
You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No. 29, 2007 (the "Act")

For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 22 to 24



RC2078

AIR LIQUIDE NIGERIA PLC

RC2078

Rights Issue of

414,000,000 Ordinary Shares of 50 kobo each at

₦5.00 per Share

on the basis of 23 new Ordinary Shares

**for every 10 Ordinary Shares held as at the close of business on 15
October 2019**

**The rights being offered in this Rights Circular are tradable on NASD Plc for the
duration of the Acceptance period of the Issue.**

Payable in full on Acceptance

ACCEPTANCE LIST OPENS: Monday, 04 November 2019

ACCEPTANCE LIST CLOSES: Friday, 29 November 2019

Issuing House:



RC1031358

This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission. The Investments and Securities Act No. 29, 2007 provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties of any liability arising under the Act for false and misleading statements or for any omission of a material fact in this Rights Circular.

A copy of this Rights Circular will be available on Air Liquide Nigeria Plc's website www.airliquide.com/nigeria for the duration of the Rights Issue.

This Rights Circular is dated 25 October 2019

IMPORTANT NOTICE

Notice to Shareholders outside Nigeria

The distribution of this Rights Circular and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Issuer or the Issuing House that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

Forward Looking Statements

Certain statements in this Rights Circular may constitute forward looking statements that involve a number of risks and uncertainties. These forward looking statements include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, the Company's strategies, future plans and the industry in which it operates. Prospective investors should be aware that forward looking statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward looking statements contained in this Rights Circular. Actual results could differ materially from those contained in such forward looking statements as a result of a variety of factors.

The Directors collectively and individually accept full responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import.

The Issuing House and/or any of its affiliates, acting as shareholders for their own accounts, may take up shares in the Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in such Shares for their own account and any other securities of the Company or related investments and may offer or sell such Shares or other investments other than in connection with the Issue.

No person has been authorised to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorised by the Company and/or the Issuing House or any of their respective subsidiaries or affiliates.

The information contained in this Rights Circular has been provided by the Company and other sources duly identified herein. The Issuing House makes no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any information in this Rights Circular. Each Shareholder should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each Shareholder's acceptance of his/her rights should be based upon such investigation as is deemed necessary. In making an investment decision, Shareholders must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

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DEFINITIONS

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“Air Liquide Group” or the “Group”	Air Liquide S.A.
“Air Liquide Nigeria” or the “Company” or “Issuer”	Air Liquide Nigeria Plc
“CAMA”	Companies and Allied Matters Act Cap C20 LFN, 2004
“CHN”	Clearing House Number
“CSCS”	Central Securities Clearing System Plc
“Daily Official List”	Daily Official List of NASD Plc
“Directors” or the “Board”	The members of the Board of Directors of Air Liquide Nigeria Plc who as at the date of this Rights Circular are those persons whose names are set out on page 12 of this Rights Circular
“Federal Government” or “FGN”	Federal Government of Nigeria
“ISA” or the “Act”	Investments and Securities Act No. 29, 2007
“Issue” or “Rights Issue”	The Rights Issue, by way of provisionally allotted rights to shareholders whose names appear on the Register of Members as at the close of business on 15 October 2019, of 414,000,000 Ordinary Shares of 50 kobo each in the Company, on the basis of 23 new Ordinary Shares for every 10 Ordinary Shares held by them on that date
“Issuing House”	Stanbic IBTC Capital Limited
“LFN”	Laws of the Federation of Nigeria
“Management”	Management of Air Liquide Nigeria Plc
“NASD OTC”	NASD Plc, an Over-The-Counter market licensed by the Securities and Exchange Commission
“NEFT”	NIBSS Electronic Funds Transfer
“NIBSS”	Nigeria Inter-Bank Settlement System
“Ordinary Shares”	The Ordinary Shares of 50 kobo each in the Company held by the ordinary shareholders of the Company and the 414,000,000 Ordinary Shares of 50 kobo each to be issued under the Rights Issue
“Participation Form”	Form that must be duly completed by each shareholder in order to participate in the Rights Issue as contained on pages 42 and 43 of this Rights Circular
“Qualification Date”	15 October 2019

DEFINITIONS

“Receiving Agents”	Any of the institutions listed on page 41 of this Rights Circular to which shareholders may return their completed Participation Forms together with payment/evidence of payment
“Receiving Bank”	Stanbic IBTC Bank PLC
“Register of Members”	The register that records the names and addresses of the ordinary shareholders of the Company, in accordance with the requirements of CAMA
“Registrars”	United Securities Limited
“Rights Circular”	This document, which is issued in accordance with the rules and regulations of the Commission
“RIN”	Registrar Identification Number created under the Registrars CSCS position for shareholders who do not have CSCS accounts to warehouse their units of shareholding in public companies
“RTGS”	Real Time Gross Settlement
“SEC” or the “Commission”	Securities and Exchange Commission
“Solicitors”	Banwo & Ighodalo
“Stockbrokers”	Stanbic IBTC Stockbrokers Limited
“Working Day” or “Business Day”	A day other than a Saturday, Sunday or public holiday declared by the Federal Government on which banks are open for business in Lagos, Nigeria

INDICATIVE TIMETABLE

The dates below, which reflect principal events of the Rights Issue, are indicative only and subject to change without notice:

DATE	ACTIVITY	RESPONSIBILITY
04 November 2019	Acceptance List opens / Trading in Rights begins	Issuing House / Stockbrokers
29 November 2019	Acceptance List closes / Trading in Rights closes	Issuing House / Stockbrokers
06 December 2019	Receiving Agents make returns	Issuing House / Receiving Agents / Registrars
17 December 2019	File allotment proposal and draft newspaper announcement with SEC	Issuing House
19 December 2019	Receive SEC's clearance of allotment proposal	Issuing House
20 December 2019	Credit CSCS accounts	Registrars
20 December 2019	Pay net Issue proceeds to Air Liquide Nigeria	Receiving Bank
21 December 2019	Trading of new Air Liquide Nigeria shares on NASD OTC commences	Stockbrokers
23 December 2019	Publish Allotment announcement	Issuing House
31 December 2019	Return surplus / rejected application monies	Issuing House / Registrars
21 January 2019	Forward Issue summary report to SEC	Issuing House

1. Head Office and registered office address

Air Liquide Nigeria Plc
104/106 Ladipo Street
Matori, Mushin
Lagos, Nigeria

Tel: +234 1 448 2352

Email: Sulemana.Dauda@airliquide.com

Web: www.airliquide.com/nigeria

2. The addresses of Air Liquide Nigeria's other business locations are as follows:

S/N	Location	Address
1	Port Harcourt	Plot 108 Trans-Amadi Industrial Layout, Port Harcourt, Rivers State, Nigeria
2	Warri	47 Enerhen Road, Warri, Delta State, Nigeria
3	Ibadan	E9/2630, New Ife Road, Ibadan, Oyo State, Nigeria
4	Abuja	Plot 24, H&A Plaza, Olusegun Obasanjo Way, Wuse District, Abuja, FCT, Nigeria

SUMMARY OF THE RIGHTS ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial summary elsewhere in this Rights Circular.

- 1. Issuer:** Air Liquide Nigeria Plc.
- 2. Issuing House:** Stanbic IBTC Capital Limited.
- 3. Share Capital:**
- Authorised: ₦600,000,000.00 divided into 1,200,000,000 Ordinary Shares of 50 kobo each.
- Issued and fully paid: ₦90,000,000.00 divided into 180,000,000 Ordinary Shares of 50 kobo each.
- Now being issued: 414,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per share.
- Gross Issue Proceeds: ₦2,070,000,000.00.
- 4. Purpose:** The Rights Issue is being undertaken to enable Air Liquide Nigeria pay down its debt obligations and finance capital expenditure and working capital requirements.
- 5. Use of Proceeds:** The net Issue proceeds estimated at ₦2,019,691,187.50 (after deducting Issue costs of ₦50,308,812.50 representing 2.43% of the gross Issue proceeds) will be applied as follows:

		N'm	%	Estimated completion
1.	Repayment of intercompany bridge loan facility	1,004	49.7	Q4 2019
2.	Settlement of foreign currency supplier liabilities	315	15.6	Q4 2019
3.	Part payment for the purchase, installation and maintenance of the new Air Separation Unit	301	14.9	Q4 2019
4.	Repayment of bank overdraft	300	14.9	Q4 2019
5.	Working capital requirements	100	4.9	Q2 2020
		2,020	100.0	

Further details on the use of proceeds are provided on page 33.

- 6. Method of Issue:** By way of rights to existing shareholders.
- 7. Provisional Allotment:** 23 new Ordinary Shares for every 10 Ordinary Shares of 50 kobo each held as at the close of business on 15 October 2019 (the Qualification Date) by those shareholders whose names appear on the Register of Members and transfer books of the Company as at that date.
- 8. Issue Price per share:** ₦5.00.
- 9. Payment:** In full on acceptance.

SUMMARY OF THE RIGHTS ISSUE

- 10. Market capitalisation at Rights Issue Price (Pre-Issue):** ₦900,000,000.00.
- 11. Market capitalisation at Rights Issue Price (Post-Issue):** On completion of the Rights Issue, assuming all provisionally allotted Ordinary Shares are fully taken up, the Company will have a market capitalisation of ₦2,970,000,000.00.
- 12. Opening Date:** 04 November 2019
- 13. Closing Date:** 29 November 2019
- 14. Qualification Date:** 15 October 2019
- 15. Application for Additional Shares:** Ordinary Shares which are not taken up by close of the acceptance period will be allotted on a pro-rata basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment. Shareholders, who do not accept their provisional allotment in full, may have their shareholding in the Company diluted.
- 16. Underwriting:** This Rights Issue is not underwritten.
- 17. Consolidated Financial Summary:**

	----->N'millions <-----					
	Unaudited six months ended 30 June	----->Audited year ended 31 Dec<-----				
	2019	2018	2017	2016	2015	2014
Turnover	904	1,720	1,752	1,882	1,552	1,739
Profit (Loss) before taxation	90	(496)	(511)	(109)	103	174
Profit (Loss) after taxation*	61	(508)	(507)	(105)	103	120
Retained earnings	(586)	(918)	(343)	213	414	319
Share capital	90	90	90	90	90	90
Net assets	(491)	(823)	(249)	308	508	413
Total assets	2,563	2,278	2,524	2,452	2,397	2,504
Earnings per share (kobo)	34	(282)	(282)	(58)	57	67

*Profit / (Loss) from continuing operations

- 18. Quotation:** Air Liquide Nigeria's entire issued and paid-up share capital is tradable on the NASD OTC. An application has been made to NASD OTC for the admission of the 414,000,000 Ordinary Shares being offered by way of this Rights Issue.
- 19. Status:** The new Ordinary Shares being issued will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company.
- 20. Dividend Qualification** The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 2019, as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the Ordinary Shares now being issued.

SUMMARY OF THE RIGHTS ISSUE

- 21. Indebtedness:** As at the date of this Rights Circular, the Company had an outstanding debt balance of ₦1.2 billion as follows:
- ₦854 million intercompany bridge loan facility from Air Liquide Finance at an interest rate of 9-month NIBOR + 5.24%; and
 - ₦300 million bank over-draft from United Bank of Africa Plc at an interest rate of 20% plus a management fee of 0.75%.
- 22. Claims and Litigation:** “As at September 12, 2019, the Company was involved in six (6) cases in the ordinary course of its business. Of the six (6) cases, the Company has been sued as Defendant in three (3) cases by various individuals and organisations and is Claimant in three (3) cases. The Company is Counter-Claimant in two (2) of the three (3) cases instituted against it. Further, the Company is Appellant in the one (1) case in which judgment was entered against it.
- The total monetary claim in the cases instituted against the Company is approximately ₦32,898,608 (Thirty-Two Million, Eight Hundred and Ninety-Eight Thousand, Six Hundred and Eight Naira) and €150,020 (One Hundred and Fifty Thousand and Twenty Euros) while the total monetary claim in the cases instituted by the Company is approximately ₦17,681,066.18 (Seventeen Million, Six Hundred and Eighty-One Thousand, Sixty-Six Naira, Eighteen Kobo). Please note that the amounts referred to herein do not include interests and costs which may be awarded by the courts after the final resolution of each matter. Ultimately, the actual liability of the Company in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the respective suits.
- The Solicitors to the Issue are of the opinion that, if the matters instituted against the Company continue to be diligently defended by the Company, the contingent liability that would arise from the cases would not have a material adverse effect on the Company or the proposed Transaction.
- The Directors of the Company are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Company and are not aware of any other pending and threatened claim or litigation other than the six (6) cases referenced above.”
- 23. Settlement:** The CSCS accounts of shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbrokers. In accordance with the SEC directive on dematerialization of share certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a RIN. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided.

