



RG Brands JSC & Subsidiaries

NOTES

to the Interim Consolidated Financial Statements
as at 30 September 2019
(in KZT thousands unless stated otherwise)

1. GENERAL

The principal activity of RG Brands JSC and its subsidiaries (“the Group”) is production, sale and distribution of juices, carbonated soft drinks, milk, chips, as well as the packing, sale and distribution of tea and other commercial products. The Group’s operations are primarily in the Republic of Kazakhstan (“Kazakhstan”).

Ownership structure of the Company – RG Brands JSC was initially registered on 22 June 1998 as a limited liability partnership and transformed into an open joint stock company on 27 March 2001. The Company was re-registered as a joint stock company on 17 February 2004.

As at 30 September 2019 and 31 December 2018 the registered share capital of RG Brands JSC was KZT 2 787 696 thousand. As at 30 September 2019 and 31 December 2018 the share capital comprised of 3 452 730 common shares amounting to KZT 1 840 296 thousand and 789 500 preferred shares amounting to KZT 947 400 thousand. The share capital was paid in full.

As at 30 September 2019 and 31 December 2018 shareholders of the Company were as follows:

Shareholders	Ownership interest		Number of shares		Amount	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Mr. T.S. Kaltayev	0,957%	0,95%	30 000	30 000	33 400	33 400
Mr. K.K. Mazhibayev	62,042%	61,77%	1 944 771	1 944 771	944 726	944 726
Mr. A. Agybayev	0,606%	0,72%	19 000	22 655	21 125	24 780
Mr. R. Bayazerov	0,586%	0,90%	18 355	28 355	20 481	30 481
Mr. A.V. Khalyapin	0,004%	0,01%	138	138	501	501
Mr. Y.Zh. Koshkimbayev	35,805%	35,35%	1 122 352	1 122 352	656 699	656 699
Total	100,0%	100,0%	3 134 616	3 148 271	1 676 932	1 690 587

As at 30 September 2019 and 31 December 2018 repurchased common shares of the Group made KZT 163 364 thousand or 318 114 common shares and KZT 149 709 thousand or 304 459 common shares respectively.

Group structure and transactions – The Group consists of RG Brands JSC and subsidiaries as follows:

	Ownership interest		Voting power	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
«RG Brands Kazakhstan» LLP	100%	100%	100%	100%
«Uni Commerce Ltd.» LLP	100%	100%	100%	100%
«RG Brands Kyrgyzstan» LLC	100%	100%	100%	100%
«RG Brands Tashkent» LLP	100%	100%	100%	100%
«PRG Bottlers Kazakhstan» LLP	100%	100%	100%	100%
«RG Brands Sever» LLC	100%	100%	100%	100%

RG Brands began production and packing of juice and juice-containing drinks in November 1999. Today the Group has the following trade marks in its portfolio: Gracio, Da-Da and Nectar Solnechnyi, Da-Da Day, Aport, and ASU.

The Group started up the first line for production of carbonated soft drinks under the trademarks of Pepsi, Seven Up, Mirinda and Aquafina in November 1999.

As at 30 September 2019 RG Brands owned 100% authorised capital of RG Brands Kyrgyzstan LLC registered on 11 March 2004. The interest of the minority shareholder was purchased on 7 October 2008.

RG Brands Kazakhstan LLP (hereinafter “RG Brands Kazakhstan”) was established on 4 April 2006 and comprised production facilities engaged in manufacture of juice, beverages, packaged milk under Moye trade mark, tea under Piala trade mark, bottled water under Asu trade mark, and Grizzly chips. This Company is also engaged in distribution of the Group products in the Republic of Kazakhstan.

In accordance with the decision of RG Brands JSC, a 100% subsidiary – RG Brands Tashkent LLC was registered on 29 August 2009 in the Republic of Uzbekistan.

RG Brands Tashkent LLC and RG Brands Kyrgyzstan LLC are engaged in sale and distribution of the Group products in the Republic of Uzbekistan and Kyrgyz Republic accordingly.

In accordance with the decision of RG Brands JSC, a 100% subsidiary – RG Brands Sever LLC was registered on 6 May 2016 in the Russian Federation.

