



Extraordinary Announcement of 4iG PLC
on signing a Non-Binding Letter of Intent
regarding the acquisition of 51% of the shares of Space-Communication Ltd.

4iG PLC hereby informs the participants of the capital markets that on June 14th, 2021, together with its subsidiaries, Hungaro DigiTel Kft. and CarpathiaSat Zrt., (jointly defined as “4iG”) it has entered into a Non-Binding Letter of Intent (“LOI”) with Space-Communication Ltd. (“Spacecom” or “Target”), a leading Israeli fixed-satellite operator and satellite service provider. Spacecom operates the AMOS satellite fleet of four geosynchronous satellites at various orbital positions and offers its clients globally with broadcast and broadband satellite services. Spacecom is listed on the Tel Aviv Stock Exchange and in 2020 it had revenues of USD 88 million and EBITDA of USD 52 million.

According to the preliminary terms, Spacecom will issue to 4iG, shares of the Target, constituting, following their issuance, approximately 51% of the Target’s issued and outstanding share capital and voting rights (on a partially diluted basis)¹, in exchange for an amount of NIS 215 million (reflecting a price per share of NIS 8.5), as detailed in the Appendix of the announcement (“Proposed Transaction”). The Proposed Transaction is subject to the completion by 4iG of negotiations and due diligence and entering into the Definitive Agreements on terms satisfactory to the parties, obtaining the approval of the general meeting of the shareholders of Spacecom and obtaining consents from third parties including the approval of the Israeli Ministry of Communication. Following the consummation of the Proposed Transaction, 4iG shall nominate new directors so that 4iG nominated directors shall comprise the majority of the members of the Board of Directors of Spacecom. 4iG and Spacecom have agreed to a period of exclusivity in order to finalise the transaction and 4iG aims to complete its due diligence and finalise the negotiations of the final transaction documentation.

¹ “Partially diluted basis” means the calculation shall be made out of the issued and outstanding share capital of the Target Company, assuming the exercise of part (but not all) of the convertible securities available for exercise into share of the Target Company.

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Appendix to the Extraordinary Announcement

Summary of the Term Sheet

- The Proposed Transaction Structure. According to the Proposed Transaction structure, the Target shall issue to 4iG, by way of a private offering, ordinary shares of the Spacecom, which following their issuance, shall constitute approximately – 51% of the issued and outstanding share capital and voting rights in the Target Company (on a partially diluted basis), in exchange for an amount of NIS 215 million (reflecting a price per share of NIS 8.5), subject to adjustments for dividends or other changes in the Target Company’s share capital.
- Conditions Precedent. The Proposed Transaction is subject to the parties entering into definitive agreements on terms satisfactory to the parties (the “**Definitive Agreements**”), which shall include, among others, conditions precedent for the consummation of the Proposed Transaction (the “**Conditions Precedent**”), including: (i) obtaining all the regulatory approvals required for the completion of the Proposed Transaction, including the approval of the Israeli Ministry of Communication; (ii) obtaining consents from third parties, to the extent required; (iii) obtaining the approval of the general meeting of the shareholders of Spacecom, including for the execution of an agreement between 4iG and Spacecom for the provision of services by the Target to 4iG on terms to be agreed by the parties, on an arm’s length basis, all as required and subject to the provisions of the law.
- Exclusivity Period. During the Exclusivity Period (as defined below), the Target Company shall not enter into and/or engage in negotiations regarding a transaction which may hinder the execution of the Proposed Transaction, whether by way of an acquisition, merger, structural change or joint venture. On the other hand, 4iG shall not negotiate with third parties, and/or enter into a transaction providing for an acquisition of a satellite services provider.

“**Exclusivity Period**” means the period beginning on the date of execution of the LOI and ending on the earlier of: (i) the date upon which the Definitive Agreements are signed, (ii) the date upon which the LOI is terminated by mutual agreement of the parties, (iii) the date upon which 4iG ceases negotiations with the Target Company or notifies the Target Company that it is no longer interested in the Proposed Transaction; (iv) such time upon which any regulator issues a ruling that it will not issue a required regulatory approval to 4iG; or (v) August 15, 2021 – which is the date by which 4iG estimates that it will complete the due diligence process and the negotiations of the Definitive Agreements.
- It is clarified that although the LOI is a non-binding document, upon signing of the LOI, the exclusivity clause shall bind the Target Company and 4iG for the duration of the Exclusivity Period. It should also be noted that other general provisions included in the LOI such as confidentiality undertakings, governing law etc. shall also bind the parties.

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5. Appointment of directors upon consummation of the Proposed Transaction. According to the LOI, upon the consummation of the Proposed Transaction, directors serving on the Target Company's Board of Directors immediately before the consummation of the Proposed Transaction, who are not external directors, shall end their service and 4iG shall nominate new directors in their stead so that 4iG nominated directors shall comprise the majority of the members of the Board of Directors.
6. Agreement with the Receiver. The LOI contemplates 4iG's intention to enter, on or before the consummation of the Definitive Agreements, into an agreement with the receiver of the Target Company's controlling shareholder, Eurocom Holdings (1979) Ltd., pursuant to which the receiver shall undertake to vote for the approval of the Proposed Transaction in the general meeting of the shareholders, and not to dispose of any of the shares of the Target Company owned by it before the closing of the Proposed Transaction.

It is clarified that except for the exclusivity clause and other general clauses as mentioned above, the LOI is non-binding and the Proposed Transaction is subject to the completion by 4iG of negotiations and due diligence, and entering into the Definitive Agreements on terms satisfactory to the parties. The consummation of the Proposed Transaction in accordance with the Definitive Agreements shall be subject to certain conditions precedent as shall be set forth in the Definitive Agreements, including obtaining regulatory and third parties approvals, which are naturally not under the Target's control. Subsequently, there is no certainty that the Definitive Agreements will be executed or consummated, or that the terms of such agreements shall be as described above.

Budapest, June 15th, 2021

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