



## Press release

Budapest, 25th January 2022

### **4iG AND RHEINMETALL ENTER INTO STRATEGIC PARTNERSHIP**

**The investment company of Gellért Jászai, KZF Vagyonkezelő Ltd., 4iG Plc and Rheinmetall AG have entered into a definitive agreement. The German global company will acquire a 25.12\* percent stake in 4iG Plc through a share purchase and capital increase, making it the largest international investor in the Hungarian IT and telecommunications group. The closing of the multi-phase transaction is conditional on the approval of the new articles of charter and supervisory board by the general meeting of 4iG, and the consent of the Ministry of Interior to the acquisition of Rheinmetall AG under the law on the acquisition of foreign companies.**

The Company has announced on the website of the Budapest Stock Exchange that 4iG Plc and Rheinmetall AG are entering into a partnership after the companies involved in the transaction reached a definitive agreement on the terms of the acquisition. The agreement was preceded by the successful due diligence of 4iG Plc. With signing of the agreement, 4iG will become the preferred digitalisation and IT partner of the Düsseldorf-based global company, which is also a major player in the international defence and automotive industries.

According to the agreement, Rheinmetall AG will purchase 4iG shares from KZF Vagyonkezelő Ltd. in an OTC transaction. The German company will also participate in a multi-phase private equity offering worth a total of HUF 125 billion, in which, in line with the preliminary announcement of the transaction last November, iG COM Private Equity Fund, Gellért Jászai's interest, and a fund managed by Alpac Capital will participate alongside Rheinmetall. The capital increase by share premium will be carried out by placing 4iG shares with an issue value of HUF 670. The main steps of the transaction are:

- iG COM Private Equity Fund, Gellért Jászai's interest, is to raise HUF 78 billion in 4iG Plc, undertaking a 12-month lock-up on the equity stake to be acquire through the capital increase;
- 4iG convenes a general meeting of shareholders to approve the company's new articles of association and a new supervisory board, with Rheinmetall appointing a new member to the supervisory board;
- Following the decision of the General Meeting of Shareholders to support the capital increase, Rheinmetall will purchase 24.9 million shares from Gellért Jászai's investment company, KZF Vagyonkezelő Ltd., in an OTC transaction and will raise HUF 33.65 billion in 4iG Plc., by undertaking a 24-month lock-up on the share package to be acquired through the capital increase and share purchase;
- The Alpac Capital fund is raising HUF 13.24 billion in 4iG Plc.

As a result of selling the share package, and the capital increase, Gellért Jászai's indirect ownership in 4iG Plc will be reduced from 56.85 percent to 50.22\* percent, so his influence over the company will not change significantly. Rheinmetall's stake in the IT and telecommunications company will be 25.12\* percent.

*"The agreement with Rheinmetall opens up new horizons in 4iG's growth strategy. The strategic investment by the German company and the institutional fundraising announced today will further increase the capital strength of our group, providing a solid basis for further domestic and international*

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\* After all other ongoing transactions have been closed.



*expansion. The partnership will also open up new opportunities for cooperation with Rheinmetall's network in Hungary and Western Europe, which will allow us to become a global IT service provider in a few years", said Gellért Jászai, Chairman and CEO of 4iG, on today's announcement. "The investment by one of the world's leading defence and automotive company is an important confirmation of the soundness of our strategy and recognition of Hungarian IT expertise, which is of outstanding value in international markets. The transaction will enable 4iG to become one of the leading IT and telecommunications companies in the region, alongside Hungary, in a short time", added the Chairman and CEO.*

*"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", stressed Armin Papperger CEO of Rheinmetall AG, following the announcement.*

In accordance with the Hungarian legislation on strategic sectors, which protects Hungary's security interests, foreign ownership can be acquired with the permission of the Ministry of Interior.

*More information:*

**4iG Plc.**

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