RG Brands JSC on 02 April 2019 took decision to sell trade mark “Grizzly” and company’s chip production assets.

The Head Office of the Company is located in Almaty; its production capacities are located in Almaty, Almaty Oblast, and Kostanai, Republic of Kazakhstan. As specified above, the Company is also present in Kyrgyz Republic, Republic of Uzbekistan and Russia to implement its sale and distribution strategies.

Legal address:	212b, Raimbek ave., Almaty, Republic of Kazakhstan
Form of ownership:	Private

Bottling Agreements with PepsiCo and Seven-Up International

The Group operates its carbonated soft drinks production and distribution under an exclusive bottling appointment agreement, concluded between RG Brands Kazakhstan and Seven-UpInternational. Under these agreements, RG Brands Kazakhstan received the rights for bottling, sale and distribution of PepsiCo and Seven-Up products in Kazakhstan until 21 July 2010 with automatic prolongation for 5 years and subsequently for another 5-year period at the end of each 5-year period.

The rights for distribution of Pepsico Inc., Pepsi Lipton International Limited and Seven-Up products in the Kyrgyz Republic are provided under agreements concluded with these companies till 31 December 2019, inclusive.

2. BASIS OF PREPARATION

These consolidated interim financial statements of RG Brands JSC and its subsidiaries have been prepared in accordance with International Financial Reporting Standard (“IFRS”) 34 *Interim Financial Reporting*.

The reporting period is from 01 January to 30 September 2019.

The Group keeps accounts in Kazakhstan monetary units (KZT) in accordance with the effective laws of the Republic of Kazakhstan. These consolidated interim financial statements are presented in KZT thousands.

These consolidated interim financial statements have been prepared on the historical cost basis except for certain assets and liabilities measured at fair value.

These consolidated interim financial statements have been prepared based on two fundamental assumptions – accrual and going concern.

To calculate the book value of shares, the Group uses the following method: the carrying amount per common share equals the difference between the Company equity and the value of preferred shares divided by the number of common shares placed.

The carrying amount per preferred share equals the value of preferred shares placed divided by the number thereof.

3. KEY ACCOUNTING POLICIES

The Group applied IFRS 15 revenue from Contracts with Customers starting January 1, 2018. The main impact of adoption of IFRS 15 relates to consideration payable to a customer. Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customer. The Group accounts for consideration payable to a customer as reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

In 2018 the Group applied IFRS 9 Financial Instruments. The Group changed incurred credit loss model for expected credit loss model, although the effect was not material.

As for other recognition and measurement policies, when preparing these interim financial statements the Group used accounting policies applied in the latest annual financial statements.

4. REVENUE

Revenue was as follows:

	(KZT'000)	
	9 months of 2019	9 months of 2018
Sales of carbonated soft drinks and juice containing drinks	35 234 610	26 785 670
Sale of packed tea, packed milk and food products	13 689 258	12 287 138
Sale of wholesale products	58 145	64 094
	<u>48 982 013</u>	<u>39 136 902</u>

5. COST OF SALES

Cost of sales were as follows:

	(KZT'000)	
	9 months of 2019	9 months of 2018
Materials	25 369 339	21 884 162
Depreciation and amortisation	969 849	937 258
Payroll and related taxes	717 838	587 985
Utilities	422 819	385 738
Repairs	572 729	427 171
Cost of sale of wholesale products	236 932	190 271
Other costs	189 053	23 849
	<u>28 478 559</u>	<u>24 436 434</u>

6. SELLING EXPENSES

Selling expenses were as follows:

	(KZT'000)	
	9 months of 2019	9 months of 2018
Transportation	3 162 210	2 800 180
Payroll and related taxes	665 773	685 733
Advertising campaigns and market research	2 655 570	2 214 046
Sales agents expenses	1 416 970	1 138 507
Other selling costs	525 462	563 490
Amortisation	562 103	499 266
Lease of vehicles, warehouses and office premises	384 623	328 502
Business trip expenses	22 092	16 049
Write-off of materials	2 631	9 879
Reimbursement of selling expenses	(532 169)	(627 143)
	8 865 265	7 628 509

