

MOODY'S: 4iG TELECOMMUNICATIONS HOLDING ONE NOTCH BELOW INVESTMENT GRADE

Leading global credit rating agency finds 4iG's telecommunications business financially sound, with a strong profile by international standards

- **Moody's Ratings has assigned a Ba1 credit rating with a positive outlook to 4iG Távközlési Holding Zrt., which brings together 4iG Group's telecommunications portfolio in Hungary and the Western Balkans.**
- **Ba1 is just one notch below investment grade. The positive outlook reflects expected improvements in profitability and financial metrics, and points to a realistic prospect of an upgrade.**
- **The assessment forms part of preparations for the holding company's planned international bond issue in October. The financing is primarily intended to refinance acquisition loans in the telecommunications business and support further international growth.**
- **The favourable assessment by one of the world's leading credit rating agencies is a significant step in strengthening the holding company's credibility in international capital markets. It also helps present its financial position clearly and on an internationally comparable basis.**
- **Moody's regards 4iG Távközlési Holding as a strong example of European telecommunications consolidation. Its assessment highlights the holding company's leading market positions, strong earnings capacity, successful integration of previously acquired businesses and effective execution of management's growth strategy.**
- **The rating sends a clear positive signal to markets and investors. This favourable initial assessment positions the holding company as an emerging participant in the international bond market and could also attract interest from fund managers with a more conservative investment approach.**

4iG Távközlési Holding Zrt. is a leading player in the telecommunications sector in Hungary and the Western Balkans. Moody's Ratings' assessment identifies its strong market positions in both regions, extensive owned infrastructure and exceptional cash-generating capacity as key strengths. The independent assessment — Ba1 with a positive outlook — also provides a favourable starting point for a future upgrade. Moody's expects the holding company to maintain its leading market positions, further improve profitability and consistently apply its financial policy, building on debt reduction measures that have already delivered results.

International assessment of capital market readiness

The independent assessment provides an internationally comparable view of the holding company's creditworthiness, operations, and financial outlook. It supports the company's entry into international

capital markets and gives institutional investors another basis for evaluating it. The result could strengthen confidence in the holding company and help broaden its pool of lenders and investors.

Moody's analysis sends a positive signal to markets and investors. Ba1 is the highest rating below investment grade and the agency's assessment supports the telecommunications holding company's planned entry into the international bond market. It also confirms that 4iG's telecommunications business has developed into an internationally competitive, stable, and well-capitalised market player.

Preparations for the planned October bond issue

Moody's assessment was prepared as part of 4iG Távközlési Holding's preparations for an international bond issue planned for October. One of the transaction's main aims is to refinance acquisition loans; the financing would also support the holding company's further international expansion. Moody's has assigned a Ba1 rating to the proposed bonds as well.

Entering the international bond market could broaden the company's financing options and reduce its reliance on domestic bank funding. According to Moody's, the planned refinancing of acquisition loans could also simplify the maturity profile of its debt.

Successful integration and rising profitability

Moody's also views the execution of the holding company's strategy favourably. Its analysis highlights the company's ability to integrate different businesses successfully, realise synergies, and create value from them. It cites the transformation of Hungary's telecommunications market as a leading example of successful consolidation in Europe, benefiting customers and shareholders alike.

Through its subsidiaries 2Connect and One Magyarország, 4iG Távközlési Holding is Hungary's second-largest integrated telecommunications provider. Through One Albania and One Crna Gora, it is a leading mobile operator in Albania and Montenegro. Moody's says high barriers to entry in these consolidated markets, together with the combined offering of fixed and mobile services, support the company's business positions.

The holding company provides a digital backbone for Hungary and the Western Balkans. Its infrastructure includes more than 20,000 kilometres of backbone network classified as critical infrastructure, approximately 900 telco towers, more than 5,000 base stations, and substantial data centre capacity. According to Moody's, owned networks, recurring contractual revenue, and long-term wholesale agreements make cash generation more predictable.

Moody's forecasts that the EBITDA margin adjusted under its methodology could be approximately 35% in 2026 and approach 40% by 2030. Growth in average revenue per user (ARPU), the operating efficiency of fibre-to-the-home (FTTH) networks, and various synergies could support that improvement. The analysis also anticipates a gradual increase in free cash flow as major network investment projects are completed.

Moody's assessment provides positive international feedback on the holding company's development to date and its regional business model. The agency's findings clearly reinforce its stable cash-

generating capacity and the sound basis of its Western Balkan growth strategy. Taken together, its market positions, infrastructure and integration results show that 4iG's telecommunications portfolio is built on internationally competitive operations and sustainable earnings generation. Major European telecommunications companies and service providers with a Ba1 rating and positive outlook include Nokia, while Ericsson and Telecom Italia (TIM) held such ratings until recently.

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Background information

4iG Group

4iG Group is Hungary's largest capital markets holding company in technology, infocommunications, digital infrastructure, and the space and defence industry, with its shares listed on the Budapest Stock Exchange. 4iG is building its presence through an integrated approach across high-capacity networks, data centre and international data connectivity infrastructure, technology systems, and industrial and defence solutions, serving retail, business, government, and international customers. Employing more than 11,000 people, the Group's strategic goal is to contribute to the digital, technological, and industrial development of Hungary and the region through long-term investments, innovation, and international partnerships. www.4ig.hu

4iG Távközlési Holding Zrt.

4iG Távközlési Holding Zrt. is the holding company coordinating the telecommunications portfolio of 4iG Group. It is overseeing the Group's Hungarian and international operations, as well as its infrastructure, within a unified operating framework. The holding company is managing, among others, One Magyarország Zrt., which serves residential, small business, and corporate customers, as well as 2Connect Kft., which provides wholesale telecommunications infrastructure services. Through its subsidiaries, One Albania sh.a. and One Crna Gora d.o.o., the company is an active player in the Western Balkans' telecommunications sector, while in North Macedonia it is entering the market as the third operator through a greenfield 5G investment.

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