



Extraordinary Announcement of 4iG Plc.

on signing a non-binding Term Sheet regarding the acquisition of 51% stakes
in Vodafone Magyarország Távközlési Zrt.

4iG Public Limited Company (“4iG”) hereby informs the participants of the capital market that 4iG, together with the Hungarian State, represented by Corvinus Zrt., have entered into non-binding heads of terms with the Vodafone Group to acquire a 100% stake in Vodafone Magyarország Távközlési Zrt. (“Vodafone”), Hungary’s second largest telecommunications company for a total cash consideration equivalent to an enterprise value of HUF 715 bn (“Transaction”). This represents a multiple of 7,7x EBITDA¹ for the twelve-month period ending 31st March 2022. With the acquisition, 4iG will become the majority owner of 51% of Vodafone, while the Hungarian State will have a 49% stake. The planned Transaction is expected to close by end of 2022, and is subject to confirmatory due diligence, finalising binding transaction documentation and obtaining necessary regulatory approvals.

The combination of 4iG and Vodafone is a significant step towards building a Hungarian owned national champion in the ICT sector. The planned Transaction creates significant potential for further growth through cross-selling opportunities, full fixed-to-mobile convergence and scale, resulting in major B2B and B2C revenue synergies. The potential of infrastructure consolidation creates sizeable long-term shareholder value from in-market cost and capex saving synergies.

In the 2021/22 financial year, Vodafone’s annual net revenue was HUF 278 billion and its adjusted EBITDA exceeded HUF 93 billion. Vodafone has more than 3,000 employees.

In total, the combined group created by the proposed Transaction would have 7,6 million RGUs² as of 2022. Vodafone’s digital infrastructure could place 4iG among the most advanced operators in the Hungarian fixed voice and internet, cable TV, and mobile markets. The business solutions of 4iG will provide a wide range of digitalisation services to the enterprise and government sectors in the areas of data network solutions, virtual datacenters and IoT technologies. Following the Transaction closing, the net present value of the combined revenue, cost and capex saving synergies is estimated to be more than 150 billion HUF.

Budapest, 22nd August, 2022.

4iG Plc.

¹ Transaction value excludes IFRS 16 lease liabilities.

² Revenue Generating Unit

4iG PLC

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