PJSC ALROSA

DISCLOSED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2024 AND REPORT ON REVIEW

CONTENTS

Report on review of disclosed condensed consolidated interim financial statements

Report on Review of Disclosed Condensed Consolidated Interim Financial Statements

[Translation from Russian original]

To the Shareholders and Supervisory Board

of Public Joint Stock Company ALROSA

Introduction

We have reviewed the accompanying disclosed condensed consolidated interim financial statements of Public Joint Stock Company ALROSA and its subsidiaries (hereinafter jointly referred to as the "Group"), which comprise the disclosed condensed consolidated interim statement of financial position as at 30 June 2024 and the related disclosed condensed consolidated interim statements of profit or loss and other comprehensive income for the three and six-month periods then ended, cash flows and changes in equity for the six-month period then ended, and the selected explanatory notes to the disclosed condensed consolidated interim financial statements (hereinafter referred to as the "disclosed condensed consolidated interim financial statements"). The Group's management is responsible for the preparation and presentation of these disclosed condensed consolidated interim financial statements in accordance with the principles stipulated in Note 2 to the disclosed condensed consolidated interim financial statements. Our responsibility is to express a conclusion on these disclosed condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of disclosed condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying disclosed condensed consolidated interim financial statements of the Group as at 30 June 2024 and for the three and six-month periods then ended are not prepared, in all material respects, in accordance with the principles stipulated in Note 2 to the disclosed condensed consolidated interim financial statements.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 of the disclosed condensed consolidated interim financial statements, which states that the purpose of the preparation of the disclosed condensed consolidated interim financial statements is to present the Group's consolidated financial position, consolidated financial performance and consolidated cash flows the disclosure of which does not harm the Group and/or its counterparties. As a result, the financial statements may not be suitable for another purpose.

Other Matter

The Group has prepared a separate set of the condensed consolidated interim financial statements as at 30 June 2024 and for the three and six-month periods then ended in accordance with IAS 34, Interim Financial Reporting, in respect of which we have issued a separate report on review to the Shareholders and the Supervisory Board dated 9 August 2024.

Senior Managing Partner of FBK, LLC

Elena Olegovna Sarafanova
Acting by power of attorney dated 04 March 2022 No. 85/22, audit qualification certificate dated 18 October 2019 No. 06-000528, registration number 21906078276

Engagement partner

Ildar Ravilevich Safiulin
Audit qualification certificate dated 23 August 2011 No. 01-000042, registration number 22006037114

Date of the report on review: 9 August 2024

Audited entity

Name:

Public Joint Stock Company ALROSA (PJSC ALROSA).

Address of the legal entity within its location:

6, Lenin Street, Mirny, Republic of Sakha (Yakutia), 678175, Russian Federation.

State registration:

The registration entry was made in the Unified State Register of Legal Entities on 17 July 2002 under primary state registration number 1021400967092.

Auditor

Name:

FBK, LLC.

Address of the legal entity within its location:

44 Myasnitskaya St, Bldg 2, Moscow, 101000, Russian Federation.

State registration:

The registration entry was made in the Unified State Register of Legal Entities on 24 July 2002 under primary state registration number 1027700058286.

Primary number of registration entry in the register of auditors and audit organizations of the self-regulatory organization of auditors 11506030481.

TRANSLATION NOTE: Our report has been prepared in Russian and in English. In all matters of interpretation of information, views or opinions, the Russian version of our report takes precedence over the English version

(in millions of Russian roubles, unless otherwise stated)

DISLOSED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	30 June 2024	31 December 2023
ASSETS			
Non-current Assets			
Goodwill		1,439	1,439
Intangible assets	2(b)	1,438	1,126
Property, plant and equipment	7, 2(b)	290,803	281,761
Right-of-use assets	8	3,690	3,862
Investments in associates and joint ventures	4	6,824	7,804
Deferred tax assets		3,780	3,071
Long-term accounts receivable	10	251	169
Total Non-current Assets		**308,225**	**299,232**
Current Assets			
Inventories	9	166,276	181,804
Prepaid current income tax		348	1,815
Trade and other receivables	10	18,212	14,498
Bank deposits	5	80,279	62,831
Cash and cash equivalents	6	26,108	36,437
Total Current Assets		**291,223**	**297,385**
Total Assets		**599,448**	**596,617**
EQUITY			
Share capital	11	12,473	12,473
Share premium	11	10,431	10,431
Treasury shares		(258)	(258)
Retained earnings and other reserves		381,366	359,208
Equity attributable to owners of PJSC ALROSA		**404,012**	**381,854**
Non-Controlling Interest		**159**	**5**
Total Equity		**404,171**	**381,859**
LIABILITIES			
Non-current Liabilities			
Long-term debt and loans and other financial liabilities	12	76,777	79,597
Provision for pension obligations	17	3,845	3,989
Other provisions	14	16,853	21,304
Deferred tax liabilities		1,484	3,265
Government grants		2,136	2,089
Other long-term liabilities		589	142
Total Non-current Liabilities		**101,684**	**110,386**
Current Liabilities			
Short-term debt and loans and other financial liabilities	13	35,954	55,809
Trade and other payables	15	38,146	39,086
Income tax payable		216	499
Other taxes payable	16	8,249	8,813
Dividends payable	11	11,028	165
Total Current Liabilities		**93,593**	**104,372**
Total Liabilities		**195,277**	**214,758**
Total Equity and Liabilities		**599,448**	**596,617**

Signed on 9 August 2024 by the following members of management:

Pavel A. Marinychev
Chief Executive Officer

Elena I. Glazunova
Chief Accountant

(in millions of Russian roubles, unless otherwise stated)

DISLOSED CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

		Three months ended		Six months ended	
	Notes	**30 June 2024**	**30 June 2023**	**30 June 2024**	**30 June 2023**
Revenue	18	60,791	92,514	179,468	188,164
Income from government grants		1,452	1,445	3,112	1,983
Cost of sales	19	(38,168)	(46,969)	(114,093)	(99,946)
Royalty	16	(303)	(303)	(605)	(605)
Gross profit		**23,772**	**46,687**	**67,882**	**89,596**
General and administrative expenses	20	(6,171)	(4,075)	(10,407)	(9,416)
Selling and marketing expenses	21	(994)	(974)	(2,012)	(1,929)
Other operating income	22	3,408	2,523	4,899	5,312
Other operating expenses	23	(17,560)	(5,374)	(22,530)	(10,105)
Operating profit		**2,455**	**38,787**	**37,832**	**73,458**
Finance income	24	8,362	7,997	11,184	17,922
Finance costs	25	(9,446)	(12,711)	(14,889)	(21,827)
Share of net profit /(loss) of associates and joint ventures	4	7,172	(448)	11,668	-
Profit before income tax		**8,543**	**33,625**	**45,795**	**69,553**
Income tax	16	(1,239)	(6,554)	(9,169)	(13,984)
Profit for the period		**7,304**	**27,071**	**36,626**	**55,569**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of post-employment benefit obligations, net of deferred income tax		120	25	228	63
Total items that will not be reclassified to profit or loss		**120**	**25**	**228**	**63**
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences, net of deferred income tax		(157)	565	(39)	996
Total items that may be reclassified subsequently to profit or loss		**(157)**	**565**	**(39)**	**996**
Total other comprehensive (loss)/ income for the period		**(37)**	**590**	**189**	**1,059**
Total comprehensive income for the period		**7,267**	**27,661**	**36,815**	**56,628**
Profit attributable to:					
Owners of PJSC ALROSA		7,250	27,132	36,509	55,594
Non-controlling interest		54	(61)	117	(25)
Profit for the period		**7,304**	**27,071**	**36,626**	**55,569**
Total comprehensive income / (loss) attributable to:					
Owners of PJSC ALROSA		7,148	27,836	36,661	56,839
Non-controlling interest		119	(175)	154	(211)
Total comprehensive income for the period		**7,267**	**27,661**	**36,815**	**56,628**
Basic and diluted earnings per share for profit attributable to the owners of PJSC ALROSA (in Russian roubles)	11	**1.01**	**3.76**	**5.06**	**7.71**

The accompanying notes form an integral part of these dislosed condensed consolidated interim financial statements.

