



ALROSA

Investor Day 2020

10 March 2020

Today's Speakers



Sergey Ivanov
Chief Executive Officer



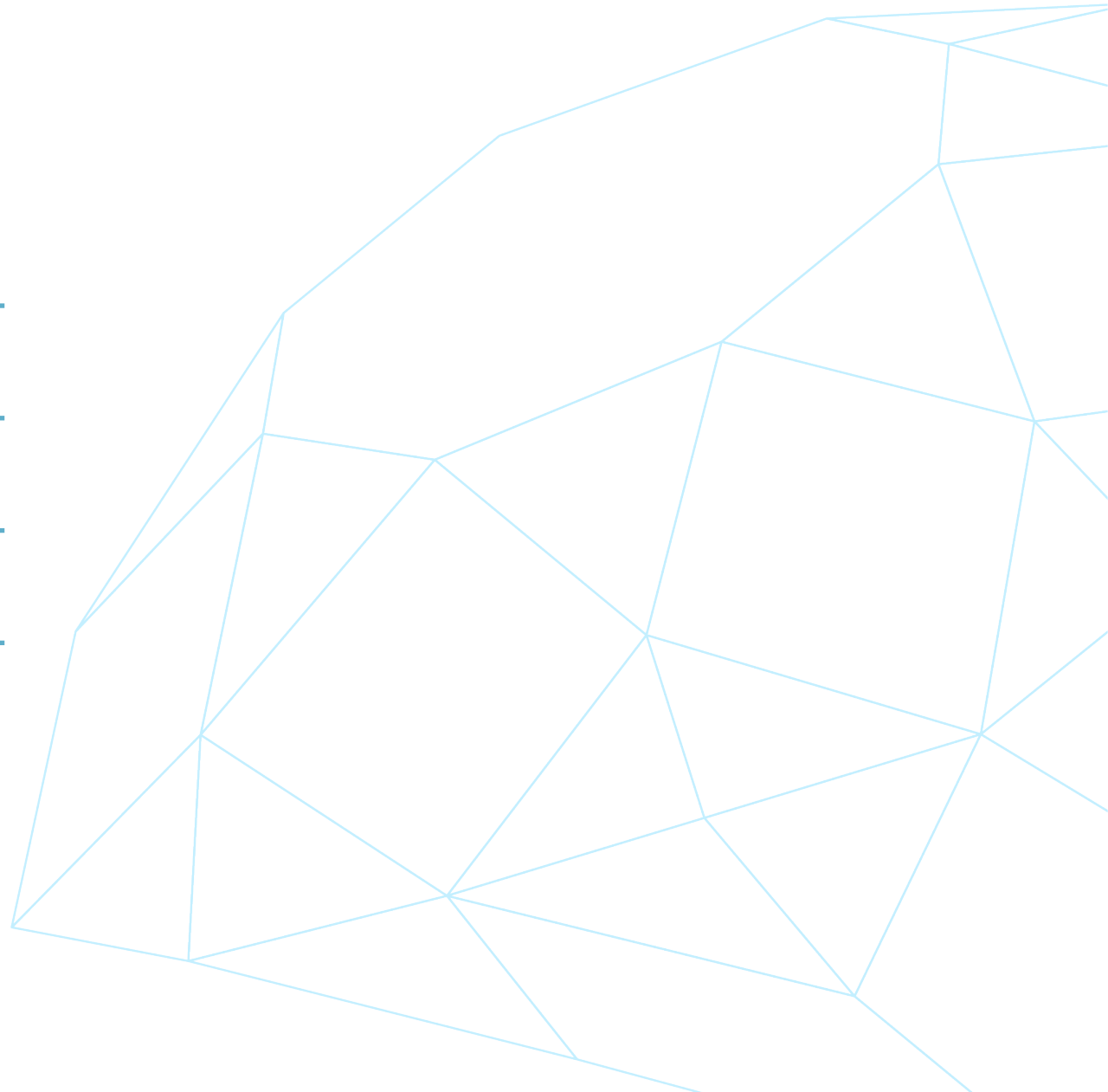
Alexey Philippovskiy
Chief Financial Officer



Roman Deniskin
Head of Udachny Division

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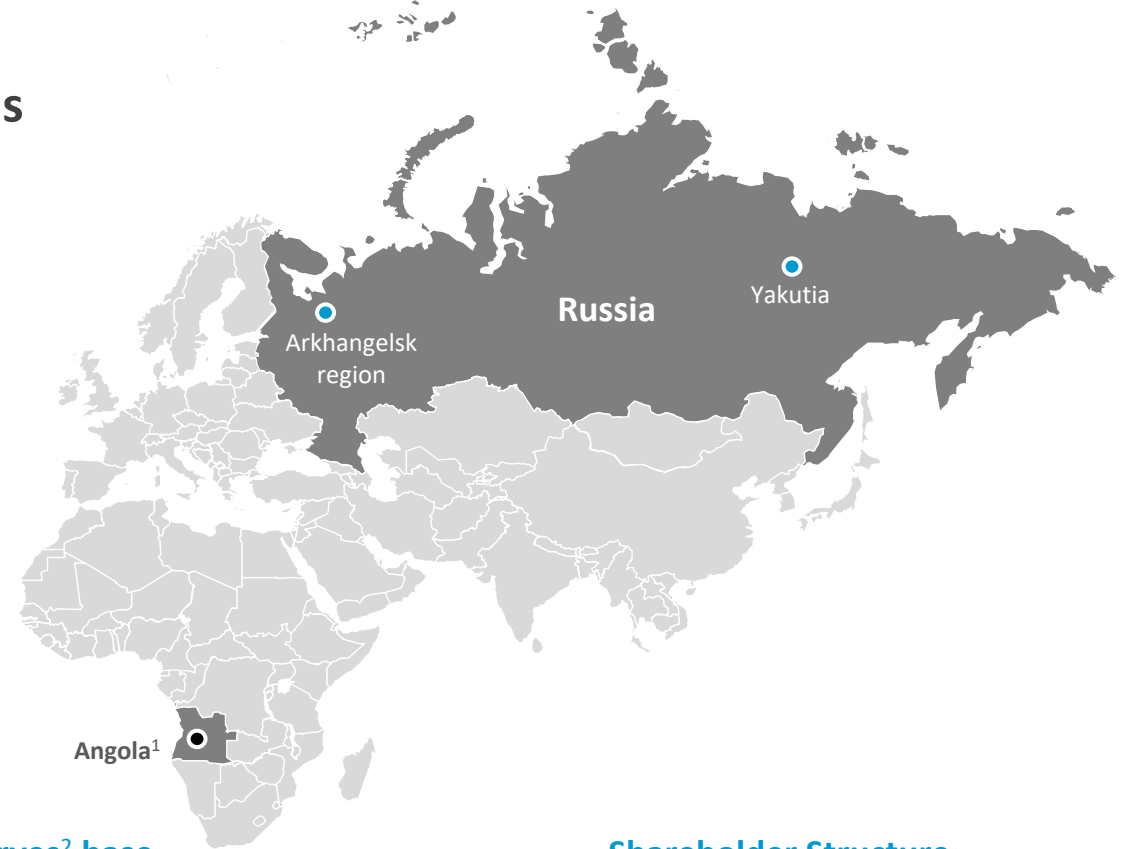
01

**MESSAGE
FROM CEO**

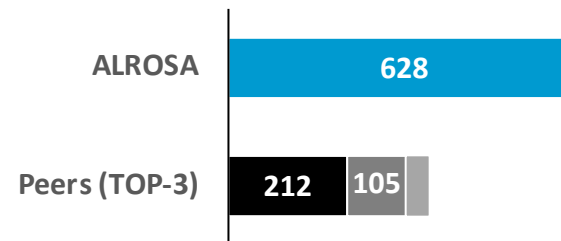
ALROSA at a Glance

Global market leader with best-in-class assets and returns

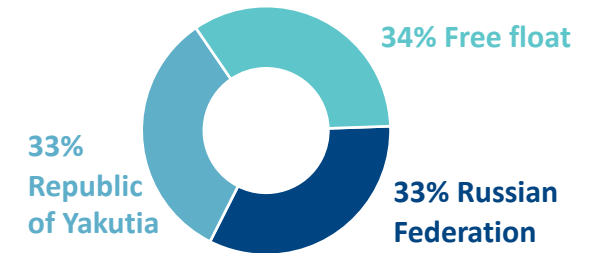
- 1 Leader in diamond production**
27% market share in global diamond mining
- 2 High-quality asset base with the largest reserves base**
Resources of 1,064 m ct, incl. 628 m ct of reserves
- 3 Best-in-class margins and strong cash flow generation**
45% EBITDA margin in 2019
- 4 Prudent financial policy and strong credit ratings**
0.7x Net debt / EBITDA 2019
Investment grade ratings from all key agencies
- 5 Sharp focus on total return to shareholders**
Dividend policy tied to free cash flow



Reserves² base



Shareholder Structure



Source: Company data.

