

**4iG PLC.
INTERIM MANAGEMENT REPORT
ON THE COMPANY'S Q1 2019 ACTIVITIES**



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1. Executive Summary

4iG Plc.'s performance in Q1 2019

After increasing the operational efficiency and optimizing the operation of the company, we become more and more successful at the IT tenders announced in the large corporate and public sectors. The 2019 business year started promisingly for 4iG Plc, because in February we reported to our investors the signing of a high-value contract and the award of a high-value tender. Their total value exceeds HUF 3 billion net. In March, the Company reported another successful tender result: ND National Tobacco Trade Nonprofit Plc entrusted 4iG Plc. and its consortium partner with the development and five-year operation of the DAKIR system (tobacco products ID issuing system and related services). The estimated value of the procurement for the duration of the contract is HUF 4 billion net.

For the year 2019, the management continues to consider it a fundamental goal to ensure the continued and uninterrupted growth of the Company, and to close a successful and profitable business year. The objective is to retain the existing partners while conquering new market segments and strengthening the position on the growing IT market.

4iG Plc. remains focused on research and development so in 2019 it will continue the implementation of its four R&D projects launched in the previous years, namely, the "National Innovation Oncogenomics and Precision Oncotherapy Programme", "MEHASCAN5D - Development of Universal Quality Control Solutions for Automotive and Machine-Engineering Technologies", "Development of a complex sensor system for detecting UAV equipment", and "Application of networked technologies in the design, manufacturing, installation and maintenance of steel structures and in related services".

The employee headcount is continuously changing in order to have an optimum structure of skills, qualifications and better efficiency. For the sake of rational management, we strive to carry out "core" tasks "in house" and outsource part activities only to those subcontractors that are less important for the Company's operation in the long run. As a consequence, the number of staff increased to 400 by the end of March 2019.

Merger of the subsidiaries into 4iG Plc. and other changes

In December 2018, the General Meeting of 4iG Plc resolved to merge 4iG Plc, HUMANSOFT Ltd, Axis Rendszerház Ltd and Mensor3D Ltd in order to increase the efficiency of the group and improve its competitiveness and accelerate decision-making processes. For the sake of smooth operation, a separate corporate project was launched at 4iG Plc to review and schedule the tasks relating to the transition. The subsidiaries were terminated on 31 January 2019 and 4iG Plc became their legal successor.

Parallel to the merger, the management of the Company optimized its organizational structure, set up new units to strengthen certain activities, and terminated parallel positions as a result of which clear responsibilities and authorities were defined. In addition to the above, we try to support the management of and the provision of services to existing and potential customers by using advanced digital marketing tools.

The Board of Directors appointed Chairman of the Board of Directors Gellért Jászai on 18 March 2019 to fill the position of CEO of 4iG Plc and perform operative management tasks after Béla Zibriczki had resigned from his position as CEO on 14 March while retaining his membership in the Board of Directors. The Board of Directors of 4iG also decided to set up a new company, Humansoft Service Ltd. Registered in April as a 100% subsidiary of 4iG Plc, the company will soon operate as the authorised service network of a global brand for which the relevant agreement is being negotiated.

Financial results

In Q1 2019 the Group's IFRS consolidated sales revenues amounted to HUF 4.85 billion which was 56.13% higher than in the same period of the previous year. The Group's EBITDA was HUF 483 million which was eighteen times higher than the Q1 2018 EBITDA.

The financial position of the Company is stable and can adequately serve the achievement of higher rates of profitability: the growing turnover was financed by bank funding.

Capital market performance

The Q1 2019 average stock market price of 4iG shares (HUF 3,044) was 14 times higher than the average figure of Q1 2018; the closing price was HUF 4,060 on 31 March 2019 which is almost 19 times higher than the closing price at the end of March 2018. At the time of writing this report, the share price is around HUF 4,200. Market capitalization of 4iG at 31 March 2019 was HUF 76.3 billion.

As a result of FTSE Russell's semi-annual review, the Company's shares have been included in the FTSE Global Equity Index, Emerging Europe, FTSE Micro Cap, and FTSE Total-Cap indices. The above changes took effect on 18 March 2019, after the closing of the stock exchange on 15 March 2019.

Changing market environment, vision

The opportunities and necessities of digital transition and innovation prompt not only large corporate customers but increasingly the players of the dynamically developing, medium-sized enterprise sector as well to undertake new IT investment projects and make

engagements. The demand created by companies with a certain size and operational and safety level in the given industries is significantly growing in our country. As a result of market processes, businesses that are rapidly growing and wanting to meet the higher requirements of this market increasingly opt for outsourcing rather than creating their own solution (such as internal operation, development, or setting up a server park). In addition, following the different steps of the digital transition, IT tasks and capacities can be outsourced faster and more extensively, enabling individual customers to respond more effectively to the challenges of their rapidly changing business environment.

