

Americana Holding for Restaurants - UAE

Company is keen to cooperate with competent authorities in accordance with the provisions of the law and without prejudice to its interests, Americana will resort to the highest authorities to safeguard its rights.

Dubai - United Arab Emirates 26 November 2019: In light of the company's strong commitment towards the Egyptian market and its keenness to protect its interests, and in response to recent news and reports regarding the company's offer to acquire the Egyptian Company for International Touristic Projects SAE minority stake, Americana Holding - UAE states the following facts to clarify its position and preserve its rights, in accordance with the provisions of the laws and the governing regulations.

First: In mid-2016, Adeptio AD submitted an inquiry to the Egyptian Financial Regulatory Authority (FRA) about its legal obligations to conduct a Mandatory Tender Offer (MTO) for subsidiaries listed on the Egyptian Stock Exchange in case of the acquisition of Kuwait Food Company (Americana) in Kuwait. As stipulated in the Egyptian FRA resolution regulating companies' obligations to conduct MTO in case of indirectly acquiring companies listed on the Egyptian Stock Exchange, Adeptio AD is entitled to an exemption. Consequently, the company applied for an exemption before the acquisition at the end of the year 2016.

Second: The FRA issued a resolution to approve such MTO exemption early April 2018 after almost 20 months as of the date of the exemption request. Some minority shareholders of the Egyptian Company for International Touristic Projects filed a lawsuit claiming the company's obligation to submit an MTO a couple of months before the issuance of the FRA resolution. However, the lawsuit was rejected and the appeal was dismissed.

Third: Following the issuance of the exemption decision, the same shareholders filed a complaint at the FRA claiming their ignorance of the decision and calling upon the FRA to oblige the company to conduct an MTO, however, the FRA rejected the request upon a further investigation of the case.

Fourth: Early January 2019, a resolution was issued by the FRA Grievance Committee obliging Adeptio to conduct an MTO without involving Adeptio in any deliberations of the Committee and thus preventing Adeptio to present its point of view as a party to the case. Adeptio appealed against the Committee's resolution before the Egyptian Council of State and the case is still pending a court decision.

Fifth: Irrespective of the abovementioned facts, and as part of our confidence in the Egyptian market and our commitment to expand our operations in such market, Adeptio voluntarily issued an acquisition offer mid-2019 to acquire the full shares of the Egyptian Company for International Touristic Projects. According to a study prepared by an independent financial consultant, who is endorsed by the FRA, the company offered to buy the share of the minority shareholders at a fair value; however, the FRA unjustifiably rejected the said financial consultant's report. The company is currently investigating the case to take the right legal action in accordance with the provision of the law.

Finally, Americana re-affirms its commitment to cooperate with the competent authorities in accordance with the provisions of the laws and the governing regulations without prejudice its interests. Americana has always had confidence in the Egyptian economy and the investment climate, which is currently witnessing an clear reforms.

Americana also believes in the significant role played by the FRA and its keenness to attract foreign investments to the Egyptian market, and thus we call upon the FRA to enforce the provisions of the law concerning the company's requests without falling under the influence of systematic and negative media campaigns launched against the company.

For the past 37 years, Americana Group has been successfully operating in the Egyptian market employing thousands of efficient Egyptian calibers, who are the company's success partners. The company will exert its utmost to defend its employees' rights and its own right against any brutal, unjustified media attacks. In case of the failure of the company's current settlement endeavors, Americana will spare no effort to escalate the issue to the highest authorities to reach a fair and just solution to this issue.