

***Consolidated Interim Financial Statements***

**RG Brands JSC & Subsidiaries**

***as at September 30, 2020***

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Period Ended 30 September 2020**

(thousands of Tenge)

		9 months of 2020	9 months of 2019
<b>Revenue</b>	4	<b>56 156 286</b>	<b>48 982 013</b>
<b>Cost of sales</b>	5	<b>(29 437 129)</b>	<b>(28 478 559)</b>
<b>Gross profit</b>		<b>26 719 157</b>	<b>20 503 454</b>
Selling expenses	6	(10 334 488)	(8 865 265)
General and administrative expenses	7	(3 794 878)	(3 794 983)
<b>OPERATING PROFIT</b>		<b>12 589 791</b>	<b>7 843 206</b>
Finance costs	8	(2 578 089)	(2 011 601)
Foreign exchange gain/ (loss)		4 160 597	(339 227)
Investment income		(52 246)	324 880
Other income / (expenses), net	9	82 014	577 389
<b>PROFIT BEFORE TAX</b>		<b>14 202 067</b>	<b>6 394 647</b>
Income tax expense		(248 205)	(306 322)
<b>PROFIT FOR THE PERIOD</b>		<b>13 953 862</b>	<b>6 088 325</b>
Gain on revaluation of property, plant and equipment less income tax		-	-
Exchange difference on translating foreign operations		(203 755)	33 956
Other comprehensive income		(203 755)	33 956
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>13 750 107</b>	<b>6 122 281</b>
Earnings per common share, in KZT	10	4 744	1 942

For the Group Management:

  
**Timur Kaltayev**  
Chairman of the Management Board

  
**Natalya Ivanova**  
Chief Accountant



**Consolidated Statement of Financial Position  
 as at 30 September 2020**

(thousands of Tenge)

	Notes	At 30 September 2020	At 31 December 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	23 227 691	22 859 485
Investment property		53 037	612 211
Advances paid		1 230 475	57 704
Goodwill		68 026	68 026
Intangible assets		104 959	79 091
Total non-current assets		<u>24 684 188</u>	<u>23 676 517</u>
<b>CURRENT ASSETS</b>			
Inventories	12	10 427 268	7 828 427
Trade accounts receivable	13	1 833 029	2 086 863
Advances paid	14	2 105 194	1 626 080
Other financial assets		33 066 127	28 455 710
Right-of-use assets		69 499	69 499
Other current assets	15	1 920 164	1 782 921
Bank deposits		689 244	610 474
Cash and cash equivalents		8 228 084	2 346 818
Assets classified as held for sale		1 929	1 929
Total current assets		<u>58 340 538</u>	<u>44 808 721</u>
<b>TOTAL ASSETS</b>		<u><u>83 024 726</u></u>	<u><u>68 485 238</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital		1 840 296	2 787 696
Treasury shares		(820 063)	(163 364)
Preferred shares, held within the Group		-	(947 400)
Reserves		2 833 250	3 420 206
Retained earnings		30 950 655	17 491 822
Total equity		<u>34 804 138</u>	<u>22 588 960</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16	16 856 481	13 855 075
Deferred income tax liability		3 410 181	3 410 181
Account payable	17	994 068	876 772
Total non-current liabilities		<u>21 260 730</u>	<u>18 142 028</u>

<b>CURRENT LIABILITIES</b>			
Accounts payable	17	7 208 346	8 134 734
Short-term borrowings and current portion of long-term borrowings	16	16 417 630	18 143 299
Lease liability		28 902	28 902
Taxes payable	18	2 544 116	805 385
Other accounts payable and accrued liabilities	19	760 864	641 930
Total current liabilities		<u>26 959 858</u>	<u>27 754 250</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>83 024 726</u></u>	<u><u>68 485 238</u></u>

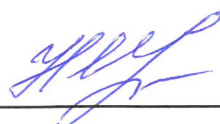
*Carrying amount per common share (KZT)* 17 244 7 181

*Carrying amount per preferred share (KZT)* - 1 200

**For the Group Management:**




**Timur Kaltayev**  
 Chairman of the Management Board



**Natalya Ivanova**  
 Chief Accountant

**Consolidated Statement of Cash Flows  
 for the period ended 30 September 2020 (indirect method)**

(thousands of Tenge)