Besides market participants, there has also been significant growth and expansion in IT development, system delivery and operation demand in public administration. According to market expectations, in addition to the corporate and SME sector, the satisfaction of the needs of the public sector will further boost demand in 2019 which will require significant extra capacities from domestic and international IT companies operating in Hungary.

With a wide range of solutions, well-trained professionals, abundant references and constantly expanding capacities, 4iG is ready to fully satisfy the growing market demands.

The Company's future business perspectives remain positive, so we predict dynamic growth in sales revenues and efficiency gains in 2019. The financial results achieved by 4iG Plc in the first quarter support these expectations.

The new organizational structure of the Company ensures the optimum level of operational efficiency and thus provides an opportunity to use the available resources in a focused manner. According to our plans, the year 2019 performance indicators (e.g. total comprehensive income, EBITDA) will significantly exceed the figures of the 2018 financial year.

The following table shows the key financial ratios of the 4iG Plc. consolidated in accordance with the international accounting standards.

Description (data in thousand HUF)	Q1 2019	Q1 2018	Change +/- in %
Net sales revenues	4,850,286	3,106,470	56.13%
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	483,076	26,588	1,716.89%
Earnings before interest and taxes (EBIT)	353,708	78,519	n.a.
Profit after tax (PAT)	280,529	(106,292)	n.a.
Total comprehensive income	280,529	(106,292)	n.a.
Headcount*	400	369	8.40%
Net sales revenue per employee***	12,533	8,090	54.92%
Average number of employees	387	384	0.78%
Stock market indices			
Stock exchange closing price of share* (in HUF)	4,060	214	1,797.20%
Stock exchange average price of shares (in HUF)	3,044	215	1,315.81%
Market capitalization of 4iG Plc. (in billion HUF)	76.3	4.0	1,797.20%
Per share (Huf)			
EBITDA**	26	1.4	1,735.40%
Net earnings per share (EPS)**	15	(5.8)	n.a.
Diluted EPS index**	15	(5.7)	n.a.
Shareholders' Equity**	157	134	17.24%

* at the end of the period

** in HUF

*** per average headcount

The basis for the share-related indicators has been converted to the nominal value of HUF 100 per share.

The Interim Management Report contains unaudited data consolidated according to IFRS principles, given in thousand Hungarian forint unless otherwise indicated.

The data in brackets indicate negative values.

2. IFRS consolidated, unaudited quarterly financial statements

2.1 Consolidated comprehensive income statement

data in thousand HUF unless otherwise indicated

	<u>31.03.2019.</u>	<u>31.03.2018.</u>
Net sales revenue	4,850,286	3,106,470
Other operating income	81,886	84,682
Total income	4,932,172	3,191,152
Costs of goods and services sold	3,196,030	2,120,392
Operating expenses	336,883	319,280
Personnel expenses	912,671	706,514
Other expenses	3,512	18,378
Operating costs	4,449,096	3,164,564
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	483,076	26,588
Depreciation and impairment	129,368	105,107
Earnings before interest and taxes (EBIT)	353,708	(78,519)
Financial income	40,935	18,035
Financial expenses	34,732	28,004
Profit before taxes (PBT)	359,911	(88,488)
Income taxes	79,382	17,804
Profit / Loss after Tax	280,529	(106,292)
Other comprehensive income	-	-
Total comprehensive income	280,529	(106,292)
 Earnings per share (HUF)		
Base	15	(5.8)
Diluted	15	(5.7)
 From profit after tax:		
Parent company's share	280,529	(106,292)
External shareholders' share	0	0
 From the total comprehensive income:		
Parent company's share	280,529	(106,292)
External shareholders' share	0	0

2.2 Consolidated balance sheet

data in thousand HUF unless otherwise indicated

	<u>31.03.2019.</u>	<u>31.12.2018.</u>
ASSETS		
Over-one-year assets		
Tangible assets	145,683	140,157
Intangible assets	809,387	568,824
Deferred tax assets	54,738	75,929
Goodwill	411,243	651,703
Other investments	132,109	133,946
Over-one-year assets total	<u>1,553,160</u>	<u>1,570,559</u>
Current assets		
Cash and cash equivalents	300,596	175,570
Accounts receivable from buyers	5,113,852	4,305,683
Other receivables, accrued income/prepaid expenses	1,719,845	1,626,385
Actual income tax assets	17,149	32,094
Securities	442,600	442,600
Inventory	501,857	242,112
Total current assets	<u>8,095,899</u>	<u>6,824,444</u>
Total assets	<u><u>9,649,059</u></u>	<u><u>8,395,003</u></u>
LIABILITIES		
Shareholders' equity		
Subscribed capital	1,880,000	1,880,000
Repurchased own share	(92,251)	(101,740)
Capital reserves	816,750	816,750
Retained earnings	339,799	124,546
Total Shareholders' Equity of the Parent Company	<u>2,944,298</u>	<u>2,719,556</u>
Non-controlling interest	-	-
Total Shareholders' Equity:	<u>2,944,298</u>	<u>2,719,556</u>
Long-term Liabilities		
Provisions	6,950	18,197
Deferred tax liabilities	0	0
Finance lease liabilities	146,849	0
Total Long-term Liabilities	<u>153,799</u>	<u>18,197</u>
Short-term Liabilities		
Accounts payable to suppliers	3,122,770	2,219,684
Short-term credits and loans	1,654,453	1,758,056
Other short-term liabilities, accrued expenses/deferred income	1,617,901	1,674,520
Dividend liability	0	0
Finance lease liabilities	155,838	4,990
Total Short-term Liabilities	<u>6,550,962</u>	<u>5,657,250</u>
Liabilities and Total Shareholders' Equity Total	<u><u>9,649,059</u></u>	<u><u>8,395,003</u></u>

