

## Frequently Asked Questions (“FAQs”) in relation to the Increase of the Share Capital of Methaq Takaful Insurance Company PJSC (“Methaq” or “Company”) by way of a Rights Issue

The questions and answers below should be read in conjunction with the “Invitation to Shareholders to Subscribe in the Capital Increase of the Company” which sets out the terms and conditions of the Rights Issue. Unless the context otherwise requires, the definitions set out in the “Invitation to Shareholders to Subscribe in the Capital Increase” shall apply throughout. If you are in any doubt as to what action you should take, please seek your own independent financial advice immediately.

### 1. What is a rights issue?

A Right issue is an invitation to existing shareholders to subscribe to New Shares in the Company. A right is a tradable security granted to registered shareholders of the Company at the eligibility date and which entitles its holder the right to subscribe for New Shares.

If you are a shareholder of the Company as of close of business of ADX on Monday, 19 July 2021 being the Eligibility Date, you will be issued “Rights” granting you the eligibility to subscribe for New Shares in the Company. You will be issued 1.667 rights for every 1 share you own, and each such right entitles you to subscribe to one New Share at the Issue Price. You may also sell these rights to other investors on the ADX during the Rights Trading Period.

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

Yes. The Right is an instrument that entitles its holder to subscribe for a certain number of shares. If the Right is not used or traded by the respective Right holder, the Right will lapse and shall have no value upon the expiration of the Subscription Period or the Trading Period, respectively.

### 3. Why is Methaq raising funds through a rights issue?

The Company intends to use the net proceeds from the Rights Issue in order to comply with the minimum risk capital & solvency requirements as per the local UAE regulations and to comply with high ratio of liquidity and to cover any unexpected future liability and for investment purposes.

### 4. How much is Methaq raising?

Methaq aims to raise up to AED 250,000,000 (Two Hundred Fifty Million UAE Dirhams) increasing the share capital of the Company from AED 150,000,000 (One Hundred Fifty Million UAE Dirhams) up to an amount not exceeding AED 400,000,000 (Four Hundred Million UAE Dirhams) by issuing up to 250,000,000 (Two Hundred Fifty Million) New Shares at the Issue Price.

### 5. How will Methaq shareholders be affected?

Each shareholder of Methaq will receive the right to subscribe for 1.667 New Shares for every 1 share they own as of the Eligibility Date. Shareholders will be entitled to: (i) exercise their Rights to subscribe for one New Share at the Issue Price for each right held by them; (ii) trade their rights through a securities broker registered and licensed by the ADX; or (iii) take no action.

**6. Can I subscribe to just some of the Rights?**

Yes. You may decide to use a portion of your Rights to buy New Shares, and sell or do nothing with the rest of your Rights.

**7. Do I have to subscribe?**

It is for you, as a shareholder, to decide for yourself whether to subscribe. If you decide not to subscribe, you may sell your Rights or do nothing with them. The Rights will be tradable on the ADX during the Trading Period from Sunday 25 July 2021 until Thursday 5 August 2021.

**8. Can I sell my Rights - can they be traded?**

Yes, a Right is an option to buy shares - but you are not obligated to do so. You may decide that you do not want to exercise your Rights to subscribe to some or all of the New Shares that you are entitled to. In this case, you may sell some or all of your Rights to another investor at their market value. In order to sell your Rights, you should contact a broker registered and licensed by the ADX. The Rights will be tradable on the ADX under the ticker "Methaq-RI." during the Rights Trading Period.

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

The price of the Right cannot be predicted as it will be determined by market supply and demand upon commencement of trading. 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.

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

The Subscription Period will open at 8:00 am on Thursday 29 July 2021 and end at 2:00 pm on Wednesday 11 August 2021 at the participating branches of the Sole Receiving Bank. During the Subscription Period, the holders of Rights which includes shareholders and any person who purchased Rights during the Rights Trading Period will be allowed to exercise their Rights to subscribe for the New Shares at the Issue Price.

**11. How do I subscribe for New Shares?**

In order to exercise your Rights and buy the New Shares that Methaq is offering you, you must submit a subscription application to any of the branches of the Sole Receiving Bank below during the Subscription Period together with the required documents and the payment in full for the New Shares you have subscribed for.

