

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at 31 March 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Period Ended 31 March 2019**

(KZT'000)

	Notes	3 months of 2019	3 months of 2018
Revenue	4	11 925 443	10 285 442
Cost of sales	5	(7 538 611)	(6 817 469)
Gross profit		4 386 832	3 467 973
Selling expenses	6	(2 060 849)	(1 687 005)
General and administrative expenses	7	(1 164 202)	(1 003 744)
OPERATING PROFIT		1 161 781	777 224
Finance costs	8	(539 758)	(452 835)
Foreign exchange gain/ (loss)		(584 741)	(62 102)
Investment income		93 793	16 203
Other income / (expenses), net	9	58 631	13 273
PROFIT BEFORE TAX		189 706	291 763
Income tax expense		(123 932)	(241 847)
PROFIT FOR THE PERIOD		65 774	49 916
Gain on revaluation of property, plant and equipment less income tax		-	-
Exchange difference on translating foreign operations		(54 333)	(33 495)
Other comprehensive income		(54 333)	(33 495)
TOTAL COMPREHENSIVE INCOME		11 441	16 421
Earnings per common share, in tenge	10	21	16

For the Group Management:

Timur Kaltayev

Chairman of the Management
Board



Askat Agybayev

Chief Financial Officer

Uldar Idyrova

Uldar Idyrova

Chief Accountant

**Consolidated Statement of Financial Position
 as at 31 March 2019**

(KZT'000)

	Notes	At 31 March 2019	At 31 December 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	24 313 890	24 825 119
Investment property		611 443	611 443
Advances paid		49 217	34 808
Goodwill		68 026	68 026
Intangible assets		80 933	78 788
Total non-current assets		<u>25 123 509</u>	<u>25 618 184</u>
CURRENT ASSETS			
Inventories	13	9 294 312	7 476 055
Trade accounts receivable	12	1 777 101	2 087 561
Advances paid	12	548 028	921 983
Other financial assets		14 050 079	9 605 000
Other current assets	14	1 257 594	1 401 745
Bank deposits		581 194	591 035
Cash and cash equivalents		1 117 571	6 239 260
Assets classified as held for sale		1 929	1 929
Total current assets		<u>28 627 808</u>	<u>28 324 568</u>
TOTAL ASSETS		<u><u>53 751 317</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		4 031 575	4 260 845
Retained earnings		12 020 469	11 824 340
Total equity		<u>17 728 976</u>	<u>17 775 772</u>
NON-CURRENT LIABILITIES			
Borrowings	15	6 501 205	8 114 318
Deferred income tax liability		3 689 061	3 689 061
Account payable		733 183	743 095
Total non-current liabilities		<u>10 923 449</u>	<u>12 546 474</u>

CURRENT LIABILITIES			
Accounts payable	16	9 436 732	7 677 786
Short-term borrowings and current portion of long-term borrowings	15	14 268 708	14 702 713
Current portion of bonds payable		-	
Corporate income tax payable		45 103	45 678
Taxes payable	17	848 259	759 674
Other accounts payable and accrued liabilities	18	500 090	434 655
Total current liabilities		<u>25 098 892</u>	<u>23 620 506</u>
TOTAL EQUITY AND LIABILITIES		<u><u>53 751 317</u></u>	<u><u>53 942 752</u></u>

<i>Carrying amount per common share (KZT)</i>	<i>5 630</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



Uldar Idyrova
 Chief Accountant

**Consolidated Statement of Cash Flows
 for the period ended 31 March 2019 (indirect method)**

(KZT'000)

OPERATING ACTIVITY:	3 months of 2019	3 months of 2018
Profit before tax	189 706	291 763
Adjustments for:		
Amortisation and depreciation	572 182	474 841
Finance costs	539 758	452 835
Foreign exchange (gain)/loss	584 741	62 101
Loss from disposal of property, plant and equipment	2 918	(35 641)
Non-operating loss	(19 798)	64 922
Reimbursement of selling expenses incurred without cash settlement	(70 345)	(125 659)
Investment gain	(93 793)	(16 203)
Operating cash flows before movement in working capital	<u>1 705 369</u>	<u>1 168 959</u>
Increase/(decrease) of inventories	(1 818 257)	(1 132 634)
(Increase)/decrease of accounts receivable	310 460	60 815
Decrease/(increase) of advances paid	275 961	(192 239)
Decrease/(increase) of other current assets	241 570	(250 339)
Decrease/(increase) of accounts payable	1 819 379	(368 275)
Increase/(decrease) of taxes payable	88 585	(389 624)
Increase/(decrease) of other accounts payable and accrued liabilities	65 435	80 656
Cash from operating activity	<u>2 688 502</u>	<u>(1 002 681)</u>
Interest paid	(743 578)	(530 601)
Income tax paid	(117 972)	(115 000)
Net cash generated by operating activity	<u>1 826 952</u>	<u>(1 668 282)</u>
INVESTING ACTIVITY:		
Purchase of other financial assets	(8 547 849)	(9 344 724)
Proceeds from disposal of property, plant and equipment and intangible assets	-	-
Proceeds on sale of other financial assets	3 960 225	6 739 403
Money places to deposit	-	(6 178 000)
Deposit withdrawal	-	6 178 000
Return on deposit	3 575	3 314
Acquisition of property, plant and equipment and intangible assets	(27 051)	(701 809)
Net cash used in investing activity	<u>(4 611 100)</u>	<u>(3 303 816)</u>

FINANCING ACTIVITY:

Repayment of borrowings	(4 540 043)	(4 531 893)
Proceeds from issue of bonds		
Dividends paid	-	-
Proceeds from borrowings	<u>2 237 190</u>	<u>6 907 610</u>
Net cash generated (used in) by financing activities	<u>(2 302 853)</u>	<u>2 375 717</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(5 087 001)</u>	<u>(2 596 381)</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>(34 688)</u>	<u>(189 515)</u>
CASH AND CASH EQUIVALENTS, end of the period	<u><u>1 117 571</u></u>	<u><u>2 450 541</u></u>

For the Group Management:



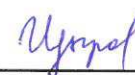
Timur Kaltayev

Chairman of the Management
 Board




Askat Agymbayev

Chief Financial Officer



Uldar Idyrova

Chief Accountant



Consolidated Statement of Changes in Equity for the period ended 31 March 2019

(KZT'000)

	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 1 January 2018	2 787 696	(149 709)	(947 400)	3 329 063	(372 836)	8 855 542	13 502 356
Profit for the period	-	-	-	-	-	49 916	49 916
Other comprehensive income	-	-	-	-	(33 495)	-	(33 495)
Total comprehensive income	-	-	-	-	(33 495)	49 916	16 421
Transfer to retained earnings	-	-	-	(185 504)	-	185 504	-
As at 31 March 2018	2 787 696	(149 709)	(947 400)	3 143 559	(406 331)	9 090 962	13 518 777
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	-	-	-	-	-	65 774	65 774
Other comprehensive income	-	-	-	-	(54 333)	-	(54 333)
Total comprehensive income	-	-	-	-	(54 333)	65 774	11 441
Repurchase of own shares	-	(13 655)	-	-	-	-	(13 655)
Dividends declared	-	-	-	-	-	-	-
Loss from repurchase of own shares	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(44 582)	(44 582)
As at 31 March 2019	2 787 696	(163 364)	(947 400)	4 329 922	(298 347)	12 020 469	17 728 976

For the Group Management:

Timur Kaltayev

Chairman of the Management Board

Askat Agybayev

Chief Financial Officer

Uldar Idyrova

Chief Accountant