1. ALROSA owns 41% of Catoca Ltd in Angola.

2. JORC reserves, 2018.

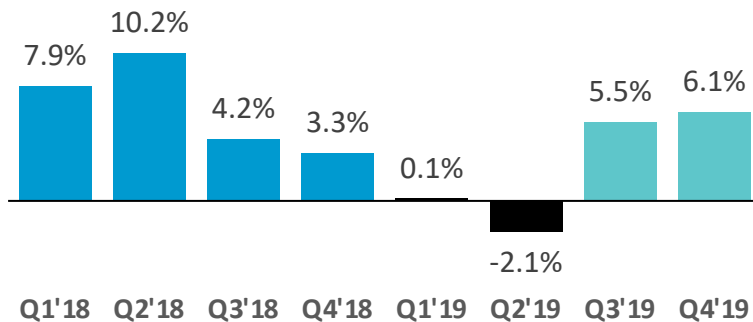
Diamond Market Update: “Perfect Storm” in 2019

When it rains it pours

Retailers: (too) optimistic expectations in 2018

- Strong 2017/2018 Christmas and growth rates 2x higher than historical

YoY change, U.S. PCE on jewelry

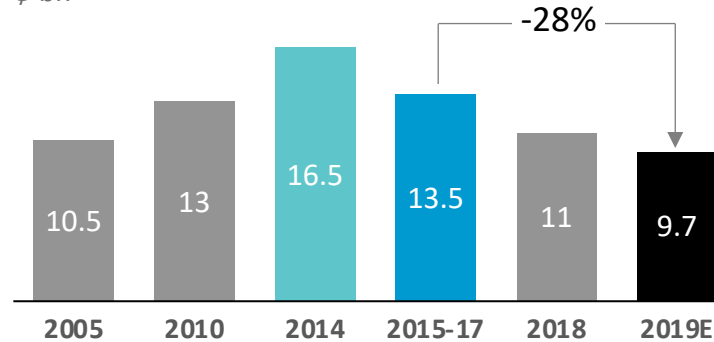


- Led to excessive inventory buildup when market turned down from Dec'18 – H1'19

Financial bubble burst hitting mid-stream

- In early '10s Indian banks beefed-up lending, scarifying borrowers' “quality”

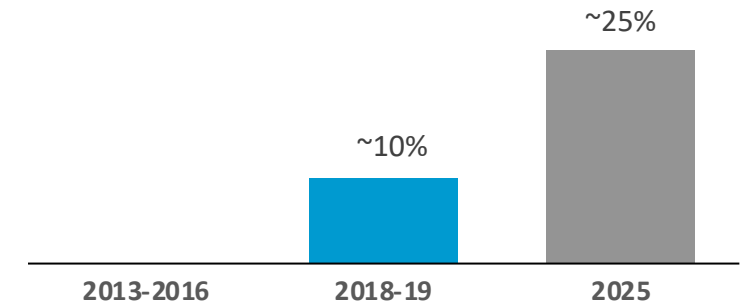
\$ bn



- Financial scandals in 2018, interest rates fluctuations, weaker currency lead financial tightening in 2018/19

Retail: Rise of on-line

- ‘Shopping around’ online to buy jewelry becomes a new normal with a 25% share by 2025



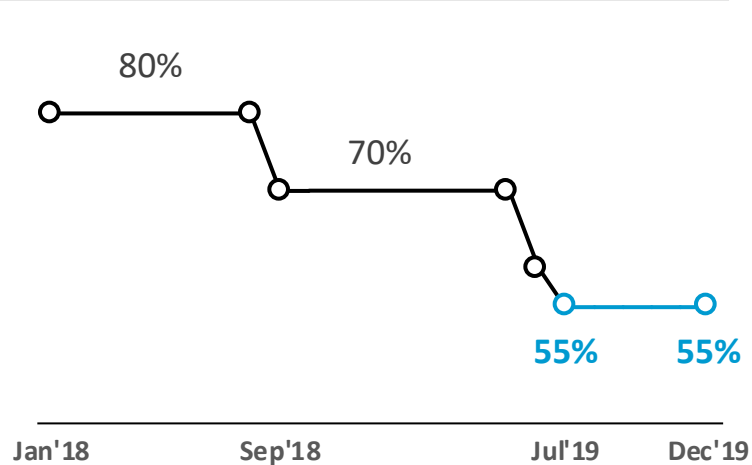
- This trend, along with market consolidation, is leading to lower working capital requirements, improved planning, and new approaches to marketing

Source: Bureau of Economic Analysis, Bloomberg, IDEX, Edahn Golan Diamond Research & Data, Company estimates.

Managing Through the Downturn

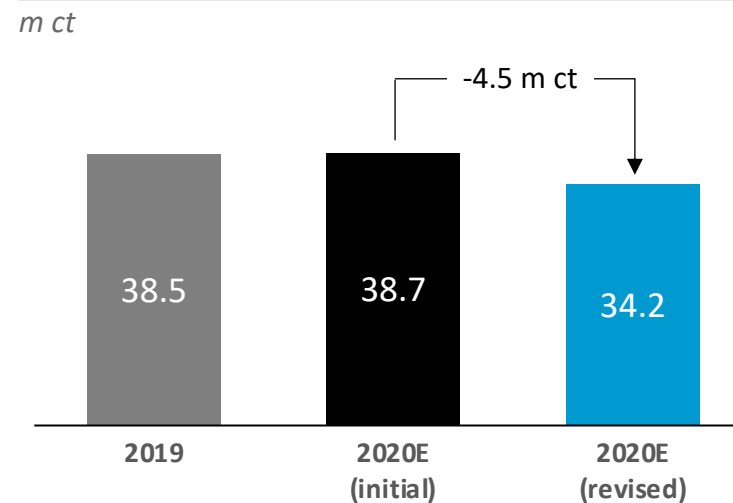
Customer-centric approach and focus on maximizing cash flows

Min. allowed contract allocation level



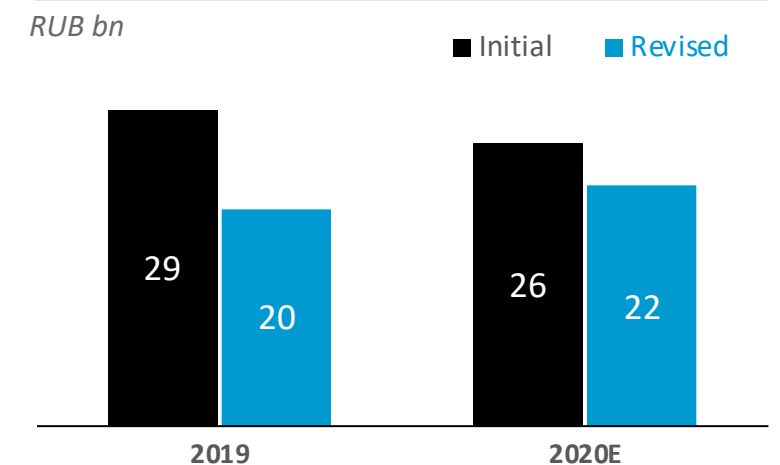
- Mining majors helped industry destock
- E.g. ALROSA decreased minimum allowed contract allocation level to 55% from July 2019

Output cut down



- Output cuts at the assets with higher variable costs, and with lower prices (~30% discount to Group ave.)
- ... thus helping maximize WC release and reduce expenditures

Capex downscaled



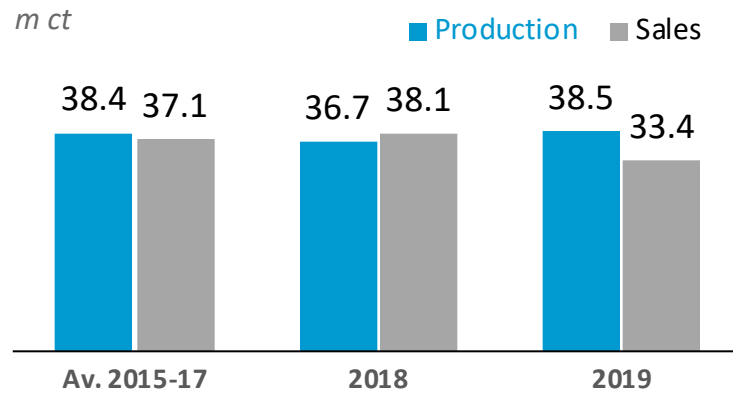
- A number of small projects were put on hold or rescheduled
- No impact on operational performance

Source: Company data.

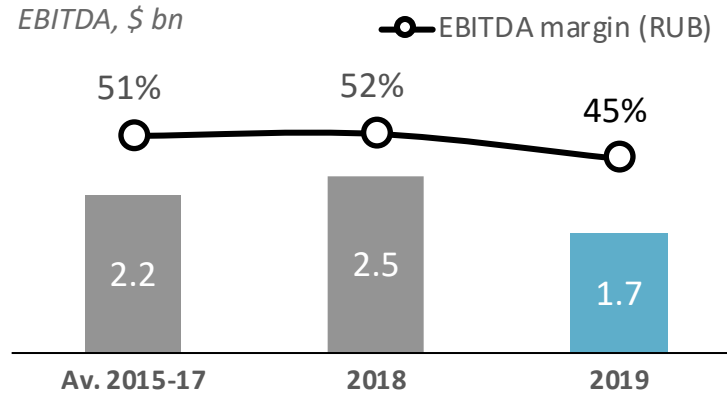
2019 Dashboard

How we performed

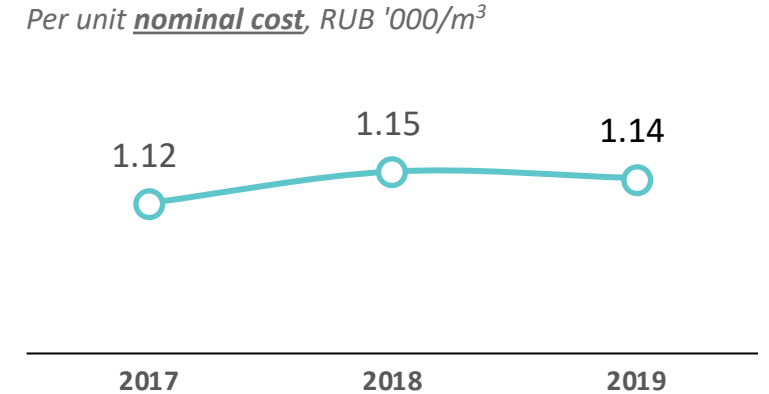
Global output leader with flexible sales



