NEW CHALLENGES
NEW SOLUTIONS

ABC GROUP

MODEL INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH ENDED 30 JUNE 2024

Introduction

This publication contains an illustrative set of interim condensed consolidated financial statements (the "consolidated financial statements" or the "financial statements") for PAO ABC ("ABC" or the "Company") and its subsidiaries (collectively, the "Group" or "ABC Group") that is prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

The Group is a fictitious, large machine-building company. The parent is publicly listed and is incorporated in the Russian Federation. The Group's presentation currency is the Russian ruble.

We consider the transactions, events and circumstances reflected in these illustrative financial statements to be most common for a broad range of companies across a wide variety of industries in the non-financial sector.

How to use these illustrative financial statements

Users of this publication are encouraged to prepare entity-specific disclosures, including disclosures related to other transactions which are significant for the entity, if any, other than those illustrated in these financial statements. It should be noted that the illustrative financial statements are not designed to satisfy any particular stock market or country-specific regulatory requirements, nor is this publication intended to reflect disclosure requirements that apply mainly to regulated or specialized industries.

Format and content of the interim condensed financial statements

In these illustrative financial statements, we structure the notes to the financial statements according to their nature and perceived importance, which, in our view, enhances the effectiveness of the financial statements presentation because users may find it easier to extract the relevant information.

At the same time, entities may structure the notes to the financial statements in another way as a result of careful assessment of their specific circumstances and the preferences of the primary users.

An interim financial report may contain either a complete set of financial statements in accordance with IAS 1 *Presentation of Financial Statements* or a condensed set of financial statements in accordance with IAS 34. This publication contains an illustrative set of interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024, assuming that the Group only publishes half-year interim financial statements. If the Group issued quarterly interim financial statements, the second quarter information would include, in addition to the information included here, statements of profit or loss for the three months ended 30 June 2024 and 30 June 2023, irrespective of whether the Group presents a condensed or complete set of interim financial statements.

IFRS as at 15 May 2024

These illustrative financial statements do not early adopt standards, amendments or interpretations before their effective date. The standards applied in these illustrative financial statements are those that were in issue as at 15 May 2024 and effective for annual periods beginning on or after 1 January 2024. It is important to keep in mind that these illustrative financial statements will require continual updating as standards are issued and/or revised.

Users of this publication are cautioned to check that there has been no change in IFRS requirements between 15 May 2024 and the date on which their financial statements are authorized for issue. Furthermore, if the financial year of an entity is other than the calendar year, new and revised standards applied in these illustrative financial statements may not be applicable.

PAO ABC

Interim condensed consolidated financial statements

for the six months ended 30 June 2024

PAO ABC

Interim condensed consolidated financial statements

for the six months ended 30 June 2024

(in millions of Russian rubles)

Contents

Report on Review of Interim Financial Information

Not illustrated in this publication.

PAO ABC

Interim condensed consolidated statement of profit or loss

for the six months ended 30 June

(in millions of Russian rubles)

	Note	Unaudited 2024	Unaudited 2023
Continuing operations			
Revenue			
Revenue from distribution of machinery and tools	7	XXX	XXX
Revenue from construction services	7	XXX	XXX
		XXX	**XXX**
Cost of sales		XXX	XXX
Gross profit		**XXX**	**XXX**
Selling and distribution expenses		XXX	XXX
General and administrative expenses		XXX	XXX
Expected credit losses		XXX	XXX
Other operating income		XXX	XXX
Other operating expenses		XXX	XXX
Operating profit		**XXX**	**XXX**
Finance income		XXX	XXX
Finance costs		XXX	XXX
Share of profit of an associate and a joint venture		XXX	XXX
Profit before tax from continuing operations		**XXX**	**XXX**
Income tax expense	11	XXX	XXX
Net profit for the period from continuing operations		**XXX**	**XXX**
Discontinued operations			
Net profit for the period from discontinued operations	4	XXX	XXX
Net profit for the period		**XXX**	**XXX**
Attributable to:			
Shareholders of the parent		XXX	XXX
Non-controlling interests		XXX	XXX
Earnings per share attributable to shareholders of PAO ABC, basic		XXX	XXX
Earnings per share attributable to shareholders of PAO ABC, diluted		XXX	XXX
Earnings per share for continuing operations attributable to shareholders of PAO ABC, basic		XXX	XXX
Earnings per share for continuing operations attributable to shareholders of PAO ABC, diluted		XXX	XXX
Earnings per share for discontinued operations attributable to shareholders of PAO ABC, basic		XXX	XXX
Earnings per share for discontinued operations attributable to shareholders of PAO ABC, diluted		XXX	XXX

I. Ivanov,
Chief Executive Officer,
PAO ABC

10 August 2024

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

Interim condensed consolidated statement of comprehensive income

for the six months ended 30 June

(in millions of Russian rubles)

	Note	Unaudited 2024	Unaudited 2023
Net profit for the period		**XXX**	**XXX**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax			
Foreign exchange differences on translation of foreign subsidiaries to presentation currency		XXX	XXX
Foreign exchange differences on translation of a foreign associate to presentation currency		XXX	XXX
Gain on debt instruments at fair value through other comprehensive income		XXX	XXX
		XXX	**XXX**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax			
Gain on equity instruments at fair value through other comprehensive income	10	XXX	XXX
Loss on revaluation of defined benefit obligations		XXX	XXX
		XXX	**XXX**
Total other comprehensive income for the period, net of tax		**XXX**	**XXX**
Total comprehensive income for the period, net of tax		**XXX**	**XXX**
Attributable to:			
Shareholders of the parent		XXX	XXX
Non-controlling interests		XXX	XXX
		XXX	**XXX**

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

PAO ABC

Interim condensed consolidated statement of financial position

as at

(in millions of Russian rubles)