(in millions of Russian roubles, unless otherwise stated)

DISLOSED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

	Notes	Six months ended 30 June 2024	Six months ended 30 June 2023
Net Cash Inflow from Operating Activities	**26**	**60,594**	**43,872**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment and intangible assets		(22,558)	(24,300)
Proceeds from sales of property, plant and equipment and intangible assets		40	44
Interest received		2,039	1,633
Proceeds from disposal of subsidiaries, net of cash disposed		677	-
Proceeds from sale of investments in associates	4.1	1,010	-
Cash transfer to deposit accounts		(122,493)	(78,595)
Cash received from deposit accounts		97,625	61,166
Government grants for investing activities		90	80
Net Cash Outflow used in Investing Activities		**(43,570)**	**(39,972)**
Cash Flows from Financing Activities			
Repayments of loans		(22,485)	(430)
Loans received		785	3,187
Lease liability payments		(375)	(305)
Interest paid		(1,811)	(1,506)
Purchase of non-controlling interest		-	(22)
Dividends paid		(4,747)	(4)
Returns on unclaimed dividends		1,107	-
Net Cash (Outflow used in) / Inflow from Financing Activities		**(27,526)**	**920**
Net (Decrease) / Increase in Cash and Cash Equivalents		**(10,502)**	**4,820**
Cash and cash equivalents at the beginning of the period		36,437	26,535
Effect of exchange rate changes on cash and cash equivalents		173	(33)
Cash and Cash Equivalents at the End of the Period	**6**	**26,108**	**31,322**

(in millions of Russian roubles, unless otherwise stated)

DISLOSED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

		Attributable to owners of PJSC ALROSA							
	Number of shares outstanding	Share capital	Share premium	Treasury shares	Other reserves (note 11)	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2023	**7,212,635,830**	**12,473**	**10,431**	**(258)**	**(22,398)**	**321,924**	**322,172**	**121**	**322,293**
Comprehensive income / (loss)									
Profit for the period	-	-	-	-	-	55,594	55,594	(25)	55,569
Other comprehensive income / (loss)	-	-	-	-	1,245	-	1,245	(186)	1,059
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**-**	**1,245**	**55,594**	**56,839**	**(211)**	**56,628**
Transactions with owners									
Change in non-controlling interest	-	-	-	-	(63)	-	(63)	38	(25)
Total transactions with owners	**-**	**-**	**-**	**-**	**(63)**	**-**	**(63)**	**38**	**(25)**
Balance at 30 June 2023	**7,212,635,830**	**12,473**	**10,431**	**(258)**	**(21,216)**	**377,518**	**378,948**	**(52)**	**378,896**
Balance at 1 January 2024	**7,212,635,830**	**12,473**	**10,431**	**(258)**	**(20,646)**	**379,854**	**381,854**	**5**	**381,859**
Comprehensive income									
Profit for the period	-	-	-	-	-	36,509	36,509	117	36,626
Other comprehensive income	-	-	-	-	152	-	152	37	189
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**152**	**36,509**	**36,661**	**154**	**36,815**
Transactions with owners									
Dividends (note 11)					-	(14,569)	(14,569)	-	(14,569)
Returns of unclaimed dividends					-	66	66	-	66
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(14,503)**	**(14,503)**	**-**	**(14,503)**
Balance at 30 June 2024	**7,212,635,830**	**12,473**	**10,431**	**(258)**	**(20,494)**	**401,860**	**404,012**	**159**	**404,171**

1. ACTIVITIES

The core activities of Public Joint Stock Company ALROSA ("the Company") and its subsidiaries ("the Group") are exploration and extraction of diamond reserves and marketing and distribution of rough and polished diamonds. The Company was registered on 13 August 1992 in the Republic of Sakha (Yakutia), which is located within the Russian Federation.

The Group operates mining facilities in Mirny, Udachny, Aikhal, Nyurba district and Anabar district of the Republic of Sakha (Yakutia) (located in Eastern Siberia) and the Arkhangelsk Region. Licenses for the Group's major diamond deposits expire between 2024 and 2048. Management believes the Group will be able to extend the licenses' terms after they expire.

As at 30 June 2024 and 31 December 2023 the Company's principal shareholders were: the Russian Federation (33.0 per cent of shares) represented by the Federal Agency for State Property Management and the Republic of Sakha (Yakutia) (25.0 per cent of shares) represented by the Ministry of the Property and Land Relations of the Republic of Sakha (Yakutia). Therefore the total share of the state is above 50%.

The Company is registered and has its principal operating office at 6, Lenin Street, Mirny, Mirninsky ulus, 678175, Republic of Sakha (Yakutia), Russia.

2. BASIS OF PRESENTATION

These disclosed condensed consolidated interim financial statements have been prepared by the Group's management on the basis of the condensed consolidated interim financial statements as at 30 June 2024 year and for the three and six months then ended, prepared by the Group's management, by excluding information the disclosure of which is likely to cause damage to the Group and (or) its counterparties (hereinafter – "sensitive information").

The decision to prepare the disclosed condensed consolidated interim financial statements was made by the Group's management on the basis of part 8 of article 7 of the Federal Law "On Consolidated Financial Statements" and Decree of the Government of the Russian Federation No. 1490 dated 13 September 2023 "On the Specifics of Disclosure of Consolidated Financial Statements" (hereinafter – "Decree No. 1490 dated 13 September 2023"). The composition of sensitive information was determined by the management of the Group on the basis of Decree No. 1490 dated 13 September 2023 and Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market" (hereinafter – "Decree No. 1102 dated 4 July 2023").

These disclosed condensed consolidated interim financial statements have been prepared for the purpose of presenting the consolidated financial position and consolidated financial performance of the Company the disclosure of which does not prejudice the Group and (or) its counterparties. As a consequence, these disclosed condensed consolidated interim financial statements may not be suitable for another purpose.

Based on Decree No. 1102 dated 4 July 2023, the following notes were completely or partially excluded from the disclosed condensed consolidated interim financial statements:

- paragraph (c) Financial risk management of note 2 "Basis of presentation";
- note 4 "Group structure and investments";
- note 5 "Bank deposits";
- note 9 "Inventories";
- note 10 "Trade and other receivables";
- note 18 "Revenue";
- note 23 "Other operating expenses";
- paragraph (a) Operating environment of the Russian Federation of note 27 "Contingencies and commitments";
- note 28 "Related party transactions";
- note 29 "Segment information".

2. BASIS OF PRESENTATION (CONTINUED)

The preparation of disclosed condensed consolidated interim financial statements obliges the Group's management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, revenues and expenses for the reporting period, and the disclosure of contingent assets and liabilities. The most significant forecasts and estimates relate to impairment of PPE, valuation of inventories, investments, allowances for expected credit losses, useful lives of property, plant and equipment, reserve estimates used to calculate depreciation and estimation of post retirement benefit costs. In analyzing the above-mentioned estimates, including the impairment of various types of assets, the Group took into account the current macroeconomic situation to the extent that the relevant information was available as of 30 June 2024. Actual results can differ from these estimates.

The seasonality and cyclical nature of the Group's operations for the interim period is not significant.

The official US dollar to RR exchange rates as determined by the Central Bank of the Russian Federation were RR 85.7480 and RR 89.6883 per US$ 1 as at 30 June 2024 and 31 December 2023, respectively. The official Euro to RR exchange rates as determined by the Central Bank of the Russian Federation were RR 92.4184 and RR 99.1919 per EUR 1 as at 30 June 2024 and 31 December 2023, respectively. The official Chinese Yuan to RR exchange rates as determined by the Central Bank of the Russian Federation were RR 11.5756 and RR 12.5762 per Chinese Yuan 1 as at 30 June 2024 and 31 December 2023, respectively.

(a) Going concern

The Group has prepared these disclosed condensed consolidated interim financial statements based on the principle of going concern, taking into account the impact of the complicated geopolitical and economic situation on its financial position. The Group has no intention or need to significantly reduce the volume of operating activities.

The Group considers its current liquidity position sufficient for sustainable operation. The Group believes that the sanctions pressure on the Company and the increased volatility in the markets are the factors that may affect its ability to continue as a going concern in the future. In assessing the impact of these events on its financial position, the Group, where possible, used updated forward-looking data, both internal and external, from reliable sources of statistical information. In its judgments, the Group took into account the support measures adopted by the Government and the Central Bank of the Russian Federation in effect at the reporting date. Due to uncertainty and duration of these events, the Group cannot accurately and reliably estimate their quantitative impact on its financial position.

Management monitors the impact of sanctions from unfriendly states on the Group's activities and takes steps to minimize risks to:

- ensure normal operation of the Group with the least possible failures;
- implementation of current sales and production processes;
- maintaining the liquidity and solvency of the Group.

Management of the Group believes that there is no significant uncertainty regarding the Group's ability to continue as a going concern.

The impact of the aggravated geopolitical situation (including after 24 February 2022) on the Group's operating activities and on its compliance with the principle of going concern is disclosed in the section "Operating environment of the Russian Federation" of Note 27 "Contingencies and commitments".

Management of the Company believes that the described circumstances do not cast doubt on the Group's ability to continue as a going concern for at least 12 months after the reporting date. However, the future consequences of the current situation may differ from the current expectations of the Group's management.

(in millions of Russian roubles, unless otherwise stated)

2. BASIS OF PRESENTATION (CONTINUED)

(b) Change in the presentation of intangible assets

In these dislosed condensed consolidated interim financial statements, the Group has changed its approach to the presentation of intangible assets. The Group has recognised intangible assets separately from property, plant and equipment, since this presentation better reflects their economic essence. In the previous reporting periods until 2023, the amounts of intangible assets were immaterial and recorded as part of property, plant and equipment. Comparative data in the disclosed condensed consolidated interim statement of financial position as at 31 December 2023 have been adjusted accordingly.

