

***Consolidated Interim Financial Statements***

**RG Brands JSC & Subsidiaries**

***as at March 31, 2020***

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
 for the Period Ended 31 March 2020**

(thousands of Tenge)

		3 months of 2020	3 months of 2019
<b>Revenue</b>	4	<b>15 948 956</b>	<b>11 925 443</b>
<b>Cost of sales</b>	5	<b>(9 287 869)</b>	<b>(7 538 611)</b>
<b>Gross profit</b>		<b>6 661 087</b>	<b>4 386 832</b>
Selling expenses	6	(2 797 585)	(2 060 849)
General and administrative expenses	7	(1 370 027)	(1 164 202)
<b>OPERATING PROFIT</b>		<b>2 493 475</b>	<b>1 161 781</b>
Finance costs	8	(753 006)	(539 758)
Foreign exchange gain/ (loss)		4 718 023	(584 741)
Investment income		(421 138)	93 793
Other income / (expenses), net	9	115 386	58 631
<b>PROFIT BEFORE TAX</b>		<b>6 152 740</b>	<b>189 706</b>
Income tax expense		(203 607)	(123 932)
<b>PROFIT FOR THE PERIOD</b>		<b>5 949 133</b>	<b>65 774</b>
Gain on revaluation of property, plant and equipment less income tax		-	-
Exchange difference on translating foreign operations		43 412	(54 333)
Other comprehensive income		43 412	(54 333)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5 992 545</b>	<b>11 441</b>
Earnings per common share, in KZT	10	1 898	21

For the Group Management:

  
 Timur Kaltaev

Chairman of the Management  
 Board



  
 Askat Agybayev

Chief Financial Officer

  
 Natalya Ivanova

Chief Accountant

**Consolidated Statement of Financial Position  
 as at 31 March 2020**

(thousands of Tenge)

	Notes	At 31 March 2020	At 31 December 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	23 129 827	22 859 485
Investment property		612 211	612 211
Advances paid		94 424	57 704
Goodwill		68 026	68 026
Intangible assets		82 728	79 091
Total non-current assets		<u>23 987 216</u>	<u>23 676 517</u>
<b>CURRENT ASSETS</b>			
Inventories	12	10 644 363	7 828 427
Trade accounts receivable	13	2 112 790	2 086 863
Advances paid	14	2 339 377	1 626 080
Other financial assets		34 342 983	28 455 710
Right-of-use assets		69 499	69 499
Other current assets	15	2 262 990	1 782 921
Bank deposits		714 604	610 474
Cash and cash equivalents		4 174 681	2 346 818
Assets classified as held for sale		1 929	1 929
Total current assets		<u>56 663 216</u>	<u>44 808 721</u>
<b>TOTAL ASSETS</b>		<u><u>80 650 432</u></u>	<u><u>68 485 238</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital		2 787 696	2 787 696
Treasury shares		(163 364)	(163 364)
Preferred shares, held within the Group		(947 400)	(947 400)
Reserves		3 334 102	3 420 206
Retained earnings		23 570 471	17 491 822
Total equity		<u>28 581 505</u>	<u>22 588 960</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16	15 830 307	13 855 075
Deferred income tax liability		3 410 181	3 410 181
Account payable	17	1 031 832	876 772
Total non-current liabilities		<u>20 272 320</u>	<u>18 142 028</u>

<b>CURRENT LIABILITIES</b>			
Accounts payable	17	10 991 946	8 134 734
Short-term borrowings and current portion of long-term borrowings	16	18 579 732	18 143 299
Lease liability		28 902	28 902
Taxes payable	18	1 264 950	805 385
Other accounts payable and accrued liabilities	19	931 077	641 930
Total current liabilities		<u>31 796 607</u>	<u>27 754 250</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>80 650 432</u></u>	<u><u>68 485 238</u></u>

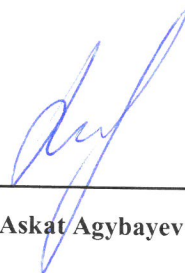
<i>Carrying amount per common share (KZT)</i>		9 092	7 181
<i>Carrying amount per preferred share (KZT)</i>		1 200	1 200