THE RIGHTS ISSUE

A copy of this Rights Circular and the documents specified herein have been delivered to the Commission for clearance and registration.

This Rights Circular is issued in compliance with the provisions of the Investments and Securities Act No 29. 2007, the rules and regulations of the Commission and the listing requirements of NASD OTC and contains particulars in compliance with the requirements of the Commission and NASD OTC for the purpose of giving information to the public with regards to the Rights Issue of 414,000,000 Ordinary Shares of Air Liquide Nigeria Plc by Stanbic IBTC Capital Limited. An application has been made to NASD OTC for the admission of the 414,000,000 Ordinary Shares being offered via the Rights Issue.

The Directors of Air Liquide Nigeria individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

STANBIC IBTC CAPITAL LIMITED

RC1031358

on behalf of

AIR LIQUIDE NIGERIA PLC

RC 2078

is authorised to receive acceptances for the

RIGHTS ISSUE OF

414,000,000 ORDINARY SHARES OF 50 KOBO EACH

AT ₦5.00 PER SHARE

on the basis of 23 new Ordinary Shares for every 10 Ordinary Shares held as at the close of business on **15 October 2019**

Payable in full on Acceptance

The Acceptance List for the shares now being issued will open on 04 November 2019 and close on 29 November 2019.

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 30 JUNE 2019

		₦'000
AUTHORISED*	200,000,000 Ordinary Shares of 50 kobo each	<u>100,000</u>
ISSUED AND FULLY PAID	180,000,000 Ordinary Shares of 50 kobo each	<u>90,000</u>
EQUITY	Share Capital	90,000
	Share Premium	4,314
	Retained Earnings	<u>(585,518)</u>
	Total Equity	<u>(491,204)</u>

* At the Company's Annual General Meeting on 22 August 2019, the Shareholders passed a resolution to increase the Company's authorised share capital to ₦600,000,000 divided into 1,200,000,000 Ordinary Shares of 50 kobo each

DIRECTORS, COMPANY SECRETARY, AUDIT COMMITTEE AND PARTIES TO THE ISSUE

Directors:

Mr Felix Sunday Afolabi (**Chairman**)
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA


Mr Alexandre Marie-Dominique Laurent Dufour
(**Vice Chairman**)
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA


Mr Sulemana Kwesi Dauda (**Managing Director**)
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA


Mr Aliyu Jimeta
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA

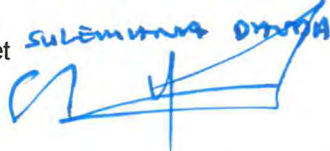

Mr Philippe Martinez
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA

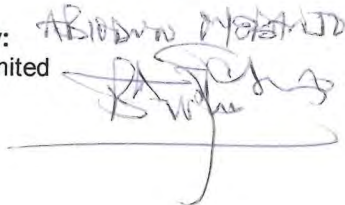

Mr Gino Morandini
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA


Mr Ottih John Ottih
104/106 Ladipo Street
Matori
Mushin
Lagos

SULEMANNA DAUDA


Company Secretary:
Marina Nominees Limited
Aret Adams House
233 Ikorodu Road
Ilupeju
Lagos

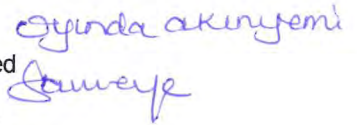
ABIODUN OYEBAYO


Audit Committee:

Evang (Dr) Anthony Omojola (**Chairman**)
Mr Alexandre Marie-Dominique Laurent
Dufour
Mr Aliyu Jimeta
Mr Samuel Onukwe

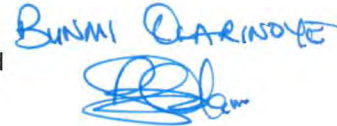
Issuing House:

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

ayinda akinyemi


Stockbrokers:

Stanbic IBTC Stockbrokers Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

BUNMI OARINWOYE


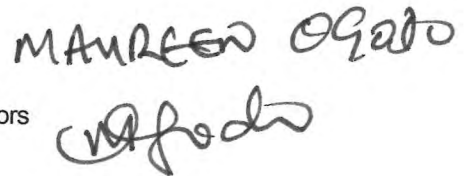
Solicitors:

Banwo & Ighodalo
48 Awolowo Road
Ikoyi
Lagos

Azeezoh Muse-Sedig

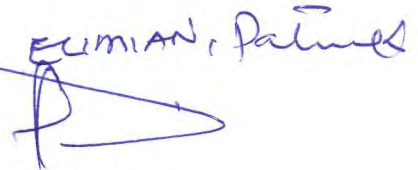

Auditors:

Ernst & Young
10th & 13th Floors
UBA House
57 Marina
Lagos

MAUREEN OGATO


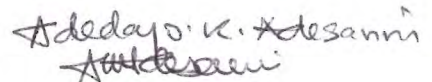
Registrars:

United Securities Limited
9 Amodu Ojikutu Street
Victoria Island
Lagos

EUMIAN, PALMER


Receiving Bank:

Stanbic IBTC Bank PLC
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Adedayo K. Adesanni


THE CHAIRMAN'S LETTER

The following is the text of a letter received by Stanbic IBTC Capital Limited from Mr Felix Sunday Afolabi, Chairman, Board of Directors of Air Liquide Nigeria Plc.



RC 2078

25 October 2019

Dear Shareholders

RIGHTS ISSUE OF 414,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.00 IN AIR LIQUIDE NIGERIA PLC

Over the years, Air Liquide Nigeria Plc (“Air Liquide Nigeria” or the “Company”) has grown to become one of the leading suppliers of gases for industrial and medical use in Nigeria. The Company has built a long-standing track record in the Nigerian gas sector and has continued to focus on client centricity and proximity through the establishment of plants and refilling depots in major industrial zones in the country, including its Port Harcourt and Lagos plants and its three depots in Abuja, Warri and Ibadan.

The Nigerian economy experienced recession with negative economic growth in 2016 and first quarter of 2017, largely caused by a significant drop in global oil prices and disruptive militant activities in oil producing states. This resulted in reduction of Nigeria’s foreign exchange reserves which was worsened by the devaluation of the Naira by the Central Bank of Nigeria in mid-2016. These challenges resulted in an increase in Air Liquide Nigeria’s cost of imported gases and equipment, as well as general cost of operations for the Company.

Despite a rebound in economic activity with positive Gross Domestic Product growth of 1.9% in 2018, the oil and gas sector continues to be affected by intermittent forced majeure placed on oil exports, lack of targeted regulatory policies for gas market and shutdowns and liquidation of several oil and gas companies, further depleting oil revenues. The extended decline in the Nigerian oil and gas sector negatively impacted Air Liquide Nigeria’s performance as the sector has historically contributed more than 70% of revenues and currently contributes about 67% to the Company’s revenue as at 30 June 2019. This has left Air Liquide Nigeria with significant challenges in financing its working capital requirements and consistent carryover of debt obligations owed largely to its foreign suppliers, due to difficulty the Company faced in sourcing sufficient foreign exchange at competitive rates. The combined effect of reduced revenues from its clients in the oil and gas space, increased foreign exchange costs and general hike in operational cost, affected Air Liquide Nigeria’s financial performance resulting in annual losses since 2016 and accumulated losses of ₦917 million as at 31 December 2018, which continues to deplete shareholders’ funds.

The Company has continued to take steps to combat the loss position with marginal hikes in product prices backed up with an aggressive sales and marketing drive. However, an electrical accident in its Port Harcourt plant in May 2018 resulted in the shut-down of operations of its Air Separation Unit (“ASU”) for eight months until December 2018. The reciprocal impact on the Company’s performance was missed sales of liquid nitrogen and oxygen worth over ₦400 million and resultant purchase of gases from competitors at higher prices to meet customers’ demand, which further depleted shareholders’ funds with a loss of ₦508 million in 2018.

In order to boost its revenues and reposition Air Liquide Nigeria for profitability, the Company took a decision to renovate the Port Harcourt plant in order to temporarily arrest the hike in costs. In this regard, the Company obtained a short tenured intercompany loan of ₦200 million from Air Liquide Group through Air Liquide Finance, another subsidiary of the Group, in October 2018. However, upon further reviews and in view of the fact that the repair of the Port Harcourt plant was only going to provide temporary relief and will continue to operate at a relatively high cost, the Company decided to invest in a new ASU to be financed through the Rights Issue. In a bid to ensure that this new ASU is commissioned in time to forestall the need to source products at higher costs by 2020, the Company decided to obtain a further ₦854 million short tenured loan from Air Liquide Finance in June 2019 to part finance the acquisition of the new ASU. Hence, the Company is seeking an equity injection to repay these loans and repay foreign currency dues to suppliers.

THE CHAIRMAN'S LETTER

After careful deliberations, the Directors recommended that Air Liquide Nigeria raises the equity capital via a rights issue. The funds raised will be used to finance capital expenditure, pay down intercompany and bank loans, settle foreign currency suppliers' liabilities and fund working capital requirements. The Rights Issue will enable the Company to strengthen its capital base to support business growth and exploit value accretive opportunities whilst giving Air Liquide Nigeria greater financial flexibility.

The Board of Directors were pleased with the impressive attendance of shareholders at the Annual General Meeting of the Company held on 22 August 2019, where you authorised the Directors of the Company to raise additional capital by way of rights to existing shareholders. We believe the Rights Issue provides a unique opportunity for shareholders to support the Company's future growth.

At a subsequent meeting of the Directors held on 10 September 2019, the Board authorised a Rights Issue of 414,000,000 Ordinary Shares at ₦5.00 per share.

All necessary arrangements have now been concluded for the Rights Issue which will be offered to shareholders whose names appeared in the Company's register of members as at 15 October 2019, in the proportion of 23 new Ordinary Shares for every 10 Ordinary Shares held by them on that date. We have received approvals from the Securities and Exchange Commission for the registration of the shares and no-objection has been granted by the NASD OTC. The shares will rank *pari passu* in all respects with the existing issued shares of the Company.

The Rights Circular contains the Company's history, strengths and future plans, general information relating to our Company and summary of financial information for the last five years, including management accounts for the period ended 30 June 2019. The Rights Circular also contains a provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance, payment and renunciation of your rights to the provisional allotment.

Full participation in the Rights Issue is critical for achieving the Company's long-term growth strategy. Air Liquide Group has indicated its willingness to fully take up its rights to demonstrate its unwavering commitment to the success of the Company. I, therefore, encourage you to carefully consider this opportunity as a declaration of your continued confidence in Air Liquide Nigeria's growth potential, by exercising your rights in full.

Thank you.

Yours faithfully



Mr Felix Sunday Afolabi
Chairman

1. HISTORICAL OVERVIEW

Air Liquide Nigeria was incorporated on 25 January 1960 as a private limited liability company, trading under the name, Port Harcourt Gas Producers Limited until 29 June 1966 when the Company's name was changed to Gas Producers Limited. The Company commissioned its first plant at Okehi Street Port Harcourt, in 1960.