	Note	Unaudited 30 June 2024	Audited 31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	9	XXX	XXX
Right-of-use assets		XXX	XXX
Intangible assets		XXX	XXX
Goodwill	8	XXX	XXX
Prepayments for purchase of property, plant and equipment		XXX	XXX
Investments in a joint venture		XXX	XXX
Investments in an associate		XXX	XXX
Investments in equity and debt instruments	10	XXX	XXX
Deferred tax assets		XXX	XXX
		XXX	**XXX**
Current assets			
Inventories		XXX	XXX
Receivables	10	XXX	XXX
Contract assets		XXX	XXX
Investments in equity and debt instruments	10	XXX	XXX
Cash and cash equivalents	12	XXX	XXX
		XXX	**XXX**
Assets of discontinued operations	4	–	XXX
		XXX	**XXX**
Total assets		**XXX**	**XXX**
Equity and liabilities			
Equity			
Equity attributable to shareholders of the parent			
Issued capital		XXX	XXX
Treasury shares		XXX	XXX
Share premium		XXX	XXX
Foreign exchange differences on translation of foreign operations to presentation currency		XXX	XXX
Gain on debt instruments at fair value through other comprehensive income		XXX	XXX
Gain on equity instruments at fair value through other comprehensive income		XXX	XXX
Gain on revaluation of defined benefit obligations		XXX	XXX
Revaluation reserve for property, plant and equipment		XXX	XXX
Share-based payment reserve		XXX	XXX
Retained earnings		XXX	XXX
Reserves related to discontinued operations	4	–	XXX
		XXX	**XXX**
Non-controlling interests, continuing operations		XXX	XXX
Non-controlling interests, discontinued operations		–	XXX
		XXX	**XXX**

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

Interim condensed consolidated statement of financial position (continued)

		Unaudited	Audited
	Note	**30 June 2024**	**31 December 2023 Restated (Note 3)**
Non-current liabilities			
Long-term loans and borrowings	10	XXX	XXX
Employee benefit obligations		XXX	XXX
Contract liabilities		XXX	XXX
Lease liabilities		XXX	XXX
Provisions	13	XXX	XXX
Financial guarantees issued	6	XXX	XXX
Deferred tax liabilities		XXX	XXX
Government grants		XXX	XXX
Liabilities arising from cash-settled share-based payment transactions		XXX	XXX
Other non-current financial liabilities		XXX	XXX
Other non-current non-financial liabilities		XXX	XXX
		XXX	**XXX**
Current liabilities			
Short-term loans and borrowings and current portion of long-term loans and borrowings	10	XXX	XXX
Payables		XXX	XXX
Employee benefit obligations		XXX	XXX
Contract liabilities		XXX	XXX
Lease liabilities		XXX	XXX
Income tax payable		XXX	XXX
Other taxes and levies payable		XXX	XXX
Provisions	13	XXX	XXX
Financial guarantees issued	6	XXX	XXX
Government grants		XXX	XXX
		XXX	**XXX**
Liabilities directly associated with discontinued operations	4	–	XXX
		XXX	**XXX**
Total liabilities		**XXX**	**XXX**
Total equity and liabilities		**XXX**	**XXX**

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

PAO ABC

Interim condensed consolidated statement of cash flows

for the six months ended 30 June

(in millions of Russian rubles)

		Unaudited	
	Note	**2024**	**2023**
Operating activities			
Profit before tax from continuing operations		XXX	XXX
Profit before tax from discontinued operations	4	XXX	XXX
Adjustments to reconcile profit for the period to net cash flows from operating activities			
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets		XXX	XXX
Gain on disposal of property, plant and equipment	9	XXX	XXX
Finance income		XXX	XXX
Finance costs		XXX	XXX
Write-off of inventories to net realizable value		–	XXX
Foreign exchange gains		XXX	XXX
Gains on write-off of payables		–	XXX
Share of profit of an associate and a joint venture		XXX	XXX
Movement in allowance for expected credit losses		XXX	XXX
Share-based payment expense		XXX	XXX
Movements in provisions, government grants, defined benefit obligations and other non-current liabilities		XXX	XXX
		XXX	**XXX**
Working capital movements			
Inventories		XXX	XXX
Receivables		XXX	XXX
Contract assets		XXX	XXX
Payables and other debt		XXX	XXX
Contract liabilities		XXX	XXX
		XXX	**XXX**
Income tax paid		XXX	XXX
Interest paid		XXX	XXX
Net cash flows from operating activities		**XXX**	**XXX**
Investing activities			
Proceeds from sale of discontinued operations, net of cash disposed of	4	XXX	–
Purchase of property, plant and equipment and intangible assets		XXX	XXX
Disposal of property, plant and equipment and intangible assets		XXX	XXX
Receipt of government grants		XXX	XXX
Interest received		XXX	XXX
Net cash flows used in investing activities		**XXX**	**XXX**

Interim condensed consolidated statement of cash flows (continued)

	Note	Unaudited 2024	Unaudited 2023
Financing activities			
Dividends paid to shareholders of the parent	15	XXX	–
Proceeds from loans and borrowings	10	XXX	XXX
Repayment of loans and borrowings	10	XXX	XXX
Settlement of lease liabilities, excluding interest		XXX	XXX
Purchase of treasury shares	15	–	XXX
Net cash flows from / (used in) financing activities		**XXX**	**XXX**
Cash and cash equivalents, beginning of the year	12	XXX	XXX
Effect of foreign exchange differences on cash and cash equivalents		XXX	XXX
Effect of movements in allowance for expected credit losses on cash and cash equivalents		XXX	XXX
Net increase in cash and cash equivalents for the period		XXX	XXX
Cash and cash equivalents, at 30 June	12	**XXX**	**XXX**

The interim condensed consolidated statement of cash flows includes discontinued operations (Note 4).

