



PRESS RELEASE

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4iG MAY BECOME A GLOBAL SERVICE PROVIDER IN SPACE TELECOMMUNICATIONS

The Group may acquire a majority stake in Space Communications Ltd., owner of the AMOS satellites

4iG PLC (“4iG” or “the Group”) announced its first international transaction, which will allow the Group to continue building its telecommunications portfolio and expanding its space industry business. 4iG and its two subsidiaries, Hungaro DigiTel and CarpathiaSat, have entered into a preliminary agreement with Space-Communication Ltd. (“Spacecom”) to acquire a 51 percent stake in the target company. Spacecom, which is listed on the Tel Aviv Stock Exchange, is a satellite operator and service provider with global coverage through its four geosynchronous satellites, providing services in Hungary and the region via its AMOS 3 satellite. Following due diligence of the Spacecom, the successful completion of the transaction is conditional upon the approval of the acquisition by SpaceCom’s General Assembly and the Israeli Ministry of Communications. The transaction is estimated to be worth USD 65 million.

4iG PLC and its two subsidiaries, Hungaro DigiTel Ltd. and CarpathiaSat PLC. and have entered into a preliminary agreement with leading satellite operator Space-Communication Ltd. to acquire a 51 percent stake in the Israeli capital market company through a private placement. A non-binding agreement on the details of the transaction was announced by the parties on the Budapest and Tel Aviv stock exchanges. Spacecom owns and operates a fleet of four geosynchronous AMOS satellites in various orbital positions (AMOS 3, AMOS 4, AMOS 7, and AMOS 17). The Israeli company provides broadcast and broadband satellite services to its customers worldwide. With 65 employees, Spacecom’s shares are traded on the Tel Aviv Stock Exchange. Spacecom had revenues of USD 88 million and EBITDA of USD 52 million in 2020. The company currently has a contracted backlog of USD 300 million.

“Following a preliminary agreement with Spacecom, I am confident that we will be able to complete the transaction this autumn, which would also mean that the 4iG Group has successfully completed its first international acquisition. I consider this transaction as a milestone not only in the growth of our group, but also in the preparation of an agreement that could open new doors for Hungary in the space



industry and space telecommunications,” said Gellért Jászai, CEO of the company, following today's announcement. “Spacecom’s decades of technological experience, innovative solutions, global market knowledge and professional staff can provide CarpathiaSat with a high level of support for the development and launch of the first Hungarian commercial satellite. Thus, the acquisition is an important step for us in terms of knowledge transfer and the development of international strategic partnerships,” stressed the CEO.

Under the preliminary agreement, 4iG and its subsidiaries would acquire an absolute controlling majority stake in the Israeli company through a private placement. In order to complete the acquisition, 4iG will start due diligence on the target company, the results of which are expected by August and will allow it to make a final offer for a 51% stake in Spacecom. The closing of the USD 65 million transaction is expected in autumn 2021, subject to the approval of the company’s general assembly and the Israeli Ministry of Communications.

Background information

A **Geostationary Earth Orbit (GEO)** is a geosynchronous orbit in which the orbital period of the satellite (23 hours, 56 minutes, 4.1 seconds) is the same as the period of rotation of the Earth and is in the plane of the equator. As a result, the object always appears to be in the same position from the points on Earth from which it is visible and appears stationary from there. The orbit is 35 786 km above mean sea level.

The geostationary orbit of Hungary

Since 2004, the AMOS 3 satellite, owned and operated by SpaceCom, has been providing services in the geostationary orbit held by Hungary under international agreements. The lease contract between SpaceCom and the Hungarian State expires in 2024. After the lease period, CarpathiaSat Plc., a joint venture between 4iG, Antenna Hungária and New Space Industries Plc., will launch a new commercial satellite on the AMOS 3 orbital segment. The acquisition of SpaceCom would therefore significantly support the strategic plans of CarpathiaSat, an Israeli company with decades of experience in both the development and operation of satellites.

Legal conditions and international agreements also regulate the orbits that satellites can use. Hungary, as a member (The Constitution and Convention of the ITU of 1992 is currently ratified by Act XLV of 2011 and its amendment is ratified by Act X of 2012) of the International Telecommunication Union (the United Nations specialised agency for information and communication technologies: ITU), started the MAGYARSAT programme in the early 1990s, which aimed at launching and putting into operation a Hungarian geostationary satellite. For economic reasons, this Hungarian project was not realised. Hungary’s European beam and its associated frequencies, announced for the 4°W orbital position, were leased in 2004.