2.3 Consolidated statement on the changes in equity

data in thousand HUF unless otherwise indicated

	Subscribed capital	Own shares	Capital reserves	Retained earnings	Total Shareholders' Equity of the Parent Company	Non-controlling interest	Total Shareholders' Equity
Balance as at 31 December 2017	1,880,000	(101,741)	1,074,500	(235,125)	2,617,634	-	2,617,634
Own shares						-	
Dividend							
Total comprehensive income				(106,292)	(106,292)	-	(106,292)
Balance as at 31 March 2018	1,880,000	(101,741)	1,074,500	(341,417)	2,511,342	-	2,511,342
Balance as at 31 December 2018	1,880,000	(101,741)	816,750	124,547	2,719,556	-	2,719,556
Own shares		9,490		175,183	184,673	-	184,673
Derecognition of goodwill of subsidiaries				(240,460)	(240,460)		(240,460)
Total comprehensive income				280,529	280,529	-	280,529
Balance as at 31 March 2019	1,880,000	(92,251)	816,750	339,799	2,944,298	-	2,944,298

2.4 Consolidated Cash Flow Statement

data in thousand HUF unless otherwise indicated

	31.03.2019.	31.03.2018.
Cash flow from operating activities		
Profit/Loss after tax	280,529	(106,292)
Adjustments:		
Depreciation and impairment in the reporting year	129,368	105,107
Impairment booked for buyers	0	16,000
Provisions	(11,247)	(8,124)
Deferred tax	21,190	(5,130)
Interest	2,588	2,474
<i>Changes of the working capital</i>		
Change of accounts receivable from buyers and others	(808,170)	2,138,438
Change in inventory	(259,746)	(76,100)
Change accounts payable to suppliers	903,088	(915,665)
Change in finance lease	150,848	0
Change in other liabilities	(135,132)	(582,733)
Net cash flow from operating activities	273,316	567,973
Cash-Flow from investments		
Tangible assets sold (purchased)	(35,957)	4,545
Purchase of intangible assets	(339,500)	(33,596)
Securities purchased	0	(5,662)
Change of over-one-year assets	2,100	0
Acquisition of interests	(263)	(380)
Net cash flow from investing activities	(373,620)	(35,093)
Cash flow from financing activities		
Borrowing of long-term loans		
Banker's loans raised (repaid)	(103,603)	50,156
Financial leasing raised (repaid)	146,849	(4,554)
Issued/repurchased own shares	9,490	
Interest on credits and loans	(2,588)	(2,474)
Gain on the disposal of own shares	175,183	0
Net cash flow from financing activities	225,330	43,128
Net change of cash and cash equivalents	125,026	576,008
Year start balance of cash and cash equivalents	175,570	323,394
Periodical balance of cash and cash equivalents	300,596	899,401

3. General Information on the Issuer

Name of the company:	4iG Public Limited Company. (Previously FreeSoft Plc.; previously Fríz 68 Szolgáltató és Kereskedelmi Inc.)
Legal form of the company:	Public Limited Company
Registered office:	H-1037 Budapest, Montevideo Street 8.
Branches:	H-8000 Székesfehérvár, Seregélyesi Road 96. H-8230 Balatonfüred, Fürdő Street 17/B.
Company registration number:	01-10-044993
Tax number:	12011069-2-4194
Statistical code:	12011069-6209-114-01
Share capital:	HUF 1,880,000,000
Date founded:	8 January 1995
Date of transformation:	2 April 2004
Date of admission to the Stock Exchange	22 September 2004

4. Information on shares

Type of shares:	registered dematerialized ordinary shares
Nominal value of shares:	HUF 100/unit
Number of shares:	18,800,000 unit
ISIN code of the shares:	HU 0000161518
Share class:	"A"
Serial number of shares:	00000001 – 18800000
Repurchased own shares:	450,000 pcs

5. Ownership structure

	31 March 2019	31 March 2018
The Company's ownership structure looked as follows:		
KONZUM PE Private Equity Fund	26.74%	n.a.
KZF Asset Management Ltd.	22.57%	n.a.
OPUS GLOBAL Plc.	13.79%	n.a.
István Fehér	n.a.	15.24%
Dr. Gábor Móricz	n.a.	14.66%
GridLogic Ltd.	n.a.	8.08%
Béla Zsolt Tóth	n.a.	5.71%*
HS Board Ltd.	n.a.	5.67%
Own shares held by the 4iG Group	2.39%	2.59%
Free float	34.51%	52.47%*
Total	100.00%	100.00%

*Béla Zsolt Tóth has a total share package of 107,266 pieces, of which 35,525 pieces (1.89%) are owned indirectly through HS Board Ltd. which must be excluded with respect to free float (it has been added).
On 31.03.2019., 4iG Plc. had 450,000 pieces of treasury share.