31 December 2023	According to the previous statements	Reclassification	Amount including reclassification
Non-current Assets			
Intangible assets	-	1,126	1,126
Property, plant and equipment	282,887	(1,126)	281,761

Changes in the presentation of property, plant and equipment and intangible assets were made in the note 7

(c) Financial risk management

[Limited access to information [1]].

3. CHANGES IN ACCOUNTING POLICIES

The principal accounting policies and methods followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023 with the exception of income tax expense, which is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

New and revised IFRS Accounting Standards issued and effective after 1 January 2024

Amendments to IAS 1 Presentation of Financial Statements –- Classification of Liabilities into Current or Non-Current

These amendments complement the previous amendments "Classification of liabilities as Current or Non-Current" published in January 2020, which clarified that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. In June 2022, the IASB decided to finalise the proposed amendments to IAS 1 published in the Exposure Draft "Non-Current Liabilities with Covenants" with some changes.

The amendments clarify:

- what is meant by the right to defer settlement of a liability;
- that the right to defer settlement must exist at the end of the reporting period;
- that the classification of liabilities is unaffected by whether the entity will exercise its right to defer settlement;
- that the terms of a liability are unaffected by its classification only if the derivative embedded in the convertible liability is itself an equity instrument;
- additional disclosures are required for an entity that classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months.

[1] Access to information is limited in accordance with paragraph 13 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IFRS 16 Leases

The amendments introduce a new accounting model that affects how a seller-lessee accounts for variable lease payments arising from a sale and leaseback transaction.

The amendments clarify that, upon initial recognition, the seller-lessee includes variable lease payments when measuring the lease liability arising from a sale and leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for the subsequent accounting of lease liabilities in a way that the seller-lessee would not recognise any gain or loss related to its retained right of use.

The amendments should be applied retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of the amendments.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures of Information

The amendments of the IASB are applyied to supplier financeing agreementsarrangements, which are also called supply chain financing arrangements, accounts trade payables financing or reverse factoring. Disclosure requirements are being introduced that will increase the transparency of supplier financing arrangements mechanisms and their impact on the companyan entity's liabilities and cash flows.

All organizations entities using vendor supplier financeing arrangements agreements will be required to provide new information, provided that it is material.

Key amendments include the following disclosure requirements:

- the carrying amount of financial liabilities that are part of supplier financeing arrangements agreements and the items in which these liabilities are presented;
- the carrying amount book value of financial liabilities for which suppliers have already received payment from financial service providers;
- a range of payment terms for both financial obligations liabilities that are part of these arrangements agreements and comparable trade payables that are not part of such arrangementsagreements.
- the type and impact of non-cash monetary changes in the carrying amount of financial liabilities that are part of a supplier financeing agreement.

The Group determined that the application of these amendments did not have a significant impact on these condensed consolidated interim financial statements.

New and revised IFRS Accounting Standards issued and effective on or after 1 January 2025

Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

In December 2015, the IASB postponed the effective date of the amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture indefinitely until completion of its equity method research project.

The amendments were issued in September 2014 and will be effective for annual reporting periods beginning on or after a date to be determined by the IASB. Earlier application is permitted.

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability

On 20 August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments introduce a definition of “exchangeable currency” and provide clarifications.The amendments clarify that:

- a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanisms in which the exchange transaction would create enforceable rights and obligations;
- an entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency;
- in a situation where there are several exchange rates, the standard has not changed, but the requirement that “if exchangeability between two currencies is temporarily lacking, the rate used is the first subsequent rate at which exchange could be made” has been canceled. In such cases, it will be necessary to measure the current exchange rate;
- the disclosure requirements have been supplemented. An entity must disclose:
  - characteristics of a currency that lacks exchangeability and its effect on an entity’s financial statements;
  - current exchange rate;
  - estimation process;
  - risks to which the entity is exposed due to a lack of exchangeability.

The amendments are effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures — Classification and Measurement of Financial Instruments

On 30 May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments.

The amendments:

- Clarify how to classify financial assets with features linked to environmental, social and governance (ESG) concerns: characteristics of ESG-linked loans may affect whether a loan is measured at amortised cost or fair value. The amendments clarify how to assess contractual cash flows for such loans;
- Define “financial assets with non-recourse features”. A financial asset has non-recourse features if an entity’s contractual right to receive cash flows is limited to the cash flows generated by specified assets;
- Clarify the characteristics of contractually linked instruments. The amendments include examples demonstrating that transactions that use multiple contractually linked instruments are essentially loan agreements that provide enhanced guarantees to creditors;
- Describe settlement of financial liabilities using an electronic payment system. The amendments clarify the date on which a financial asset or financial liability is derecognised. The IASB also decided to draw up an accounting policy version that allows an entity to derecognise a financial liability before the settlement date through the use of specified criteria.

IFRS 7 Financial Instruments: Disclosures was also amended. The amendments introduce disclosure requirements for investments in equity instruments classified by an entity as designated at fair value through other comprehensive income, as well as contractual terms that could affect the amount of contractual cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted only for amendments related to the classification of financial assets.

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new IFRS Accounting Standard to improve the quality of reported financial performance information. The new standard, IFRS 18 Presentation and Disclosure in Financial Statements, will replace IAS 1 Presentation of Financial Statements.

IFRS 18 introduces categories of income and expenses (operating, investing and financing) and requires all entities to provide new subtotals, including operating profit and profit or loss before financing and taxes.

The standard requires entities to disclose explanatory notes for items related to the statement of profit or loss classified as performance indicators identified by management (including reconciliation of such indicators against indicators and subtotals set out in IFRS 18 or against those required under IFRS Accounting Standards).

IFRS 18 provides enhanced guidance on how to organise the information and whether to report such information in the key financial statements or in the notes. IFRS 18 also introduces specific amendments related to the statement of cash flows, as well as other changes.

The standard is effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted, in which case that fact shall be disclosed.

IFRS 19 Subsidiaries without Public Accountability

On 9 May 2024, the IASB issued a new standard IFRS 19 Subsidiaries without Public Accountability.

Pursuant to this standard, subsidiaries that meet certain criteria may apply simplified disclosure requirements in their consolidated, separate or individual financial statements.

Subsidiaries may apply IFRS 19 if they do not have public accountability and their parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. A subsidiary has public accountability if its debt or equity instruments are traded in a public market and it holds assets in a fiduciary capacity for a broad group of outsiders.

Reporting under IFRS 19 will not constitute IFRS reporting, however the only difference will be the scope of the disclosures. The principles of measuring, recognising and presenting elements of financial statements will be similar to those outlined in the full version of IFRS Accounting Standards.

Entities are permitted to apply IFRS 19 more than once. An entity that has elected to apply IFRS 19 may subsequently choose not to do so.

The standard is effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted, in which case that fact shall be disclosed.

The Group does not expect that the application of these amendments will have a material effect on these disclosed condensed consolidated interim financial statements.

4. GROUP STRUCTURE AND INVESTMENTS

[Limited access to information[2]].

[2] Access to information is limited in accordance with paragraphs 5, 6 and 11 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market"

(in millions of Russian roubles, unless otherwise stated)

5. BANK DEPOSITS

As at 30 June 2024 bank deposits in the amount of RR'mln 80,279 are placed *in [Limited access to information[3]].* As at 31 December 2023 bank deposits in the amount of RR'mln 62,831 are placed in *[Limited access to information[3]].*

As at 30 June 2024 the Group had bank deposits in roubles with maturity exceeding three months and interest rates ranging from 15.80 % to 17.20% per annum, and deposits in yuan with interest rates ranging from 5.71 % to 7.22 % per annum.

As at 31 December 2023 the Group had bank deposits in roubles with maturity exceeding three months and interest rates ranging from 8.00 % to 15.57 % per annum, and deposits in yuan with interest rates ranging from 4.21 % to 5.36 % per annum.

6. CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Cash in banks and on hand	3,865	2,462
Deposit accounts	22,243	33,975
Total cash and cash equivalents	**26,108**	**36,437**

Deposit accounts at 30 June 2024 and 31 December 2023 are mainly held to meet short-term cash needs and have various original maturities not exceeding three months and can be withdrawn on request without restrictions.

