

INVESTOR PRESENTATION

2020 Q1 RESULTS

4iG Nyrt.

20th May 2020



4iG

2020 Q1 KEY HIGHLIGHTS

- 4iG now is the #2 IT system integrator in Hungary following its change of management
 - Up from #6 in 2018
- 2020 Q1 was 4iG's strongest ever first quarter
 - 8,6 bn HUF of revenue (a 77,8% increase on 2019 Q1)
 - 578 million HUF of EBITDA (a 19,6% increase on 2019 Q1)
- Topline growth of 77,8% was purely organic
- Employee numbers further increased to c. 620 as of 31st March 2020

A COMPREHENSIVE BUSINESS TRANSFORMATION

NEW OWNERSHIP	<ul style="list-style-type: none">• Gellért Jászai first became Chairman in July 2018 then CEO in March 2019 and finally the majority owner of 4iG with a 40,2% control in July 2019
VISION AND STRATEGY	<ul style="list-style-type: none">• Our strategic goal is for 4iG to become the #1 IT system integrator in Hungary and a significant company in the broader CEE region
MANAGEMENT TEAM	<ul style="list-style-type: none">• The existing management team of 4iG was complemented with new additions to help implement the new growth strategy
SALES STRATEGY	<ul style="list-style-type: none">• Solution oriented by understanding client needs, client focused by introducing account management for large corporates, target market sector based sales and pro active sales to drive demand of customers
DELIVERY CAPABILITIES	<ul style="list-style-type: none">• Introduction of improved process management to handle 4iG's increasing number of large projects and clients
OPERATIONAL EFFICIENCIES	<ul style="list-style-type: none">• Efficiency improvement initiatives implemented including changes in the organizational structure, consolidation of previously duplicate activities, review of contracts, strengthening of project control
ORGANISATION	<ul style="list-style-type: none">• Hiring of new staff with a focus on flagship technologies and new matrix structure• Our headcount increased from 376 in December 2018 to close to 620 in March 2020
EXPANSION APPROACH	<ul style="list-style-type: none">• Organic growth expected to be complemented with acquisitions and partnerships / JVs• 77,8% organic growth achieved in 2020 Q1 despite C19 slow-down

NEAR TERM OUTLOOK

- Our goal is to become the #1 IT system integrator within the next two years
- Expectations for 2020 are robust with 8,6 bn HUF of 2020 March YTD revenue and a current 23bn HUF of contracted backlog for 2020
- We will continue to grow strongly but we expect the growth rate to normalize
 - c. 20%+ topline growth expected in 2020
 - c. 10%+ average annual growth rate beyond 2020
- We are targeting an 8-10% EBITDA margin in the medium term (2-3 years)
- We declared a dividend for 2019 at 22 HUF per share representing a c. 4,3% dividend yield

COVID19 IMPACTS

Operational

- 4iG responded to the pandemic situation proactively and since then has managed its operations smoothly
- Our BCP has been adjusted to the COVID-19 situation which has allowed us to efficiently manage our operations and services minimising any operational risks
- Majority of the employees have been working remotely in home office to minimise the infection threat of the virus

Financial

- COVID-19 slow-down did not influence the 2020 Q1 financial results
- We expect that the potential revenue impact of our customers in the most impacted sectors will be compensated by new opportunities brought by the new circumstances such industrial solutions and digitalisation
- We do not expect any negative impact on our customer order backlog, in particular on the contract already signed
- We keep our previously announced financial guidance unchanged



COMPANY OVERVIEW

4iG

COMPANY SNAPSHOT

Business Highlights

- 4iG has proven to be flexible in order to fulfill our clients' expectations in timing and resources.
- 4iG's most important assets are the 400+ technical employees (consultants and highly qualified engineers and technicians)
- 4iG continuously thrives to improve services using the most up to date technology solutions.