PAO ABC

Interim condensed consolidated statement of changes in equity

for the six months ended 30 June 2024

(in millions of Russian rubles)

	Issued capital	Treasury shares	Share premium	Foreign exchange differences on translation of foreign operations to presentation currency	Gain on debt instruments at fair value through OCI	Gain on equity instruments at fair value through OCI	Gain on revaluation of defined benefit obligations	Share-based payment reserve	Revaluation reserve for property, plant and equipment	Retained earnings	Reserves related to discontinued operations	Total	Non-controlling interests (continuing operations)	Non-controlling interests (discontinued operations)	Total equity
At 31 December 2023	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Net profit for the period	–	–	–	–	–	–	–	–	–	XXX	–	**XXX**	XXX	XXX	**XXX**
Total other comprehensive income for the period, net of tax	**–**	**–**	**–**	**XXX**	**XXX**	**XXX**	**XXX**	**–**	**–**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Total comprehensive income for the period, net of tax	**–**	**–**	**–**	**XXX**	**XXX**	**XXX**	**XXX**	**–**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Transfer of reserve and derecognition of non-controlling interest as a result of disposal of discontinued operations (Note 4)	–	–	–	–	–	–	–	–	–	XXX	XXX	**–**	–	XXX	**–**
Free of charge issue of financial guarantees to the benefit of parties under common control (Note 6)	–	–	–	–	–	–	–	–	–	XXX	–	**XXX**	–	–	**XXX**
Share-based payments	–	–	–	–	–	–	–	XXX	–	–	–	**XXX**	–	–	**XXX**
Dividends declared by the parent (Note 15)	–	–	–	–	–	–	–	–	–	XXX	–	**XXX**	–	–	**XXX**
At 30 June 2024 (unaudited)	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**–**	**XXX**	**XXX**	**–**	**XXX**

Interim condensed consolidated statement of changes in equity (continued)

for the six months ended 30 June 2023

	Issued capital	Treasury shares	Share premium	Foreign exchange differences on translation of foreign operations to presentation currency	Gain on debt instruments at fair value through OCI	Gain on equity instruments at fair value through OCI	Gain on revaluation of defined benefit obligations	Share-based payment reserve	Revaluation reserve for property, plant and equipment	Retained earnings	Total	Non-controlling interests	Total equity
At 31 December 2022	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	XXX	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Net profit for the period	–	–	–	–	–	–	–	–	–	XXX	**XXX**	XXX	**XXX**
Total other comprehensive income for the period, net of tax	–	–	–	XXX	XXX	XXX	XXX	–	–	XXX	**XXX**	XXX	**XXX**
Total comprehensive income for the period, net of tax	**–**	**–**	**–**	**XXX**	**XXX**	**XXX**	**XXX**	**–**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Share-based payments	–	–	–	–	–	–	–	XXX	–	–	**XXX**	–	**XXX**
Purchase of treasury shares (Note 15)	–	XXX	XXX	–	–	–	–	–	–	–	**XXX**	–	**XXX**
At 30 June 2023 (unaudited)	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

1. Corporate information

PAO ABC ("ABC" or the "Company") is a holding company which owns enterprises engaged in the production and sale of computer numerical control (CNC) machines, electric power tools and accessories as well as in the turnkey construction of industrial facilities based on CNC production lines.

These interim condensed consolidated financial statements were authorized for issue by a resolution of ABC's Board of Directors on 10 August 2024.

On 20 February 2024, the Group completed the sale of China Equipment Ltd. As at 31 December 2023, this company was classified as discontinued operations in the financial statements (Note 4).

Effect of geopolitical situation

The continuing conflict related to Ukraine and the resulting aggravation of geopolitical tensions are having an impact on the economy of the Russian Federation. The European Union, the United States and several other countries have imposed sanctions against a number of Russian state organizations and commercial entities, including banks, individuals and certain industries, as well as restrictions on certain types of transactions. The Russian Federation has introduced temporary restrictive economic measures; in particular, it prohibited Russian residents from providing foreign currency loans to non-residents and from crediting foreign currency to their accounts with foreign banks, as well as imposed restrictions on securities-related payments to foreign investors and on transactions involving persons of a number of foreign countries.

The Group continues to assess the effect of these circumstances and changes in micro- and macroeconomic conditions on its operations, financial position and financial performance.

2. Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements using the going concern assumption. The Board of Directors believes that there are no material uncertainties that may cast significant doubt regarding this assumption, and it can be reasonably expected that the Group has sufficient resources to continue its operations in the foreseeable future and for at least 12 months after the end of the reporting period.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

3. Changes in accounting policies

New standards, interpretations and amendments to existing standards and interpretations applied by the Group for the first time

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the following amendments effective from 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In January 2020 and October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 *Presentation of Financial Statements* to clarify the requirements for classifying liabilities as current or non-current, including non-current liabilities with covenants. The amendments clarify that:

- Where a right to defer settlement of a liability arising from a loan arrangement for at least twelve months is conditional on compliance with covenants in future periods (future covenants), this right exists even if such future covenants are not complied with at the reporting date.
- Management expectations of the likelihood of using the deferral do not affect the existence of the right. A liability is classified as non-current at the reporting date even if settlement of the liability has occurred in the period after the reporting date but before the issue of financial statements.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the option is classified as an equity instrument and reported separately from the liability as an equity component in accordance with IAS 32 *Financial Instruments: Presentation*.

In addition, the amendments introduce the requirement to disclose additional information about liabilities arising from loan arrangements if the entity classifies such liabilities as non-current and its right to defer settlement of these liabilities is conditional on its compliance with covenants within twelve months after the reporting date.