[3] Access to information is limited in accordance with paragraphs 10, 12 and 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

(in millions of Russian roubles, unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Assets under construction	TOTAL
As at 31 December 2022	**206,394**	**38,600**	**244,994**
Cost	469,768	38,760	508,528
Accumulated depreciation and impairment losses	(263,374)	(160)	(263,534)
Net book value as at 31 December 2022	**206,394**	**38,600**	**244,994**
Six months ended 30 June 2023			
Foreign exchange differences – at cost	1,778	5	1,783
Foreign exchange differences – accumulated depreciation	(907)	-	(907)
Additions	10,626	14,871	25,497
Transfers	5,948	(5,948)	-
Disposal of subsidiaries – at cost	(273)	-	(273)
Disposal of subsidiaries – accumulated depreciation	273	-	273
Other disposals – at cost	(2,192)	(27)	(2,219)
Other disposals – accumulated depreciation	2,019	-	2,019
Change in estimate of provision for land recultivation	48	-	48
Reversal of impairment / (Impairment) of property, plant and equipment	425	(223)	202
Depreciation charge for the period	(11,925)	-	(11,925)
As at 30 June 2023	**212,214**	**47,278**	**259,492**
Cost	485,703	47,661	533,364
Accumulated depreciation and impairment losses	(273,489)	(383)	(273,872)
Net book value as at 30 June 2023	**212,214**	**47,278**	**259,492**
As at 31 December 2023	**218,013**	**63,748**	**281,761**
Cost (note 2(b))	500,221	64,393	564,614
Accumulated depreciation and impairment losses (note 2(b))	(282,208)	(645)	(282,853)
Net book value as at 31 December 2023	**218,013**	**63,748**	**281,761**
Six months ended 30 June 2024			
Foreign exchange differences – at cost	(421)	1	(420)
Foreign exchange differences – accumulated depreciation	229	-	229
Additions	17,387	11,315	28,702
Transfers	12,733	(12,733)	-
Disposal of subsidiaries – at cost	(43)	-	(43)
Disposal of subsidiaries – accumulated depreciation	43	-	43
Other disposals – at cost	(4,377)	(304)	(4,681)
Other disposals – accumulated depreciation	4,243	-	4,243
Change in estimate of provision for land recultivation	(4,185)	-	(4,185)
Reversal of impairment / (Impairment) of property, plant and equipment	8	(1)	7
Depreciation charge for the period	(14,853)	-	(14,853)
As at 30 June 2024	**228,777**	**62,026**	**290,803**
Cost	521,315	62,672	583,987
Accumulated depreciation and impairment losses	(292,538)	(646)	(293,184)
Net book value as at 30 June 2024	**228,777**	**62,026**	**290,803**

Additions of property, plant and equipment for the six months ended 30 June 2024 in the amount of RR’mln 17,387 mainly include machinery and equipment totalling RR’mln 7,198, license for the development of a gold deposit totaling RR’mln 5,440 and transport totaling RR’mln 3,587.

In June 2024, the Group purchased a production licence for RR’mln 5,440 on to develop the gold deposit ‘Degdekanskoe ore field’ located in the Tenkinsky district of the Magadan Region for RR’mln 5,440. According to the State Commission on Mineral Reserves, the explored reserves on the gold deposit are estimated at about 100 tonnes of gold, consist ofincluding balance reserves C1+C2 balance reserves – of 38 tonnes with an average grade of 2.2 grams of gold per ton (excluding off-balance reserves). The Group plans to start mining gold in 2027.

Additions of property, plant and equipment for the six months ended 30 June 2023 in the amount of RR’mln 10,626 mainly include machinery and equipment totalling RR’mln 5,633 and transport totaling RR’mln 3,855.

(in millions of Russian roubles, unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As of 30 June 2024 the Group has not identified any additional indicators of possible impairment compared to 31 December 2023 for the main CGU (cash generating unit) as part of property, plant and equipment, therefore, there was no additional impairment in respect of property, plant and equipment as of 30 June 2024. As of 30 June 2023 the Group has not identified any additional indicators of possible impairment compared to 31 December 2022 for the main CGU (cash generating unit) as part of property, plant and equipment, therefore, there was no additional impairment in respect of property, plant and equipment as of 30 June 2023 (with the exception of accrued RR'mln 269).

Capitalised borrowing costs

During the six months ended 30 June 2024 the Group capitalised borrowing costs amounting to RR'mln 51 (the six months ended 30 June 2023: RR'mln 25) in construction of qualifying assets totalling RR'mln 9,645 (the six months ended 30 June 2023: RR'mln 3,067). In the disclosed condensed consolidated interim statement of cash flows the capitalised borrowing costs were included into cash flows from financing activities within interest paid. For the six months ended 30 June 2024 borrowing costs were capitalised at the weighted average rate of its general borrowing of 4.2 per cent per annum (the six months ended 30 June 2023: 1.6 per cent per annum).

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group rents various buildings, vehicles, machinery and equipment. The group has recognised the following right-of-use assets:

	Buildings	Equipment	Transport	Other	Total
At 31 December 2023	**1,527**	**153**	**2,182**	**-**	**3,862**
Additions	15	4	-	-	19
Disposal	(73)	-	-	-	(73)
Changes in estimation	60	-	758	-	818
Depreciation (note 19)	(235)	(29)	(672)	-	(936)
Net book value at 30 June 2024	**1,294**	**128**	**2,268**	**-**	**3,690**

	Buildings	Equipment	Transport	Other	Total
At 31 December 2022	**1,315**	**212**	**2,139**	**100**	**3,766**
Additions	58	18	-	-	76
Disposal	-	-	(8)	-	(8)
Changes in estimation	479	-	647	(41)	1,085
Depreciation (note 19)	(207)	(38)	(452)	(1)	(698)
Net book value at 30 June 2023	**1,645**	**192**	**2,326**	**58**	**4,221**

Lease liabilities recognised by the Group are stated below (note 12, 13):

	30 June 2024	31 December 2023
Long-term lease liabilities	1,987	2,418
Short-term lease liabilities	5,310	4,664
Total lease liabilities	**7,297**	**7,082**

As at 30 June 2024 and 31 December 2023 right-of-use assets were mainly represented by five aircrafts leased by the Group's airline. Interest expense on lease liabilities included in finance costs comprised RR'mln 61 and 127 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 70 and 133, respectively).

(in millions of Russian roubles, unless otherwise stated)

9. INVENTORIES

	30 June 2024	31 December 2023
Mining and repair materials	69,553	65,810
Rough diamonds	57,384	84,268
Ores and sands mined	32,274	23,508
Polished diamonds	4,958	6,482
Consumable and other supplies	2,107	1,736
Total inventories	**166,276**	**181,804**

At 30 June 2024 and 31 December 2023 rough diamonds include diamonds purchased from third parties *([Limited access to information[4]])* in the amount of RR'mln 136 and RR'mln 245 respectively.

The amount of provision for the impairment of mining and repair materials and consumable and other supplies as at 30 June 2024 equals to RR'mln 1,086 (31 December 2023: RR'mln 1,251).

10. TRADE AND OTHER RECEIVABLES

Long-term accounts receivable	**30 June 2024**	**31 December 2023**
Financial accounts receivable	***151***	***161***
Loans issued	48	54
Other long-term receivables	103	107
Non-financial accounts receivable	***100***	***8***
Advances to suppliers	100	8
Total long-term accounts receivable	**251**	**169**

Short-term accounts receivable	**30 June 2024**	**31 December 2023**
Financial accounts receivable	***4,644***	***3,558***
Receivables from associates (note 28)	121	126
Trade receivables for supplied diamonds	68	32
[Limited access to information[5]]	22	88
Loans issued	15	24
Other short-term receivables	4,418	3,288
Non-financial accounts receivable	***13,568***	***10,940***
Advances to suppliers	6,997	2,669
VAT recoverable	6,264	7,347
Prepaid taxes, other than income tax	307	924
Total short-term accounts receivable	**18,212**	**14,498**

The fair value of long-term accounts receivable is measured by discounting the future cash inflows at the market interest rate available to the debtor at the end of the reporting period.

The fair value of long-term and short-term trade and other financial accounts receivable at 30 June 2024 and 31 December 2023 approximates their carrying value.

The credit loss allowance for trade and other financial receivables is presented in the amount of RR'mln 28,908 as at 30 June 2024 (31 December 2023: RR'mln 19,290), *[Limited access to information[6]].*

[4] Access to information is limited in accordance with paragraphs 5, 10 and 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".
[5] Access to information is limited in accordance with paragraphs 5, 10 and 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".
[6] Access to information is limited in accordance with paragraphs 5, 10 and 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

(in millions of Russian roubles, unless otherwise stated)

11. SHAREHOLDERS' EQUITY

Share capital

Share capital authorised, issued and paid in totals RR'mln 12,473 as at 30 June 2024 and 31 December 2023 and consists of 7,364,965,630 ordinary shares, with the RR 0.5 par value per share. In addition, as at 30 June 2024 and 31 December 2023 the share capital includes a hyperinflation adjustment totalling RR'mln 8,790, which was calculated in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" and relates to the reporting periods prior to 1 January 2003.

Distributable profits

In accordance with Russian legislation, net profit of the current year and retained earnings of previous years, determined on the basis of financial statements prepared in accordance with Russian accounting standards, may be subject to distribution. In accordance with the dividend policy approved by the Supervisory Board on 10 March 2021, at least 50% of the net profit as reported in the IFRS consolidated financial statements of the Group is distributed for dividends payment, if the current and forecast value of the "Net debt / EBITDA" ratio does not exceed 1.5. The basis for calculating dividends is free cash flow also determined based on the IFRS consolidated financial statements of the Group. The current and forecast debt ratio is taken into account when calculating the actual amount of dividend payments. The legislation and other statutory laws and regulations dealing with the profit distribution rights are open to legal interpretation, and accordingly, management of the Company believes that at present it would not be appropriate to disclose an amount for the distributable reserves in these consolidated financial statements.