In 1987, the Company acquired Gas & Welding Limited, a gas operating company in Lagos which operated as a subsidiary of the Company at the time. In 1992, Gas & Welding Limited was merged with Gas Producers Limited via a Scheme of Amalgamation. The Company's name was thereafter changed to Air Liquide Nigeria on January 28 1992. Following the completion of the Scheme of Amalgamation, Air Liquide Nigeria was converted to a public limited liability company.

To further expand its reach, the Company commissioned gas refilling depots in Abuja, Warri and Ibadan. This has resulted in considerable availability and visibility of its products.

Air Liquide Nigeria is a subsidiary of Air Liquide Group, which holds a 61.11% equity stake in the Company through Air Liquide Afrique S.A. Air Liquide Group is the world leader in gas technologies and services for the healthcare sector and industrial space. Air Liquide Group operates in 80 countries across the globe, employing approximately 66,000 staff and serving over 3.6 million customers and patients.

Air Liquide Group has provided both technical and financial assistance to Air Liquide Nigeria since inception. Specifically, the Group has provided access to the technological, marketing and managerial expertise that resides in Air Liquide Group's international operations.

2. BUSINESS OVERVIEW

Air Liquide Nigeria is a leading supplier of industrial, specialty and medical gases in Nigeria. The Company provides gas-related services and supplies medical, welding and fire protection equipment to a focused customer base of companies in the oil and gas, healthcare, steel, automotive and fabrication industries.

Gas Products

Supply of gas products and gas related services contributed about 93% of Air Liquide Nigeria's revenue as at June 2019. Air Liquide Nigeria's core gas product offering are organised into two broad categories:

1. Pure Gases

Air Liquide Nigeria is one of the largest producers and suppliers of pure gases in Nigeria. The Company supplies 26 different gases including acetylene, argon, carbon dioxide, carbon monoxide, ethane, ethylene, hydrogen, helium, nitrogen, propane, sulphur dioxide among others. All these gases are offered in different grades based on the purity requirement of the requisite customer application.

The Company produces acetylene, oxygen and nitrogen locally in its Port Harcourt plant, which has the capacity to produce 38 tonnes of oxygen and nitrogen per day and 50 cubic meters of acetylene per hour. Acetylene is also produced in the Company's Lagos plant which has the capacity to produce 60 cubic meters of acetylene per hour. All other pure gases are imported from fellow subsidiaries of the Group.

Imported gases are received either in bulk for refill or direct sale, or in cylinders as packaged gases of various sizes and configurations for convenient distribution to the Company's esteemed clientele. Packaged gases remain a key contributor to Air Liquide Nigeria's profitability and presents long-term growth opportunity for both locally produced and imported gases.

2. Gas Mixtures

Air Liquide Nigeria supplies gas mixtures, produced locally or imported from other subsidiaries of Air Liquide Group, for its varied client base in Nigeria.

These gases support critical needs of our clients' operations, assisting them to operate at international standards and at optimal levels of cost, efficiency and environmental protection.

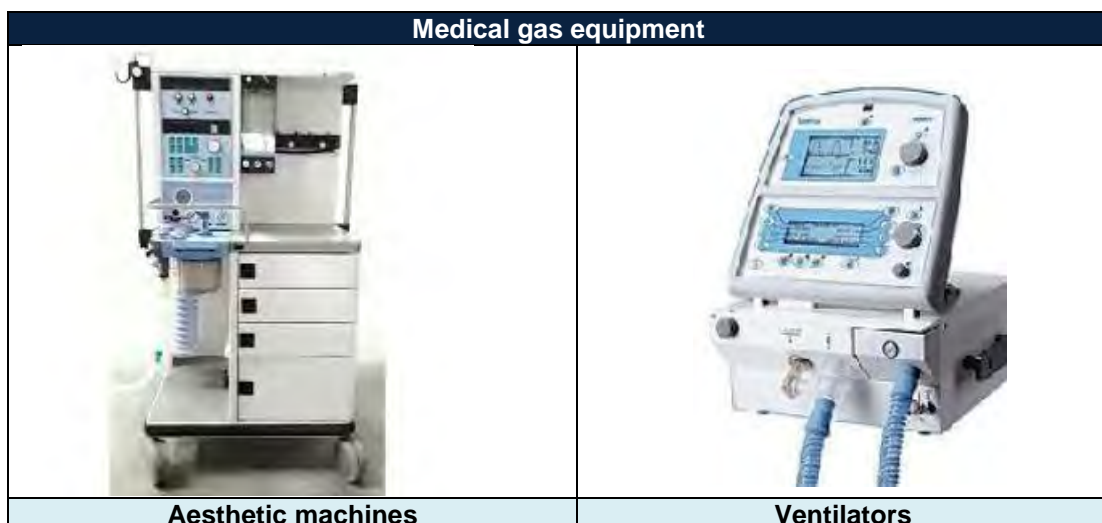
Among the mixtures supplied in the local market are, Argon Mixtures, Diving mixtures, mixtures of analysis and calibration, as well as, gas mixtures for health applications.

Supply of Welding, Medical and Fire Equipment

Apart from gas supply, Air Liquide Nigeria also supplies related equipment that enable the application of gases across various fields. The supply of gas equipment contributed about 6.8% to the Company's revenue as at 30 June 2019.

The Company supplies equipment and accessories for the following use:

- 1. Welding:** used by industrial companies mainly in the oil and gas, manufacturing, automotive and fabrication sectors, amongst others. Welding equipment supplied by Air Liquide Nigeria, are branded under OERLIKON and SAF-FRO. Key welding equipment supplied ranges from arc welding machines to electrodes, welding hoses, automatic welding machines, welding & gorging torches and manual MIG, TIG and Plasma welding machines. Although Air Liquide Group has since divested its interest in the welding business following the acquisition of AirGas, a number of the Group's subsidiaries including Air Liquide Nigeria continue to develop these activities.
- 2. Fire protection:** Air Liquide Nigeria markets and supplies fire protection equipment under Desautel brand. The Company commenced the operation of this segment in 2017 and has recorded steady growth on a yearly basis.
- 3. Medical use:** Air Liquide Nigeria supplies medical gas equipment under the TAEMA brand, developed and manufactured by Air Liquide Medical Systems, another subsidiary of Air Liquide Group. The Company supplies medical gas equipment largely to hospitals, medical centers and healthcare professionals in Nigeria.



	
<p>Oxygen concentrator</p>	<p>Medical flowmeter</p>
	
<p>Medical pressure reducers</p>	<p>Central piping system – Compressed air</p>
	
<p>Central piping system – Nitrous oxide</p>	<p>Central piping system - Oxygen</p>

3. FUTURE STRATEGIC PLANS

Strengthen route-to-market and improve distribution efficiency

Air Liquide Nigeria recognises the importance of an efficient route-to-market to improve growth and profitability. The Company has developed policies regarding client proximity and has established its presence in key locations across major basins in the country. Air Liquide Nigeria intends to continue to invest in its route-to-market to ensure it remains customer-focused and able to adapt to changing customer demands. The Company also intends to continue to review its transportation networks and invest in its distribution network to optimise efficiencies.

Invest in technological advanced equipment and continue renovation of existing plant

Air Liquide Nigeria aims to accelerate plans to renew the assets at its Port Harcourt plant following the electrical accident in 2018 which led to the shut-down of its Air Separation Unit for eight months. Given that operating the current Air Separation Unit would require significant investment, the Company plans to acquire a Cosmodyne GFED with natural gas generators which requires a much lower capital outlay and would enable shorter production lead time; as well as, ensure that Air

Liquide Nigeria meets its short-term cashflow expectations. The Company obtained an intercompany loan of ₦200 million and a further bridge loan of ₦854 million, both from Air Liquide Finance to cover immediate capital investment.

Increase service offering to industrial customers

Air Liquide Nigeria has identified that gas demand in the oil and gas, steel and automotive sectors, which contributed a combined 81% to the Company's revenue as at 30 June 2019, is likely to increase at a faster rate than the country's average market demand by 2 – 3% points. To ensure that the Company benefits from this growth opportunity, Air Liquide Nigeria has deliberately focused on customer centricity by identifying other service offerings that can be provided to customers in these segments. Specifically, focus is being placed on improving revenue generated from oil and gas customers, through the provision of services less impacted by oil price volatility, while accelerating growth in other less volatile market segments such as fabrication, automotive and food industries.

Improve health and safety standards

Air Liquide Nigeria is committed to providing a healthy, safe and secure environment for employees, customers, as well as, the communities in which it operates. Health and Safety remains the key priority for the Group and Air Liquide Nigeria. Therefore, significant effort will continually be invested in pursuing continuous improvement and deepen adaption of global best practices, which has been the Company's hallmark of operation.

Continuous improvement in quality management

As an ISO 9001:2015 certified company, Air Liquide Nigeria intends to continually invest in its people and assets, alongside being committed to improving its processes by leveraging modern technologies to bring best possible service experience and products to our customers.

4. INVESTMENT HIGHLIGHTS

Longstanding gas company, with a portfolio of iconic international gas products and equipment

Air Liquide Nigeria is a major player in the Nigerian industrial and medical gas sector. As at 31 December 2018, the Company had a market share of about 23% in the industrial merchant gas market. The Company's portfolio of gas, welding, medical and fire equipment brands, such as ALPHAGAZ, SAF-FRO, OERILKON and TAEMA aligns with industrial customers' needs and have underpinned the Company's longevity and reputation in the Nigerian market. Air Liquide Nigeria's brands remain some of the best known and preferred amongst key operators in the industrial and medical space in Nigeria. This is buoyed by their high-quality, safety and ease of accessibility, as well as, strong local support. This has reinforced Air Liquide Nigeria as a recognised market leader in its business categories.

Excellent reputation and operational track record

Air Liquide Nigeria has built an excellent reputation within the Nigerian industrial gas segment over the past 59 years. Since its inception, the Company has been an integral part of the industrial development of Nigeria through the provision of gases and services that enhance manufacturing activities and promote the protection of the environment; as well as, the preservation of lives. Air Liquide Nigeria has been the true one-stop shop for everything industrial and medical gases, coupled with its unique advantage in leveraging the Group's rich expertise built over more than 100 years to support its cherished clients in Nigeria. The Company has been able to achieve these, through the supply of high quality and safe gases, backed by unparalleled service. It is for this reason that Air Liquide Nigeria has become associated with Quality and Safety and is the first point of call when major companies require a reliable partner for their industrial and medical gas project. Despite recent productivity and profitability challenges, which is no doubt transient, the Company's track record shows that if adequately capitalised, it will be back on profitable trajectory into the foreseeable future.

Strong support from Air Liquide Group

Air Liquide Nigeria enjoys strong global heritage as part of the Air Liquide Group, the world's largest supplier of industrial gases; which has operations across 80 countries and is listed on Euronext stock exchange and on CAC 40 with a market capitalisation of €54 billion as at 13 September 2019. As part of Air Liquide Group, Air Liquide Nigeria benefits immensely from consistent financial, technical and managerial support, as well as, access to Air Liquide Group's latest technologies, advanced products and trademarks. The Company also benefits from Air Liquide Group's well-resourced Research and Development activities and has unlimited access to its technology, patents, technical information and intellectual property developed to support local businesses.

Highly experienced Management Team

Air Liquide Nigeria's management team has extensive experience in the industry with an average of 25 years' experience. The management team is led by Sulemana Kwesi Dauda who has over 24 years' experience within the Air Liquide Group and has worked with all 22 countries in Air Liquide Group's African Cluster. The management team has a proven track record of operational excellence and resilience, as well as, the requisite competence to guide the Company to growth and effectively navigate the challenges in the Nigerian operating environment. The Company believes the experience of its versatile senior management team will continue to remain a key asset in its quest to becoming the undisputed leader in the competitive and volatile Nigerian environment. The Company's success to date is largely attributable to the collective achievements of its employees, who are energised, engaged and empowered to realise their full potentials under the leadership of a forward-looking management team. Air Liquide Nigeria recognises that its people are its greatest assets and therefore, commits resources to invest in human capital development and opportunities to upscale our peoples' capabilities.

