



RG Brands JSC & Subsidiaries

NOTES

to the Interim Consolidated Financial Statements
as at 31 March 2019
(in KZT thousands unless stated otherwise)

1. GENERAL

The principal activity of RG Brands JSC and its subsidiaries (“the Group”) is production, sale and distribution of juices, carbonated soft drinks, milk, chips, as well as the packing, sale and distribution of tea and other commercial products. The Group’s operations are primarily in the Republic of Kazakhstan (“Kazakhstan”).

Ownership structure of the Company – RG Brands JSC was initially registered on 22 June 1998 as a limited liability partnership and transformed into an open joint stock company on 27 March 2001. The Company was re-registered as a joint stock company on 17 February 2004.

As at 31 March 2019 and 31 December 2018 the registered share capital of RG Brands JSC was KZT 2 787 696 thousand. As at 31 March 2019 and 31 December 2018 the share capital comprised of 3 452 730 common shares amounting to KZT 1 840 296 thousand and 789 500 preferred shares amounting to KZT 947 400 thousand. The share capital was paid in full.

As at 31 March 2019 and 31 December 2018 shareholders of the Company were as follows:

Shareholders	Ownership interest		Number of shares		Amount	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Mr. T.S. Kaltayev	0,96%	0,95%	30 000	30 000	33 400	33 400
Mr. K.K. Mazhibayev	62,04%	61,77%	1 944 771	1 944 771	944 726	944 726
Mr. A. Agybayev	0,61%	0,72%	19 000	22 655	21 125	24 780
Mr. R. Bayazerov	0,59%	0,90%	18 355	28 355	20 481	30 481
Mr. A.V. Khalyapin	0,00%	0,01%	138	138	501	501
Mr. Y.Zh. Koshkimbayev	35,80%	35,35%	1 122 352	1 122 352	656 699	656 699
Total	100,0%	100,0%	3 134 616	3 148 271	1 676 932	1 690 587

As at 31 March 2019 and 31 December 2018 repurchased common shares of the Group made KZT 163 364 thousand or 318 114 common shares and KZT 149 709 thousand or 304 459 common shares respectively.

Group structure and transactions – The Group consists of RG Brands JSC and subsidiaries as follows:

	Ownership interest		Voting power	
	31.03.2019 г.	31.12.2018 г.	31.03.2019 г.	31.12.2018 г.
RG Brands Kazakhstan LLP	100%	100%	100%	100%
Uni Commerce Ltd.	100%	100%	100%	100%
RG Brands Kyrgyzstan LLC	100%	100%	100%	100%
RG Brands Tashkent LLC	100%	100%	100%	100%
PRG Bottlers Kazakhstan LLP	100%	100%	100%	100%
RG Brands Sever LLC	100%	100%	100%	100%

RG Brands began production and packing of juice and juice-containing drinks in November 1999. Today the Group has the following trade marks in its portfolio: Gracio, Da-Da and Nectar Solnechnyi, Da-Da Day, Aport, and ASU.

The Group started up the first line for production of carbonated soft drinks under the trademarks of Pepsi, Seven Up, Mirinda and Aquafina in November 1999.

As at 31 March 2019 RG Brands owned 100% authorised capital of RG Brands Kyrgyzstan LLC registered on 11 March 2004. The interest of the minority shareholder was purchased on 7 October 2008.

RG Brands Kazakhstan LLP (hereinafter “RG Brands Kazakhstan”) was established on 4 April 2006 and comprised production facilities engaged in manufacture of juice, beverages, packaged milk under Moye trade mark, tea under Piala trade mark, bottled water under Asu trade mark, and Grizzly chips. This Company is also engaged in distribution of the Group products in the Republic of Kazakhstan.

In accordance with the decision of RG Brands JSC, a 100% subsidiary – RG Brands Tashkent LLC was registered on 29 August 2009 in the Republic of Uzbekistan.

RG Brands Tashkent LLC and RG Brands Kyrgyzstan LLC are engaged in sale and distribution of the Group products in the Republic of Uzbekistan and Kyrgyz Republic accordingly.