3. Changes in accounting policies (continued)

New standards, interpretations and amendments to existing standards and interpretations applied by the Group for the first time (continued)

These amendments have impacted the Group's interim condensed consolidated financial statements as follows:

1) Before adoption of the amendments, the Group classified its liabilities arising from loan arrangements by considering management intentions regarding the timing of settlement of those liabilities. Therefore, the Group classified as current the part of its non-current liabilities on loans at the reporting date that management planned to settle early, within the next twelve months after the reporting date. After adoption of the amendments, this debt should be classified as non-current if there are no other reasons for classifying it as current. In accordance with transitional provisions, the Group applied the amendments retrospectively, with the effect on the consolidated statement of financial position as at 31 December 2023 being as follows:

	At 31 December 2023 (before the change in accounting policies)	Effect of the change in accounting policies	At 31 December 2023 (after the change in accounting policies)
Long-term loans and borrowings	XXX	XXX	XXX
Non-current liabilities	**XXX**	**XXX**	**XXX**
Short-term loans and borrowings and current portion of long-term loans and borrowings	XXX	XXX	XXX
Current liabilities	**XXX**	**XXX**	**XXX**

2) The amendments also require additional disclosures where an entity classifies a liability arising from a loan arrangement as non-current, while its right to defer settlement of the liability is conditional on its compliance with future covenants within twelve months after the reporting date.

As at 31 December 2023, the Group had the following financial liabilities arising from loan arrangements, with covenants to be tested within twelve months after the reporting date:

- A bank loan with a carrying amount of XXX maturing on 30 June 2030, with a covenant tested on a quarterly basis. The covenant requires the leverage ratio to be maintained at XXX or less at each of the following dates: 31 March, 30 June, 30 September and 31 December. If there is a covenant breach, the lender has a right to demand immediate repayment of the entire loan. As at 31 December 2023 and earlier dates, the Group was in compliance with the covenant. However, as at 31 December 2023, the Group identified a risk of breaching the covenant at 31 March 2024, and negotiated with the lender a change to the agreement in February 2024. As a result of the change, the covenant's permitted maximum leverage ratio increased to XXX. As at 31 March 2024 and 30 June 2024, the covenant was complied with.

3. Changes in accounting policies (continued)

New standards, interpretations and amendments to existing standards and interpretations applied by the Group for the first time (continued)

- A bank loan with a carrying amount of XXX maturing on 31 December 2028, with a covenant that requires the current liquidity ratio to be maintained at no less than XXX and to be tested annually as at 1 July. If there is a covenant breach, the lender has a right to demand immediate repayment of the entire loan. As at 1 July 2023 and earlier dates, the Group was in compliance with the covenant. The next test is due on 1 July 2024. However, had the covenant been tested as at 31 December 2023, it would have been breached. To avoid a covenant breach as at 1 July 2024, the Group refinanced part of its short-term debt with long-term loans in May 2024.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* that clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments aim to assist users of financial statements in understanding the impact of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Group uses supplier finance arrangements. However, since transitional provisions in the amendments state that entities do not have to provide the required disclosures in any interim reporting period during the first year in which those amendments apply, the amendments had no impact on the Group's interim condensed consolidated financial statements, but will impact the Group's annual consolidated financial statements for 2024.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 *Leases* that clarify the requirements that a seller-lessee shall use in measuring the lease liability arising in a sale and leaseback transaction with fully variable lease payments, so that the seller-lessee does not recognize any gain or loss that relates to the right of use it retains in the asset.

The amendments had no impact on the Group's interim condensed consolidated financial statements, as the Group did not enter into such transactions in the current or previous reporting periods.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective for interim and/or annual reporting periods beginning on or after 1 January 2024.

3. Changes in accounting policies (continued)

New types of transactions and accounting policies applied to them for the first time

Financial guarantees issued

In the current interim reporting period, acting as a guarantor, the Group for the first time issued financial guarantee contracts to the benefit of related parties under common control with respect to the raised bank financing. Some contracts were issued with payment of consideration at market rates whereas others were issued free of charge. The accounting policies applied by the Group to the financial guarantee contracts issued are described below.

On initial recognition, the Group measures financial guarantee contracts issued at fair value. If a financial guarantee contract was issued to an unrelated party or to a related party in an arm’s length transaction, its fair value at the date of initial recognition will equal the premium received, unless there is evidence to the contrary. If a financial guarantee contract was issued free of charge to the benefit of a related party under common control, its fair value measured under IFRS 13 *Fair Value Measurement* is recorded as a distribution to the ultimate controlling party.

Subsequently, financial guarantees issued are measured at the higher of:

- The amount of an allowance for expected credit losses determined in accordance with the impairment requirements in IFRS 9 *Financial Instruments*; and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with IFRS 15 *Revenue from Contracts with Customers*. Generally, the fair value of a financial guarantee determined on initial recognition is amortized over the life of the guarantee on a straight-line basis.

Financial guarantees issued are recorded as a separate line item in the statement of financial position. The Group presents the amortization of the initial fair value of the financial guarantee (premium) as finance income in the statement of profit or loss. Gains and losses from revaluation of the allowance for expected credit losses are recorded as part of expected credit losses. In case of reversal of impairment losses, the Group limits the amounts of gain from reversal of impairment losses to the cumulative amount of impairment losses recognized in prior periods.

4. Discontinued operations

As at 31 December 2023, China Equipment Ltd. was classified as discontinued operations (disposal group). The business of China Equipment Ltd. was a significant geographical area of the Group’s operations and part of the Machine Tools segment.

On 20 February 2024, the Group recorded the disposal of China Equipment Ltd. for XXX and recognized a gain on disposal in the amount of XXX.

The full amount of consideration from the sale was received in cash in the first half of 2024.

