

Press Release

On Thursday May 2, 2019, The Egyptian Competition Authority (ECA) held a hearing with representatives from Uber Technologies, Inc. and Careem, Inc. The meeting took place in light of ECA's assessment of the proposed acquisition by Uber of the entire operations of Careem in the Middle East, particularly in Egypt, in accordance with the Interim Measure Order (No. 26 of 2018) rendered by ECA on October 22, 2018.

The meeting's attendees included representatives from both companies including: Dr. Cristina Caffarra, Head of Competition Practice at Charles River Associates; Dr. Oliver Latham, Vice President in Charles River Associates' Competition Practice; as the parties' Economic Advisors; Greg McCurdy, Director of Litigation and Global Competition Law at Uber; Kyriakos Fountoukakos, Managing Partner at Herbert Smith Freehills LLP as Uber's counsel; Scott Sher, head of the Antitrust Department at Wilson Sonsini Goodrich & Rosati; Ankur Shah, the Chief Finance Officer of Careem. The meeting addressed the implications of the acquisition on the various markets in which Uber and Careem operate. The representatives of the two companies expressed their keen interest to comply with the provisions of the Egyptian Competition Law (ECL), given the significance and importance of the Egyptian market.

In that context, the meeting focused on the extent to which investments from new rivals and the competitive environment of the sector could be affected by the transaction. ECA seeks to protect and maintain investment opportunities as well as the attractiveness of the ride-hailing economy in Egypt; this market is one of the largest significant emerging sectors, as it offers vast employment opportunities and encourages investment and innovation.

The assessment also covers the extent to which the transaction may create barriers to entry and expansion for potential and current competitors, this is in order to ensure that the proposed transaction does not affect investment opportunities and the competitive structure of the market. The discussion also tackled the extent to which the transaction may create substantial market power and possible harmful unilateral effects.

ECA appreciates the cooperation expressed by both Uber and Careem and their compliance with the provisions of the law and its objectives to ensure a competitive market that fosters investment and innovation.

ECA would like to draw the attention of different media outlets about several reports published on certain websites that contained misleading information in relation to ECA's jurisdiction under ECL to examine the proposed transaction. Accordingly, ECA would like to reiterate that Articles 11 (bis) and 16 of the Executive Regulations of ECL, allows ECA to exempt an agreement prohibited under Article 6 of ECL if it proves to be beneficial to competition and the consumer. Article 6 prohibits agreements between competitors if they restrict competition, in particular if they are likely to result in output restriction including restriction on the manufacturing, production, distribution or marketing operations of products, and restrictions

on the availability of product. Competitors are required, under Articles 11 (bis) and 16 of the executive regulation, **to apply for and obtain ECA's prior approval before implementing these agreements**. Any violation to the obligation of prior notification and standstill **would render the agreement null and void as per the explicit provision of Article 20 of ECL.**

In this regard, ECL allows ECA to carry out any of the following procedures concerning the proposed transaction:

- 1) Rejection of the proposed transaction, and hence the invalidity and non-enforceability of its effects in accordance with the provisions of Article 20 of ECL;
- 2) Granting conditional approval of the proposed transaction, renewable every two years in accordance with Article 17 of the Executive Regulations;
- 3) Granting unconditional approval of the proposed transaction, renewable every two years in accordance with Article 17 of the Executive Regulations.

Hence, ECA hopes that all media outlets and websites exercise the required legal and economic due diligence before the dissemination of any news related to ECA's assessment of the transaction. ECA always welcomes to offer guidance, raise awareness and promote the culture of competition as part of its role set forth in Article 11 of ECL. ECA also expresses its readiness to provide any necessary workshops or clarification of the provisions of ECL for any interested parties in order to ensure compliance with international best practices and procedures.

In October of last year, ECA issued an Interim Measure Order in response to news of the proposed transaction. On March 26, 2019, ECA received a formal notification by the two companies that they had signed a Conditional Purchase Agreement, subject to the approval of all Competition Authorities in the jurisdictions they are merging, including ECA. By virtue of the said agreement, Uber aims to purchase Careem.