In accordance with the decision of RG Brands JSC, a 100% subsidiary – RG Brands Sever LLC was registered on 6 May 2016 in the Russian Federation.

The Head Office of the Company is located in Almaty; its production capacities are located in Almaty, Almaty Oblast, and Kostanai, Republic of Kazakhstan. As specified above, the Company is also present in Kyrgyz Republic, Republic of Uzbekistan and Russia to implement its sale and distribution strategies.

Legal address: 212b, Raimbek ave., Almaty, Republic of Kazakhstan

Form of ownership: Private

Bottling Agreements with PepsiCo and Seven-Up International

The Group operates its carbonated soft drinks production and distribution under an exclusive bottling appointment agreement, concluded between RG Brands Kazakhstan and Seven-Up International. Under these agreements, RG Brands Kazakhstan received the rights for bottling, sale and distribution of PepsiCo and Seven-Up products in Kazakhstan until 21 July 2010 with automatic prolongation for 5 years and subsequently for another 5-year period at the end of each 5-year period.

The rights for distribution of Pepsico Inc., Pepsi Lipton International Limited and Seven-Up products in the Kyrgyz Republic are provided under agreements concluded with these companies till 31 December 2018, inclusive.

2. BASIS OF PREPARATION

These consolidated interim financial statements of RG Brands JSC and its subsidiaries have been prepared in accordance with International Financial Reporting Standard (“IFRS”) 34 *Interim Financial Reporting*.

The reporting period is from 01 January to 31 March 2019.

The Group keeps accounts in Kazakhstan monetary units (KZT) in accordance with the effective laws of the Republic of Kazakhstan. These consolidated interim financial statements are presented in KZT thousands.

These consolidated interim financial statements have been prepared on the historical cost basis except for certain assets and liabilities measured at fair value.

These consolidated interim financial statements have been prepared based on two fundamental assumptions – accrual and going concern.

To calculate the book value of shares, the Group uses the following method: the carrying amount per common share equals the difference between the Company equity and the value of preferred shares divided by the number of common shares placed.

The carrying amount per preferred share equals the value of preferred shares placed divided by the number thereof.

3. KEY ACCOUNTING POLICIES

The Group applied IFRS 15 revenue from Contracts with Customers starting January 1, 2018. The main impact of adoption of IFRS 15 relates to consideration payable to a customer. Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customer. The Group accounts for consideration payable to a customer as reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

In 2018 the Group applied IFRS 9 Financial Instruments. The Group changed incurred credit loss model for expected credit loss model, although the effect was not material.

As for other recognition and measurement policies, when preparing these interim financial statements the Group used accounting policies applied in the latest annual financial statements.

4. REVENUE

Revenue was as follows:

	(KZT'000)	
	3 months of 2019	3 months of 2018
Sales of carbonated soft drinks and juice containing drinks	7 642 245	6 312 993
Sale of packed tea, packed milk and food products	4 266 485	3 959 737
Sale of wholesale products	16 713	12 712
	<u>11 925 443</u>	<u>10 285 442</u>

5. COST OF SALES

Cost of sales were as follows:

	(KZT'000)	
	3 months of 2019	3 months of 2018
Materials	6 557 778	6 027 736
Depreciation and amortisation	355 322	245 335
Payroll and related taxes	228 179	179 999
Utilities	105 291	98 072
Repairs	167 902	202 590
Cost of sale of wholesale products	67 314	51 507
Other costs	56 825	12 230
	<u>7 538 611</u>	<u>6 817 469</u>

6. SELLING EXPENSES

Selling expenses were as follows:

	(KZT'000)	
	3 months of 2019	3 months of 2018
Transportation	775 911	593 333
Payroll and related taxes	229 736	217 555
Advertising campaigns and market research	257 859	189 676
Sales agents expenses	459 883	245 689
Other selling costs	125 117	272 654
Amortisation	182 950	201 562
Lease of vehicles, warehouses and office premises	93 872	89 195
Business trip expenses	5 807	2 678
Write-off of materials	59	322
Reimbursement of selling expenses	(70 345)	(125 659)
	2 060 849	1 687 005