Treasury shares

As at 30 June 2024 and 31 December 2023 subsidiaries of the Group held 152,329,800 shares of the Company.

Earnings per share

Earnings per share have been calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the reporting period, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares.

There were 7,212,635,830 weighted average shares outstanding for the three and the six months ended 30 June 2024 and for the three and the six months ended 30 June 2023. There are no dilutive financial instruments.

Other reserves

	Currency translation reserve	Reserve on purchase of non-controlling interest	Accumulated actuarial loss	Total other reserves
Balance as at 1 January 2024	**824**	**7**	**(21,477)**	**(20,646)**
Remeasurement on post-employment benefit obligations (note 17)	-	-	228	228
Currency translation differences	(76)	-	-	(76)
Balance as at 30 June 2024	**748**	**7**	**(21,249)**	**(20,494)**

	Currency translation reserve	Reserve on purchase of non-controlling interest	Accumulated actuarial loss	Total other reserves
Balance as at 1 January 2023	**(768)**	**69**	**(21,699)**	**(22,398)**
Remeasurement on post-employment benefit obligations (note 17)	-	-	63	63
Currency translation differences	1,182	-	-	1,182
Purchase of non-controlling interest	-	(63)	-	(63)
Balance as at 30 June 2023	**414**	**6**	**(21,636)**	**(21,216)**

(in millions of Russian roubles, unless otherwise stated)

11. SHAREHOLDERS' EQUITY (CONTINUED)

Dividends

On 20 May 2024 the Company's general shareholders' meeting approved dividends for 2023 totalling RR'mln 14,877 (including RR'mln 308 on shares held by the Group's subsidiaries). Dividends per share amounted to RR 2.02. The dividends were paid in full during June-July 2024.

On 30 June 2023 the Company's annual general shareholders' meeting decided not to distribute dividends on the results of 2022.

12. LONG-TERM DEBT AND LOANS AND OTHER FINANCIAL LIABILITIES

	30 June 2024	31 December 2023
Debt to banks:		
RR denominated fixed rate	6,979	6,897
RR denominated floating rate	2,094	2,270
	9,073	**9,167**
US$ denominated eurobonds	71,130	93,980
RR denominated exchange-traded bonds	25,177	25,177
	105,380	**128,324**
Less: current portion of long-term debt to banks (note 13)	(4,737)	(3,810)
Less: current portion of long-term US$ denominated Eurobonds (note 13)	(25,853)	(47,335)
Total long-term debt	**74,790**	**77,179**
Lease liabilities	7,297	7,082
Less: current portion of long-term lease liabilities (notes 8, 13)	(5,310)	(4,664)
Total long-term lease liabilities	**1,987**	**2,418**
Total long-term debt and other financial liabilities	**76,777**	**79,597**

The market interest rates for each class of long-term debt at the end of the reporting period were as follows:

	30 June 2024	31 December 2023
Debt to banks, RR denominated fixed rate	19.6%	16.7%
Debt to banks, RR denominated floating rate	18.7%	16.6%
US$ denominated Eurobonds*	n/a	n/a
RR denominated exchange-traded bonds	13.7%	10.7%

* In the context of geopolitical uncertainty, against the background of a significant reduction and/or revocation of the Company's international credit ratings as a result of the sanctions imposed against the Company and its subsidiaries (note 27), the listing of the Company's Eurobonds on the Irish Stock Exchange (Euronext Dublin) was discontinued in early April 2022, data on market interest rates for the Company's Eurobonds is not available as at 30 June 2024 and 31 December 2023.

The fair value of long-term debt is estimated by discounting the future cash flows at the market interest rate available to the Group at the reporting date. The carrying amounts and fair values of long-term debt are as follows:

	30 June 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Debt to banks, RR denominated fixed rate	6,979	5,315	6,897	3,253
Debt to banks, RR denominated floating rate	2,094	1,887	2,270	990
US$ denominated Eurobonds*	71,130	71,130	93,980	93,980
RR denominated exchange-traded bonds	25,177	23,501	25,177	23,559

(in millions of Russian roubles, unless otherwise stated)

13. SHORT-TERM DEBT AND LOANS AND OTHER FINANCIAL LIABILITIES

	30 June 2024	31 December 2023
Current portion of long-term debt to banks (note 12)	4,737	3,810
Current portion of long-term US$ denominated Eurobonds (note 12)	25,853	47,335
Current portion of lease liabilities (notes 8, 12)	5,310	4,664
Other short-term financial liabilities	54	-
Total short-term debt and loans and other financial liabilities	**35,954**	**55,809**

As at 30 June 2024 and 31 December 2023 the fair value of short-term loans is approximately equal to the carrying value.

In April 2024, the Company discharged its obligation to pay the nominal value Eurobonds (totalling US$ 500 mln) and the last coupon with an annual coupon rate of 4.65% for the Eurobonds issued in 2019 and maturing on 9 April 2024. The amount of outstanding Eurobonds maturing on 9 April 2024, which is still outstanding, are owed to holders whose rights are registered in foreign depositories, while most of them are registered in unfriendly countries. The Company does not expect material claims from such foreign Eurobond holders (note 27).

14. OTHER PROVISIONS

	30 June 2024	31 December 2023
Provision for land recultivation	16,506	20,892
Other provisions	347	412
Total other provisions	**16,853**	**21,304**

15. TRADE AND OTHER PAYABLES

	30 June 2024	31 December 2023
Trade payables	10,959	10,976
Accrual for employee holidays and cost of travel	10,240	9,473
Wages and salaries	5,859	7,449
Advances from customers	3,161	8,231
Current portion of provision for land recultivation and reimbursable repair and maintenance	1,471	1,353
Other payables	6,456	1,604
Total trade and other payables	**38,146**	**39,086**

As at 30 June 2024 other payables included payables for the purchase of a license for the development of a gold deposit totalling RR'mln 5,440 (note 7).

In accordance with Russian legislation, the Group entities are required to pay for the holiday entitlement, the Group also reimburses the cost of travel for employees and their family members to an agreed-upon destination and back.

The fair value of short-term payables at 30 June 2024 and 31 December 2023 approximates their carrying value.

16. INCOME TAX AND OTHER TAX ASSETS AND LIABILITIES

Social fund payments and taxes payable, other than income tax, comprise the following:

	30 June 2024	31 December 2023
Payments to social funds	3,622	4,121
Extraction tax	1,428	1,426
Property tax	1,019	1,007
Value added tax	896	864
Personal income tax (employees)	616	698
Other taxes and accruals	668	697
Total taxes payable, other than income tax	**8,249**	**8,813**

In accordance with the license agreement on the Nyurbinsky deposit, PJSC ALROSA makes annual royalty payments to the Republic of Sakha (Yakutia) in the amount of RR'mln 1,209 per annum.

(in millions of Russian roubles, unless otherwise stated)

16. INCOME TAX AND OTHER TAX ASSETS AND LIABILITIES (CONTINUED)

Income tax expense comprise the following:

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Current income tax expense	2,658	10,252	11,661	15,980
Adjustments of income tax expense for prior periods	-	(74)	-	(596)
Deferred income tax (benefit) / expense	(1,419)	(3,624)	(2,492)	(1,400)
Total income tax expense	**1,239**	**6,554**	**9,169**	**13,984**

17. PROVISION FOR PENSION OBLIGATIONS

The amounts recognised in the condensed consolidated interim statement of financial position in respect of pension obligations associated with the defined benefit plan operated by the Group are as follows:

	30 June 2024	**31 December 2023**
Present value of obligations	2,839	2,789
Fair value of pension plan assets	(61)	(62)
Pension obligations for the funded plan	2,778	2,727
Present value of unfunded plan obligation	1,067	1,262
Net value of the obligations	**3,845**	**3,989**

On 2 April 2024, non-state pension fund JSC NPF “Almaznaya osen” was reorganized in the form of joining JSC “NPF GAZFOND Pensionnye Nakopleniya”.

18. REVENUE

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
[Limited access to information[7]]				
Total revenue	**60,791**	**92,514**	**179,468**	**188,164**

Russian Government Decree No. 1538 dated 21 September 2023 introduced export customs duties on certain goods from 1 October 2023. Customs duty rates depend on the RR/US$ exchange rate as at the transaction date. The measure is temporary and valid until 31 December 2024.

[Limited access to information[7]].

[7] Access to information is limited in accordance with paragraphs 17, 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 “On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law “On Joint Stock Companies” and the Federal Law “On the Securities Market”, taking into account the definitions of raw materials, goods and strategic resources given in Decree of the Government of the Russian Federation dated 30 August 2022 No. 2473-r and Decree of the Government of the Russian Federation dated 13 September 2012 No. 923.