6. Officers

Senior officers of 4iG Plc. during the period between 1 January 2019 and 31 March 2019 were as follows.

6.1 Company Management

Board of Directors: Gellért Jászai, Chairperson of the Board of Directors, Chief Executive Officer

Béla Zsolt Tóth, Member of the Board of Directors
Aladin Linczényi, Member of the Board of
Béla Zibriczki, Member of the Board of Directors
Márk Hetényi, Member of the Board of Directors

(between 01.01.2019. and 13.03.)

Supervisory Board: Zoltán Simon, Chairperson of the SB
Zsuzsanna Ódorné Angyal, Member
János Tima, Member

Audit Committee: Zoltán Simon, Chairperson of the AC
Zsuzsanna Ódorné Angyal, Member
János Tima, Member

6.2 Remuneration of officers

Remuneration of the Members of the Board of Directors, Supervisory Board and Audit Committee in this period has been determined as follows.

The General Meeting in its resolution No 37./2014(10.27) decided on the fact that each member of the Board of Directors shall be entitled to a remuneration of HUF 175,000 per month, while the Chairperson of the Board of Directors shall be entitled to a remuneration of HUF 200,000 per month.

The General Meeting in its resolution No 42./2014(10.27) decided on the fact that each member of the Supervisory Board shall be entitled to a remuneration of HUF 155,000 per month, while the Chairperson of the Supervisory Board shall be entitled to a remuneration of HUF 175,000 per month.

Members of the Audit Committee shall not receive remuneration for their work in the Audit Committee.

6.3 4iG Share Ownership of Senior Executives

Name	Senior officer Function	Number of shares as at 31.03.2019.			Ownership rate (%)
		Direct ownership	Indirect ownership	Direct and indirect	Direct and indirect
Béla Zsolt Tóth	Member of the Board of Directors	210,440	133,253	343,693	1.83%

7. Authorized Signatories of the Report

The Chairperson of the Board of Directors is authorized to sign the Report independently, or any two Members of the Board of Directors together.

8. Subsidiaries

Name of subsidiary	Registered office:	Ownership rate	
		31.03.2019.	31.03.2018.
HUMANsoft Ltd.	H-1037 Budapest, Montevideo Street 8.	0	100.00%
Axis Rendszerház Ltd. Subsidiary of HUMANsoft Ltd.:	H-1037 Budapest, Montevideo Street 8.	0	100.00%
Mensor 3D Ltd.	H-6782 Mórahalom, Röszei Road 43.	0	100.00%

The subsidiaries merged into 4iG Plc. only on 31 January 2019 but the January income and expense figures were consolidated in the Q1 figures.

9. Major events of the period (in chronological order)

9.1 Merger of subsidiaries into 4iG Plc.

The Court of Registration of the Metropolitan Court, by change order No. 01-10-044993/158 of 29 January 2019 (hereinafter referred to as the "Order"), registered the fact that the subsidiaries of the Company, i.e. Axis Rendszerház Informatikai Fejlesztő és Tanácsadó Korlátolt Felelősségű Társaság (registered office: H-1037 Budapest, Montevideo Street 8; company reg. no.: 01-09-199169), Mensor3D Korlátolt Felelősségű Társaság (registered office: 1037 Budapest, Montevideo Street 8; company reg. no.: 01-09-328695) and HUMANsoft Elektronikai Korlátolt Felelősségű Társaság (registered office: 1037 Budapest, Montevideo Street 8; company reg. no.: 01-09-062054) merges into 4iG Plc.

9.2 Signing a high-value contract (12.02.2019)

4iG Plc has concluded a contract with DXC Technology Magyarország Ltd. (H-1114 Budapest, Bartók Béla Road 43-47.; reg. no.: 01-09-075933) as a result of an open public procurement procedure for the implementation of 'Planning and command system for the rolling stock and human resources' and 'Data warehouse and reporting system' under the INKA2 Project of the Hungarian Railways Co. (MÁV).

The project is financed from European Union funds.

The purpose of the project is to ensure more efficient operation of MÁV and to consolidate its IT applications.

Value of the contract: HUF 900,000,000 + VAT.