7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	(KZT'000)	
	3 months of 2019	3 months of 2018
Payroll and related payments	542 330	594 325
Waste goods write-off	36 926	26 630
Consulting services	105 599	56 233
Penalties and fines	380	315
Depreciation and amortisation	33 911	27 943
Taxes other than income tax	61 073	38 409
Bank services	43 506	21 501
Transportation expenses	25 656	22 322
Utilities	20 829	15 495
Business trip expenses	26 632	22 179
Communication services	23 752	8 450
Insurance	29 176	2 003
Provision for doubtful debts	1 907	(3 634)
Others	212 525	171 573
	1 164 202	1 003 744

8. FINANCE COSTS

Finance costs were as follows:

	(KZT'000)	
	3 months of 2019	3 months of 2018
Interest on borrowings	527 346	452 835
Interest on notes payable	-	-
Interest on letter of credit	11 668	
Other	744	-
	<u>539 758</u>	<u>452 835</u>

9. OTHER EXPENSES / INCOME

Other costs were as follows:

	(KZT'000)	
	3 months of 2019	3 months of 2018
(Loss)/income from disposal of property, plant and equipment	(2 918)	4 140
Other operating expenses/income, net	52 250	19 329
Other	9 299	(10 196)
	<u>58 631</u>	<u>13 273</u>

10. EARNINGS PER SHARE AND BOOK VALUE PER SHARE

Earnings/(loss) per share is calculated by dividing net profit/(loss) for the year attributable to equity holders by the weighted average number of common shares outstanding during the year as shown below.

	(KZT'000)	
	3 months of 2019	3 months of 2018
Net profit /loss for the year attributable to equity holders	65 774	49 916
Weighted average number of common shares	3 134 616	3 148 271
Basic loss/earnings per share, in Tenge	21	16

The Company uses the following calculation method to determine the book value of shares.

Book value per common share is a quotient of the net assets for common shares by the number of common shares.

$$5\ 630 = 17\ 648\ 043 / 3\ 134\ 616$$

Net assets for common shares are calculated using the following formula:

$$NAV = (TA - IA) - TL - PS, \text{ где}$$

- TA – issuer’s assets recognised in the issuer’s statement of financial position as at the calculation date;
 IA – intangible assets in the issuer’s statement of financial position as at the calculation date;
 TL – liabilities in the issuer’s statement of financial position as at the calculation date;
 PS – balance of Authorised Capital, Preferred Shares item in the issuer’s statement of financial position as at the calculation date.

$$17\,648\,043 = (53\,751\,317 - 80\,933) - 36\,022\,341$$

	(KZT'000)	
	at 31.03.2019	at 31.12.2018
Calculation of book value per common share		
Net assets of the Group excluding intangible assets	17 648 043	17 696 984
Number of outstanding common shares	3 134 616	3 148 271
Book value per common share, KZT	5 630	5 621

Book value per preferred share is calculated using the following formula:

$$BVPS2 = LPS / NOPS2, \text{ where}$$

- BVPS2 – book value per preferred share of the second group as at the calculation date;
 NOPS2 – number of outstanding preferred shares of the second group as at the calculation date;
 LPS – balance of preferred shares recorded as liabilities in the issuer’s statement of financial position as at the calculation date

$$1\,200 = 947\,400 / 789\,500$$

	(KZT'000)	
	at 31.03.2019	на 31.12.2018
Calculation of book value per preferred share		
Balance of preferred shares held within the Group	947 400	947 400
Number of outstanding preferred shares	789 500	789 500
Book value per preferred share, KZT	1 200	1 200

11. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2019 property, plant and equipment less accumulated depreciation were as follows:

(KZT'000)

