

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at 30 September 2018

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

(KZT'000)

	Note	9 months of 2018	9 months of 2018
Revenue	4	41 764 206	38 516 351
Cost of sales	5	(24 436 434)	(22 313 942)
Gross profit		17 327 772	16 202 409
Selling expenses	6	(10 255 813)	(9 095 528)
General and administrative expenses	7	(3 799 150)	(2 977 034)
OPERATING PROFIT		3 272 809	4 129 847
Finance costs	8	(1 451 091)	(1 326 254)
Foreign exchange gain/ (loss)		185 039	(374 197)
Investment income		106 642	30 169
Other income / (expenses), net	9	1 151 044	19 271
PROFIT BEFORE TAX		3 264 443	2 478 836
Income tax expense		(282 545)	(318 729)
PROFIT FOR THE PERIOD		2 981 898	2 160 107
Gain on revaluation of property, plant and equipment less income tax		-	-
Exchange difference on translating foreign operations		(60 078)	30 451
Other comprehensive income		(60 078)	30 451
TOTAL COMPREHENSIVE INCOME		2 921 820	2 190 558
Earnings per common share, in tenge	10	947	686

For the Group Management:




Askat Agybayev

Chief Financial Officer



Uldar Idyrova

Chief Accountant

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

(KZT'000)

	Note	At 30 September 2018	At 31 December 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	27 735 664	21 356 758
Investment property		607 901	607 493
Advances paid		29 292	105 179
Goodwill		68 026	68 026
Intangible assets		72 515	75 647
Total non-current assets		<u>28 513 398</u>	<u>22 213 103</u>
CURRENT ASSETS			
Inventories	13	9 634 377	7 296 966
Trade accounts receivable	12	1 841 766	1 680 479
Advances paid	12	518 903	894 645
Other financial assets		9 685 618	2 990 970
Amounts receivable under reverse repo transactions		-	-
Other current assets	14	1 031 811	822 878
Bank deposits		561 075	513 652
Cash and cash equivalents		3 916 780	5 236 437
Assets classified as held for sale		348 141	1 929
Total current assets		<u>27 538 471</u>	<u>19 437 956</u>
TOTAL ASSETS		<u><u>56 051 869</u></u>	<u><u>41 651 059</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		2 787 696	2 787 696
Treasury shares		(149 709)	(149 709)
Preferred shares, held within the Group		(947 400)	(947 400)
Reserves		6 532 350	2 956 227
Retained earnings		10 987 050	8 855 542
Total equity		<u>19 209 987</u>	<u>13 502 356</u>
NON-CURRENT LIABILITIES			
Borrowings	15	6 979 946	8 165 380
Deferred income tax liability		3 986 177	2 915 726
Account payable		798 754	-
Total non-current liabilities		<u>11 764 877</u>	<u>11 081 106</u>

CURRENT LIABILITIES			
Accounts payable	16	7 447 434	6 590 459
Short-term borrowings and current portion of long-term borrowings	15	15 708 247	9 391 163
Current portion of bonds payable		-	-
Corporate income tax payable		52 175	-
Taxes payable	17	521 744	650 624
Other accounts payable and accrued liabilities	18	1 347 405	435 351
Total current liabilities		<u>25 077 005</u>	<u>17 067 597</u>
TOTAL EQUITY AND LIABILITIES		<u><u>56 051 869</u></u>	<u><u>41 651 059</u></u>

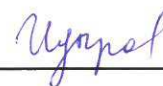
<i>Carrying amount per common share (KZT)</i>		6 079	4 265
<i>Carrying amount per preferred share (KZT)</i>		1 200	1 200

For the Group Management:




Askat Agybayev

Chief Financial Officer



Uldar Idyrova

Chief Accountant

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

	(KZT'000)	
	9 months of 2018	9 months of 2017
OPERATING ACTIVITY:		
Profit before tax	3 264 443	2 478 836
Adjustments for:		
Amortisation and depreciation	1 530 226	1 656 164
Finance costs	1 451 091	1 326 254
Foreign exchange (gain)/loss	(185 039)	374 197
Loss from disposal of property, plant and equipment	(2 168)	-
Non-operating loss	(978 901)	(27 073)
Reimbursement of selling expenses incurred without cash settlement	(627 143)	(540 287)
Investment gain	(106 642)	(30 169)
	<u>4 345 867</u>	<u>5 237 922</u>
Operating cash flows before movement in working capital		
Increase/(decrease) of inventories	(2 337 411)	(2 288 843)
(Increase)/decrease of accounts receivable	(161 287)	524 382
Decrease/(increase) of advances paid	375 742	(90 614)
Change in amounts receivable under reverse repo transactions	-	-
Decrease/(increase) of other current assets	(133 046)	(430 897)
Decrease/(increase) of accounts payable	2 458 096	285 520
Increase/(decrease) of taxes payable	(128 880)	(594 342)
Increase/(decrease) of other accounts payable and accrued liabilities	912 054	45 990
Cash from operating activity	<u>5 331 135</u>	<u>2 689 118</u>
Interest paid	(1 510 826)	(1 446 793)
Income tax paid	(282 545)	(380 845)
	<u>3 537 764</u>	<u>861 480</u>
Net cash generated by operating activity		
INVESTING ACTIVITY:		
Purchase of other financial assets	(23 615 248)	(11 564 800)
Proceeds from disposal of property, plant and equipment and intangible assets	46 263	7 802
Proceeds on sale of other financial assets	17 607 237	4 996 613
Money places to deposit	(6 274 980)	-
Deposit withdrawal	6 178 000	91 531
Return on deposit	4 055	-
Acquisition of property, plant and equipment and intangible assets	(3 306 492)	(1 077 291)
	<u>(9 361 165)</u>	<u>(7 546 145)</u>
Net cash used in investing activity		

FINANCING ACTIVITY:

Repayment of borrowings	(15 962 372)	(14 410 734)
Proceeds from issue of bonds		
Dividends paid	(700 018)	(465 000)
Proceeds from borrowings	<u>21 181 828</u>	<u>7 758 160</u>
Net cash generated (used in) by financing activities	<u>4 519 438</u>	<u>(7 117 574)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1 303 963)</u>	<u>(13 802 239)</u>
CASH AND CASH EQUIVALENTS, beginning of the year	<u>5 236 437</u>	<u>15 552 359</u>
Effect of changes in foreign currency exchange rates in relation to cash	<u>(15 694)</u>	<u>(463 416)</u>
CASH AND CASH EQUIVALENTS, end of the period	<u><u>3 916 780</u></u>	<u><u>1 286 704</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 September 2018

(KZT'000)

	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 January 2016	2 787 696	(149 709)	(947 400)	4 015 099	(386 839)	6 639 484	11 958 331
Profit for the year	-	-	-	-	-	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 shares	-	-	-	-	-	-	-
Adjustment of fair value of loan issued to shareholder	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(686 036)	-	686 036	-
As at 31 December 2017	2 787 696	(149 709)	(947 400)	3 329 063	(372 836)	8 855 542	13 502 356
Profit for the period	-	-	-	-	-	2 981 898	2 981 898
Other comprehensive income	-	-	-	-	(60 078)	-	(60 078)
Total comprehensive income	-	-	-	-	(60 078)	2 981 898	2 921 820
Revaluation reserve	-	-	-	4 281 805	-	-	4 281 805
Dividends declared	-	-	-	-	-	(1 495 994)	(1 495 994)
Increase of share capital	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(645 604)	-	645 604	-
As at 30 September 2018	2 787 696	(149 709)	(947 400)	6 965 264	(432 914)	10 987 050	19 209 987

For the Group Management:

Timur Kaltayev
Chairman of the Management Board

Askat Agybayev
Chief Financial Officer

Uldar Idyrova
Chief Accountant

