

The logo consists of the letters '4G' in a bold, white, sans-serif font. The '4' has a dot above it, suggesting a stylized 'i' or a specific branding element. The logo is positioned on the left side of the slide, partially overlapping an orange abstract shape.The main title is centered on a semi-transparent grey rectangular background. It reads 'A NEW REGIONAL INFOCOMMUNICATIONS GROUP IS BORN' in large, white, bold, sans-serif capital letters. Below this, '4IG INVESTOR UPDATE' is written in a smaller, white, bold, sans-serif font. The background of the slide features a classical building with columns, overlaid with a digital grid and binary code.

30TH NOVEMBER 2021

# AGENDA



1

M&A PIPELINE STATUS UPDATE



2

GROUP STRATEGY UPDATE



3

ACQUISITION OF DIGI HUNGARY



4

ACQUISITION OF TELENOR MONTENEGRO



5

RHEINMETALL & FINANCING UPDATE

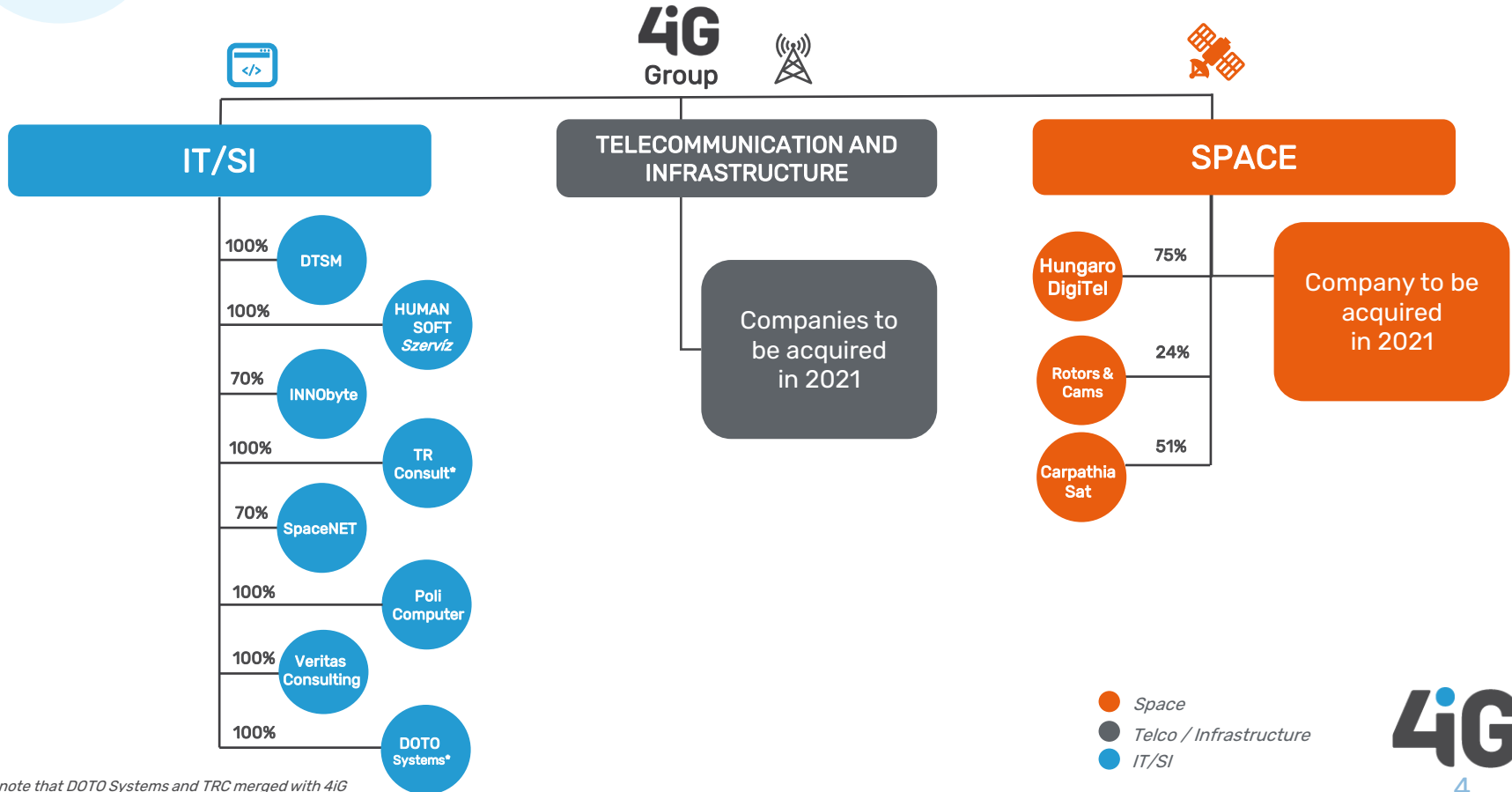


# 1. M&A PIPELINE STATUS UPDATE

**4iG**






# GROUP STRUCTURE BEFORE ACQUISITIONS

AS OF 30.06.2021.



\*Please note that DOTO Systems and TRC merged with 4iG

# TRANSACTION STATUS

#	TARGET COMPANIES	ACQUISITION STATUS
1		<ul style="list-style-type: none"> <li>• SPA was signed on 13th September 2021.✓</li> <li>• Transaction was closed on 30th September 2021.✓</li> </ul>
2	 MAKING SPACE FEEL CLOSER	<ul style="list-style-type: none"> <li>• Share Agreement was signed on 12th October 2021.✓</li> <li>• Closing is expected in January 2022.</li> <li>• Due diligence completed.✓</li> </ul>
3		<ul style="list-style-type: none"> <li>• SPA was signed on 27th October 2021.✓</li> <li>• Closing is expected in December 2021.</li> <li>• Due diligence completed.✓</li> </ul>
4		<ul style="list-style-type: none"> <li>• SPA was signed on 29th November 2021.✓</li> <li>• Closing is expected in January 2022.</li> <li>• Due diligence completed.✓</li> </ul>
5		<ul style="list-style-type: none"> <li>• Term sheet was signed on 25th August 2021.✓</li> <li>• Contribution Agreement signing is expected in January 2022.</li> <li>• Closing is expected in January 2022.</li> <li>• Due diligence is expected to be completed in December 2021.</li> </ul>