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Historical cost							
At 1 January 2019	1 609 345	6 896 384	20 511 356	202 134	1 242 396	185 441	30 647 056
Additions	-	-	20 727	-	26 467	23 120	70 314
Revaluation increase	-	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-	-
Internal transfers	-	-	8 899	-	(8 899)	-	-
Disposals	-	-	(11 763)	(17 213)	(10 178)	-	(39 154)
At 31 March 2019	1 609 345	6 896 384	20 529 219	184 921	1 249 786	208 561	30 678 216
Accumulated depreciation							
At 1 January 2019	-	(391 714)	(4 378 997)	(160 854)	(890 372)	-	(5 821 937)
Accrued for the period	-	(154 738)	(369 257)	(3 087)	(41 599)	-	(568 681)
Reclassifications	-	-	-	-	-	-	-
Disposals	-	-	7 416	17 213	1 663	-	26 292
At 31 March 2019	-	(546 452)	(4 740 838)	(146 728)	(930 308)	-	(6 364 326)
Net book value at 31 March 2019	1 609 345	6 349 932	15 788 381	38 193	319 478	208 561	24 313 890

12. ACCOUNTS RECEIVABLE

As at 31 March 2019 accounts receivable were as follows:

(KZT'000)

Контрагент	at 31.12.2018	Debit turnover	Credit turnover	at 31.03.2019
Trade accounts receivable				
Magnolia Company LLP, Taraz (DR)	260 413	423 829	494 551	189 691
SOB LTD Company LLP Aktau	158 967	425 463	399 063	185 367
Rakhimzhanov IE, Semey	65 004	472 035	408 770	128 269
Aksai Market LLP	44 650	104 720	95 954	53 416
Mereke LLP Kokshetau	57 967	223 258	193 849	87 376
Metropolis Company JSC	23 073	40 520	19 450	44 143
Kredos Trade Company JSC	26 129	71 038	54 511	42 656
CARAT LLP, Petropavlovsk (DR)	39 658	136 742	163 902	12 498
Sauda-Inter LLP	45 196	376 552	383 619	38 129
G.K. Akhmetbekov IE	24 163	150 779	141 512	33 430

Luchshee reshenie LLP	35 533	69 633	90 786	14 380
Semipalatinsk Trading Company LLP	31 902	52 058	19 568	64 392
Other	1 274 906	11 896 982	12 288 534	883 354
TOTAL	2 087 561	14 443 609	14 754 069	1 777 101

Advances paid				
Trade House Astana Motors Almaty	-	63 826	-	63 826
Tetra Pak Kazakhstan Ltd	5 298	12 361	-	17 659
TETRA PAK Global Distribution S.A.	18 604	-	83	18 521
Pivnoe Podvorie LLP, Uralsk	21 377	12 623	34 000	-
TEEPACK Spezialmaschinen GmbH AND Co.KG.	13 601	15 507	23 366	5 742
Atasu Logistics TOO	22	39 244	16 296	22 970
Deloitte LLP	19 152	-	-	19 152
Asia International Company LTD LLP	132 433	6 467	6 467	132 433
CENTRADE INTEGRATED S.R.L.	3 336	-	-	3 336
Partner Express Logistic TOO	35 071	31 724	28 330	38 465
Kargo Express LLP	-	45 205	-	45 205
Other	673 089	9 941 459	10 334 829	180 719
TOTAL	921 983	10 168 416	10 542 371	548 028

13. INVENTORIES

	(KZT'000)	
	at 31.03.2019	at 31.12.2018
Finished goods	3 652 711	2 875 535
Raw material	3 440 271	3 014 238
Packing materials	1 355 659	870 930
Other	559 561	433 263
Spare parts	342 068	337 441
Less provision for slow moving inventories	(55 958)	(55 352)
	9 294 312	7 476 055
	9 294 312	7 476 055

14. OTHER CURRENT ASSETS

	(KZT'000)	
	at 31.03.2019	at 31.12.2018
Short-term accounts receivable from related parties	294 174	352 834
Receivables from employees	219 998	313 096
Other taxes receivable	219 891	229 614
Other receivables	327 909	315 196
Prepaid expenses	208 154	204 448
Less provision for doubtful debts	(12 532)	(13 443)
	1 257 594	1 401 745

