kft. was completed, as a result of which 4iG Plc. acquired a 75% indirect stake in Hungaro DigiTel Kft.

- On 30 September 2021, 4iG Plc. acquired 100% of the shares in Invitech ICT Services Kft. and InviTechnocom Kft.

- 4iG Plc. acquired 100% ownership of ONE Crna Gora d.o.o. (formerly Telenor Podgorica d.o.o.) through its subsidiary 4iG Montenegro d.o.o., established on 21 December 2021.

- On 3 January 2022, 4iG Plc. acquired a 100% stake in DIGI Távközlési és Szolgáltató Kft. and also acquired majority ownership of the subsidiaries of this company (100% ownership of DIGI Infrastruktúra Kft., i-TV Zrt. and 99.99% ownership of INVITEL Zrt.).

- On 4 March 2022, 4iG Plc. through its subsidiary 4iG Albánia Kft., acquired 80.27% of the shares of ALBtelecom sh.a. in Albania.

- On 21 March 2022, the Company continued its expansion in Albania and took a controlling position in the Bulgarian parent company Albania Telecom Invest AD (100% acquisition) at the head of ONE Telecommunications sh.a. (99.9% acquisition).

- The acquisition of "ANTENNA HUNGÁRIA" Zrt. by way of a contribution-in-kind completed on 31 March 2022, during which 4iG Plc. acquired 76.78% of the shares of the company in a two-step business combination from DIGI Group (see subsidiaries listed above), ALBtelecom sh.a. (and its parent company 4iG Albánia Kft.), ONE Telecommunications sh.a. (and Albania Telecom Invest AD), Invitech Group and the shares of the Montenegrin subsidiaries.

In addition to the above, the change in accounting policy effective from 1 January 2022 also contributed to the need to adjust the statement of comprehensive income, given that the change in accounting policy was implemented retrospectively after the publication of the interim financial statements for the first half of 2022. The financial statements for the year ending on 31 December 2022 have been prepared in accordance with the following accounting policies:

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

It should be noted that, in accordance with Section No. 2.3, the accounting policies of the Group have not changed compared to the accounting policies presented in the consolidated financial statements for the year ending on 31 December 2022.

The consolidated statement of financial position as of 31. December 2022 has also been adjusted compared to the published figures for 2022, as the measurement period for the purchase price allocation has ended. On 15 November 2022, 4iG Plc. acquired a 75% stake in BRISK Group.

Data in millions of HUF, unless otherwise indicated

Consolidated statement of profit or loss and comprehensive income

	H1 2022	H1 2022	H1 2022	H1 2022
	Modified	**Purchase price allocation adjustment**	**Accounting policy change**	**Published**
Net sales revenue	121 851	0	0	121 851
Other operating income	22 504	178	0	22 326
Revenue in total	**144 355**	**178**	**0**	**144 177**
Cost of goods and services sold	-41 176	329	0	-41 505
Operating expenses	-26 309	2 420	70	-28 799
Staff costs	-24 992	-363	0	-24 629
Other operating expenses	-19 036	-463	0	-18 573
Operating costs	**-111 513**	**1 923**	**70**	**-113 506**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**32 842**	**2 101**	**70**	**30 671**
Depreciation and amortisation	-30 468	-8 425	-63	-21 980
Earnings Before Interest and Tax (EBIT)	**2 374**	**-6 324**	**7**	**8 691**
Financial income	10 960	-92	-5	11 057
Financial expenses	-15 621	1 404	-13	-17 012
Profit before tax	**-2 287**	**-5 012**	**-11**	**2 736**
Income taxes	-467	662	0	-1 129
Profit after tax	**-2 754**	**-4 350**	**-11**	**1 607**
Other comprehensive income	1 210	-2 288	0	3 498
Total comprehensive income	**-1 544**	**-6 638**	**-11**	**5 105**
Profit after tax attributable to:				
Owners of the Company	-3 563	-3 948	-11	396
Non-controlling interest	809	-402	0	1 211
Total comprehensive income attributable to:				
Owners of the Company	-2 947	-5 445	-11	2 509
Non-controlling interest	1 403	-1 193	0	2 596

Data in millions of HUF, unless otherwise indicated

Impact on the consolidated statement of financial position

	31/12/2022 Modified	31/12/2022 Purchase price allocation adjustment	31/12/2022 Published
ASSETS			
Non-current assets			
Property, plant, and equipment	281 690	0	281 690
Intangible assets	63 392	2 231	61 161
Customer relationship	62 115	1 199	60 916
Right of use of assets	43 937	0	43 937
Contract assets	2 232	0	2 232
Deferred tax receivables	159	-207	366
Goodwill	163 428	-1 224	164 652
Other investments and other non-current assets	1 168	0	1 168
Total non-current assets	**618 121**	**1 999**	**616 122**
Current assets			
Cash and cash equivalents	45 961	0	45 961
Trade receivables	58 910	0	58 910
Other receivables, other accrued and deferred assets	18 918	-484	19 402
Securities	118	0	118
Inventories	10 727	0	10 727
Assets held for sale	190 271	0	190 271
Total current assets	**324 905**	**-484**	**325 389**
Total assets	**943 026**	**1 515**	**941 511**
EQUITY AND LIABILITIES			
Equity			
Share capital	5 981	0	5 981
Treasury shares	-922	0	-922
Capital reserve	133 492	0	133 492
Retained earnings	47 173	3	47 170
Accumulated other comprehensive income	9 722	0	9 722
Total equity per parent company	**195 446**	**3**	**195 443**
Non-controlling interest	102 520	409	102 111
Total equity	**297 966**	**412**	**297 554**
Non-current liabilities			
Provisions – non-current	4 888	0	4 888
Non-current loans, borrowings, bonds	424 320	0	424 320
Finance lease liabilities – non-current	34 522	0	34 522
Deferred tax liability	14 228	3	14 225
Other non-current liabilities	10 766	1 100	9 666
Total non-current liabilities	**488 724**	**1 103**	**487 621**

Data in millions of HUF, unless otherwise indicated

Impact on consolidated statement of financial position (continued)

Current liabilities			
Trade payables	45 839	0	45 839
Current loans, borrowings, bonds	7 713	0	7 713
Dividends payable to owners	8	0	8
Provisions – current	4 674	0	4 674
Liabilities related to assets held for sale	23 349	0	23 349
Finance lease liabilities – current	9 055	0	9 055
Other current liabilities and accruals	65 698	0	65 698
Total current liabilities	**156 336**	**0**	**156 336**
Total liabilities and equity	**943 026**	**1 515**	**941 511**

Consolidated statement of cash flows

	30/06/2022 Modified	30/06/2022 Amendment	30/06/2022 Published
Cash flow from operating activities			
Profit after tax	-2 754	4 360	1 606
Adjustments:			
Depreciation and amortisation for the year	30 468	-8 488	21 980
Impairment	1 311	0	1 311
Provisions	849	0	849
Income taxes	467	-2 400	-1 933
Other financial income/expenses	4 661	8 168	12 829
ESOP	128	0	128
Other non-cash items	-18 092	0	-18 092
Foreign exchange rate differences	-3 998	-2 060	-6 058
Profit and loss of associates	7	0	7
Profit tax paid	-420	420	0
Changes in working capital			
Change in trade receivables	12 998	0	12 998
Change in inventories	-4 355	0	-4 355
Change of suppliers	-12 187	0	-12 187
Change in finance lease (intra-year)	-2 098	0	-2 098
Changes in other receivables and liabilities	-327	0	-327
Net cash flow from operating activities	***6 658***	***0***	***6 658***
Net cash flow from investment activities	***-283 178***	***0***	***-283 178***
Net cash flow from financing activities	***107 792***	***0***	***107 792***
Foreign exchange rate differences	4 117	0	4 117
Net change in cash and cash equivalents	**-164 611**	**0**	**-164 611**
Cash and cash equivalents at the beginning of the year	266 530	0	266 530
Cash and cash equivalents at the end of the period	101 919	0	101 919

Data in millions of HUF, unless otherwise indicated

2.2. Subsidiaries included in consolidation

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

*MIS Omega Mobilhálózat Kft. was sold on 30 June 2023.

Data in millions of HUF, unless otherwise indicated

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

As of 1 January 2023, the companies of the DIGI Group (Invitel Zrt., DIGI Infrastruktúra Kft., i-TV Zrt.) were merged into DIGI Távközlési és Szolgáltató Kft. The legal successor entity is DIGI Távközlési és Szolgáltató Kft.

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

On 31 May 2023, "ANTENNA HUNGÁRIA" Zrt. sold its 100% owned Antenna Hungária Innovációs Kft.

On 31 May 2023, MIS Omega Mobilhálózat Kft. was established on 31 May 2023 as a 100% subsidiary of "ANTENNA HUNGÁRIA" Zrt., which was sold on 30 June 2023.

2.3. The accounting policy

The accounting policies of the Group have not changed in their material elements compared to those presented in the consolidated financial statements as of 31 December 2022. The accounting policies have been consistently applied to the periods presented in these consolidated financial statements. The concise consolidated financial statements for the six months ending on 30 June 2023 have been prepared in accordance with the requirements of the applicable IAS 34 Interim Financial Reporting Standard and therefore do not include all the information and notes required for the annual financial statements. The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ending on 31 December 2022.

3. Net sales revenue

	H1 2023	H1 2022
Revenue from customer relationship	259 889	121 354
Revenue from rental income	6 358	497
Total	**266 247**	**121 851**

The significant increase in the Group's revenue is largely the result of the acquisition of Vodafone Magyarország Távközlési Zrt. in the 5 months since its inclusion in the consolidation, it has reported HUF 123,206 million in revenue. The increase in revenue also affected the increase in other cost and expense items.

Data in millions of HUF, unless otherwise indicated

Of the first half-year sales revenue, HUF 4,518 million in export revenue was generated by the domestic subsidiaries, of which HUF 3,783 million was intra-EU and HUF 735 million outside the EU. The revenue of the Albanian and Montenegrin subsidiaries was HUF 36,140 million.

