

Detailed analysis of accumulated losses

Date	12 November 2020
Name of the Listed Company	Gulf Pharmaceutical Industries PSC
Define the period of the financial statements	Q3 2020
Value of the Accumulated losses	98.8 AEDm
Accumulated losses to capital ratio	9%
The main reasons leading to these accumulated losses and their history	<ul style="list-style-type: none"> • Saudi Food and Drug Authority temporary suspension to export medicines to KSA and Bahrain. • Gulf Health Council temporary suspension to export medicines to Kuwait & Oman. • Product Recalls due to quality issues. • Loss of Market share due to recalls & bans.
Measures to be taken to address accumulated losses:	<ul style="list-style-type: none"> • Capital reduction to offset accumulated losses of previous year against share capital was completed in May 2020. • Successful subscription of 500 mAED rights issue by the shareholders was completed in July 2020. • Temporary suspension to KSA, Bahrain, Kuwait & Oman was lifted during Q1 and Q2 2020. • Restructure product portfolio and launch new products in new therapeutic areas in various markets. • Appointment of new CEO to oversee the strategic direction of the company in April 2020. • Implement process improvements initiatives with the external consultants.

The Name of the Authorized Signatory	Jurgen Wolfgang Lauterbach
Designation	CFO & Chief Strategy Officer
Signature and Date	12 November 2020
Company's Seal	