4. Discontinued operations (continued)

The results of discontinued operations for the six months ended 30 June are presented below:

	2024*	**2023**
Revenue from sales of microchips for CNC machines	XXX	XXX
	XXX	**XXX**
Cost of sales	XXX	XXX
Gross profit	**XXX**	**XXX**
Selling and distribution expenses	XXX	XXX
General and administrative expenses	XXX	XXX
Other operating income	XXX	XXX
Other operating expenses	XXX	XXX
Finance income	XXX	XXX
Finance costs	XXX	XXX
Profit before tax earned by discontinued operations for the period	**XXX**	**XXX**
Income tax expense	XXX	XXX
Net profit earned by discontinued operations for the period	**XXX**	**XXX**
Gain on disposal of discontinued operations, including reclassification of accumulated foreign exchange gains arising from translation of discontinued operations' financial statements into the presentation currency (Note 15)	XXX	–
Income tax expense related to sale/impairment of discontinued operations	XXX	XXX
Profit after tax from sale of discontinued operations	**XXX**	**XXX**
Net profit from discontinued operations for the period attributable to:		
Shareholders of the parent	XXX	XXX
Non-controlling interests	XXX	XXX
	XXX	**XXX**

* The amounts represent performance for the period to the date of sale, 20 February 2024.

The net cash flows generated from the sale of China Equipment Ltd. were as follows:

Cash received from sale of discontinued operations	XXX
Cash disposed of with discontinued operations	XXX
Net cash inflow at the date of disposal	**XXX**

The net cash inflow/(outflow) incurred by China Equipment Ltd. for the six months ended 30 June was as follows:

	2024*	**2023**
Operating activities	XXX	XXX
Investing activities	XXX	XXX
Financing activities	XXX	XXX

* The amounts represent performance for the period to the date of sale, 20 February 2024.

As China Equipment Ltd. was sold prior to 30 June 2024, the assets and liabilities classified as held for sale are not included in the statement of financial position as at that date.

5. Segment information

The segment information includes the discontinued operations (Note 4) because this is the way in which management analyses the information.

For the six months ended 30 June 2024:

	Machine tools	Turnkey construction of industrial facilities based on CNC production lines	Production and sale of electric power tools and accessories to wholesale and retail customers	Adjustments and eliminations	Total
Revenue					
External customers	XXX	XXX	XXX	–	**XXX**
Inter-segment sales	XXX	XXX	XXX	XXX	**XXX**
Total revenue	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Cost of sales*	XXX	XXX	XXX	XXX	**XXX**
Selling and distribution expenses*	XXX	XXX	XXX	–	**XXX**
General and administrative expenses*	XXX	XXX	XXX	XXX	**XXX**
Expected credit losses	XXX	XXX	XXX	–	**XXX**
Other operating income	XXX	XXX	XXX	XXX	**XXX**
Other operating expenses	XXX	XXX	XXX	XXX	**XXX**
Segment result – EBITDA	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

* Excluding depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets.

For the six months ended 30 June 2023:

	Machine tools	Turnkey construction of industrial facilities based on CNC production lines	Production and sale of electric power tools and accessories to wholesale and retail customers	Adjustments and eliminations	Total
Revenue					
External customers	XXX	XXX	XXX	–	**XXX**
Inter-segment sales	XXX	XXX	XXX	XXX	**XXX**
Total revenue	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Cost of sales*	XXX	XXX	XXX	XXX	**XXX**
Selling and distribution expenses*	XXX	XXX	XXX	–	**XXX**
General and administrative expenses*	XXX	XXX	XXX	XXX	**XXX**
Expected credit losses	XXX	XXX	XXX	–	**XXX**
Other operating income	XXX	XXX	XXX	XXX	**XXX**
Other operating expenses	XXX	XXX	XXX	XXX	**XXX**
Segment result – EBITDA	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

* Excluding depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets.

5. Segment information (continued)

The table below presents a reconciliation of segment EBITDA to the financial results reported in the consolidated statement of profit or loss.

For the six months ended 30 June 2024:

	Machine tools	**Turnkey construction of industrial facilities based on CNC production lines**	**Production and sale of electric power tools and accessories to wholesale and retail customers**	**Adjustments and eliminations**	**Total**
EBITDA	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Elimination of inter-segment sales	XXX	XXX	XXX	XXX	**XXX**
Amortization and depreciation	XXX	XXX	XXX	XXX	**XXX**
Operating profit					**XXX**
Unallocated income and expenses					
Finance income and costs, net					**XXX**
Share of profit of an associate and a joint venture					**XXX**
Elimination of profit before tax from discontinued operations					
Profit before tax from discontinued operations					**XXX**
Profit before tax from continuing operations					**XXX**

For the six months ended 30 June 2023:

	Machine tools	**Turnkey construction of industrial facilities based on CNC production lines**	**Production and sale of electric power tools and accessories to wholesale and retail customers**	**Adjustments and eliminations**	**Total**
EBITDA	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Elimination of inter-segment sales	XXX	XXX	XXX	XXX	**XXX**
Amortization and depreciation	XXX	XXX	XXX	XXX	**XXX**
Operating profit					**XXX**
Unallocated income and expenses					
Finance income and costs, net					**XXX**
Share of profit of an associate and a joint venture					**XXX**
Elimination of profit before tax from discontinued operations					
Profit before tax from discontinued operations					**XXX**
Profit before tax from continuing operations					**XXX**

5. Segment information (continued)

The Group's management has concluded that its business is not 'highly seasonal', as defined in IAS 34.

There have been no significant changes in measurements of assets and liabilities of individual segments as compared with the information disclosed in the Group's most recent annual financial statements.

6. Related parties

Transactions with related parties

Receivables from and payables to related parties as well as turnover with related parties were as follows:

	Receivables from related parties		**Payables to related parties**	
	At 30 June 2024	**At 31 December 2023**	**At 30 June 2024**	**At 31 December 2023**
Loans issued				
Entities under common control	XXX	XXX	–	–
Allowance for expected credit losses	XXX	XXX	–	–
Loans received				
Ultimate controlling party	–	–	XXX	XXX
Trade receivables and payables				
AO Stroyprom	–	–	XXX	XXX
TOO Astana Instrument	XXX	XXX	–	–
Allowance for expected credit losses	XXX	XXX	–	–
	XXX	**XXX**	**XXX**	**XXX**

Loans issued and loans received as well as receivables from and payables to related parties are unsecured. Trade receivables from and payables to related parties are interest-free. The Group recognized expenses for allowance for expected credit losses of XXX for loans issued and of XXX for trade receivables for the six months ended 30 June 2024 (30 June 2023: nil for loans issued and nil for trade receivables).

