

## Detailed analysis of accumulated losses

<b>Date</b>	21 May 2020
<b>Name of the Listed Company</b>	Gulf Pharmaceutical Industries PSC
<b>Define the period of the financial statements</b>	1 <sup>st</sup> Quarter, 2020
<b>Value of the Accumulated losses</b>	AED 565.7 million
<b>Accumulated losses to capital ratio</b>	49%
<b>The main reasons leading to these accumulated losses and their history</b>	<ul style="list-style-type: none"><li>• Saudi Food and Drug Authority temporary suspension to export medicines to KSA and Bahrain.</li><li>• Gulf Health Council suspension to export medicines to Kuwait &amp; Oman.</li><li>• Product Recalls due to quality issues.</li><li>• Loss of Market share due to recalls &amp; bans.</li></ul>
<b>Measures to be taken to address accumulated losses:</b>	<ul style="list-style-type: none"><li>• Temporary suspension to KSA, Bahrain &amp; Oman has been lifted. Lifting of temporary suspension to Kuwait is expected in near future.</li><li>• Launch new products in 2020 to increase market share and improve profitability.</li><li>• Appointment of new CEO to oversee the strategic direction of the company.</li><li>• Involve external consultants to improve key processes of the company.</li><li>• Capital restructuring to offset accumulated losses against share capital followed by rights issue to strengthen registered capital.</li></ul>

<b>The Name of the Authorized Signatory</b>	Juergen Wolfgang Lauterbach
<b>Designation</b>	Chief Financial & Strategy Officer
<b>Signature and Date</b>	21 May 2020 
<b>Company's Seal</b>	