5. BOARD OF DIRECTORS

The Board of Directors of Air Liquide Nigeria comprises of seven members consisting of one Executive Director and six Non-Executive Directors. The Board formulates the board policies and takes strategic decisions for the management and operations of Air Liquide Nigeria in line with the Company's objectives.

Mr Felix Sunday Afolabi is the Non-Executive Chairman of Air Liquide Nigeria. He graduated with a B.Eng degree in Industrial Chemistry from Ecole Nationale Supérieure de Chimie (1983) and obtained a University of Technology degree in Industrial Chemistry in France (1980). He began his professional career in Air Liquide Group in 1983 and has served in various capacities including industrial operations and maintenance director and technical director for the Western and Central Africa Region. His experience cuts across operations and entity management within Western and Central Africa area. He became Non-Executive Chairman of Air Liquide Nigeria in September 2018 and has been on the Board of Air Liquide Nigeria since 2013.

Mr Alexandre Marie-Dominique Laurent Dufour is the Non-Executive Vice Chairman of Air Liquide Nigeria and is the Managing Director of Air Liquide West and Central Africa region. Alexandre has a Bachelor's degree in Engineering from Ecam Lycon (1999) and holds an Executive Master of Business Administration degree from INSEAD (2014). He commenced his career in January 1999 as a Mechanical Engineer in University of California, before joining Air Liquide Group as an Operations Controller for large industry Benelux in Brussels in August 1999. His career in Air Liquide Group spans across various business areas, including Energy Purchases and Corporate Finance before he became Operations Controller for South East Asia and India in May 2011. Alexandre also worked as JV General Manager in Wesfarmers, an industrial Australian conglomerate in Perth Australia, from June 2011 to December 2014. He returned to Air Liquide Group as Director of strategic control & BI digital transformation in July 2015 and was appointed Managing Director of Air Liquide West and Central Africa region in June 2018. He was appointed Non-Executive Director of Air Liquide Nigeria in June 2018.

Mr Sulemana Kwesi Dauda is the Managing Director of Air Liquide Nigeria. Sulemana was appointed Managing Director of Air Liquide's West Coast region, comprising Nigeria, Ghana, Togo and Benin in January 2019. Sulemana holds an M.Sc. degree in Computer Engineering from

University City José Antonio Echeverría (1992) and a Master of Business Administration in International Business degree from the Paris Graduate School of Management (2006). Sulemana has also attended various Business Development, Management and leadership training programs in Europe, the Middle East and Africa. He has extensive industry experience spanning 24 years across the western and central Africa sub-regions. In 2008, he served as Mining Business Development Manager for Western and Central Africa and subsequently moved to Burkina Faso as the General Manager of Air Liquide Burkina Faso from 2009 to 2011. In January 2012, he was appointed an Executive Director of Air Liquide Nigeria with responsibility for the operations in the South and South-East of Nigeria and subsequently served as Managing Director from May 2013 to October 2016. He was subsequently appointed to manage the working capital improvement project in the African cluster, spanning 22 countries and subsidiaries. Following a difficult period of instability, he was brought back to Nigeria in June 2018 to lead the renewal and transformation of the business. He is a transformational leader with a track record of turning around businesses for profitable growth.

Mr Aliyu Jimeta is a Non-Executive Director of Air Liquide Nigeria. He holds an Economics degree from University of Lagos 1998. He commenced his career with Guaranty Trust Bank Plc where he worked in various departments including operations, commercial, corporate and institutional banking. He was notably relationship manager for various top ends downstream and support service customers in the oil and gas segment. He moved to Stanbic IBTC Holdings Plc where he was in-charge of the oil and gas upstream portfolio and subsequently the downstream portfolio before leaving the banking industry to join Taleveras group, an oil and gas company, in 2008 as Finance Director. He is currently the Executive Director at Leighton Trading and Marketing Limited. He became a Non-Executive Director of Air Liquide Nigeria in November 2018.

Mr Ottih John Ottih is a Non-Executive Director of Air Liquide Nigeria. He holds a Bachelor's degree in Electrical and Electronics Engineering from the University of Nigeria Nsukka . He has over 40 years of professional, managerial and leadership experience. He started his career as an Electrical Engineer with National Electric Power Authority (NEPA) before joining Shell Petroleum Development Company of Nigeria Limited (SPDC) as an Electrical Project Engineer. In SPDC, he built a broad stream oil and gas experience having worked across six business segments including, Engineering, Maintenance, Operations, Asset Management, Performance Improvement and Stakeholder Management while holding senior managerial positions. From 2010 to 2013, he served as a consultant to Nigeria Infrastructure Advisory Facility, a Department of International Development (UK) sponsored agency supporting the Nigeria power sector. He currently serves as the Founder and Chairman of South Atlantic Energy Limited, an oil, gas and power consulting company in Nigeria. He joined the Board of Air Liquide Nigeria in December 2017 as a Non-Executive Director.

Mr Philippe Martinez is a Non-Executive Director of Air Liquide Nigeria. He obtained a degree in Macro-economics and Finance from University of California (1991) and a Master's degree in Business Administration and Management from INSEEC (1992). He also holds a Master's degree in Internal Auditing from Aix-Marseille University (1993). He is an alumnus of INSEAD's, International Development Program (2004); HEC School of Management's Executive Education in Strategy (2006); Health Sciences Institute's Professional Program on Disease Management (2007); Harvard Business School Executive Education in Leadership and Strategy in Pharmaceuticals and Biotech (2011); INSEAD's Executive Education in Building Businesses (2014) and Massachusetts Institute of Technology's Executive Education in Digital Marketing and Social Media Analytics (2017). He has served in various capacities within Air Liquide Group from Vice President of Home Healthcare in Paris to Vice President of Healthcare and Hydrogen Energy in Japan (2014) to the position of Senior Vice President of Asia from 2008 to 2016. He held the position of Vice President of Industrial Markets in France in 2016 before he was appointed to his current position as Vice President for Africa Cluster. He joined the Board of Air Liquide Nigeria in August 2019 as a Non-Executive Director.

Mr Gino Morandini is a Non-Executive Director of Air Liquide Nigeria. He has a degree in Business Administration from Catholic University of the Sacred Heart (1989). He started his career in 1989 as a controller for coatings and resins in DSM, a science-based company specialising in nutrition, health & sustainable living. He has since developed over 16 years finance experience working as Finance and Planning Director in PPG Industries and more recently Chief Financial Officer of Healthcare Iberia in Air Liquide Madrid in August 2018. He was appointed as Finance Director in

September 2018 of Air Liquide Group's Africa Middle East and India (AMEI) Hub in Dubai. He joined the Board of Air Liquide Nigeria in August 2019 as a Non-Executive Director.

6. MANAGEMENT TEAM

The Management team of Air Liquide Nigeria comprises of seven seasoned professionals who are saddled with the responsibilities of taking decisions for the day-to-day management of the Company with a view to ensuring goals set by the Board are achieved. Besides the Managing Director, other members of the management team include:

Mr Peter Nwabuisi – Senior Sales and Marketing Manager. Peter holds a Bachelor's degree in Chemical Engineering from the Institute of Management and Technology (2000) and has a Master of Business Administration degree in International Business Management from the University of Lagos (2010). Peter Nwabuisi is responsible for devising strategies and techniques to meet the company's sales targets as well as map out and identify potential customers and generate sales leads for the business. He has over 16 years' experience as an engineer in the oil and gas sector before moving into business development in the sector. Prior to his appointment as Senior Sales and Marketing Manager of Air Liquide Nigeria, he was the Business Development Manager in Oil States Industries, a global provider of integrated energy systems and solutions, where he handled the engineering contracts for major international oil companies, including Total Upstream, Chevron and Mobil Producing Nigeria Limited. He had also previously worked in Ramm Technical Service Limited.

Mr Richard Ouedraogo – Operations Manager: Richard Ouedraogo holds a Bachelor's degree in Industrial Maintenance Management from Polytechnic University of Bobo-Dioulasso in Burkina Faso (2000) and an Engineering degree in Engineering of Electrical Systems from Superior Institute of Electrical Engineering (2008). He holds a Master's degree in Industrial and Environmental Risks from University of Ouagadougou (2010). He is responsible for overseeing operations, including production, distribution and customer installation for Air Liquide Nigeria. He is also responsible for defining appropriate technical solutions and leading new projects while ensuring timely implementation. Richard has 18 years' engineering experience with 13 years spent within Air Liquide Group. Prior to his appointment as Operations Manager, he served as Technical Manager in Air Liquide Nigeria, leading efforts to ensure the conformity of all technical systems and processes with the Air Liquide Group best practices. He has also served as Industrial Risk Management Representative in Air Liquide West Africa Area which includes Nigeria, Burkina Faso, Benin, Côte d'Ivoire, Ghana, Mali, Senegal and Togo.

Mrs Ruth Mabanu – Human Resources Manager: Ruth obtained a Bachelor's degree in Chemical Engineering from Federal University of Technology in Minna, Nigeria (2000). She is responsible for ensuring that the human resources function in Air Liquide Nigeria is aligned to business goals of the Company and operates as a business enabler. She has over 15 years experience as a human resource practitioner serving as the Head of Human Resource in Basscom Group from 2004 until her appointment as a Human Resource Business Partner in United Bank for Africa in 2007, where she was instrumental in assisting the Bank set up teams for its international branches. Prior to her appointment as Human Resource Manager for Air Liquide Nigeria, she served as a Human Resource Business Partner in Unilever Nigeria Plc for the company's largest manufacturing site which included its savoury, homecare and tea production plants.

Mr Olusola Oke – Internal Control Manager: Olusola is a qualified Chartered Accountant and member of the Institute of Chartered Accountants of Nigeria. He holds a Bachelor's degree in Accounting from Olabisi Onabanjo University in Ogun State, Nigeria (2008) and a Master of Business Administration degree in Finance from Mahatma Gandhi University (2016). He also holds a Master's degree in Accounting and Finance from the University of Northampton, United Kingdom (2019). He has extensive experience in Internal Control, Internal Audit, Risk Management and Stockbroking spanning over 8 years. Prior to joining Air Liquide Nigeria, Olusola worked as the Group Head of Business risk and assurance unit in Workforce Group, where he was instrumental in setting up the unit. He also served as the Head of Internal Control in Allianz Nigeria Insurance Plc where he set up and started the Internal Control unit. He has prior experience working as Resident Control Officer in AL Africa Group Limited and Head of Internal Audit and Risk Management in WSTC

Financial Services Limited. He is a Certified Fraud Examiner by the Association of Certified Fraud Examiners (2019) and an Associate Member of the Chartered Institute of Stockbrokers (2016).

Mr Albert Nwachukwu – Procurement and Import Manager: Albert has a post graduate diploma in Marketing from Imo State University (2003) and a Master of Business Administration degree from Imo State University (2006). He also has a Post Graduate Diploma in Transport Management from the Certified Institute of Shipping Nigeria (2009). Albert has over 18 years' experience in Supply Chain Management with strong competence in International Trade Operations in the field of Industrial Raw Materials for soap, Edible Oil Refining, Plastics, Chemicals, Industrial/Medical Gases (compressed and bulk), Fragrances, Beverages and Industrial Machineries. Prior to his appointment as Supply Chain Manager in Air Liquide Nigeria, he served as Head of Logistics and imports at J.Udeagbala Holdings Nigeria Limited.

Mr Adefala Akeem – Chief Accountant / Acting Finance Manager: Akeem is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of Nigeria. He holds a Bachelor's degree in Accounting from Olabisi Onabanjo University in Ogun State, Nigeria (2003). He has 23 years accounting experience across manufacturing and consulting firms. He is responsible for the delivery of timely and accurate financial statements including preparation and finalising monthly and yearly financial statements. He also oversees overall operations of the Finance function in Air Liquide Nigeria. He joined Air Liquide Nigeria in 2007 as the Area Accountants for Port Harcourt and was appointed as the Consolidated and Control Manager in 2016 before his current role as Chief Accountant / Acting Finance Manager.