7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	(KZT'000)	
	9 months of 2019	9 months of 2018
Payroll and related payments	1 750 975	1 843 864
Waste goods write-off	116 241	103 676
Consulting services	294 594	363 507
Penalties and fines	1 692	6 572
Depreciation and amortisation	102 606	93 703
Taxes other than income tax	210 736	176 253
Bank services	106 640	67 591
Transportation expenses	74 228	77 522
Utilities	55 808	53 578
Business trip expenses	92 005	72 078
Communication services	60 435	26 713
Insurance	83 808	5 025
Provision for doubtful debts	4 131	27 319
Others	841 084	881 749
	3 794 983	3 799 150

8. FINANCE COSTS

Finance costs were as follows:

		(KZT'000)
	9 months of 2019	9 months of 2018
Interest on borrowings	1 912 811	1 451 091
Interest on notes payable	-	-
Interest on letter of credit	74 833	-
Other	23 957	-
	<u>2 011 601</u>	<u>1 451 091</u>

9. OTHER EXPENSES / INCOME

Other costs were as follows:

		(KZT'000)
	9 months of 2019	9 months of 2018
Income from disposal of property, plant and equipment	392 590	2 168
Other operating expenses/income, net	141 677	1 184 116
Other	43 122	(35 240)
	<u>577 389</u>	<u>1 151 044</u>

10. EARNINGS PER SHARE AND BOOK VALUE PER SHARE

Earnings/(loss) per share is calculated by dividing net profit/(loss) for the year attributable to equity holders by the weighted average number of common shares outstanding during the year as shown below.

		(KZT'000)
	9 months of 2019	9 months of 2018
Net profit /loss for the year attributable to equity holders	6 088 325	2 981 898
Weighted average number of common shares	3 134 616	3 148 271
Basic loss/earnings per share, in Tenge	1 942	947

The Company uses the following calculation method to determine the book value of shares.

Book value per common share is a quotient of the net assets for common shares by the number of common shares.

$$7\ 022 = 22\ 012\ 459 / 3\ 134\ 616$$

Net assets for common shares are calculated using the following formula:

$$NAV = (TA - IA) - TL - PS, \text{ где}$$

- TA – issuer’s assets recognised in the issuer’s statement of financial position as at the calculation date;
 IA – intangible assets in the issuer’s statement of financial position as at the calculation date;
 TL – liabilities in the issuer’s statement of financial position as at the calculation date;
 PS – balance of Authorised Capital, Preferred Shares item in the issuer’s statement of financial position as at the calculation date.

$$22\,012\,459 = (68\,534\,778 - 77\,332) - 46\,444\,987$$

	(KZT'000)	
	at 30.09.2019	at 31.12.2018
Calculation of book value per common share		
Net assets of the Group excluding intangible assets	22 012 459	17 696 984
Number of outstanding common shares	3 134 616	3 148 271
Book value per common share, Tenge	7 022	5 621

Book value per preferred share is calculated using the following formula:

$$BVPS2 = LPS / NOPS2, \text{ where}$$

- BVPS2 – book value per preferred share of the second group as at the calculation date;
 NOPS2 – number of outstanding preferred shares of the second group as at the calculation date;
 LPS – balance of preferred shares recorded as liabilities in the issuer’s statement of financial position as at the calculation date

$$1\,200 = 947\,400 / 789\,500$$

	(KZT'000)	
	at 30.09.2019	at 31.12.2018
Calculation of book value per preferred share		
Balance of preferred shares held within the Group	947 400	947 400
Number of outstanding preferred shares	789 500	789 500
Book value per preferred share, Tenge	1 200	1 200

11. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2019 property, plant and equipment less accumulated depreciation were as follows:

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	Total
	(KZT'000)						
Historical cost							
At 1 January 2019	1 609 345	6 896 384	20 511 356	202 134	1 242 396	185 441	30 647 056
Additions	-	-	307 509	1 323	68 803	110 254	487 889
Revaluation increase	-	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-	-
Internal transfers	-	24 576	54 632	-	(12 778)	(66 430)	-
Disposals	(56 510)	(161 237)	(221 888)	(30 298)	(113 427)	(3 326)	(586 686)
At 30 September 2019	1 552 835	6 759 723	20 651 609	173 159	1 184 994	225 939	30 548 259
Accumulated depreciation							
At 1 January 2019	-	(391 714)	(4 378 997)	(160 854)	(890 372)	-	(5 821 937)
Accrued for the period	-	(456 131)	(1 132 501)	(8 563)	(26 826)	-	(1 624 021)
Reclassifications	-	-	-	-	-	-	-
Internal transfers	-	-	1 510	-	(1 510)	-	-
Disposals	-	6 734	54 444	17 856	17 412	-	96 446
At 30 September 2019	-	(841 111)	(5 445 208)	(139 119)	(893 898)	-	(7 319 336)
Net book value at 30 September 2019	1 552 835	5 918 612	15 206 401	34 040	291 096	225 939	23 228 923

12. ACCOUNTS RECEIVABLE

As at 30 September 2019 accounts receivable were as follows

(KZT'000)

	at 31.12.2018	Debit turnover	Credit turnover	at 30.09.2019
Trade accounts receivable				
Magnolia Company LLP, Taraz (DR)	260 413	1 963 414	1 986 873	236 954
SOB LTD Company LLP Aktau	158 967	1 654 223	1 607 326	205 864
Rakhimzhanov IE, Semey	65 004	886 353	951 324	33
Aksai Market LLP	44 650	361 486	335 832	70 304
Mereke LLP Kokshetau	57 967	975 522	942 992	90 497
Metropolis Company LLC	23 073	111 046	116 195	17 924
Kredos Trade Company LLC	26 129	250 399	216 761	59 767
CARAT LLP, Petropavlovsk (DR)	39 658	615 114	605 495	49 277
Sauda-Inter LLP	45 196	1 291 901	1 321 955	15 142
G.K. Akhmetbekov IE	24 163	502 480	511 958	14 685

Luchshee reshenie LLP	35 533	197 687	155 061	78 159
Semipalatinsk Trading Company LLP	31 902	460 026	452 083	39 845
Other	1 274 906	50 179 793	50 270 423	1 184 276
TOTAL	2 087 561	59 449 444	59 474 278	2 062 727

Advances paid				
Tetra Pak Kazakhstan Ltd	5 298	12 361	17 659	-
TETRA PAK Global Distribution S.A.	18 604	97 565	116 169	-
Pivnoe Podvorie LLP, Uralsk	21 377	44 540	65 917	-
TEEPACK Spezialmaschinen GmbH AND Co.KG.	13 601	26 023	39 624	-
Atasu Logistics LLP	22	57 479	57 501	-
Deloitte LLP	19 152	1 680	2 520	18 312
Asian Tea Company Private Limited	-	1 545 414	800 988	744 426
Asia International Company LTD LLP	132 433	15 512	147 945	-
Successful Logistics Company LLP	-	115 764	21 892	93 872
Partner Express Logistic LLP	35 071	186 852	199 502	22 421
Tausamaly Kyzmet	-	50 000	25 000	25 000
M.J.CLARKE LTD	-	252 888	158 434	94 454
Other	676 425	86 302 450	86 653 864	325 011
TOTAL	921 983	88 708 528	88 307 015	1 323 496

13. INVENTORIES

	(KZT'000)	
	at 30.09.2019	at 31.12.2018
Finished goods	4 260 854	2 875 535
Raw material	2 903 044	3 014 238
Packing materials	1 336 105	870 930
Other	599 295	433 263
Spare parts	323 499	337 441
Less provision for slow moving inventories	(45 970)	(55 352)
	9 376 827	7 476 055

14. OTHER CURRENT ASSETS

(KZT'000)

	at 30.09.2019	at 31.12.2018
Short-term accounts receivable from related parties	371 952	352 834
Receivables from employees	380 015	313 096
Other taxes receivable	331 374	229 614
Other receivables	373 735	315 196
Prepaid expenses	495 508	204 448
Less provision for doubtful debts	(15 625)	(13 443)
	1 936 959	1 401 745