Financial Highlights



Select Key Customers

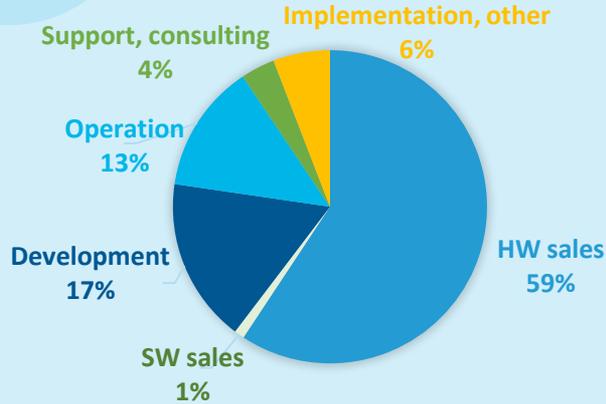


Long-standing Partnerships

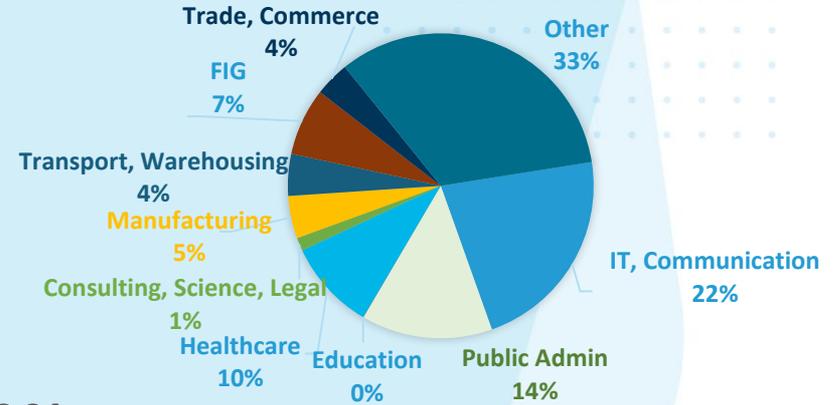


HIGHLY DIVERSIFIED BUSINESS MODEL

REVENUE BY SERVICE TYPE

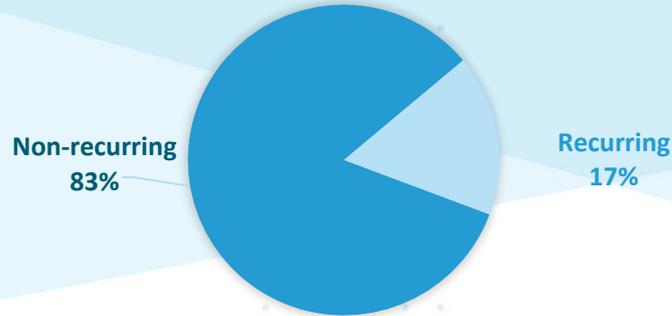


REVENUE BY INDUSTRY

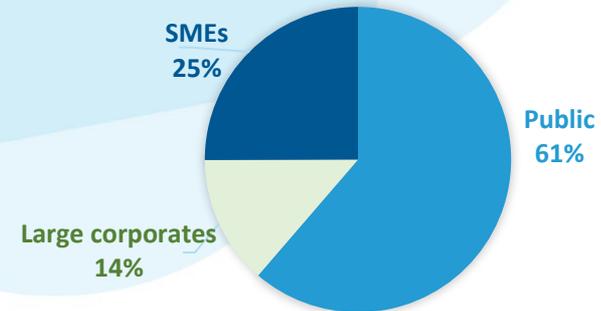


2020 Q1
revenue
breakdown

REVENUE BY NATURE



REVENUE BY CLIENT TYPE



STRATEGY OVERVIEW

Vision and strategy

- Our goal is to become the #1 IT system integrator in Hungary and a significant player in CEE region

Target areas for growth

- Technologies: AI, Blockchain, Cyber Security, Digitalization, Fintech, Industry 4.0
- Market Segments: Transportation, Banking, Healthcare, Agriculture, Energetics
- Product Strategy: Developing own solutions

