



# **RG BRANDS JSC & SUBSIDIARIES**

## **NOTES**

**to the Interim Consolidated Financial Statements**  
as at 31 March 2018  
*(in KZT thousands unless stated otherwise)*

## 1. GENERAL

The core business of RG Brands JSC and its subsidiaries (jointly referred to as “the Group”) is production, sale and distribution of juices, carbonated beverages, milk, chips, packing, sale and distribution of tea and other commercial products. The Group mainly operates in the Republic of Kazakhstan (hereinafter “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 2018 and 31 December 2017 the registered share capital of RG Brands JSC was KZT 2,787,696 thousand. As at 31 March 2018 and 31 December 2017 the share capital comprised 3,452,730 common shares totaling KZT 1,840,296 thousand and 789,500 preferred shares totaling KZT 947,400 thousand. The share capital was paid in full.

As at 31 March 2018 and 31 December 2017 shareholders of the Company were as follows:

Shareholders	Interest		Common Shares		Amount	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017	31.03.2018	31.12.2017
Mr. T.S. Kaltayev.	0,95%	0,95%	30 000	30 000	33 400	33 400
Mr. K.K. Mazhibayev	61,77%	61,77%	1 944 771	1 944 771	944 726	944 726
Mr. A. Agybayev	0,72%	0,72%	22 655	22 655	24 780	24 780
Mr. R. Bayazerov	0,90%	0,90%	28 355	28 355	30 481	30 481
Mr. A.V. Khalyapin	0,01%	0,01%	138	138	501	501
SUCCESSFUL INVESTMENT TRUST LLP	8,89%	8,89%	279 968	279 968	258 948	258 948
Mr. Y.Zh. Koshkimbayev	26,76%	26,76%	842 384	842 384	397 751	397 751
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>3 148 271</b>	<b>3 148 271</b>	<b>1 690 587</b>	<b>1 690 587</b>

As at 31 March 2018 and 31 December 2017 repurchased common shares of the Group made KZT 149,709 thousand or 304,459 common shares and KZT 149,709 thousand or 302,459 common shares accordingly.

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

	Ownership interest		Voting right	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017
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 North 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 beverages under the trademarks of Pepsi, Seven Up, Mirinda and Aquafina in November 1999.

As at 31 March 2018 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, 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 North LLC – was registered on 06 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 Russian Federation 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 produces and distributes carbonated alcohol-free beverages in accordance with the exclusive bottling agreements entered into and between RG Brands Kazakhstan and PepsiCo Inc. and RG Brands Kazakhstan and Seven-Up International. Under these agreements, the rights to bottle, sell and distribute PepsiCo and Seven-Up products in Kazakhstan passed to RG Brands Kazakhstan till 21 July 2010 with automatic prolongation for 5 years and subsequently for another 5-year period upon the end of each 5-year period.

The right to distribute PepsiCo Inc., Pepsi Lipton International Limited and Seven-Up products in the Kyrgyz Republic is provided based on the agreements signed with these companies, which operate up to and including 31 December 2018.

## **2. BASIS OF PREPARATION**

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

The reporting period is from 01 January to 31 March 2018.

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 basis of accounting and going concern.

To calculate the carrying amount 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. PRINCIPAL ACCOUNTING POLICIES**

Since 1 January 2016 the Group has made changes to the accounting policies to replace the cost method used for Machinery and Equipment group of the property, plant and equipment for revaluation model.

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

#### 4. REVENUE

Revenue was as follows:

	3 months of 2018	3 months of 2017
Revenue from sale of juices, juice-containing drinks and alcohol-free beverages	6 626 633	5 865 126
Revenue from sale of packaged tea, packaged milk and food stuff	4 156 464	4 275 705
Revenue from sale of goods for resale	12 712	56 883
	<u>10 795 809</u>	<u>10 197 714</u>

#### 5. COST OF SALES

Cost of sales was as follows:

	3 months of 2018	3 months of 2017
Materials	6 027 736	5 548 547
Depreciation and amortisation	245 335	307 687
Salaries and related taxes	179 999	188 423
Utilities	98 072	81 450
Repair	202 590	21 185
Cost of goods acquired for sale	51 507	38 557
Other costs	12 230	15 290
	<u>6 817 469</u>	<u>6 201 139</u>

#### 6. SELLING EXPENSES

Selling expenses were as follows:

