



Press Release

Budapest, 29 March 2021

NEW CHAPTER IN THE TELECOMMUNICATIONS MARKET

4iG COULD ACQUIRE DIGI'S HUNGARIAN OPERATIONS

4iG and RCS & RDS have entered into a term sheet with regards to a potential acquisition by 4iG of DIGI group's Hungarian operations. DIGI is one of Hungary's leading telecommunications service providers, the potential acquisition fits well with the growth plans in the telecommunications market announced by 4iG, as well as the plan to establish a national telecommunications platform planned jointly with Antenna Hungária. The parties intend to complete the transaction by September the latest.

4iG intends to continue its expansion in the domestic telecommunications market, after entering into a preliminary, non-binding agreement with the Romanian RCS & RDS consortium on the acquisitions of DIGI Távközlési Szolgáltató Ltd. and its subsidiaries, Invitel Ltd. and I TV Ltd. With the transaction announced on the Budapest and Bucharest Stock Exchanges, 4iG would acquire a 100 percent stake in Hungary's leading telecommunications and media service group. The acquisition is aimed to be completed by September 2021, subject to due diligence of the target company and its subsidiaries, the signing of a sale and purchase agreement, and the necessary competition authority approvals.

DIGI Group is a leading telecommunications service provider in Hungary, with 23 years of experience and a broad service portfolio covering cable TV, fixed internet and data, mobile telecommunication services, fixed-line telephony and DTH services. DIGI serves more than 1.1 million subscribers nationwide and has over 2.5 million Revenue Generating Units (RGU). Most networks operated by DIGI are based on advanced fiber optic technology. According to the National Media and Infocommunications Authority, DIGI is the second largest player in Pay TV, Broadband Internet and Fixed Voice markets. Uniquely in the market, DIGI also has its own television channels, and in addition to its sports stations, it is present with four other thematic channels among television broadcasters. The number of employees of DIGI Group in Hungary exceeds 3000 people. In 2020, its consolidated sales revenue was HUF 70 billion, and its adjusted EBITDA reached HUF 19 billion. DIGI has 61, while its subsidiary Invitel, has an additional 16 customer service offices in major cities across the country.

"The potential acquisition of the Hungarian DIGI Group represents a huge step forward for 4iG, with the acquisition we can gain a dominant position in a new strategic industry. We intend DIGI to play an important role in the creation of the national telecommunications platform, planned jointly with Antenna Hungária, with which we can open a new chapter in the domestic market." said in connection with the announcement Gellért Jászai, President and CEO of 4iG. *"DIGI Group uses state-of-the-art technologies in terrestrial broadcasting, optical signal transmission and broadband internet and wired voice services. DIGI also has significant potential in the domestic mobile telecommunications market, and we see serious synergies in satisfying IT needs and developing common services, as well as further growth opportunities."*



Serghei Bulgac, CEO of RCS & RDS S.A., added *“DIGI Group is a leading company in the Hungarian telecommunications market, we are proud of our achievements in the past decades. At the same time, we are constantly analysing and adapting our international presence and exploring further growth opportunities. Based on these we see that, under the right conditions, the transaction announced today could be an important step forward in the strategy of both parties. We are at the beginning of a long and exciting process, but we are hopeful that we will be able to close the transaction successfully with 4iG.”*

With a successful acquisition, 4iG would be joining the group of the largest domestic broadcasters, companies providing broadband internet, landline as well as mobile phone services. The potential acquisition fits well in the telecommunications market expansion plans announced jointly between 4iG and Antenna Hungária, which was set in motion last year with the establishment of CarpathiaSat, created in cooperation with public and private capital, aimed at launching the first Hungarian commercial satellite, as well as the transactions to acquire a majority stake in Hungaro DigiTel, a market leader in satellite telecommunications services.

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RCS & RDS

RCS & RDS is one of the largest companies in Romania, a subsidiary of the Dutch-registered Digi Communications N.V., which has been listed on the Bucharest Stock Exchange since 2017. Under the brand DIGI, RCS & RDS provides satellite and cable television, broadband internet, and landline telephony and mobile services in Romania, being the leader of market on the fixed internet and pay-tv segments, and operates as a convergent fixed-mobile services provider in Hungary and Spain and as a mobile virtual network operator (MVNO) in Italy. Also, DIGI owns and operates several television stations and radio channels in Eastern Europe. DIGI Group has been present in Hungary since 1998, providing its telecommunications and broadcasting activities through DIGI Távközlési és Szolgáltató Ltd. and its subsidiaries, Invitel Ltd. and I TV Ltd. (DIGI Group).

4iG Plc.

4iG Plc. is one of the leading companies of the Hungarian IT and ICT market, plays a leading role in Hungary’s knowledge-based digital economy. 4iG has been present in the field of industry and industry-independent innovative technologies for more than 25 years, constantly expanding its services, staff and portfolio in response to the changes and needs of the ICT market. As a broad-spectrum solution provider, the company in addition to IT has significant interests in satellite telecom, UAV technologies, integrated enterprise management and process management systems, as well as data center construction and operations. The largest investor of the corporation listed on the Budapest Stock Exchange is Gellért Jászai, who owns 61.79 percent of the shares of 4iG Plc. through his asset and fund management companies.

For more information:

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