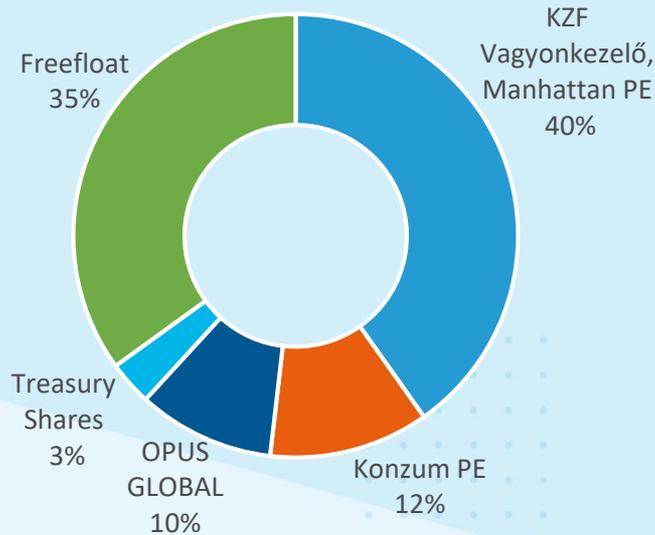
ACQUISITION PLANS

Robust organic growth complemented **by acquisitions**

- **In Hungary**
 - Our goal is to consolidate our position
 - Invest into new technologies and
 - Enhance our capabilities in new sectors
- **In Central and Eastern Europe**
 - We are looking at opportunistic targets in the CEE region
- **Acquisition financing**
 - Combination of external financing (bond and loan) and own cash resources
- **Strategic partnerships - JVs**
 - Long-term cooperation with European / overseas group with complementary resources

SHAREHOLDER INFORMATION

KEY SHAREHOLDERS⁽¹⁾



Note (1): Shareholders as of 31st March 2020
Source: BET

BEST PERFORMING STOCK IN 2019 IN THE BET



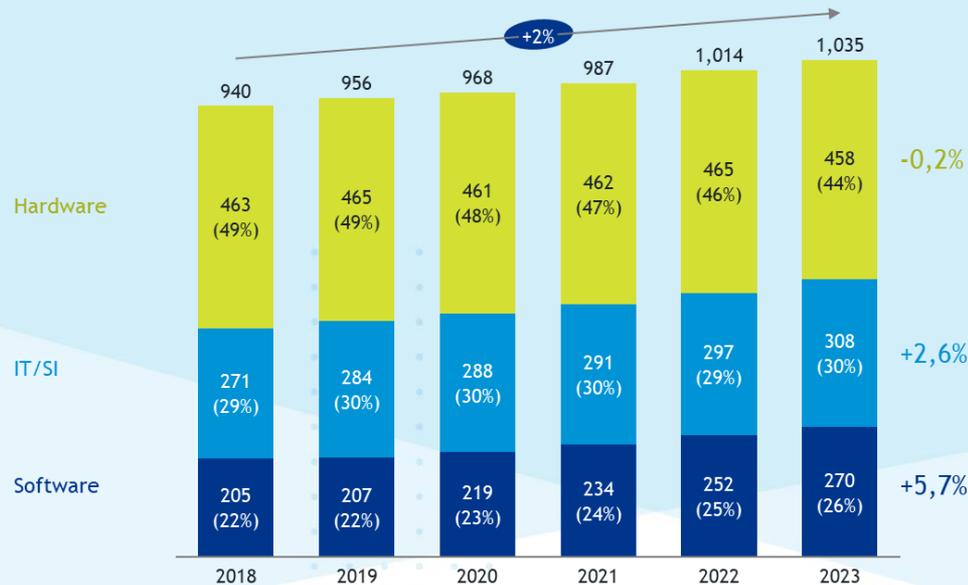
4iG is Part of The Austrian Wiener Börse region CECE Index



HUNGARIAN IT MARKET

HUNGARIAN IT MARKET EXPECTED TO GROW BY 2% ON AVERAGE, DRIVEN MAINLY BY PUBLIC SPENDING

IT spending of end users by segments (bn HUF)



Key Drivers

Need for Digital transformation

- Internet of Things (IoT) is used in the production, retail, utilities, agriculture and logistics, while Artificial Intelligence (AI) is used in customer service

