



Press release

Budapest, 31 May 2023

4iG PLC RELEASED ITS FIRST REPORT AS A CONVERGED SERVICE PROVIDER

Vodafone Hungary's successful acquisition and the merger of its Albanian subsidiaries set the tone for the first quarter of the Group

- **With the successful acquisition of Vodafone Hungary, 4iG Plc became a converged telecommunications service provider in Hungary in Q1 2023, while remaining Hungary's leading IT systems integrator.**
- **ONE Albania, formed by the merger of Albanian subsidiaries, has emerged as the leading technology and info-communications provider in the Western Balkans.**
- **4iG Plc had consolidated net revenues of HUF 115.17 billion, EBITDA of HUF 36.27 billion and profit after tax of HUF -1.17 billion in Q1 2023 in accordance with IFRS.**
- **The Group's negative profit after tax was mainly due to non-cash depreciation, amortisation and other items related to acquisitions in the previous period and deferred tax payments.**
- **87.4 percent of net sales were generated by the Telecommunications division and 12.6 percent by the IT division.**

4iG Plc underwent a significant transformation in the first quarter of 2023. The Group became a converged telecommunications provider in Hungary through the successful acquisition of Vodafone Hungary, and maintained its market-leading position as an IT systems integrator, according to the company's flash report published on the Budapest Stock Exchange. Thanks to IT-telco's convergence-based business model, the Company's profitability indicators improved significantly, and its recurring revenues increased. The Group has become the second largest in the Hungarian telecoms market in mobile voice and internet services, and the market leader in fixed internet services and television broadcasting. As a result of the successful acquisition of Vodafone Hungary, Scope Ratings upgraded the issuer rating of 4iG Plc by one notch (BB- with a stable outlook), which also resulted in an upgrade of the debt rating of 4iG's already issued bonds (BB-). By capitalizing on the international and domestic synergies between the telecom and IT businesses, the Company's financial and technological results are expected to further improve.

Following the merger of ALBtelecom and One Telecommunications on 1 January 2023, **ONE Albania**, one of the largest telecommunications companies in the Western Balkans, was emerged. The 4iG affiliate has become the leading fixed voice, internet, and television operator as well as the second largest mobile operator in the Albanian telecommunications market. As a result of the merger, the company has the largest fixed network in the country, the fastest growing base of mobile subscribers, and a 5G-ready mobile infrastructure. The business move has also improved the operator's efficiency and profitability. After being launched in Montenegro, 4iG Group launched its rebranding in Albania on 14 March, making **ONE** the **unified brand name**.



According to the financial statements prepared in accordance with IFRS (International Financial Reporting Standards), 4iG Group's net revenues increased by 135 percent to HUF 115.17 billion, while its EBITDA (earnings before interest, tax, depreciation and amortisation) emerged by 131 percent to HUF 36.27 billion in the first quarter of 2023 compared to the same period of the previous year, resulting in an EBITDA margin of 30.4 percent of net sales. The Company significantly diversified its customer base, with the telecoms business accounting for 87.4 percent of revenues in the first quarter of 2023. The Company's after-tax loss under IFRS of HUF 1.17 billion is primarily due to non-cash depreciation, deferred tax payments and items related to leased assets. The Company's cash and cash equivalents at the end of the quarter amounted to HUF 31.4 billion.

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