Mr Charles Ekanem – Health and Safety / Security Manager: Charles holds a Bachelor's degree in Applied Chemistry from the University of Uyo (2003). He is responsible for ensuring that Air Liquide Nigeria complies and proactively adheres to safe work practises while also overseeing the security of Air Liquide Nigeria's employees and assets. Charles has over 16 years' experience working in manufacturing, oil and gas, energy, logistics, engineering and construction industries. Prior to joining Air Liquide Nigeria, he worked as the Health Safety and Environment Manager of Greenville Liquefied Natural Gas Co. Limited, a natural gas supply company in Port Harcourt. He has also worked as HSES Manager in GPC Energy and Logistics Limited; Quality Health and Safety Manager in Anizzeal Engineering; Road Safety Coordinator in Lafarge Africa Plc; and Deputy Route Commanding Officer for the Federal Road Safety Commission. He is also certified in root cause analysis, security management, project management, oil and gas operational safety, quality assurance / quality control, ISO 45001:2018 - occupational health and safety management system (Lead Auditor) and ISO 9001:2015 - quality management system (Lead Auditor).

7. RISK FACTORS

In the context of the proposed Rights Issue by Air Liquide Nigeria, the following risk factors have been identified:

Business Risks - These are risks associated with the business activities of the Company

Influx of new and larger players in the industrial and medical gas industry could erode Air Liquide Nigeria's market share

The possibility of players operating in more than one segment of the industrial gas value chain creates room for more operators and stakeholders to participate in the market. This may bode well with customers with the prospect of reduced industrial and medical gas prices from new players which can impact Air Liquide Nigeria's customer base. Air Liquide Nigeria's inability to compete with new entrants on a price point could result in loss of customers as new players begin to maintain adequate levels of service provision across all segments of the industrial and medical gas value chain.

The Company may be affected by product liability claims or otherwise be subject to negative publicity which may have adverse effects on its reputation and, ultimately, its financial conditions

The Company provides gas to the food and beverage sector for the preservation of food and oxidation of drinks, as well as gases to hospitals and healthcare centres. Due to the sensitive nature of these two customer segments and their relative use of gas supplied, the Company may be affected by product liability claims resulting from tampering by unauthorised third parties, gas contamination or spoilage, including the presence of foreign objects, substances, chemicals, and other agents, or residues introduced during the storage, handling or transportation phases. Although the Company has not experienced such events, there can be no assurance that such events will not occur in the future. In addition, any significant product liability claim against the Company could subject it to adverse publicity. Furthermore, Air Liquide Nigeria may be subject to negative publicity and press relating to other matters, including, but not limited to, poor product quality, brand compromise, complaints and poor hygiene at its production facilities. Counterfeit goods which appear to be the Company's products, but which are of inferior quality or contaminated, may also have an adverse impact on the public's view of the Company's products. Such adverse publicity may negatively impact the Company's reputation, regardless of whether or not the allegations are valid.

Recession in domestic economy could hamper customers' income and result in higher customer credit risk which would impact the Company's cashflow

As the bulk of its activities and services are conducted in Nigeria, the Company like most Nigerian companies are subject to credit risk that customers having bought gas products on credit may not make payments for the product and applicable taxes as at when due. Most of the Company's sales agreements are not backed by any security or guarantee which makes the Company less likely to recover payments except by instituting legal proceedings against owing customers, resolution of which may take substantial time, leading to potential losses over the affected period. These legal proceedings could cause an erosion of the Company's client base. Limited cash availability from non-payment also reduces resources available for critical investments required to meet customers service expectations.

Industry Risks - These are risks generally facing the oil and gas industry in Nigeria

Contraction of the oil and gas sector would adversely impact the financial stability of the Company's clients in the oil and gas and other interlinked sectors

Clients in the oil and gas sector contribute approximately 67% of Air Liquide Nigeria's revenue as at June 2019. Current market expectation is that a dip in oil prices below US\$45 per barrel will deplete Nigeria's foreign exchange reserves and expected oil revenues which indicates a potential deterioration in Air Liquide Nigeria's oil and gas customers' position. A situation like this could lead to a decline in Air Liquide Nigeria's profitability as was the case in 2016 and 2017 where the Company made losses of ₦110 million and ₦558 million in 2016 and 2017 respectively, following the decline in global oil prices which resulted in contraction of the sector.

Foreign exchange risk - The Company is exposed to foreign exchange risks and is affected by changes in the value of the Naira against other currencies

The Company is exposed to foreign currency denominated liabilities, especially in relation to its key imports including spare parts and gases. Costs of inputs used by Air Liquide Nigeria are also subject to fluctuation in the exchange rate of the Naira. Foreign exchange volatility has had significant implications on the Company given the Naira devaluation, currency translation risk, pressure on margins, risk on supply/business continuity, reputational risks in view of delayed payments to vendors and increase cost of imported products. Further adverse movements in exchange rate could have a negative impact on the Company's financial situation.

Environmental risks - These are losses that may arise due to significant natural occurrences in the environment

Environmental disasters may cause significant damage to the Company's operations, which may affect the Company's business

The operations of Air Liquide Nigeria are exposed to certain environmental challenges which include but are not limited to pollution, environmental degradation, global warming, severe flooding and other natural hazards. The nature of environmental risks is that they are often sudden, unpredictable and unforeseeable. Although the Company feels that it has adequate processes and safety measures in place to prevent and effectively respond to accidents that may occur as a result of changes in the environment, there is no guarantee that such processes will prevent all accidents, which may impose a variety of liabilities and adversely affect the Company's business.

Lack of adherence to health and safety standards by the Company's employees, contactors and visitors could result in accidents on the Company's sites creating a negative reputation for the business

Health and Safety is a key risk in the operations of companies in the industrial and medical gas industry. Air Liquide Nigeria's employees and contractors working on its production sites as well as visitors who visit the Company's sites are exposed to various forms of potential hazards on these sites. Although the Company is committed to protecting, as far as is reasonably practicable, its employees, contractors and visitors from health and safety risks associated with its operations, through enforcement of its safety policies, standards and practices, there is a risk that the Company's employees, contractors and visitors may not comply with these policies and guidelines and may thus result in accidents on the Company's or customers' sites creating a negative reputation for the business.

General Risk Disclosure

Shareholders of the Company should consult their advisers if in any doubt as to the nature of this investment and its suitability in view of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, which can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than profit when buying and selling securities. Certain types of investments may not be suitable for some investors.



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Reg. No. RC: 2078

Our Ref: ALN/LDS/2019-08/074

22nd August 2019

Dear Sirs

Confirmation of Going Concern Status: Proposed Rights Issue by Air Liquide Nigeria Plc (the "Issue")

The Directors of Air Liquide Nigeria PLC ("Air Liquide" or the "Company") are required to prepare financial statements at the end of each financial period, which give a true and fair view of the state of affairs and of the profit or loss of the Company. They are also responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and Air Liquide's financial statements are prepared using accounting policies, which comply with the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act, 2004.

The Directors of the Company, having made appropriate enquiries, reviewed budgets, projected cash flows and other relevant information, consider that adequate resources will exist for the business to continue in operational existence for the foreseeable future and therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully

Sulemana Dauda
Managing Director

Felix Afolabi
Director



AIR LIQUIDE NIGERIA PLC
Directors: F.S.AFOLABI (Chairman), A.DUFOUR (Vice Chairman, French), S.DAUDA (Managing, Ghanaian), V.PAULOU (French), A.JIMETA, J.OTTIH



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Reg. No. RC: 2078

Our Ref: ALN/LOS/2019-08/075

22nd August 2019

Dear Sir

Sworn declaration on Full Disclosure of all Material Facts in the Rights Circular: Proposed Rights Issue by Air Liquide Nigeria Plc (the "Issue")

In accordance with Rule 280(3) of the Rules and Regulations of the Securities and Exchange Commission, Air Liquide Nigeria Plc hereby makes a sworn declaration that it has fully disclosed all material facts in the Rights Circular in connection with the Issue.

Yours faithfully

Sulemana Dauda
Managing Director

Akeem Adefala
Ag. Chief Financial Officer

Marina Nominees
Company Secretary
ABIBUN OYEBANJO



BEFORE
OLUKE, Oyedele Adeyemi
Notary Public For Nigeria
Jahaji B.A. Adesanya Esq. Lagos
26/8
2019
PUBLIC

AIR LIQUIDE NIGERIA PLC
Directors: F.S.AFOLABI (Chairman), A.DUFOUR (Vice Chairman, French), S.DAUDA (Managing, Ghanaian), V.PAUTOU (French), A.JIMETA, J.OTTIH



INCORPORATION BY REFERENCE

The following documents which have previously been published, and have been filed with the SEC, shall be incorporated in, and form part of, this Rights Circular:

- a) the unaudited financial statements of Air Liquide Nigeria for the six months ended 30 June 2019;
- b) the audited financial statements of Air Liquide Nigeria for the year ended 31 December 2018;
- c) the audited financial statements of Air Liquide Nigeria for the year ended 31 December 2017;
- d) the audited financial statements of Air Liquide Nigeria for the year ended 31 December 2016;
- e) the audited financial statements of Air Liquide Nigeria for the year ended 31 December 2015; and
- f) the audited financial statements of Air Liquide Nigeria for the year ended 31 December 2014.

Copies of the documents incorporated by reference will be available for inspection during normal business hours on any Working Day, from Monday, 04 November 2019 to Friday, 29 November 2019, at the registered office of Air Liquide Nigeria located at 104/106 Ladipo Street Matori, Mushin Lagos and its website at www.airliquide.com/nigeria. The documents would also be available at the office of the Issuing House at I.B.T.C Place, Walter Carrington Crescent, Lagos.

FINANCIAL INFORMATION

1. STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	---Unaudited---		-----Audited-----			
	30-Jun-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	904,298	1,719,933	1,751,972	1,882,044	1,552,063	1,739,051
Cost of sales	(577,274)	(1,367,548)	(1,248,902)	(1,179,809)	(985,335)	(919,554)
Gross (loss)/ profit	327,024	352,385	503,070	702,235	566,728	819,497
Other income	-	169,875	-	45,366	182,780	126,644
Operating expenses	16,504	(224,712)	(123,638)	(205,186)	(206,894)	(234,058)
Administrative expenses	(211,360)	(723,971)	(830,939)	(578,486)	(361,024)	(492,261)
Operating (loss)/ profit	132,167	(426,423)	(451,507)	(36,071)	181,590	219,822
Finance costs	(42,262)	(69,163)	(59,366)	(73,345)	(78,592)	(45,892)
Net finance costs	(42,262)	(69,163)	(59,366)	(73,345)	(78,592)	(45,892)
(Loss)/ profit before taxation	89,905	(495,586)	(510,873)	(109,416)	102,998	173,930
Income tax (expense)/ credit	(29,328)	(12,158)	3,979	4,373	(478)	(53,706)
(Loss)/ profit for the year	60,577	(507,744)	(506,894)	(105,043)	102,520	120,224
Other comprehensive income						
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>						
Re-measurement loss on defined benefit plans net of tax	-	(1,059)	(73,441)	(7,777)	(10,811)	52,031
Income tax effect	-	318	22,032	2,333	3,243	(15,609)
Other comprehensive loss for the period	-	(741)	(51,409)	(5,444)	(7,568)	36,422
Total comprehensive loss for the period	60,577	(508,485)	(558,303)	(110,487)	94,952	156,646
Basic and diluted earnings per share (Kobo)	34	(282)	(282)	(58)	57	67