GDPR related backlog

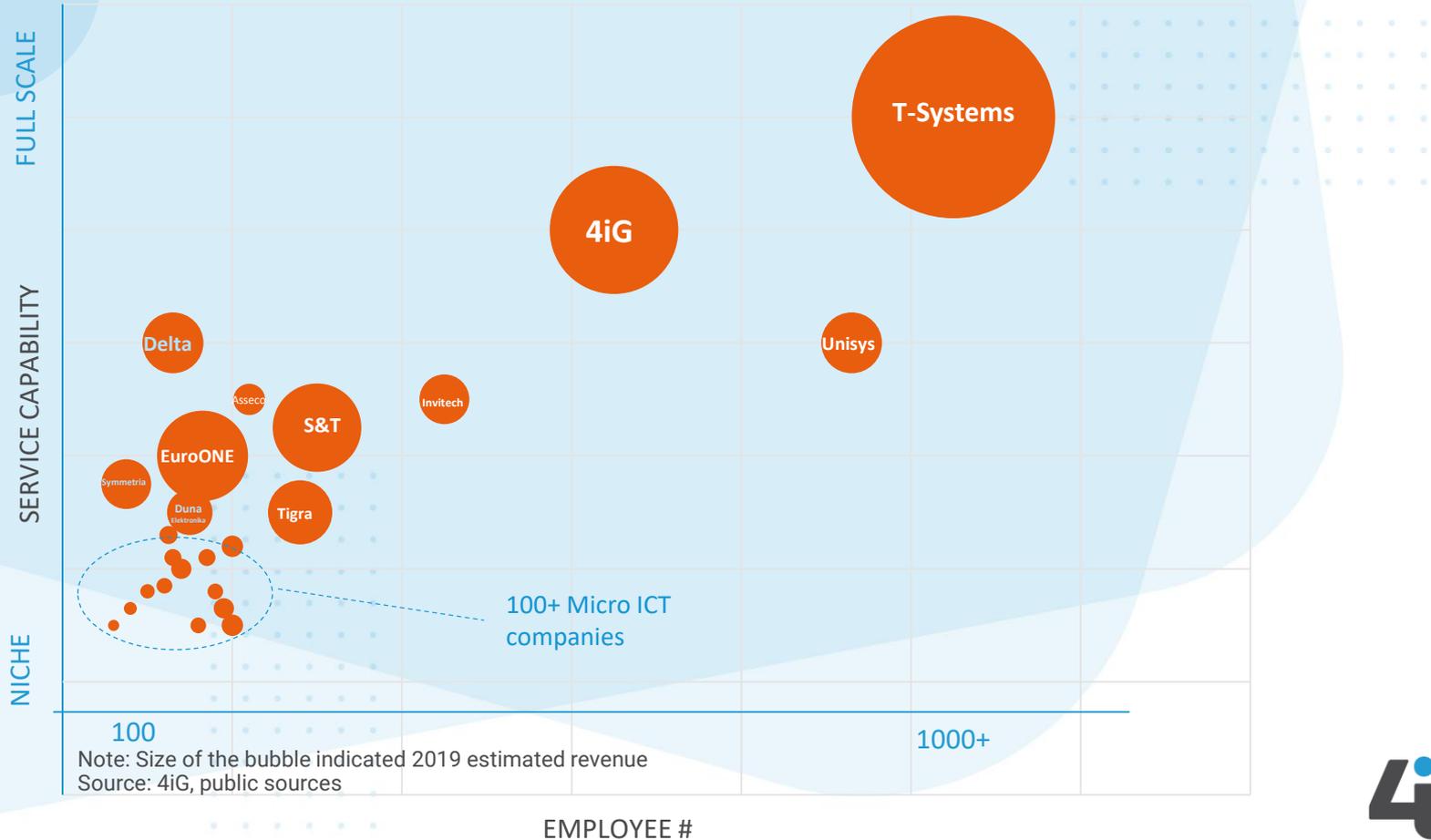
- Regulation (mainly in EU GDPR) was a key factor in the Hungarian Information service market in 2018

Major expenses of the public sector

- The public sector spent more than 50 billion HUF for IT services, which is the 21,3% of the whole information service market, including the use of the majority of EU funds till 2021

