

Gulf Pharmaceutical Industries 'Julphar' launches AED 500 million rights issue

- Rights issue is part of Julphar's capital restructuring to improve the capital base and debt profile
- The company will offer 500 million new shares with a nominal value of AED 1

Ras Al Khaimah, UAE; June 1, 2020: Gulf Pharmaceutical Industries PSC (Julphar), one of the largest pharmaceutical manufacturers in the Middle East and Africa, announced today the launch of its AED 500 million rights issue as the company progresses on its ambitious turnaround plan. The rights issue is set to improve the company's capital position and debt profile and will provide the financial foundation for the successful implementation of the company's medium-term growth strategy.

As part of its capital restructuring, which included a capital reduction of AED 503 million as an initial step, Julphar offers 500 million new shares with a nominal value of AED 1. Issued to existing shareholders, the new shares will provide investors with the same rights - including the right to receive all future dividends - as existing shares. The subscription period of the shares begins on 29 June 2020 and ends on 12 July 2020.

Commenting on the launch of the rights issue, His Highness Sheikh Saqer Humaid Al Qasimi, Chairman of the Board, Julphar, said: "The rights issue is a key component of the transformation plan which I am confident will further help us fuel our growth agenda in the years to come. On this occasion, I would like to thank our shareholders for their continued trust and their confidence in our ability to strengthen Julphar's operational and financial performance. Our business fundamentals are robust and we have the experience, capabilities and resources to unlock further growth potential in our core markets."

The capital restructuring and the terms of the rights issue were approved by Julphar's Board of Directors and shareholders at the company's Annual General Assembly held in April 2020. The rights issue has also been approved by the Security and Commodities Authority (SCA) of the UAE.

"In the past few months, we have accelerated our transformation journey to reclaim Julphar's leadership position in the MENA region," said Dr. Essam Farouk, Chief Executive Officer of Julphar. "The AED 500 million rights issue is central to our turnaround strategy, which capitalizes on Julphar's core competencies to strengthen our balance sheet and invest in sustainable growth opportunities, while creating sustainable shareholder value. We are working on several strategic initiatives to move us towards a cash positive position and bring Julphar back to profitability."

In addition to improving its capital structure and balance sheet, the newly injected capital is expected to help expand Julphar's operations in key markets including Saudi Arabia, Iraq and Egypt. Earlier this year, Julphar announced the relaunch of over 80 products in both Saudi Arabia

and Oman after the confirmation of its full compliance with Good Manufacturing Practices (GMP) through an inspection conducted by the Gulf Health Council (GHC) and the Saudi Food and Drug Authority (SFDA).

Julphar was established in 1980 and registered as a national UAE public shareholding company with a mission to provide a better quality of life for the people by delivering best in class solutions and real value through a wide range of products such as medicines, vaccines and consumer healthcare products.

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About Julphar

Julphar is one of the largest pharmaceutical manufacturers in the Middle East and Africa, and for almost four decades, the company has been delivering high quality, innovative and affordable healthcare solutions to families across the globe. Established under the guidance of His Highness Sheikh Saqr Bin Mohammed Al Qasimi in 1980, Julphar employs more than 3,500 people and distributes pharmaceutical products to more than 50 countries on five continents.

Julphar's business is centered on three core business units – Julphar Diabetes Solutions, General Medicines and its consumer division, Julphar Life – which target major therapeutic segments including Gastroenterology, Pain Management, Wound Care, Antibiotics and Cardio-Metabolism. Julphar has 16 internationally accredited facilities in Africa, Middle East and Asia. In 2012, Julphar became one of the largest producers of Insulin with its UAE-based biotechnology production unit.

For more information, visit <http://www.julphar.net>

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