FINANCIAL INFORMATION

2. STATEMENT OF FINANCIAL POSITION

	---Unaudited---		-----Audited-----			
	30-Jun-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
	N'000	N'000	N'000	N'000	N'000	N'000
Assets						
Non-current assets						
Property, plant and equipment	774,811	784,054	731,024	783,513	864,226	849,580
Intangible assets	603	824	1,445	2,400	6,102	11,550
Prepayment and other assets	634,529	469,007	409,252	0	0	5,311
Total non-current assets	1,409,943	1,253,885	1,141,721	785,913	870,328	866,441
Current assets						
Inventories	376,945	383,608	502,377	334,530	406,089	350,439
Trade and other receivables	545,970	504,066	649,954	505,673	271,389	508,859
Other financial assets	-	-	-	104,938	21,716	19,571
Prepayment and other current assets	143,669	77,739	87,442	473,733	659,240	529,174
Cash and bank balances	86,636	58,438	142,091	247,050	167,943	229,808
Total current assets	1,153,220	1,023,851	1,381,864	1,665,924	1,526,377	1,637,851
Total assets	2,563,163	2,277,736	2,523,585	2,451,837	2,396,705	2,504,292
Equity and liabilities						
Equity						
Issued share capital	90,000	90,000	90,000	90,000	90,000	90,000
Share premium	4,314	4,314	4,314	4,314	4,314	4,314
Retained earnings	(585,518)	(917,746)	(343,432)	213,271	413,758	318,806
Total equity	(491,204)	(823,432)	(249,118)	307,585	508,072	413,120
Non-current liabilities						
Interest-bearing loans and borrowings	-	-	-	86,523	159,760	221,786
Employee benefit liabilities	148,521	-	204,305	137,670	120,371	189,102
Deferred tax liabilities	20,941	-	-	26,011	60,902	83,283
Total non-current liabilities	169,462	-	204,305	250,204	341,033	494,171
Current liabilities						
Trade and other payables	2,367,237	2,506,716	2,189,677	1,668,581	1,202,010	1,207,720
Interest bearing loans and borrowings	225,490	367,805	371,874	217,759	298,438	292,505
Income tax payable	6,848	18,687	6,847	7,708	20,711	9,997
Other current liabilities	285,330	207,960	-	0	26,441	86,779
Total current liabilities	2,884,905	3,101,168	2,568,398	1,894,048	1,547,600	1,597,001
Total liabilities	3,054,367	3,101,168	2,772,703	2,144,252	1,888,633	2,091,172
Total equity and liabilities	2,563,163	2,277,736	2,523,585	2,451,837	2,396,705	2,504,292

FINANCIAL INFORMATION

3. STATEMENT OF CASH FLOWS

	--Unaudited-- 30-Jun-19	31-Dec-18	31-Dec-17	----Audited---- 31-Dec-16	31-Dec-15	31-Dec-14
	N'000	N'000	N'000	N'000	N'000	N'000
Cash flow from operating activities						
Loss before taxation	89,905	(495,586)	(510,873)	(109,416)	102,998	173,930
Adjustments for:						
Depreciation of property, plant and equipment	48,310	111,393	119,300	140,176	125,873	150,898
Amortisation of intangible assets	221	621	1,449	4,977	5,448	5,304
Depletion of investment property	-	-	-	-	216	216
Advance released into income statement	-	(106,943)	-	-	-	-
Net foreign exchange difference	12,627	391,938	291,775	(16,857)	(17,396)	(1,719)
Assets written off	-	9,071	-	-	-	-
(Profit) / loss on disposal of non-current assets	-	(112,400)	-	-	(124,640)	1,550
Writedown of inventories	3,600	5,619	2,889	(697)	-	-
Impairment allowance for inventories	-	-	-	697	3,000	1,979
Impairment allowance for trade receivables	3,000	5,413	11,152	42,165	9,659	18,565
Impairment allowance for other receivables	-	-	-	1,125	60,000	0
Write back of recoveries	-	-	-	(41,078)	(30,479)	(22,831)
Finance costs	42,262	69,163	59,366	73,345	78,592	45,892
Retirement benefit provision	-	22,288	116,235	29,284	(45,594)	69,447
Write off of asset in progress	-	-	-	16,743	1,043	0
	199,926	(99,423)	91,293	140,464	168,720	443,231
Changes in assets and liabilities						
Decrease/(Increase) in inventories	(26,630)	113,150	(170,736)	71,559	(58,650)	(36,775)
Decrease / (inventories) in trade receivables and other receivables	(238,368)	76,136	(39,897)	(135,788)	258,290	(171,280)
(Increase) in prepayment and other current assets	(101,804)	(50,052)	(22,961)	(28,840)	(62,211)	(136,285)
Increase in trade and other payables	(69,863)	12,710	204,834	444,442	57,737	261,333
Increase in other current liabilities	(30,835)	34,093	-	-	(60,338)	7,715
	(267,575)	86,614	62,533	491,837	303,548	367,939
Income tax paid	-	-	(861)	(14,188)	(8,902)	(1,229)
Value added tax paid	-	-	-	-	(48,009)	(200,702)
Contribution paid to employee benefit plan	(14,735)	(53,785)	(123,041)	(4,562)	(33,948)	19,509
Contribution to plan asset	-	-	-	(15,205)	-	-
Net Cash flow from/ (used in) operating activities	(282,310)	32,829	(61,369)	457,882	212,689	185,517
Cash flow from investing activities						
Purchase of property, plant and equipment	(20,946)	(175,094)	(65,210)	(76,206)	(142,887)	(187,537)
Proceeds on disposal of non-current assets	-	114,000	-	-	1,059	1,550
Purchase of intangible assets	-	-	(495)	(1,275)	-	(1,872)
Net cash flow from investing activities	(20,946)	(61,094)	(65,705)	(77,481)	(141,828)	(187,859)
Cash flow from financing activities						
Interest paid	(37,122)	(69,163)	(21,021)	(73,345)	(75,993)	(42,954)
Dividend paid	-	2,877	(208)	(74,378)	(640)	(406)
Bullet loan raised	18,246	207,244	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	250,000
Repayment of borrowings	-	(98,671)	(99,311)	(62,074)	(27,500)	-
Net cash flow (used in)/ from financing activities	(18,876)	42,287	(120,540)	(209,797)	(104,133)	206,640
Net (decrease)/ increase in cash and cash equivalents	(322,132)	14,022	(247,614)	170,604	(33,272)	204,298
Net foreign exchange difference	-	14,967	14,096	340	-	-
Cash and cash equivalents at the beginning of the period	(102,051)	(131,040)	102,478	(68,467)	(35,195)	(239,493)
Cash and cash equivalents at the end of the period	(424,183)	(102,051)	(131,040)	102,477	(68,467)	(35,195)

STATUTORY AND GENERAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL HISTORY

Air Liquide Nigeria was incorporated in Nigeria on 25 January 1960. As at the date of this Rights Circular, Air Liquide Nigeria has an authorised share capital of ₦600,000,000.00 comprising 1,200,000,000 Ordinary Shares of 50 kobo each and an issued share capital of ₦90,000,000.00 comprising 180,000,000.00 Ordinary Shares of 50 kobo each. The changes in the share capital of the Company since 1960 are summarised below:

Year	Authorised (₦)		Issued & Fully Paid-up (₦) ¹		Consideration
	Increase	Cumulative	Increase	Cumulative	
1960	160,000	160,000	14	14	Starting Capital
1960	Nil	160,000	100,000	100,014	Application for Shares
1962	Nil	160,000	19,986	120,000	Application for Shares
1970	90,000	250,000	Nil	120,000	Nil
1976	750,000	1,000,000	Nil	120,000	Nil
1977	Nil	1,000,000	240,000	360,000	Bonus Issue
1977	Nil	1,000,000	120,000	480,000	Bonus Issue
1978	Nil	1,000,000	420,000	900,000	Bonus Issue
1980	800,000	1,800,000	Nil	900,000	Nil
1981	Nil	1,800,000	900,000	1,800,000	Bonus Issue
1983	900,000	2,700,000	Nil	1,800,000	Nil
1985	Nil	2,700,000	600,000	2,400,000	Rights Issue
1986	Nil	2,700,000	300,000	2,700,000	Rights Issue
1990	4,800,000	7,500,000	Nil	2,700,000	Nil
1991	Nil	7,500,000	1,700,000	4,400,000	Scheme of Amalgamation
1991	Nil	7,500,000	540,000	4,940,000	Bonus Issue
1992	7,500,000	15,000,000	Nil	4,940,000	Nil
1993	Nil	15,000,000	2,560,000	7,500,000	Bonus Issue
1994	15,000,000	30,000,000	15,000,000	22,500,000	Bonus Issue
1996	30,000,000	60,000,000	22,500,000	45,000,000	Bonus Issue
1999	40,000,000	100,000,000	45,000,000	90,000,000	Bonus Issue
2019	500,000,000	600,000,000	Nil	90,000,000	Nil

¹ Issued shares of Air Liquide Nigeria were initially denominated in £1.00 per share before conversion to ₦2.00 per share. On 14th December 1978, each of the Air Liquide Nigeria Plc existing shares denominated in ₦2.00 each were sub-divided into four shares of 50 kobo.

STATUTORY AND GENERAL INFORMATION

2. SHAREHOLDING STRUCTURE

Pre-Issue

As at 30 June 2019, Air Liquide Nigeria's issued share capital of 180,000,000 Ordinary Shares of 50 kobo each was beneficially held as follows:

Shareholder	Ordinary Shares held	%
Air Liquide Africa S.A.	110,000,000	61.11
Others	70,000,000	38.89
	<u>180,000,000</u>	<u>100.00</u>

Except as stated above, no other shareholder held more than 5% of the issued share capital of the Company.

Post-Issue

It is expected that on completion of the Issue, if all shareholders take up their rights in full, the Company's paid-up share capital should increase to ₦297,000,000.00 comprising 594,000,000 Ordinary Shares of 50 kobo each, to be beneficially held as follows:

Shareholder	Ordinary Shares held	%
Air Liquide Africa S.A.	363,000,000	61.11
Others	231,000,000	38.89
	<u>594,000,000</u>	<u>100.00</u>

3. DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Interests or as notified by them for the purpose of section 275(1) of CAMA as at 30 June 2019 are as follows:

Director	Direct Shareholding	Indirect Shareholding	%
Felix Sunday Afolabi	184,597	-	0.10
Alexandre Marie-Dominique Laurent Dufour	-	-	0.00
Sulemana Kwesi Dauda	-	-	0.00
Aliyu Jimeta	-	-	0.00
Philippe Martinez	-	-	0.00
Gino Morandini	-	-	0.00
Ottih John Ottih	-	-	0.00

4. INDEBTEDNESS

As at the date of this Rights Circular, the Company had an outstanding debt balance of ₦1.2 billion as follows:

- ₦854 million intercompany bridge loan facility from Air Liquide Finance at an interest rate of 9-month NIBOR + 5.24%; and
- ₦300 million bank over-draft from United Bank of Africa Plc at an interest rate of 20% plus a management fee of 0.75%.

5. OFF BALANCE SHEET ITEMS

As at 30 June 2019, the Company had no off-balance sheet item.

6. CLAIMS AND LITIGATION

“As at September 12, 2019, the Company was involved in six (6) cases in the ordinary course of its business. Of the six (6) cases, the Company has been sued as Defendant in three (3) cases by various individuals and organisations and is Claimant in three (3) cases. The Company is Counter-Claimant in two (2) of the three (3) cases instituted against it. Further, the Company is Appellant in the one (1) case in which judgment was entered against it.

The total monetary claim in the cases instituted against the Company is approximately ₦32,898,608 (Thirty-Two Million, Eight Hundred and Ninety-Eight Thousand, Six Hundred and Eight Naira) and €150,020 (One Hundred and Fifty Thousand and Twenty Euros) while the total monetary claim in the cases instituted by the Company is approximately ₦17,681,066.18 (Seventeen Million, Six Hundred and Eighty-One Thousand, Sixty-Six Naira, Eighteen Kobo). Please note that the amounts referred to herein do not include interests and costs which may be awarded by the courts after the final resolution of each matter. Ultimately, the actual liability of the Company in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the respective suits.

