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Rheinmetall venturing into new fields of technology: letter of intent on strategic investment signed with Hungarian IT company 4iG Nyrt.

- As part of its digitization strategy, Rheinmetall has signed a letter of intent to take up a strategic participation in the Hungarian IT company 4iG
- The company is to become a digitization service provider and IT partner of Rheinmetall
- First step in creating a technology hub for information technology and telecommunications in Central Europe
- Entry into satellite technology business
- Planned joint venture cooperation for digitizing armed forces
- Development and protection of critical infrastructure a new business field for civil sector

As part of its digitization strategy, the Düsseldorf-based technology enterprise Rheinmetall AG intends to take up a 25.1% stake in 4iG, a Hungarian digitization service provider and IT specialist. An agreement to this effect has now been signed by Rheinmetall and the majority shareholder.

The cooperation is designed to reinforce Rheinmetall's position as a leading systems supplier for security technology in Central and Eastern Europe. When it comes to expanding into civil markets and new fields such as satellite technology, moreover, the planned cooperation offers excellent opportunities. Thus, 4iG will function as a strategic IT partner of Rheinmetall in order to tap into new digital market potential. "The agreement with Rheinmetall supports our vision of international expansion in the technology sector", declares Gellért Jászai, president and chairman of the executive board of 4iG.

Headquartered and publicly listed in Budapest, 4iG is also expected to function as a digitization service provider for Rheinmetall in Hungary. Therefore, the creation of a separate joint venture by Rheinmetall (51%) and 4iG (49%) is planned in order to set up own IT infrastructure and services in Hungary.

By taking up a share in 4iG, Rheinmetall – in tandem with its new partner – will be able in future to expand its portfolio of digital products and digital services, supplementing its extensive range of defence technology systems and equipment. Thus, in the course of future cooperation, the partners will not only press forward with digitization of the armed forces (secure cloud, advances in C4ISTAR), but also materially develop and grow their capacity for delivering and protecting critical infrastructure as well as cybersecurity solutions.

As a shareholder in 4iG, Rheinmetall will have a direct holding in a supplier of critical infrastructure in Hungary and Central Europe, providing an indispensable service for safeguarding government, business and civil society in the information

► Key facts

- ▷ Rheinmetall plans strategic investment in Hungarian IT company 4iG Nyrt., Budapest
- ▷ Acquisition of 25.1% of shares in 4iG intended
- ▷ Digitization strategy: Rheinmetall aims for position as leading systems house for security technologies in Central and Eastern Europe
- ▷ Sights set on new digital market potential
- ▷ Commitment to Hungary as a location

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technology and telecommunication domain. This encompasses vital products and services for voice and data transmission as well as secure data infrastructure for government and administrative services, education and healthcare, but also for private sector customers. Besides their planned activities in the field of critical infrastructure, the partners have identified additional potential for cooperating in IT security, sensor technology, artificial intelligence, robotics and satellite communication.

“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.