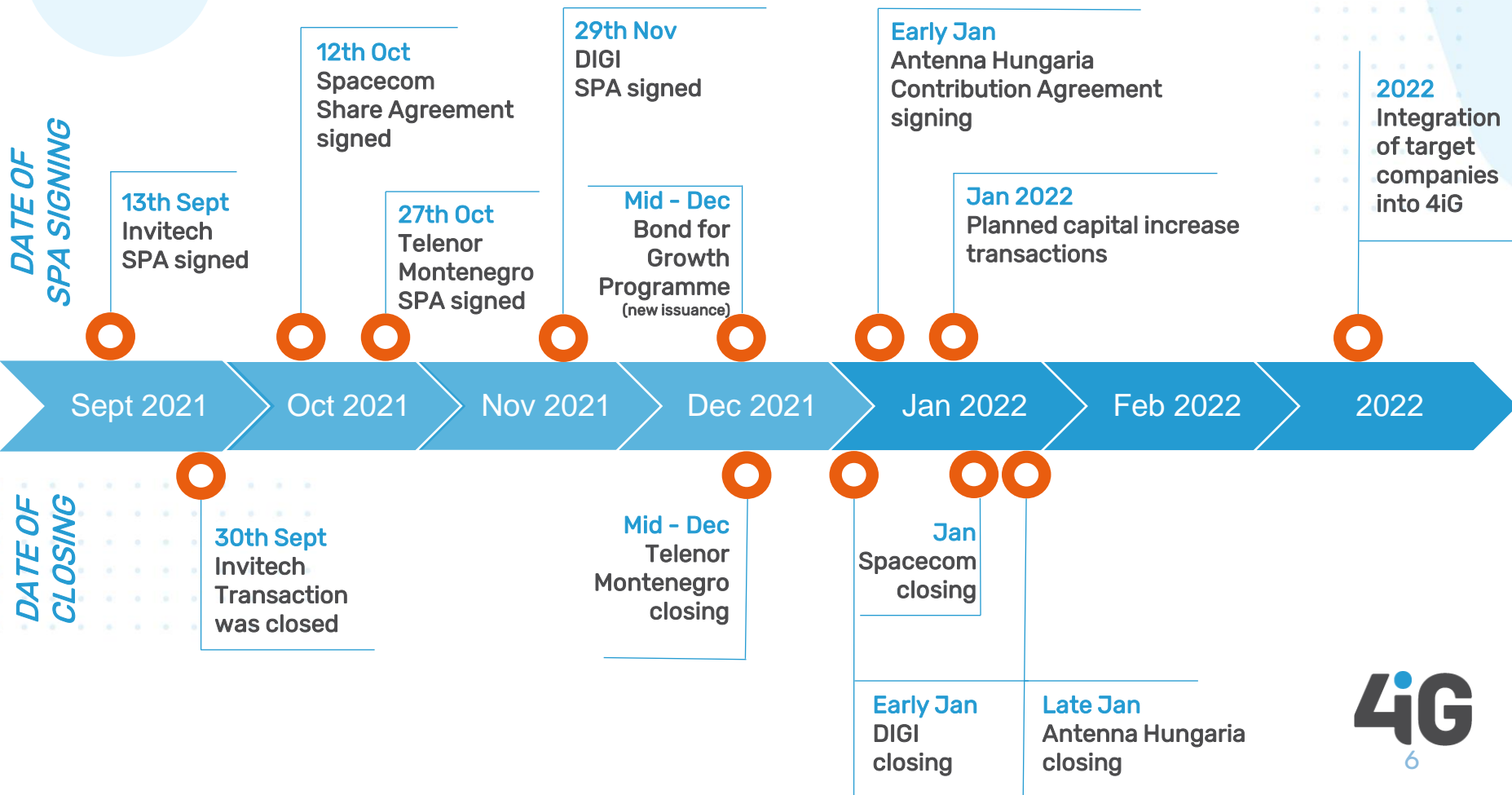
Acquisitions

Capital Increase

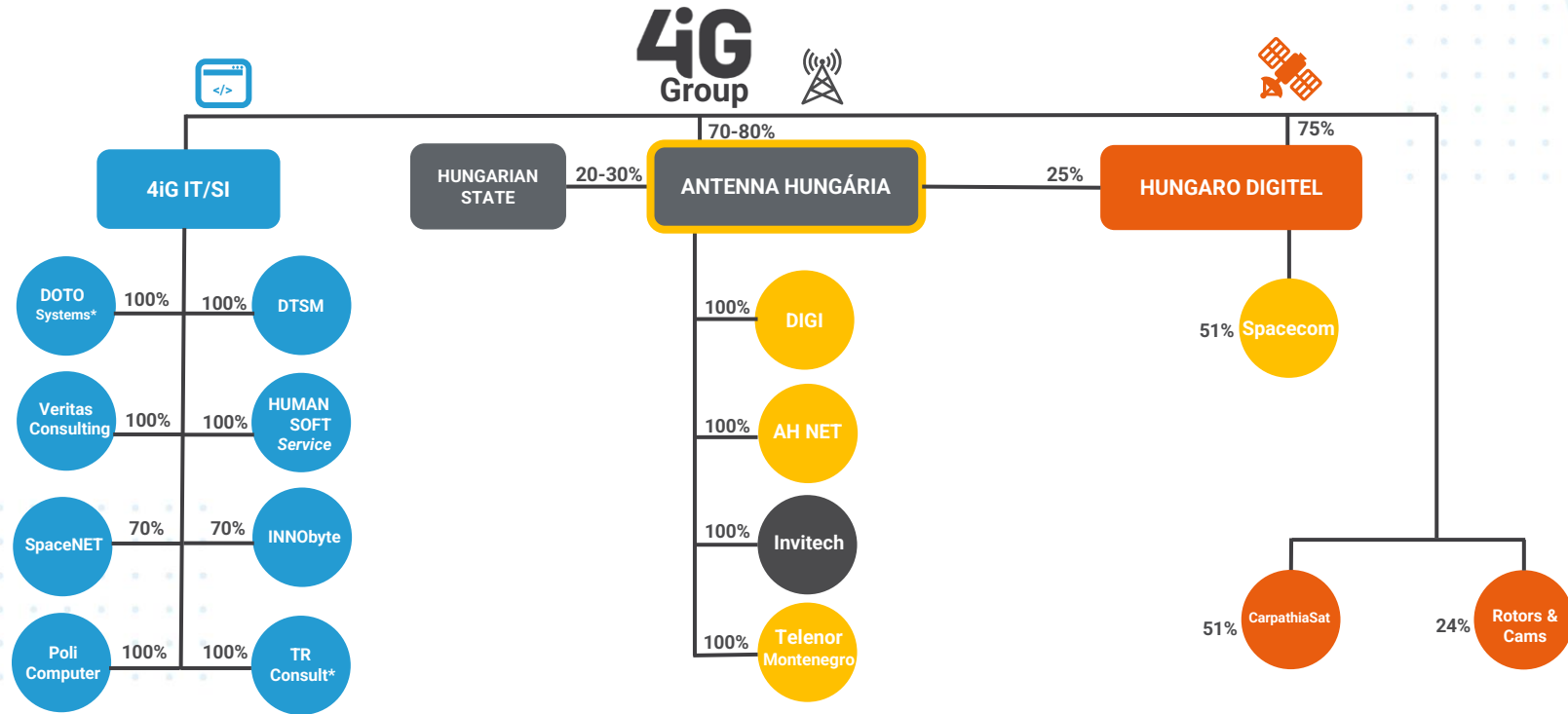
4G  
5

ON TRACK FOR CLOSING LANDMARK ACQUISITIONS TRANSFORMING 4G INTO AN INFOCOMMUNICATIONS GROUP & POSITIONING THE COMPANY AS A KEY PLAYER IN THE REGION

# TIMELINE FOR PLANNED ACQUISITIONS



# PRO FORMA GROUP STRUCTURE



- Space
- Telco / Infrastructure
- IT/SI
- Transactions in progress

\*Please note that DOTO Systems and TRC merged with 4iG

A blue-tinted cityscape, likely Oslo, featuring a large river and a prominent domed building. A network of white dots and lines is overlaid on the image, suggesting connectivity or technology. The text '2. GROUP STRATEGY UPDATE' is positioned in the upper right, and '4iG' is in the lower right.

## 2. GROUP STRATEGY UPDATE

**4iG**



# 4IG GROUP HOLDING MODEL AND STRATEGIC AMBITIONS



## IT/System Integrator

- Achieve market leader position
- Cooperation within ICT pillars
- Develop own solutions
- Enhance competence diversification
- Focus on developing recurring type and high margin business opportunities

## Telecommunication & Infrastructure

- Build a new regional telco group
- Main target footprint: Hungary and Western Balkans
- Joining the new 5G industry cycle and global Telco-IT convergence trend
- Target leading telco market position in each country
- Actively exploring further cross-border and in-country consolidation opportunities

## Space

- Become a leading satellite service provider, offering tailored end-to-end communications to the Media and Broadband industries, Governments and International organizations
- Leverage Spacecom's vast experience at launching and operating Hungary's first geostationary satellite
- Realise significant synergies between 4IG Group companies in satellite communications

