

- Translation -

Information Memorandum for the Allocation of Newly Ordinary Shares Issued Inter Pharma Public Company Limited

The resolution of the Board of Directors' meeting of the Inter Pharma Public Company Limited ("Company") No. 4/2021, which was held on June 22, 2021 resolved to increase the registered capital of the Company THB 33,839,959.50 from the original registered capital of THB 144,199,795.50 to the new registered capital in the amount of THB 178,039,755 by issuing new ordinary shares of not exceeding 67,679,919 shares, with a par value of THB 0.50, to reserve for (1) the allocation of newly ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) (2) the exercise of the warrants to purchase ordinary shares of the Company No. 1 (the "IP-W1 Warrants") (3) the allocation of newly ordinary shares under the General Mandate. The terms and conditions of the issuance and allocation of the aforementioned transactions are set out in the **Attachment 1: Capital Increase Form (F53-4)** and hereinafter.

1. Detail of the Issuance and Allocation of Newly Ordinary Shares

1.1 Allocation of newly issued ordinary shares of not exceeding 9,613,320 shares at par value of THB 0.50 per share for sale to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 1 existing share to 30 newly issued ordinary share with an offering price of THB 20 per share. The date for determining the shareholders who are entitled to be allocated and offered the newly issued shares together with IP-W1 Warrants (Record Date) is July 21, 2021. The subscription and payment periods of the newly issued ordinary shares is during August 9 to August 13, 2021 from 9.00 am to 15.00 pm on the Company's working days.

The shareholders are allowed to subscribe additional rights for newly issued ordinary shares in excess of their rights as specified above (Oversubscription Privilege), in which existing shareholders who subscribe for additional rights to purchase a specified proportion of the unexercised shares. Only when there are shares remaining from the allocation to the existing shareholders of the Company that has all right reserved. In the allocation of newly issued ordinary shares to the existing shareholders of the Company. In the event that, there are shares remaining from the allocation to the existing shareholders of the Company according to the proportion of shareholding in the first round, the Company will allocate the remaining newly issued ordinary shares to the existing shareholders wishing to subscribe for more than their rights in proportion to their existing shareholding at the same price as the shares allotted according to their rights. This includes existing shareholders, who wish to subscribe for more than their rights in proportion to their shareholding as connected persons of the Company. The details are as follows:

- (a) In case of number of shares remaining from Rights Offering in the first round is more than or equal to the shares that the existing shareholders subscribe for in excess of the right according to the proportion of shareholding, the company will allocate the remaining shares to those who subscribe for more than the rights and pay all subscription fees for all shares according to the number of intention to subscribe for more than rights;
- (b) In the case of number of shares remaining from Rights Offering in the first round is less than the shares that the existing shareholders subscribe for more than the right according to the proportion of shareholding, the Company will allocate the remaining shares to those who subscribe for more than the rights according to the following steps:
 - (1) Allocated in the proportion of existing shareholders of each subscriber to more than each

individual right by multiplying the existing shareholding proportion of the subscriber exceeding each right by the number of remaining shares. It will be the number of shares that each subscriber exceeds the rights to be allocated in the event that there are fractions of shares, rounding those shares shall be discarded. However, the number of shares to be allocated shall not exceed the number of shares subscribed and paid for by each shareholder

- (2) In the event that there are shares remaining after the allocation under Clause (b) (1), the allocation shall be made to each subscriber that exceeds the rights and has not been fully allocated in proportion to the original shareholding of those who subscribe for more than each right by multiplying the existing shareholding of each subscriber that exceeds each of the rights by the number of remaining shares to be the number of shares that the subscriber exceeds each of the rights to be allocated. In the event that, there are fractions of shares, rounding off those shares the number of shares to be allocated will not exceed the number of shares that each shareholder has already subscribed and paid for the subscription price. In this regard, the allocation of shares to the subscriber exceeds the rights under the procedures in this Clause until there is no shares left from the allocation.