(in millions of Russian roubles, unless otherwise stated)

19. COST OF SALES

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Wages, salaries and other staff costs	17,317	15,969	34,735	31,554
Depreciation	7,804	6,375	14,938	12,054
Materials	5,914	5 103	10,738	8,796
Fuel and energy	5,464	5,501	11,993	11,097
Extraction tax	5,095	5,445	13,058	31,465
Services	2,332	2,425	4,658	4,570
Property tax	952	968	1,924	1,971
Transport	767	808	1,669	1,659
Cost of diamonds for resale	-	963	109	971
Other	189	313	737	842
Movement in inventory of diamonds, ores and sands	(7,666)	3,099	19,534	(5,033)
Total cost of sales	**38,168**	**46,969**	**114,093**	**99,946**

Wages, salaries and other staff costs include payments to social funds in the amount of RR'mln 3,751 and RR'mln 7,461 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 3,577 and RR'mln 6,869, respectively).

Depreciation includes depreciation of the right-of-use assets amounting to RR'mln 469 and RR'mln 936 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 408 and RR'mln 698, respectively).

Depreciation of property, plant and equipment totalling RR'mln 456 and RR'mln 630 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 274 and RR'mln 400, respectively) and wages, salaries and other staff costs totalling RR'mln 1,296 and RR'mln 2,382 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 966 and RR'mln 1,963, respectively) were capitalised in the respective periods .

On 1 February 2023, Federal Law No. 566-FZ "On Amendments to Chapters 25 and 26 of Part Two of the Tax Code of the Russian Federation" dated 28 December 2022 came into force, according to which the amount of extraction tax for the Company for the period from 1 February to 31 March 2023 increases by RR'mln 9,500 per month, that is, by RR'mln 19,000 in total for the period. At the same time, Federal Law No. 521-FZ "On Amendments to the Budget Code of the Russian Federation and Certain Legislative Acts of the Russian Federation" dated 19 December 2022 establishes the distribution of extraction tax between the federal budget and the budgets of the constituent entities of the Russian Federation in the ratio of 46% and 54%, respectively, in the period from 10 March to 10 May 2023. Two payments in the amount RR'mln 9,500 each were made on 28 March 2023 and 28 April 2023.

20. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Wages, salaries and other staff costs	4,400	2,835	7,885	6,561
Services and other administrative expenses	1,498	1,142	2,533	2,131
Provision for expected credit losses / (Reversal of provision)	273	98	(11)	724
Total general and administrative expenses	**6,171**	**4,075**	**10,407**	**9,416**

Wages, salaries and other staff costs include payments to social funds in the amount of RR'mln 675 and RR'mln 1,376 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 501 and RR'mln 1,179, respectively). Wages, salaries and other staff costs also include a revaluation of the commitment under the long-term bonus program for the Company's management in the amount of RR'mln 447 (expenses) for the six months ended 30 June 2024 (for the six months ended 30 June 2023: RR'mln 46 (expenses)) (note 28).

(in millions of Russian roubles, unless otherwise stated)

21. SELLING AND MARKETING EXPENSES

	Three months ended		Six months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Wages, salaries and other staff costs	531	476	1,104	1,046
Services and other selling and marketing expenses	463	498	908	883
Total selling and marketing expenses	**994**	**974**	**2,012**	**1,929**

Wages, salaries and other staff costs include payments to social funds in the amount of RR'mln 111 and RR'mln 254 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 98 and RR'mln 242, respectively).

22. OTHER OPERATING INCOME

	Three months ended		Six months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Change in estimate of provision for land recultivation, allocated to other income	1,620	-	1,620	-
Gain on sale of investments in associates	696	-	696	-
Foreign exchange gain	406	1,415	892	3,480
Gain on realised foreign exchange differences from cash and cash equivalents	70	26	317	298
Gain on disposal of property, plant and equipment	39	16	115	49
Reversal of provision for impairment of property, plant and equipment	2	262	7	262
Gain on disposal of subsidiaries	-	-	27	-
Other	575	804	1,225	1,223
Total other operating income	**3,408**	**2,523**	**4,899**	**5,312**

23. OTHER OPERATING EXPENSES

	Three months ended		Six months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
[Limited access to information[8]]	10,340	-	10,340	-
Exploration, research and development expenses	2,583	1,933	5,080	4,469
Foreign exchange loss	2,072	533	2,173	586
Social costs	1,966	1,950	3,603	3,389
Loss on disposal of property, plant and equipment	152	154	317	248
Other taxes	89	94	180	140
Loss on disposal of subsidiaries	-	-	-	177
Provision for impairment of property, plant and equipment	-	-	-	60
Other	358	710	837	1,036
Total other operating expenses	**17,560**	**5,374**	**22,530**	**10,105**

Social costs consist of:

	Three months ended		Six months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Charity	1,542	1,541	2,735	2,577
Maintenance of local infrastructure	362	356	749	714
Other	62	53	119	98
Total social costs	**1,966**	**1,950**	**3,603**	**3,389**

[8] Access to information is limited in accordance with paragraphs 5, 10 and 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

(in millions of Russian roubles, unless otherwise stated)

24. FINANCE INCOME

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Foreign exchange gain	5,522	6,564	5,522	15,405
Interest income	2,840	1,433	5,662	2,517
Total finance income	**8,362**	**7,997**	**11,184**	**17,922**

25. FINANCE COSTS

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Interest expense:				
Eurobonds	620	804	1,511	1,522
RR-denominated exchange traded bonds	345	353	700	705
Bank loans	161	37	291	66
Other liabilities	132	106	263	216
Change in the present value of provisions	640	530	1,222	1,057
Change in the present value of lease liabilities	61	70	127	133
Foreign exchange loss	7,487	10,811	10,775	18,128
Total finance costs	**9,446**	**12,711**	**14,889**	**21,827**

Other liabilities include interest on obligations under the defined benefit plan in the amount of RR'mln 117 and RR'mln 236 for the three and the six months ended 30 June 2024, respectively (for the three and the six months ended 30 June 2023: RR'mln 109 and RR'mln 215, respectively).

Foreign exchange gains and losses (notes 24, 25) for the three and the six months ended 30 June 2024 and the three and the six months ended 30 June 2023 are related to revaluation of foreign currency bank deposits, debt, lease liability and eurobonds.

26. CASH GENERATED FROM OPERATING ACTIVITIES

Reconciliation of profit before tax to cash generated from operating activities:

	Six months ended	
	30 June 2024	**30 June 2023**
Profit before income tax	**45,795**	**69,553**
Adjustments for:		
Interest income (note 24)	(2,612)	(2,517)
Interest expense (note 25)	4,114	3,699
Loss on disposal of property, plant and equipment (notes 22, 23)	202	199
Depreciation and amortisation of non-current assets (notes 7, 8, 19)	15,176	12,249
(Gain) / Loss on disposal of subsidiaries (notes 22, 23)	(27)	177
Gain on sale of investments in associates (notes 22)	(696)	-
Adjustments for non-cash financing transactions	(762)	(64)
Change in allowance for expected credit losses and obsolete inventories, net	(54)	742
Reversal of impairment of property plant and equipment (notes 7, 22, 23)	(7)	(202)
Unrealised foreign exchange differences on non-operating items	5,989	1,262
Share of net profit of associates and joint ventures (note 4)	(11,668)	-
Net operating cash flows before changes in working capital	**55,450**	**85,098**
Net decrease / (increase) in inventories	15,580	(12,820)
Net decrease in trade and other receivables, excluding dividends receivable	5,402	2,573
Net (decrease) in provisions, trade and other payables, excluding interest payable and payables for acquired property, plant and equipment	(6,607)	(7,750)
Net increase / (decrease) in taxes payable other than income tax	130	(6,609)
Cash Inflows from Operating Activities	**69,955**	**60,492**
Income tax paid	(9,361)	(16,620)
Net Cash Inflows from Operating Activities	**60,594**	**43,872**

27. CONTINGENCIES AND COMMITMENTS

(a) Operating environment of the Russian Federation

The economy of the Russian Federation exhibits some characteristic features inherent to emerging markets. The country's economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory systems continue to evolve and are subject to frequent changes, as well as the possibility of different interpretations. The ongoing political tensions in the region, as well as sanctions imposed by a number of countries against some sectors of the Russian economy, Russian companies and citizens, continue to have a negative impact on the Russian economy.

Events after 24 February 2022

In 2023 and further during the six month of 2024, the geopolitical situation in the region remained tense as a result of the further development of the situation with Ukraine, which remains extremely unstable. The aggravation of the geopolitical situation led to fluctuations in exchange rates, change in the key rate of the Central Bank of the Russian Federation, volatility of both commodity prices and capitalisation of the Russian stock market. Sanctions and restrictions have been imposed on many Russian entities, including the termination of access to the Euro and US dollar markets, the SWIFT international system and many others. A number of foreign companies have suspended or stopped their business activities in the Russian Federation. Despite the fact that additional and expanded sanctions and restrictions were subsequently imposed on the business activity of companies operating in the Russian Federation is not excluded, active measures taken by the Government and the Central Bank of the Russian Federation, as well as representatives of the business community,managed to minimise the negative consequences for the Russian economy as a whole. It is impossible to determine how long increased volatility will last or at what level the above financial indicators will eventually stabilise.