The Solicitors to the Issue are of the opinion that, if the matters instituted against the Company continue to be diligently defended by the Company, the contingent liability that would arise from the cases would not have a material adverse effect on the Company or the proposed Transaction.

The Directors of the Company are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Company and are not aware of any other pending and threatened claim or litigation other than the six (6) cases referenced above.”

7. PURPOSE OF ISSUE AND USE OF PROCEEDS

Following the electrical accident in 2018 which resulted in damage to the Company’s Air Separation Unit at the Port Harcourt plant, Air Liquide Nigeria obtained an intercompany loan of ₦200 million from Air Liquide Finance to fund the restoration of the damaged Air Separation Unit. In June 2019, the Company obtained another intercompany bridge loan of ₦854 million from Air Liquide Finance, part of which was utilised to pay down the intercompany loan of ₦200 million. As Air Liquide Nigeria intends to acquire and install a new Air Separation Unit at the Port Harcourt plant, this investment is expected to be financed by the remaining portion of the intercompany bridge loan, in addition to ₦301 million which will be financed from the Issue proceeds.

For its day to day operations, the Company imports gases, as well as, medical, welding and fire equipment from related party suppliers outside Nigeria. Settlement of these imported products are in foreign currency. Consequently, Air Liquide Nigeria has outstanding foreign currency denominated liabilities incurred in respect of the aforementioned importations. The Company has taken a view to reduce its overall foreign currency exposure and intends to settle ₦315 million of these foreign currency obligations.

In summary, the Rights Issue is part of Air Liquide Nigeria’s strategy to repay the intercompany bridge loan and outstanding bank overdraft, fund the purchase and installation of the new Air Separation Unit, repay outstanding foreign currency liabilities and finance working capital requirements.

After the deduction of the estimated Issue costs and expenses of ₦50,308,812.50 (representing 2.43% of the Issue proceeds) and assuming full subscription of the Issue, it is currently anticipated that the net Issue proceeds of ₦2,019,691,187.50 will be applied as follows:

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	N'm	% of net Issue proceeds	Time to completion
Repayment of intercompany bridge loan facility	1,004	49.7	Q4 2019
Settlement of foreign currency supplier liabilities	315	15.6	Q4 2019
Part payment for the purchase, installation and maintenance of the new Air Separation Unit	301	14.9	Q4 2019
Repayment of bank overdraft	300	14.9	Q4 2019
Working capital requirements	100	4.9	Q2 2020
	2,020	100.0	

The specific amount to be repaid for the intercompany bridge loan facility will be a function of actual amounts outstanding and accrued interest at the time proceeds of the Rights Issue are received by the Company and the level of subscription of the Issue and may therefore vary from the above. It is estimated that this will be concluded in Q4 2019.

8. COSTS AND EXPENSES

The costs, charges and expenses of and incidental to the Issue including fees payable to SEC and the NASD OTC, professional parties, brokerage, and printing and distribution expenses, are estimated at about ₦50,308,812.50, representing 2.43% of the Issue proceeds and are payable by Air Liquide Nigeria.

9. MATERIAL CONTRACTS

The following company has entered into a Vending Agreement dated 25 October 2019 between Air Liquide Nigeria Plc and Stanbic IBTC Capital Limited.

Other than the above-referenced agreement and the intercompany bridge loan and bank over draft agreement referred to on page 32 of this Rights Circular, the Company has not entered into any other material contracts outside its ordinary course of business.

10. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at the date of this Rights Circular was ₦84 billion. The Company makes the list of unclaimed dividends and requisite cheques available at its annual general meetings. Shareholders that have unclaimed dividends periodically request for their dividend cheques from the Company and Marina Nominees Limited.

11. OVERVIEW OF CORPORATE GOVERNANCE

Air Liquide Nigeria Plc recognises the importance of good corporate governance as a means of sustaining the viability of the business in the long term and has embraced the tenets of good corporate governance in its practices, processes and structures.

In the conduct of its business, the Company has sought to comply with all statutory and regulatory requirements, adopted tried and proven best practices to protect the environment and its employees, invested in the communities in which it operates and strove to enhance shareholders' value in the process. The Company adopts near-term as well as medium and long-term growth strategies and allocates resources in order to guarantee the creation of wealth. It promotes and recognises excellence through its employees' development programmes.

The Company has put in place systems of internal controls in order to safeguard the interests of shareholders and other stakeholders, and to ensure the reliability of its records. As indicated in the

STATUTORY AND GENERAL INFORMATION

notes to the financial statements, the business adopts standard accounting practices to facilitate transparency in the disclosure of information and to give assurance regarding the reliability of the financial statements. Air Liquide Nigeria is committed to conducting its business in line with best corporate governance practices, in accordance with the Code of Business Conduct, Code of Corporate Governance for Public Companies issued by the Commission in 2011 and other applicable corporate governance codes in force in Nigeria.

The Board is currently made up of six Non-Executive Directors and one Executive Director.

The Statutory Audit Committee is set up in accordance with the provision of CAMA. It consists of four members made up of two representatives of the shareholders elected at the previous Annual General Meeting for tenure of one year and two representatives of the Board of Directors. The Committee, amongst others is authorised by CAMA to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices; review the scope and planning of audit requirements; review the findings on management matters in conjunction with the external auditor and departmental responses thereon; and make recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors of the Company.

12. RESEARCH AND DEVELOPMENT

The Company relies on the research and development performed by its parent company, Air Liquide Group, in terms of product innovation, consumer research and brand equity monitoring. The Company has therefore not spent any amount on research and development in the last three years.

13. MERGERS AND TAKEOVERS

As at the date of this Rights Circular, Air Liquide Nigeria is not aware of any attempt by any other investor to acquire a majority shareholding in the Company or by the Company of any other entity.

14. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

As at the date of this Rights Circular, there is no relationship between the Company and its advisers except in the ordinary course of business.

15. RELATED PARTY TRANSACTIONS

The Company has entered into certain transactions with related entities. These related party transactions as at 30 June 2019 are as follows:

- **Trademark, trade name and technology licenses**

These include:

1. Trademarks and Trade Name License Agreement between L'Air Liquide Societe Anonyme pour l'Etude et l'Exploration des Procedes Georges Claude and the Company; and
2. Technology License Agreement between L'Air Liquide Societe Anonyme pour l'Etude et l'Exploration des Procedes Georges Claude and the Company.

By virtue of the above-mentioned agreements, the Company was granted rights by Air Liquide Group for the use of its technology and all Air Liquide Group's trade marks in Nigeria. The consideration payable by Air Liquide Nigeria is a royalty of 2.3% of turnover value. The royalty payable by Air Liquide Nigeria as at 30 June 2019 is ₦127 million.

- **Intercompany loan**

Receivables	Relationship	(₦'000)
Air Liquide Finance	Fellow subsidiary	854,000
		<u>854,000</u>

• **Outstanding related party receivables and payables balances**

Receivables	Relationship	30-Jun-19
		(N'000)
Air Liquide Benin Republic	Fellow subsidiary	5,612
Air Liquide Ghana Limited	Fellow subsidiary	5,379
		10,991

Payables	Relationship	30-Jun-19
		(N'000)
Air Liquide Oil & Gas Services	Fellow subsidiary	62,665
Air Liquide Specna	Fellow subsidiary	12,039
Air Liquide Dept Siege	Fellow subsidiary	7,251
Airgas	Fellow subsidiary	3,559
Air Liquide Benin	Fellow subsidiary	580
Air Liquide Welding Italia S.P.A	Fellow subsidiary	343
		86,437

16. DECLARATIONS

Except as otherwise disclosed in this Rights Circular:

- (i) No share of Air Liquide Nigeria is under option or agreed conditionally or unconditionally to be put under option;
- (ii) No commissions, discounts, brokerages or other special terms have been granted by Air Liquide Nigeria to any person in connection with the Issue or sale of any shares of the Company;
- (iii) Save as disclosed herein, the Directors of Air Liquide Nigeria have not been informed of any holding representing 5% or more of the issued share capital of the Company;
- (iv) There are no material service agreements between Air Liquide Nigeria or any of its Directors or employees other than in the ordinary course of business;
- (v) No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the three years prior to the date of this Rights Circular; and
- (vi) No Director of the Company is or has been involved in any of the following:
 - A petition under any bankruptcy or insolvency laws filed (and not struck out) against him / her or any partnership in which he / she is or was a partner or any company of which he / she is or was a Director or key personnel;
 - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
 - The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

17. CONSENTS

The following have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Company	Mr Sunday Felix Afolabi Mr Alexandre Marie-Dominique Laurent Dufour Mr Sulemana Kwesi Dauda Mr Aliyu Jimeta Mr Philippe Martinez Mr Gino Morandini Mr Ottih John Ottih
Company Secretary	Marina Nominees Limited
Issuing House	Stanbic IBTC Capital Limited
Stockbrokers	Stanbic IBTC Stockbrokers Limited
Solicitors	Banwo & Ighodalo
Auditors	Ernst & Young
Registrars	United Securities Limited
Receiving Bank	Stanbic IBTC Bank PLC

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be inspected at the Stanbic IBTC Capital Limited's office at I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos and Air Liquide Nigeria Plc's office located at 104/106 Ladipo Street, Matori, Mushin, Lagos, during normal business hours on any Working Day, from 04 November 2019 to 29 November 2019:

- (i) The Certificate of Incorporation of the Company;
- (ii) The Memorandum and Articles of Association of the Company;
- (iii) The Rights Circular issued in respect of the Issue;
- (iv) The unaudited financial statements of the Company for the six months ended 30 June 2019;
- (v) The audited financial statements of the Company for each of the five years ended 31 December 2014 to 2018;
- (vi) The Shareholders' Resolution authorising the Issue;
- (vii) The Board Resolution authorising the Issue;
- (viii) The list of outstanding claims and litigation referred to in Section 6 on page 33;
- (ix) The material contracts referred to in Section 9 on page 34;
- (x) The written consents referred to in Section 16 on page 37;
- (xi) Letter of approval from SEC; and
- (xii) Letter of approval from the NASD OTC.



RC 2078

25 October 2019

RIGHTS ISSUE OF 414,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.00 PER SHARE IN AIR LIQUIDE NIGERIA PLC

Dear Sir / Madam

1. Provisional Allotment

The letter dated 25 October 2019 from the Chairman, which is provided, on page 13 of the Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new shares set out on the first page of the enclosed Participation Form, representing 23 new Ordinary Shares for every 10 Ordinary Shares registered in your name at the close of business on 15 October 2019. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares allotted to you or renounce your rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Participation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in paragraph 2(c) of this letter.

2. Acceptance and Payment

The receipt of payment with your Participation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and the clearance of the Securities and Exchange Commission. If payment is not received by the close of the Acceptance Period, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the Participation Form. The completed Participation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 41 of the Rights Circular not later than 29 November 2019. **The cheque or draft must be made payable to the Receiving Agent** and crossed "Air Liquide Nigeria RIGHTS" with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented for payment on receipt and all Participation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 41 of this Rights Circular for the transfer details.

Any payment value exceeding ₦10,000,000 (Ten Million Naira) should be made via SWIFT, RTGS or NEFT into the designated account provided by the Receiving Agent.

b) Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Participation Form and submit the completed Participation Form to any of the Receiving Agents listed on page 41 of the Rights Circular together with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with paragraph 2(a) above.

c) **Applying for Additional Shares**

This may be done by **completing items (ii) and (iii) of box A of the Participation Form**. Payment should be made in accordance with paragraph 2(a) above.

Shareholders who apply for additional shares using the Participation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see item 4 below).

3. **Trading in Rights on the NASD OTC**

The approval of the NASD OTC has been obtained for trading in the rights of the Company. The rights will be tradable between 04 November 2019 and 29 November 2019 at the price at which the rights are tradable on the NASD OTC. Shareholders who wish to trade their rights partially or in full, may trade such rights on the NASD OTC between these dates. Please complete item (iii) of box B of the Participation Form and contact your stockbroker for assistance. If you wish to purchase rights traded on NASD OTC, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Air Liquide Nigeria Rights.