9.3 Change of owners (13.02.2019.)

KZF Vagyonkezelő Korlátolt Felelősségű Társaság (registered office: H-1062 Budapest, Andrassy Road 59.; Company Reg. No.: 01-09-294248 hereinafter: "KZF Asset Management Ltd.") owned by Konzum Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság (registered office: H-1062 Budapest, Andrassy Road 59.; company registration number: 01-10-045654, tax number: 13960904-2-42; hereinafter referred to as "Fund Manager ") has purchased 4,242,610, that is four million two hundred and forty-two thousand six hundred and ten pieces of 4iG share with a nominal value of HUF 100 issued by the Company owned by REPRO I. Invest Korlátolt Felelősségű Társaság (registered office: H-1062 Budapest, Andrassy Road 59.; Company Reg. No.: 01-09-326193; hereinafter: "REPRO I. Invest Ltd.") owned by REPRO I Private Equity Fund (MNB registration number: 6122-57) which is also managed by the Fund Manager.

9.4 The shares of 4iG have been listed in the FTSE Micro Cap and FTSE Total-Cap indices within the series "FTSE Global Equity Index – Emerging Europe".

As a result of FTSE Russell's semi-annual review, the Company's shares have been included in the FTSE Global Equity Index, Emerging Europe, FTSE Micro Cap, and FTSE Total-Cap indices.

The above changes took effect on 18 March 2019, after the closing of the stock exchange on 15 March 2019.

9.5 Announcement of a High-value Winning Bid (26.02.2019.)

The Government Information Technology Development Agency (KIFÜ) announced the bid of 4iG Plc as the winning bid in two centralized public procurement procedures through restarting competition initiated by for the delivery of active network devices and related services.

The project aims, in connection with the digital transformation of the public education, vocational training, higher education and adult education systems and the implementation of the Digital Education Strategy of Hungary:

1. to support the development of connections between public educational institutions' sites by supplying and installing CPE routers,
2. to expand the KIFÜ's central backbone network with active network devices and expansion modules, including on-site installation and system integration.

The total value of the two procedures is HUF 2,353,060,000 + VAT.

9.6 Personnel Changes

The employment contract between Chief Executive Officer Mr. Béla Zibriczki and the Company covering the CEO's position was terminated by mutual consent with effect from 14 March 2019.

The Board of Directors of the Company elected Chairperson of the Board of Directors of the Company, Mr. Gellért Jászai to the vacant CEO position for an indefinite period starting from 18 March 2019.

Member of the Board of Directors of the Company Mr. Márk Hetényi resigned from his position in the Board of Directors on 13 March 2019 with effect from 13 March 2019. After the aforesaid resignation, the Board of Directors of the Company will continue its daily work with 4 (four) members according to its normal operation.

9.7 Disposal of own shares

On 19 March 2019, the Company sold 37,120 pieces of Series "A", dematerialised ordinary shares from its treasury stock on the Budapest Stock Exchange at a price of HUF 4,980 per share in cooperation with Equilor Plc. as an investment service provider ("Transaction").

As a result of the Transaction, the Company's treasury stock decreased from 487,120 to 450,000 pieces. The total share of the Company's treasury stock is 2.39%.

9.8 Signing a high-value contract (25.03.2019.)

4iG Plc. was announced as a member of the winning consortium in the open public procurement procedure started by ND Nemzeti Dohánykereskedelmi Nonprofit Plc. (registered office: H-1136 Budapest Pannónia Street 40., reg. no.: 01 10 047581, hereinafter: 'ND') "for the procurement of services for the development and operation of DAKIR - Information System for the Identification of Tobacco Products to implement Articles 15 and 16 of Directive 2014/40/EU of the European Parliament and of the Council and Commission Implementing Regulation 2018/574".

The contract moratorium expired on 24 March 2019. The contract negotiation process has started during which 4iG Plc wishes to conclude a contract with the ND for the procurement of services for the development and operation of DAKIR - Information System for the Identification of Tobacco Products to implement Articles 15 and 16 of Directive 2014/40/EU of the European Parliament and of the Council and Commission Implementing Regulation 2018/574.

The proposed contract will be valid for a fixed term of 61 months. The estimated value of the procurement for the duration of the contract is HUF four (4) billion net. All tobacco products produced after 20 May 2019 must be furnished with the codes generated by the DAKIR system. 4iG Plc. has prepared for the live start of the system on time.

9.9 Signing a high-value contract (27.03.2019.)

The Company and the Government Informatics Development Agency (registered office: H-1027 Budapest, Csalogány Street 9-11., registration no.: 598316, hereinafter: KIFÜ) signed two high-value contracts.

Under the framework agreement (hereinafter referred to as "FA") concluded as a result of the centralized public procurement tender "Procurement of active network equipment and related services - 2018" based on a framework agreement managed by the Directorate-General for Public Procurement and Supply (KEF) (hereinafter: "Contracting Authority") no. TED 2018/S 025-052837, the KIFÜ has ordered products and services from 4iG Plc after the reopening of competition.