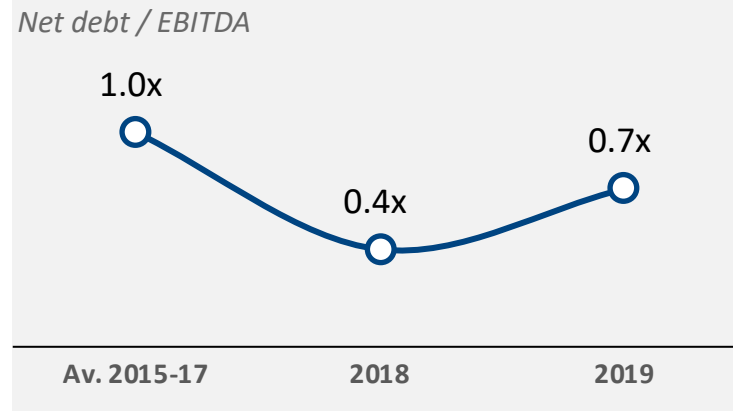
Resilient superior profitability



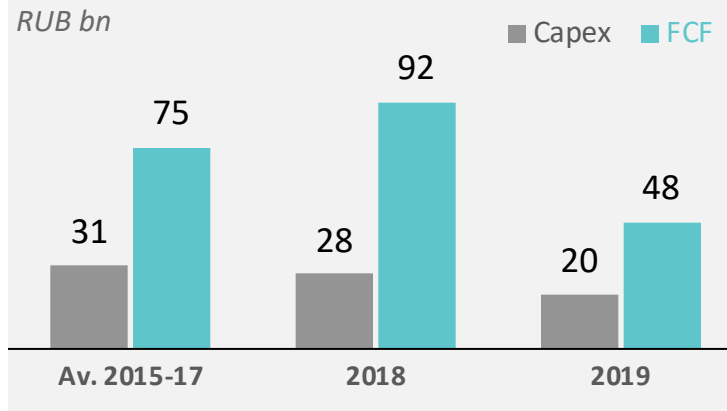
Sustaining cost leadership



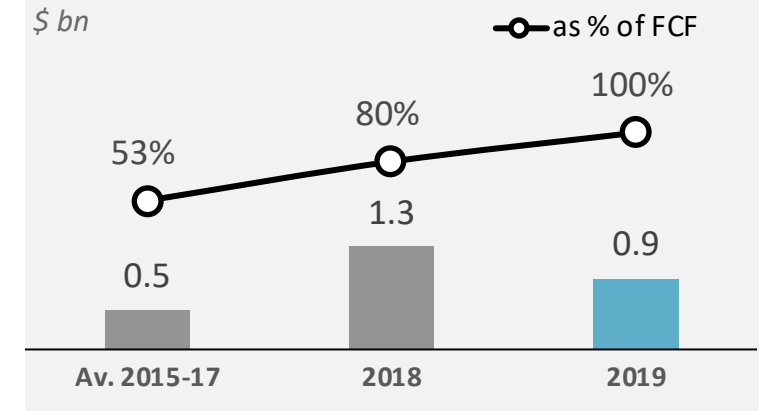
Keeping leverage in the targeted zone



Strong FCF generation through the cycle



Commitment to maximizing dividends



Source: Company data.

Management Action Plan



Sustainability

- ESG centric approach
- Health and Safety
- Environment
- Community
- Governance



Efficiency

- Operational Efficiency Projects
- Production System launch
- Supply Chain optimization
- Working Capital optimization
- Maintenance Efficiency Improvements



Growth opportunities

- Customer-centric approach in sales and new channels development
- Marketing initiatives – own brand and generic “diamond” campaign
- Resource base expansion
- 25%+ share of global diamond supply



Innovations

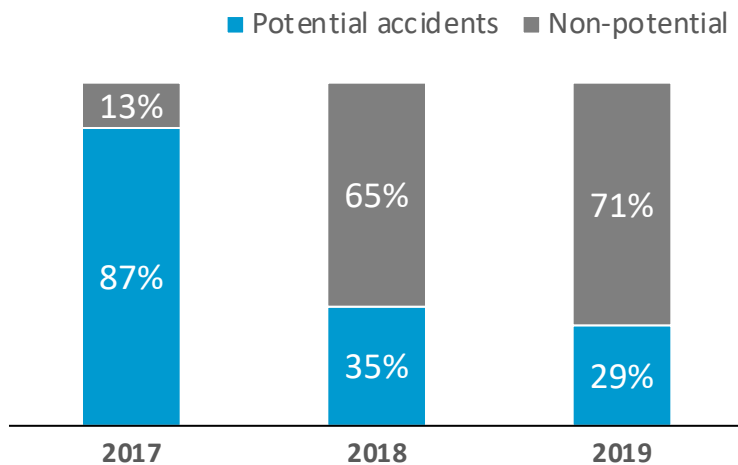
- Digitalization of operations
- B2B and B2C digital interfaces

Source: Company data.

Employee Safety is Our Top Priority

Initiatives started to deliver qualitative changes

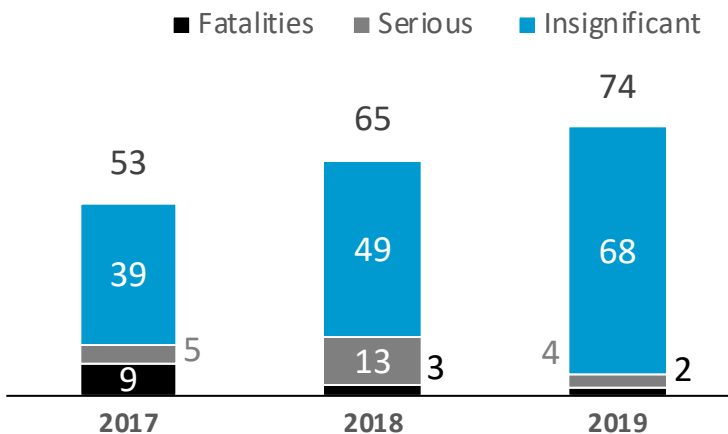
Prevention program success



- Prevention program launched in 2017 to enhance transparency and disclosure of accidents resulted in a significant drop in “potential” accidents

... which translates into “systemic” change

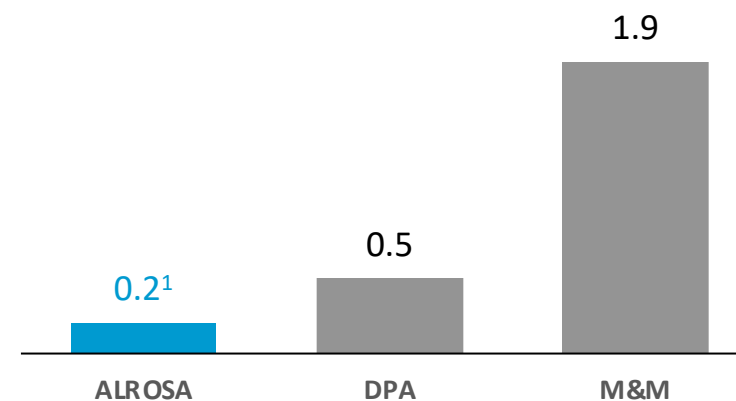
Number of accidents



- Success in the program and awareness delivered impressive results – drop in fatalities and “serious” accidents
- ... while growth in insignificant accidents increased due to awareness / whistleblowing programs / motivation schemes change

LTIFR – ALROSA vs industry¹

Lost Time Injury Frequency Rate per 200,000 hours



- ALROSA retains its leadership positions in the Metals & Mining sector
- ... as safety practices root deeper into the culture supported with awareness / motivation / digitalization programs

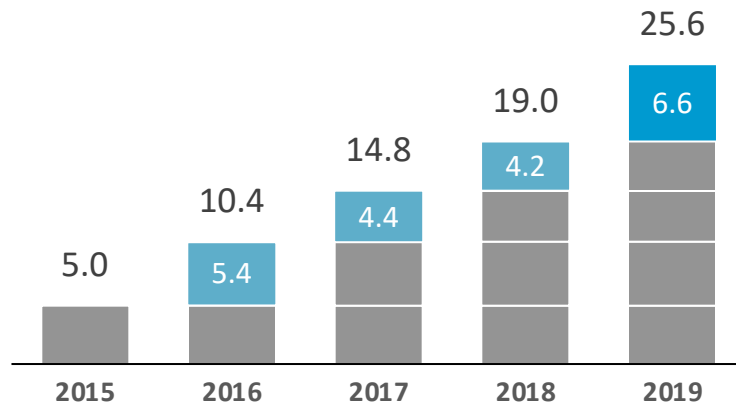
Source: Company data and analysis, S&P Global: “The Diamond Producers Association Final Results Workshop”.

