الإمـــارات للمرطبـــات
Emirates Refreshments

Detailed analysis of accumulated losses

Date:	12.11.2019
Listed Company Name:	Emirates Refreshment (PSC)
Define the period of the financial statements	Q3 2019
Accumulated losses:	AED 14,236,719
Accumulated losses to capital ratio:	47.45%
The main reasons leading to these accumulated losses and their history:	-Year 2018, loss incurred AED7,493,540 majorly due to reduction in volumes by 18.4% vs year before. The Net selling price also reduced by 13.8% vs year before due to unprecedented price competition. -YTD Q3 2019, loss incurred AED 8,042,654 due to continuation of trend of reduction in volumes by 20% vs same period of 2018. The net selling price further reduced by 2.1% vs LY. -Introduction of toll tax, by Sharjah Municipality, in q4 2018 on transportation of goods from our manufacturing unit located at Hatta and Dibba resulted in increase in transportation cost. The Toll cost reached 110 k/ month. We could work on reducing it to only 71 k.
Measures to be taken to address accumulated losses:	By adding new trading products to increase the revenue and margins, without adding overheads. We have managed to stop the price slump and reverse it lately, where by the net selling price in Q3 2019 has improved by 7.2% vs Q2 2019 and it would be sustained to improve the revenue and margins. By restructuring the organization and cost reduction, around 300 k/ month.

Authorized to signatory

Mr. Fethi Khiari

الإمارات للمرطبات (ش.م.ع) ص.ب: ٥٥٦٧ دبي - إ.ع.م.
EMIRATES REFRESHMENTS (P.S.C) P.O.Box 5567 Dubai - U.A.E.