

## **Increase in the Share Capital of the Company by up to AED 500,000,000 by way of Rights Issue (THE "RIGHTS ISSUE")**

The questions and answers (including the glossary) set out below are intended to be in general terms only and, as such, you should read the terms and conditions of the Rights Issue set out in the Invitation carefully. Shareholders are strongly advised to seek their independent professional advice.

### **1. What is a Rights Issue?**

The Rights Issue is an offer by the Company to its Shareholders, and to the then Rights holders, to subscribe for New Shares to be issued at an issue price of AED (1.00) per New Share, reflecting the nominal value of AED 1.00 per New Share and without a share premium. The Rights to be issued to Shareholders are tradable securities making their holders eligible to subscribe for the New Shares. Each Right grants its holder the eligibility to subscribe for one New Share at the Issue Price. The New Shares will have the same rights as the existing Shares. The existing Shares are (and the New Shares will be) indivisible. The New Shares will rank pari-passu with the existing Shares including the right to receive all future dividends and other distributions declared, made or paid after the Eligibility Date.

### **2. Is a Right different from a Share?**

Yes. A Right is an instrument entitling its holder to subscribe for one New Share. If the Right is not used by the relevant Right holder, the Right will lapse and shall have no value upon the expiration of the Rights Trading Period.

### **3. How much is the Company looking to raise through the Rights Issue?**

The Rights Issue will increase the share capital of the Company by up to AED 500,000,000, by creating up to 500,000,000 New Shares at an issue price of AED (1.00) per New Share.

### **4. What does Company plan to do with the proceeds of the Rights Issue?**

The Company intends to use the net proceeds raised from the Rights Issue to strengthen its financial position and settle its current liabilities. Moreover, this shall also support the future growth of the business.

### **5. Who is granted Rights?**

Rights will be granted to all Shareholders existing as at the close of trading on the ADX on the Eligibility Date 18<sup>th</sup> June 2020 (which is (10) ten working days before the start of the subscription period). Shareholders must ensure that their names are reflected in the Company's share register held by the ADX as at the close of business of the ADX on the Eligibility Date.

In order to receive Rights on the Eligibility Date, investors must ensure that they execute any purchase orders for shares at least two days prior (i.e. 16 June 2020) to the Eligibility Date, to allow for the settlement of trades on the ADX (which operates on a T+2 basis).

## 6. Does a Shareholder have to subscribe for New Shares?

It is for the Shareholder to decide whether to subscribe or not to subscribe. If a Shareholder decides not to subscribe for New Shares, the Shareholder may sell the Rights or do nothing with them. If a Shareholder chooses not to exercise some or all of the Rights that were issued to subscribe for New Shares, the Shareholder's ownership percentage in the Company will decrease and the Shareholder will be diluted accordingly after the right issuance. Unsubscribed rights will be lapsed after closing the date of the subscription.

## 7. What happens if a Shareholder does not subscribe for New Shares?

If a Shareholder chooses not to exercise some or all of the Rights that were issued to subscribe for New Shares, the Shareholder's ownership percentage in the Company will decrease and the Shareholder will be diluted accordingly after the right issuance. This is because, while the total number of Shares of the Company will increase through the Capital Increase which will be implemented in connection with the Rights Issue, the number of Shares that the Shareholder owns will not increase in the same proportion, unless the Shareholder exercises all of the Rights that was issued to subscribe for New Shares. This will have implications – for example, the Shareholder's share percentage of the total dividends paid by the Company will decrease, and its share of votes at shareholders meetings will decrease.

## 8. Can I subscribe to the Rights Issue if I am not a Shareholder of the Company?

Yes, you can buy Rights to subscribe for the Company's shares on the ADX during the Rights Trading Period from 23 June 2020 to 6 July 2020. You can do this through an ADX-registered broker. Once you own the Rights, you can subscribe to New Shares during the Subscription Period.

## 9. How are Shareholders notified of the deposit of Rights in their accounts?

Shareholders will be notified that the Rights have been deposited into their accounts through an announcement on the website of the ADX, Please check with your broker for the number of rights received in your trading account. If a Shareholder has not received Rights, but believes that he or she should have received such Rights, they should contact ADX customer service. For Shareholders using the services of custodian, please contact your custodian.

## 10. How many Rights will the Shareholder receive?

As per the Invitation, each Shareholder on the Eligibility Date will receive, approximately, one Right for every 1.3104 shares held on such date. Entitlements to Rights will be rounded to the nearest whole number of Rights.

