

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at June 30, 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
 for the Period Ended 30 June 2019**

(KZT'000)

		6 months of 2019	6 months of 2018
Revenue	4	28 876 388	23 367 853
Cost of sales	5	(17 480 107)	(15 047 273)
Gross profit		<u>11 396 281</u>	<u>8 320 580</u>
Selling expenses	6	(5 302 659)	(4 955 668)
General and administrative expenses	7	(2 540 350)	(2 284 402)
OPERATING PROFIT		<u>3 553 272</u>	<u>1 080 510</u>
Finance costs	8	(1 116 723)	(906 615)
Foreign exchange gain/ (loss)		(771 841)	38 658
Investment income		184 741	60 303
Other income / (expenses), net	9	609 318	1 743 865
PROFIT BEFORE TAX		<u>2 458 767</u>	<u>2 016 721</u>
Income tax expense		(196 206)	(243 324)
PROFIT FOR THE PERIOD		<u>2 262 561</u>	<u>1 773 397</u>
Gain on revaluation of property, plant and equipment less income tax		-	-
Exchange difference on translating foreign operations		(68 782)	(59 037)
Other comprehensive income		(68 782)	(59 037)
TOTAL COMPREHENSIVE INCOME		<u>2 193 779</u>	<u>1 714 360</u>
Earnings per common share, in KZT	10	<u>722</u>	<u>563</u>

For the Group Management:


 Timur Kaltayev

Chairman of the Management
 Board


 Askat Agbayev

Chief Financial Officer


 Uldar Idyrova

Chief Accountant



**Consolidated Statement of Financial Position
 as at 30 June 2019**

(KZT'000)

	Note	At 30 June 2019	At 31 December 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	23 550 596	24 825 119
Investment property		611 443	611 443
Advances paid		22 090	34 808
Goodwill		68 026	68 026
Intangible assets		78 658	78 788
Total non-current assets		<u>24 330 813</u>	<u>25 618 184</u>
CURRENT ASSETS			
Inventories	13	9 891 178	7 476 055
Trade accounts receivable	12	2 055 027	2 087 561
Advances paid	12	1 327 893	921 983
Other financial assets		5 603 685	9 605 000
Other current assets	14	2 014 924	1 401 745
Bank deposits		775 638	591 035
Cash and cash equivalents		13 228 698	6 239 260
Assets classified as held for sale		1 929	1 929
Total current assets		<u>34 898 972</u>	<u>28 324 568</u>
TOTAL ASSETS		<u><u>59 229 785</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		3 613 796	4 260 845
Retained earnings		14 620 586	11 824 340
Total equity		<u>19 911 314</u>	<u>17 775 772</u>
NON-CURRENT LIABILITIES			
Borrowings	15	7 119 348	8 114 318
Deferred income tax liability		3 689 061	3 689 061
Account payable		734 350	743 095
Total non-current liabilities		<u>11 542 759</u>	<u>12 546 474</u>

CURRENT LIABILITIES			
Accounts payable	16	9 172 848	7 677 786
Short-term borrowings and current portion of long-term borrowings	15	16 793 727	14 702 713
Current portion of bonds payable		-	
Corporate income tax payable		45 875	45 678
Taxes payable	17	1 250 514	759 674
Other accounts payable and accrued liabilities	18	512 748	434 655
Total current liabilities		<u>27 775 712</u>	<u>23 620 506</u>
TOTAL EQUITY AND LIABILITIES		<u><u>59 229 785</u></u>	<u><u>53 942 752</u></u>

<i>Carrying amount per common share (KZT)</i>		6 327	5 621
<i>Carrying amount per preferred share (KZT)</i>		1 200	1 200

For the Group Management:

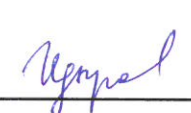


Timur Kaltayev
 Chairman of the Management Board





Askat Agybayev
 Chief Financial Officer



Uldar Idyrova
 Chief Accountant

**Consolidated Statement of Cash Flows
 for the period ended 30 June 2019 (indirect method)**

(KZT'000)