2021

A NEW REGIONAL  
INFOCOMMUNICATIONS GROUP IS BORN

2022

CROSS-BORDER & IN-COUNTRY  
CONSOLIDATION, FORMATION OF ROBUST  
GROUP STRUCTURE

2023+

PROFITABLE LONG-TERM SUSTAINABLE  
GROWTH

# A NEW REGIONAL INFOCOMMUNICATIONS GROUP IS BORN



- Right time to join the new 5G industry cycle and global Telco-IT convergence trend
- Main target footprint: 4iG's home market Hungary and the Western Balkans region ahead of EU accession talks
- Strategic telco anchor positions secured
- Investing to drive digital economy growth, catalysing digital transformation is also a key priority of EU Commission's Economic and Investment Plan for the Western Balkans adopted in 2020
- Heavy group integration planning and execution ahead
- Actively exploring further cross-border and in-country consolidation opportunities
- One of Europe's top defence and security technology suppliers, Rheinmetall signed letter of intent to join the Group as 25.1% strategic investor. 4iG to become key digitization provider and IT partner for Rheinmetall globally



# SATELLITE COMMUNICATIONS WITHOUT BOUNDARIES

- Spacecom provides innovative broadcast and broadband satellite services with European, Pan-African, Middle Eastern and Asian coverage and cross region connectivity
- The acquisition secures satellite fleet, ground network and spectrum rights in several important frequency bands
- Current services delivered by the advanced AMOS fleet: Direct-to-Home TV broadcasting (DTH), Satellite Internet (VSAT), CAS and encryption services, long run capacity provided to the Israeli Government
- Expand the services to the Hungarian and the V4 Governments
- Become service provider to NATO and other important international organizations
- Launch Hungary's 1st fully-fledged high-capacity satellite on geostationary orbit



## KEY SYNERGIES

Spacecom



HDT

Carpathia  
Sat

Rotors &  
Cams

Antenna  
Hungaria

# 3. ACQUISITION OF DIGI HUNGARY

4iG





# THE NEW TELCO GROUP'S STRATEGIC ANCHOR ASSET

- Strategic #2 market position in the Hungarian fixed-line broadband, voice and TV (including satellite) markets
- Leading fibre optic (GPON) broadband access provider
- Heavy infrastructure investment and extensive growth behind, new monetization opportunities ahead thanks to network-wide full-fiber upgrades, pioneering 10 Gbit/s FTTH
- Major infrastructure, service and monetisation synergies with Antenna Hungária, AH Net and Invitech
- Untapped B2B opportunity and cross selling with IT / SI
- #4 developing position in mobile. Country-wide grid of ~2500 macro base station sites – exploring wide array of strategic options to strengthen mobile platform:
  - Incremental radio frequency license acquisitions (e.g. high capacity, EU-harmonized TDD and SDL bands)
  - TowerCo asset monetisation and/or build-to-suite potential
  - Wholesale fixed and mobile network access partnerships
  - Spectrum sharing
  - Secondary spectrum market



## RGUs, period ended September 30, 2021

Pay TV (including DTH/satellite)	917k
Fixed internet and data	740k
Mobile telecommunications	187k
Fixed-line telephony	626k
<b>Total</b>	<b>2,470k</b>



# KEY TRANSACTION HIGHLIGHTS

## TRANSACTION PARAMETERS

- 4iG to acquire a 100% stake in DIGI Távközlési és Szolgáltató Kft., including its 99.99% interest in INVITEL Távközlési Zrt. and 100% interest in i-TV Digitális Távközlési Zrt. („ITV”) and 100% interest in DIGI Infrastruktúra Kft.

## DEAL TERMS

- Enterprise Value: EUR 625m
- Transaction Multiple: 11.6x 2020A EV/EBITDA vs. 9x run-rate \*2022E EV/EBITDA

## DEAL STRUCTURE

- Funded by new debt and equity placing

## APPROVALS

- Boards of Directors of 4iG have unanimously approved the transaction
- Hungarian Competition Authority (GVH) clearance to be obtained
- General Assembly approval of RCS & RDS S.A. to be obtained
- Bondholder’s approval of DIGI Communications N.V. to be obtained (parent company of the RCS & RDS S.A.)

## TIMETABLES


- SPA was signed on 29th November 2021
- On track for closing in January 2022

\*2022E EV/EBITDA is used to indicate numbers which include enhanced synergies and are approximate pending audit finalization.