**11. Are the Rights tradable? Will they be added to the Shareholders' accounts under the same name/symbol as the Company's shares, or will they be assigned a new name?**

Yes, the Rights can be traded, but only during the Rights Trading Period starting from 23 June 2020 to 6 July 2020, subject to the Rights being credited to a Shareholder's brokerage account (Rights credited to a CDS account are not tradeable). Shareholders who do not wish to subscribe for some or all of the New Shares to which they are entitled at the Issue Price may therefore sell some or all of their Rights to other persons via securities brokers registered and licensed by the ADX during the Rights Trading Period. The Rights will be deposited in the CDS account or brokerage account of each Shareholder where his or her existing Shares are held one day after the Eligibility Date. The Rights will appear in the accounts of the Shareholders under the new symbol "JULRI20".

**12. Is it possible for a Shareholder to sell all or part of the Rights it holds?**

A holder of the Rights may sell all or a part of the Rights through securities brokers registered and licensed by the ADX during the Rights Trading Period.

**13. How much will I be able to receive if I trade my Rights?**

The price of the Right upon commencement of trading will be determined by market supply and demand and cannot be predicted. However, in general, the indicative value of a Right reflects the difference between the value of the existing Shares during the Rights Trading Period and the Issue Price in respect of the New Shares.

**14. When is the Subscription Period?**

The Subscription Period will start at 8:00 am on 29 June 2020 and end at 2:00 pm on 12 July 2020 at participating FAB branches. During the Subscription Period, the holders of Rights, which includes Shareholders and any persons who purchased Rights during the Rights Trading Period, will be allowed to exercise their Rights to subscribe for New Shares at the Issue Price.

**15. Can Shareholders subscribe for Additional New Shares?**

Yes. If any holders of the Rights do not exercise their rights to subscribe in full for all of the New Shares, the remaining shares will be allocated to individuals or organizations that subscribed for a number of shares above their allocation, on a pro rata basis.

**16. How is the subscription done?**

Subscription is accomplished by the submission of a subscription form at a participating branch of the Sole Receiving Bank during the Subscription Period, upon presentation of the required documents and the payment in full for the New Shares.

**17. How do I know if my NIN is valid?**

To check if your NIN is valid, please call ADX Customer Service at 800239.

## **18. Are purchasers of additional Rights entitled to trade them again?**

Yes, purchasers of additional Rights may sell those additional Rights or any other Rights they hold and/or purchase other Rights, but only during the Rights Trading Period.

## **19. Can an Eligible Person sell a Right after expiry of the Rights Trading Period?**

No, after the expiry of the Rights Trading Period, an Eligible Person may only choose to exercise the Right to subscribe for the New Shares and only until the expiry of the Subscription Period. In the event that this Right is sold prior to the expiry of the Rights Trading Period or is not exercised prior to the expiry of the Subscription Period, the Eligible Person may suffer a loss or a decrease in the value of its investment portfolio.

## **20. What happens to Rights that are unsubscribed at the end of the Subscription Period?**

If you do not wish to subscribe for the New Shares to which you are entitled, you can choose not to exercise your Rights. In such circumstances, the number of unsubscribed New Shares to which you would have been entitled will be subscribed for by those holders of Rights who have applied for Additional New Shares. You will not be entitled to any compensation in respect of any Rights not used to subscribe for New Shares and your shareholding in the Company will be diluted accordingly.

## **21. How will the Additional New Shares be allocated?**

The allocation of Additional New Shares to Eligible Persons who have subscribed for Additional New Shares will be allocated after allocations to Eligible Persons who have subscribed for a number of New Shares equal to or less than the number of Rights they hold. Such allocation will be on a pro rata basis to the Eligible Persons who had subscribed for such Additional New Shares, scaled back (if necessary) in accordance with the proportion that the number of Additional New Shares requested by the Eligible Person represents to the total number of Additional New Shares requested by all Eligible Persons who subscribed for Additional New Shares.

## **22. Will there be any additional fees for trading in Rights?**

The same commissions that would apply to the sale and purchase of Shares will apply to the sale and purchase of Rights.

## **23. If I buy Shares after the Eligibility Date, will I be eligible to participate in the Rights Issue?**

No, Shares purchased after the Eligibility Date will not carry the right to receive Rights pursuant to the Rights Issue. However, you may still buy Rights from other selling Rights holders during the Rights Trading Period. In order to receive Rights on the Eligibility Date, you must ensure that you execute any purchase orders for shares at least Two Days prior to the Eligibility Date.

## 24. What if the number of Rights to which I am entitled is not a whole number; am I entitled to fractions of Rights?

Your entitlement to Rights will be calculated as at the close of business of the ADX on the Eligibility Date - 18 June 2020. If the result of this calculation is not a whole number, your entitlement will be rounded to the nearest whole number of Rights.

