



Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at September 30, 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the Period Ended 30 September 2019**

(KZT'000)

| | | 9 months of 2019 | 9 months of 2018 |
|--|----|-------------------|-------------------|
| Revenue | 4 | 48 982 013 | 39 136 902 |
| Cost of sales | 5 | (28 478 559) | (24 436 434) |
| Gross profit | | 20 503 454 | 14 700 468 |
| Selling expenses | 6 | (8 865 265) | (7 628 509) |
| General and administrative expenses | 7 | (3 794 983) | (3 799 150) |
| OPERATING PROFIT | | 7 843 206 | 3 272 809 |
| Finance costs | 8 | (2 011 601) | (1 451 091) |
| Foreign exchange gain/ (loss) | | (339 227) | 185 039 |
| Investment income | | 324 880 | 106 642 |
| Other income / (expenses), net | 9 | 577 389 | 1 151 044 |
| PROFIT BEFORE TAX | | 6 394 647 | 3 264 443 |
| Income tax expense | | (306 322) | (282 545) |
| PROFIT FOR THE PERIOD | | 6 088 325 | 2 981 898 |
| Gain on revaluation of property, plant and equipment less income tax | | - | - |
| Exchange difference on translating foreign operations | | 33 956 | (60 078) |
| Other comprehensive income | | 33 956 | (60 078) |
| TOTAL COMPREHENSIVE INCOME | | 6 122 281 | 2 921 820 |
| Earnings per common share, in KZT | 10 | 1 942 | 947 |

For the Group Management:


Timur Kaltayev

Chairman of the Management
Board


Askat Agybayev

Chief Financial Officer


Natalya Ivanova

Acting Chief Accountant



**Consolidated Statement of Financial Position
 as at 30 September 2019**

(KZT'000)

| | Note | At 30 September 2019 | At 31 December 2018 |
|---|------|--------------------------|--------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 11 | 23 228 923 | 24 825 119 |
| Investment property | | 609 959 | 611 443 |
| Advances paid | | 57 607 | 34 808 |
| Goodwill | | 68 026 | 68 026 |
| Intangible assets | | 77 332 | 78 788 |
| Total non-current assets | | <u>24 041 847</u> | <u>25 618 184</u> |
| CURRENT ASSETS | | | |
| Inventories | 13 | 9 376 827 | 7 476 055 |
| Trade accounts receivable | 12 | 2 062 727 | 2 087 561 |
| Advances paid | 12 | 1 323 496 | 921 983 |
| Other financial assets | | 1 009 440 | 9 605 000 |
| Other current assets | 14 | 1 936 959 | 1 401 745 |
| Bank deposits | | 619 115 | 591 035 |
| Cash and cash equivalents | | 28 162 438 | 6 239 260 |
| Assets classified as held for sale | | 1 929 | 1 929 |
| Total current assets | | <u>44 492 931</u> | <u>28 324 568</u> |
| TOTAL ASSETS | | <u><u>68 534 778</u></u> | <u><u>53 942 752</u></u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Share capital | | 2 787 696 | 2 787 696 |
| Treasury shares | | (163 364) | (149 709) |
| Preferred shares, held within the Group | | (947 400) | (947 400) |
| Reserves | | 3 583 153 | 4 260 845 |
| Retained earnings | | 16 829 706 | 11 824 340 |
| Total equity | | <u>22 089 791</u> | <u>17 775 772</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 15 | 11 228 540 | 8 114 318 |
| Deferred income tax liability | | 3 689 061 | 3 689 061 |
| Account payable | | 752 125 | 743 095 |
| Total non-current liabilities | | <u>15 669 726</u> | <u>12 546 474</u> |

| | | | |
|---|----|--------------------------|--------------------------|
| CURRENT LIABILITIES | | | |
| Accounts payable | 16 | 8 732 681 | 7 677 786 |
| Short-term borrowings and current portion of long-term borrowings | 15 | 19 928 506 | 14 702 713 |
| Current portion of bonds payable | | - | |
| Corporate income tax payable | | 45 678 | 45 678 |
| Taxes payable | 17 | 1 570 636 | 759 674 |
| Other accounts payable and accrued liabilities | 18 | 497 760 | 434 655 |
| Total current liabilities | | <u>30 775 261</u> | <u>23 620 506</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>68 534 778</u></u> | <u><u>53 942 752</u></u> |

| | | |
|--|--------------|--------------|
| <i>Carrying amount per common share (KZT)</i> | <i>7 022</i> | <i>5 621</i> |
| <i>Carrying amount per preferred share (KZT)</i> | <i>1 200</i> | <i>1 200</i> |

For the Group Management:

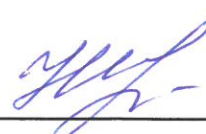

 Timur Kaltayev

Chairman of the Management Board




 Askat Agymbayev

Chief Financial Officer



Natalya Ivanova

Acting Chief Accountant

**Consolidated Statement of Cash Flows
 for the period ended 30 September 2019 (indirect method)**

(KZT'000)

| OPERATING ACTIVITY: | 9 months of 2019 | 9 months of 2018 |
|---|-----------------------------|-----------------------------|
| Profit before tax | 6 394 647 | 3 264 443 |
| Adjustments for: | | |
| Amortisation and depreciation | 1 634 559 | 1 530 226 |
| Finance costs | 2 011 601 | 1 451 091 |
| Foreign exchange (gain)/loss | 339 227 | (185 039) |
| Loss/ (gain) from disposal of property, plant and equipment | (392 590) | (2 168) |
| Non-operating loss/ (gain) | (64 427) | (978 901) |
| Reimbursement of selling expenses incurred without cash settlement | (532 169) | (627 143) |
| Investment gain | (324 880) | (106 642) |
| | <u>9 065 968</u> | <u>4 345 867</u> |
| Operating cash flows before movement in working capital | | |
| Increase/(decrease) of inventories | (1 900 772) | (2 337 411) |
| Increase/(decrease) of accounts receivable | 24 834 | (161 287) |
| Decrease/(increase) of advances paid | (401 513) | 375 742 |
| Change in the amounts receivable under reverse repo transactions | - | - |
| Decrease/(increase) of other current assets | (535 214) | (133 046) |
| Decrease/(increase) of accounts payable | 1 664 669 | 2 458 096 |
| Increase/(decrease) of taxes payable | 810 962 | (128 880) |
| Increase/(decrease) of other accounts payable and accrued liabilities | 63 105 | 912 054 |
| Cash from operating activity | <u>8 792 039</u> | <u>5 331 135</u> |
| Interest paid | (2 043 558) | (1 510 826) |
| Income tax paid | (243 729) | (282 545) |
| Net cash generated by operating activity | <u>6 504 752</u> | <u>3 537 764</u> |
| INVESTING ACTIVITY: | | |
| Purchase of other financial assets | (69 142 558) | (23 615 248) |
| Proceeds from disposal of property, plant and equipment and intangible assets | 927 717 | 46 263 |
| Proceeds on sale of other financial assets | 77 820 325 | 17 607 237 |
| Money places to deposit | (607 184) | (6 274 980) |
| Deposit withdrawal | 593 009 | 6 178 000 |
| Return on deposit | 14 532 | 4 055 |
| Acquisition of property, plant and equipment and intangible assets | (423 744) | (3 306 492) |
| Net cash used in investing activity | <u>9 182 097</u> | <u>(9 361 165)</u> |

FINANCING ACTIVITY:

| | | |
|--|--------------------------|-------------------------|
| Repayment of borrowings | (16 393 113) | (15 962 372) |
| Shares repurchase | (58 237) | - |
| Dividends paid | (1 750 025) | (700 018) |
| Proceeds from borrowings | <u>24 311 983</u> | <u>21 181 828</u> |
| Net cash generated (used in) by financing activities | <u>6 110 608</u> | <u>4 519 438</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>21 979 457</u> | <u>(1 303 963)</u> |
| CASH AND CASH EQUIVALENTS, beginning of the year | <u>6 239 260</u> | <u>5 236 437</u> |
| Effect of changes in foreign currency exchange rates in relation to cash | <u>125 721</u> | <u>(15 694)</u> |
| CASH AND CASH EQUIVALENTS, end of the period | <u><u>28 162 438</u></u> | <u><u>3 916 780</u></u> |

For the Group Management:


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Chairman of the Management
 Board




 Askat Agybayev

Chief Financial Officer


 Natalya Ivanova

Acting Chief Accountant

R G B R A N D S J S C & Subsidiaries
Consolidated Interim Financial Statements as at 30 September 2019.



| | Issued capital | Treasury shares | Preferred shares, held within the Group | Property, plant & equipment revaluation reserve | Foreign currency translation reserve | Retained earnings | Total equity (KZT'000) |
|---------------------------------------|----------------|-----------------|---|---|--------------------------------------|-------------------|------------------------|
| As at 1 January 2018 | 2 787 696 | (149 709) | (947 400) | 3 329 063 | (372 836) | 8 855 542 | 13 502 356 |
| Impact of adopting IFRS 9 | - | - | - | - | - | (22 024) | (22 024) |
| Restated opening balance under IFRS 9 | 2 787 696 | (149 709) | (947 400) | 3 329 063 | (372 836) | 8 833 518 | 13 480 332 |
| Profit for the period | - | - | - | - | - | 3 684 083 | 3 684 083 |
| Other comprehensive income | - | - | - | 1 978 530 | 128 822 | - | 2 107 352 |
| Total comprehensive income | - | - | - | 1 978 530 | 128 822 | 3 684 083 | 5 791 435 |
| Dividends paid | - | - | - | - | - | (1 495 995) | (1 495 995) |
| Transfer to retained earnings | - | - | - | (802 734) | - | 802 734 | - |
| As at 31 December 2018 | 2 787 696 | (149 709) | (947 400) | 4 504 859 | (244 014) | 11 824 340 | 17 775 772 |
| Profit for the period | - | - | - | - | - | 6 088 325 | 6 088 325 |
| Other comprehensive income | - | - | - | - | 33 956 | - | 33 956 |
| Total comprehensive income | - | - | - | - | 33 956 | 6 088 325 | 6 122 281 |
| Repurchase of own shares | - | (13 655) | - | - | - | - | (13 655) |
| Dividends declared | - | - | - | - | - | (1 750 025) | (1 750 025) |
| Loss from repurchase of own shares | - | - | - | - | - | (44 582) | (44 582) |
| Transfer to retained earnings | - | - | - | (711 648) | - | 711 648 | - |
| As at 30 September 2019 | 2 787 696 | (163 364) | (947 400) | 3 793 211 | (210 058) | 16 829 706 | 22 089 791 |

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