Main types of income:

- With the acquisition of the new subsidiaries, telecoms revenue accounted for a significant share of revenue in the first half of 2023. The revenue recognition requirement of IFRS 15 mainly affects the revenue of Vodafone Magyarország Távközlési Zrt., DIGI Távközlési és Szolgáltató Kft., "ANTENNA HUNGÁRIA" Zrt. and the Albanian and Montenegrin subsidiaries. For telephones and other telecommunications equipment and services sold as part of a bundle, the total consideration is allocated to each liability on the basis of the standard.
- Product sales account for a significant proportion of the IT division's sales, where revenue is recognised at the point when control of the product is transferred to the customer.
- IT projects account for another significant share of revenues. Where the Group transfers control of a service on an ongoing basis, subject to the conditions set out in the standard, it also recognises revenue from the sale of services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service. The determination of the stage of completion assumes significant estimates, for which the Group performs detailed tests and evaluations. The presentation of contract assets and liabilities recognised at the balance sheet date is disclosed in Subsections 23 and 39.

4. Other operating revenue

The composition of other operating income was as follows:

	H1 2023	**H1 2022**
State subsidies and refunds	107	134
Provision release	1 619	1
Penalties, liquidated damages, compensations	612	127
Income of intangible and tangible assets sold	26	231
Impairment reversal	0	666
Own performance capitalized	5 357	2 734
Employee refunds	3	30
Other subsidies	2	14
Other operating income from acquisitions and group restructuring	15 143	18 092
Other	1	475
Total	**22 870**	**22 504**

In the table above, the Other operating income from acquisitions and group restructuring line shows the profit on the sale of tangible and intangible assets, rights of use of assets and related liabilities sold as a group.

Data in millions of HUF, unless otherwise indicated

4iG Plc. realised a significant part of the state subsidy: the aid received for the application registered under GINOP-2.3.4-15-2020-00010 and titled *Centre for Higher Education and Industrial Cooperation - Research Development*, jointly implemented with the University of Pécs, was HUF 59 million.

In the first half of 2023, the Group recognised a reversal of provision in total, the related provision spreadsheet is presented in Chapter *33 Provisions.*

The compensation of "ANTENNA HUNGÁRIA" Zrt. for the HUF 440 million damage caused by a fire involving a lorry is included in the compensation.

The marking back of the impairment is detailed in Chapter *8 Other operating expenses.*

A significant part of own performance capitalised recognised in the first half of 2023, HUF 3,161 million, is the staff costs of Vodafone Magyarország Távközlési Zrt., typically related to engineering works for further network construction and IT upgrades.
At DIGI Távközlési és Szolgáltató Kft., HUF 1,854 million was related to network construction projects.

5. Cost of goods and services sold

	H1 2023	H1 2022
Cost of goods sold	-34 784	-11 881
Cost of services sold	-39 001	-29 295
Total	**-73 785**	**-41 176**

The increase in the cost of goods and services sold during the period is mainly due to the acquisition of Vodafone Magyarország Távközlési Zrt. on 31 January 2023.

6. Operating expenses

	H1 2023	H1 2022
Material costs	-14 398	-6 559
Value of contracted services	-34 839	-18 263
Value of other service activities	-9 241	-1 487
Total	**-58 478**	**-26 309**

The increase in operating expenses compared to the comparative period was mainly due to the acquisition of Vodafone Magyarország Távközlési Zrt. on 31 January 2023.

Data in millions of HUF, unless otherwise indicated

7. Staff costs

	H1 2023	H1 2022
Wages and salaries	-33 116	-20 075
Other staff benefits	-6 354	-2 092
Contributions on wages and salaries	-4 809	-2 825
Total	**-44 279**	**-24 992**
Average statistical number	7 850	6 118

With the acquisition of Vodafone Magyarország Távközlési Zrt., the number of employees of the Group increased, and staff costs increased accordingly.

8. Other operating expenses

	H1 2023	H1 2022
Grants from foundations	-27	-16
Penalties, liquidated damages, compensations	-129	-13 282
Value of intangible and tangible assets sold	-54	-75
Scrapping of tangible and intangible assets	-27	-492
Taxes, duties, contributions	-12 670	-1 347
Impairment of inventories	-411	-139
Bad debts	-153	0
Impairment of receivables	-3 144	-2 836
Losses related to damages	-167	-29
Assets given without compensation	0	-1
Provisioning	0	-555
Other	-526	-264
Total	**-17 308**	**-19 036**

The largest amount of taxes, duties, and contributions is the telecommunications tax of HUF 10,349 million, which is recognised as an expense at Vodafone Magyarország Távközlési Zrt. DIGI Távközlési és Szolgáltató Kft. incurred HUF 409 million in telecommunication taxes, while Invitech ICT Services Kft. incurred HUF 49 million. In addition, DIGI Távközlési és Szolgáltató Kft. recorded a utility tax of HUF 962 million, and Invitech ICT Services Kft. recorded a utility tax of HUF 241 million. The amount of each sectoral special tax was HUF 358 million for DIGI Távközlési és Szolgáltató Kft. and HUF 128 million for "ANTENNA HUNGÁRIA" Zrt.

Each year the Group reviews the marketability of its inventories and based on the market knowledge of traders, recognises an impairment loss on slow-moving inventories and discards obsolete inventories. In the period under review, Vodafone Magyarország Távközlési Zrt. recorded the largest impairment of HUF 341 million on its inventories.

Data in millions of HUF, unless otherwise indicated

Impairment movement schedule for the first half of 2023:

	Opening	Acquisition	Increase	Decrease	Utilization	Cumulative translation adjustment	Closing
Trade receivables	-32 580	-6 773	-5 335	2 232	0	436	-42 020
Other receivables	-691	-86	-63	22	0	-3	-821
Inventories	-3 154	-948	-846	650	-215	-13	-4 526

9. Depreciation and amortisation

The Group's activities are highly asset-intensive due to the expansion of the telecommunications segment.

	H1 2023	H1 2022
Depreciation	-73 185	-30 468
Total	**-73 185**	**-30 468**

Depreciation includes the depreciation of items recognised as right of use assets under IFRS 16, which amounted to HUF 13,178 million in the first half of 2023. The surplus depreciation recognised in the current period under review for the fair value difference recognised at the acquisition date on the tangible and intangible assets of the companies acquired in 2021 and 2022 amounted to HUF 8,342 million. The significant increase in depreciation compared to the previous period is due to the acquisition of Vodafone Magyarország Távközlési Zrt.

10. Financial income and expenses

	H1 2023	H1 2022
Financial income		
Interest income	1 977	1 855
Exchange rate gains	21 345	9 105
Other	1 409	0
Total	**24 731**	**10 960**

	H1 2023	H1 2022
Financial expenses		
Interests on bonds	-11 118	-11 271
Other interest expenses	-15 603	-2 693
Profit or losses of joint venture	-50	-7
Exchange rate losses	-9 603	-1 204
Other	-1 134	-446
Total	**-37 508**	**-15 621**

Data in millions of HUF, unless otherwise indicated

Interests received include interests received from financial institutions in the amount of HUF 1,935 million, from that HUF 663 million is related to Vodafone Magyarország Távközlési Zrt., HUF 401 million is related to “ANTENNA HUNGÁRIA” Zrt., HUF 314 million is related to Hungaro DigiTel Kft and HUF 232 million is related to 4iG Plc. Other financial income includes dividends received on the shares of “ANTENNA HUNGÁRIA” Zrt. amounting to HUF 1,250 million.

Interests on bonds include the interest expense paid to bondholders on bonds issued. Other interest expense includes interests paid to financial institutions (HUF 9,687 million), interests on leases measured in accordance with IFRS 16 Leases of HUF 4,982 million and interest expense recognised at DIGI Távközlési és Szolgáltató Kft. related to the content fee liabilities of HUF 843 million. The Group's share of the current years result of joint venture Rotors & Cams Zrt. is a loss of HUF 50 million in the first half of 2023.

11. Income taxes

The composition of expenses related to income taxes is as follows:

	H1 2023	H1 2022
Corporate income tax	-986	-2 049
Deferred tax	2 890	2 594
Business tax	-2 973	-878
Innovation contribution	-449	-134
Total	**-1 518**	**-467**

The profit tax payable by the Group is the tax recognised in the standalone accounts of the subsidiaries and calculated in accordance with the relevant local rules.
The tax rate applied to deferred tax recognised in the income statement is 9% under the current legislation in Hungary and 15% in Albania and Montenegro, in accordance with the applicable corporate tax rate.

12. Total comprehensive income

	H1 2023	H1 2022
Total comprehensive income	**4 057**	**-1 544**

In the first half of 2023, the Group recognised cumulative translation difference arising on the conversion of the financial statements of foreign subsidiaries into Hungarian forint in accordance with IAS 21, and the foreign exchange loss on equity instruments measured at fair value through other comprehensive income (FVOCI) (HUF 1,529 million) in the consolidated statement of comprehensive income in the line of other comprehensive income.

Data in millions of HUF, unless otherwise indicated

The amounts recognised in other comprehensive income may be reclassified to the income statement in the future if certain conditions (i.e. sale or disposal of subsidiaries and investments) are met. Total comprehensive income presented in the table above is the sum of profit after tax and other comprehensive income.
Total comprehensive income includes, in addition to the above, the result from operating activities, income and expenses from financial operations, depreciation and amortisation expense and income taxes.

13. Earnings per share

In the calculation of basic earnings per share, the profit after tax distributable to shareholders and the average number of ordinary shares in issue during the period, excluding treasury shares, should be taken into account.

	H1 2023	H1 2022
Profit after tax	7 787	-2 754
Weighted average number of ordinary shares outstanding during the period	299 074 974	256 507 225
Weighted average of shares carrying voting rights	296 587 386	255 619 613
Diluted EPS indicator - in HUF	**26.26**	**-10.74**
Earnings per share (basic) EPS - in HUF	**26.04**	**-10.77**

The Company held 3,082,976 as of 30 June 2023 and 1,152,582 treasury shares as of 30 June 2022, respectively. As of 30 June 2023, 4iG Plc. was diluted for treasury shares.

14. Property, plant and equipment and intangible assets

For the first half of the year ending on 30 June 2023, the Group's tangible and intangible assets increased significantly, primarily due to the consolidation of the assets of Vodafone Magyarország Távközlési Zrt. The impact of the acquisition in the current period was HUF 156,419 million for property, plant and equipment and HUF 142,949 million for intangible assets.

In accordance with Subsection 2.1, the determination of the fair value of the assets and liabilities of the BRISK Group acquired in the previous year has been finalised, with a total impact on intangible assets of HUF 2,231 million for the previous year's figures.

