



*Consolidated Interim Financial Statements*

**RG Brands JSC & Subsidiaries**

*as at 30 September 2017*

**Consolidated Statement of Profit and Loss and Other Comprehensive  
Income for the Period Ended  
30 September 2017**

(KZT'000)

	Note	9 months of 2017	9 months of 2016
REVENUE	4	38 516 351	36 499 103
COST OF SALES	5	(22 313 942)	(22 687 778)
GROSS PROFIT		16 202 409	13 811 325
Selling expenses	6	(9 095 528)	(7 708 478)
General and administrative expenses	7	(2 977 034)	(2 579 455)
OPERATING INCOME		4 129 847	3 523 392
Finance costs	8	(1 326 254)	(1 359 993)
Exchange loss		(374 197)	(79 301)
Investment income (loss)		30 169	163 093
Other (costs)/gains	9	19 271	278 247
PROFIT BEFORE TAX		2 478 836	2 525 438
Income tax payable		(318 729)	(201 391)
PROFIT/LOSS FOR THE PERIOD		2 160 107	2 324 047
Property, plant and equipment revaluation surplus less income tax			3 659 366
Exchange difference from foreign entity translation into the reporting currency during the period		30 451	(89 759)
Other comprehensive income		30 451	3 569 607
TOTAL COMPREHENSIVE INCOME		2 190 558	5 893 655
Earnings per common share, KZT		₸ 686	738



For the Group Management:

Devael Hans Alexander

Chairman of the Management  
Board



Askat Agybayev

Chief Financial Officer



Olesya Andreyeva

Acting Chief Accountant

**Consolidated Statement of Financial Position  
 as at 30 September 2017**

(KZT'000)

	Note	At 30 September 2017	At 30 September 2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	11	20 301 889	21 525 727
Investment property		568 973	507 889
Advances paid		218 409	20 500
Intangible assets		62 010	66 107
Goodwill		68 026	68 026
Total non-current assets		<u>21 219 307</u>	<u>22 188 249</u>
<b>CURRENT ASSETS</b>			
Inventory	13	9 404 325	7 115 482
Trade accounts receivable	12	1 557 770	2 082 152
Short-term advances paid	12	516 153	425 539
Other financial assets		6 874 614	
Other current assets	14	842 189	609 201
Bank deposits		3 115	99 077
Cash and cash equivalents		1 286 704	15 552 359
Assets classified as held for sale		924 444	1 929
Total current assets		<u>21 409 314</u>	<u>25 885 739</u>
<b>TOTAL ASSETS</b>		<u><u>42 628 621</u></u>	<u><u>48 073 988</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Authorised capital		2 787 696	2 787 696
Repurchased common shares		(947 400)	(947 400)
Preferred shares held within the Group		(149 709)	(149 709)
Provisions		2 996 822	3 628 260
Retained earnings		9 031 739	6 639 484
Total equity		<u>13 719 148</u>	<u>11 958 331</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans	15	8 009 667	10 519 930
Bonds payable		56 700	56 700
Deferred income tax liability		2 790 082	2 790 082
Total non-current liabilities		<u>10 856 449</u>	<u>13 366 712</u>

<b>CURRENT LIABILITIES</b>			
Short-term accounts payable	16	9 313 399	9 027 879
Short-term loans and current portion of long-term loans	15	7 888 896	12 203 420
Current portion of bonds payable		1 062	2 126
Corporate income tax payable			115 340
Taxes payable	17	406 907	1 003 411
Other accounts payable and accrued liabilities	18	442 760	396 769
Total current liabilities		<u>18 053 024</u>	<u>22 748 945</u>
 <b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>42 628 621</u></u>	<u><u>48 073 988</u></u>


Carrying amount per common share (KZT)

4 338                      3 777

Carrying amount per preferred share (KZT)

1 200                      1 200

**For the Group Management:**  
  
**Devail Hans Alexander**  
 Chairman of the Management Board

  
**Askat Agybayev**  
 Chief Financial Officer

  
**Olesya Andreyeva**  
 Acting Chief Accountant

**Consolidated Statement of Cash Flows  
 for the period ended 30 September 2017 (indirect method)**

(KZT'000)