15. LOANS, BONDED DEBTS AND FINANCE LEASE

Below is the information of loans and other financial liabilities as at 30 September 2019:

(KZT'000)

Creditor	Loan currency	Average rate, % per annum	Opening balance	Turnover		Closing balance	Maturity date
				Debit	Credit		
EBRD (1 st tranche 2015)	KZT'000	8,95%	1 838 545	1 838 545	-	-	2020
EBRD discount (2015)	KZT'000		-7 279	-	7 279	-	
EBRD (2 tranche 2015)	KZT'000	8,95%	338 818	338 818	-	-	2020
EBRD discount (2015)	KZT'000		-1 341	-	1 341	-	
EBRD (3 tranche 2016)	KZT'000	10,25%	1 533 333	1 533 333	-	-	2020
EBRD discount (2016)	KZT'000		-10 746	-	10 746	-	
EBRD (4 tranche 2018)	KZT'000	9,90%	2 500 000	2 500 000	-	-	2020
EBRD discount (2018)	KZT'000		-17 171	-	17 171	-	
EBRD (1 st tranche 2019)	KZT'000	9,70%	-	-	7 248 000	7 248 000	2025
EBRD discount (2019)	KZT'000		-	54 360	2 893	51 467	
International Finance Corporation	KZT'000	9,20%	2 005 867	1 045 244	3 805 300	4 765 923	2022
Discount International Finance Corporation	KZT'000		-25 099	-	8 630	-16 469	

Subsidiary Bank ALFA BANK, OJSC	KZT'000	11,85%	300 000	607 444	5 218 044	4 910 600	2019
ATF BANK JSC	KZT'000	5,50%	555 334	138 833	-	416 501	2019
SHINHAN BANK KAZAKHSTAN	KZT'000	9,00%	466 667	116 667	-	350 000	2020
Eurasian Development Bank	RUB'000	10,10%	1 058 566	597 295	476 076	937 347	2020
	KZT'000		5 843 283	3 590 730	3 352 786	5 605 339	
Eurasian Development Bank discount	RUB'000		-1 500	-	964	-536	
	KZT'000		-8 281	1 025	6 101	-3 205	
Bank Center Credit JSC	KZT'000	6,00%	181 518	29 337	97 973	250 154	2023
Development Bank of Kazakhstan	KZT'000	6,00%	300 000	300 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	400 000	400 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	640 000	640 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	160 000	160 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	901 160	901 160	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	290 000	290 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	316 000	316 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	300 000	300 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	150 000	150 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	198 840	198 840	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	100 000	100 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	350 000	350 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	374 000	374 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	250 000	250 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	250 000	250 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	7,60%	-	964 790	964 790	-	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	350 000	350 000	-	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	600 000	600 000	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	374 000	374 000	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	700 000	700 000	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	616 000	616 000	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	440 000	440 000	2020

Development Bank of Kazakhstan	KZT'000	7,80%	-	-	198 840	198 840	2020
Development Bank of Kazakhstan	KZT'000	7,60%	-	-	640 000	640 000	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	170 000	170 000	2020
Development Bank of Kazakhstan	KZT'000	7,70%	-	-	350 000	350 000	2020
Development Bank of Kazakhstan	KZT'000	7,60%	-	-	644 790	644 790	2020
Development Bank of Kazakhstan	KZT'000	7,60%	-	-	150 000	150 000	2020
Altyn Bank JSC	KZT'000	10,75%	200 000	200 000	-	-	2019
Altyn Bank JSC	KZT'000	10,75%	300 000	300 000	-	-	2019
Altyn Bank JSC	KZT'000	10,75%	300 000	300 000	-	-	2019
Altyn Bank JSC	KZT'000	10,75%	200 000	200 000	-	-	2019
Altyn Bank JSC	RUB'000	9%	81 914	81 914	-	-	2019
	KZT'000		452 166	477 186	25 020	-	
Altyn Bank JSC	RUB'000	9%	95 238	95 238	-	-	2019
	KZT'000		525 714	555 238	29 524		
Altyn Bank JSC	RUB'000	9%	-	-	85 000	85 000	2019
	KZT'000		-	22 100	530 400	508 300	
Altyn Bank JSC	RUB'000	9%	-	85 000	85 000	-	2019
	KZT'000		-	523 600	523 600	-	
Altyn Bank JSC	RUB'000	9,4%	-	-	78 000	78 000	2020
	KZT'000		-	22 620	489 060	466 440	
Altyn Bank JSC	RUB'000	9,4%	-	-	85 000	85 000	2020
	KZT'000		-	22 100	530 400	508 300	