15. LOANS, BONDED DEBTS AND FINANCE LEASE

Below is the information of loans and other financial liabilities as at 31 March 2019:

(KZT'000)

Creditor	Loan currency	Average rate, % per annum	Opening balance	Turnover		Closing balance	Maturity date
				Debet	Credit		
EBRD (1 st tranche 2015)	KZT'000	8,95%	1 838 545	-	-	1 838 545	2020
EBRD discount (2015)	KZT'000		-7 279	-	1 480	-5 799	
EBRD (2 tranche 2015)	KZT'000	8,95%	338 818	-	-	338 818	2020
EBRD discount (2015)	KZT'000		-1 341	-	273	-1 068	
EBRD (3 tranche 2016)	KZT'000	10,25%	1 533 333	-	-	1 533 333	2020
EBRD discount (2016)	KZT'000		-10 746	-	1 255	-9 491	
EBRD (4 tranche 2018)	KZT'000	9,90%	2 500 000	-	-	2 500 000	2020
EBRD discount (2018)	KZT'000		-17 171	-	3 500	-13 671	
International Finance Corporation	KZT'000	9,20%	2 005 867	250 733	-	1 755 134	2022
International Finance Corporation discount	KZT'000		-25 099	-	3 084	-22 015	
Subsidiary Bank ALFA BANK, OJSC	KZT'000	11,85%	300 000	-	-	300 000	2019

ATF BANK JSC	KZT'000	5,50%	555 334	-	-	555 334	2019
SHINHAN BANK KAZAKHSTAN	KZT'000	9,00%	466 667	3 617	-	463 050	2020
Eurasian Development Bank	RUB'000	10,10%	1 058 566	264 641	-	793 925	2020
	KZT'000		5 843 283	1 624 89	441 950	4 660 335	
Eurasian Development Bank discount	RUB'000		-1 500	-	380	-1 120	
	KZT'000		-8 281	668	2 374	-6 575	
Bank Center Credit JSC	KZT'000	6,00%	181 518	17 388	8 694	172 824	2023
Development Bank of Kazakhstan	KZT'000	6,00%	300 000	-	-	300 000	2019
Development Bank of Kazakhstan	KZT'000	6,00%	400 000	-	-	400 000	2019
Development Bank of Kazakhstan	KZT'000	6,00%	640 000	-	-	640 000	2019
Development Bank of Kazakhstan	KZT'000	6,00%	160 000	160 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	901 160	901 160	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	290 000	-	-	290 000	2019
Development Bank of Kazakhstan	KZT'000	8,35%	316 000	-	-	316 000	2019
Development Bank of Kazakhstan	KZT'000	8,35%	300 000	-	-	300 000	2019
Development Bank of Kazakhstan	KZT'000	6,00%	150 000	-	-	150 000	2019
Development Bank of Kazakhstan	KZT'000	6,00%	198 840	-	-	198 840	2019
Development Bank of Kazakhstan	KZT'000	8,35%	100 000	100 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	8,35%	350 000	-	-	350 000	2019
Development Bank of Kazakhstan	KZT'000	8,35%	374 000	-	-	374 000	2019
Development Bank of Kazakhstan	KZT'000	8,35%	250 000	250 000	-	-	2019
Development Bank of Kazakhstan	KZT'000	6,00%	250 000	-	-	250 000	2019
Development Bank of Kazakhstan	KZT'000	7,60%	-	-	964 790	964 790	2020
Altyn Bank JSC	KZT'000	10,75%	200 000	-	-	200 000	2019
Altyn Bank JSC	KZT'000	10,75%	300 000	-	-	300 000	2019
Altyn Bank JSC	KZT'000	10,75%	300 000	-	-	300 000	2019
Altyn Bank JSC	KZT'000	10,75%	200 000	-	-	200 000	2019
Altyn Bank JSC	RUB'000	9%	81 914	81 914	-	-	2019
	KZT'000		452 166	477 186	25 020	-	
Altyn Bank JSC	RUB'000	9%	95 238	95 238	-	-	2019
	KZT'000		525 714	555 238	29 524		