The projects identified in the two contracts aim, in connection with the digital transformation of the public education, vocational training, higher education and adult education systems and the implementation of the Digital Education Strategy of Hungary:

1. to support the development of connections between public educational institutions' sites by supplying and installing CPE routers,
2. to expand the KIFÜ's central backbone network with active network devices and expansion modules, including on-site installation and system integration.

The total value of the contracts in paragraphs 1 and 2 above: HUF 2,353,060,000 HUF + VAT.

10. Major events and changes after the Report date

10.1 Establishment of a subsidiary

On 5 April 2019, the Company established a fully owned subsidiary, by restarting competition (Humansoft Service Limited Liability Company) with an equity capital of HUF 3 million which was registered by the Court of Registration under no. 01-09-340476 on 17.04.2019.

The company's registered office: H-1037 Budapest, Montevideo Street 8.

Main activity: 9511 '08 Repair services of computers and peripheral equipment

10.2 Ordinary Annual General Meeting of the Company on 25.04.2019.

The Company held its ordinary annual general meeting on 25 April 2019.

The Company disclosed minutes of the General Meeting on the same day.

The General Meeting decides to accept the following in accordance with the relevant proposals:

- the Board of Directors' proposal for the year 2018 financial report, balance sheet and profit and loss account and the distribution of the year 2018 profit;
- the report of the Board of Directors on the Company's business operations in 2018;
- the Auditor's report on the audit of the annual financial statements for the year 2018, and the presented auditor's clause;
- the Audit Committee's report on the 2018 financial statements;
- the Supervisory Board's report on the 2018 financial statements;
- the report of the Board of Directors on the Company's management, financial status and business policy.

In addition, the General Meeting adopts by the present resolution the annual financial statements of the Company for the year 2018 in accordance with IFRS (International Financial Reporting Standards) with the following main data:

- HUF 3,793,547,000 assets/equity and liabilities total
- HUF 2,628,152,000 equity capital
- HUF 25,600,000 after tax profit

In addition, the General Meeting adopts by the present resolution the annual consolidated financial statements of the Company for the year 2018 in accordance with IFRS (International Financial Reporting Standards) with the following main data:

- HUF 8,395,003,000 assets/equity and liabilities total
- HUF 2,719,556,000 equity capital
- HUF 101,922,000 consolidated after tax profit

In addition, the General Meeting adopts by the present resolution the 2018 annual financial statements of the subsidiaries merged with the Company on 31.01.2019 (HUMANsoft Elektronikai Korlátolt Felelősségű Társaság [reg. no.: 01-09-062054], Mensor3D Korlátolt Felelősségű Társaság [reg. no.: 01-09-328695], Axis Rendszerház Informatikai Fejlesztő és Tanácsadó Korlátolt Felelősségű Társaság [reg. no.: 01-09-199169]) with the following main data:

HUMANsoft Elektronikai Korlátolt Felelősségű Társaság

- HUF 5.718.730,000 assets/equity and liabilities total
- HUF 992,444,000 equity capital
- HUF 24,269,000 consolidated after tax profit

Mensor3D Korlátolt Felelősségű Társaság [company registration number: 01-09-328695]

- HUF 161,457,000 assets/equity and liabilities total
- HUF 144,982,000 equity capital
- HUF 20,563,000 consolidated after tax profit

Axis Rendszerház Informatikai Fejlesztő és Tanácsadó Korlátolt Felelősségű Társaság

- HUF 778,684,000 assets/equity and liabilities total
- HUF 361,893,000 equity capital
- HUF 69,466,000 consolidated after tax profit

The General Meeting resolves further that the Company shall not pay dividend on its year 2018 earnings in view of the Supervisory Board's Report, the Audit Committee's Report and the proposal of the Board of Directors.

The General Meeting approved the business report for the (financial) year 2017 on the management, business policy and net assets position of 4iG Plc. which was published as a motion to the General Meeting.

The General Meeting has accepted the Responsible Corporate Governance Report and Statement of 4iG Plc for the (financial) year 2017 which was published as a motion to the General Meeting.

In view of the audit (engagement) agreement made on 18.07.2018. between the Company and INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság (registered office: H-1074 Budapest, Vörösmarty Street 16-18, Building A, Ground Floor 1/F, company registration number: 01-09-063211, tax number: 10272172-2-42, officer personally responsible for the audit: Zsuzsanna Freiszberger [mother's name: Rózsa Mária Böczkös, home address: H-2440 Százhalombatta, Rózsa Street 7., Chamber registration number: 007229] "INTERAUDITOR Kft." or "Auditor"), the General Meeting resolves that the Company's audit tasks shall be performed by INTERAUDITOR Ltd. also for the year 2019.

