

Detailed analysis of accumulated losses

Date	11 August 2020
Name of the Listed Company	Gulf Pharmaceutical Industries PSC
Define the period of the financial statements	Q2 2020
Value of the Accumulated losses	AED 83.2 million
Accumulated losses to capital ratio	12.7%
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"> • Capital reduction to offset accumulated losses of previous year against share capital was completed. • Successful subscription of rights issue by the shareholders completed in July 2020. • Temporary suspension to KSA, Bahrain, Kuwait & Oman has been lifted during the period. • 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. • 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	August 11, 2020
Company's Seal	