1. ALROSA’s LTIFR as of 2019, peers’ LTIFR as of 2016.

Creating a Clearer and Sustainable Environment

Funds for green initiatives

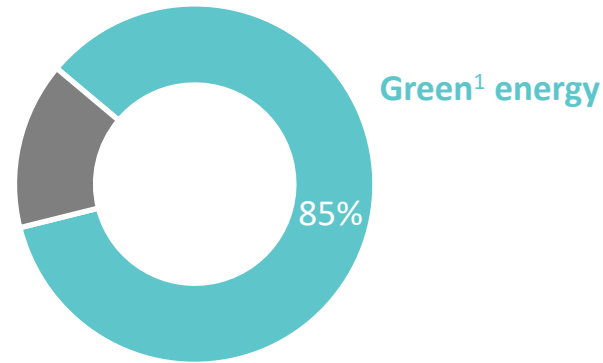
RUB bn, cumulative



- Ongoing projects spanning from land recovery to water protection to biodiversity initiatives

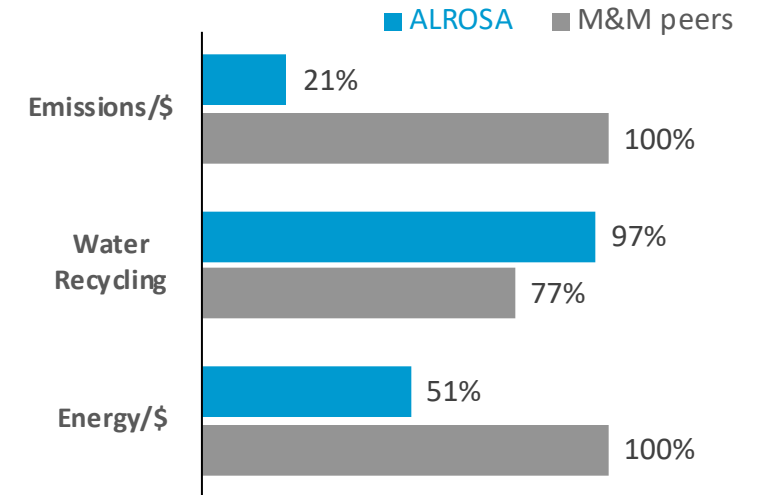
Unique business model

Share of “green¹” energy as % of total consumption



- Hydropower and renewables energy sources represent up to 85% of total energy in use
- ... ongoing efficiency programs continue to optimize transport fuel use

Tier 1 positions among M&M peer group²



- Low CO2 footprint business with 79% edge over M&M median
- 97% of water recycling rate – highest in the industry
- Energy use per one dollar of revenue generated by the company is half of the M&M peer-group median

Source: Company data and analysis.

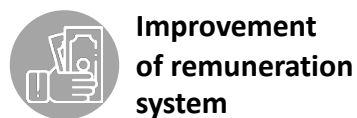
1. Clean (incl. renewable) electricity and heat consumption.

2. PWC 2016-2018 ESG Benchmarking report (Sept. 2019), Metals & Mining peer group is presented in the PWC report (incl. diamond producers).

Employee Training and Development System

... to further improve long term competitiveness and productivity

Key initiatives and programmes



Improvement of remuneration system

- **Remuneration system simplified** – clear links to performance established
- **Long-term incentive program** to promote “act as an owner” attitude and decision-making



Development of talent pool

- **Multi-stage competency assessment system** for the selection and professional development of the talent pool members



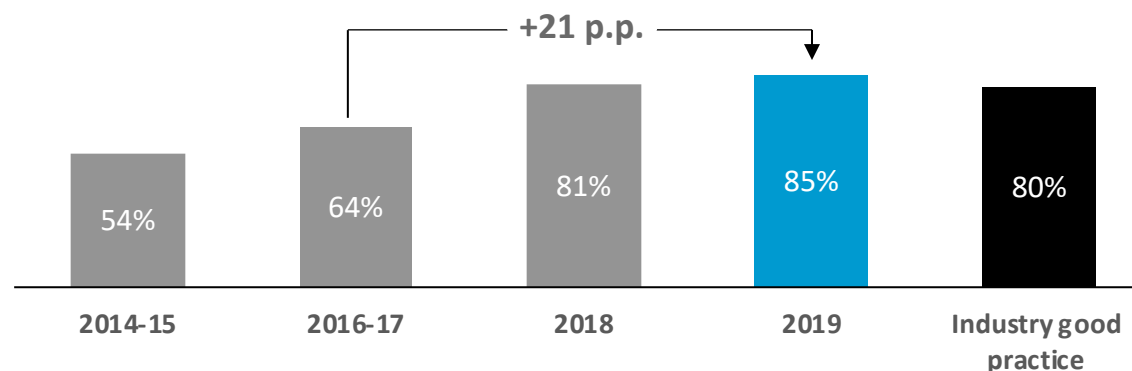
Corporate University Launched

- **In-house corporate educational system** covering white and blue-collar team-members across all divisions
- **Internal coaching and mentoring programs** launched and running

Source: Company data and analysis.

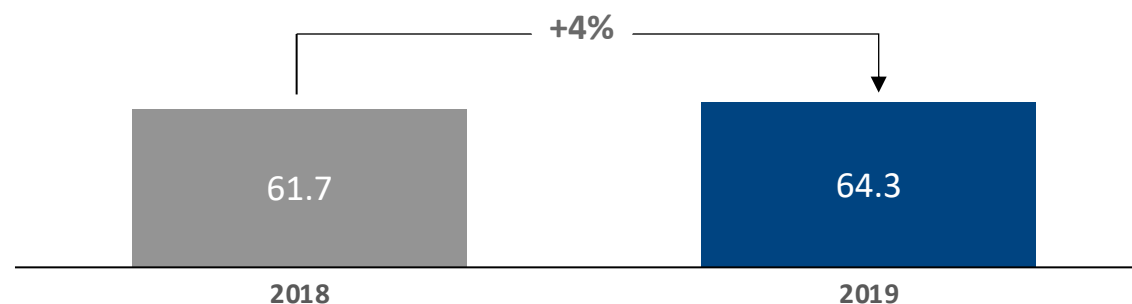
Continued investments in human capital development

% of employees having received training



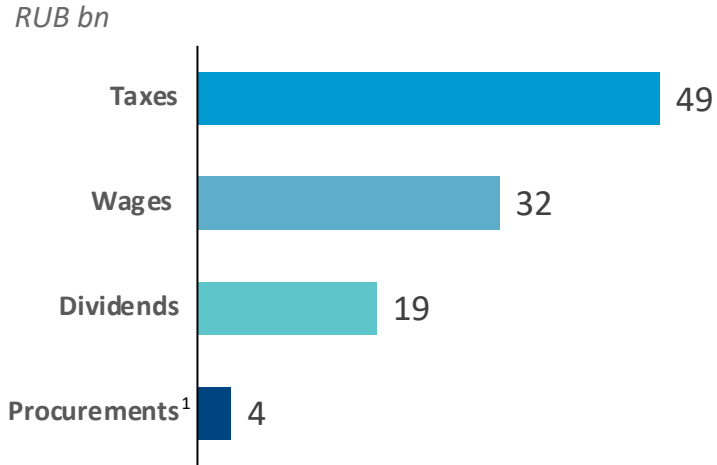
Labour productivity growth

k m³ of run-of-mine ore per employee (technical personnel related to ore mining)



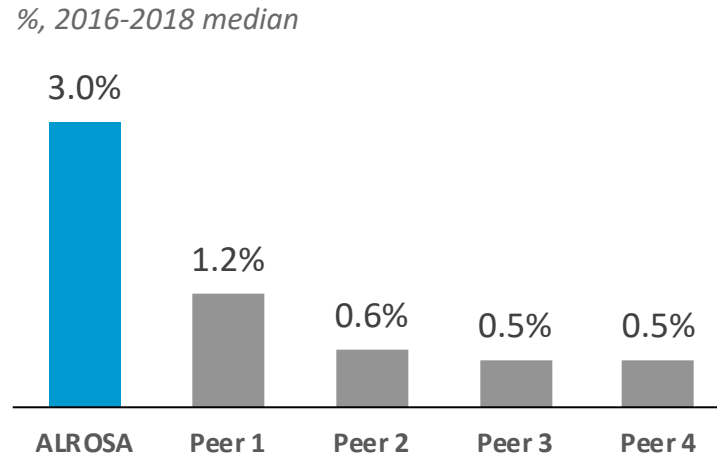
Support to Local Communities

Contribution to local society



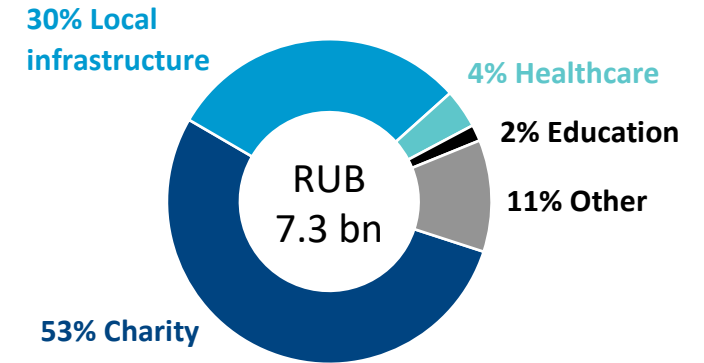
- ALROSA is **the largest tax payer** in Yakutia
- Company is seeking to help local communities through multiple activities apart from investing, i.e. procurement of variety of services from small & medium-sized enterprises

Investments in community programs²



- Recognized as a **leader in M&M sector** in investments to support local communities
- In 2019, ALROSA was honored with Community Stewardship from *Diamond Empowerment Fund* for its social projects

Breakdown of community expenditures³



- RUB 2.5 bn spent on sport facilities and events; as well as healthcare and recreation
- We support future generations of Yakutia with contribution of RUB 0.9 bn
- RUB 0.9 bn - construction and reconstruction of residential buildings in areas where we operate

Source: Company data, PWC Sustainability benchmark report, 2016-2018 (Sept 2019).

1. Procurements made by PJSC "ALROSA" from local entrepreneurs.

2. Peers: AngloGold Ashanti, Gold Fields, Polymetal, Polyus.

3. Based on 2019 figures, excl. sponsorship and infrastructure maintenance.

Corporate Governance

Acting in best interests of shareholders and focusing on the long term value creation

- **Active Board agenda:**

- Focus on continuous business transformation to ensure long-term competitiveness and sustainable production
- Bringing ESG to the Board supervision
- Emphasis on developing risk management culture within the Company
- IT transformation with additional value to business and security
- Oversight over marketing initiatives as part of the long-term strategy

Source: Company data.