**For the Group Management:**



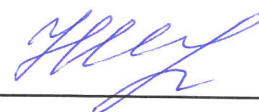
**Timur Kaltayev**

Chairman of the Management Board

**Askat Agybayev**

Chief Financial Officer



**Natalya Ivanova**

Chief Accountant

**Consolidated Statement of Cash Flows  
 for the period ended 31 March 2020 (indirect method)**

(thousands of Tenge)

<b>OPERATING ACTIVITY:</b>	<b>3 месеца 2020</b>	<b>3 месеца 2019</b>
Profit before tax	6 152 740	189 706
Adjustments for:		
Amortisation and depreciation	572 297	572 182
Finance costs	753 006	539 758
Foreign exchange (gain)/loss	(4 718 023)	584 741
Loss/ (gain) from disposal of property, plant and equipment	(1 750)	2 918
Non-operating loss/ (gain)	(113 636)	(19 798)
Reimbursement of selling expenses incurred without cash settlement	(320 621)	(70 345)
Investment gain	421 138	(93 793)
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Operating cash flows before movement in working capital	2 745 151	1 705 369
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Increase/(decrease) of inventories	(2 815 936)	(1 818 257)
Increase/(decrease) of accounts receivable	(25 927)	310 460
Increase/(decrease) of advances paid	(713 297)	275 961
Increase/(decrease) of other current assets	(480 069)	241 570
Decrease/(increase) of accounts payable	2 023 489	1 819 379
Increase/(decrease) of taxes payable	459 565	88 585
Increase/(decrease) of other accounts payable and accrued liabilities	289 147	65 435
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Cash from operating activity	1 482 123	2 688 502
Interest paid	(1 093 541)	(743 578)
Income tax paid	(276 074)	(117 972)
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Net cash generated by operating activity	112 508	1 826 952
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<b>INVESTING ACTIVITY:</b>		
Purchase of other financial assets	(37 728 555)	(8 547 849)
Proceeds on sale of other financial assets	35 629 091	3 960 225
Return on deposit	3 542	3 575
Acquisition of property, plant and equipment and intangible assets	(347 094)	(27 051)
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Net cash used in investing activity	(2 443 016)	(4 611 100)
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FINANCING ACTIVITY:

Repayment of borrowings	(5 591 281)	(4 540 043)
Proceeds from borrowings	<u>8 945 112</u>	<u>2 237 190</u>
Net cash generated (used in) by financing activities	<u>3 353 831</u>	<u>(2 302 853)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1 023 323</u>	<u>(5 087 001)</u>
CASH AND CASH EQUIVALENTS, beginning of the year	<u>2 346 818</u>	<u>6 239 260</u>
Effect of changes in foreign currency exchange rates in relation to cash	<u>804 540</u>	<u>(34 688)</u>
CASH AND CASH EQUIVALENTS, end of the period	<u><u>4 174 681</u></u>	<u><u>1 117 571</u></u>

For the Group Management:

  
 Timur Kaltayev

Chairman of the Management Board



  
 Askat Agybayev

Chief Financial Officer

  
 Natalya Ivanova

Chief Accountant



*R G B R A N D S JSC & Subsidiaries  
Consolidated Interim Financial Statements as at 31 March 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	-	-	-	-	-	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)
Loss from repurchase of own shares	-	-	-	-	-	(44 582)	(44 582)
Transfer to retained earnings	-	-	-	(174 937)	-	174 937	-
As at 31 March 2019	2 787 696	(163 364)	(947 400)	4 329 922	(298 347)	12 020 469	17 728 976
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	-	-	-	-	-	5 949 133	5 949 133
Other comprehensive income	-	-	-	-	43 412	-	43 412
Total comprehensive income	-	-	-	-	43 412	5 949 133	5 992 545
Dividends declared	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(129 516)	-	129 516	-
As at 31 March 2020	2 787 696	(163 364)	(947 400)	3 536 359	(202 257)	23 570 471	28 581 505

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