# EUR 625 M ENTERPRISE VALUE DEAL, REPRESENTING 253 EUR/RGU

## Valuation of selected recent regional precedent transactions

Year	Country	Target	RGUs	EV (EUR)	EV/RGU (EUR)	EV/ EBITDA	Comments
2017	Austria	UPC	1.5m	1.9bn	1278	10.9x	T-Mobile (Deutsche Telekom) Austria bought UPC Austria. Austria has very high broadband prices and under-served demand for advanced broadband networks. The EV/RGU level reflects the fact that UPC is in monopoly position in many areas.
2018	Poland	Multimedia Polska	1.75m	580m	332	7.8x	Vectra, by acquiring Multimedia Polska, has become the largest cable operator in Poland in subscriber number terms, overtaking UPC Polska.
2018	Western Balkans	United Group	3.79m	2.6bn	686	9.0x	BC partners bought majority share in the Balkans-centric United Group (UG) from KKR. At the time UG's footprint was covering Serbia, Croatia, Slovenia, Bosnia & Herzegovina and Montenegro and it used to be a cable-fixed-line-media centric telco. Subsequently United Group acquired fully fledged mobile operators and fixed-telco businesses in Croatia (Tele2), Bulgaria (Vivacom) and most recently in Greece (Wind Hellas).
2018	Germany, Czechia, Hungary, Romania	UPC	19m	18.4bn	932	10.9x	Vodafone Group bought UPC (Liberty Global) German, Czech, Hungarian, Romanian business ~75% of RGUs come from Germany, having high broadband price level.
2019	Latvia	Baltcom	190k	56m	294	7.4x	Bite fixed-mobile telco group acquired fibre and cable-based ISP Baltcom.
2021	Croatia	Optima Telekom	350k	85m	243	5.0x	United Group (Telemach, fixed-mobile operator) bought fixed-only telco Optima Telekom from Deutsche Telekom. DT was a forced seller after a restructuring situation.
2021	Poland	UPC	3.3m	1.52bn	465	9.1x	French Iliad Group (Xavier Niel) buying UPC Poland. Iliad bought largest Polish mobile operator Play last year (towers sold to Cellnex).
2021	Hungary	Digi	2.47m	625m	253	11.6x	IFRS16 2020 EBITDA EUR 54m.



