

HISTORIC TRANSFORMATION PROGRAMME ANNOUNCED BY 4iG GROUP

Structural changes significantly increase the efficiency and value of the Group

- 4iG Plc has announced the implementation of a complex transformation programme, which unbundles the network infrastructure of its telecommunications companies among the first in Europe and transforms the operations of its subsidiaries to exploit business and operational synergies more efficiently.
- The programme is based on the structural unbundling of the international telecoms market, whereby 4iG's telecoms companies will be transformed into business and retail, as well as infrastructure companies and their operations will be integrated in line with the unbundled functions.
- As part of the process, the IT and systems integration activities currently operating within 4iG Plc will be reorganised into a separate IT company.
- The transformation will convert 4iG Plc into a capital market holding company with centralised functions to support, manage, and control the operations of its affiliates.
- According to preliminary estimates, the structural separation could increase the value of the company by more than HUF 400 billion.
- The transformation programme will be completed in 2025 and the Board expects its implementation to increase the Group's profitability, operational efficiency, and competitiveness.

By 2023, 4iG Group has developed into an infocommunications group with a solid base in the Central and Eastern European (CEE) region, while simultaneously having the potential to exploit further business and operational synergies in the IT and telecoms businesses. To eliminate the duplications, fully exploit revenue and cost synergies, as well as increase value and competitiveness, the Group announced a comprehensive transformation programme.

The programme is based on the structural separation used in international telecommunications markets, which involves the uncoupling of business and infrastructure into standalone companies in order to raise capital. As a result of the structural separation, 4iG will be one of the first in Europe to implement the separation of its fixed telecommunications infrastructure.

"One of the key objectives of the transformation process is to monetise the excess value of our network and mobile infrastructure in Hungary and abroad. Based on our current estimates, we expect the separation of commercial activities and infrastructure to increase the value of the company by more than HUF 400 billion," said Gellért Jászai, Chairman of 4iG Plc in connection with the Group's transformation. "The transformation will enable the full exploitation of business and operational synergies, which will have a positive impact on the profitability and operational efficiency of our companies. The planned capital increase in our infrastructure companies will allow us to significantly reduce our debt and broaden the Group's borrowing options. The developments will contribute significantly to the creation of shareholder value," said Gellért Jászai, Chairman of the 4iG Group.



The transformation of 4iG Group's telecoms and IT businesses aims to create three areas: telecoms trading, telecoms infrastructure, and IT trading units. The transformation will convert 4iG's telecoms businesses into business and retail, as well as infrastructure companies, and integrate their operations according to the separate functions. As part of the process, the IT and systems integration activities currently operating within 4iG Plc will be reorganised into a separate company. In a similar way to IT, the Group's space and technology interests will be brought together in a standalone entity to better capitalise on the global growth opportunities in the industry. They will be centrally managed and strategically led by the holding company supporting and co-ordinating the activities, performance, and execution of the business strategy of the whole Group across borders.

The transformation will create opportunities to sell a minority stake in the network and mobile infrastructure, increase the Group's competitiveness, reduce debt, as a result further growth, significant infrastructure improvements, and early adoption of the latest technologies.

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Background information:

The 4iG Group

4iG Plc, a majority-owned Hungarian company based in Budapest, Hungary, is the leading telecommunications and IT group in Hungary and the Western Balkans, and one of the leading companies in the knowledge-based digital economy. Listed on the Budapest Stock Exchange, the Group's fresh and innovative approach and its position as Hungary's leading IT systems integrator make it a leading business services provider in the region's digital transformation. 4iG's dynamic expansion strategy has made it a dominant player in the Hungarian and Western Balkan telecommunications markets. The Group is continuously expanding its services, expertise, and portfolio to meet the changing needs and demands of the telecommunications and IT markets. The 4iG Group employs close to 8,000 people. www.4iG.hu

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