Creditor	Loan amount, total	Maturity date						
		2019	2020	2021	2022	2023	2024	2025
International Finance Corporation	4 765 923	810 978	1 588 695	1 588 695	777 555	-		
Subsidiary Bank ALFA BANK, OJSC	4 910 600	2 353 333	2 557 267	-	-	-		
ALFA BANK, OJSC	598 000	-	598 000					
SHINHAN BANK KAZAKHSTAN	350 000	116 667	233 333	-	-	-		
ATF Bank JSC	416 501	138 834	277 667	-	-	-		

Development Bank of Kazakhstan	4 883 630	-	4 883 630	-	-	-		
Eurasian Development Bank	5 605 340	1 885 146	3 448 150	136 022	136 022	-		
Bank Center Credit JSC	250 152	17 038	67 989	67 989	67 989	29 147		
EBRD (2019)	7 248 000	604 000	1 208 000	1 208 000	1 208 000	1 208 000	1 208 000	604 000
Altyn Bank JSC	1 974 740	1 000 000	974 740	-	-	-		
Total	31 002 886	6 925 996	15 837 471	3 000 706	1 189 566	1 237 147	1 208 000	604 000

	at 30.09.2019	at 31.12.2018
Principal	31 002 886	22 521 245
Discount	(71 140)	(69 917)
Interest	225 300	365 703
TOTAL	31 157 046	22 723 350

16. ACCOUNTS PAYABLE

As at 30 September 2019 accounts payable were as follows:

(KZT'000)

Контрагент	at 31.12.2018	Debit turnover	Credit turnover	at 30.09.2019
Asian Tea Company Private Limited	1 432 076	8 415 066	6 993 101	10 111
Pepsi-Cola International, Cork	782 460	7 469 736	7 494 495	807 219
Tetra Pak Kazakhstan Ltd	201 586	3 246 538	3 798 346	753 394
P.E.T. TOO	223 662	2 744 181	2 820 860	300 341
VAN REES B. V.	536 900	2 691 829	2 742 724	587 795
PEPSI LIPTON INTERNATIONAL	9 975	902 479	1 003 295	110 791
M.J.CLARKE LTD	129 337	1 677 321	1 547 984	-
KazExportGarant JSC IC	-	89 841	384 481	294 640
Rusagro-Sahar LLC	-	1 413 406	1 688 785	275 379
DASM/MS LLP	63 285	964 202	1 137 526	236 609
Other	4 298 505	36 102 105	37 160 002	5 356 402
Total	7 677 786	65 716 704	66 771 599	8 732 681

17. TAXES PAYABLE

(KZT'000)

	at 30.09.2019	at 31.12.2018
Value added tax	1 485 698	688 453
Personal income tax	12 351	23 400
Other taxes	61 762	34 280
Social tax	10 825	13 541
	1 570 636	759 674

18. OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	(KZT'000)	
	at 30.09.2019	at 31.12.2018
Payable to employees	215 521	180 642
Accrued vacation and bonuses	206 399	200 174
Advances received	27 344	11 414
Other accrued liabilities	48 496	42 426
	497 760	434 656

19. BUSINESS AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where 82.97% of the business is done, the management determined that the Group segmentation base is best reflected by the following business lines:

- Production, distribution and sale of products under the home brands of the Group including juices (Gracio, Da-Da, Nectar Solnechnyi), juice-containing drinks (DaDa Day), Asu bottled water, Piala ice tea and Yeti energy drink;
- Production, distribution and sale of other products under the home brands of the Group including Piala Tea, Grizzly Chips and Moyo milk;
- Production, distribution and sale of franchised products including carbonated alcohol-free beverages (Pepsi, Pepsi Light, Mirinda, Seven-Up and Lipton Ice Tea);
- Trade transactions including sale and distribution of imported goods of other manufacturers.