Altyn Bank JSC	RUB'000	9%	-	-	85 000	85 000	2019
	KZT'000		-	1 700	500 650	498 950	
Altyn Bank JSC	RUB'000	9%	-	-	85 000	85 000	2019
	KZT'000		-	1 700	500 650	498 950	

Creditor	Loan amount, total	Maturity date					
		2019	2020	2021	2022	2023	
International Finance Corporation	1 733 119	250 733	501 467	501 467	479 452	-	
Subsidiary Bank ALFA BANK, OJSC	300 000	300 000	-	-	-	-	
SHINHAN BANK KAZAKHSTAN	463 050	229 717	233 333	-	-	-	
ATF Bank JSC	555 334	277 667	277 667	-	-	-	
Development Bank of Kazakhstan	4 533 630	3 568 840	964 790	-	-	-	
Eurasian Development Bank	4 653 760	1 746 974	2 906 786	-	-	-	
Bank Center Credit JSC	172 824	30 980	41 515	41 515	41 515	17 299	
EBRD (2015)	1 832 746	919 273	913 473	-	-	-	
EBRD (2015)	337 750	169 409	168 341	-	-	-	
EBRD (2016)	1 523 842	766 667	757 175	-	-	-	
EBRD (2018)	2 486 329	1 250 000	1 236 329	-	-	-	
Altyn Bank JSC	1 997 900	1 977 900					
Total	20 590 284	11 508 160	8 000 876	542 982	542 967	17 299	

	at 31.03.2019	at 31.12.2018
Principal	20 648 904	22 521 245
Discount	(58 618)	(69 917)
Interest	179 627	365 703
TOTAL	20 769 913	22 723 350

16. ACCOUNTS PAYABLE

As at 31 March 2019 accounts payable were as follows:

(KZT'000)				
Контрагент	at 31.12.2018	Debit turnover	Credit turnover	at 31.03.2019
Asian Tea Company Private Limited	1 432 076	1 900 065	1 833 359	1 365 370
Pepsi-Cola International, Cork	782 460	1 514 428	1 711 575	979 607
Tetra Pak Казахстан Ltd	201 586	358 526	964 857	807 917
P.E.T. TOO	223 662	335 052	1 141 116	1 029 726
VAN REES B. V.	536 900	887 363	805 078	454 615
PEPSI LIPTON INTERNATIONAL	9 975	20 932	215 060	204 103
M.J.CLARKE LTD	129 337	130 297	428 746	427 786
China Resources Chemical Innovative Materials Co.,	-	275 494	846 769	571 275
Sudzucker AG	31 357	63 777	416 900	384 480
Others	4 330 433	7 420 448	6 301 868	3 211 853
TOTAL	7 677 786	12 906 382	14 665 328	9 436 732

17. TAXES PAYABLE

	(KZT'000)	
	at 31.03.2019	At 31.12.2018
Value added tax	785 288	688 453
Personal income tax	18 409	23 400
Other taxes	30 701	34 280
Social tax	13 861	13 541
	848 259	759 674

18. OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	(KZT'000)	
	at 31.03.2019	at 31.12.2018
Payable to employees	218 724	180 642
Accrued vacation and bonuses	209 726	200 174
Advances received	27 909	11 414
Other accrued liabilities	43 731	42 426
	500 090	434 656

19. BUSINESS AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where 82.97% of the business is done, the management determined that the Group segmentation base is best reflected by the following business lines:

- Production, distribution and sale of products under the home brands of the Group including juices (Gracio, Da-Da, Nectar Solnechnyi), juice-containing drinks (DaDa Day, Aport), Asu bottled water, CiTi ice tea and Yeti energy drink;
- Production, distribution and sale of other products under the home brands of the Group including Piala Tea, Grizzly Chips and Moye milk;
- Production, distribution and sale of franchised products including carbonated alcohol-free beverages (Pepsi, Pepsi Light, Mirinda, Seven-Up and Lipton Ice Tea);
- Trade transactions including sale and distribution of imported goods of other manufacturers.

