الإمـــارات للمرطبـــات
Emirates Refreshments

Detailed analysis of accumulated losses

Date:	**17/06/2020**
Listed Company Name:	**Emirates Refreshment (PSC)**
Define the period of the financial statements	**Q1'2020 (for the period ended 31st March 2020)**
Accumulated losses:	**AED 16,356,558**
Accumulated losses to capital ratio:	**54.52%**
The main reasons leading to these accumulated losses and their history:	**-The losses were accumulated over last two years in 2018 and 2019 totaling to AED 18.05M majorly due to reduction in volumes year on year as well as reduction in the net selling price due to price competition. 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.**
Measures to be taken to address accumulated losses:	**The cost saving initiatives taken in the last quarter of 2019 by way of optimizing and eliminating the fixed cost components, restructured and rationalized the distribution routes and fleets, restructured human resources and shutdown of one of the manufacturing facility has resulted in sizeable reduction in the net losses in Q1 2020. The loss has reduced by 80% in Q1 2020 vs Q1 2019. Board of Directors have proposed to merge the Statutory and obligatory reserve with the accumulated losses subject to final approval in AGM.**

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

Authorized signatory

ص.ب. ٥٥٦٧، دبي، إ.ع.م • هاتف: ٣٣٣٥٥٦٦ (٤ ٩٧١+) • فاكس: ٣٣٣٥٥٥٨ (٤ ٩٧١+)
البريد الإلكتروني: info@erc.ae • الموقع الإلكتروني: www.erc.ae
P.O. Box 5567, Dubai, U.A.E. • Tel: (+971 4) 3335566 • Fax: (+971 4) 3335558
Email: info@erc.ae • website: www.erc.ae
No. 9005