## 25. Will I receive a refund if I do not receive the number of Additional New Shares that I have applied for?

Yes, you will receive a refund in respect of the number of Additional New Shares that you have not received on or before 20 July 2020.

## 26. How do I subscribe?

### a. Subscription through participating branches of FAB:

The subscription application must be submitted by Eligible Persons to any participating branch of the Sole Receiving Bank listed in questions below and the Eligible Person's bank account number must be provided, together with the payment for the amount to be used to purchase or subscribe for the New Shares, which is to be paid in one of the following ways:

- ✓ Certified bank cheque ("**Manager's Cheque**") drawn on a bank operating in the United Arab Emirates, in favor of the "**Gulf Pharmaceutical Industries JULPHAR PJSC Rights Issue**";
- ✓ Debiting the account of the Applicant with the Sole Receiving Bank; or
- ✓ Online transfer via UAE Funds Transfer System ("**FTS**") (inside UAE) and SWIFT (outside UAE).

### b. i) Online Transfer via UAE FTS Payment Steps (INSIDE UAE)

- ✓ Please use "Payment Purpose Code" as "IPO".
- ✓ Subscriber to remit funds in full without deducting any Foreign Bank charges.
- ✓ Please mention "NIN Number, Broker Name and mobile Number under "Remittance Instructions" field or "Remarks"

### ii).SWIFT Payment Steps (OUTSIDE UAE)

- ✓ Select Payment message MT103
- ✓ Capture in Field 70 relevant "NIN Number, mobile number and number of shares applied"

**IMPORTANT NOTE:** Last Day for receiving FTS and SWIFT remittances is Saturday 11 July 2020 at 12:00 PM. Please note if the funds are received after the cutoff date and time, the same will be rejected and returned. Please allow for 12 to 24 hours for the funds to be transferred to the beneficiary account. Please schedule your subscription early accordingly.

### iii. Transfer via UAE CENTRAL BANK FTS

Bank Name: First Abu Dhabi Bank PJSC

IBAN: **AE670351000101117182404**

Beneficiary Account Name: - JULPHAR RTS UAEFTS/SWIFT COLLECTION A/C

Currency: AED

Account Number: **AED117182404**

SWIFT Code: NBADAEAASSD

Shareholder to sign subscription application form and send it with the following documents to email id [FCISIssuerService@bankfab.com](mailto:FCISIssuerService@bankfab.com) for processing.

- ✓ Filled and signed subscription application form.
- ✓ Copy of NIN or shareholder code
- ✓ Copy of Emirates ID or passport.
- ✓ Copy of the payment acknowledgement.
- ✓ Mobile Number

Subscribers choosing the FTS/SWIFT mode will be required to provide their updated National Investor Number at the ADX / shareholder code along with the value of New Shares subscribed for, Broker Name and mobile number in the special instructions field.

Send scanned copy of the subscription application and copy of the payment advice to email id [FCISIssuerService@bankfab.com](mailto:FCISIssuerService@bankfab.com). In case subscriber fail to send scanned copies by email or provided incorrect details or NIN, subscription will be rejected and notified to the subscriber.

The subscription amount may not be paid or accepted by the Sole Receiving Bank using any of the following methods:

- ✓ in cash; or
- ✓ cheques that are not certified;

## 27. Important Dates:

- **News Paper Announcement – New Shares by way of Rights Issue:** Monday 1<sup>st</sup> June 2020
- **Eligibility Date of Rights (record date):** Thursday 18<sup>th</sup> June 2020
- **First day of trading the Rights on the ADX:** Tuesday 23<sup>rd</sup> June 2020
- **Last day of trading the Rights on the ADX:** Monday 06<sup>th</sup> July 2020
- **Subscription Opening Date:** Monday 29<sup>th</sup> June 2020
- **Subscription Closing Date:** Sunday 12<sup>th</sup> July 2020
- **Date of allocation:** Monday 20<sup>th</sup> July 2020
- **Refunds:** On or before Monday 20<sup>th</sup> July 2020
- **Commencement of Dealings in the New Shares:** On or before Monday 27 July 2020. (subject to the regulator's approval for listing of new shares)

## 28. What are the important Contact Details that Shareholders must know?

### FAB Contact Centre:

- For any queries related to rights subscriptions please contact FAB via email [FCISIssuerService@bankfab.com](mailto:FCISIssuerService@bankfab.com) or call center on +971-26161800

### Julphar Investor Relations:

- For any other queries, please contact Julphar's contact center via email [investors@julphar.net](mailto:investors@julphar.net) or call on +971 7204 5273