	3 months of 2018	3 months of 2017
Transportation expenses	593 333	532 851
Salaries and related taxes	217 555	217 038
Advertising campaigns and marketing research	599 676	621 923
Expenses for sales reps	346 056	433 926
Other selling costs	272 654	150 337
Amortisation	201 562	211 706
Lease of vehicles, warehouses and office premises	89 195	63 998
Travel expenses	2 678	3 332
Inventory write-off	322	3 981
Recovery of selling expenses	(125 659)	(430 986)
	<u>2 197 372</u>	<u>1 808 106</u>

#### 7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	3 months of 2018	3 months of 2017
Salaries and related payments	594 325	482 438
Write-off of defected goods, losses of raw materials and supplies	26 630	28 464
Consulting services	56 233	63 163
Penalties and fines	315	2 825
Depreciation and amortisation	27 943	37 056
Taxes other than income tax	38 409	39 270
Bank services	21 501	55 780
Transportation charges	22 322	28 464

Utilities	15 495	9 664
Travel expenses	22 179	21 993
Communication services	8 450	8 003
Insurance	2 003	4 262
Provision for unused employee leaves	19 557	12 108
(Reversal of)/provision for doubtful debts	(3 634)	15 025
Other costs	152 016	102 519
	<u>1 003 744</u>	<u>911 034</u>

## 8. FINANCE COSTS

Finance costs were as follows:

		(KZT'000)
	<b>3 months of</b>	<b>3 months of</b>
	<b>2018</b>	<b>2017</b>
Interest on bank and other loans	452 835	502 221
Interest accrued on bonds	-	1 063
Other	-	363
	<u>452 835</u>	<u>503 647</u>

## 9. OTHER COSTS/GAINS

Other costs were as follows:

		(KZT'000)
	<b>3 months of</b>	<b>3 months of</b>
	<b>2018</b>	<b>2017</b>
(Loss)/income from disposal of property, plant and equipment	4 140	(7 757)
Other operating expenses, net	19 329	-
Other	(10 196)	386
	<u>13 273</u>	<u>(7 371)</u>

## 10. EARNINGS AND CARRYING AMOUNT 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 determined as follows.

		(KZT'000)
	<b>3 months of</b>	<b>3 months of</b>
	<b>2018</b>	<b>2017</b>
Net profit (loss) for the year attributable to equity holders	49 916	206 593
Weighted average number of common shares	3 148 271	3 148 271
Basic loss/earnings per share, KZT	16	66

The Company uses the following calculation method to determine the carrying amount of shares.

**Carrying amount per common share** is a quotient of the net assets for common shares by the number of common shares.

$$4,268 = 13,436,670 / 3,148,271$$

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

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

- 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.

$$13,436,670 = (43,096,213 - 82,107) - 29,577,436$$

	at 31.03.2018	(KZT'000) at 31.12.2017
<b>Calculation of carrying amount per common share</b>		
Net assets of the Group other than intangible assets	13 436 670	13 426 709
Number of outstanding common shares	3 148 271	3 148 271
Carrying amount per common share, KZT	4 268	4 265

**Carrying amount per preferred share is calculated using the following formula:**

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

- BVPS2 – (book value per preferred share of the second group) carrying amount 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

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

	at 31.03.2018	(KZT'000) at 31.12.2017
<b>Calculation of carrying amount per preferred share</b>		
Balance of preferred shares held within the Group	947 400	947 400
Number of outstanding preferred shares	789,500	789,500
Carrying amount per preferred share, KZT	1 200	1 200

## 11. PROPERTY, PLANT AND EQUIPMENT

As at 31 march 2018 property, plant and equipment less accumulated depreciation were as follows:

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	(KZT'000) Total
<b>Historical cost</b>							
At 1 January 2018	1 252 519	7 218 261	17 337 401	245 637	1 011 665	511 356	27 576 839
Additions	-	339	491 667	3 112	49 082	303 848	848 048
Revaluation surplus/loss	-	-	-	-	-	-	-
Other reclassifications	-	-	-	-	-	-	-
Internal relocation	-	-	265 161	-	(3 966)	(261 195)	-
Disposal	-	-	(62 903)	(404)	(6 948)	-	(70 255)
At 31 March 2018	<u>1 252 519</u>	<u>7 218 600</u>	<u>18 031 326</u>	<u>248 345</u>	<u>1 049 833</u>	<u>554 009</u>	<u>28 354 632</u>
<b>Accumulated depreciation</b>							
At 1 January 2018	-	(2 252 428)	(2 929 420)	(184 958)	(853 275)	-	(6 220 081)
Accrued for the period	-	(147 525)	(373 139)	(7 097)	(22 905)	-	(550 666)
Reclassifications	-	-	-	-	-	-	-
Disposal	-	-	39 494	-	5 963	-	45 457
At 31 March 2018	<u>-</u>	<u>(2 399 953)</u>	<u>(3 263 065)</u>	<u>(192 055)</u>	<u>(870 217)</u>	<u>-</u>	<u>(6 725 290)</u>
<b>Carrying amount at 31 March 2018</b>	<u><u>1 252 519</u></u>	<u><u>4 818 647</u></u>	<u><u>14 768 261</u></u>	<u><u>56 290</u></u>	<u><u>179 616</u></u>	<u><u>554 009</u></u>	<u><u>21 629 342</u></u>

## 12. ACCOUNTS RECEIVABLE

As at 31 March 2018 accounts receivable were as follows:

(KZT'000)

Counterparty	at 31.12.2017	Total debits	Total credits	at 31.03.2018
<b>Trade accounts receivable</b>				
Magnolia LLP, Taraz (DR)		938 066	774 794	163 272
SOB Ltd Company LLP, Aktau	128 103	763 256	748 195	143 164
Rakhimzhanov Sole Proprietor, Semei	59 342	299 510	267 803	91 049
Aksai Market LLP	47 369	36 862	21	84 210
FILBI LLC	80 707			80 707
Mereke LLP Kokshetau (DR)	36 324	337 447	310 496	63 275
Pivnoe Podvoriye LLP, Aktobe	10 985	585 233	557 934	38 284
CARAT LLP, Petropavlovsk (DR)	30 983	236 567	230 878	36 672
Tandem Trade Company LLP	31 288	128 270	126 302	33 256
G.K. Akhmetbekov Sole Proprietor	19 487	247 535	246 302	20 720
Other	1 235 891	12 629 076	12 999 912	856 055
<b>TOTAL</b>	<b>1 680 479</b>	<b>16 201 822</b>	<b>16 262 637</b>	<b>1 619 664</b>

<b>Advances paid</b>				
UBC Cool Almaty LLP	-	645 388	218 536	426 852
Kupyansk Milk Canning Plant PJSC	-	225 790	112 895	112 895
TETRA PAK Global Distribution S.A.	66 583	138 629	131 931	73 281
Cargo Express LLP	-	66 491	31 781	34 710
Deloitte LLP	19 152	9 576	-	28 728
Agro2020 LLPTOO	26 000	-	-	26 000
Payment Systems LLP	-	41 431	16 656	24 775
CENTRADE INTEGRATED S.R.L.	-	23 329	-	23 329
Mega-network LLP	20 000	-	-	20 000
Agro Tom Plus LLP	19 920	-	-	19 920
Other	742 991	36 623 782	37 070 379	296 394
<b>TOTAL</b>	<b>894 646</b>	<b>37 774 416</b>	<b>37 582 178</b>	<b>1 086 884</b>

## 13. INVENTORY

	at 31.03.2018	(KZT'000) at 31.12.2017
Finished goods	3 531 539	3 229 882
Raw material	3 001 669	2 799 687
Packing material	1 156 023	697 382
Other	470 112	353 311
Spare parts	305 475	256 380
Less provision for slow moving inventories	(35 218)	(39 676)
	<u><b>8 429 600</b></u>	<u><b>7 296 966</b></u>

## 14. OTHER CURRENT ASSETS

	at 31.03.2018	(KZT'000) at 31.12.2017
Short-term accounts receivable from related parties	285 879	274 912
Employee debts	285 115	91 953
Other recoverable tax	166 268	231 396
Other receivables	260 506	37 993
Prepaid expenses	168 427	202 380
Less provision for doubtful debts	(15 543)	(15 756)
	<u><b>1 150 652</b></u>	<u><b>822 878</b></u>



## 15. LOANS, BONDED DEBTS AND FINANCE LEASE

Below is the information of loans and other financial liabilities as at 31 March 2018:

(KZT'000)