15. Customer relationship

	30/06/2023	31/12/2022
Customer relationship	60 626	62 115

Data in millions of HUF, unless otherwise indicated

In the period under review, the Group has identified intangible assets, separated from goodwill under IFRS 3 Business Combinations, as part of customer relationship, which are presented in a separate line in the consolidated statement of financial position and amortised over their identified useful lives. During the financial year of 2022, presentable customer relationship was identified for DIGI Távközlési és Szolgáltató Kft., Invitel Zrt., "ANTENNA HUNGÁRIA" Zrt. and ONE Albania sh.a., and the purchase price allocation related to BRISK Group was also completed, resulting in the recognition of customer relationship of HUF 1,199 million.

16. Right of use of assets

	Land and buildings	Machinery, motor vehicles	Telecommunication devices	Total
Right of use of assets				
Gross value	132 672	9 593	21 443	163 708
Accumulated depreciation	-24 559	-4 183	-11 420	-40 162
Net value on 30/06/2023	**108 113**	**5 410**	**10 023**	**123 546**

	Land and buildings	Machinery, motor vehicles	Telecommunication devices	Total
Right of use of assets				
Gross value	39 114	6 876	13 335	59 325
Accumulated depreciation	-7 189	-2 978	-5 221	-15 388
Net value on 31/12/2022	**31 925**	**3 898**	**8 114**	**43 937**

Vodafone Magyarország Távközlési Zrt. generates the significant increase in the right of use of assets in the balance sheet line. The net value of its leasehold leases at the time of acquisition was HUF 83,179 million.

	H1 2023	H1 2022
Lease-related costs, expenses		
Interest expenditure	-4 982	-1 873
Expenditure related to short-term leases	-92	-196
Expenses related to leases of small-value assets	-4	-25
Variable lease transactions	0	0
Total profit and loss	**-5 078**	**-2 094**

In accordance with the requirements of IFRS 16 Leases, the Group initially recognises a lease asset as a lease right, taking into account items prepaid on or before the lease term, and capitalises those items in the cost of the asset.

Data in millions of HUF, unless otherwise indicated

17. Contract assets

	30/06/2023	31/12/2022
Contract assets	12 253	2 232
Net value	**12 253**	**2 232**

The Group recognises as contract assets the variable commissions on concluding contracts directly attributable to customer contracts and purchase costs invoiced in the Telecommunications segment, which are amortised on a straight-line basis over the expected life of the contracts.
In the previous period, the Group identified contract assets for Invitech ICT Services Kft, ONE Crna Gora d.o.o., ONE Albania sh.a. and DIGI Távközlési és Szolgáltató Kft. In addition, during the period under review, the acquisition of Vodafone Magyarország Távközlési Zrt. increased the value of contract assets by HUF 9,703 million, which increased to HUF 10,119 million on 30 June 2023.

18. Deferred tax receivables and liabilities

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used to calculate taxable profit.
If the difference is a temporary difference, i.e. the difference will be settled within a foreseeable period, then a receivable or liability is identified according to its nature. A deferred tax liability is recognised for any taxable temporary difference. A deferred tax receivable is identified only to the extent that it is probable that recovery will be achieved within the foreseeable future.

The Group's deferred tax receivables and liabilities are determined using the tax rates expected to apply when the receivable is settled or realised.

The Group nets deferred tax receivables and liabilities on a company-by-company basis, where the netting of current tax receivables and liabilities is legally permitted and the deferred tax receivables and liabilities relating to corporate income tax are levied by the same taxation authority.
As a result, the Group has net deferred tax receivables of HUF 3,956 million as of 30/06/2023 (HUF 159 million at 31/12/2022) and net deferred tax liabilities of HUF 14,050 million as of 30/06/2023 (HUF 14,225 million as of 31/12/2022).
The items giving rise to deferred tax relate primarily to timing differences in the depreciation of tangible and intangible assets and the timing of the recognition of provisions for accrued losses and various costs.

The finalisation of the purchase price allocation of the BRISK Group reduced the deferred tax receivable of HUF 366 million disclosed on 31/12/2022 by HUF 207 million, resulting in an adjusted balance of HUF 159 million of deferred tax receivables for the year ending on 31/12/2022. There was a decrease of HUF 3 million in the deferred tax liability as a result of the purchase price allocation, resulting in an adjusted balance of HUF 14,225 million of liability disclosed on 31/12/2022 of HUF 14,228 million.

Data in millions of HUF, unless otherwise indicated

The balance of the deferred tax receivable of HUF 3,956 million as of 30/06/2023 was contributed by the acquisition of Vodafone Magyarország Távközlési Zrt. in the amount of HUF 1,168 million. It should be noted that the fair value of the receivables and liabilities related to the acquisition based on the IFRS 3 Business Combinations Standard requirements is still being determined.

19. Goodwill

On 31 January 2023, "ANTENNA HUNGÁRIA" Zrt. acquired 51% of Vodafone Magyarország Távközlési Zrt. and on 20 March 2023, through a share swap, acquired a further 19.5% of the share capital of Vodafone Magyarország Távközlési Zrt., owned by Corvinus Zrt., thus increasing its direct majority stake to 70.5%.
In addition to assets, the acquisitions during the year under review included the purchase of management functions, skilled employees and related processes. The acquisitions were identified as business combinations.

Goodwill was recognised in the following subsidiaries of the Company:

Name of subsidiary	30/06/2023	31/12/2022
former FreeSoft Kft.	411	411
DTSM Kft.	76	76
INNObyte Zrt.	593	593
Poli Computer PC Kft.	1 802	1 802
Portuguese Telecommunication Investments Kft.	2 167	2 167
ONE Crna Gora d.o.o.	23 382	25 212
TR Consulting Kft.	252	252
Invitech ICT Services Kft.	55 844	55 844
ACE Network Zrt.	1 483	1 483
DIGI Kft.	30 396	30 396
ALBtelecom sh.a.	18 484	18 635
Albania Telecom Invest AD	21 548	21 627
BRISK Group Kft.	4 930	4 930
Vodafone Magyarország Távközlési Zrt.	209 084	0
Total goodwill	**370 452**	**163 428**

The measurement period for the assets and liabilities of the BRISK Group has ended, and therefore goodwill amounts as of 31 December 2022 have been adjusted retrospectively. The prior period adjustments to certain lines in the consolidated statement of financial position are presented in Subsection 2.1 *Adjustments of previous year's financial data*.
The fair value of the assets and liabilities of Vodafone Magyarország Távközlési Zrt is being determined.

Data in millions of HUF, unless otherwise indicated

Main data of the subsidiary acquired in the year under review:

	Vodafone Magyarország Távközlési Zrt.
Date of acquisition	31/01/2023
Way of acquiring	acquisition
Acquisition value	51%
Purchase price	326 031
Fair/IFRS net asset value	
Of which:	
Fixed assets	394 233
Cash	1 380
Inventories	6 305
Receivables, other accrued and deferred assets	74 434
Provisions	3 650
Current and non-current liabilities	146 861
Accrued and deferred income	27 185
Goodwill	209 084
Non-controlling interest	181 710
Net sales revenue since acquisition	123 206
Overall comprehensive income since acquisition	6 147

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 after the acquisition and will present them highlighted in the 2023 year-end financial statements.

- In accordance with the provisions of IFRS 3, the cost values are recognised as provisional amounts for reliable estimates of fair values in the consolidated financial statements for the first half of 2023.

During the maximum one-year measurement period allowed by IFRS 3, the fair value measurement will be completed, and the fair values will be adjusted back to the acquisition date if necessary to reflect information about facts and circumstances at the acquisition date that, if known, would have affected the measurement of the amounts recognised at that date.

The purchase prices are included in the investments line in the standalone accounts.

Goodwill is the positive difference between the acquisition cost and the fair value of the identifiable net assets of the acquired subsidiary at the acquisition date. Goodwill is not amortized, but the Company assesses annually whether there are any indications that the carrying amount is not recoverable. Goodwill is stated at cost less any impairment.

As of 30 June 2023, the segment and market values in the year-end 2022 financial statements are valid, and no additional impairment was recognised in the period under review.

Data in millions of HUF, unless otherwise indicated

20. Other investments and other non-current assets

In addition to its 24% stake in Rotors & Cams Zrt, the Group also includes in other investments its stake in Space-Communications Ltd, which it increased from 9.538% as of 31 December 2022 to 20% in the first half of 2023, increasing its value from HUF 515 million to HUF 1 063 million.
The acquisition of Vodafone Magyarország Távközlési Zrt. also contributed to the increase in the value of other assets held at the end of the year: the value of its assets held at the end of the year as of 30 June 2023 was HUF 664 million, of which HUF 661 million includes finance lease receivables.

21. Cash and cash equivalents

	30/06/2023	31/12/2022
Cash on hand	103	629
Bank	46 859	45 332
Total	**46 962**	**45 961**

Cash and cash equivalents include cash on hand, current accounts with banks, short-term deposits and short-term liquid investments that can be converted into an immediately determinable amount of money.
Of the cash and cash equivalents as of 30 June 2023, HUF 652 million is classified as restricted cash, which is a fully blocked deposit.
Restricted cash covers funds on current accounts which have been deposited in security accounts by consolidated enterprises to cover future trade payables or which have been set aside in current accounts for similar purposes.
The Company values its cash and cash equivalents at amortised cost and has made an estimation of the expected credit loss on cash and cash equivalents, and based on this estimation no impairment on cash and cash equivalents is required, because the Company holds their cash only at financial institutions whit high credit rating, therefore risk-free.

22. Trade receivables

	30/06/2023	31/12/2022
Trade receivables	150 299	91 490
Impairment of trade receivables	-42 020	-32 580
Total	108 279	58 910

Data in millions of HUF, unless otherwise indicated

The acquisition of Vodafone Magyarország Távközlési Zrt. increased the net trade receivables by HUF 55,462 million at the acquisition date.

Compared to 31 December 2022, we do not consider that the probability of recovery has changed significantly and therefore no additional credit loss has been recognised.

