

### Consolidated Interim Financial Statements

## **RG Brands JSC & Subsidiaries**

as at 31 March 2018



# Consolidated Statement of Profit and Loss and Other Comprehensive Income for the Period Ended 31 March 2018

(KZT'000)

	Note	3 months of 2018	3 months of 2017
REVENUE	4	10 795 809	10 197 714
COST OF SALES	5	(6 817 469)	(6 201 139)
GROSS PROFIT	_	3 978 340	3 996 575
Selling expenses	6	(2 197 372)	(1 808 106)
General and administrative expenses	7	(1 003 744)	(911 034)
OPERATING INCOME	_	777 224	1 277 435
Finance costs	8	(452 835)	(503 647)
Exchange loss		(62 102)	(450 316)
Investment (loss)/ income		16 203	3 034
Other (costs)/gains	9 _	13 273	(7 371)
PROFIT BEFORE TAX		291 763	319 135
Income tax payable	_	(241 847)	(112 542)
PROFIT/LOSS FOR THE PERIOD	_	49 916	206 593
Exchange difference from foreign entity translation into the reporting currency during the period		(33 495)	4 822
Other comprehensive income		(33 495)	4 822
TOTAL COMPREHENSIVE INCOME	=	16 421	211 415
Earnings per common share, KZT	_	16	66

For the Group Management:

Devael Hans Alexander BRANDS

Askat Agybayev

S.S. Zhapasheva

Chairman of the Management Board

Chief Financial Officer

Chief Accountant



# Consolidated Statement of Financial Position as at 31 March 2018

(KZT'000)

	Note	At 31 March 2018	At 31 March 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	21 629 342	21 356 758
Investment property		607 493	607 493
Advances paid		27 744	105 179
Intangible assets		82 107	75 647
Goodwill		68 026	68 026
Total non-current assets		22 414 712	22 213 103
CURRENT ASSETS			
Inventory	13	8 429 600	7 296 966
Trade accounts receivable	12	1 619 664	1 680 479
Short-term advances paid	12	1 086 884	894 645
Other financial assets		5 450 208	2 990 970
Other current assets	14	1 150 652	822 878
Bank deposits		492 023	513 652
Cash and cash equivalents		2 450 541	5 236 437
Assets classified as held for sale		1 929	1 929
Total current assets		20 681 501	19 437 956
TOTAL ASSETS		43 096 213	41 651 059
<b>EQUITY AND LIABILITIES</b> EQUITY:			
Share capital		2 787 696	2 787 696
Repurchased common shares		(149 709)	(149 709)
Preferred shares held within the Group		(947 400)	(947 400)
Provisions		2 737 228	2 956 227
Retained earnings		9 090 962	8 855 542
Total equity	-	13 518 777	13 502 356
NON-CURRENT LIABILITIES			
Loans	15	7 671 591	8 165 380
Deferred corporate income tax liability		2 915 726	2 915 726
Total non-current liabilities		10 587 317	11 081 106



CURRENT LIABILITIES			
Short-term accounts payable	16	6 096 524	6 590 459
Short-term loans and current portion of long-term loans	15	12 105 837	9 391 163
Current portion of bonds payable			
Taxes payable	17	- 271 747	650 624
Other accounts payable and accrued liabilities	18	516 011	435 351
Total current liabilities		18 990 119	17 067 597
TOTAL EQUITY AND LIABILITIES			
		43 096 213	41 651 059
Carrying amount per common share (KZT)			
		4 268	4 265
Carrying amount per preferred share (KZT)		1 200	1 200

For the Group Management:

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S.S. Zhapasheva

Devael Hans Alexander G BRANDS Chairman of the Management Board

Askat Agybayev Chief Financial Officer

Chief Accountant



Consolidated Statement of Cash Flows for the period ended 31 March 2018 (indirect method)		(KZT'000)
OPERATING ACTIVITY:	3 months of 2018	3 months of 2017
Profit from operating activity before tax	291 763	319 135
Adjustment for:		
Amortisation and depreciation	474 841	556 448
Finance costs	452 835	503 647
Exchange (profit)/loss	62 101	450 316
(Profit)/loss from disposal of property, plant and equipment	(35 641)	0.5
Non-operating loss	22 369	34 890
Loss from inventory write-off	26 630	28 464
Recovery of selling expenses through set-off	(125 659)	(430 986)
Investment (gain)/loss, net Accrual of provision for employee leaves and other estimated	(16 203)	(3 034)
expenses	19 557	-
Accrual / reversal of provision for doubtful debts	(3 634)	-
Cash flow from operating activity before changes in working capital	1 168 959	1 458 880
Increase/(decrease) in inventory	(1 132 634)	(1 429 968)
(Increase)/ decrease in accounts receivable	60 815	273 529
Decrease/(increase) in advances paid	(192 239)	(99 375)
Decrease/(increase) in other current assets	(250 339)	(410 160)
Decrease/(increase) in accounts payable	(368 275)	(535 523)
Increase /(decrease) in taxes payable	(389 624)	(436 450)
Increase /(decrease) in other payables and accrued liabilities	80 656	37 876
Cash from operating activity	(1 022 681)	(1 141 191)
Interest paid	(530 601)	(580 711)
Income tax paid	(115 000)	(160 862)
Net cash from operating activity INVESTING ACTIVITY:	(1 668 282)	(1 882 764)
Net acquisition of investments held for trading	(9 344 724)	12
Proceeds from disposal of property, plant and equipment and	(2 2 11 72 1)	710
intangible assets  Receipts from sale of related party bonds	-	712
Return of advances paid for acquisition of investment property	-	-
Net cash from purchase and sale of other investments	6 739 403	-
Other receipts from related party	<b>=</b> 3	90
Other payments to related party	7	*
Deposit top up	(6 178 000)	-



Deposit withdrawal	6 178 000	472
Return on deposits	3 314	-
Acquisition of property, plant and equipment and intangible assets	(701 809)	(326 780)
Net cash used in investing activity FINANCING ACTIVITY:	(3 303 816)	(325 506)
Repayment of borrowings	(4 531 893)	(3 456 036)
Finance lease paid	-	-
Dividends paid	Œ	-
Proceeds from issue (repurchase) of shares	3 <del>.</del>	-
Borrowings received	6 907 610	3 254 160
Net cash from financing activity	2 375 717	(201 876)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2 596 381)	(2 410 146)
CASH AND CASH EQUIVALENTS, beginning of the period	5 236 437	15 552 359
Effect of changes in foreign currency exchange rates on cash and cash equivalents	(189 515)	(803 979)
CASH AND CASH EQUIVALENTS, end of the period	2 450 541	12 338 234

For the Group Management:

Devael Hans Alexander

Chairman of the Management Board

Askat Agybayev

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Chief Accountant

S.S. Zhapasheva



#### Consolidated Statement of Changes in Equity for the period ended 31 March 2018

	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 1 January	2 707 (0)	(1.40.700)	(0.47.400)				
2018	2 787 696	(149 709)	(947 400)	3 329 063	(372 836)	8 855 542	13 502 356
Net profit	8	-	-	-	_	49 916	49 916
Dividends paid	_	-	_	_	_	=	
Increase of share capital	_				_	-	-
Revaluation of buildings, constructions Exchange difference from	-	-	-	-	-	-	-
foreign currency translation Reclassification to	-	-	-	-	(33 495)	-	(33 495)
retained earnings			-	(185 504)		185 504	-
Balance at 31 March 2018	2 787 696	(149 709)	(947 400)	3 143 559	(406 331)	9 090 962	13 518 777

For the Group Management:

Devael Hans Alexander

RG BRANDS Askat Agybayev

S.S. Zhapasheva

Chairman of the Management

Chief Financial Officer

Chief Accountant

Board