### ADX Customer Services:

- For NIN and Rights related queries: 800239

Participating Branches of the Sole Receiving Bank					
	Branch name	Branch Location-Area	Customer Timing	Proposed Timings	Branch Address
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
2	RAK (LNBAD)	RAK	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	FAB RAK (LNBAD) Corniche Al Qawasim Road Near to NMC Royal Medical Center , RAK
3	Fujairah	Fujairah	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street;PO BOX:79
4	Sharjah	Sharjah	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah;PO BOX:1109
5	Umm al-Quwain	UAQ	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain;Po BOX:733
6	Oud Al Toubah	Al Ain - Abu Dhabi	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	Al Ain Oud Al Touba (LFGB) PO BOX:18781
7	FAB One Tower, Abu Dhabi	Abu Dhabi	08: am to 01:00 pm (Sat-Wed); 08:00 am to 12:00 pm (Thu)	8 am to 12 pm - Sat - Thurs.	Intersection of Shaikh Khalifa street and Baniyas street,PO BOX:2993

8	Al Batin	Abu Dhab i	08: am to 01:00 pm (Sat-Wed);	8 am to 12 pm - Sat - Thurs.	Street No. 9
			08:00 am to 12:00 pm (Thu)		Next to Bateen Bus Terminal and Al Bateen Mall;PO BOX:7644
9	Bur Dubai	Duba i	08: am to 01:00 pm (Sat-Wed);	8 am to 12 pm - Sat - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
			08:00 am to 12:00 pm (Thu)		
10	Sheikh Zayed Rd.	Duba i	08: am to 01:00 pm (Sat-Wed);	8 am to 12 pm - Sat - Thurs.	ALQUZE NEXT TO GOLDEN DAIMOND ;PO BOX:52053

### Important Note

We would like to draw your attention to the further terms and conditions of the Rights Issue set out in the Invitation.

GLOSSARY	
<b>the Company</b>	Gulf Pharmaceutical Industries (Julphar) PJSC
<b>Additional New Shares</b>	New Shares that Eligible Persons may apply for in addition to exercising their Rights to subscribe for one New Share at the Issue Price
<b>AED or UAE Dirham</b>	The lawful currency of the UAE
<b>Board of Directors</b>	Board of Directors of Gulf Pharmaceutical Industries (Julphar) PJSC (the "Company") from time to time
<b>Capital Increase</b>	The proposed increase in the issued share capital of Gulf Pharmaceutical Industries (Julphar) PJSC (the "Company") up to AED 500,000,000, by creating up to 500,000,000 New Shares
<b>CDS account</b>	Central Depository System account
<b>ADX</b>	Abu Dhabi Securities Exchange
<b>Eligible Person</b>	A person who holds Rights at the close of the Rights Trading Period
<b>Invitation</b>	The Invitation to the Shareholders of Gulf Pharmaceutical Industries (Julphar) PJSC (the "Company") to subscribe for the New Shares in the Rights Issue that has been published in UAE daily Arabic and English newspapers on Monday 1 <sup>st</sup> of June 2020
<b>Issue Price</b>	AED 1.00 per New Share
<b>Lead Manager</b>	First Abu Dhabi Bank PJSC
<b>New Shares</b>	Ordinary shares of AED 1.00 each in the capital of Gulf Pharmaceutical Industries (Julphar) PJSC (the "Company")
<b>NIN</b>	The National Investor Number provided on registration as a new investor in the ADX
<b>Sole Receiving Bank</b>	First Abu Dhabi Bank PJSC
<b>Right/ Rights</b>	A tradable security issued pursuant to the Board of Directors' Decree of the Securities and Commodities Authority's Chairman of the Board, No. 11RM of 2016

<b>Rights Trading Period</b>	23 <sup>rd</sup> June 2020 to 6 <sup>th</sup> July 2020
<b>Shareholder</b>	A registered shareholder in Gulf Pharmaceutical Industries (Julphar) PJSC (the “Company”) as at the close of business on the ADX on the Eligibility Date.
<b>Shares</b>	Ordinary shares in the capital of Gulf Pharmaceutical Industries (Julphar) PJSC (the “Company”), each with a fully paid up nominal value of AED 1.00 per share
<b>Subscription Period</b>	29 June 2020 to 12 July 2020
<b>UAE</b>	United Arab Emirates
<b>Unallocated Shares</b>	Unallocated New Shares remaining after the allocation of the New Shares (and Additional New Shares, if any) to the Eligible Persons who subscribed for New Shares during the Subscription Period