Transactions for the six months ended 30 June were as follows:

	Sales to related parties		**Purchases from related parties**	
	2024	**2023**	**2024**	**2023**
AO Stroyprom	–	–	XXX	XXX
TOO Astana Instrument	XXX	XXX	–	–
	XXX	**XXX**	**XXX**	**XXX**

	Interest income		**Interest expense**	
	2024	**2023**	**2024**	**2023**
Entities under common control	XXX	XXX	–	–
Ultimate controlling party	–	–	XXX	XXX
	XXX	**XXX**	**XXX**	**XXX**

6. Related parties (continued)

Financial guarantees issued

In the current interim reporting period, acting as a guarantor, the Group for the first time issued financial guarantee contracts to the benefit of related parties under common control with respect to the raised bank financing. Some contracts were issued with payment of consideration at market rates whereas others were issued free of charge. The Group's guarantees issued for the six months ended 30 June 2024 totaled XXX (30 June 2023: nil) and the amount of consideration received was XXX (30 June 2023: nil). The carrying amount of liabilities under the financial guarantees was XXX as at 30 June 2024 (30 June 2023: nil). In the current and comparative periods, the Group had no financial guarantees received from related parties.

The following table presents the distribution of the maximum undiscounted amount of payments under the financial guarantees issued by the Group. Payments under the guarantees are allocated to the earliest period in which they could be called upon.

	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
30 June 2024	XXX	XXX	XXX	XXX	XXX	–	**XXX**
31 December 2023	–	–	–	–	–	–	**–**

The Group expects that not all of the financial guarantees will be called upon before expiry.

Compensation to key management personnel

Total compensation paid to key management personnel was recorded in general and administrative expenses.

For the six months ended 30 June:

	2024	2023
Salary	XXX	XXX
Bonuses	XXX	XXX
Social security contributions	XXX	XXX
Expenses for defined benefit plan	XXX	XXX
	XXX	**XXX**

7. Revenue

Information on the Group's revenue from contracts with customers by reportable segment

For the six months ended 30 June 2024	Machine tools	Turnkey construction of industrial facilities based on CNC production lines	Production and sale of electric power tools and accessories to wholesale and retail customers	Total
Type of goods or services				
Sales of CNC machines	XXX	–	–	**XXX**
Sales of after-sales maintenance services for CNC machines	XXX	–	–	**XXX**
Sales of services involving turnkey construction of industrial facilities based on CNC production lines	–	XXX	–	**XXX**
Sales of electric power tools and accessories to wholesale and retail customers	–	–	XXX	**XXX**
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**
Geographical markets				
Russia	XXX	XXX	XXX	**XXX**
China	XXX	XXX	XXX	**XXX**
India	XXX	XXX	XXX	**XXX**
Kazakhstan	XXX	XXX	XXX	**XXX**
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**
Timing of revenue recognition				
Revenue recognized at a point in time	XXX	–	XXX	**XXX**
Revenue recognized over time	XXX	XXX	–	**XXX**
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**

For the six months ended 30 June 2023	Machine tools	Turnkey construction of industrial facilities based on CNC production lines	Production and sale of electric power tools and accessories to wholesale and retail customers	Total
Type of goods or services				
Sales of CNC machines	XXX	–	–	**XXX**
Sales of after-sales maintenance services for CNC machines	XXX	–	–	**XXX**
Sales of services involving turnkey construction of industrial facilities based on CNC production lines	–	XXX	–	**XXX**
Sales of electric power tools and accessories to wholesale and retail customers	–	–	XXX	**XXX**
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**
Geographical markets				
Russia	XXX	XXX	XXX	**XXX**
China	XXX	XXX	XXX	**XXX**
Kazakhstan	XXX	XXX	XXX	**XXX**
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**
Timing of revenue recognition				
Revenue recognized at a point in time	XXX	–	XXX	**XXX**
Revenue recognized over time	XXX	XXX	–	**XXX**
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**

7. Revenue (continued)

Information on the Group's revenue from contracts with customers by reportable segment (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the six months ended					
	30 June 2024			30 June 2023		
Revenue	**Machine tools**	**Turnkey construction of industrial facilities based on CNC production lines**	**Production and sale of electric power tools and accessories to wholesale and retail customers**	**Machine tools**	**Turnkey construction of industrial facilities based on CNC production lines**	**Production and sale of electric power tools and accessories to wholesale and retail customers**
External customers	XXX	XXX	XXX	XXX	XXX	XXX
Inter-segment sales	XXX	XXX	XXX	XXX	XXX	XXX
	XXX	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Inter-segment adjustments and eliminations	XXX	XXX	XXX	XXX	XXX	XXX
Total revenue from contracts with customers	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

The Group recognized impairment losses on receivables and contract assets arising from contracts with customers in the amount of XXX and XXX for the six months ended 30 June 2024 and 30 June 2023, respectively, as part of administrative expenses in the statement of profit or loss.

8. Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually as at 31 December and when circumstances indicate that their carrying amounts may be impaired. Impairment is determined by assessing the recoverable amount of each cash-generating unit (CGU) to which these assets are allocated.

The carrying amounts of goodwill and intangible assets with indefinite useful lives allocated to the respective CGUs were as follows:

	At 30 June 2024		At 31 December 2023	
	Goodwill	**Trademark**	**Goodwill**	**Trademark**
Mumbai Machinery Ltd. (CGU 1)	XXX	–	XXX	–
AO Elektroinstrument (CGU 2)	XXX	XXX	XXX	XXX
	XXX	**XXX**	**XXX**	**XXX**

As at 31 December 2023, goodwill of XXX previously allocated to China Equipment Ltd., which was classified as a disposal group as at 31 December 2023, was reclassified to assets of the disposal group (discontinued operations). As at 30 June 2024, this business unit was sold (Note 4).