OPERATING ACTIVITY:	6 months of 2019	6 months of 2018
Profit before tax	2 458 767	2 016 721
Adjustments for:		
Amortisation and depreciation	1 197 830	1 137 742
Finance costs	1 116 723	906 615
Foreign exchange (gain)/loss	771 841	(38 658)
Loss/ (gain) from disposal of property, plant and equipment	(394 775)	(42 675)
Non-operating loss/ (gain)	(99 883)	(1 673 149)
Reimbursement of selling expenses incurred without cash settlement	(278 816)	(125 659)
Investment gain	(184 741)	(60 303)
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Operating cash flows before movement in working capital	4 586 946	2 120 634
Increase/(decrease) of inventories	(2 415 123)	(4 058 205)
Increase/(decrease) of accounts receivable	32 534	(150 431)
Decrease/(increase) of advances paid	(405 910)	291 730
Change in the amounts receivable under reverse repo transactions	-	(818 000)
Decrease/(increase) of other current assets	(613 179)	(223 103)
Decrease/(increase) of accounts payable	1 656 291	4 067 283
Increase/(decrease) of taxes payable	490 840	(357 204)
Increase/(decrease) of other accounts payable and accrued liabilities	78 093	(57 084)
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Cash from operating activity	3 410 492	815 620
Interest paid	(1 100 412)	(821 901)
Income tax paid	(166 609)	(243 324)
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Net cash generated by operating activity	2 143 471	(249 605)
INVESTING ACTIVITY:		
Purchase of other financial assets	(10 640 959)	(12 976 495)
Proceeds from disposal of property, plant and equipment and intangible assets	927 717	-
Proceeds on sale of other financial assets	14 505 621	11 056 259
Money places to deposit	-	(6 178 000)
Deposit withdrawal	-	6 178 000
Return on deposit	4 401	3 603
Acquisition of property, plant and equipment and intangible assets	(338 070)	(2 478 099)
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Net cash used in investing activity	4 458 710	(4 394 732)

FINANCING ACTIVITY:

Repayment of borrowings	(10 416 751)	(11 404 241)
Shares repurchase	(58 237)	-
Dividends paid	-	(700 018)
Proceeds from borrowings	<u>10 903 774</u>	<u>13 565 173</u>
Net cash generated (used in) by financing activities	<u>428 786</u>	<u>1 460 914</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>7 030 967</u>	<u>(3 183 423)</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>(41 529)</u>	<u>(167 198)</u>
CASH AND CASH EQUIVALENTS, end of the period	<u><u>13 228 698</u></u>	<u><u>1 885 816</u></u>

For the Group Management:


 Timur Kaltayev

Chairman of the Management
 Board


 Askat Agybayev

Chief Financial Officer


 Uldar Idyrova

Chief Accountant





Consolidated Statement of Changes in Equity for the period ended 30 June 2019

	Issued capital	Treasury shares	Preferred shares, held within the Group	Property, plant & equipment revaluation reserve	Резерв курсовых разниц	Retained earnings	Total equity (KZT'000)
As at 1 January 2018	2 787 696	(149 709)	(947 400)	3 329 063	(372 836)	8 855 542	13 502 356
Impact of adopting IFRS 9	-	-	-	-	-	(22 024)	(22 024)
Restated opening balance under IFRS 9	2 787 696	(149 709)	(947 400)	3 329 063	(372 836)	8 833 518	13 480 332
Profit for the period	-	-	-	-	-	3 684 083	3 684 083
Other comprehensive income	-	-	-	1 978 530	128 822	-	2 107 352
Total comprehensive income	-	-	-	1 978 530	128 822	3 684 083	5 791 435
Dividends paid	-	-	-	-	-	(1 495 995)	(1 495 995)
Transfer to retained earnings	-	-	-	(802 734)	-	802 734	-
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	-	-	-	-	-	2 262 561	2 262 561
Other comprehensive income	-	-	-	-	(68 782)	-	(68 782)
Total comprehensive income	-	-	-	-	(68 782)	2 262 561	2 193 779
Repurchase of own shares	-	(13 655)	-	-	-	-	(13 655)
Dividends declared	-	-	-	-	-	-	-
Убыток от выкупа собственных акций	-	-	-	-	-	(44 582)	(44 582)
Transfer to retained earnings	-	-	-	(578 267)	-	578 267	-
As at 30 June 2019	2 787 696	(163 364)	(947 400)	3 926 592	(312 796)	14 620 586	19 911 314

For the Group Management:

Timur Kaltayev

Chairman of the Management Board

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