The allocation of shares to the existing shareholders of the Company subscription beyond rights in any case, it must not make any shareholders (Including persons under Section 258 of the Securities and Exchange Act 1992 (including amendments) of the aforementioned shareholders) holding the Company's shares in the following manners;

- (c) In the manner that, increases to or across the trigger point for a tender offer as specified in the Notification of the Capital Market Supervisory Board No. TorJor. 12 / 2554 regarding Rules, Conditions and Procedures for the Acquisition Securities for business takeovers (Including any amendments) ("Notification No. Tor Jor. 1 2 / 2 5 5 4 ") (except that such shareholder has been exempted from making a tender offer for all securities of the business as specified in the announcement Tor Jor. 12/2554); or
- (d) In the manner which violates the foreign share restrictions specified in the Company's Article of Association.

In addition, The Company will cancel the remaining shares from the allocation of shares under Rights Offering and Oversubscription Privilege and proceed with the reduction of the Company's registered capital.

In the allocation of the newly issued ordinary shares of the Rights Offering, the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or have the power to take the following actions as relevant or as reasonably necessary to accomplish the issuance and allocation of the Rights Offering but not limited to;

- (a) To consider the details of the allocation of the Rights Offering shares to be in accordance with the laws and regulations relating to the issuance and offer to sell securities under Thai law. However, the company may reserve the right to not offer new shares to existing shareholders of any company, if doing so will make the company violating foreign laws or Articles of association;
- (b) To determine or change method for allocation of newly ordinary shares issued, for example, all at one time, or a part, the period of offering price, purpose of offering, offering ratio, offering price and payment method or details regarding the allotment and offering, such as changing the date for determining the rights, list of shareholders, who are entitled to receive the newly issued shares;
- (c) To sign the request form, requesting waiver of the notice as well as any documents related to the allocation of newly issued ordinary shares. It includes contacting and submitting documents to staff or representatives of any relevant departments. As well as the introduction of new ordinary shares of

the company listed on the Market for Alternative Investment and take any actions necessary and relevant to the allotment of Rights Offering under the terms of the relevant law;

- (d) To register of changes in paid-up capital with the DBD-MOC and has the power to take all necessary actions in accordance with the registrar's order to complete the registration process.

Nevertheless, the determination of the allocation and offering of the Rights Offerings is uncertain until the approval of shareholders' meeting has received.

1.2 Allocation of newly issued ordinary shares of not exceeding 19,226,640 shares at par value of THB 0.50 per share to be reserved for the exercise of the IP-W1 Warrants to the existing shareholders who subscribe and make payment for Rights Offering at the ratio of 1 new subscribed share to 2 unit of IP-W1 Warrant free from charge as detail shown in the followings:

Term of Warrant	: 2 Years
Exercise Ratio	: 1 unit of IP-W1 Warrants for 1 ordinary share
Exercise price	: THB 25 per share
Exercise period	: The IP-W1 Warrants holders can exercise their rights to purchase the company's ordinary shares on the last business day of every quarter throughout Exercise Period ("Exercise Date"). The Last Exercise Date will be the expired date of the IP-W1 Warrants. In the event that any exercise date do not fall on a business day of the Company, the such date shall be shifted to the preceding business day prior to such exercise date.

The conditions and details of the IP-W1 Warrants are set out in the **Attachment 3: Summary of Key Features of Warrants to Purchase Newly Issued Ordinary Shares No.1 (IP-W1)**

Nevertheless, the determination of the allocation and offering of the IP-W1 Warrants is uncertain until the approval of shareholders' meeting has received.