Source: IDC 2019

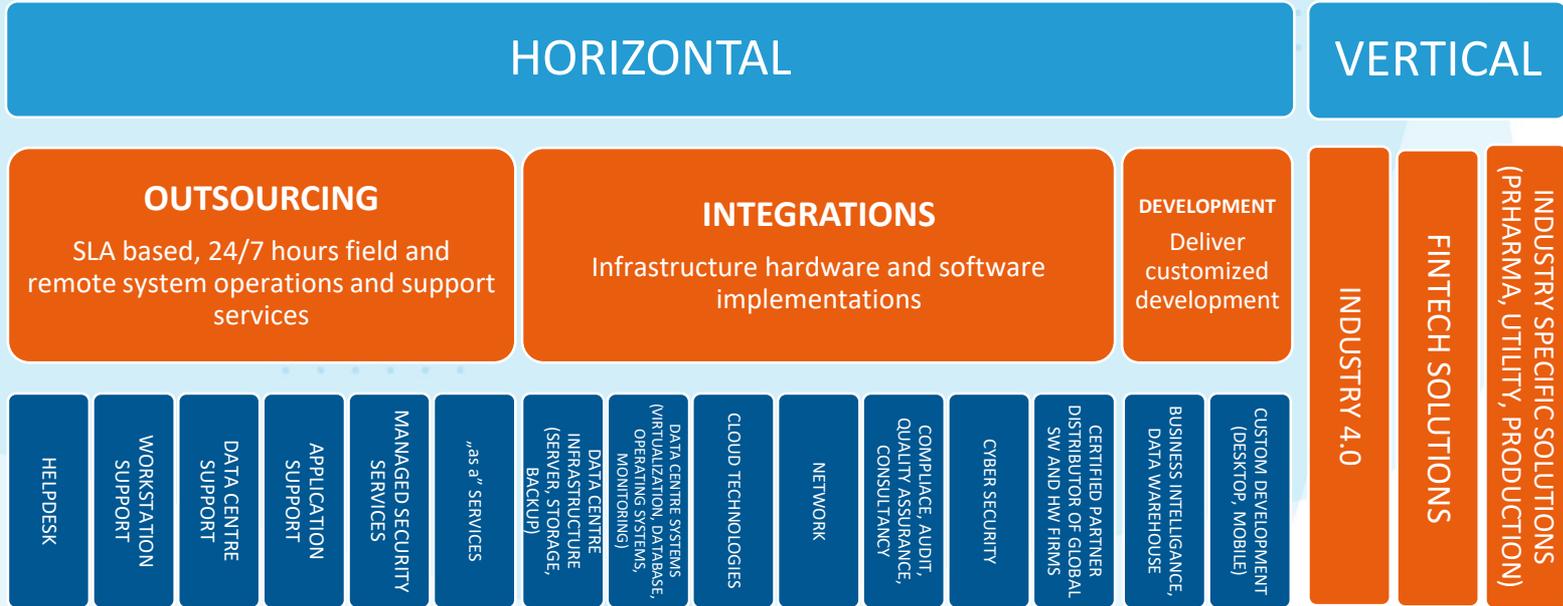
HUNGARIAN IT MARKET LANDSCAPE



Note: Size of the bubble indicated 2019 estimated revenue
 Source: 4iG, public sources