1. Including 1 representative from local communities of Yakutia.

2. INED – independent director.

Board of Directors structure

15 members



Audit Committee: 3 INEDs out of 3 members



Chaired by INED



Remuneration Committee: 4 INEDs out of 6 members



Chaired by INED



Strategy Committee: 3 INEDs out of 13 members



Diamond Producers Association

Key initiatives

Latest DPA’s activities include:

- **360 consumer advertising campaigns across all key markets** (USA – “Diamond journey”, China – “Hands of Love”, India – “New Mom gift”)
- **Repositioning of Synthetics Diamonds** with “Diamond Truth” content
- Promotion of the integrity and reputation of the global diamond sector via “Total Clarity” initiative

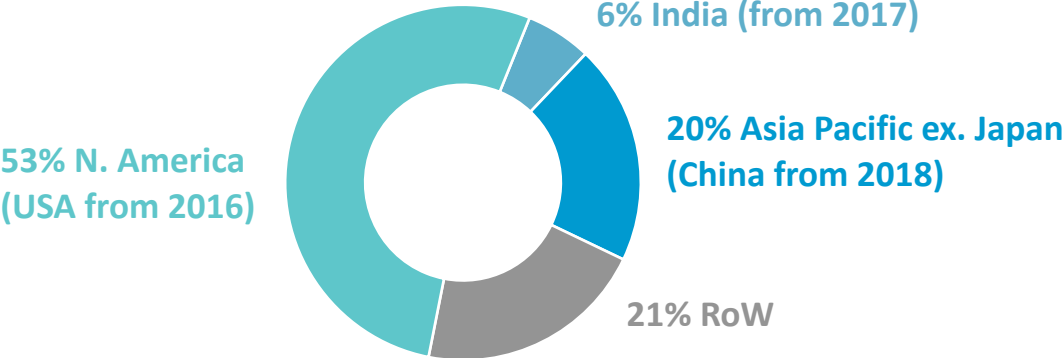
The most recent consumer research indicated:

- The consideration of diamond jewelry as the best value by value for money to own or receive has grown **+10%** since 2017 (US market)
- **Desire to receive diamonds amongst millennial women** remains on high levels with **76% in US** and **84% in China**
- Those who recall the consumer campaign in US exhibit significantly stronger agreement – 60% that the diamond mining industry generates positive socioeconomic contributions in communities

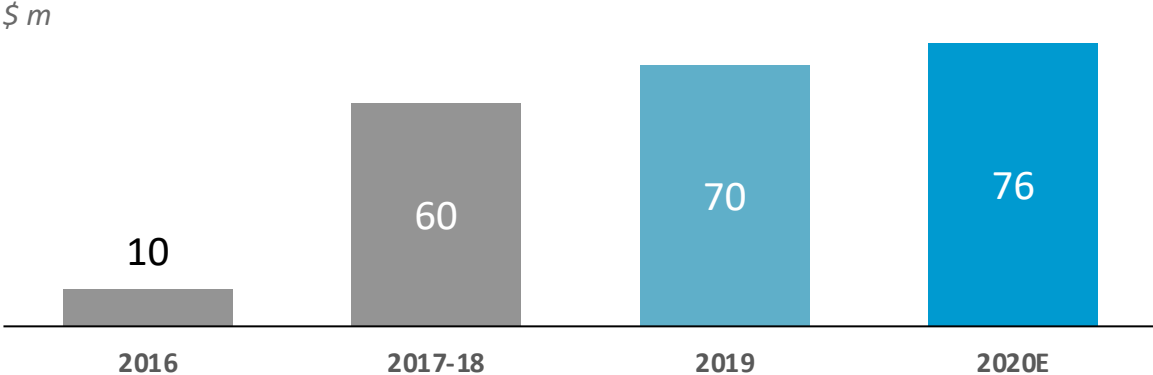
Source: Company data.

DPA marketing campaigns by regions

% represents share of a region in global jewelry consumption



Marketing budget of the industry association growth



Marketing Strategic Initiatives

Generic marketing



- **Participation in Diamond Producers Association (DPA)** to maintain and enhance consumer demand for natural diamonds
- **Image programs** aimed at strengthening the reputation of ALROSA as the responsible diamond miner (ESG)
- **ALROSA detection equipment promotion**

Polished diamonds marketing



- Promotion of **Fancy coloured diamonds** (True Colours program)
- Promotion of **large and exceptional quality diamonds**
- **B2B marketing** on key markets (New York and Hong Kong offices support)
- **New sales channels and markets** (online, new geographies, etc.)

Category marketing



- **Diamonds with provenance program** (collaboration with leading European jewelry brands)
- **Branding initiatives** piloting in collaboration with major US & China retailers
- **Trade initiatives to support fluorescent diamonds** category (in collaboration with AGS, HRD, GIA)

Digital development



- Piloting of **tracing initiatives** in collaboration with other market players (GIA, Tracr, Sarine, Everledger)
- ALROSA **digital platform** development
- **Digital twins** technology implementation

Source: Company data.

Journey Ahead

Developing Efficient Organisation...



Focus on Core Business and Efficiency



Prudent Capital Allocation



Conservative Financial Policy



...and Taking Advantage of Strong Market Fundamentals...



Unique Product



Growing Demand



Declining Supply



...to Maximise Free Cash Flow and Shareholder Returns

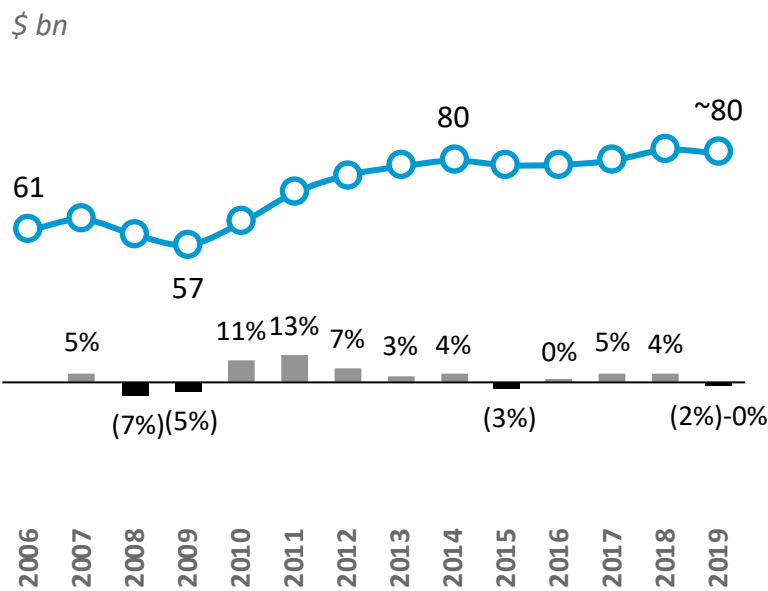


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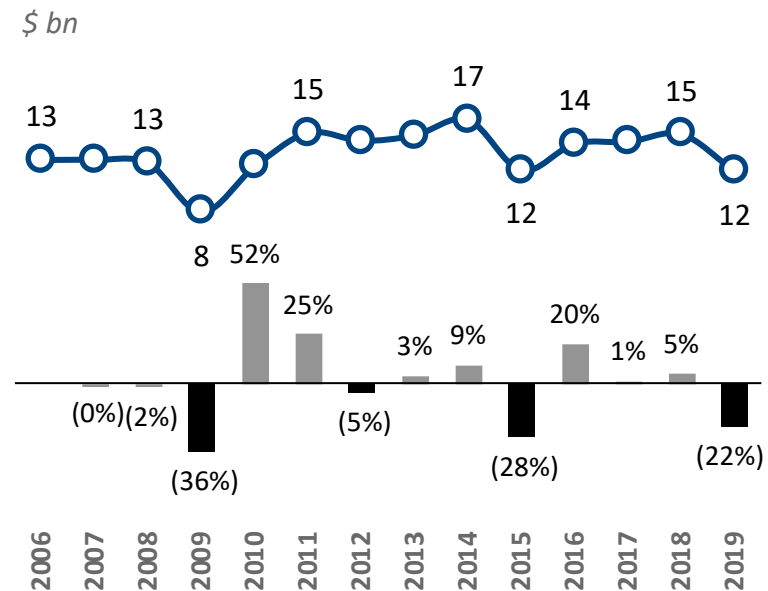
**MARKET
UPDATE**

Diamond Industry Dynamics

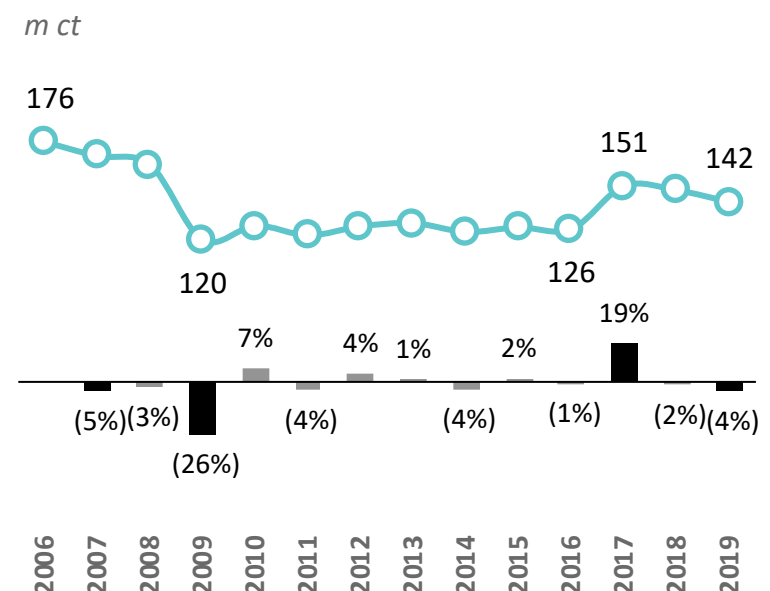
Diamond jewelry sales



Rough diamond sales



Rough diamond output



- Final demand for diamond jewelry is stable
- Slight downturns in 2009 and 2015 led to “whip effect” on rough diamond sales

