



## Press release

Budapest, 25<sup>th</sup> of November 2021

### **RHEINMETALL TO BECOME A STRATEGIC INVESTOR IN 4iG**

AS A RESULT OF THE TRANSACTIONS ANNOUNCED TODAY, 4iG MAY RECEIVE CAPITAL EXCEEDING HUF 100 BILLION

**KZF Vagyonkezelő Kft. (“KZF”), the investment company of Gellért Jászai, 4iG PLC (“4iG”), and Rheinmetall AG (“Rheinmetall”) have entered into a tripartite preliminary agreement. As a result of the agreement, the German company will be able to acquire a 25.1 percent stake in 4iG through a share purchase and capital increase, making it 4iG's largest international strategic investor. Rheinmetall and 4iG have also agreed to establish a joint IT company, which in the future can provide IT services to Rheinmetall’s Hungarian operations and other international subsidiaries.**

Gellért Jászai's investment company, KZF Vagyonkezelő, 4iG, and Rheinmetall have entered into a non-binding agreement – announced 4iG on the website of the Budapest Stock Exchange. Under the agreement, the Düsseldorf-based company, which is also a key player in the international defense industry and vehicle manufacturing, will be able to acquire a total of 25.1 percent stake in 4iG. With the investment, Rheinmetall aims for 4iG to become a key digitization and IT partner for Rheinmetall in the future.

Subject to the legal, financial, and commercial due diligence of 4iG and negotiation of final transaction documents, Rheinmetall would purchase 4iG shares from KZF in the framework of an over-the-counter (“OTC”) transaction. The German company would also take part in the private capital increase planned for approximately HUF 120 billion, in which among Gellért Jászai's interest, IG COM Private Equity Fund and Rheinmetall, the fund handled by Alpac Capital would also contribute. According to the preliminary agreement, the planned capital increase by share premium would be realized by issuing 4iG shares at a share price of HUF 670. As a result of the block trade and the planned capital increase, Gellért Jászai's indirect ownership and control over 4iG PLC would not change significantly.

According to the preliminary agreement after the completion of the transactions, an IT company jointly owned by Rheinmetall (51%) and 4iG (49%) will be established. The aim of the founders is for 4iG to serve the complex IT needs of Rheinmetall's Hungarian defence operations and beyond joint venture company, and for the JV to also participate in the development of military and defense IT solutions. Accordingly, the IT Joint Venture could be the IT service provider of Rheinmetall and the Hungarian state’s joint investment of one of the most modern combat vehicle factories in the world in Zalaegerszeg, from 2023. In the first years, the partnership will cover Hungary and Rheinmetall's Central and Eastern European interests, which the parties will gradually extend to Rheinmetall's entire international network. The collaboration greatly supports 4iG’s growth strategy, which aims to bring the company to international markets in addition to the telecommunications segment with its IT services.

*“The preliminary agreement with Rheinmetall significantly supports our vision of international expansion in the technology sector. It is an honour that one of the world's leading companies sees 4iG Group as a strategic investment target and wishes to participate in the implementation of our company's growth strategy. Rheinmetall's investment intent also gives us positive feedback regarding*



*our well-founded and value-creating strategy in domestic and international markets.”* said Gellért Jászai, President and CEO of 4iG, in connection with today's announcement.

*“Our participation in 4iG is an integral part of Rheinmetall’s digitization strategy. But it is also a token of our special commitment to Hungary. In recent years, Rheinmetall has made great strides in internationalizing its operations, meaning that we have now gained new domestic markets in the United Kingdom, Australia and Hungary in addition to Germany, our original home market. In these and other Western countries, Rheinmetall is actively creating local production and R&D capacity, enabling us to offer as complete an array as possible of top-of-the-line defence technology products and services”,* states Rheinmetall AG chief executive Armin Papperger.

Subject to due diligence, negotiation of final transaction documents and required corporate approvals, the parties involved in the capital increase undertake an at least one-year lock-up on the package of shares acquired by them. In accordance with the Hungarian regulations on the control of foreign investments that violate Hungary's security interests in strategic sectors, the acquisition of Rheinmetall may take place with the permission of the Ministry of Interior (BM) as planned by the end of January 2022.

**For more information:**

**4iG PLC**

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