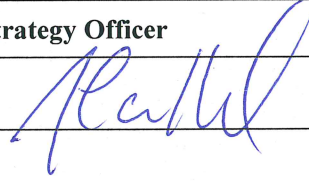


Detailed analysis of accumulated losses

Date	9 May 2021
Name of the Listed Company	Gulf Pharmaceutical Industries PSC
Define the period of the financial statements	Q1 2021
Value of the Accumulated losses	-317.1
Accumulated losses to capital ratio	27%
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 during Q4 2018 until Q1 2020. • Gulf Health Council temporary suspension to export medicines to Kuwait & Oman during Q4 2018 until Q1 2020. • Loss of market share due to recalls. • One-off expenses during financial year 2020 due to write-offs of inventories and fixed assets, tender penalties, product expiries, etc.
Measures to be taken to address accumulated losses:	<ul style="list-style-type: none"> • Continue successful market re-entry after the temporary export 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. • Implement further process improvement and productivity enhancement initiatives. • Divestment of non-performing assets

The Name of the Authorized Signatory	Jurgen Wolfgang Lauterbach
Designation	CFO & Chief Strategy Officer
Signature and Date	9 May 2021 
Company's Seal	