	Production of juice and juice-containing beverages	Food stuff	Trading	(KZT'000) Consolidated
Period ended 31 March 2019				
Revenue	7 642 943	4 265 787	16 713	11 925 443
Operating profit (loss) before tax	58 809	114 184	16 713	189 706
Income tax expense	(38 419)	(85 513)	-	(123 932)
Net profit/(loss)	20 390	28 671	16 713	65 774
Depreciation	326 144	246 038	-	572 182
Acquisition of property, plant and equipment and intangible assets	51 329	18 985	-	70 314
	Production of juice and juice-containing beverages	Food stuff	Trading	Consolidated
Period ended 31 March 2019				
Segment assets	41 081 400	12 669 917	-	53 751 317
Deferred income tax assets	-	-	-	-
Total assets	41 081 400	12 669 917	-	53 751 317
Segment liabilities	24 902 004	7 431 275	-	32 333 280
Deferred income tax liabilities	2 174 873	1 514 188	-	3 689 061
Total liabilities	27 076 877	8 945 464	-	36 022 341

The Group's revenue from sales to external companies by countries was as follows:

	3 months of 2019	3 months of 2018	(KZT'000)
Republic of Kazakhstan	10 020 574	9 152 930	
Kyrgyz Republic	1 442 272	1 150 113	
Russian Federation	447 275	492 766	
Tajikistan	11 822	-	
China	3 500	-	
	11 925 443	10 795 809	

20. RETIREMENT BENEFITS

In accordance with the requirements of the laws of the Republic of Kazakhstan, the Group makes 10% pension contributions from the employee salaries. However, subject to the Republic of Kazakhstan laws, this amount per employee shall not exceed KZT 212 500 a month since 1 January 2019, previously monthly contributions per employee amounted to KZT 212 130. These amounts are expensed as incurred. Contributions to the pension funds are deducted from the employee salary and recognised in the total salaries paid in the consolidated statement of comprehensive income.

As of 31 March 2019 the Group had no liabilities to its current or former employees on additional pension contributions, postretirement medical benefits, insurance payments or other retirement benefits.

21. RELATED PARTIES

Related parties of the Group are companies controlled and related to the Company shareholders – Mr. K.K. Mazhibayev and Ye.Zh. Koshkinbayev.

Transactions between the Company and its subsidiaries are eliminated at consolidation and not disclosed in this note. Transactions entered by the Group with the related are disclosed below.

Trading transactions – as at 31 March 2019 and 31 December 2018

Related party transactions include:

- sale of carbonated alcohol-free beverages, natural juice, tea;
- sale/purchase of other materials, property, plant and equipment, securities and rendering of various services;
- loans and borrowings.

	Sale		Acquisition		(KZT'000)
	3 months of 2019	3 months of 2018	3 months of 2019	3 months of 2018	
RESMI Direct Investments					
LLP	3 367	3 127	64 022	48 343	
Jointly controlled companies	-	-	477	464	

	Related-party receivables		Related-party payables	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Jointly controlled companies:	294 174	419 480	682	-
<i>Broker's debt</i>	74 375	66 646		
<i>Money on broker's account</i>	-	-		
<i>Interest-free financial aid</i>	219 799	352 834	682	-

Key management benefits – Key management benefits are determined by the shareholders' meeting and senior management of the companies in accordance with the staff policy, staff list, personal employment contracts, decisions of the shareholders, orders on accrual of bonuses, etc.

22. EVENTS AFTER THE REPORTING DATE

During the period after the reporting date and prior to the date of the financial statements approval, no events have happened to the Group which would require adjustments or disclosures in the notes to the consolidated interim financial statements.

Chairman of the Management Board



Timur Kaltayev

Chief Financial Officer

Askat Agybayev

Chief Accountant

Uldar Idyrova

Uldar Idyrova