- Downturns: short-lived (9-18 mths) with quick supply cuts to support market
- ... followed by a double-digits growth in subsequent year (on stronger volumes / prices)

- Output decreases on the depletion of existing mines

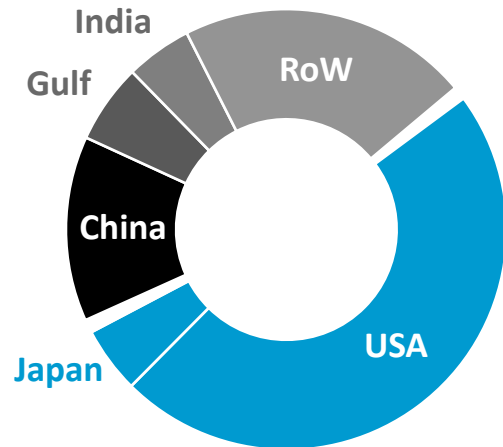
Source: Company data and analysis.

Diamond Jewelry Demand

Stable with solid growth fundamentals

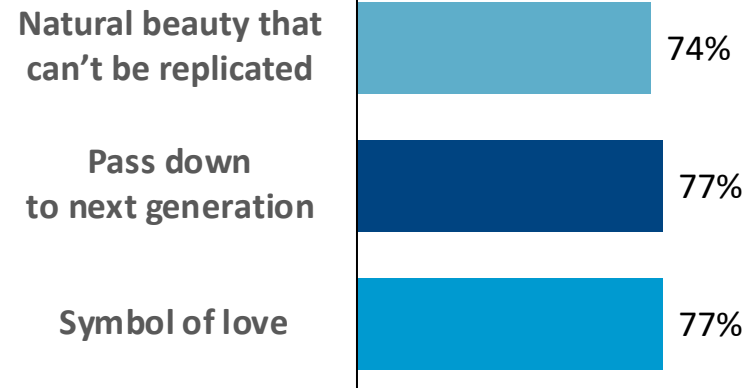
Diamond jewelry demand geography

2019 – \$80 bn



- Developed Markets represent ~70% of total diamond jewelry demand

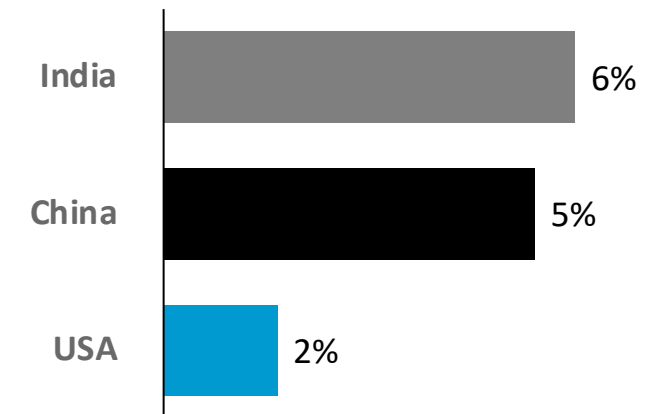
Undisputed symbol of love



- Millennials view diamond jewelry as “a unique symbol of love”
- ...while **occasions** when diamond jewelry is given **expand** from engagement rings to weddings, child birth, self-purchase ...

Long-term fundamentals remain intact

Real disposable income growth CAGR 2019-2030F



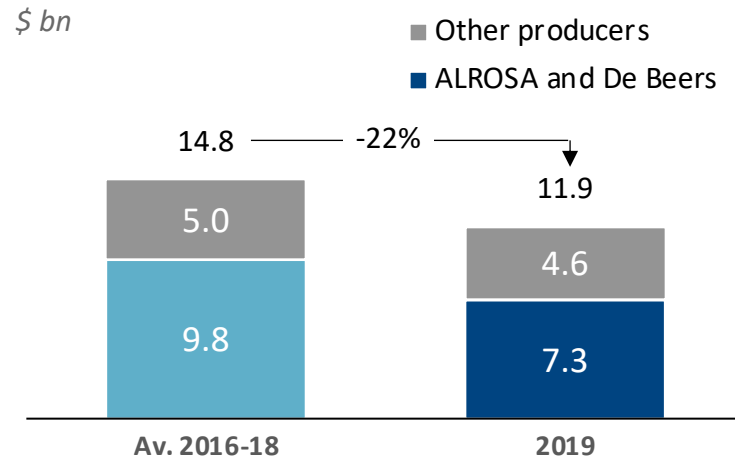
- Wealth growth is the key driver for end-demand
- As disposable income grows **market size will expand**

Source: Company estimates, Bain report, Bloomberg, bespoke marketing studies in 2019, brokers reports.

2019 Rough Diamond Sales

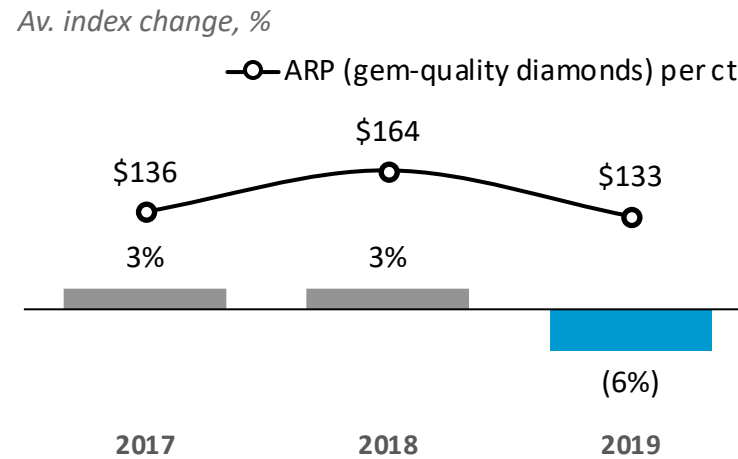
Rational behavior is needed to maintain the value of the diamond

Rough diamond supply decreased



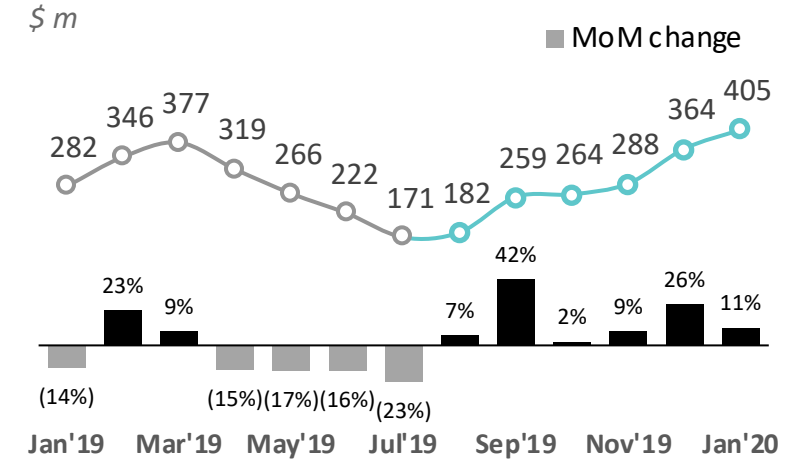
- Key players applied a rational approach, and **decreased sales** by a quarter in 2019
- ...but smaller players (~40% of the market) did not

ALROSA LFL prices kept resilience



- Rational behavior and a “price over volume” approach allowed the industry to **keep prices stable** – av. index decreased just by 6% YoY while sales decreased by 26%

Market turned to recovery in mid-2019



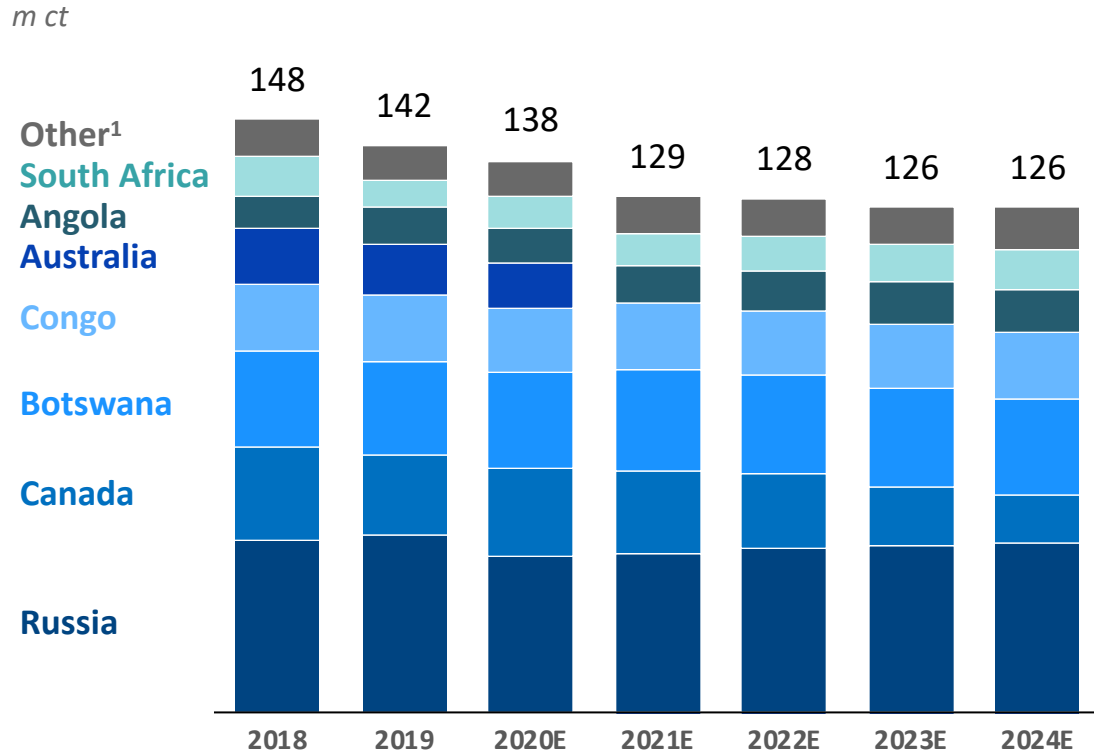
- Since August 2019, diamond sales started to increase amid a gradual recovery of the market and diamond demand

Source: Company data and analysis.