1.3 The allotment of newly issued ordinary shares under General Mandate in the number of not exceeding 38,839,959 shares at the par value of Baht 0.50 per share as follows:

- (1) Rights Offering in the number of not exceeding 10,000,000 shares at the par value of Baht 0.50 per share, representing 3.47% of the Company's total paid-up capital or
- (2) Private Placement in the number of not exceeding 28,839,959 shares at the par value of Baht 0.50 per share, representing 10% of the Company's total paid-up capital or

In this regard, the Board of Directors' meeting, therefore, proposes to the shareholders' meeting to consider authorizing the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer shall have the authority to consider and perform any act relating to, necessary for and/or in connection with the capital increase and allotment of the newly issued ordinary shares under the General Mandate of the Company, including but not limited to:

- (1) to determine conditions and other details relating to the allotment of the newly issued ordinary shares including but not limited to record date, offer period, subscription, payment of

subscription price and other conditions and details relating to the allotment of the newly issued ordinary shares;

- (2) to negotiate, enter into and sign relevant documents and contracts including perform any other related and necessary act in connection with the allotment of newly issued ordinary shares; and
- (3) to sign application, notice, instrument or other document in relation to the capital increase and allotment of the newly issued ordinary shares, including filing application and relevant documents to any competent authorities and/or agencies and listing of the newly issued ordinary shares of the Company on the Market for Alternative Investment and performing any other related and necessary act in connection with the allotment of newly issued ordinary shares

The newly issued ordinary shares shall not be offered to the connected persons according to the Capital Market Supervisory Board Notification no. ThorJor. 21/2551 re: Rules on Connected Transactions B.E. 2551 (2008) and the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003).

In addition, for the said offering of newly issued ordinary shares, the offering price under the Private Placement shall not be a Low Price as specified in the Notification of Capital Market Supervisory Board no. ThorJor. 72 / 2558 re: Permission for Listed Companies to Offer Newly Issued Shares to Private Placement. The Company's calculation of the price for offering of newly issued shares shall not be below the weighted average of the Company's share price traded on the Stock Exchange of Thailand for the period of not less than 7 consecutive business days but not exceeding 15 consecutive business days before the date on which the offering price is determined.

However, After the offering of newly issued ordinary shares as set out in item (1), item or item (2) above, the additional paid-up capital of the Company equals 13.47% which shall not greater than 30 % of the paid- up capital as of the date on which the Board of Directors has resolved to approve the General Mandate, and the Company shall complete allocation of the newly issued shares within the date that the Company holds the next annual general meeting or within the date that the next annual general meeting is required to be set-up by laws, whichever is the earlier.

The details of the issuance of newly issued shares under the General Mandate are set out in the **Attachment 1**: Capital Increase Report Form (F53-4).

2. Objective of the capital increase and fund utilization plan

In the case that all the Rights Offering are fully subscribed, the Company will be able to raise funds in the amount of approximately THB 192.27 million. The company plans to use the money received from this capital increase to use for ;

- (1) To the source of funds for Modern Pharma Company Limited has been added to invest in the construction and expansion of plant machinery and equipment to be able to complete the business as well as to cover the expansion of the business in the drug manufacturing contract and produce drugs for sale.
- (2) To use as a source of funds for the purchase of assets, factories, raw materials, inventories and operating system of the pharmaceutical factory of Teva Pharma (Thailand) Company Limited
- (3) To use as funding and working capital for new product businesses such as hemp and cannabis etc.
- (4) To use as the source of funds for acquisitions

- (5) Working capital
- (6) Repay loan

The issuance and allotment of shares under the IP-W1 warrants in the amount of THB 480.67 million in case of fully exercise of warrant holders will be used the proceeds received to acquire new businesses that are related and extend to the existing business of the company in order to increase revenue, sales, and profits in support of additional business expansion in the future, as well as for working capital and working capital and repay loan.

General Mandate is the flexible and speeding option of fund raising to cope with volatile market and other factors as well as the requirement of working capital for future business expansion enabling to reduce process and time frame as no shareholders' meeting required for each capital increase approval when the time is essential for funding requirement.