	(KZT'000)			
	Production of juice and juice-containing beverages	Food stuff	Trading	Consolidated
Period ended 30 September 2019				
Revenue	35 236 706	13 687 162	58 145	48 982 013
Operating profit (loss) before tax	4 605 652	1 730 850	58 145	2 458 747
Income tax expense	(220 624)	(85 698)	-	(306 322)
Net profit/(loss)	4 385 028	1 645 152	58 145	6 088 325
Depreciation	1 177 267	457 292	-	1 634 559
Acquisition of property, plant and equipment and intangible assets	356 159	131 730	-	487 889
	Production of juice and juice-containing beverages	Food stuff	Trading	Consolidated
Period ended 30 September 2019				
Segment assets	49 361 180	19 173 598	-	68 534 778
Deferred income tax assets	-	-	-	-
Total assets	49 361 180	19 173 598	-	68 534 778
Segment liabilities	30 794 335	11 961 591	-	42 755 926

Deferred income tax liabilities	2 559 143	1 129 918	-	3 689 061
Total liabilities	33 451 328	12 993 569	-	46 444 987

The Group's revenue from sales to external companies by countries was as follows:

	(KZT'000)	
	9 months of 2019	9 months of 2018
Republic of Kazakhstan	40 324 964	32 314 308
Kyrgyz Republic	6 891 847	5 033 911
Russian Federation	1 726 727	1 769 050
Tajikistan	23 993	9 523
China	14 482	10 110
	48 982 013	39 136 902

20. RETIREMENT BENEFITS

In accordance with the requirements of the laws of the Republic of Kazakhstan, the Group makes 10% pension contributions from the employee salaries. However, subject to the Republic of Kazakhstan laws, this amount per employee shall not exceed KZT 212 500 a month since 1 January 2019, previously monthly contributions per employee amounted to KZT 212 130. These amounts are expensed as incurred. Contributions to the pension funds are deducted from the employee salary and recognised in the total salaries paid in the consolidated statement of comprehensive income.

As of 30 September 2019 the Group had no liabilities to its current or former employees on additional pension contributions, postretirement medical benefits, insurance payments or other retirement benefits.

21. RELATED PARTIES

Related parties of the Group are companies controlled and related to the Company shareholders – Mr. K.K. Mazhibayev and Ye.Zh. Koshkinbayev.

Transactions between the Company and its subsidiaries are eliminated at consolidation and not disclosed in this note. Transactions entered by the Group with the related are disclosed below.

Trading transactions – as at 30 September 2019 and 31 December 2018

Related party transactions include:

- sale of carbonated alcohol-free beverages, natural juice, tea;
- sale/purchase of other materials, property, plant and equipment, securities and rendering of various services;
- loans and borrowings.

	(KZT'000)			
	Sale		Acquisition	
	9 months of 2019	9 months of 2018	9 months of 2019	9 months of 2018
RESMI Direct Investments				
LLP	7 773	8 079	190 840	173 609
Jointly controlled companies	-	-	104 490	1 706

	Related-party receivables		Related-party payables	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Jointly controlled companies:	371 952	419 480	405	-
<i>Money on broker's account</i>	73 951	66 646		
<i>Interest-free financial aid</i>	-	-		
<i>Liability on trade and other transactions</i>	298 001	352 834	405	-

Key management benefits – Key management benefits are determined by the shareholders' meeting and senior management of the companies in accordance with the staff policy, staff list, personal employment contracts, decisions of the shareholders, orders on accrual of bonuses, etc.

22. EVENTS AFTER THE REPORTING DATE

During the period after the reporting date and prior to the date of the financial statements approval, no events have happened to the Group which would require adjustments or disclosures in the notes to the consolidated interim financial statements.

Chairman of the Management Board



Timur Kaltayev

Chief Financial Officer

Askat Agybayev

Acting chief accountant

Natalya Ivanova