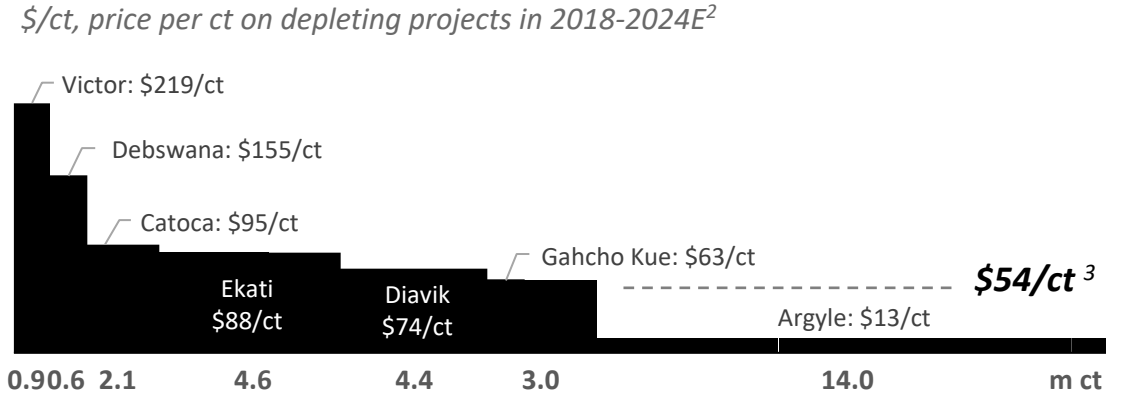
Supply Continues to Tighten

Due to the depletion of existing deposits

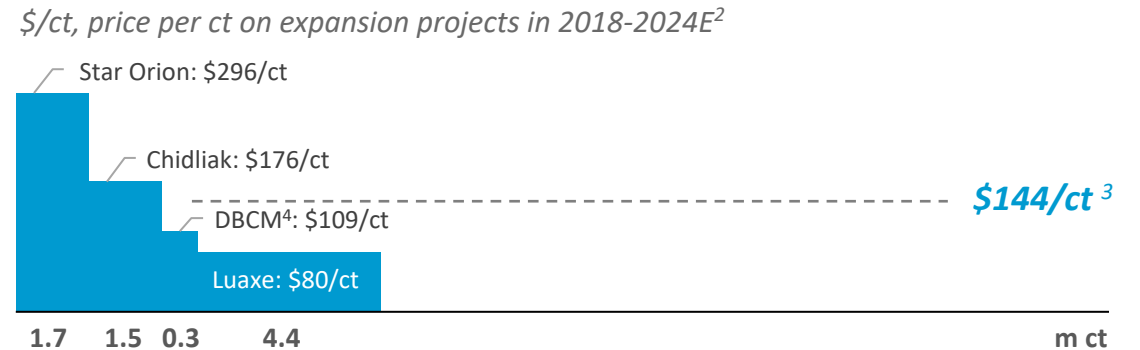
2018 to 2024E supply forecast – 22 m ct down



Depletions: ~30 m ct @ \$54/ct³



New capacity: ~8 m ct @ \$144/ct³



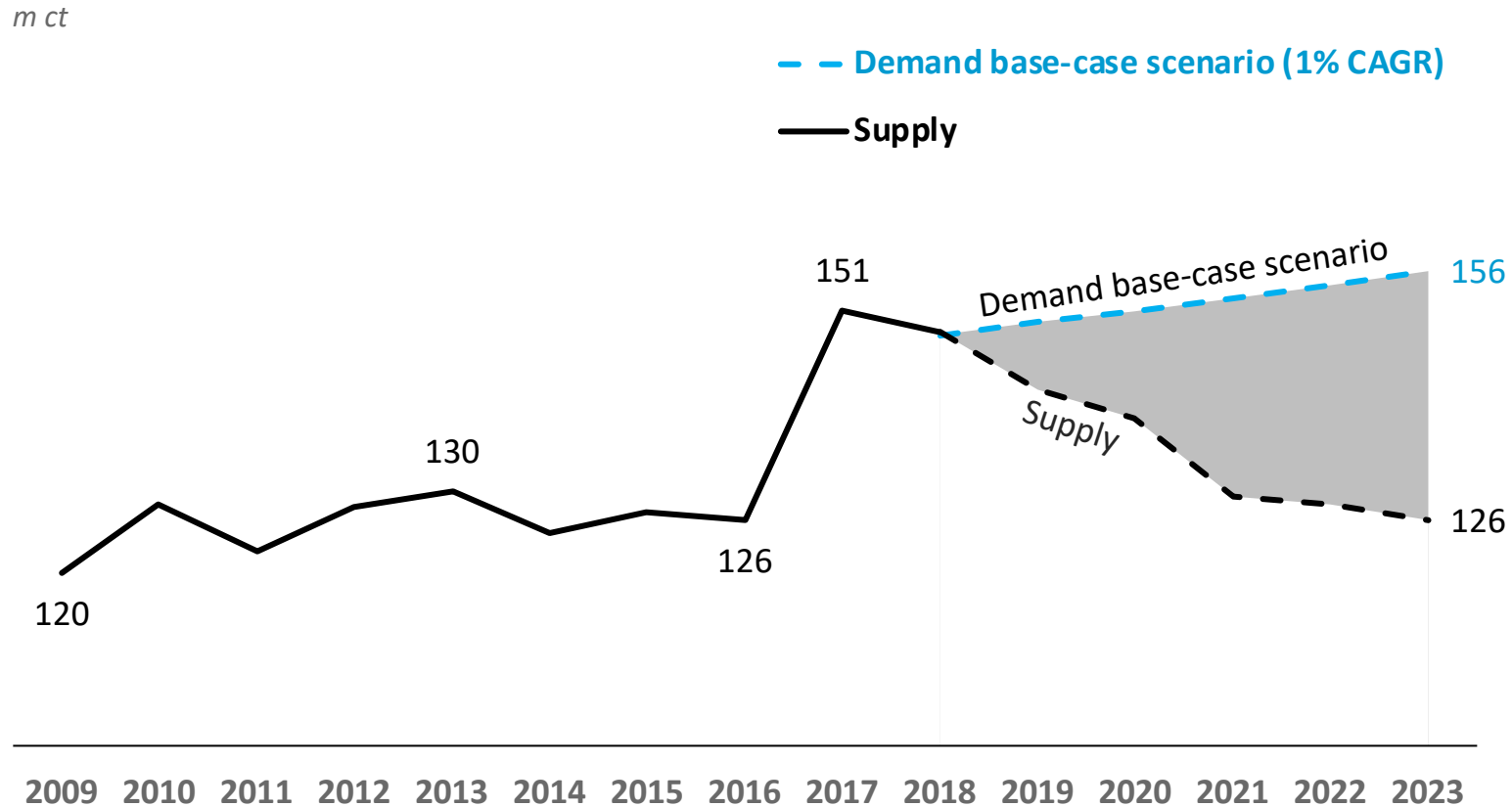
Source: Company data and analysis, brokers' reports., Kimberley Process statistics.

1. Other incl. Zimbabwe and Namibia. 2. Not incl. ALROSA assets, prices as of the latest available date. 3. Weighted average price. 4. Stands for De Beers Consolidated Mines, includes Venetia and Voorspoed mines.

Favorable Supply/Demand Fundamentals

... will drive the market into a deficit and support positive diamond price pressure

Global Supply / Demand balance outlook



Accumulated
diamond deficit
in 2019-2023

~100 m ct

70% of annual
production 2019

Source: Company data and analysis, AWDC Bain report "The Global Diamond Industry 2019" (December 2019).

