

*Consolidated Interim Financial Statements*

**RG Brands JSC & Subsidiaries**

*as at 30 June 2018*

**Consolidated Statement of Profit and Loss and Other Comprehensive  
Income for the Period Ended  
30 June 2018**

(KZT'000)

	Note	6 months of 2018	6 months of 2018
<b>REVENUE</b>	4	<b>25 003 506</b>	<b>23 529 541</b>
<b>COST</b>	5	<b>(15 047 273)</b>	<b>(13 938 036)</b>
<b>GROSS PROFIT</b>		<b>9 956 233</b>	<b>9 591 505</b>
Selling expenses	6	(6 591 321)	(5 052 746)
General and administrative expenses	7	(2 284 402)	(2 108 862)
<b>OPERATING INCOME</b>		<b>1 080 510</b>	<b>2 429 897</b>
Finance costs	8	(906 615)	(956 213)
Exchange loss		38 658	(495 255)
Investment income		60 303	7 217
Other (costs)/gains	9	1 743 865	96 335
<b>PROFIT BEFORE TAX</b>		<b>2 016 721</b>	<b>1 081 981</b>
Income tax payable		(243 324)	(186 575)
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>1 773 397</b>	<b>895 406</b>
Property, plant and equipment revaluation surplus less income tax		-	-
Exchange difference from foreign entity translation into the reporting currency during the period		(59 037)	22 671
Other comprehensive income		(59 037)	22 671
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1 714 360</b>	<b>918 077</b>
Earnings per common share, KZT	10	563	284

For the Group Management:

  
Devael Hans Alexander

Chairman of the Management  
Board

  
Askat Agybayev

Chief Financial Officer

  
Saltanat Zhapasheva

Chief Accountant



**Consolidated Statement of Financial Position  
 as at 30 June 2018**

(KZT'000)

	Note	At 30 June 2018	At 31 December 2017
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	22 252 051	21 356 758
Investment property		607 493	607 493
Advances paid		41 044	105 179
Goodwill		68 026	68 026
Intangible assets		96 363	75 647
Total non-current assets		<u>23 064 977</u>	<u>22 213 103</u>
<b>CURRENT ASSETS</b>			
Inventory	13	11 355 171	7 296 966
Trade accounts receivable	12	1 830 910	1 680 479
Short-term advances paid	12	602 915	894 645
Other financial assets		5 123 363	2 990 970
Amounts receivable under reverse repo transactions		818 000	-
Other current assets	14	1 110 116	822 878
Bank deposits		527 150	513 652
Cash and cash equivalents		1 885 816	5 236 437
Assets classified as held for sale		50 590	1 929
Total current assets		<u>23 304 031</u>	<u>19 437 956</u>
<b>TOTAL ASSETS</b>		<u><u>46 369 008</u></u>	<u><u>41 651 059</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital		2 787 696	2 787 696
Repurchased common shares		(149 709)	(149 709)
Preferred shares held within the Group		(947 400)	(947 400)
Provisions		2 540 135	2 956 227
Retained earnings		9 490 000	8 855 542
Total equity		<u>13 720 722</u>	<u>13 502 356</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans	15	8 643 475	8 165 380
Deferred income tax liability		2 915 726	2 915 726
Total non-current liabilities		<u>11 559 201</u>	<u>11 081 106</u>



