

Gulf Pharmaceutical Industries ‘Julphar’ reports financial results for Q1 2021

- *Julphar reports 60% increase in sales compared to Q1 2020*
- *Improved revenue growth and decrease in distribution expenses contribute to reduction of net loss by 58%*

May 9, 2021, Ras Al Khaimah (UAE) – Gulf Pharmaceutical Industries PSC (Julphar), one of the largest pharmaceutical manufacturers in the Middle East and Africa, today reported its financial results for the first quarter ending March 31, 2021.

In Q1 2021, the company generated AED 166.8 million in Net Sales, a 60% increase from Q1 2020, led by a successful re-opening in core markets, such as Saudi Arabia, Oman, and Kuwait. Additionally, business in North African markets generated considerably higher sales and contributed to the strong growth. During this first quarter, net loss reduced by 58% compared to previous year losses received from 68.9M AED to 29.2M AED, on robust revenue growth and a decline in selling and distribution expenses.

The operational performance of the company has also made considerable progress towards reaching profitability, with Julphar generating an AED 3.3 million positive EBITDA for the first time since 3 years. The cash flow from operating activities improved significantly from last year and reached AED +3.3 million.

In addition, Julphar announced last month that it has secured a AED 1.01 billion syndicated loan facility with Arab Bank, RAKBANK, and Dubai Islamic Bank. The facility enables Julphar to refinance existing debt with an additional upsizing of AED 350 million to support the company's investment and expansion plans in the medium to long-term.

Sh. Saqer Humaid Al Qasimi, Chairman of the Board, Julphar, said: “It is encouraging to see the company continue to make strides in terms of sales growth and loss reduction during the last quarter. Following the progress of last year, we are confident that Julphar will be able to improve its financial and operational performance whilst unlocking exciting new opportunities.”

Dr. Essam Farouk, Chief Executive Officer of Julphar, said: “We are very proud to demonstrate the positive results of our efforts to re-establish Julphar in our core markets. This not only serves as a reminder of the success we have achieved so far, but also provides us with the platform to consolidate our position as a leader in pharmaceuticals within the MENA region and beyond.”

Looking ahead, Julphar remains focused on its strategic areas of the business as the company divests from non-core activities and strengthens sales in core markets to increase market share with its existing portfolio. To support the long-term growth prospects, Julphar continues to explore

new alliances and partnerships, whilst also launching new products in core therapeutic areas and investing in capital expenditure to improve operational efficiency.

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About Julphar

Julphar is one of the largest pharmaceutical manufacturers in the Middle East and Africa, and for almost four decades, the company has been delivering high quality, innovative and affordable healthcare solutions to families across the globe. Established under the guidance of His Highness Sheikh Saqr Bin Mohammed Al Qasimi in 1980, Julphar employs 2,500 people and distributes pharmaceutical products to more than 50 countries on five continents.

Julphar's business is centered on three core business units – Julphar Diabetes Solutions, General Medicines and its consumer division, Julphar Life – which target major therapeutic segments including Gastrology, Pain Management, Wound Care, Antibiotics and Cardio-metabolism. Julphar has 16 internationally accredited facilities in Africa, Middle East and Asia. In 2012, Julphar became one of the largest producers of Insulin with its UAE-based biotechnology production unit.

For more information, visit <http://www.julphar.net>

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