23. Other receivables and other accrued and deferred assets

	30/06/2023	31/12/2022
Gross value of other receivables	62 364	8 952
Impairment of other receivables	-821	-691
Accrued and deferred assets	23 924	10 657
Total	**85 467**	**18 918**

The net impaired value of other receivables includes:

	30/06/2023	31/12/2022
Corporate tax receivables	1 726	0
Other tax receivables	5 225	0
Advance payments	4 409	2 840
Cash lent for short-term	1 607	384
Lease charge deposit	1 063	369
Guarantees provided	167	172
Receivables on government budget	29	67
Other current receivables	47 317	4 429
Total	**61 543**	**8 261**

Other tax receivables include VAT receivables.

Other current receivables include the part of the receivable due within one year from "ANTENNA HUNGÁRIA" Zrt. for the sale of MIS Omega Mobilhálózat Kft. to Pro-M Professzionális Mobilrádió Zrt. amounting to HUF 45,200 million. As the time value of money has a significant impact, the uncollected purchase price was recognised according to the International Financial Reporting Standards at discounted net present value, which reduced the nominal value of the receivable by HUF 3 301 million. This carrying amount will approximate the nominal value of the receivable in the future and will reach it on the date of payment.
Also included in other current receivables are the sublease receivables of HUF 399 million recognised by Vodafone Magyarország Távközlési Zrt. and the current portion of the lease receivables of ONE Albania sh.a. of HUF 149 million.

The Company presents advance payments to suppliers in net terms, without VAT.

Data in millions of HUF, unless otherwise indicated

Cash lent for short-term includes loans provided to the Group's employees (HUF 60 million in the case of 4iG Plc. and HUF 147 million in the case of ONE Albania sh.a.), a HUF 590 million loan provided by 4iG Plc. to Rotors & Cams Kft. and short-term loans to other debtors.

Compared to 31 December 2022, we do not consider that the probability of recovery has changes significantly and therefore no additional credit loss has been recognised.

Composition of accrued and deferred assets:

	30/06/2023	31/12/2022
Accruals and deferred income	11 567	5 805
Accruals and deferrals of costs and expenses	12 357	4 852
Total	**23 924**	**10 657**

Accrued and deferred costs and expenses include costs and expenses invoiced before the balance sheet date but charged after 30/06/2023. Accrued and deferred income includes the portions of revenue recognised in the first half of 2023 in accordance with IFRS 15, documented but not invoiced until the second half of 2023, and in addition the amount of state aid accrued in proportion to costs in accordance with IAS 20 for the first half of 2023, according to the intensity of the aid. If the Company transfers control of the service on an ongoing basis, when the conditions in the standard are met, it also recognises the proceeds from the sale of the services on an ongoing basis in accordance with the methods set out in the standard, depending on the nature of the service.

Contract assets recognised as accrued and deferred assets amount to HUF 5,322 million.

24. Actual income tax receivables and liabilities

The Group considers the following to be profit taxes under IAS 12. With regard to 31 December 2022, the Company presented actual profit taxes as a liability (therefore they are presented in the table below with a negative sign), however, with the newly acquired Vodafone Magyarország Távközlési Zrt., the balance of profit taxes at consolidated level is receivable in total, and therefore they are included in receivables in the statement of financial position for 30 June 2023:

	30/06/2023	31/12/2022
Corporate and dividend tax	596	-1 025
Local business tax	1 357	9
Contribution on innovation	-227	-114
Total	**1 726**	-1 130

Data in millions of HUF, unless otherwise indicated

25. Securities

The Group measures its securities at fair value through profit or loss (equity instruments).
In the period under review, the Company reported discount treasury bills as securities.

	30/06/2023	31/12/2022
Shares and discount treasury bills	116	118
Total	**116**	**118**

26. Inventories

	30/06/2023	31/12/2022
Work in progress	284	231
Finished goods	15 333	9 529
Raw materials	6 229	4 117
Refundable packaging	4	4
Impairment of inventories	-4 526	-3 154
Total	**17 324**	**10 727**

Inventories increased in line with the expansion of activity and the level of inventories in the new subsidiaries. Each year the Group reviews the marketability of its inventories and based on market knowledge, writes down slow-moving inventories and scraps obsolete inventories. The carrying amount of inventories is therefore the lower of cost or selling price less cost to sell. The Group recognises strategic inventories as tangible assets for inventory items with a specific acquisition cost of HUF 5 million.

27. Assets held for sale and liabilities related to assets held for sale

	30/06/2023	31/12/2022
Assets held for sale	0	190 271
Liabilities related to assets held for sale	0	23 349

Data in millions of HUF, unless otherwise indicated

As part of its integration and reorganisation processes, the Group has reviewed its assets and has classified assets that do not serve the Company's interests and future objectives on a sustainable basis as held for sale in relation to DIGI Kft. Assets held for sale include property, plant and equipment, intangible assets and right of use assets, while liabilities related to assets held for sale mainly represent current and non-current lease obligations related to leasehold leases. The Group did not recognise any depreciation or amortisation on the assets held for sale in the current period and they were carried at carrying value in the consolidated statement of financial position (as the fair value less costs to sell exceeded the carrying value of the assets). The transaction was closed on 30. June 2023 and the assets and liabilities held for sale were derecognised.

As of 31 December 2022, the Group also recognised in assets held for sale the 25% stake in TMT Hungary B.V. and TMT Hungary Infra B.V., which was sold on 20 March 2023 in a share swap and previously recognised in the books of “ANTENNA HUNGÁRIA” Zrt. for HUF 125,700 million. As a result of the share swap, "ANTENNA HUNGÁRIA" Zrt increased its ownership to 70.5% after the acquisition of 51% of the shares of Vodafone Magyarország Távközlési Zrt. on 31 January 2023.

28. Share capital

The share capital of the Company is HUF 5,981 million in 2022, due to four capital increases, which remained unchanged in the first half of 2023. The share capital under IFRS is the same as the share capital as recorded at the Companies Court. The share capital of the Company consists of 299,074,974 ordinary registered shares with a nominal value of HUF 20 each, issued dematerialised. Each share carries one vote. There are no shares carrying preferential or other special rights. Treasury shares are non-voting.
The shares are traded in the Premium Section of the Budapest Stock Exchange, its ISIN code is HU0000167788.

	30/06/2023	31/12/2022
Opening value	5 981	2 064
Increase	0	3 917
Decrease	0	0
Closing value	**5 981**	**5 981**

29. Treasury shares

The cost of treasury shares is the consideration paid for the repurchase of treasury shares, which reduces equity (the nominal value is also included in this balance sheet line but is not deducted from share capital).

The change in the number of 4iG (treasury) shares held by the Company is shown in the table below:

Data in millions of HUF, unless otherwise indicated

Treasury shares (items)	30/06/2023	31/12/2022
4iG ESOP Organisation	4 000 000	4 000 000
4iG Plc.	3 082 976	1 359 447
Total	**7 082 976**	**5 359 447**

The repurchase value of the treasury shares is HUF 2,113 million, at an average price of HUF 685 per share. The closing price on the stock exchange for the period was HUF 660 per share and the average price for the half-year was HUF 686 per share.

30.Capital reserve

	30/06/2023	31/12/2022
Opening value	133 492	3 869
Increase	0	129 623
Decrease	0	0
Closing value	**133 492**	**133 492**

As a result of the capital increases in 2022, the amount of the capital reserve increased by HUF 75,672 million on 24 January, by HUF 32,645 million on 23 February, by HUF 8,462 million on 4 March and by HUF 12,845 million on 1 April. The amount of capital reserve did not change in the first half of 2023.

31. Accumulated other comprehensive income

	30/06/2023	31/12/2022
Valuation reserve for fair valuation	-2 638	-1 109
Accumulated foreign exchange rate differences	7 781	10 831
Total	**5 143**	**9 722**

31.1. Valuation reserve for fair valuation

Valuation reserve for fair valuation includes the net cumulative change in the fair value of assets measured at fair value through other comprehensive income. During the period, the Company recognised a loss in other comprehensive income of HUF 1,529 million in relation to the 20% equity interest in Space-Communications Ltd.

31.2. Accumulated foreign exchange rate differences

The Group presents the foreign exchange rate differences arising on the conversion of the balance sheets and income statements of foreign subsidiaries in the foreign exchange rate differences on equity.

Data in millions of HUF, unless otherwise indicated

32. Non-controlling interest

Changes in non-controlling interests during the period are shown in the consolidated statement of changes in equity.

	30/06/2023	31/12/2022
Non-controlling interest	243 383	102 520

The significant change in non-controlling interest is due to the acquisition of Vodafone Magyarország Távközlési Zrt.

33. Provisions

	31/12/2022	Acquisition	Increase	Use	Cumulative translation adjustment	30/06/2023
Untaken leave	703	0	11	-108	-8	598
Legal and other cases	2 898	2 149	292	-1 941	-32	3 366
Asset retirement obligation	5 961	1 500	546	-419	-8	7 580
Total	**9 562**	**3 649**	**849**	**-2 468**	**-48**	**11 544**
of which						
provisions – non-current	*4 888*					*7 934*
provisions – current	*4 674*					*3 610*

The provision for untaken leave amounted to HUF 703 million on 31 December 2022, of which HUF 108 million was released during 2023.
The provision for expected liabilities includes typically legal and litigation costs, penalties, employee benefits and restructuring on 30 June 2023. With the acquisition of Vodafone Magyarország Távközlési Zrt., a current provision of HUF 2,149 million for legal matters and restructuring costs was recognised at the consolidated level, of which a provision of HUF 1,267 million for legal matters was released in 2023 after the acquisition. The provision of "ANTENNA HUNGÁRIA" Zrt. of HUF 1,438 million for litigation and penalties increased by a further amount of HUF 70 million in 2023. The provision for legal cases of ONE Albania sh.a. amounted to HUF 347 million on 30 June 2023. A provision of HUF 491 million was recognised for future employee benefits on a consolidated basis on 30 June 2023.
The provision for asset retirement obligation includes the discounted provision for the future restoration of the assets of Vodafone Magyarország Távközlési Zrt. acquired in 2023 and ONE Albania sh.a. and ONE Crna Gora d.o.o.