On the basis of the preliminary consultation with the Auditor, the General Meeting resolves that the remuneration of the Auditor for the year 2019 shall be HUF 4,350,000 + VAT, that is four million three hundred and fifty thousand Hungarian Forints + VAT (which is five million five hundred and twenty-four thousand five hundred Hungarian Forints gross) in respect of the Company's IAS-IFRS individual annual report, and HUF 2,000,000 + VAT, that is two million Hungarian Forints + VAT (which is two million five hundred and forty thousand Hungarian Forints gross) for the Company's annual consolidated financial statements.

The General Meeting assessed the work of the executive officers provided in 2018 and issued a waiver to them.

The General Meeting resolves to accept, in accordance with the draft resolution, the final balances of assets and inventories of assets of the subsidiaries merged into the Company (legal predecessor legal entities) i.e. HUMANSOFT Elektronikai Korlátolt Felelősségű Társaság [reg. no.: 01-09-062054], Mensor3D Korlátolt Felelősségű Társaság [reg. no.: 01-09-328695], and Axis Rendszerház Informatikai Fejlesztő és Tanácsadó Korlátolt Felelősségű Társaság [reg. no.: 01-09-199169]) prepared by ESSEL Audit Ltd. as the independent auditor involved in the transformation besides the Company's standing auditor on the date of the transformation (merger) i.e. on 31.01.2019. in accordance with the provisions of the Transformation Act

The main data of the final balances of assets and inventories of assets prepared by ESSEL Audit Ltd. on the date of transformation (merger) i.e. on 31.01.2019. as the independent auditor involved in the transformation:

HUMANSOFT Elektronikai Korlátolt Felelősségű Társaság

- HUF 6,243,109,000 assets/equity and liabilities total
- HUF 953,600,000 equity capital
- HUF -38,844,000 consolidated after tax profit

Mensor3D Korlátolt Felelősségű Társaság [company registration number: 01-09-328695]

- HUF 142,644,000 assets/equity and liabilities total
- HUF 139,538,000 equity capital
- HUF -5,444,000 consolidated after tax profit

Axis Rendszerház Informatikai Fejlesztő és Tanácsadó Korlátolt Felelősségű Társaság

- HUF 744,163,000 assets/equity and liabilities total
- HUF 355,744,000 equity capital
- HUF -6,148,000 consolidated after tax profit.

The General Meeting resolves to accept, in accordance with the draft resolution, the final balance of assets and inventory of assets of the Company, as the remaining (legal successor) company, prepared by ESSEL Audit Ltd. as the independent auditor involved in the transformation besides the Company's standing auditor on the date of the transformation (merger) i.e. on 31.01.2019. in accordance with the provisions of the Transformation Act.

The main data of the final balances of assets and inventories of assets prepared by ESSEL Audit Ltd. on the date of transformation (merger) i.e. on 31.01.2019. as the independent auditor involved in the transformation:

in relation to the Company as the acquiring company during the transformation (merger) ("acquiring legal entity"):

- HUF 4,126,659,000 assets/equity and liabilities total
- HUF 2,534,033,000 equity capital

in relation to the Company as the company established during the transformation (merger) ("established legal entity"):

- HUF 8,654,325,000 assets/equity and liabilities total
- HUF 2,321,283,000 equity capital.

The General Meeting acknowledged the resignation by Board member (Executive Officer) Márk Hetényi (mother's name: Judit Varsányi, place and date of birth: Budapest, 19.10.1974.; address: H-1055 Budapest, Szent István Boulevard 17, 3rd Floor, 6.a, tax ID number: 8393725445) from his position as a member of the Board of Directors with effect from the 13th day of March 2019.

The General Meeting resolves that the Company will not appoint a new member in place of the resigned Board member, given that the Board of Directors of the Company can continue to work with 4 (four) Board members in accordance with the laws and the Company's Articles of Association.

The General Meeting resolves that the affiliate site at H-6782 Mórahalom, Röszei Road 43 of former subsidiary HUMANSOFT Elektronikai Korlátolt Felelősségű Társaság (reg. no. 01-09-062054) merged into the Company as part of the merger shall continue its operation as an affiliate site of the Company.

"The General Meeting resolved – in view of the increase in the price of the shares issued by the Company since the last share split on 05 October 2018 – to modify the structure of the current share capital of the Company consisting of 18,800,000, that is eighteen million eight hundred thousand pieces of Series 'A' ordinary share with a nominal value of HUF 100, that is one hundred Hungarian forints each, after which modification – by means of dividing the

nominal value of the ordinary shares issued by the Company to five equal parts of 1/8 that is one eighth, each – the Company’s share capital shall (without its total amount being changed) consist of 150,400,000 that is ninety-four million pieces of ordinary share with a nominal value of HUF 12.5 that is twelve and five tenths Hungarian forints, each.

As a result of the conversion, each ordinary share of a nominal value of HUF 100 that is one hundred Hungarian forints shall be replaced by 8 that is five pieces of ordinary share with a nominal value of HUF 12.5 that is twelve and five tenths Hungarian forints, each. The conversion will not affect the total amount of the Company’s share capital or the other rights attached to Series A shares, i.e. the total nominal value of Series A shares shall remain the same, and the relevant amendment to the Articles of Association will make sure that the proportions of voting rights attached to the shares will remain the same also after the conversion.