Sanctions against Russia, in turn, caused economically unjustified costs in a number of foreign economies, disrupted the efficiency of supply chains and trade flows. This exacerbated economic problems around the world, which, among other things, was translated into high rates of inflation, tighter monetary policies and potentially tighter fiscal policies.

[Limited access to information[9]].

(b) Taxes

Russian tax legislation which was enacted or substantively enacted at the end of the reporting period is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by relevant authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties.

Fiscal periods remain open for review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover earlier periods.

In 2023, there were changes in the field of tax, customs and other types of legislation related to the current geopolitical situation, dictated primarily by economic sanctions against Russia by a number of foreign countries. In particular, the main changes in tax legislation affected the provisions of international double taxation treaties with unfriendly states, the application of transfer pricing rules, taxation of intellectual property, investment and other aspects of taxation.

In addition to the Russian Federation, the Group operates in a number of foreign jurisdictions. The Group includes companies incorporated outside the Russian Federation, which are subject to taxation at the rates and in accordance with the laws of the jurisdictions in which the Group's companies are recognised as tax residents. The tax liabilities of foreign companies of the Group are determined based on the fact that foreign companies of the Group are not tax residents of the Russian Federation, and also do not have a permanent representative office in the Russian Federation and, therefore, are not subject to income tax under Russian law, except in cases of withholding income tax (i.e. dividends, interest, income from capital gains, etc.). The share of tax liabilities of foreign companies in the Group’s total tax liabilities is not material.

[9] Access to information is limited in accordance with paragraph 3 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 “On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law “On Joint Stock Companies” and the Federal Law “On the Securities Market”.

27. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(b) Taxes (continued)

The Controlled Foreign Company (CFC) legislation introduced Russian taxation of profits of foreign companies and non-corporate structures (including trusts) controlled by Russian tax residents (controlling parties). The profit of a CFC, taking into account exemptions under the Law, is taxed at a rate of 20%.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD) but has specific characteristics. This legislation provides the possibility for tax authorities to impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

Management of the Group believes that its pricing policy is arm's length and it has implemented internal controls to be in compliance with the transfer pricing legislation.

Tax liabilities arising from transactions between the Group's companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that outflow of resources will be required should such tax positions and interpretations be challenged by the relevant authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

(c) Legal proceedings

The Group is a party to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material adverse effect on the performance or financial position of the Group as at 30 June 2024.

(d) Capital commitments

As at 30 June 2024 the Group had contractual commitments for capital expenditures of approximately RR'mln 37,155 (31 December 2023: RR'mln 21,708).

(e) Restoration, rehabilitation and environmental costs

Under its license agreements, the Group is responsible for performing recultivation of certain disturbed lands and tailing pits in the areas of its operating activity. At 30 June 2024 the Group recognised a provision for these future expenses in the amount of RR'mln 17,876 (31 December 2023: RR'mln 22,245).

(f) Compliance with covenants

The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and termination of funding.

The Group was in compliance with covenants at 30 June 2024 and 31 December 2023.

(g) Consideration of climate change

The Group management has taken note of global awareness and concerns about the potential impact of climate change. Currently, this matter has had no significant impact on the disclosed consolidated financial statements, and the future effects on the Group's activities and business plans are difficult to predict. Management continues to monitor developments in this area and will respond as necessary to ensure the Group's viability and will adopt all government guidelines if and when these are issued in the markets in which the Group operates.

(in millions of Russian roubles, unless otherwise stated)

28. RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if parties are under common control, or one party has the ability to control the other party, or can exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The Russian Federation and the Republic of Sakha (Yakutia)

The Federal Agency for State Property Management on behalf of the Russian Federation and the Ministry of the Property and Land Relations of the Republic of Sakha (Yakutia) on behalf of the Republic of Sakha (Yakutia) are the major ultimate shareholders of the Company. As at 30 June 2024, 58.0 per cent of the Company's shares were directly owned by the Russian Federation and the Republic of Sakha (Yakutia).

Also as at 30 June 2024, 8.0 per cent of the Company's shares were owned by administrations of eight districts (ulus) of the Republic of Sakha (Yakutia).

In accordance with the Company Charter, the Supervisory Board is elected and consists of 15 members *[Limited access to information[10]].*

Governmental economic and social policies affect the Group's financial position, performance and cash flows.

The Group's tax balances are disclosed in the condensed consolidated interim statement of financial position and in notes 10 and 16. Tax transactions are disclosed in the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and in notes 16, 19, 20, 21, 23 and 26.

Parties under control or significant influence of the Government

In the normal course of business the Group enters into transactions with other entities under Governmental control or significant influence. The principal forms of such transactions are diamond sales, fuel and electricity purchases and borrowings. Prices of diamonds sales are set by reference to price lists approved by the Ministry of Finance of the Russian Federation; electricity tariffs in Russia are partially regulated by the Federal Antimonopoly Service.

The amounts of balances and transactions with related parties under Governmental control or significant influence are detailed below:

Condensed Consolidated Interim Statement of Financial Position	**30 June 2024**	**31 December 2023**
Long-term accounts receivable	16	18
Short-term accounts receivable	10,746	4,053
Short-term accounts payable	4,293	3,482
Loans	2,904	2,529
Cash and cash equivalents	25,319	34,769
Bank deposits	37,607	23,140

The line "loans" includes the loans received from banks under the Government control (notes 12, 13). The lines "cash and cash equivalents" and "bank deposits" include assets placed in banks under the Government control (notes 5, 6).

[10] Access to information is limited in accordance with paragraphs 1, 5, 6 and 10 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

(in millions of Russian roubles, unless otherwise stated)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	Three months ended 30 June 2024	Three months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023
[Limited access to information[11]]				
Other sales	3,976	1,897	6,142	3,568
Income from grants	1,452	1,445	3,112	1,983
Fuel purchases	(2,213)	(3,128)	(2,643)	(3,437)
Electricity and heating purchases	(1,071)	(1,533)	(3,853)	(4,077)
[Limited access to information[11]]				
Other purchases	(3,158)	(1,993)	(3,967)	(2,699)
Interest income	1,894	903	4,208	1,454
Interest expense	(64)	(23)	(84)	(48)

Key management compensation

The Supervisory Board of the Company consists of 15 members, including representatives of the Russian Federation and the Republic of Sakha (Yakutia) and minority shareholders. Compensation for serving as members of the Supervisory Board is not paid to the Chairman and members of the Supervisory Board who have the status of government and/or municipal public employees – according to Russian legislation, as well as to the members of the Supervisory Board who are also the individual executive body or a member of the collegial executive body.

As at 30 June 2024 and 31 December 2023 the Management Board consisted of 6 members. Management Board members are entitled to salary, bonuses, voluntary medical insurance and other short-term employee benefits. Salary and bonus compensation paid to members of the Management Board (excluding the CEO – Chairman of the Management Board) is determined by the terms of "Remuneration Policy for the members of the Management Board of PJSC ALROSA" approved by the Company's Supervisory Board on 28 June 2022. Salary and bonus compensation paid to the CEO – Chairman of the Management Board is determined by the terms of "Remuneration Policy for the CEO – Chairman of the Management Board of PJSC ALROSA" approved by the Company's Supervisory Board on 08 June 2022 with amendments approved by the Company's Supervisory Board on 29 June 2023 and 09 April 2024.

According to Russian legislation, the Group makes contributions to the Pension Fund of the Russian Federation for all of its employees including key management personnel. Key management personnel also could be eligible for non-state pension after retirement according to the Policy on "Non-state Pension Provisions of the Employees of PJSC ALROSA".

Key management received short-term benefits for the three and the six months ended 30 June 2024 totalling RR'mln 348 and RR'mln 394, respectively (the three and the six months ended 30 June 2023: RR'mln 167 and RR'mln 402, respectively). For the six months ended 30 June 2024 the Group declared dividends in the amount of RR'mln 4 to key management holding the Company's shares (for the six months ended 30 June 2023 the Group did not declare dividends to key management who held the Company's shares).

Share-based payments

As at 30 June 2024 the Group recognised a liability on share-based payments under the Long-Term Bonus Program for the Company's management in the amount of RR'mln 568 in other non-current liabilities (as at 31 December 2023 it was recognised in the amount of RR'mln 121). Remeasurement of the liability for the six months ended 30 June 2024 amounted to RR'mln 447 (expense) (for the six months ended 30 June 2023 amounted to RR'mln 46 (expense)) and was recognised within general and administrative expenses in the condensed consolidated interim statement of profit or loss and other comprehensive income.

The fair value of stock options was calculated using the Black-Scholes model.

[11] Access to information is limited in accordance with paragraph 17, 18 of the List of undisclosed items attached to Decree of the Government of the Russian Federation dated 4 July 2023 No. 1102 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market", taking into account the definitions of raw materials, goods and strategic resources given in Decree of the Government of the Russian Federation dated 30 August 2022 No. 2473-r and Decree of the Government of the Russian Federation dated 13 September 2012 No. 923.

