

Press release

Budapest, 10 October 2025

HUNGARIAN STATE AND 4iG GROUP SIGNED SALE AND PURCHASE AGREEMENTS ON DEFENCE INDUSTRY COOPERATION

- **4iG Space and Defence Technologies Zrt. (4iG SDT) and N7 Holding Nemzeti Védelmi Ipari Innovációs Zrt. (N7 Holding) signed a non-binding term sheet in June 2025 to establish the first joint public and private defence company in Hungary.**
- **Following the preliminary agreement concluded in June, and subsequent detailed due diligence and consultations with international partners, N7 Holding and 4iG SDT today announced the signing of three sale and purchase agreements. According to these:**
 - **N7 Holding contributes its shareholdings as non-cash assets to N7 Defence Zrt. in four key defence industry subsidiaries: Aeroplex Kft., Arzenál Fegyvergyár Zrt., Colt CZ Hungary Zrt., and Rheinmetall Munitions Zrt. In a separate transaction, it transfers the State's 49% shareholding in Rheinmetall Hungary Zrt. to VAB Kft. 4iG SDT acquires a 75%+1 vote majority in both holding companies.**
 - **4iG SDT acquires 100% ownership of Hirtenberger Kft., mortar and ammunition manufacturer, together with its subsidiaries.**
- **For the remaining three companies in the preliminary agreement, the parties do not rule out the possibility of future cooperation; however, due to regulatory conditions and business considerations, their inclusion requires longer preparation or partnership structure that differs from the original concept.**
- **The net present value of the transactions amounts to HUF 72.1 billion, and their completion is subject to competition authority approval.**

The transaction, which was also announced on the Budapest Stock Exchange, concluded negotiations following the preliminary agreement reached in June. Representatives of **4iG SDT** and **N7 Holding** signed three sale and purchase agreements, finalising the portfolio of Hungary's first defence holding company established with state and private capital, and defining the conditions of future ownership changes to companies operating externally of the holding.

The preliminary agreement initially covered nine shareholdings owned by N7 Holding. Following consultations and reviews of legal requirements and EU competition law, the parties agreed to adopt a revised structure. Under the finalised agreement, four defence industry companies are to be transferred to **N7 Defence Zrt.**, while in the case of two additional companies, **4iG SDT** carries out further indirect and direct acquisitions.

N7 Defence Zrt.

In line with the sale and purchase agreement, following the financial and competition authority closing of the transaction, **4iG SDT acquires a 75%+1 vote majority stake in N7 Defence Zrt.,**

while **N7 Holding retains a 25%–1 vote share**. The state-owned shareholding of the affected companies are to be contributed in kind to N7 Defence. The newly established state–private defence industry holding thus comprises **four major Hungarian defence companies**, covering critical areas of the national defence industry — from civil and military aviation technologies to firearms and ammunition production:

- **Aeroplex**, aircraft maintenance company (**100% N7 Defence ownership**);
- **Arzenál Fegyvergyár Zrt.**, firearms and defence industry components (**100% N7 Defence ownership**);
- **Colt CZ Hungary Zrt.**, small arms such as the **CZ BREN 2 assault rifle** (**51% Colt CZ Group and 49% N7 Defence ownership**);
- **Rheinmetall Hungary Munitions Zrt.**, ammunition plant (**51% Rheinmetall and 49% N7 Defence ownership**).

Critical infrastructure (factories, production facilities and machinery) of the portfolio companies transferred to N7 Defence **remains under direct state ownership**, with the companies paying rental fee after their use. The resulting structure — combining **state-owned capacities with private-sector expertise** — is to **enhance competitiveness and export potential of the Hungarian defence industry**, furthermore supports the **development of NATO-compatible capabilities**, and creates a **scalable operational framework for international partnerships**.

Hirtenberger

In parallel with the N7 Defence transaction, **4iG SDT acquires 100% ownership of Hirtenberger Defence Systems Védelmi Ipari Kft. and its subsidiaries from N7 Holding**.

Headquartered in Austria, **Hirtenberger Defence Systems** has been active in the defence industry for more than **160 years**, with a presence in several international markets, including **New Zealand**. Today, the company is **one of the world's leading manufacturers of mortars and ammunition**, offering a full product range that includes **60 mm, 81 mm, and 120 mm mortars and ammunition**, as well as **digital fire control and aiming systems**.

Rheinmetall Hungary

In addition, **N7 Holding and 4iG SDT concluded a separate sale and purchase agreement concerning the partial transfer of the State's 49% share in Rheinmetall Hungary Zrt., the company managing the development and production of Lynx KF41 infantry fighting vehicles**. Under the agreement, **N7 Holding contributes its ownership stake to VAB Kft.**, following a structure similar to the N7 Defence transaction. **By acquiring a 75% + 1 vote majority in VAB Kft., 4iG SDT indirectly becomes a minority shareholder in Rheinmetall Hungary Zrt.**

The closing of the transaction — in addition to financial completion and competition authority approvals — is also **subject to agreements on licensing conditions**, and therefore may be finalised with a **longer closing deadline**. Within the framework of the deal, **the factory building remains the property of the Hungarian state**, while **the manufacturing equipment remains in Rheinmetall ownership**; the company pays rent after their use.

Three additional companies listed in the preliminary agreement — **Airbus Helicopters Hungary Kft., SATYPS PSP Hungary Zrt., and Dynamics Nobel Defence Zrt.** — **are not part of the transactions announced today.** The parties **do not exclude future collaboration** concerning these companies; however, due to **regulatory conditions and business considerations**, such cooperation will require **longer preparation.**

Sale and purchase agreements announced today, together with the **ongoing Rába acquisition**, are fully aligned with **4iG Group long-term strategy** in the **space and defence industries.** Listed on the **Budapest Stock Exchange**, the company has in recent years built its defence division alongside its telecommunications and ICT operations through **targeted acquisitions and strategic partnerships.**

Upon completion, the number of employees in **4iG SDT** may increase by **2,800**, bringing 4iG Group's total headcount to around **11,000.**

The **stakes acquired in N7 Defence**, the **100% ownership of Hirtenberger**, the **indirect stake in Rheinmetall Hungary**, and the **defence industry capacities of Rába** together form an **integrated portfolio** that spans from **modern firearms and ammunition production to military vehicle development and helicopter maintenance.** With this portfolio, **4iG SDT** will be able to enter international markets with **comprehensive capabilities**, ranging from **advanced technologies to traditional defence industry products**, thereby contributing to **the expansion of Hungary's defence industry exports** and the development of **NATO-compatible capacities.**

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4iG Space and Defence Technologies Zrt. (4iG SDT)

4iG Space and Defence Technologies Zrt. (4iG SDT) is a member of 4iG Group. The company specialises in the research and development, system integration, and international commercialisation of defence and space technologies. Its mission is to support the development of NATO-compatible defence capabilities through innovation, and to serve as a bridge between Hungary's technology sector and the global defence industry. 4iG SDT is a key player in Hungary's defence innovation ecosystem and is actively involved in the civil application of dual-use technologies. www.4igsdt.hu

Further information

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