4. **Allotment of Shares**

Allotment of shares will be made to shareholders who accepted their rights partially or in full, and to investors who purchased rights on the NASD OTC. Ordinary Shares which are not taken up by 29 November 2019 will be allotted to existing shareholders who applied and paid for additional shares over and above their provisional allotment based on an equal allocation ratio.

5. **Subscription Monies**

Participation Forms must be accompanied with the full amount due on acceptance in accordance with paragraph 2 above. All subscription monies will be retained in an interest yielding bank account by the Receiving Bank.

6. **Surplus Application Monies**

If any application for additional shares is not accepted or accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted including applicable interest will be sent by registered post or electronic payment will be made into the affected subscriber's account as stated in the Participation Form not later than 5 Working Days after the date of allotment.

7. **Rounding Principle**

Provisional allotment of shares will be such that shareholders will not be allocated a fraction of a share and as such any shareholding giving rise to a fraction of less than one share will be rounded down to the nearest whole number.

8. **Settlement**

The CSCS accounts of shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form.

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number.

A Registrars Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.

PROVISIONAL ALLOTMENT LETTER

Yours faithfully



Mr Biodun Oyebanjo
Marina Nominees Limited
Company Secretary

RECEIVING AGENTS LIST

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 15 October 2019. The completed Participation Forms together with a cheque or bank draft for the full amount payable may be returned to any of the following Receiving Agents to whom brokerage will be paid by the Issuer at the rate of 25 kobo per ₦100 worth of shares allotted in respect of Participation Forms bearing their official stamp.

The Company and Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds or Participation Forms at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House cannot give rise to a liability on the part of the Issuing House under any circumstances.

BANKS

Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc Ecobank Nigeria Plc Fidelity Bank Plc	First Bank of Nigeria Plc First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Plc Keystone Bank Limited	Skye Bank Plc Stanbic IBTC Bank PLC Standard Chartered Bank Nigeria Limited Sterling Bank Plc	Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Limited Afrinvest (West Africa) Limited AIMS Asset Management Limited Alangrange Securities Limited Allbond Investment Limited Alliance Capital Managt Co. Limited Altrade Securities Limited Amyn Investments Limited Anchorage Sec & Finance Limited Anchoria Inv& Securities Limited Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Limited ARM Securities Limited Associated Asset Managers Limited Atlass Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec Limited BIC Securities Limited Bytofel Trust & Securities Limited Cadington Securities Limited Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Limited Capital Trust Brokers Limited Cardinal Stone Securities Limited Cashcraft Asset Mgt. Limited Cashville Inv & Sec. Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Colvia Securities Limited Compass Inv and Sec Limited Consolidated Inv Limited Consortium Investments Limited Cordros Capital Limited Core Trust & Investment Limited Covenant Securities & Asset Management Limited Cowry Asset Mgt Limited Cradle Trust Fin & Sec. Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Dakal Securities Limited Davandy Finance & Sec Limited DBSL Securities Limited De-canon Investments Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Management Limited Emerging Capital Limited EMI Capital Resources Limited Empire Securities Limited Enterprise Stockbroker Plc Epic Investment Trust Limited	Equity Capital Solutions Limited Eurocomm Securities Limited Excel Securities Limited Express Discount Asset Mgt Limited Express Portfolio Services Limited FCSL Asset Management Company Limited Falcon Securities Limited FBC Trust & Securities Limited FBNQuest Securities Limited Financial Trust Company Nigeria Limited Fidelity Securities Limited FinBank Securities Limited Finmal Finance Company Limited First Inland Capital Limited First Inland Sec. & Asset Mgt. Limited FIS Securities Limited Fittco Securities Limited Foresight Sec. & Inv Limited Forte Financial Limited Forthright Securities & Investments Limited Fortress Capital Limited FSDH Securities Limited Fund Matrix & Assets Mgt Limited Future view Financial Services Limited Future view Securities Limited Gem Assets Mgt Limited Genesis Securities & Inv. Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited Global Inv. & Sec. Limited Global View Consult & Investment Limited GMT Securities Golden Securities Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited HP Securities Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Mgt Limited IMTL Securities Limited Independent Securities Limited Integrated Trust & Inv. Limited Intercontinental Securities Limited International Capital Sec. Limited International Standard Sec Limited Interstate Securities Limited Investment Centre Limited Investment One Financial Services Limited Investment One Stock Brokers International Limited Investors & Trust Co Limited ITIS Securities Limited Kakawa Asset Mgt Limited Kapital Care Trust & Sec. Limited Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited Kundila Finance Services Limited Laksworth Inv. & Sec Limited Lambeth Trust & Inv. Co. Limited LB Securities Limited Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Lion Stockbrokers Limited LMB Stockbrokers Limited Long Term Global Capital Limited Mact Securities Limited	Magnartis Fin & Inv Limited Mainland Trust Limited Maninvest Securities Limited Marina Securities Stockbroking Services Limited Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited MBL Financial Services Limited MC-Finero Investment limited Mega Equities Limited Mercov Securities Limited Meristem Securities Limited Midas Stockbrokers Limited Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Investment & Securities Limited Mutual Alliance Investments and Securities Limited Network Capital Limited Networth Securities & Finance Limited Newdevco Investments & Securities Co Limited Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Limited Oasis Capital Omas Investments & Trust Company Limited Options Securities Limited PAC Securities Limited Parthian Partners Limited Partnership Investment Company Limited Peace Capital Market Limited Peninsula Asset Mgt& Inv Co. Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Investment Co Limited Platinum Capital Limited Plural Securities Limited PML Securities Company Limited Portfolio Advisers Limited Prima Africa Securities Prime Wealth Capital Limited Professional Stockbrokers Limited, Profund Securities Limited Prominent Securities Limited Prudential Securities Limited Pyramid Securities Limited Quantum Securities Limited, Rainbow Securities and Investment Co. Limited Readings Investment Limited Redasel Investment Limited Regency Assets Mgt Limited Regency Financings Limited Rencap Securities (Nig.) Limited Resano Securities Limited Resort Securities & Trust Limited Reward Investments and Services Limited Richmond Securities Limited Riverside Trust Limited Rivtrust Securities Limited Rostrum Inv& Sec Limited Rowet Capital Mgt Limited Royal Crest Finance Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Limited Securities Solutions Limited	Securities Trading & Investments Limited Shelong Investment Limited Sigma Securities Limited Signet Investments & Securities Limited Sikon Securities and Investment Trust Limited Skyview Capital Limited SMADAC Securities Limited Solid-Rock Securities & Investment Limited Spring Trust & Securities Limited Springboard Trust & Inv Limited Stanbic IBTC Asset Mgt Limited Stanbic IBTC Capital Limited Stanbic IBTC Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Stanwal Securities Limited Strategy and Arbitrage Limited Summa Guaranty & Trust Co. Plc Summit Finance Company Limited Support Services Limited, Supra Commercial Trust Limited TFS Securities & Investment Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Management Limited Tower Securities & Investment Co. Limited Trade Link Securities Limited Traders Trust & Investment Company Limited TransAfrica Financial Services Limited Transglobe Investment & Finance Co. Limited Transworld Investment & Securities Limited Tropics Securities Limited Trust Yields Securities Limited Trust House Investments Limited TRW Stockbrokers Limited UBA Securities Limited UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Capital Mgt Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrade Capital & Asset Management Limited WSTC Financial Services Limited WT Securities Limited Yobe Inv. & Sec. Limited Yuderb Inv. & Sec. Limited Zenith Securities Limited
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PARTICIPATION FORM



Issuing House

RC1031358

on behalf of



Air Liquide Nigeria Plc
RC 2078

Rights Issue of

**Acceptance List Opens
04 November 2019**

**414,000,000 Ordinary Shares of 50 kobo each
at ₦5.00 per share
on the basis of 23 new Ordinary Shares**

**Acceptance List Closes
29 November 2019**

for every 10 Ordinary Shares held as at the close of business on 15 October 2019

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE PARTICIPATION FORM

- Acceptance and/or renunciation must be made on this Participation Form.
- Allottees should complete only **ONE** of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Participation Forms to any of the Receiving Agents listed on page 4141 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "**Air Liquide Nigeria RIGHTS**", with the name, address and mobile number of the shareholder written on the back. Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 41 of this Rights Circular for the transfer details.

Evidence of all electronic transfers must be submitted to the Receiving Agents. If payment is not received by 29 November 2019, the provisional allotment will be deemed to have been declined and will be cancelled.
- Shareholders accepting their provisional allotment partially should complete box B and submit their Participation Forms to any of the Receiving Agents listed on page 41 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
- Shareholders who wish to trade their rights on the floor of NASD OTC should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Participation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) and (iii) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances / applications in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Participation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Participation Form.
- Participation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Number of ordinary shares provisionally allotted	Number of ordinary shares accepted	Number of additional ordinary shares applied for	Number of ordinary shares renounced	Number of additional ordinary shares allotted	Total number of ordinary shares allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/cheque number
						₦	₦	₦	

STAMP OF RECEIVING AGENT

Please Turn Over ↶

PARTICIPATION FORM

Acceptance and/or renunciation must be made in accordance with the instructions set out on the front of this form. Care should be taken to comply with the instructions as application that do not comply may be rejected. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance. The Company and the Issuing House have the discretion to reject any incomplete Participation Form.

Investor's Stockbroker..... CHN Number.....

Stockbroker Code..... CSCS Number.....

A. FULL ACCEPTANCE / REQUEST FOR ADDITIONAL ORDINARY SHARES	
i. I / We accept in full, the provisional allotment shown on the front of this form	
ii. I / We also apply for additional ordinary shares: Number of additional ordinary shares applied for Additional amount payable at ₦5.00 per share	
<input type="text"/>	<input type="text"/>
I / We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.	
iii. I / We enclose my / our cheque / bank draft / evidence of payment transfer for ₦..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above. Cheque details: Name of bank / cheque number/branch.....	

B. RENUNCIATION OR PARTIAL ACCEPTANCE		
1	2	3
Number of ordinary shares accepted	Amount payable at ₦5.00 per share	Number of ordinary shares renounced
<input type="text"/>	<input type="text"/>	<input type="text"/>
i. I / We accept only the number of ordinary shares shown in column (1) above and enclose my/our cheque / bank draft for the value shown in column (2) above. Cheque details: Name of bank / cheque number / branch.....		
ii. I / We hereby renounce my / our rights to the ordinary shares shown in column (3) above, being the balance of the ordinary shares allocated to me / us.		
iii. I / We confirm that I / We wish to trade my / our rights of ordinary shares (being my / our renounced shares as shown in Column (3) above) on the floor of NASD OTC. I / We shall obtain a Transfer Form from my / our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.		

MUST BE FULLY COMPLETED FOR BOTH A AND B	
Name (s) (in block letters)	
<input type="text"/>	
Next of Kin	
<input type="text"/>	
Daytime Telephone Number	Mobile (GSM) Telephone Number
<input type="text"/>	<input type="text"/>
Email Address	
<input type="text"/>	
Bank Verification Number (BVN)	
<input type="text"/>	

BANK DETAILS (FOR E-DIVIDEND)	
Name of Bank	
<input type="text"/>	
Branch	Incorporation Number and Seal of Corporate Allottee
<input type="text"/>	
Account Number	
<input type="text"/>	
Signature	2 nd Signature (Joint only)
<input type="text"/>	<input type="text"/>
Name of Authorised Signatory (corporate only):	Name of Authorised Signatory (corporate only):
<input type="text"/>	<input type="text"/>
Designation (corporate only):	Designation (corporate only):
<input type="text"/>	<input type="text"/>

C. TRADING IN RIGHTS	
i) Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of NASD OTC. The rights are expected to be traded actively on the floor of NASD OTC.	
ii) Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) of box A above.	
iii) Shareholders who purchase rights on the floor of NASD OTC are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.	

STAMP OF RECEIVING AGENT