3. The effect on shareholders from the sale of newly issued shares

3.1 Control Dilution

3.1.1 the issuance and offering of Rights Offering

If the Right Offering is fully subscribed, there will be no impact of the Control Dilution. However, If there is no subscription of the Right Offerings, the Company will proceed to reduce the registered capital of the company by eliminating the remaining ordinary shares from the offering for sale, resulting in the number of paid-up shares unchanged, and does not affect the Control Dilution. But in the event that the Right Offering is under subscribed and other shareholders exercise their Oversubscription Privilege, it will affect the Control Dilution as follows:

$$= \frac{\text{No. of Shares Issued}}{\text{No. of Paid-up Shares} + \text{No. of Shares Issued}}$$

$$= \frac{9,613,320}{288,399,591 + 9,613,320}$$

$$= 3.23\%$$

3.1.2 Allocation of newly issued ordinary shares to be reserved for the exercise of the **IP-W1** Warrants

If the Warrant Holders fully exercises, there is no Control Dilution. If the Warrant Holders are not fully exercised, it will impact the Control Dilution as follows: (The calculation of the impact below is under the assumption that the Rights Offering is fully subscribed occur prior of the allocation of the **IP-W1** Warrants which is also fully exercised)

$$= \frac{\text{No. of Shares Reserved for the exercise of the **IP-W1** Warrants}}{\text{No. of Paid-up Shares after RO} + \text{No. of Shares Reserved for the exercise of the **IP-W1** Warrants}}$$

No. of Paid-up Shares after RO = No. of Paid-up Shares + No. of Shares Issued for RO

$$= 288,399,591 + 9,613,320 = 298,012,911$$

$$= \frac{19,226,640}{298,012,911 + 19,226,640}$$

$$= 6.06\%$$

3.1.3 The allotment of newly issued ordinary shares under General Mandate.

Incapable of being calculated or forecasted due to the terms and conditions of the issuance and allotment of such shares are not yet set up.

3.2 Price Dilution

3.2.1 Rights Offering

If the Right Offering is fully subscribed, there will be no impact of the Price Dilution But in the event that the Right Offering is under subscribed and other shareholders exercise their Oversubscription Privilege, the Price Dilution impact will be as follows:

$$= \frac{\text{Market Price Prior to the RO} - \text{Market Price after the RO}}{\text{Market Price Prior to the RO}}$$

$$= \frac{21.19 - 21.15}{21.19}$$

$$= 0.18\%$$

Market Price after the RO

$$= \frac{(\text{Market Price Prior to the RO} \times \text{No. of Paid-up Shares}) + (\text{RO Offering Price} \times \text{No. of Shares Issued for RO})}{\text{No. of Paid-up Shares} + \text{No. of Shares Issued for RO}}$$

$$= \frac{(21.19 \times 288,399,591) + (20 \times 9,613,320)}{288,399,591 + 9,613,320}$$

$$= \text{THB 21.15 per share}$$

Note: Market price is equal to the weighted average market price of the company's stock price for the past 7 consecutive business days prior to the date of the Board of Directors Meeting No. 4/2021 on June 2, 2021 (that is, between June 24, 2021 – July 1, 2021) (Data from SETSMART of SET) which is equal to THB 23 per share

3.2.2 The issuance of ordinary shares to be reserved for the exercise of the IP-W1 Warrants

If the Warrant Holders fully exercises, there is no Price Dilution. If the Warrant Holders are not fully exercised, it will impact the Price Dilution as follows: (The calculation of the impact below is under the assumption that the Rights Offering is fully subscribed occur prior of the allocation of the IP-W1 Warrants which is also fully exercised)

$$= \frac{\text{Market Price after the RO} - \text{Market Price after the RO and exercise of IP-W1 Warrants}}{\text{Market Price after the RO}}$$

$$= \frac{21.15 - 21.38}{21.15}$$

= - 1.103% (No impact on price dilution)

Market Price after the RO and exercise of IP-W1 Warrants

= (Market Price Prior to the RO x No. of Paid-up Shares) (RO Offering Price x No. of Shares Issued for RO) + Proceed from exercising IP-W1 Warrants No. of Paid-up Shares + No. of Shares Issued for RO + No. of Shares from exercising IP-W1 Warrants

=
$$\frac{(21.15 \times 288,399,591) + (20 \times 9,613,320) + 480,666,000}{288,399,591 + 9,613,320 + 19,226,640}$$

= 21.38

3.2.3 The allotment of newly issued ordinary shares under General Mandate

Incapable of being calculated or forecasted due to the terms and conditions of the issuance and allotment of such shares are not yet set up.