SERVICE PORTFOLIO STRUCTURE

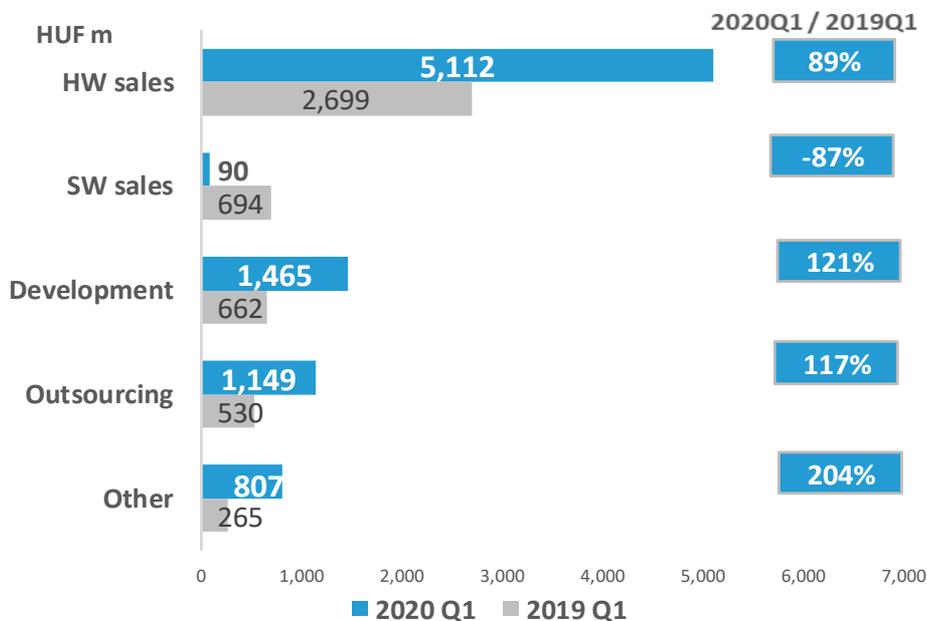


A blue-tinted cityscape, likely Vienna, featuring a prominent domed building (St. Stephen's Cathedral) and a river (the Danube). The image is overlaid with a white network of dots and lines, suggesting connectivity or data flow. The text 'FINANCIAL OVERVIEW' is positioned in the upper right, and '4iG' is in the lower right.

FINANCIAL OVERVIEW

4iG

REVENUE EVOLUTION BY SEGMENTS

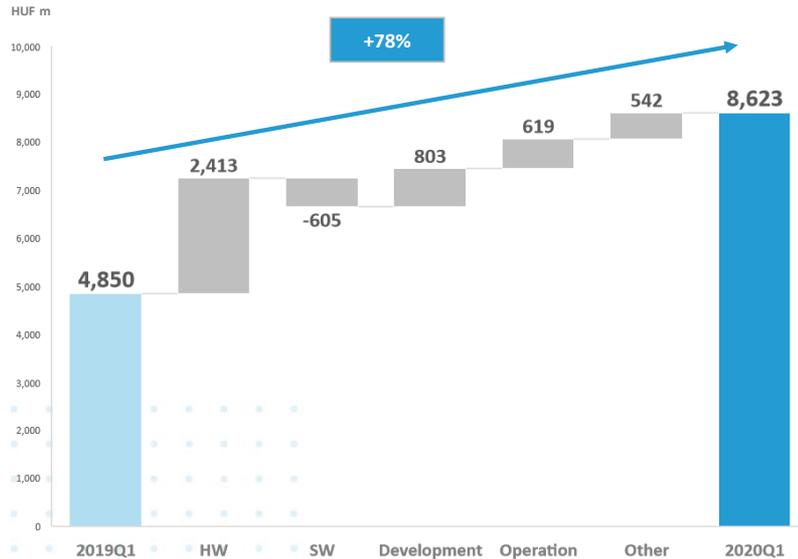


- **HW sales:** Due to COVID-19 situation the HW sales witnessed strong growth in Q1 2020 as remote working triggered significant laptop and server investments from our clients. Furthermore, some HW contracts had been postponed from Q4 2019 to Q1 2020
- 4iG has restructured its focus more to the integration and managed services in 2019
- **SW sales:** In some cases the HW manufacturers (OEM) bundled the associated SW elements to the core HW as bundle. As a result, certain SW sales appear in the HW category
- **Development:** The number and the value of SW development projects increased and 4iG started work in a number of EU funded projects which also kicked off in Q1 2020
- **Outsourcing:** The company secured a number of long term outsourcing contracts in 2019 which positively impacted the Q1 2020 numbers
- **Other:** 4iG's long standing partnerships had resulted in significant customer wins in 2019 in Support Services, Infrastructure Development and Consultancy which generated robust revenue growth in Q1 2020

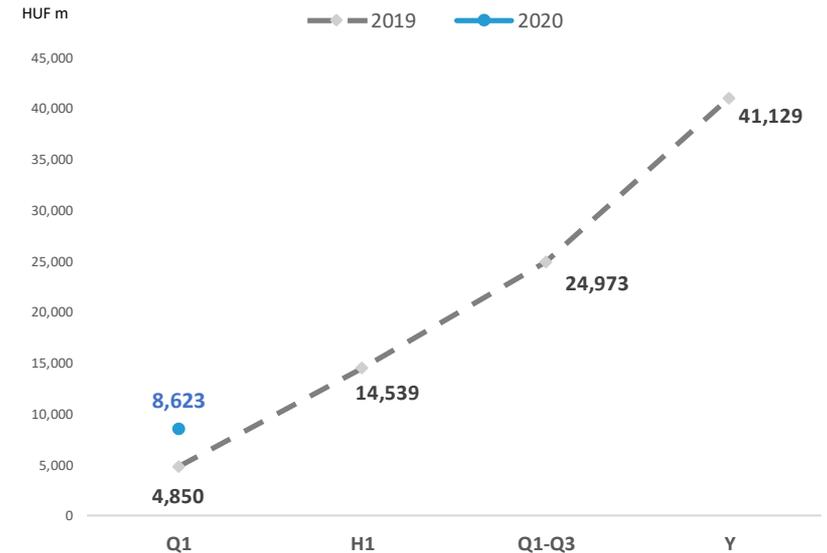
(1) Other revenue includes Support and Consulting, Implementation and Other Services

