

Press release

Budapest, 9 January 2023

ONE OF THE MOST SIGNIFICANT TRANSACTIONS IN THE HISTORY OF HUNGARIAN TELECOMMUNICATIONS IS SIGNED

THE PARTIES HAVE AGREED ON THE TERMS OF THE SALE OF VODAFONE HUNGARY

Key facts:

- **Antenna Hungária Zrt., a subsidiary of 4iG Nyrt., Corvinus International Investment Zrt. ('Corvinus') representing the Hungarian State and Vodafone Europe BV have today signed the binding sale and purchase agreement of 100% shares in Vodafone Magyarország Zrt. ('Vodafone Hungary' or 'the Target').**
- **Following the due diligence, the parties have determined the Enterprise Value of the target company at HUF 660 billion.**
- **The financial closing of the transaction is expected on 31 January with 4iG Nyrt. acquiring a 51% indirect controlling stake and the Hungarian State acquiring a 49% indirect stake in Vodafone Hungary, the second largest telecommunications company on the Hungarian market.**
- **The market-shaping transaction will allow 4iG Group to strengthen its role as a convergent operator in all areas of the market.**

On 9 January 2023, the parties have signed the sale and purchase agreement, which will successfully complete the acquisition of Vodafone Hungary. After the due diligence of the Target, 4iG Group and Corvinus agreed with Vodafone Europe BV on the terms of the transaction. The parties have agreed on an Enterprise Value of HUF 660 billion, which is 7.1 times the EBITDA of the target company for the financial year ending as of 31 March 2022. Under the terms of the agreement, 4iG, as a professional investor, will acquire a 51 percent controlling stake in Vodafone Hungary through its subsidiary Antenna Hungária, while the Hungarian State will acquire a 49 percent indirect stake. The transaction is expected to close on 31 January, following payment of the purchase price. J.P. Morgan SE, one of the world's largest investment banks, assisted in preparing and arranging the financing, and acted as financial advisor to 4iG. International advisors such as CMS Cameron McKenna Nabarro Olswang, EY Hungary, Deloitte, Omnitele, and global strategy consultant Arthur D. Little were involved in the due diligence of the Target and in the preparation and development of the legal, valuation, and technical aspects of the transaction.

The transaction announced on the Budapest Stock Exchange is of particular importance in the history of Hungarian telecommunications in various respects. In addition to being one of the largest acquisitions in terms of volume since the regime change, the national group created by the merger of fixed and mobile telecoms portfolios of 4iG Group and Vodafone Hungary will reopen the market in numerous service areas and strengthen its role in offering convergent telecoms services.

"The acquisition of Vodafone Hungary opens a new chapter in the Hungarian telecommunications market. It is the first info-communications group in almost thirty years that can operate as a Hungarian majority-owned convergent operator", said Gellért Jászai, Chairman of 4iG Nyrt. "The strategic cooperation between the Hungarian state and 4iG in this transaction will not only transform the market

but also improve competitiveness and accelerate the digital transformation of the economy”, stressed the Chairman of the Group.

According to Umlaut's 2022 survey, Vodafone is the leading mobile network in Hungary in terms of voice and data reliability with 800,000 fixed line customers and 3 million mobile customers. With the transaction, 4iG and the Hungarian state will acquire Vodafone Hungary's mobile frequencies, active radio transmission equipment, active antennas and cables, part of the outdoor cabinets, as well as the uplink and optical network serving the towers. The acquisition of Vodafone Hungary could also significantly reshape the market power balance in Hungary, and the state-of-the-art solutions and innovative technologies will enable 4iG Group to play a leading role in the digital transformation of the Hungarian economy.

Following the closing of the transaction, the combined portfolio of 4iG Group (DigiMobil) and Vodafone will be the second largest in the mobile voice and internet services market, which is the largest revenue generator. Due to the acquisition 4iG secures market leader position in fixed line internet services, and will become market leader in the television broadcasting market as well. According to preliminary calculations, the telecoms companies owned by the 4iG group will have a total of 7.6 million RGUs (revenue generating units) in Hungary after the closing of the acquisition.

- end -

Notes for the editors:

Vodafone Magyarország Zrt.

Vodafone Hungary has one of the most advanced digital infrastructures among fixed voice and internet, cable TV and mobile operators in Hungary. The company's business solutions provide a wide range of digitalisation services to the enterprise and government sectors in the areas of data network solutions, virtual data centres and IoT technologies. Vodafone was the first company in Hungary to offer 5G services to its subscribers, and the company's next-generation mobile service is continuously expanding nationwide with hundreds of base stations in Budapest and the Balaton region. Vodafone is the absolute second largest player in the Hungarian market in terms of subscriber share, serving more than 3.8 million residential and business subscribers (3 million mobile, 800,000 fixed), with more than 5 million revenue generating subscriptions (RGU - Revenue Generating Units, 3 million mobile, 700,000 TV, 700,000 broadband, 600,000 fixed voice) as of July 2022. In the 2021-2022 financial year, Vodafone Hungary had IFRS revenues of HUF 278 billion and EBITDA of over HUF 93 billion. The company has more than 3,000 employees. www.vodafone.hu

4iG Nyrt.

4iG Nyrt., a Hungarian majority-owned company based in Budapest, Hungary is the leading telecommunications and IT group in Hungary and the Western Balkan region and one of the leading companies in the knowledge-based, digital economy. The Budapest Stock Exchange listed capital market company's fresh and innovative approach and its position as Hungary's leading IT systems integrator make the group a leading residential and business service provider in the region's digital transformation. 4iG's dynamic expansion strategy has made it a key player in the telecommunications markets in Hungary and the Western Balkans. The Group is continuously expanding its services, expertise, and portfolio to meet the changes and needs of the telecommunications and IT markets. The 4iG Group currently employs nearly 6,000 people. www.4ig.hu/home

Corvinus International Investment Zrt.

Corvinus International Investment Zrt. (Corvinus Zrt.) is a sovereign investment management company wholly owned by the State of Hungary. Its aim is to preserve and grow national assets and to exercise state ownership in economic sectors of strategic importance. It contributes to Hungary's economic development both by making strategic and financial investments and by supervising the efficient operation of portfolio companies. www.corvinus.hu