Data in millions of HUF, unless otherwise indicated

34. Non-current loans, borrowings, bonds and current loans, borrowings, bonds

Non-current loans, borrowings, bonds

	30/06/2023	31/12/2022
4iG Plc.		
Bonds	388 610	388 630
"ANTENNA HUNGÁRIA" Zrt.		
MFB (Hungarian Development Bank) investment loan 1	21 973	21 712
EXIM Bank investment loan	283 312	0
MFB Bank investment loan	30 673	0
INNObyte Zrt.		
MFB Zrt. GINOP loan	82	81
ONE Albania sh.a.		
OTP loan	12 210	13 547
Italian government loan	142	309
Raiffeisen Bank loan	0	41
Total	**737 002**	**424 320**

Current loans, borrowings, bonds

	30/06/2023	31/12/2022
4iG Plc.		
Baross Gábor Loan Programme revolving credit	4 000	0
ACE Network Zrt.		
K&H loan	300	0
"ANTENNA HUNGÁRIA" Zrt.		
MFB investment loan 1	3 126	3 126
INNObyte Zrt.		
MFB Zrt. GINOP loan	7	9
K&H - Exim indemnity loan	22	44
K&H – Exim future exporters loan	120	120
ONE Albania sh.a.		
Banka OTP Albania overdraft	518	793
OTP loan	1 073	1 062
Tirana Bank overdraft	1 394	1 585
Raiffeisen Bank overdraft	238	656
Raiffeisen Bank loan	120	164
Italian government loan	143	154
Total	**11 061**	**7 713**

The above figures represent the amounts actually drawn or utilized under the credit facilities available to the Company and its consolidated subsidiaries.

The amount of scope adjusted debt is HUF 893.8 billion on 30 June 2023.

4iG Plc.
As of 30 June 2023, 4iG Plc. had a bank loan agreement with Raiffeisen Bank for a total amount of HUF 7,120 million, against which it had entered into a contract:
1) HUF 620 million revolving loan, maturing on 31 August 2023,
2) bank overdraft of HUF 500 million, maturing on 31 August 2023,
3) bank guarantee facility of HUF 2,000 million, maturing on 31 July 2027,
4) HUF 4,000 million subsidised loan contracted under the Baross Gábor Loan Programme, maturing on 10 May 2024.

The Bank Loan Agreement was not amended in the period under review, and has been available since January 2020 with unchanged terms, so a pledge of HUF 7,420 million on the Company's receivables and HUF 810 million on its inventories is registered in the Hungarian Notariat pledge register as collateral in favour of Raiffeisen Bank.

The Company has drawn in full on the revolving credit facility under the Baross Gábor Loan Programme, which is a subsidized loan, on 23 May 2023. The contractual amounts of the revolving credit and bank overdraft are available until maturity and will be extended in August 2023.
The Company paid a fixed annual transaction interest of 6% on the subsidised loan and a maintenance fee on the unused revolving and bank overdraft facilities.

"ANTENNA HUNGÁRIA" Zrt.
To ensure the liquidity of the company, it has a bank overdraft of HUF 5,000 million with MKB Bank Nyrt., which was 0 utilized on the balance sheet date.
The amount of repayment due within one year of the HUF 45,851 million 13-year loan contracted with MFB Magyar Fejlesztési Bank Zrt. in 2020 is HUF 3,126 million.
To finance the acquisition of a 51% majority stake in Vodafone Magyarország Távközlési Zrt., the company entered into a 20-year credit facility of EUR 750 million and EUR 150 million with Magyar Export-Import Bank Zrt. (Hungarian Export-Import Bank) and MFB Magyar Fejlesztési Bank Zrt., of which EUR 750 million provided by Eximbank Zrt. was drawn in full, while EUR 81.2 million of the EUR 150 million provided by MFB Bank Zrt. was drawn. For both acquisition-related loans, the Company has a grace period of 10 years for the repayment of principal, during which period it will only have an interest payment obligation.

ACE Network Zrt.
In November 2021, the Company entered into a HUF 250 million overdraft facility agreement with K&H Bank Zrt. with a transaction interest rate fixed at Overnight BUBOR (variable interest rate), which is available as a liquidity reserve, with a utilisation rate of 0 at the balance sheet date. As security for the contract, the Company provided a cash collateral and Garantiqa Hitelgarancia Zrt. provided a cash guarantee.

INNObyte Zrt.

The company entered into a combined loan agreement with MFB (Hungarian Development Bank) for the development of the "Pocketdoki" digital health measurement tool to support the R&D&I activities of companies ("GINOP loan") on 9 May 2019 for HUF 121,555,259 with a maturity date of 25 April 2029, and outstanding debt of HUF 89 million at the balance sheet date. The GINOP loan is secured by a bank guarantee issued by K&H Bank for a total amount of HUF 122 million.

During 2021, INNObyte Zrt. terminated its short-term working capital loans with K&H Bank concluded in previous years and entered into loan agreements with preferential interest rates (refinanced by Eximbank): a HUF 120 million long-term working capital loan agreement maturing on 15 November 2023 ("Exim mitigant") and a HUF 120 million long-term working capital loan agreement maturing on 15 November 2023 ("Exim mitigant"). The Exim Indemnity Loan was drawn in a lump sum in January 2021 and the company will repay it after a grace period of 5 months at a monthly rate of HUF 10,909,090. The Exim Future Exporters Revolving Loan has been drawn down in full and is repayable on maturity.

Loans from K&H Bank are secured by a pledge on receivables and a guarantee of Garantiqa Hitelgarancia Zrt.

ONE Albania sh.a.

In June 2021, the company entered into a 10-year syndicated loan agreement for EUR 37 million with OTP Bank Plc. - DSK Bank AD - Banka OTP Albania sh.a. to refinance its loan to First Investment Bank AD. The first principal repayment of the loan was due in December 2022.

Banka OTP Albania sh.a also provides the company with a bank account loan of EUR 2 million.

During the year, the company was granted short-term and long-term loans and credits in euros and Albanian leks by three commercial banks at variable interest rates, and in 1995 it signed a 30-year fixed-rate loan with the Italian government at preferential rates. In December 2022, the full amount of the loan in Albanian leks to Banka Kombetare Tregtare was prepaid.

Bonds issued by 4iG Plc.

In order to finance the domestic and foreign share purchases, 4iG Plc. conducted 3 successful auctions in the Növekedési Kötvényprogram (Growth Bond Programme) (NKP) announced by the MNB (National Bank of Hungary) and one private placement during 2021.

4iG issued NKP Bond 2031/I. (ISIN: HU0000360276), with a ten-year maturity and a coupon of 2.90%, in a total nominal amount of HUF 15.45 billion, on 29 March 2021. The bonds, with a nominal value of HUF 50 million, are amortised after a grace period of 5 years: 10% amortisation on the 5th to 9th anniversary and 50% amortisation on maturity, with interest payments due annually on the anniversary of the issue date.

4iG issued NKP Bond 2031/II (ISIN: HU0000361019), a ten-year bond with a fixed interest rate of 6.00% per annum, amortising from the end of the fifth year, with a total nominal value of HUF 287.75 billion, on 17 December 2021. The bonds, each with a nominal value of HUF 50 million, amortise after a grace period of 5 years: 10% amortisation on the 5th to 9th anniversary and 50% on maturity, with interest payments due annually on the anniversary of the issue date.

The Board of Directors of 4iG, based on the authorisation granted by the General Meeting of Shareholders in its Resolution No. 22/2021 (IX.30.), issued on 17 December 2021, within the framework of the Growth Bond Programme announced by the National Bank of Hungary, a "4iG NKP Bond 2031/II." (ISIN HU0000361019) in the context of the issue of a new tranche of bonds. The Bonds were subscribed in an auction on 27 December 2021, which was open to the invited investors indicated in the Bond Information Memorandum. The total nominal amount of the bonds issued under the placement is HUF 83,000 million, with debt service equal to that of the bonds issued on 17 December 2021.

Bank guarantees

4iG Plc. uses the bank guarantee facility for the purpose of its performance type commitments (tenders, performance, warranty) as set out in its contractor agreements with its customers.

a) Out of the contracted amount, the bank guarantees issued by Raiffeisen Bank Zrt. on behalf of the Company amounted to HUF 305,502,467 as of 30 June 2023.
As security for certain performance and warranty guarantees, a total of HUF 38,959,015 was deposited in a special account with Raiffeisen Bank.
The Beneficiaries of the Bank Guarantees did not apply to the issuing Raiffeisen Bank during 2023.

Bank guarantees issued on behalf of the Company on 30 June 2023 (data in HUF):

Data in millions of HUF, unless otherwise indicated

Reference number	Beneficiary	Type	Total	Date of issue	Expiry date
IGTE060889	Digitális Kormányzati Ügynökség Zrt.	performance	8 000 000	20/10/2020	09/06/2023
IGTE061416	Digitális Kormányzati Ügynökség Zrt.	performance	7 000 000	09/02/2021	31/10/2023
IGTE061704	T-Systems	performance	1 500 000	15/04/2021	30/11/2023
IGTE062161	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	19/07/2021	28/02/2025
IGTE062162	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	19/07/2021	28/02/2025
IGTE062447	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	14/09/2021	31/07/2027
IGTE062448	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	14/09/2021	31/07/2027
IGTE062449	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	14/09/2021	31/07/2027
IGTE062485	SYS IT Network Zrt.	performance	85 680 000	17/09/2021	30/06/2024
IGTE062490	MÁV FKG	warranty	14 500 000	17/09/2021	30/03/2025
IGTE062491	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	20/09/2021	22/07/2025
IGTE062492	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	20/09/2021	22/07/2025
IGTE062547	MÁV FKG	warranty	11 760 333	29/09/2021	30/09/2024
IGTE063519	MÁV FKG	warranty	13 500 000	14/04/2022	30/01/2026
IGTE063536	Digitális Kormányzati Ügynökség Zrt.	performance	10 000 000	02/05/2022	31/12/2024
IGTE063764	Digitális Kormányzati Ügynökség Zrt.	performance	15 000 000	13/06/2022	31/01/2025
IGTE064273	Városliget Zrt.	warranty	19 995 307	29/09/2022	31/03/2026
IGTE064474	Digitális Kormányzati Ügynökség Zrt.	performance	7 000 000	09/11/2022	30/04/2025
IGTE064785	Knipping Automotive Kft.	advance repayment	181 000	12/01/2023	30/06/2023
IGTE065119	Kormányzati Informatikai Fejlesztési Ügynökség	performance	31 385 827	28/03/2023	30/06/2024
		Total	**305 502 467**		

b) A Guarantor Insurance Framework Agreement was concluded with CIG Pannónia Első Magyar Általános Biztosító Zrt. (First Hungarian General Insurance Company) on 7 December 2022 for a period of 1 year, with a framework insurance amount of HUF 3,500 million. Of the contracted framework amount, the bank guarantees issued by CIG Pannónia Első Magyar Általános Biztosító Zrt. on behalf of the Company amounted to HUF 252,724,296 and EUR 121,632.17 as of 30 June 2023.
The Beneficiaries of the Bank Guarantees did not apply to the issuer CIG Pannónia Első Magyar Általános Biztosító Zrt. during 2023.