2020 Q1 REVENUE BRIDGE

NET REVENUES BRIDGE



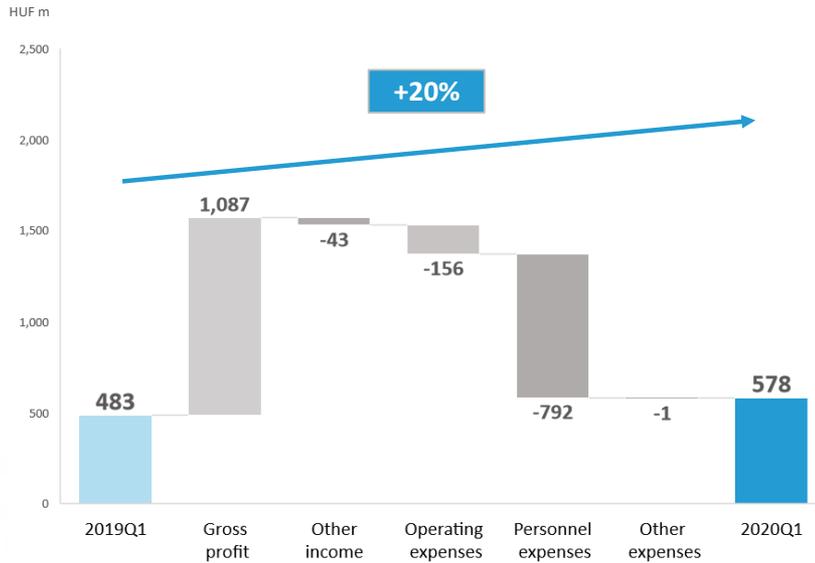
NET REVENUES BUILD-UP



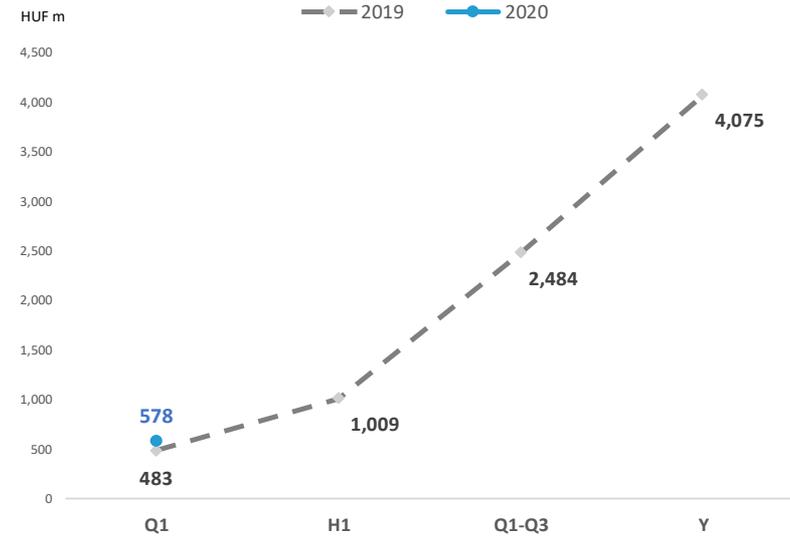
(1) Other revenue includes Support and Consulting, Implementation and Other Services