Creditor	Loan currency	Average rate, % per annum	Opening balance	Total		Closing balance	Maturity date
				Debits	Credits		
EBRD (1 <sup>st</sup> tranche 2015)	KZT'000	8,95%	2 757 818			2 757 818	2020
Discount EBRD (2015)	KZT'000		-15 418		2 221	-13 197	
EBRD (2 <sup>nd</sup> tranche 2015)	KZT'000	8,95;%	508 227			508 227	2020
Discount EBRD (2015)	KZT'000		-2 841		409	-2 432	
EBRD (3 <sup>rd</sup> tranche 2015)	KZT'000	10,25%	2 300 000			2 300 000	2020
Discount EBRD (2016)	KZT'000		-17 663		1 882	-15 781	
International Finance Corporation	KZT'000	9,20%	2 507 334	250 733		2 256 601	2022
Discount International Finance Corporation	KZT'000		-39 345		3 873	-35 472	
Subsidiary Bank "ALFA BANK", OJSC	KZT'000	7,80%	1 200 000	1 630 000	3 707 000	3 277 000	2017
ATF Bank JSC	KZT'000	5,50%	333 333			333 333	2019
SHINHAN BANK KAZAKHSTAN			700 000			700 000	
Eurasian Development Bank	RUB'000	10,10%	370 721			370 721	
	KZT'000		2 139 059	81 559		2 057 500	
Discount Eurasian Development Bank	RUB'000		-3 351		2 146	-1 205	
	KZT'000		-19 338		12 647	-6 691	
ALFA BANK	RUB'000	9,60%			99 000	99 000	2018
	KZT'000				549 450	549 450	
Development Bank of Kazakhstan	KZT'000	6,00%	576 000	426 000		150 000	2018
Development Bank of Kazakhstan	KZT'000	6,00%	198 840			198 840	2018
Development Bank of Kazakhstan	KZT'000	6,00%	185 000	185 000			2018
Development Bank of Kazakhstan	KZT'000	6,00%	170 000	170 000			2018
Development Bank of Kazakhstan	KZT'000	6,00%	169 000	169 000			2018
Development Bank of Kazakhstan	KZT'000	6,00%	1 701 160	1 701 160			2018
Development Bank of Kazakhstan	KZT'000	8,35%	116 000			116 000	2018
Development Bank of Kazakhstan	KZT'000	8,35%	700 000			700 000	2018
Development Bank of Kazakhstan	KZT'000	8,35%	500 000			500 000	2018
Development Bank of Kazakhstan	KZT'000	8,35%	664 000			664 000	2018
Development Bank of Kazakhstan	KZT'000	6,00%			300 000	300 000	2018
Development Bank of Kazakhstan	KZT'000	6,00%			400 000	400 000	2018
Development Bank of Kazakhstan	KZT'000	6,00%			800 000	800 000	2018
Development Bank of Kazakhstan	KZT'000	6,00%			901 160	901 160	2018
Development Bank of Kazakhstan	KZT'000	6,00%			250 000	250 000	2018



Creditor	Loan amount, total	Maturity date					
		2018	2019	2020	2021	2022	2023
		International Finance Corporation	1 055 601	117 297	234 576	234 576	234 576
International Finance Corporation	1 201 000	133 516	266 871	266 871	266 871	266 871	
Subsidiary Bank "ALFA BANK", OJSC	3 826 450	3 826 450					
SHINHAN BANK KAZAKHSTAN	700 000	233 333	233 333	233 334			
ATF Bank JSC	333 333	166 667	166 666				
Development Bank of Kazakhstan	4 980 000	4 980 000					
Eurasian Development Bank	2 057 500	426 328	815 586	815 586			
EBRD (2015)	2 757 818	919 272	919 273	919 273			
EBRD (2015)	508 227	169 409	169 409	169 409			
EBRD (2016)	2 300 000	766 666	766 667	766 667			
<b>Total</b>	<b>19 719 929</b>	<b>11 738 939</b>	<b>3 572 381</b>	<b>3 405 716</b>	<b>501 447</b>	<b>501 447</b>	<b>0</b>

	<b>at 31.03.2018</b>	<b>at 31.12.2017</b>
Loans	19 719 929	17 425 771
Discount	(73 573)	(94 604)
Loan %	131 072	225 376
<b>TOTAL</b>	<b>19 777 428</b>	<b>17 556 543</b>