Bank guarantees issued on behalf of the Company by CIG Pannónia Első Magyar Általános Biztosító Zrt. as of 30 June 2023 (data in HUF and EUR):

Data in millions of HUF, unless otherwise indicated

Reference number	Beneficiary	Type	Total	Date of issue	Expiry date
AKC-22-0051/3	IBI 2002 Ingatlanhasznosító és Szolgáltató Kft.	rental	1 425 448	01/04/2023	01/04/2024
AKC-22-0051/6	NMHH	tender	250 000 000	21/04/2023	22/08/2023
AKC-22-0051/7	T-Szol Tatabányai Szolgáltató Zrt.	rental	1 298 848	22/05/2023	21/05/2024
		Total	**252 724 296**		

Reference number	Beneficiary	Type	Total	Date of issue	Expiry date
AKC-22-0051/4	CSABA CENTER INVEST Kft.	rental	15 059	01/05/2023	30/04/2024
AKC-22-0051/5	Retail-Property Ingatlanhasznosító Kft.	rental	10 058	03/05/2023	02/05/2024
AKC-22-0051/9	Symmetry Arena Ingatlanközvetítő Kft.	rental	96 515	30/06/2023	01/07/2024
		Total	**121 632**		

In the period under review, instead of issuing bank guarantees, the Company deposited short-term cash deposits with the contractor/customer as security for certain obligations under given contractor agreements, totalling HUF 1,073,600.

Bank guarantees issued on behalf of INNObyte Zrt:

Bank	Beneficiary	Currency	Amount of bank guarantee	Type	Expiry date
K&H Bank	MFB Bank Zrt.	HUF	61 000 000	credit cover	20/09/2023
K&H Bank	MFB Bank Zrt.	HUF	61 000 000	credit cover	20/09/2023

"ANTENNA HUNGÁRIA" Zrt. has provided a parent company guarantee to DIGI Távközlési és Szolgáltató Kft. as security for the rent of an office building in favour of CEE Property-Invest Ingatlan Kft. in the amount of EUR 414,505 from 25 April 2022 until 31 July 2023.

4iG Plc. has provided a parent company guarantee to DIGI Távközlési és Szolgáltató Kft, Invitech ICT Services Kft. and MIS Omega Mobilhálózat Kft. as security for a power purchase agreement in favour of MVM Next Energiakereskedelmi Zrt. in the amount of HUF 272 million for DIGI Távközlési és Szolgáltató Kft. and HUF 46 million for Invitech ICT Services Kft., both from 1 January 2023 to 31 March 2024, and in the amount of HUF 582 million for MIS Omega Mobilhálózat Kft. from 1 June 2023 to 31 December 2023.

35. Finance lease liabilities

The definition of leases has been significantly expanded in accordance with IFRS 16, which became effective from 1 January 2019. From that date, rights of use of assets that meet the requirements of the standard must be included in assets as an asset. In accordance with the classical lease concept, no lease payments are recognised in the balance sheet.

Data in millions of HUF, unless otherwise indicated

Lease liabilities expanded in accordance with IFRS 16 are presented below:

	30/06/2023	31/12/2022
Finance lease liabilities – non-current	104 567	34 522
Finance lease liabilities – current	23 703	9 055
Finance lease liabilities – total	**128 270**	**43 577**

	Lease liabilities
Opening obligation	**43 577**
Increase from acquisitions	90 780
Increase	9 848
Interest expenditure	4 982
Decrease	-20 620
Cumulative translation adjustment	-297
Closing obligation	**128 270**

The Group has excluded future cash flows to which it is potentially exposed in the measurement of lease obligations. These are undiscounted potential future lease payments for periods subsequent to renewal and termination options that are not part of the lease term, amounting to HUF 50 million. No residual value guarantee is attached to the leased assets. The Group is not committed to any significant amount of leases not yet commenced as of 30 June 2023.

Short-term leases or leases of low-value assets are recognised as operating expenses by the Group.

36. Other non-current liabilities

	30/06/2023	31/12/2022
Liabilities related to content fee	3 858	8 200
Deferred consideration of BRISK Group	1 373	1 466
Liabilities related to software rental	760	1 100
Total	**5 991**	**10 766**

Data in millions of HUF, unless otherwise indicated

37. Trade payables

	30/06/2023	31/12/2022
Trade payables	69 062	45 839
Total	**69 062**	**45 839**

38. Dividends payable to owners

The Company's dividend payable to shareholders is unchanged since 31. December 2022. No payment has been made during 2023.

39. Other current liabilities and accruals

	30/06/2023	31/12/2022
Tax liabilities and contributions	14 092	7 820
Actual income tax liability	0	1 130
Payroll transfer obligations	2 281	1 381
Advances received from customers	2 410	3 487
Advances received from the state budget	401	429
Contingent purchase price	1 401	1 495
Bond interests	11 919	1 231
Various other current liabilities	27 855	10 880
Aid received, deferred income	1 212	1 336
Accruals and deferred income	31 806	21 132
Accrued expenses and charges	49 294	15 377
Total	**142 671**	**65 698**

The Group has no overdue tax liabilities, and all companies are included in the database of companies without public debt. The significant increase in the tax liabilities and contributions line is due to the consolidation of the liabilities of Vodafone Magyarország Távközlési Zrt. (HUF 6,196 million). The balance of actual income taxes at Group level was receivable on 30 June 2023.

The Company presents advances received from customers in gross of VAT.

The current portion of the contingent purchase price relating to the acquisition of the BRISK Group is included in the contingent purchase price. Details of bond interest are given in Section *41 Risk management.*

Miscellaneous other current liabilities include the liability arising from the cash pool settlement with VSSB Vodafone Szolgáltató Központ Budapest Zrt. (Service Centre Budapest) in the books of Vodafone Magyarország Távközlési Zrt. in the amount of HUF 13,019 million. Also included here is a liability of HUF 7,106 million related to broadcasting rights in relation to DIGI Távközlési és Szolgáltató Kft. Other current liabilities of Vodafone Magyarország Távközlési Zrt. include HUF 503 million of amounts collected through various mobile applications (parking, purchase of motorway stickers) payable to the respective service providers. In ONE Albania sh.a., liabilities include customer guarantees related to various contracts for an amount of HUF 1,281 million.
As contractual liabilities, HUF 2,102 million is shown under various other current liabilities for Vodafone Magyarország Távközlési Zrt. and HUF 373 million for DIGI Távközlési és Szolgáltató Kft.

Deferral of revenue is mainly the part of the annual support fees invoiced for subsequent periods. The significant increase in the accruals and deferred income line is due to the acquisition of Vodafone Magyarország Távközlési Zrt.

40.Segment information

The strategic decisions for the Group's operations are made by the Board of Directors, and therefore the statements prepared for the Board of Directors have been used by management as the basis for the determination of the segments in preparing these financial statements.

From 2021 onwards, the 4iG Group has three major segments: IT commercial activities (hardware and software resale), IT services (development, operation, support, consulting, implementation and other IT services) and telecommunications, which will be complemented by the other holding segment. However, from the reporting period onwards, due to the increasing share of the telecommunications segment in both the profit and loss items and the asset and liability items of the segments, the Operational Decision Maker decided to merge the IT trading and services activities and, unlike in 2021, the Group only reports three segments in 2022 (and so in 2023). The performance of the two segments is presented below, up to the level of direct costs attributable to the activities, segment assets have been allocated in proportion to the depreciation charged to the activities and the segment revenue.

The Group has considered whether entities under a 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.

For the year 2023, no customer's turnover will exceed 10% of revenue.

Data in millions of HUF, unless otherwise indicated

For the first half of 2023:

Title	IT services and trade	Tele-communications	Other activities	Eliminations	Total
Net sales revenue	33 841	235 162	1 588	-4 343	266 247
Cost of goods and services sold	-21 488	-52 321	-1 767	1 791	-73 785
Other operating revenue	388	7 328	15 150	4	22 870
Coverage 1	**12 740**	**190 169**	**14 971**	**-2 548**	**215 332**
Direct costs	-12 190	-176 939	-6 648	2 526	-193 251
Coverage 2	**550**	**13 230**	**8 323**	**-22**	**22 081**
EBITDA	**2 338**	**82 996**	**9 955**	**-22**	**95 267**
Earnings before interest and tax (EBIT)	**551**	**13 230**	**8 323**	**-22**	**22 082**
Financial result					-12 777
Profit before tax					**9 305**
Total segment assets	54 309	1 405 678	16 468	0	1 476 455
Segment assets	**54 309**	**1 405 678**	**16 468**	**0**	**1 476 455**
Assets not allocated to segments					0
Total assets					**1 476 455**
Total segment liabilities	41 470	686 780	391 409	0	1 119 659
Segment liabilities	**41 470**	**686 780**	**391 409**	**0**	**1 119 659**
Liabilities not allocable to segments					0
Total liabilities					**1 119 659**

Data in millions of HUF, unless otherwise indicated

For the first half of 2022:

Title	IT services and trade	Telecommunications	Other activities	Total
Net sales revenue	33 195	88 656	0	121 851
Cost of goods and services sold	-22 900	-18 276	0	-41 176
Other revenue	286	4 126	18 092	22 504
Coverage 1	**10 581**	**74 506**	**18 092**	**103 179**
Direct costs	-14 320	-73 245	0	-87 565
Coverage 2	**-3 739**	**1 261**	**18 092**	**15 614**
Costs and expenses not directly allocable to segments				-13 240
Earnings before interest and tax (EBIT)				**2 374**
Financial result				-4 661
Profit before tax				**-2 287**
Segment assets	**302 180**	**599 512**	**8 184**	**909 876**
Assets not allocated to segments				45 320
Total assets				**955 196**
Segment liabilities	**370 975**	**291 918**	**8 248**	**671 141**
Liabilities not allocable to segments				0
Total liabilities				**671 141**

41. Risk management

The Group's assets include cash, securities, trade and other receivables and other assets, excluding taxes. The Group's liabilities include loans and borrowings, trade and other payables, excluding taxes and gains and losses arising from the revaluation of financial liabilities at fair value.