<b>OPERATING ACTIVITY:</b>	<b>9 months of 2017</b>	<b>9 months of 2016</b>
Profit before tax	2 478 836	2 525 438
Adjustments for:		
Amortisation and depreciation	1 656 164	1 793 830
Finance costs	1 326 254	1 359 993
Exchange (gain)/loss	374 197	79 301
Loss from disposal of property, plant and equipment		
Non-operating loss	(27 073)	(20 525)
Loss from inventory write-off		
Recovery of selling expenses through set-off	(540 287)	(658 598)
Investment (gain)/loss, net	(30 169)	(163 093)
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Cash flow from operating activity before changes in working capital	5 237 922	4 916 346
Increase/(decrease) in inventory	(2 288 843)	(2 338 962)
(Increase)/decrease in accounts receivable	524 382	(266 039)
Decrease/(increase) in advances paid	(90 614)	(179 229)
Decrease/(increase) in other current assets	(430 897)	(396 182)
Decrease/(increase) in accounts payable	285 520	2 089 660
Increase/(decrease) in taxes payable	(594 342)	(142 840)
Increase/(decrease) in other accounts payable and accrued liabilities	45 990	59 375
	<hr/>	<hr/>
Cash from operating activity	2 689 118	3 742 129
Interest paid	(1 446 793)	(1 237 188)
Income tax paid	(380 845)	(300 443)
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Net cash from operating activity	861 480	2 204 499
<b>INVESTING ACTIVITY:</b>		
Net acquisition of investments held for trading	(11 564 800)	(3 949 203)
Receipts from disposal of property, plant and equipment, intangible assets	7 802	165 850
Receipts from sale of related party bonds		
Return of advances paid for acquisition of investment property		
Net cash from purchase and sale of other investments	4 996 613	
Other receipts from related party		
Other payments to related party		
Deposit top up		(3 474 400)
Deposit withdrawal	91 531	
Return on deposits		

Acquisition of property, plant and equipment and intangible assets	<u>(1 077 291)</u>	<u>(483 534)</u>
Net cash used in investing activity	<u>(7 546 145)</u>	<u>(7 741 287)</u>
<b>FINANCING ACTIVITY:</b>		
Repayment of borrowings	(14 410 734)	(6 706 125)
Finance lease paid		
Dividends paid	(465 000)	(1 199 999)
Proceeds from stock issue (redemption)		(10 202)
Borrowings received	<u>7 758 160</u>	<u>11 044 468</u>
Net cash from financing activities	<u>(7 117 574)</u>	<u>3 128 142</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(13 802 239)</u>	<u>(2 408 646)</u>
CASH AND CASH EQUIVALENTS, beginning of the period	<u>15 552 359</u>	<u>10 541 082</u>
Effect of changes in foreign currency exchange rates on cash and cash equivalents	<u>(463 416)</u>	<u>(75 212)</u>
CASH AND CASH EQUIVALENTS, end of the period	<u><u>1 286 704</u></u>	<u><u>8 057 224</u></u>



For the Group Management:

**Devael Hans Alexander**

Chairman of the Management Board

**Askat Agybayev**

Chief Financial Officer

**Olesya Andreyeva**

Acting Chief Accountant



**Consolidated Statement of Changes in Equity for the period ended 30 September 2017**

	Share capital	Treasury shares	Preferred shares held within the Group	Real estate revaluation provision	Exchange difference provision	Retained earnings	(KZT'000) Total equity
Balance at 01 January 2017	2 787 696	(149 709)	(947 400)	4 015 099	(386 839)	6 639 484	11 958 331
Net profit	-	-	-	-	-	2 160 107	2 160 107
Dividends paid	-	-	-	-	-	(465 000)	(465 000)
Expansion of capital stock	-	-	-	-	-	-	-
Revaluation of buildings, constructions	-	-	-	35 259	-	-	35 259
Exchange difference from restatement from foreign currency	-	-	-	-	30 451	-	30 451
Reclassification to retained earnings	-	-	-	(697 147)	-	697 147	-
Balance at 30 September 2016	2 787 696	(149 709)	(947 400)	3 353 210	(356 388)	9 031 739	13 719 148

For the Group Management:



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



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Acting Chief Accountant