

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

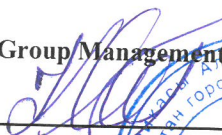
as at June 30, 2020

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Period Ended 30 June 2020**

(thousands of Tenge)

		6 months of 2020	6 months of 2019
Revenue	4	33 923 582	28 876 388
Cost of sales	5	(18 433 903)	(17 480 107)
Gross profit		15 489 679	11 396 281
Selling expenses	6	(6 055 277)	(5 302 659)
General and administrative expenses	7	(2 912 323)	(2 540 350)
OPERATING PROFIT		6 522 079	3 553 272
Finance costs	8	(1 655 880)	(1 116 723)
Foreign exchange gain/ (loss)		1 806 884	(771 841)
Investment income		(356 455)	184 741
Other income / (expenses), net	9	164 221	609 318
PROFIT BEFORE TAX		6 480 849	2 458 767
Income tax expense		(244 289)	(196 206)
PROFIT FOR THE PERIOD		6 236 560	2 262 561
Gain on revaluation of property, plant and equipment less income tax		-	-
Exchange difference on translating foreign operations		(186 110)	(68 782)
Other comprehensive income		(186 110)	(68 782)
TOTAL COMPREHENSIVE INCOME		6 050 450	2 193 779
Earnings per common share, in KZT	10	2 120	722

For the Group Management:


Timur Kaltayev
Chairman of the Management Board


Natalya Ivanova
Chief Accountant



**Consolidated Statement of Financial Position
 as at 30 June 2020**

(thousands of Tenge)

	Notes	At 30 June 2020	At 31 December 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	23 728 472	22 859 485
Investment property		612 211	612 211
Advances paid		1 033 488	57 704
Goodwill		68 026	68 026
Intangible assets		76 574	79 091
Total non-current assets		<u>25 518 771</u>	<u>23 676 517</u>
CURRENT ASSETS			
Inventories	12	12 149 755	7 828 427
Trade accounts receivable	13	1 874 410	2 086 863
Advances paid	14	1 912 095	1 626 080
Other financial assets		31 512 580	28 455 710
Right-of-use assets		69 499	69 499
Other current assets	15	1 431 965	1 782 921
Bank deposits		644 619	610 474
Cash and cash equivalents		9 245 529	2 346 818
Assets classified as held for sale		1 929	1 929
Total current assets		<u>58 842 381</u>	<u>44 808 721</u>
TOTAL ASSETS		<u><u>84 361 152</u></u>	<u><u>68 485 238</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		2 787 696	2 787 696
Treasury shares		(820 063)	(163 364)
Preferred shares, held within the Group		(947 400)	(947 400)
Reserves		2 979 494	3 420 206
Retained earnings		23 104 754	17 491 822
Total equity		<u>27 104 481</u>	<u>22 588 960</u>
NON-CURRENT LIABILITIES			
Borrowings	16	17 310 463	13 855 075
Deferred income tax liability		3 410 181	3 410 181
Account payable	17	927 617	876 772
Total non-current liabilities		<u>21 648 261</u>	<u>18 142 028</u>

CURRENT LIABILITIES			
Accounts payable	17	10 882 009	8 134 734
Short-term borrowings and current portion of long-term borrowings	16	21 568 012	18 143 299
Lease liability		28 902	28 902
Taxes payable	18	1 455 561	805 385
Other accounts payable and accrued liabilities	19	1 673 926	641 930
Total current liabilities		<u>35 608 410</u>	<u>27 754 250</u>
TOTAL EQUITY AND LIABILITIES		<u><u>84 361 152</u></u>	<u><u>68 485 238</u></u>

<i>Carrying amount per common share (KZT)</i>	<i>13 432</i>	<i>7 181</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

Natalya Ivanova

Chief Accountant

**Consolidated Statement of Cash Flows
for the period ended 30 June 2020 (indirect method)**

(thousands of Tenge)

	6 months of 2020	6 months of 2019
OPERATING ACTIVITY:		
Profit before tax	6 480 849	2 458 767
Adjustments for:		
Amortisation and depreciation	1 124 125	1 197 830
Finance costs	1 655 880	1 116 723
Foreign exchange (gain)/loss	(1 806 884)	771 841
Loss/ (gain) from disposal of property, plant and equipment	290	(394 775)
Non-operating loss/ (gain)	(164 510)	(99 883)
Reimbursement of selling expenses incurred without cash settlement	(599 415)	(278 816)
Investment gain	356 455	(184 741)
	<u>7 046 790</u>	<u>4 586 946</u>
Operating cash flows before movement in working capital		
Increase/(decrease) of inventories	(4 321 328)	(2 415 123)
Increase/(decrease) of accounts receivable	212 453	32 534
Increase/(decrease) of advances paid	(286 015)	(405 910)
Increase/(decrease) of other current assets	350 956	(613 179)
Decrease/(increase) of accounts payable	483 943	1 656 291
Increase/(decrease) of taxes payable	650 176	490 840
Increase/(decrease) of other accounts payable and accrued liabilities	1 031 996	78 093
Cash from operating activity	<u>5 168 971</u>	<u>3 410 492</u>
Interest paid	(1 659 155)	(1 100 412)
Income tax paid	(276 074)	(166 609)
	<u>3 233 742</u>	<u>2 143 471</u>
Net cash generated by operating activity		
INVESTING ACTIVITY:		
Purchase of other financial assets	(39 412 273)	(10 640 959)
Proceeds on sale of property, plant and equipment and intangible assets	1 000 000	927 717
Proceeds on sale of other financial assets	36 765 539	14 505 621
Return on deposit	6 230	4 401
Acquisition of property, plant and equipment and intangible assets	(1 180 077)	(338 070)
	<u>(2 820 581)</u>	<u>4 458 710</u>
Net cash used in investing activity		

FINANCING ACTIVITY:

Repayment of borrowings	(9 456 626)	(10 416 751)
Repurchase of own shares	(1 534 929)	(58 237)
Proceeds from borrowings	<u>17 010 805</u>	<u>10 903 774</u>
Net cash generated (used in) by financing activities	<u>6 019 250</u>	<u>428 786</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>6 432 411</u>	<u>7 030 967</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>466 300</u>	<u>(41 529)</u>
CASH AND CASH EQUIVALENTS, end of the period	<u><u>9 245 529</u></u>	<u><u>13 228 698</u></u>

For the Group Management:


 Timur Kaltayev

Chairman of the Management
 Board




 Natalya Ivanova

Chief Accountant



	Issued capital	Treasury shares	Preferred shares, held within the Group	Property, plant & equipment revaluation reserve	Foreign currency translation reserve	Retained earnings	(thousands of Tenge) 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	-	-	-	-	-	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)
Loss from repurchase of own shares	-	-	-	-	-	(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
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	-	-	-	-	-	6 236 560	6 236 560
Other comprehensive income	-	-	-	-	(186 110)	-	(186 110)
Total comprehensive income	-	-	-	-	(186 110)	6 236 560	6 050 450
Repurchase of own shares	-	(656 699)	-	-	-	-	(656 699)
Loss from repurchase of own shares	-	-	-	-	-	(878 230)	(878 230)
Transfer to retained earnings	-	-	-	(254 602)	-	254 602	-
As at 30 June 2020	2 787 696	(820 063)	(947 400)	3 411 273	(431 779)	23 104 754	27 104 481

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Timur Kaltayev

Natalya Ivanova

Chairman of the Management Board
Chief Accountant