8. Impairment testing of goodwill and intangible assets with indefinite useful lives (continued)

Impairment testing of CGUs

As at 30 June 2024, the Group identified several external adverse indicators such as a continuing decrease in indices of business activity and growth rates of the machine tool industry compared with prior expectations, a decline in investments in the industrial production sector in the regions where the Group operates and new sanctions against a number of Russian state organizations and commercial entities. The Group performed impairment testing of all non-current assets, including intangible assets with indefinite useful lives and goodwill. All assets were tested at the level of respective CGUs.

Mumbai Machinery Ltd. (CGU 1)

As at 30 June 2024, the recoverable amount of this CGU totaled XXX and was determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period. The pre-tax discount rate applied to the cash flow projections is XXX% (31 December 2023: XXX%) and cash flow projections beyond the five-year period are extrapolated using the growth rate of XXX% (31 December 2023: XXX%). The growth rate is consistent with the long-term average growth rate for the electronics industry in India. The Group's management determined that the value in use of this CGU exceeded its carrying amount including goodwill by XXX and concluded that there was no impairment.

AO Elektroinstrument (CGU 2)

As at 30 June 2024, the recoverable amount of this CGU totaled XXX and was determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period. The pre-tax discount rate applied to the cash flow projections is XXX% (31 December 2023: XXX%) and cash flow projections beyond the five-year period are extrapolated using the growth rate of XXX% (31 December 2023: XXX%). The growth rate is consistent with the long-term average growth rate for the electric power tool industry in the Russian Federation. The Group's management determined that the value in use of this CGU as at 30 June 2024 exceeded its carrying amount including goodwill by XXX, therefore, it concluded that there was no impairment at that date.

The calculation of value in use for all CGUs to which the goodwill and intangible assets with indefinite useful lives were allocated is most sensitive to the following assumptions:

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest rates on loans and borrowings the Group is obliged to service.

As at 30 June 2024, the recoverable amounts of CGU 1 and CGU 2 exceeded their carrying amounts by XXX and XXX, respectively. A rise in the pre-tax discount rate by XXX% for CGU 1 and XXX% for CGU 2 from the current XXX% and XXX%, respectively, would result in the recoverable amounts of CGU 1 and CGU 2 becoming equal to their carrying amounts.

8. Impairment testing of goodwill and intangible assets with indefinite useful lives (continued)

Impairment testing of CGUs (continued)

Raw materials price inflation

Estimates are obtained from published indices and other data for the countries in which the Group purchases raw and other materials. Management has considered the possibility of greater-than-forecast increases in raw materials price inflation. The forecast price inflation lies within a range of XXX% to XXX% for CGU 1 and XXX% to XXX% for CGU 2, depending on the country from which materials are purchased. If prices of raw materials increase on average by XXX% more than the forecast price inflation, the Group will recognize an impairment loss for CGU 1 of XXX and the impairment loss for CGU 2 will be XXX.

Growth rates used to extrapolate cash flows beyond the forecast period

Growth rates are based on published industry research. Management recognizes that the speed of technological change and the possibility of new entrants to the markets can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of XXX% for CGU 1 and XXX% for CGU 2. A reduction in the long-term growth rate by XXX% for CGU 1 and by XXX% for CGU 2 would result in recognition of an impairment loss for CGU 1 of XXX and the impairment loss for CGU 2 will be XXX.

9. Property, plant and equipment

Acquisitions and disposals of property, plant and equipment

During the six months ended 30 June 2024, the Group acquired motor vehicles with a cost of XXX (30 June 2023: XXX).

During the six months ended 30 June 2024, the Group sold motor vehicles and equipment with a total carrying amount of XXX (30 June 2023: XXX) for a cash consideration of XXX (30 June 2023: XXX). The net gains on these disposals of XXX (30 June 2023: XXX) were recognized as part of other operating income in the statement of profit or loss.

10. Financial assets and liabilities

Financial assets (except for cash and cash equivalents which are disclosed in Note 12) were as follows:

	At 30 June 2024			At 31 December 2023		
	Total	**Non-current**	**Current**	**Total**	**Non-current**	**Current**
Debt instruments at amortized cost						
Receivables	**XXX**	–	XXX	**XXX**	–	XXX
Loans to entities under common control	**XXX**	XXX	XXX	**XXX**	XXX	XXX
Debt instruments at fair value through OCI						
Investments in unquoted bonds	**XXX**	XXX	–	**XXX**	XXX	–
Equity instruments at fair value through OCI						
Investments in unquoted equity instruments of entities in related industries	**XXX**	XXX	–	**XXX**	XXX	–
	XXX	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

Loans and borrowings were as follows:

	Interest rate	**Maturity**	**At 30 June 2024**	**At 31 December 2023**
Short-term loans and borrowings and current portion of long-term loans and borrowings				
INR XXX bank loan	XXX	XXX	XXX	XXX
USD XXX bank loan	XXX	XXX	XXX	XXX
USD XXX bank loan	XXX	XXX	XXX	XXX
RUB XXX bank loan	CBR key rate + XXX	XXX	XXX	XXX
Total short-term loans and borrowings and current portion of long-term loans and borrowings			**XXX**	**XXX**

	Interest rate	**Maturity**	**At 30 June 2024**	**At 31 December 2023**
Long-term loans and borrowings				
INR XXX bank loan	XXX	XXX	XXX	XXX
USD XXX bank loan	XXX	XXX	XXX	XXX
RUB XXX bank loan	CBR key rate + XXX	XXX	XXX	XXX
RUB XXX bank loan	CBR key rate + XXX	XXX	XXX	XXX
RUB XXX loans from the ultimate controlling party	XXX	XXX	XXX	XXX
Total long-term loans and borrowings			**XXX**	**XXX**

All of the Group’s financial liabilities were measured at amortized cost at both reporting dates.

