

► DIVISION *ELECTRONIC SOLUTIONS*

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DIGITALISATION OF THE ARMED FORCES: RHEINMETALL, 4iG AND HM EI TO SET UP A JOINT VENTURE IN HUNGARY

- **Rheinmetall AG (51%), 4iG Plc (39%) and the HM Electronics, Logistics and Property Management PCLS (10%) signed a preliminary agreement on the establishment of a joint defence industrial company.**
- **The company aims to participate in the digitalisation of the armed forces in Hungary and selected NATO member states in Central and Eastern Europe by developing digital combat system solutions as well as ground and flight simulation systems for the provision of most modern soldier training**
- **The joint venture's market entry is supported by a significant increase in demand for defence industrial products.**
- **The joint venture created by the partners will be a central element of the digital development strategies of Rheinmetall and 4iG.**

Rheinmetall AG (51%), 4iG Plc (39%) and the HM Electronics, Logistics and Property Management PCLS (HM EI Zrt.) (10%) have signed a preliminary agreement to establish a joint venture, 4iG announced on the Budapest Stock Exchange. The founders' aim is for the joint venture to participate in the digitalisation of the Hungarian Armed Forces and to develop and market digital equipment for Hungary and NATO member states in Central and Eastern Europe to cope with the today's and future battlefield requirements.

According to the preliminary agreement, the company is expected to start operations in the second half of 2022 and will be established to develop and sell digitalization solutions, land and airborne simulation systems for the provision of soldier training within all combat areas and command levels and equipment based on C4ISTAR capabilities. The joint venture will bring together the expertise of the three founding companies to produce military equipment of international excellence.

Rheinmetall's international military expertise is a unique asset in this cooperation. The company will act as a technology provider for components, products, military capabilities, and know-how (military simulation training, command, and control systems). The expertise of HM EI Zrt. covers defence IT and infrastructure services, tactical combat management and systems integration. 4iG will support the work of the joint venture with its strong IT and telecommunications background, cyber defence and development expertise, and its own significant infrastructure and capabilities to provide the appropriate software development environment.

Armin Papperger, CEO of Rheinmetall AG: "The joint venture, majority owned by Rheinmetall, will be an integral part of our future digitalisation strategy for the defence industry. The main objective of the cooperation is to support the

► Key facts

- ▷ Rheinmetall, 4iG and HM EI to set up joint defence industrial company
- ▷ Target: participation in digitalisation of the armed forces in Hungary and selected NATO member states in Central and Eastern Europe
- ▷ Supported by a significant increase in demand for defence industrial products
- ▷ JV is central element of digital development strategies of Rheinmetall and 4iG

► Contacts

Oliver Hoffmann
Head of Public Relations
Rheinmetall AG
Tel.: +49-(0)211 473 4748
oliver.hoffmann@
rheinmetall.com

Dr. phil. Jan-Phillipp Weisswange
Assistant Head of Public
Relations
Rheinmetall AG
Tel.: +49-(0)211 473 4287
jan-phillipp.weisswange@
rheinmetall.com

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strategic efforts of Hungary and the Central and Eastern European countries in the digitisation of their armed forces and the achievement of the highest level of NATO compatibility. The location of the company also represents our special commitment to Hungary as a business location.”

Gellért Jászai, Chairman and CEO of 4iG Plc.: “The creation of the joint venture marks another milestone for 4iG. Thanks to the partnership with Rheinmetall, we are able to strategically enter a new business area, the technology and digitalisation part of the defence industry. The cooperation will also greatly support our international market entry and sales activities. The cooperation will facilitate technology and knowledge transfer between the companies, and the jointly developed military solutions could play a key role in attracting further development and manufacturing capacities to Hungary in the future. In developing the joint company's products, we also rely on the decades of expertise of HM EI to serve the specific military needs in line with regional requirements.”

“The joint venture, led by Rheinmetall, will bring a number of benefits to Hungary and the companies involved in the project. The establishment of the company will bring one of the world’s leading defence digitisation developments to Hungary, making the development of the Hungarian defence industry unique in our region. In addition, the systems and similar development competencies existing at HM EI will be able to connect to international defence markets much more easily thanks to the cooperation”, pointed out Gáspár Maróth, President of HM EI Zrt. and National Armaments Director, and also added: “With the joint platform company, we are creating a protected industrial and knowledge base of the most modern IT-based command and control technologies in our country, which is of strategic importance from a defence perspective due to the geopolitical situation”.

Rheinmetall AG and 4iG Plc signed an agreement in January 2022, whereby the Düsseldorf-based defence industrial company acquired a 25 percent stake in the Budapest-based info-communications company. The parties agreed not only to make a financial investment, but also to lay the foundations for a long-term professional cooperation by acquiring the stake and raising capital, which will be further strengthened by the establishment of the joint venture.

Notes for editors



*The Budapest-based **4iG Plc** is Hungary’s leading IT systems integrator with significant interests in the domestic and regional telecommunications markets. The company has been present in the market for innovative industry independent IT technologies for more than 27 years. The company is continuously expanding its services and portfolio to meet the changing needs and demands of the ICT market. The group employs more than 6,900 people. 4iG is a broad spectrum solutions provider with significant interests in IT, telecommunications, satellite telecommunications and telecommunications infrastructure development. The company, listed on the Budapest Stock Exchange, aims to build a dominant market position in a wide range of info-communication services in Hungary, Central Eastern Europe and the Western Balkans. www.4ig.hu*



***Rheinmetall AG**, a listed company with more than 130 years of experience as an integrated technology group, is a strong, internationally successful company. Headquartered in Düsseldorf, Germany, the group has more than 25,000 employees worldwide. With an innovative range of products and services and 210 subsidiaries, Rheinmetall is present in 52 countries on 6 continents. Rheinmetall is a proven partner to the armed forces in many countries of the world and at the same time, with its civilian activities, is active as a developer and manufacturer for customers in the automotive industry and other industrial sectors. For military customers, the Group develops and manufactures combat vehicles, complex defence systems, IT solutions, weapons and ammunition. Rheinmetall AG's sales revenue in 2021 exceeded EUR 5.8 billion. www.rheinmetall.com*



HM EI Zrt. is a 100% Hungarian State owned, profit-oriented company. HM EI is the leading company of the Hungarian defence industry, and as a qualified NATO supplier, it is focusing on the development of unique solutions and high-tech technical developments and technologies. The strategic aims are determined by the fighting force development and defence industrial development program. As a system integrator, the company is the driving force of the defence industry. Headquartered in Budapest and operating on 260 sites nationwide, HM EI is one of the largest employers in Hungary with 4500 high skilled, committed experts. Its operations are defined by IT, air fleet operation, real estate management and investment, property protection services, and light industry capacities. www.hmei.hu