## 16. ACCOUNTS PAYABLE

As at 31 March 2018 accounts payable were as follows:

(KZT'000)

Counterparty	at 31.12.2017	Total debits	Total credits	at 31.03.2018
Asian Tea Company Private Limited	2 391 236	2 288 027	2 037 867	2 141 076
Pepsi-Cola International, Cork	672 451	1 418 796	1 796 340	1 049 995
DOHLER HOLLAND	90 051	181 579	187 087	95 559
Olam International Limited	115 908	226 965	112 828	1 771
P.E.T. TOO	197 357	485 295	546 001	258 063
PEPSI LIPTON INTERNATIONAL	108 376	298 543	321 159	130 992
M.J.CLARKE LTD	140 461	314 147	192 827	19 141
Tetra Pak Kazakhstan Ltd	808 533	2 591 519	2 078 280	295 294
VAN REES B. V.	353 150	824 957	718 184	246 377
Other	1 712 936	4 578 120	4 723 440	1 858 256
<b>Total</b>	<b>6 590 459</b>	<b>13 207 948</b>	<b>12 714 013</b>	<b>6 096 524</b>

## 17. TAXES PAYABLE

(KZT'000)

	<b>at 31.03.2018</b>	<b>at 31.12.2017</b>
Value added tax	176 775	565 792
Personal income tax	33 955	27 046
Other taxes	38 285	40 279
Social tax	22 732	17 507
	<b>271 747</b>	<b>650 624</b>

## 18. OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	at 31.03.2018	(KZT'000) at 31.12.2017
Employment expenses accrued	228 687	168 624
Employee leave allowances and bonuses accrued	202 462	182 305
Advances received	32 974	15 879
Other accrued liabilities	51 888	68 543
	<b>516 011</b>	<b>435 351</b>

## 19. OPERATING AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where more than 82.97% of the Company 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 nonalcoholic 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	Consolidated (KZT'000)
<b>Period ended 31 March 2018</b>				
Revenue	6 626 633	4 156 464	12 712	10 795 809
Operating profit (loss) / before tax	90 447	188 604	12 712	291 763
Income tax expense	(74 973)	(166 874)	-	(241 847)
Net profit/(loss)	15 474	21 730	12 712	49 916
Depreciation and amortization	270 659	204 182	-	474 841
Acquisition of property, plant and equipment and intangible assets	619 075	228 973	-	848 048

	Production of juice and juice-containing beverages	Food stuff	Trading	Consolidated
<b>Period ended 31 March 2018</b>				
Segment assets	32 937 849	10 158 364	-	43 096 213
Deferred income tax assets	-	-	-	-
Total assets	32 937 849	10 158 364	-	43 096 213
Segment liabilities	20 533 948	6 127 762	-	26 661 710
Deferred income tax liabilities	1 718 956	1 196 770	-	2 915 726
Total liabilities	22 252 904	7 324 532	-	29 577 436

The Group's revenue from sales to third-party buyers by countries was as follows:

	3 mec 2018	3 mec 2017	(KZT'000)
Republic of Kazakhstan	9 152 930	8 560 758	
Kyrgyz Republic	1 150 113	941 185	
Russian Federation	492 766	695 771	
	<b>10 795 809</b>	<b>10 197 714</b>	

## 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 212,130 a month since 1 January 2018, previously monthly contributions per employee amounted to KZT 183,442.5. 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 2018 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 2018 and 31 December 2017

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.

	(KZT'000)			
	Sale		Acquisition	
	3 months of 2018	3 months of 2017	3 months of 2018	3 months of 2017
<b>RESMI Direct Investments LLP</b>	3 127	2 362	48 343	61 216
<b>Jointly controlled companies</b>			464	1 587

	Related-party receivables		Related-party payables	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017
<b>Jointly controlled companies:</b>	<b>285 879</b>	<b>256 913</b>	-	<b>27 518</b>
<i>Broker's debt</i>	57 268	53 292		
<i>Money on broker's account</i>	4 809	4 813		
<i>Interest-free financial aid</i>		4 745		
<i>Trade and other operations payable</i>	223 802	194 063	-	27 518

**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**



**Devael Hans Alexander**

**Chief Financial Officer**

**Askat Agybayev**

**Chief Accountant**

**S.S. Zhapasheva**