The Group is exposed to the following financial risks:

- credit risk,
- liquidity risk,
- market risk.

This section describes the above risks of the Group, the Group's objectives, policies, process measurement and risk management, and the Group's management capital. The Board of Directors has overall responsibility for the establishment, supervision, and risk management of the Group.

The Group's risk management policy is designed to identify and investigate the risks faced by the Group and to set up appropriate controls and monitor the risks. The risk management policy and system are reviewed from time to time to reflect changing market conditions and the Group's activities.

Capital Management

It is the Group's policy to maintain a level of share capital sufficient to maintain investor and creditor confidence and to ensure the Group's development. The Board of Directors seeks to maintain a policy of taking on higher exposure from borrowings only at higher yields, based on the benefits of a strong capital position and security.

The Group's capital structure consists of net debt and the Group's equity (the latter includes subscribed capital, reserves and non-controlling interests).

In managing its capital, the Group seeks to ensure that the members of the Group can continue their activities while maximising the return to owners by optimally balancing debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Group also monitors whether the capital structure of its member companies complies with local legal requirements.

The Company's capital risk increased in 2021 as 4iG Plc. raised additional funds for the acquisitions through a bond issue.

Credit risk

Credit risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Group. Financial assets that are exposed to credit risk may be long-term or short-term loans, cash and cash equivalents, trade and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Group's maximum exposure to credit risk on 30 June 2023 and 31 December 2022.

Data in millions of HUF, unless otherwise indicated

Credit risk

	30/06/2023	31/12/2022
Trade receivables	108 279	58 910
Other receivables and prepaid expenses	85 467	18 918
Securities	116	118
Cash and cash equivalents	46 962	45 961
Total	**240 824**	**123 907**

The ageing of trade receivables on 30 June 2023 was as follows:

	30/06/2023	31/12/2022
Not yet due	**84 881**	**46 446**
1-30 days past due	10 362	3 579
between 30-90 days past due	4 364	2 143
between 90-180 days past due	3 083	1 777
between 180-360 days past due	811	2 479
Over 360 days	4 778	2 486
Total	**108 279**	**58 910**

The qualification of customers is ongoing. Initially, they are only served by cash or advance payment. After a longer relationship, it is possible to achieve 8-15-30-60-day payment period. The collection risk on our outstanding receivables is minimal.

The collection risk of our overdue receivables is constantly monitored and mitigated by the recognition of impairment losses. A significant part of the overdue trade receivables has to be examined together with the suppliers who are paid late, because in case of non-payment by the customer, the related suppliers cannot be paid according to the agreements. Lending loss is limited to the margin, collateral.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and investment fund prices, will affect the Group's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profit.

Data in millions of HUF, unless otherwise indicated

Risk from the war in Ukraine

The Company has no business relations with Ukrainian companies, so we do not perceive any direct business risk.

Sensitivity analysis

The Group has determined that its results are materially dependent on two key variables of a financial nature, namely foreign exchange risk and interest rate risk. Sensitivity tests have been performed for these key variables. The Group seeks to mitigate interest rate risk primarily by tying up free cash.

The Group's foreign currency exposure on 30 June 2023 was as follows:

Credit risk

	HUF	Foreign currency	Total
Trade receivables	86 979	21 300	**108 279**
Supplier's payables	35 145	33 917	**69 062**
Cash and cash equivalents	37 154	9 808	**46 962**
Loans, bonds	423 888	324 175	**748 063**

The data show that foreign currency exposure has increased, with exchange rate movements having an increasing impact on the Group's results.

The Group's interest rate sensitivity has also increased as a result of its expansion and the bonds issued to secure the financial backing for acquisitions.

Capital repayments on bonds

Years	4iG NKP bond 2031/I HU0000360276	4iG NKP bond 2031/II HU0000361019	Total
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	1 545	37 075	38 620
2027	1 545	37 075	38 620
2028	1 545	37 075	38 620
2029	1 545	37 075	38 620
2030	1 545	37 075	38 620
2031	7 725	185 375	193 100

Data in millions of HUF, unless otherwise indicated

Interests paid on bonds

Years	4iG NKP bond 2031/I HU0000360276	4iG NKP bond 2031/II HU0000361019	Total
2023	448	22 245	22 693
2024	448	22 245	22 693
2025	448	22 245	22 693
2026	448	22 245	22 693
2027	403	20 021	20 424
2028	358	17 796	18 154
2029	314	15 572	15 886
2030	269	13 347	13 616
2031	224	11 123	11 347

Data in millions of HUF, unless otherwise indicated

Interest rate sensitivity testing

With current interest rates	**30/06/2023**
Profit before tax (excluding interest)	14 287
Net interest expense	-4 982
Profit before tax	**9 305**
Total assets	**1 476 455**
1%	
Profit before tax (excluding interest)	14 287
Net interest expense	-5 032
Profit before tax	**9 255**
Change in profit before tax	-50
Change in profit before tax (%)	***-0,535%***
Net assets	**1 476 405**
Change in net assets	-50
Change in net assets (%)	***-0,003%***
5%	
Profit before tax (excluding interest)	14 287
Net interest expense	-5 232
Profit before tax	**9 056**
Change in profit before tax	-249
Change in profit before tax (%)	***-2,677%***
Net assets	**1 476 206**
Change in net assets	-249
Change in net assets (%)	***-0,017%***
10%	
Profit before tax	14 287
Net interest expense	-5 481
Profit before tax	**8 807**
Change in profit before tax	-498
Change in profit before tax (%)	***-5,355%***
Net assets	**1 475 957**
Change in net assets	-498
Change in net assets (%)	***-0,034%***
-1%	
Profit before tax	14 287
Net interest expense	-4 933
Profit before tax	**9 355**
Change in profit before tax	***50***
Change in profit before tax (%)	***0,535%***
Net assets	**1 476 505**
Change in net assets	**50**
Change in net assets (%)	***0,003%***

Data in millions of HUF, unless otherwise indicated

-5%	
Profit before tax	14 287
Net interest expense	-4 733
Profit before tax	**9 554**
Change in profit before tax	***249***
Change in profit before tax (%)	***2,677%***
Net assets	**1 476 704**
Change in net assets	**249**
Change in net assets (%)	***0,017%***

-10%	
Profit before tax	14 287
Net interest expense	-4 484
Profit before tax	**9 803**
Change in profit before tax	***498***
Change in profit before tax (%)	***5,355%***
Net assets	**1 476 953**
Change in net assets	**498**
Change in net assets (%)	***0,034%***

Data in millions of HUF, unless otherwise indicated

Exchange rate sensitivity testing

With current exchange rates	**30/06/2023**
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	31 108
Liabilities denominated in HUF	761 568
Foreign currency liabilities	358 091
Net assets	**356 796**
Profit before tax	**9 305**
1%	
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	31 419
Liabilities denominated in HUF	761 568
Foreign currency liabilities	361 672
Net assets	**353 526**
Change in net assets	***-3 270***
Change in net assets (%)	***-0,916%***
Profit before tax	**6 035**
Change in profit before tax	**-3 270**
Change in profit before tax (%)	***-35,141%***
5%	
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	32 663
Liabilities denominated in HUF	761 568
Foreign currency liabilities	375 996
Net assets	**340 447**
Change in net assets	***-16 349***
Change in net assets (%)	***-4,582%***
Profit before tax	**-7 044**
Change in profit before tax	**-16 349**
Change in profit before tax (%)	***-175,703%***
10%	
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	34 219
Liabilities denominated in HUF	761 568
Foreign currency liabilities	393 901
Net assets	**324 098**
Change in net assets	***-32 698***
Change in net assets (%)	***-9,164%***
Profit before tax	**-23 393**
Change in profit before tax	**-32 698**
Change in profit before tax (%)	***-351,406%***

Data in millions of HUF, unless otherwise indicated

-1%	
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	30 797
Liabilities denominated in HUF	761 568
Foreign currency liabilities	354 510
Net assets	**360 066**
Change in net assets	***3 270***
Change in net assets (%)	***0,916%***
Profit before tax	**12 575**
Change in profit before tax	***3 270***
Change in profit before tax (%)	***35,141%***
-5%	
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	29 553
Liabilities denominated in HUF	761 568
Foreign currency liabilities	340 187
Net assets	**373 145**
Change in net assets	***16 349***
Change in net assets (%)	***4,582%***
Profit before tax	**25 654**
Change in profit before tax	***16 349***
Change in profit before tax (%)	***175,703%***
-10%	
Non-monetary assets and assets denominated in forint	1 445 347
Foreign currency assets	27 997
Liabilities denominated in HUF	761 568
Foreign currency liabilities	322 282
Net assets	**389 494**
Change in net assets	***32 698***
Change in net assets (%)	***9,164%***
Profit before tax	**42 003**
Change in profit before tax	***32 698***
Change in profit before tax (%)	***351,406%***

Data in millions of HUF, unless otherwise indicated

42. Financial instruments

Financial instruments include financial fixed assets, current assets such as trade receivables, loans provided, advances paid, bank deposits, securities and cash and cash equivalents, as well as loans and borrowings, trade payables, advances received and other financial liabilities. The Group measures financial instruments in accordance with IFRS 9 and presents them in its accounts at the end of the period.