	<b>9 months of 2020</b>	<b>9 months of 2019</b>
<b>OPERATING ACTIVITY:</b>		
Profit before tax	14 202 067	6 394 647
Adjustments for:		
Amortisation and depreciation	1 733 350	1 634 559
Finance costs	2 578 089	2 011 601
Foreign exchange (gain)/loss	(4 160 597)	339 227
Loss/ (gain) from disposal of property, plant and equipment	(300 865)	(392 590)
Non-operating loss/ (gain)	218 851	(64 427)
Reimbursement of selling expenses incurred without cash settlement	(768 069)	(532 169)
Investment gain	52 246	(324 880)
	<u>13 555 072</u>	<u>9 065 968</u>
Operating cash flows before movement in working capital		
Increase/(decrease) of inventories	(2 598 841)	(1 900 772)
Increase/(decrease) of accounts receivable	253 834	24 834
Increase/(decrease) of advances paid	(479 114)	(401 513)
Increase/(decrease) of other current assets	(137 243)	(535 214)
Decrease/(increase) of accounts payable	(1 662 621)	1 664 669
Increase/(decrease) of taxes payable	1 738 731	810 962
Increase/(decrease) of other accounts payable and accrued liabilities	118 934	63 105
Cash from operating activity	<u>10 788 752</u>	<u>8 792 039</u>
Interest paid	(2 986 405)	(2 043 558)
Income tax paid	(276 574)	(243 729)
	<u>7 525 773</u>	<u>6 504 752</u>
Net cash generated by operating activity		
<b>INVESTING ACTIVITY:</b>		
Purchase of other financial assets	(44 221 080)	(69 142 558)
Proceeds on sale of property, plant and equipment and intangible assets	1 000 000	927 717
Proceeds on sale of other financial assets	42 385 866	77 820 325
Return on deposit	8 992	14 532
Placement of deposit	-	(607 184)
Deposit withdrawal	-	593 009
Acquisition of property, plant and equipment and intangible assets	(2 309 856)	(423 744)
	<u>(2 820 581)</u>	<u>4 458 710</u>
Net cash used in investing activity		

FINANCING ACTIVITY:

Repayment of borrowings	(15 485 574)	(16 393 113)
Repurchase of own shares	(1 534 929)	(58 237)
Dividends paid	-	(1 750 025)
Proceeds from borrowings	17 849 090	24 311 983
Net cash generated (used in) by financing activities	828 587	6 110 608
NET INCREASE IN CASH AND CASH EQUIVALENTS	5 218 282	21 979 457
CASH AND CASH EQUIVALENTS, beginning of the year	2 346 818	6 239 260
Effect of changes in foreign currency exchange rates in relation to cash	662 984	125 721
CASH AND CASH EQUIVALENTS, end of the period	8 228 084	28 162 438

For the Group Management:

  
**Timur Kaltayev**

Chairman of the Management Board

  
**Natalya Ivanova**

Chief Accountant

RG BRANDS

R G B R A N D S JSC & Subsidiaries  
Consolidated Interim Financial Statements as at 30 September 2020



	Issued capital	Treasury shares	Preferred shares, held within the Group	Property, plant & equipment revaluation reserve	Foreign currency translation reserve	Retained earnings	Total equity
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)	-	-	-	(1 750 025)	(13 655)
Dividends declared	-	-	-	-	-	(44 582)	(1 750 025)
Loss from repurchase of own shares	-	-	-	-	-	578 267	(44 582)
Transfer to retained earnings	-	-	-	(711 648)	-	16 829 706	-
As at 30 September 2019	2 787 696	(163 364)	(947 400)	3 793 211	(210 058)	16 829 706	22 089 791
As at 31 December 2019	2 787 696	(163 364)	(947 400)	3 665 875	(245 669)	17 491 822	22 588 960
Profit for the period	-	-	-	-	-	13 953 862	13 953 862
Other comprehensive income	-	-	-	-	(230 755)	-	(230 755)
Total comprehensive income	-	-	-	-	(230 755)	13 953 862	13 750 107
Repurchase of own shares	(947 400)	(656 699)	947 400	-	-	-	(656 699)
Loss from repurchase of own shares	-	-	-	-	-	(878 230)	(878 230)
Transfer to retained earnings	-	-	-	(383 201)	-	383 201	-
As at 30 September 2020	1 840 296	(820 063)	-	3 282 674	(449 424)	30 950 655	34 804 138

For the Group Management:

Timur Kaltayev

Chairman of the Management Board

Natalya Ivanova

Chief Accountant