4. **The opinion of the Board of Directors on Capital increase**

4.1 Reasons and necessity of the capital increase

The Board of Directors are of the opinion that it is necessary to increase the registered capital by issuing new ordinary shares under Rights Offering, issuing new shares to be reserved for the exercising of IP-W1 Warrants and issuing shares under the General Mandate to facilitate the Company's business plan according to the aforementioned objectives set out in Article No. 2.

4.2 The possibility of using the proceeds.

The Company expected the issuance and allotment of Right Offering as well as completely receive the proceed from this transaction by August 2021. All the proceeds will be used to facilitate the Company's business plan according to the aforementioned objectives set out in Article No. 2. The proceeds from exercising IP-W1 Warrants of which anticipated to be streaming in over the 2-year of exercising period will be gradually used according to the aforementioned objectives set out in Article No. 2.

4.3 The rational of the capital increase, fund utilization plan and detail of projects to be invested in as well as the adequacy of the fund.

The Board of Directors are of the opinion that this transaction is appropriate, reasonable and beneficial to the Company and its stakeholders for utilizing the proceeds to facilitate the Company's business plan according to the aforementioned objectives set out in Article No. 2.

In the case of the Rights Offering are fully subscribed, the Company will be able to raise funds in the amount of approximately THB 192.27 million and will be utilized to facilitate the Company's business plan according to the aforementioned objectives set out in Article No. 2 within 2021. For the proceeds from exercising of IP-W1 warrants in the amount of THB 480.67 million in case of fully exercise of warrant holders will be utilized to facilitate the Company's business plan according to the aforementioned objectives set out in Article No. 2 over the period of 2 years according to exercise period.

4.4 The expected impact on the company's business operations as well as the financial status and results of operations of the company Due to the capital increase and the implementation of the use of funds or projects.

The Board of Directors are of the opinion that this transaction is the implementation of the

Company's fund-raising plan to be utilized in the aforementioned objectives set out in Article No.

2. This transaction will benefit the Company to generate stable income for the company and reduce the cost of running the business as well as expanding the market abroad without relying solely on income from domestic sales and revenues from drug manufacturing contracts and revenue from other businesses and pharmaceutical factories will still be able to serve as a place for research and development of new products in the future. This will give rise to the consistency of cash flow, and net profit in the future which definitely strengthen the Company's performance and financial status.

5. Representations and Warranties of the Board of Directors

In the case that the directors of the Company not performing duties in accordance with the law, the objectives and the regulations of the Company as well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the Company. In matters relating to the capital increase by acting or omitting any actions that do not perform the duties and cause damage to the Company. The company can claim compensation from that director, but if the Company do not claim for compensation shareholders holding a total of not less than 5 percent of the total issued shares will notify the company to be claimable. The Company do not proceed as the shareholders have informed, the shareholder can sue for damages from the director on behalf of the Company in accordance with Section 85 of the Public Company Limited Act 1992 (including amendments). In addition, if the actions or omissions of the directors which do not perform their duties, shall be in accordance with the laws, objectives and regulations of the company. As well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the company in matters relating to the capital increase, it causes the directors, executives, or related persons to benefit improperly. The Company may sue the directors to be responsible for returning the benefits to the Company. The shareholders holding shares with voting rights of not less than 5% of the total voting rights of the Company will notify the company can do so. If the Company do not proceed as according to shareholders within 1 month from the date of notification such shareholders are able to exercise the right to claim benefits from that director on behalf of the company in accordance with Section 89/18 of the Securities and Exchange Act B.E. 2535 (including any amendments)

The Company certifies that the information in this report is accurate and complete in all respects. Please be informed accordingly.

Yours sincerely,

Signed..... Authorized Director
(Dr.Trinnawat Thanitnithiphan) (Miss Supaporn Rerkpitakpanich)