

Detailed analysis of accumulated losses

Date:	November 12, 2019
Listed Company Name:	Gulf Pharmaceutical Industries (Julphar)
Define the period of the financial statements:	Nine months ended 30 September 2019
Accumulated losses:	AED 385.2 Million
Accumulated losses to capital ratio:	33%
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 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"> ➤ Improving quality procedures to address the suspensions and the product recalls ➤ Launch new products in 2020 to increase market share and improve profitability ➤ Appointment of several key management personnel to oversee the strategic direction of the company. ➤ Involve external consultants to identify efficiency improvements and to optimize key processes of the company.

Jerome CARLE
Chief Executive Officer