30/06/2023		Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVTOCI)	Total book value
Carrying amount of financial instruments					
Financial assets					
Other financial fixed assets	Equity instruments	108	0	1 064	1 172
	Loans provided	0	3	0	3
	Deposits	0	0	0	0
	Finance lease receivables	0	838	0	838
	Other	0	127	0	127
Total financial fixed assets		**108**	**968**	**1 064**	**2 140**
Trade and other receivables		0	108 279	0	108 279
Finance lease receivables		0	399	0	399
Cash and cash equivalents		0	46 962	0	46 962
Equity instruments, securities		116	0	0	116
Other current financial assets	Loans provided	0	1 607	0	1 607
	Advances paid	0	4 409	0	4 409
	Lease charge deposit	0	1 063	0	1 063
	Other	0	47 162	0	47 162
Total current financial assets		**116**	**209 881**	**0**	**209 997**
Total financial assets		**224**	**210 849**	**1 064**	**212 137**
Financial liabilities					
Loans (Non-current loans, bonds)		0	737 002	0	737 002
Finance lease liabilities		0	104 567	0	104 567
Other non-current financial liabilities		0	5 991	0	5 991
Total non-current financial liabilities		**0**	**847 560**	**0**	**847 560**
Trade and other payables		0	69 062	0	69 062
Loans (current loans)		0	11 061	0	11 061
Advances received from customers		0	2 410	0	2 410
Advances received from the state budget		0	401	0	401
Finance lease liabilities		0	23 703	0	23 703
Other current financial liabilities		0	41 175	0	41 175
Total current financial liabilities		**0**	**147 812**	**0**	**147 812**
Total financial liabilities		**0**	**995 372**	**0**	**995 372**

Data in millions of HUF, unless otherwise indicated

31/12/2022		Fair value through profit or loss (FVTPL)	Amortised cost	Fair value through other comprehensive income (FVTOCI)	Total book value
Carrying amount of financial instruments					
Financial assets					
Other financial fixed assets	Equity instruments	108	0	515	623
	Loans provided	0	11	0	11
	Deposits	0	0	0	0
	Finance lease receivables	0	190	0	190
	Other	0	344	0	344
Total financial fixed assets		**108**	**545**	**515**	**1 168**
Trade and other receivables		0	58 910	0	58 910
Finance lease receivables		0	0	0	0
Cash and cash equivalents		0	45 961	0	45 961
Equity instruments, securities		125 818	0	0	125 818
Other current financial assets	Loans provided	0	868	0	868
	Advances paid	0	2 840	0	2 840
	Lease charge deposit	0	369	0	369
	Other	0	4 601	0	4 601
Total current financial assets		**125 818**	**113 549**	**0**	**239 367**
Total financial assets		**125 926**	**114 094**	**515**	**240 535**
Financial liabilities					
Loans (Non-current loans, bonds)		0	424 320	0	424 320
Finance lease liabilities		0	34 522	0	34 522
Other non-current financial liabilities		0	9 666	0	9 666
Total non-current financial liabilities		**0**	**468 508**	**0**	**468 508**
Trade and other payables		0	45 839	0	45 839
Loans (current loans)		0	7 713	0	7 713
Advances received from customers		0	3 487	0	3 487
Advances received from the state budget		0	429	0	429
Finance lease liabilities		0	9 055	0	9 055
Other current financial liabilities		**0**	2 726	0	2 726
Total current financial liabilities		**0**	**69 249**	**0**	**69 249**
Total financial liabilities		**0**	**537 757**	**0**	**537 757**

Data in millions of HUF, unless otherwise indicated

30/06/2023	Level 1 Unadjusted prices quoted on active markets	Level 2 Assessment procedures based on available and monitorable market data	Level 3 Assessment procedures based on unavailable and unmonitored data	Total fair value
Financial assets				
Equity instruments	1 064	102	6	**1 172**
Debt securities	116	0	0	**116**
Derivative transactions	0	0	0	**0**
Total financial assets	**1 180**	**102**	**6**	**1 288**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

31/12/2022	Level 1 Unadjusted prices quoted on active markets	Level 2 Assessment procedures based on available and monitorable market data	Level 3 Assessment procedures based on unavailable and unmonitored data	Total fair value
Financial instruments				
Equity instruments	515	125 802	6	**126 323**
Debt securities	118	0	0	**118**
Derivative transactions	0	0	0	**0**
Total financial assets	**633**	**125 802**	**6**	**126 441**
Financial liabilities				
Derivative transactions	0	0	0	**0**
Total financial liabilities	**0**	**0**	**0**	**0**

Data in millions of HUF, unless otherwise indicated

43. Transactions with related parties

The transactions with companies in which key management personnel have other interests were as follows during 2023:

Supplier turnover:	
Torento Property Kft.	508
EuroAtlantic Zrt.	12
FLZM53 Ingatlanhasznosító és Üzemeltető Kft.	9
Marble FM Zrt.	1 494
Krisztina Plaza Kft.	1 710

Trade payables:	
Marble FM Zrt.	110

4iG Plc. has a 15-year property lease agreement with Torento Property Kft. and Krisztina Plaza Kft. In accordance with the requirements of IFRS 16, they have the following lease liabilities.

Lease liabilities:	
Krisztina Plaza Kft.	6 614
Torento Property Kft.	5 811

44. Off-balance sheet items

As of 30 June 2023, the members of the Group are not involved in any pending litigation. Provisions are recognised when it becomes probable that an outflow of economic benefits will be required to settle an obligation as a result of a past event and a reliable estimate can be made of the expected cash outflow. Provisions are disclosed in Subsection 33.

45. 4iG ESOP Organisation

The Board of Directors of the Company, on the basis of the authorisation of the Government Decree No. 102/2020 (IV.10.) on Derogations from Regulations on Operation of Partnerships and Corporations in case of state of emergency (hereinafter referred to as “Decree”) and acting on behalf of the General Meeting, on 29 April 2020, by virtue 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 Organisation”) under the name of 4iG Employee Stock Option Plan Organisation, abbreviated 4iG ESOP Organisation and, moreover, the Board of Directors adopted its articles of association (hereinafter referred to as “Articles of Association”).

Data in millions of HUF, unless otherwise indicated

4iG Plc. has launched a new remuneration programme (ESOP II) based on a new remuneration policy in addition to the existing remuneration policy, under which the ESOP organisation has subscribed for 4 million 4iG shares. These shares are legally voting shares with dividend rights, but due to the extension approach they are shown as treasury shares in the standalone financial statements. Under ESOP II, employees may be entitled to a share grant at the end of the vesting period by reimbursement of the value of the shares at the date of vesting.

The Group recognises the plan as of the grant date, which is the date on which the material terms and conditions are agreed by the parties and the grant is accepted by the employees (26 November 2021 for 1.4 million shares and 28 January 2022 for 0.9 million shares).

Programme duration:	2 years (expires on 25 November 2023)
Conditions of service:	employment with the Company for the duration of the programme
Performance condition:	the increase in the Company's consolidated EBITDA per share, which the Company expects to meet

The Company has made estimates of the expected performance of the ESOP II plan as of the date of the share transfers (grant) and as of the balance sheet date.

Since the employees participating in the plan will have the opportunity to acquire these shares at the price quoted by the ESOP organisation, if other conditions are met, which is higher than the price at the end of the period, the Company expects that the participants will not exercise their right to purchase shares under the ESOP plan and estimates the fair value of the option at grant date at HUF 0 per share. At the balance sheet date, the Company has updated the calculation with the number of shares allocated (2.3 million at the end of 2022), as a result of which the Company has not recognised any staff costs, a share-based payment reserve in respect of the ESOP II plan in 2022 or 2023.

For the above reasons, ESOP II options do not appear as share dilution in the calculation of diluted earnings per share (diluted EPS).

46. Events after the balance sheet date

On 14 July 2023, the Board of Directors decided to change the registered seat of the Company. The new registered seat of the Company is 1013 Budapest, Krisztina krt. 39. The Company will continue to operate its former registered seat (1037 Budapest, Montevideo utca 8.) as a branch office.

On 27 July 2023, the Company concluded a strategic cooperation agreement with the Montenegrin government to accelerate the country's digital switchover. The cooperation could include the development of 5G network and infrastructure and the deployment of innovative solutions.

On 28 July 2023, a share purchase agreement was concluded between Bartolomeu Investments Kft. and KZF Vagyonkezelő Kft. KZF Kft. acquired 2,153,576 shares of 4iG issued by 4iG from Bartolomeu Investments Kft. in an OTC transaction at an average price of HUF 660 per share. As a result of the transaction, the number of shares indirectly owned by Pedro Vargas Santos David, a member of the Board of Directors of 4iG, changed from 19,258,398 to 17,104,822 shares, thus changing his indirect share from 6.44% to 5.72%, and his indirect voting rights in 4iG decreased from 6.54% to 5.81%.

On 2 August 2023, "ANTENNA HUNGÁRIA" Zrt. established two Hungarian subsidiaries under the names of AH EGY Zrt. and AH KETTŐ Zrt., which were registered by the Company Court of the Metropolitan Court of Budapest.

47. Principle of going concern

In the context of the effects of 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 about its ability to continue as a going concern and concluded that it is appropriate to assume that it will continue as a going concern for the foreseeable future and that there is no material uncertainty.

48. Responsible corporate governance report and statement

The Company has a Responsible Corporate Governance Report and Statement and reviews its corporate governance system each year and makes changes where necessary. It approves the changes at the Annual General Meeting and publishes a Corporate Governance Statement after the meeting. The Responsible Corporate Governance Report and Statement can be found at www.4ig.hu, www.bet.hu and www.kozzetetelek.hu.

- The Company prepares its Responsible Corporate Governance Report and Statement based on the Corporate Governance Recommendations published by the Budapest Stock Exchange (BSE).
- The Company applies the mandatory corporate governance rules.
- The Responsible Corporate Governance Report and Statement are adopted by the Board of Directors and approved by the General Meeting on the basis of a proposal from the Supervisory Board.
- The Responsible Corporate Governance Report and Statement shall include the BSE recommendations and the details of and reasons for any deviation from them.
- The Responsible Corporate Governance Report and Statement sets out the reasons for the practice outside the requirements of the legislation. When preparing the Executive Summary, the operational management of the Company is carried out by the Board of Directors, which is represented before external parties by the Chairman of the Board of Directors.
- Nobody has a directorship as defined in the Articles of Association and the Corporate Governance Report and Statement.
- The internal audit and controlling work built into the Company's internal control process ensures continuous monitoring. The elimination of risks is achieved through weekly management meetings.

STATEMENT

The Issuer declares that the unaudited Report on the basis of the information available at the date of publication gives a true and fair view of the development and performance of the Company, that its data and statements are accurate and that it does not omit any fact material to the assessment of the Issuer's position.
Pursuant to Section 57 (1) of the Act CXX of 2001 on the Capital Market, the Issuer shall be liable for compensation for any damage caused by the non-disclosure or misleading content of regulated information.
I accept responsibility for the figures in this report for the year of 2023 and for the accuracy of the analyses and conclusions.

Budapest, 31 August 2023

Gellért Zoltán Jászai	Péter Krisztián Fekete
Chairman of the Board of Directors	Chief Executive Officer

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