(in millions of Russian roubles, unless otherwise stated)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

Associates and Joint Ventures

Current accounts receivable	30 June 2024	31 December 2023
[Limited access to information[10]], other receivables (less allowance for expected credit losses)	121	126
Total current accounts receivable	**121**	**126**

[Limited access to information[10]].

Other transactions with related parties

Transactions with the Group's pension plan are disclosed in note 17. Social costs incurred by the Group in relation to the parties under control of the Government are presented by charity costs and make up the largest part of them. These expenses are disclosed in note 23.

29. SEGMENT INFORMATION

The Management Board of the Company has been determined as the Group's Chief Operating Decision-Maker (CODM).

The Group's primary activity is the production and sales of diamonds. The internal management reporting system is mainly focused on the analysis of information relating to production and sales of the Diamonds segment, however information relating to other activities (represented by several subdivisions of the Company and separate legal entities of the Group`s all other business) is also regularly reviewed by the CODM.

The Management Board evaluates performance and makes investment and strategic decisions based upon review of operating activity results (i.e. meeting production targets and monitoring of actual expenditures against budget allocated by production and sales of diamonds and other activities) as it believes that such information is the most relevant in evaluating the performance. No specific measure of profit or loss is analysed by the CODM on entity by entity basis.

The following items are analysed on the Group level and are not allocated among segments for the purposes of the analysis:

- finance income;
- finance cost;
- share of net profit of associates and joint ventures;
- income tax expense or benefit;
- non-cash items other than depreciation;
- total assets and liabilities;
- capital expenditure.

The following reportable segments were identified by the Management Board:

- Diamonds segment – extraction and sales of diamonds, production and sale of microgrits and polished diamonds;
- Transportation – airline business, transportation services and services at transportation terminals, ports and airports;
- Social infrastructure – include residential housing units, sports complexes and cultural facilities, and other social infrastructure;
- Other activities.

Information regarding the performance of the reportable segments is presented below.

(in millions of Russian roubles, unless otherwise stated)

29. SEGMENT INFORMATION (CONTINUED)

Three months ended 30 June 2024	Diamonds segment	Transport	Social infra-structure	Other activities	Total
	[Limited access to information[11]]				
Sub-total: Reportable revenue	*[Limited access to information[11]]*				**60,791**
	[Limited access to information[11]]				

Three months ended 30 June 2023	Diamonds segment	Transport	Social infra-structure	Other activities	Total
	[Limited access to information[11]]				
Sub-total: Reportable revenue	*[Limited access to information[11]]*				**92,514**
	[Limited access to information[11]]				

Six months ended 30 June 2024	Diamonds segment	Transport	Social infra-structure	Other activities	Total
	[Limited access to information[11]]				
Sub-total: Reportable revenue	*[Limited access to information[11]]*				**179,468**
	[Limited access to information[11]]				

Six months ended 30 June 2023	Diamonds segment	Transport	Social infra-structure	Other activities	Total
	[Limited access to information[11]]				
Sub-total: Reportable revenue	*[Limited access to information[11]]*				**188,164**
	[Limited access to information[11]]				

Revenue from sales and income from grants by geographical location of customers is as follows:

	Three months ended		Six months ended	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
	[Limited access to information[11]]			
Total revenue and income from grants as per the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	**62,243**	**93,959**	**182,580**	**190,147**

Non-current assets (other than financial instruments and deferred tax assets), including financial assets at fair value through profit or loss and investments in associates and joint ventures, by their geographical location, are as follows:

	30 June 2024	**31 December 2023**
[Limited access to information[11]]		
Total non-current assets	**304,294**	**296,000**

(in millions of Russian roubles, unless otherwise stated)

30. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value is the price that would be received from selling an asset or paid to settle a liability in an ordinary terms of transaction between market participants at the transaction date. The estimated fair values of financial instruments are determined with reference to various market information and other valuation techniques as considered appropriate.

The different levels of fair value hierarchy have been defined as follows:

- Level 1 – Measurement using quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to assess at the measurement date. For the Group, Level 1 inputs include debt financial instruments that are actively traded on the European/or and Russian domestic markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). For the Group, Level 2 inputs include observable market value measures applied to loans and borrowings.
- Level 3 – Unobservable inputs for the asset or liability. These inputs reflect the Company's own assumptions about the indicators a market participant would use in pricing the asset or liability.

Assets and liabilities not measured at fair value but for which fair value is disclosed

As at 30 June 2024 the Group had the following assets and liabilities not measured at fair value but for which fair value is disclosed, classified by the levels of the fair value hierarchy:

	Quoted price in an active market (Level 1)	**Valuation technique with inputs observable in markets (Level 2)**	**Valuation technique with inputs non-observable in markets (Level 3)**	**Total**
Current and non-current financial assets				
Bank deposits	-	80,279	-	80,279
Current and non-current financial receivables	-	4,732	-	4,732
Loans issued	-	-	63	63
Cash and cash equivalents	-	26,108	-	26,108
Total financial assets	**-**	**111,119**	**63**	**111,182**
Current and non-current financial liabilities				
Loans and borrowings	-	9,073	-	9,073
Eurobonds*	-	-	71,130	71,130
RR denominated bonds	25,177	-	-	25,177
Financial accounts payable	-	17,415	-	17,415
Dividends payable	-	11,028	-	11,028
Other current financial liabilities	-	-	54	54
Total financial liabilities	**25,177**	**37,516**	**71,184**	**133,877**

* For disclosure in this table as of 30 June 2024: due to the reasons described in note 12, Eurobonds issued by the Group and not quoted on the active market as of 30 June 2024 were classified in Level 3, their fair value (in the absence of market quotations or market interest rates for comparable financial instruments) was assumed to be approximately equal to their carrying amount, including due to the fact that the Group plans to repay these liabilities in full and on time (note 27).

(in millions of Russian roubles, unless otherwise stated)

30. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 31 December 2023 the Group had the following assets and liabilities not measured at fair value but for which fair value is disclosed, classified by the levels of the fair value hierarchy:

	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique with inputs non-observable in markets (Level 3)	Total
Current and non-current financial assets				
Bank deposits	-	62,831	-	62,831
Current and non-current financial receivables	-	3,641	-	3,641
Loans issued	-	-	78	78
Cash and cash equivalents	-	36,437	-	36,437
Total financial assets	**-**	**102,909**	**78**	**102,987**
Current and non-current financial liabilities				
Loans and borrowings	-	9,167	-	9,167
Eurobonds*	-	-	93,980	93,980
RR denominated bonds	25,177	-	-	25,177
Financial accounts payable	-	12,580	-	12,580
Dividends payable	-	165	-	165
Total financial liabilities	**25,177**	**21,912**	**93,980**	**141,069**

* For disclosure in this table as of 31 December 2023: due to the reasons described in note 12, Eurobonds issued by the Group and not quoted on the active market as of 31 December 2023 were classified in Level 3, their fair value (in the absence of market quotations or market interest rates for comparable financial instruments) was assumed to be approximately equal to their carrying amount, including due to the fact that the Group plans to repay these liabilities in full and on time (note 27).

31. SUBSEQUENT EVENTS

According to Federal Law No. 176-FZ dated 12 July 2024, starting from 1 January 2025, the income tax rate will increase up to 25% (Art. 284, clause 1 of the Russian Tax Code), and the mineral extraction tax rate will increase up to 8.4% (Art. 342, clause 2, subclause 8.1 of the Russian Tax Code). The amount of deferred tax assets, deferred tax liabilities and deferred income tax expense will change after the application of this law. However, as at the date of these consolidated interim financial statements, the Group did not finalise assessment of these changes. This change in the legislation does not affect the amount of the current income tax for 2024 year.

In accordance with the Decree of the President of the Russian Federation No. 430 dated 5 July 2022, the Company fulfilled its obligations to holders of Eurobonds maturing in 2027 whose rights are recorded by Russian depositories by registering the placement of bonds before 1 July 2024, the payment for which at their placement is carried out in Eurobonds or cash with the intended use of the raised funds for the purchase of Eurobonds. The exchange ended on 11 July 2024 in relation to 39.7% of the issue of Eurobonds maturing in 2027, the corresponding volume of series 3028-D bonds issue was 198 416 bonds totalling US 198 416 000 at par.

During the period after the reporting date, the following significant changes occurred in exchange rates:

- the exchange rate of the Bank of Russia at the date of issue of the financial statements was RR 86.5621 per US$ 1 (30 June 2024 – RR 85.7480 per US$ 1), RR 94.1333 per EUR 1 (30 June 2024 – RR 92.4184 per EUR 1) and RR 11.8664 per Chinese Yuan 1 (30 June 2024 – RR 11.5756 per Chinese Yuan 1).

- the key rate as determined by the Central Bank of the Russian Federation as at the date of issue of the financial statements was 18% after its increase on 29 July 2024 (30 June 2024 – 16%).