The General Meeting resolves that the Company's currently registered main activity – 6209'08 Other information-technology consulting – shall be changed and, instead, the Company's main activity shall be 6201'08 Computer programming, regarding that as a result of the transformation (merger) at the Company, during which the Company's subsidiaries (HUMANsoft Elektronikai Korlátolt Felelősségű Társaság [reg. no.: 01-09-062054], Mensor3D Korlátolt Felelősségű Társaság [reg. no.: 01-09-328695], Axis Rendszerház Informatikai Fejlesztő és Tanácsadó Korlátolt Felelősségű Társaság [reg. no.: 01-09-199169]) were merged into the Company, computer programming became the biggest value-added activity of the Company.

The General Meeting resolves that, in view of the fact that the scope of activities under its current Articles of Association has expanded as a result of the Company's transformation (merger), the Company's activities shall include also the following activities:

- 4110 '08 Organisation of building construction projects
- 4312 '08 Construction site preparation
- 5819 '08 Other publishing activities
- 5911 '08 Production of films, video and television programmes
- 6202 '08 Information-technology consulting
- 6820 '08 Renting and operating own and rented properties
- 7112 '08 Engineering activities and related technical consultancy
- 7120 '08 Technical inspection and analysis
- 7311 '08 Real estate agent activity,
- 7733 '08 Renting office equipment (including computers)
- 8230 '08 Organisation of conferences and trade presentations
- 9499 '08 Activities of other membership organisations n.e.c.

The General Meeting adopted the proposed amendments of the Articles of Association and the consolidated Articles of Association.

10.3 Announcement of a high-value winning bid by the Company (02.05.2019.)

The National Healthcare Service Centre (registered office: H-1125 Budapest, Diós Ditch 3, tax number: 15324683-2-43, hereinafter: ÁEEK) announced the bid of 4iG Plc as the winning bid in the centralized public procurement tender started through reopening competition titled "Acquisition of small and large servers under the Healthy Budapest Program".

The purpose of the procurement is to develop and install the infrastructure of some sites of the participants of the Healthy Budapest Program, and to provide system integration services and training. The deadline for delivery is 60 days from the date of signing the contract.

The value of the tender is HUF 689,997,476 + VAT.

The expiry date of the contract moratorium was 09.05.2019.

10.4 Announcement of a high-value winning bid by the Company (08.05.2019.)

As a result of the centralised public procurement procedure through reopening of competition, the Hungarian Export-Import Bank Private Limited Company (registered office: H-1065 Budapest, Nagymező Street 46-48.) declared 4iG Plc. as the winning bidder for the tasks of "Expert support for development, application support and operations" within the scope of a framework agreement with the subject-matter "Development consultancy related to the implementation of software-development projects financed from European Union funds in the 2014–2020 programming period"—Part 1 "Development consultancy based on the Microsoft .Net framework and Microsoft Business Intelligence" and worth HUF 315,246,400,

and for the tasks of "Expert support for project implementation" within the scope of a framework agreement with the subject-matter "Development consultancy related to the implementation of software-development projects financed from European Union funds in the 2014–2020 programming period"—Part 2 "Development consultancy for developments in a development environment based on Java or Business Intelligence or with other open source code" worth HUF 372,985,920; both framework agreements are to be concluded with the Hungarian Export-Import Bank Private Limited Company (seat: H-1065 Budapest, Nagymező Street 46-48.);

The combined value of the two framework agreements is HUF 688,232,320 net.

The standstill period ended on 16 May 2019.

10.5 Announcement of a high-value winning bid by the Company (08.05.2019.)

Klebelsberg Centre has announced 4iG Plc's bid as the winner in the public procurement tender "Acquisition of interactive panels and provision of accredited e-learning training service for the Project EFOP-3.2.4-16-2016-00001 'Development of Digital Competence'.

The aim of the project is to supply, install and commission and provide on-site training for the use of 3005 interactive whiteboards and wall or mobile consoles for schools maintained by the Klebelsberg Centre and the education centres of the convergence region, as well as to

provide accredited e-learning training related to the methodology of operating and using interactive whiteboards.

The value of the bid is HUF 4,390,500,000 + VAT.

11. Disclaimer

The Issuer declares that the Interim Management Report gives a true and fair view of the development and performance of the Company, the data and statements provided in this report are accurate, and do not conceal any facts that are relevant in terms of the evaluation of the Issuer.

Pursuant to Section 57 (1) of the Act on the Capital Market, the Issuer shall be liable for any damage caused by its failure to disclose the statutory information or by any misleading content of the same.

I take full responsibility for the numerical figures and the true content of analyses and conclusions included in present Q1 2019 Interim Management Report.

Budapest, 17 May 2019



Gellért Jászai

Chairperson-CEO



Béla Zsolt Tóth

member of the Board of Directors