

## **Krupa Global Investments criticizes NMC Health for miscommunication of fraud allegations to investors, supports Muddy Waters report**

27. December, Prague, Czech Republic

Krupa Global Investments (KGI) criticizes NMC Health management for poor communication to investors regarding serious allegations made by hedge fund Muddy Waters, blaming NMC for hidden off-balance sheet debt and several overpriced purchases of hospital facilities made in recent years. **KGI representatives asked for explanation of recent allegations, but IR and management team did not respond to our calls and emails,** IR and management team were not able to respond properly.

**KGI, Prague-based hedge fund, have previously worked with Carl Icahn on Amtrust Financial Services, believes that NMC Health's board of directors mismanaged this crisis around Muddy Waters (MW) report. In our opinion, MW allegations are serious, possibly true and management have not disclosed any relevant explanation for shareholders yet.** In our opinion, allegations made in 35 pages long report by MW should be explained further than general and plain press release which only brought more uncertainty to shareholders. Shares of NMC Health dropped nearly 70% after MW report. Investors are clearly confused, scared and selling out NMC of their portfolios. We request from NMC following steps:

- 1. KGI demands step by step report explaining MW allegations and €200m off-balance sheet debt described in Financial Times few days ago.** Recent press denials made by NMC are clearly not enough. We have spoken to several regular investors and these allegations are huge red flag for them. We urge investors to question management and request answers for this possibly fraudulent behaviour of executives and controlling shareholders of NMC Health. **If these allegations are correct, growth story and excellent expansion of NMC business is gone and NMC share value should drop below €10.**
- 2. KGI requests that NMC Board of Directors will elect independent committee from investor representatives shortly, calling special shareholder meeting if necessary. Non-executive directors who should overlook these allegations are not independent and act on behalf of board which may lead to further share decline and uncertainty. The new committee of investors will assess results of report made by third party accounting firm** as mentioned by NMC. This committee would act without further pressure from management or NMC's board of directors. We have experienced similar situation in Amtrust Financial where company used independent committee consisted of insiders to approve whole process of privatization on unfavourable conditions for shareholders. We fear that similar behaviour may occur at NMH Health.

KGI encourages other investors to join us in questioning management about these serious issues at NMC IR contact: [asjad.yahya@nmc.ae](mailto:asjad.yahya@nmc.ae)

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Krupa Global Investments is a spin-off from private equity group Arca Capital with AUM of €2bln. Our opportunistic business utilizes an activist investment approach in order to improve management practices, increase returns, and protect the interests of small shareholders. To further our objectives, we enlist the support of key partners when needed. For example, we invited Carl Icahn to involve himself and help increase the price on a problematic buyout transaction involving AmTrust Financial Services.

<https://www.reuters.com/article/us-amtrust-fin-serv-stake-icahn/carl-icahn-files-lawsuit-against-amtrust-controlling-family-idUSKCN1I1UJ>

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