**Consolidated Statement of Cash Flows  
 for the period ended 30 June 2018 (indirect method)**

	(KZT'000)	
	6 months of 2018	6 months of 2017
<b>OPERATING ACTIVITY:</b>		
Profit from operating activity before tax	2 016 721	1 081 981
Adjustment for:		
Amortisation and depreciation	1 137 742	1 029 966
Finance costs	906 615	956 213
Exchange (profit)/loss	(38 658)	495 255
Loss from disposal of property, plant and equipment	(42 675)	-
Non-operating loss	(1 673 149)	(96 335)
Recovery of selling expenses through set-off	(125 659)	(430 911)
Investment (gain)/loss, net	(60 303)	(7 218)
	<u>2 120 634</u>	<u>3 028 951</u>
Cash flow from operating activity before changes in working capital		
Increase/(decrease) of inventory	(4 058 205)	(2 233 723)
(Increase)/decrease of accounts receivable	(150 431)	129 195
Decrease/(increase) of advances paid	291 730	(151 953)
Change in amounts receivable under reverse repo transactions	(818 000)	-
Decrease/(increase) of other current assets	(223 103)	(129 214)
Decrease/(increase) of accounts payable	4 067 283	935 673
Increase/(decrease) of taxes payable	(357 204)	(756 063)
Increase/(decrease) of other accounts payable and accrued liabilities	(57 084)	44 277
Cash from operating activity	<u>815 620</u>	<u>867 143</u>
Interest paid	(821 901)	(992 233)
Income tax paid	(243 324)	(275 882)
	<u>(249 605)</u>	<u>(400 972)</u>
Net cash from operating activity		
<b>INVESTING ACTIVITY:</b>		
Net acquisition of investments held for trading	(12 976 495)	(4 894 200)
Proceeds from disposal of property, plant and equipment and intangible assets	-	7 797
Net cash inflow from acquisition and sale of other investments	11 056 259	-
Deposit top up	(6 178 000)	-
Deposit withdrawal	6 178 000	-
Return on deposit	3 603	-
Acquisition of property, plant and equipment and intangible assets	(2 478 099)	(403 354)
	<u>(4 394 732)</u>	<u>(5 289 757)</u>
Net cash used in investing activity		
<b>FINANCING ACTIVITY:</b>		
Repayment of borrowings	(11 404 241)	(7 832 851)



Proceeds from issue of bonds		
Dividends paid	(700 018)	-
Borrowings received	13 565 173	3 504 160
Net cash from financing activities	1 460 914	(4 328 691)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3 183 423)</b>	<b>(10 019 420)</b>
CASH AND CASH EQUIVALENTS, beginning of the year	5 236 437	15 552 359
Effect of changes in foreign currency exchange rates on cash and cash equivalents	(167 198)	(447 367)
CASH AND CASH EQUIVALENTS, end of the year	1 885 816	5 085 572

For the Group Management:



**Devael Hans Alexander**  
 Chairman of the Management Board




**Askat Agybayev**  
 Chief Financial Officer



**Saltanat Zhapasheva**  
 Chief Accountant



**Consolidated Statement of Changes in Equity for the period ended 30 June 2018**

	Share capital	Treasury shares	Preferred shares held within the Group	Real estate revaluation provision	Provision for share-based benefits	Exchange difference provision	Retained earnings	(KZT'000) Total equity
Balance at 31 January 2016	2 787 696	(149 709)	(947 400)	4 015 099	-	(386 839)	6 639 484	11 958 331
Net profit	-	-	-	-	-	-	1 995 022	1 995 022
Other comprehensive income	-	-	-	-	-	14 003	-	14 003
Total comprehensive income	-	-	-	-	-	14 003	1 995 022	2 009 025
Dividends declared	-	-	-	-	-	-	(465 000)	(465 000)
Repurchase of own stock	-	-	-	-	-	-	-	-
Adjustment of fair value of loan issued to shareholder	-	-	-	-	-	-	-	-
Reclassification to retained earnings	-	-	-	(686 036)	-	-	686 036	-
Balance at 31 December 2017	2 787 696	(149 709)	(947 400)	3 329 063	-	(372 836)	8 855 542	13 502 356
Net profit	-	-	-	-	-	-	1 773 397	1 773 397
Other comprehensive income	-	-	-	-	-	(59 037)	-	(59 037)
Total comprehensive income	-	-	-	-	-	(59 037)	1 773 397	1 714 360
Dividends declared	-	-	-	-	-	-	(1 495 994)	(1 495 994)
Increase of share capital	-	-	-	-	-	-	-	-
Reclassification to retained earnings	-	-	-	(357 055)	-	-	357 055	-
Balance at 30 June 2018	2 787 696	(149 709)	(947 400)	2 972 008	-	(431 873)	9 490 000	13 720 722

**For the Group Management:**

**Devail Hans Alexander**

Chairman of the Management Board



**Askat Agybayev**

Chief Financial Officer

**Saltanat Zhasheva**

Chief Accountant