10. Financial assets and liabilities (continued)

In January 2024, following the decision made in December 2023, the Group repaid early a portion of a long-term loan in the amount of XXX, originally maturing in 2026. Also, in February 2024, the Group adopted the decision to repay early and, in March 2024, repaid early a portion of a long-term loan in the amount of USD XXX (RUB XXX thousand), originally maturing in 2025. As a result, the Group recognized a loss from the early repayments in the amount of XXX.

Fair values

The following table shows financial instruments with carrying amounts that differ from their fair values as at 30 June 2024 and 31 December 2023. The carrying amounts of other financial assets and liabilities approximate their respective fair values at both reporting dates.

	At 30 June 2024		At 31 December 2023	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Loans to entities under common control	XXX	XXX	XXX	XXX
	XXX	**XXX**	**XXX**	**XXX**
Financial liabilities				
Long-term bank loans	XXX	XXX	XXX	XXX
Loans from the ultimate controlling party	XXX	XXX	XXX	XXX
	XXX	**XXX**	**XXX**	**XXX**

All financial assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June 2024:

	Level 1	**Level 2**	**Level 3**
Assets measured at fair value			
Investments in equity instruments at fair value through OCI	–	–	XXX
Investments in debt instruments at fair value through OCI	–	XXX	–
Assets for which fair values are disclosed			
Loans to entities under common control – measured at amortized cost	–	–	XXX
Liabilities for which fair values are disclosed			
Bank loans	–	XXX	–
Loans from the ultimate controlling party	–	–	XXX

There were no transfers between Level 2 and Level 3 during the reporting period.

10. Financial assets and liabilities (continued)

Fair values (continued)

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

	Investments in equity instruments at fair value through OCI
At 1 January 2024	**XXX**
Remeasurement recognized in OCI	XXX
Purchases	XXX
At 30 June 2024	**XXX**

Description of significant non-observable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with the sensitivity analysis as at 30 June 2024 are shown below:

	Valuation techniques	Unobservable inputs	Range (weighted average value)	Sensitivity to changes in inputs
Investments in equity instruments at fair value through OCI	DCF model	Weighted average cost of capital	XXX	XXX% increase (decrease) would result in an decrease (increase) in fair value by XXX
		Long-term growth rate for cash flows for subsequent years	XXX	XXX% increase (decrease) would result in an increase (decrease) in fair value by XXX
Loans to entities under common control	DCF model	Discount rate	XXX	XXX% increase (decrease) would result in an decrease (increase) in fair value by XXX
		Discount for non-performance risk	XXX	XXX% increase (decrease) would result in an decrease (increase) in fair value by XXX
Loans from the ultimate controlling party	DCF model	Discount rate	XXX	XXX% increase (decrease) would result in an decrease (increase) in fair value by XXX
		Discount for own non-performance risk	XXX	XXX% increase (decrease) would result in an decrease (increase) in fair value by XXX

11. Income taxes

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. Set out below are the major components of income tax expense in the interim condensed consolidated statement of profit or loss.

For the six months ended 30 June:

	2024	2023
Current tax	XXX	XXX
Deferred tax relating to origination and reversal of temporary differences	XXX	XXX
Income tax expense reported in the statement of profit or loss	**XXX**	**XXX**

12. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprised the following:

	At 30 June 2024	At 31 December 2023
Cash at banks and on hand	XXX	XXX
Short-term deposits	XXX	XXX
Cash attributable to disposal group	–	XXX
	XXX	**XXX**

13. Provisions

As at 31 December 2023, the Group recognized provisions of XXX for litigations in respect of delayed payments to suppliers for construction materials. In March 2024, these litigations were completed and the Group used the previously recognized provisions to pay the amounts claimed.

14. Commitments and contingencies

Commitments

As at 30 June 2024, the Group had commitments of XXX, VAT (20%) included (31 December 2023: XXX, VAT (20%) included), relating to the completion of a new workshop for the production of auxiliary equipment.

The Group has various lease contracts that have not yet commenced as at 30 June 2024. The future lease payments for these non-cancellable leases amount to XXX, of which XXX is payable within one year, XXX within five years and XXX thereafter.

15. Equity

Treasury shares

The Company purchased XXX of its own ordinary shares for XXX in April 2023. There were no transactions with treasury shares during the period from 1 January 2024 to 30 June 2024.

Dividends

In March 2024, the Board of Directors of PAO ABC declared the payment of dividends for 2023 in the amount of XXX, which is XXX per share. The dividends were paid in May 2024. During the six months of 2023, no dividends were declared or paid.

Components of other comprehensive income reclassified to profit or loss

Upon the disposal of China Equipment Ltd. classified as a foreign operation and discontinued operations in these interim condensed consolidated financial statements, foreign exchange gains from translation of its financial statements to the presentation currency before the disposal date, which were accumulated in equity in the amount of XXX before tax, and the corresponding tax effect in the amount of XXX were reclassified to profit of loss (Note 4).

16. Events after the reporting period

In July 2024, ABC's Board of Directors approved the transaction to purchase an additional 10% interest in the associate, TOO Astana Instrument (Kazakhstan), from one of its members for XXX. The transaction is expected to be finalized by the end of 2024.

ABOUT B1 GROUP

B1 Group offers a full range of professional services, covering assurance, strategy, technology, consulting, transactions, valuation, tax, law and business support.

In our 35 years in Russia and more than two decades in Belarus, we have assembled a strong team of professionals with broad expertise and a wealth of experience in delivering challenging projects. B1 Group is based in ten cities: Moscow, Minsk, Ekaterinburg, Kazan, Krasnodar, Novosibirsk, Rostov-on-Don, St. Petersburg, Togliatti and Vladivostok.

We help clients find new solutions, grow, transform and operate their business as well as strengthen their financial and human capital.

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