2020 Q1 EBITDA BRIDGE

EBITDA BRIDGE



EBITDA BUILD-UP



2020 Q1 P&L OVERVIEW

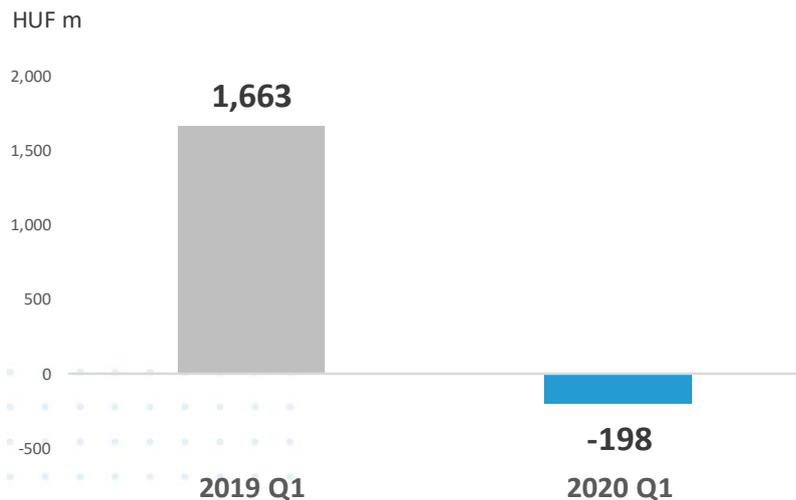
4iG Nyrt (HUF M)	2019Q1	%	2020Q1	%	2020Q1 vs 2019Q1
Net Revenues	4,850	98%	8,623	100%	78%
Other operating income	82	2%	39	0%	-52%
Total income	4,932	100%	8,662	100%	76%
Cost of Goods and Subcontractors	3,196	72%	5,882	73%	84%
Operating expenses	337	8%	493	6%	46%
Personnel expenses	913	21%	1,705	21%	87%
Other expenses	4	0%	5	0%	34%
Operating costs	4,449	100%	8,084	100%	82%
EBITDA	483		578		20%
Depreciation and impairment	129		190		47%
Net financial income	6		12		87%
Profit before taxes (PBT)	360		399		11%
Income taxes	79		87		10%
Profit / Loss after Tax	281		312		11%

- In Q1 2020 the revenue generated by Software Development projects and Outsourcing contract showed strong growth and outperformed the growth achieved by HW sales (compared to 2019 same period)
- In Software Development 4iG incurred costs on a number of projects which will show revenue in the later part of 2020 and it impacted our margins accordingly
- In line with our growth strategy, the number of our employees had showed significant increase in 2019. In addition, we also increased the level of salaries in 2020. Both of these impacted our EBITDA margin levels
- The rapid growth of the Company also prompted a restructuring of the organization including the optimisation of our internal and external resources. The impact of these is expected to show results in our full year 2020 financials

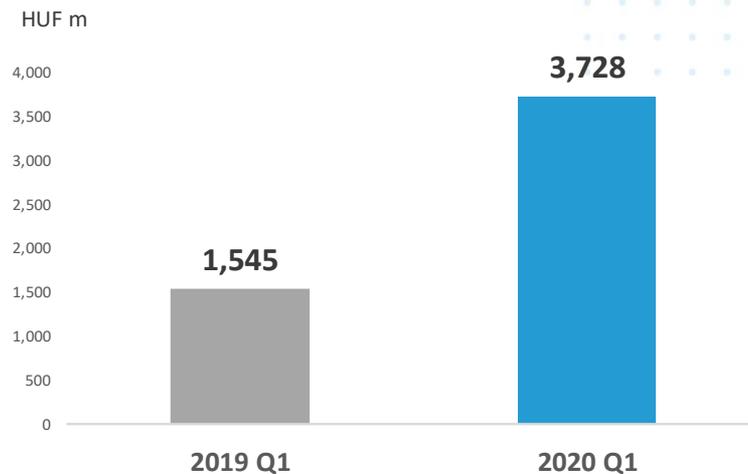


2020 Q1 BALANCE SHEET SUMMARY

NET DEBT/(-CASH) ⁽¹⁾



WORKING CAPITAL ⁽²⁾



Note (1): Net debt includes Provisions, Financial leasing IFRS 16, without Guarantees and Securities

Note (2): Working capital denotes Current Assets (without accrued) – Current Liabilities (without accrued)

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create value for the
complete IT life cycle,
supporting
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