**12. How to ensure if my NIN is valid?**

In order to ensure your NIN is valid, please call ADX Customer Service at 800239.

**13. Can I subscribe to more New Shares than my Rights allow?**

Yes. You can subscribe for more New Shares than your Rights during the Subscription Period, where you will need to pay for the full subscription amount for the New Shares you wish to subscribe for. If holders of Rights do not exercise their rights to subscribe in full for all of the New Shares, the remaining New Shares will be allocated to individuals or organizations that subscribed for a number of New Shares above their allocation, on a pro rata basis. There is no guarantee that you will receive the number of New Shares that you applied for, in which case you will receive a refund for the New Shares that you subscribed for, but did not receive.

**14. If I apply for additional New Shares, am I guaranteed to receive them?**

While holders of Rights can apply for additional New Shares, there is no guarantee that they will receive all of the New Shares that they subscribed for beyond what their rights allow. Additional New Shares remaining after the initial allocation will be distributed to holders of Rights who applied for additional New Shares over and above what they are entitled to through the number of Rights they hold, on a *pro rata* basis.



15. What happens if I don't subscribe?

If you choose not to exercise all of the Rights you were issued to subscribe for New Shares, your percentage ownership in Methaq will decrease and you will suffer an immediate dilution in your interest in the Company.

This is because, while the total number of shares of Methaq will increase through its Capital Increase which will be implemented in connection with the Rights Issue, the number of shares that you own will not increase in the same proportion, unless you exercise all of the Rights you were issued to subscribe for New Shares. This will have implications - for example, your share of the total dividends paid by Methaq will decrease, and your share of votes at shareholder meetings will decrease.

You will not be entitled to any compensation in respect of any Rights not used to subscribe for New Shares. If you are in any doubt as to what action you should take, please seek your own independent financial advice immediately.

16. Can I subscribe to the Rights Issue if I am not a shareholder of Methaq?

Yes. You can buy rights to subscribe for New Shares on the ADX during the Rights Trading Period. You can do this through an ADX-registered broker. Once you own the Rights, you can subscribe to New Shares during the Subscription Period.

17. Can I subscribe if I am outside the UAE?

The subscription will be open in UAE only to UAE, GCC, Non-GCC Individuals and Institutional subscribers.

UAE residents who are temporarily outside the UAE during the Subscription Period can subscribe either by giving someone else in the UAE a power of attorney to subscribe on their behalf or through the electronic subscription methods.

18. What are the key dates?

- Date of publication of the invitation to subscribe for New Shares by way of Rights Issue: Thursday 24 June 2021
- Eligibility Date of Rights (record date) \*: Monday 19 July 2021 for the registered shareholders of the Company on this date.
- First day of trading in Rights on the ADX: Sunday 25 July 2021
- Last day of trading in Rights on the ADX: Thursday 5 August 2021
- Subscription Opening Date: Thursday 29 July 2021
- Subscription Closing Date: Wednesday 11 August 2021
- Date of finalizing the allocation: Wednesday 18 August 2021
- Date of finalizing the refund process: Wednesday 18 August 2021
- Commencement of Dealings in the New Shares: On or around Wednesday 27 August 2021

\*In order to receive Rights on the Eligibility Date, investors must ensure that they execute any purchase orders for shares at least two business days prior to the Eligibility Date, i.e. on or before 2 pm on Thursday 15 July 2021, to allow for the settlement of trades on the ADX (which operates on a T+2 basis). If the Eligibility Date falls on a holiday, the Eligibility Date would be the date falling on the first working day thereafter.

ENBD Branches open for subscriptions

AREA	BRANCH	TIMING
Dubai	Group Head Office Branch	Sun - Thurs 8:00am - 3:00pm
Dubai	Jumeirah Branch	Sat - Thurs 8:00am - 2:00pm
Abu Dhabi	Electra Street Branch	Sat - Thurs 8:00am - 2:00pm
Al Ain	Al Ain Main Branch	Sat - Thurs 8:00am - 2:00pm
Sharjah	Sharjah Main Branch	Sat - Thurs 8:00am - 2:00pm

19. For inquiries, please see below:

- For any queries related to the Rights issue and subscriptions, please contact ENBD's call centre on +971 4 3160066
- For NIN and Rights related queries, please contact ADX Customer Services at 800adx o 800239