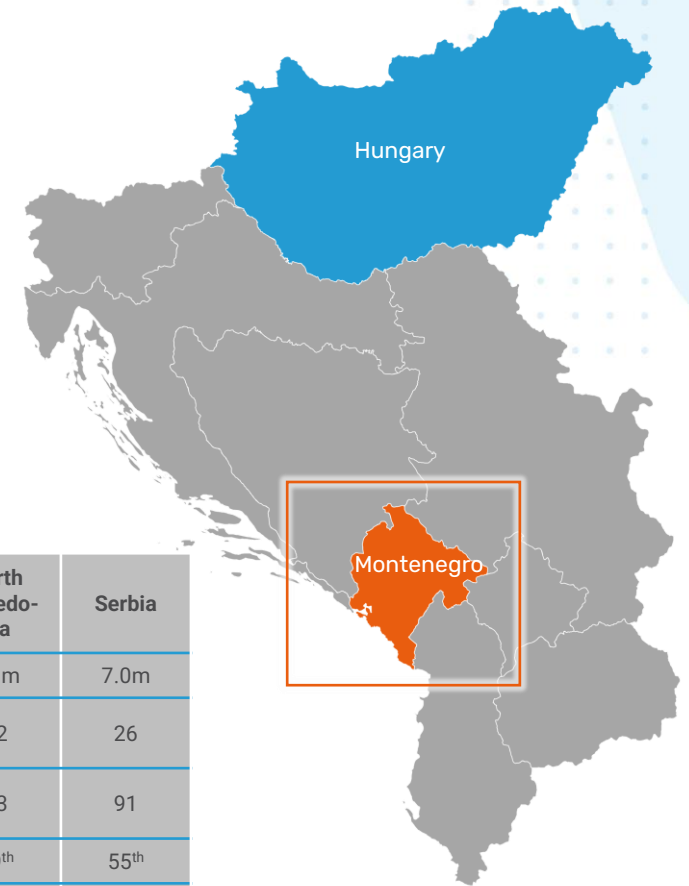
# 4. ACQUISITION OF TELENOR MONTENEGRO

# 4G



# MONTENEGRO: ONE OF THE MOST ATTRACTIVE BROADBAND INVESTMENT TARGETS IN THE REGION

- 620k population, one of the youngest in Europe by medium age (39)<sup>1</sup>
- NATO member since 2017, EU-accession negotiations started in 2012
- Until 2020, received over EUR 500m of developmental aid from the funding mechanism for EU candidate countries
- Catalysing digital transformation is a key priority of the EU Commission's Economic and Investment Plan for the Western Balkans adopted in 2020
- Ranked highest in EBRD's broadband investor attractiveness perception survey across South Eastern Europe in 2020



	Albania	Bosnia & Herzegovina	Croatia	Kosovo	Montenegro	North Macedonia	Serbia
Population	2.8m	3.3m	4.1m	1.8m	620k	2.1m	7.0m
Penetration of fixed broadband /100 population	16	22	34	38	25	22	26
Penetration of mobile broadband /100 population	45	51	90	72	55	63	91
ICT Development Index (world ranking)	89 <sup>th</sup>	83 <sup>rd</sup>	38 <sup>th</sup>	n/a	61 <sup>st</sup>	69 <sup>th</sup>	55 <sup>th</sup>
Forecast overall broadband market growth up to 2023 (% CAGR)	6.2%	1.6%	0.9%	6.8%	2.6%	1.1%	0.8%
EBRD Investor Perception Broadband Market Attractiveness Index/100	73	54	56	45	75	66	66

Source: EBRD Investor Perceptions and the Broadband Sector, SEE, 2020

<sup>1</sup> <https://www.worldometers.info/population/countries-in-europe-by-population/>

# TELENOR MONTENEGRO: IDEAL BASE FOR FURTHER REGIONAL TELCO EXPANSION

- The Group's first international telco asset
- Stable mobile-only operator business
- Strategy focuses on most valuable customer segments
- Revenue market leader in the mobile segment, 413k subscribers (348k active), EUR 44m sales in 2020
- Highly experienced local management with PPF and Telenor Group experience, 310 employees
- Over 400 base station cell sites, the strongest grid in the country – well positioned for the 5G industry cycle, 5G-centric spectrum auction expected H2 2022
- Best mobile network for 2<sup>nd</sup> year in a row
- Leading edge, Tier3-certified data centre in Podgorica newly built in 2015
- Retail network of 16 shops covering all major municipalities



Category	KPI name	max.	Telenor	T-Mobile	m.tel CG
Broadband Coverage	Coverage Excellence	250	226	208	190
	Time on broadband	250	235	226	232
	Basic internet class	180	161	167	147
Download Speed	HD video class	90	82	82	63
	UHD video class	30	23	27	20
	Gaming class	40	39	36	39
Latency	OTT voice class	160	155	128	155
	<b>Total</b>	<b>1000</b>	<b>921</b>	<b>874</b>	<b>846</b>

## Main competitors

-  Crnogorski Telekom (fixed-mobile-TV)
-  m:tel (fixed-mobile-TV)





# 5. RHEINMETALL & FINANCING UPDATE

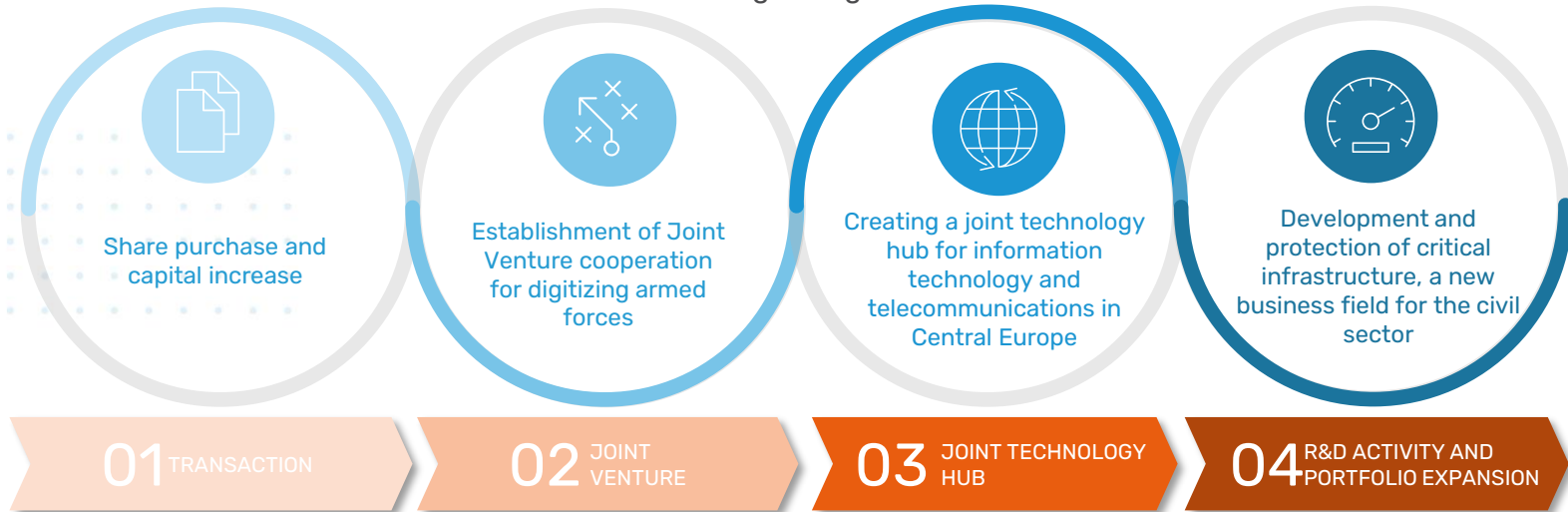
# 4iG

# EUROPE'S LEADING DEFENCE AND SECURITY TECHNOLOGY SUPPLIER TO BECOME THE GROUP'S STRATEGIC INVESTOR

- Landmark investment for 4iG with Rheinmetall, a globally recognized technology leader in the area of defence, becoming a strategic minority investor in 4iG and inject significant new capital for investments
- As part of its digitization strategy, the Düsseldorf-based technology enterprise Rheinmetall AG intends to take up a 25.1% stake in 4iG
- 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 transactions (by IG COM, Rheinmetall, Alpac Capital), 4iG may receive capital exceeding HUF 120 billion
- The share purchase and capital increase, will make Rheinmetall 4iG's largest international strategic investor
- After the completion of the transactions, an IT company jointly owned by Rheinmetall (51%) and 4iG (49%) will be established

# THE PARTNERSHIP OPENS ACCESS TO NEW DIGITIZATIONS MARKETS FOR THE GROUP

- The partners will not only press forward with digitization of the armed forces, but also materially develop and grow their capacity for delivering and protecting critical infrastructure as well as cybersecurity solutions.
- The goal of the cooperation is to develop military and defence IT solutions and protect critical infrastructure, a new business field for the civil sector.
- 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.
- 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



# PLANNED NEW BOND ISSUANCE

## BOND FOR GROWTH PROGRAMME (NEW ISSUANCE)

<b>ISSUER</b>	<b>4iG PLC.</b>
<b>Security</b>	<b>Senior Unsecured</b>
<b>Maturity / repayment</b>	<b>10 years</b> <b>Year 5-9: 10%</b> <b>Year 10: 50%</b>
<b>Amount</b>	<b>HUF 350bn</b>
<b>Currency</b>	<b>HUF</b>
<b>Use of Proceeds</b>	<b>Financing new acquisitions</b>

**4iG INTENDS TO ISSUE NEW BONDS UNDER THE BOND FOR GROWTH PROGRAMME FRAMEWORK TO PARTIALLY FINANCE THE UPCOMING ACQUISITIONS**



Q&A

4G

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