Man-made Products (LGDs) Update

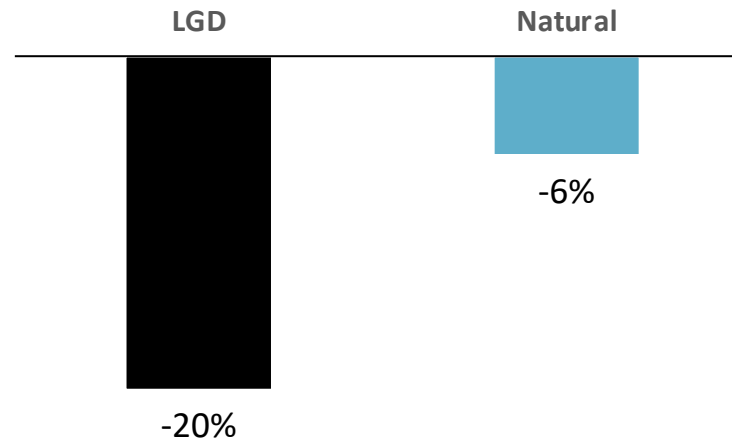
Drifting down to find its niche

Recent trends:

- 1 Capacity goes up
- 2 Clear labeling enforced by regulators (e.g. FTC ruling)
- 3 The lack of resale value is becoming more clear to consumers
- 4 New studies on LGDs environmental footprint were published

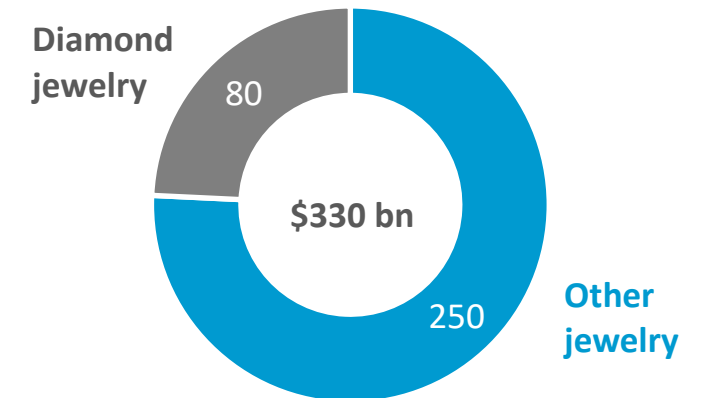
2019 price trends in LGD market

Like-for-like prices LGD vs Natural diverge



LGDs – feedstock for a non-diamond jewelry

\$ bn



Source: Company data and analysis, AWDC Bain report “The Global Diamond Industry 2019”.



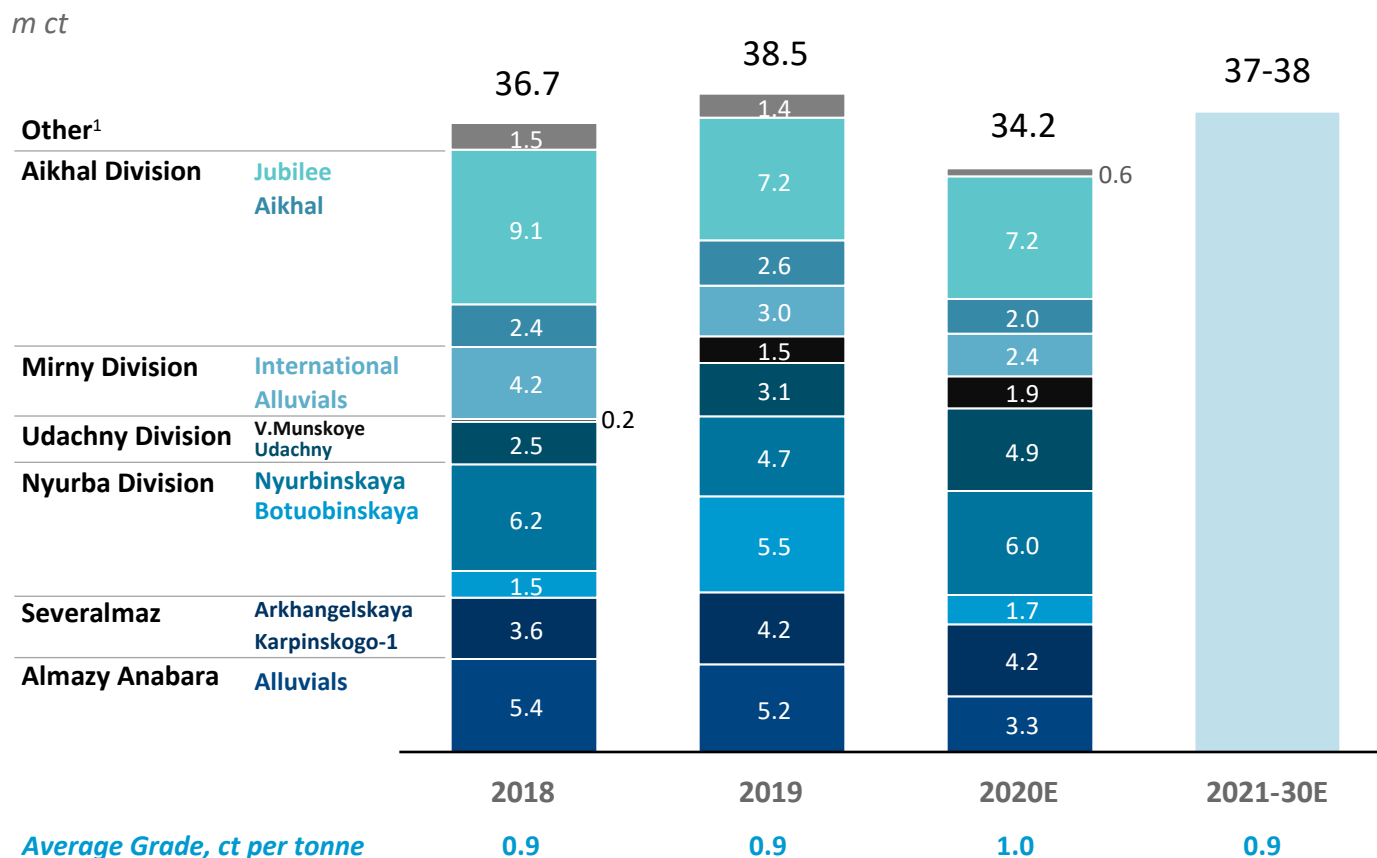
03

**STRATEGY
EXECUTION**

Production Outlook

Potential to produce up to 38 m ct per year

Production outlook



Source: Company data and analysis.

1. Other includes marginal production at Komsomolskaya and Zaria pipes of Aikhal Division, Zarnitsa pipe and alluvials of Udachny Division.

Key drivers

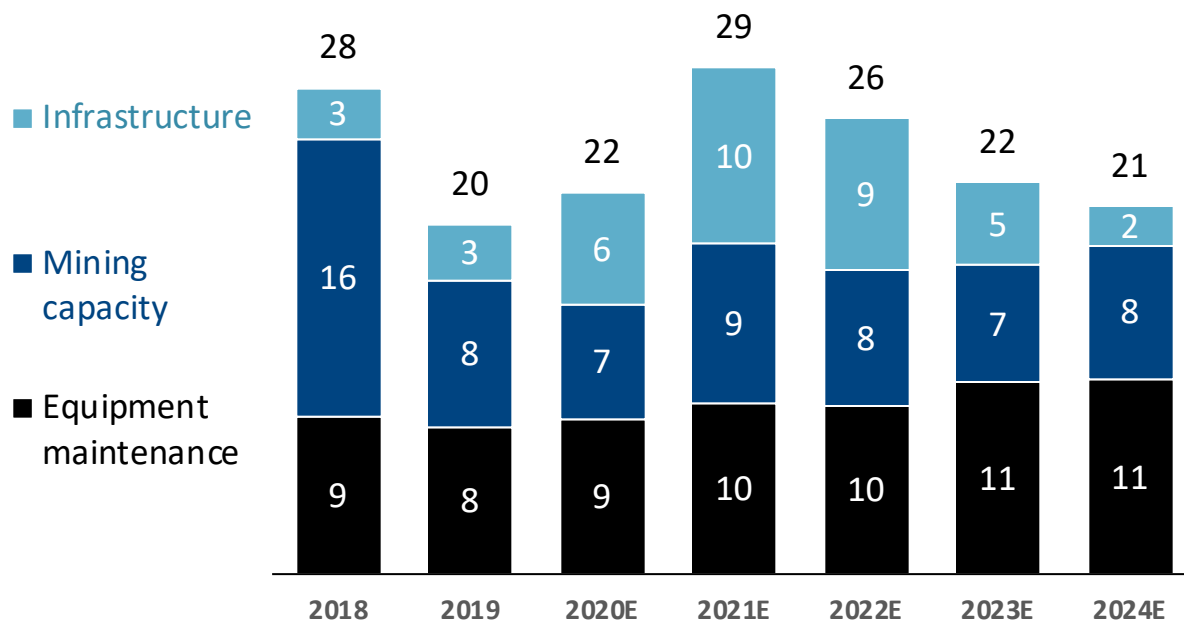
- 2020 output was reduced in response to the market situation
- **Development of new projects/debottlenecking vs 2018:**
 - **V. Munskeye deposit (Udachny Division):** +c.2.0 m ct – full ramp-up by '20
 - **Udachny UG mine:** +c.3.0 m ct – full ramp-up by '21
 - **Seversalmaz:** +c.1.4 m ct (debottlenecking) from '21-22
 - **Nyurba division:** +c.2 m ct (debottlenecking) in '19
- **Decline in diamond output:**
 - **Jubilee (Aikhal Division):** -c.2 m ct starting from '21 (due to production at kimberlites with a lower grade)
 - **International UG mine (Mirny Division):** decrease in '18-'22 due to mining and geological conditions

Focus on Value Accretive Capex

Capital-intensive phase is over

Capex dynamics

RUB bn



Source: Company data and analysis.

1. For investments in new mining capacity and operational efficiency projects.

Key projects

Infrastructure: total 2020-24 capex – RUB 32 bn

- Mirny Airport: 2020-'23 Capex ~RUB 8 bn
- Gasification of Udachny Division: 2020-'22 Capex RUB 5.4 bn
- Sales and sorting facilities: 2020-'22 Capex RUB 5.3 bn
- Gas processing plant: 2020-'22 Capex RUB 2.7 bn

Mining capacity: total 2020-24 capex – RUB 38 bn

- Completion of Udachny underground mine construction
- Completion of V. Munskeye diamond deposit development
- Construction of Maiskaya pipe

Equipment maintenance: total 2020-24 capex – RUB 51 bn

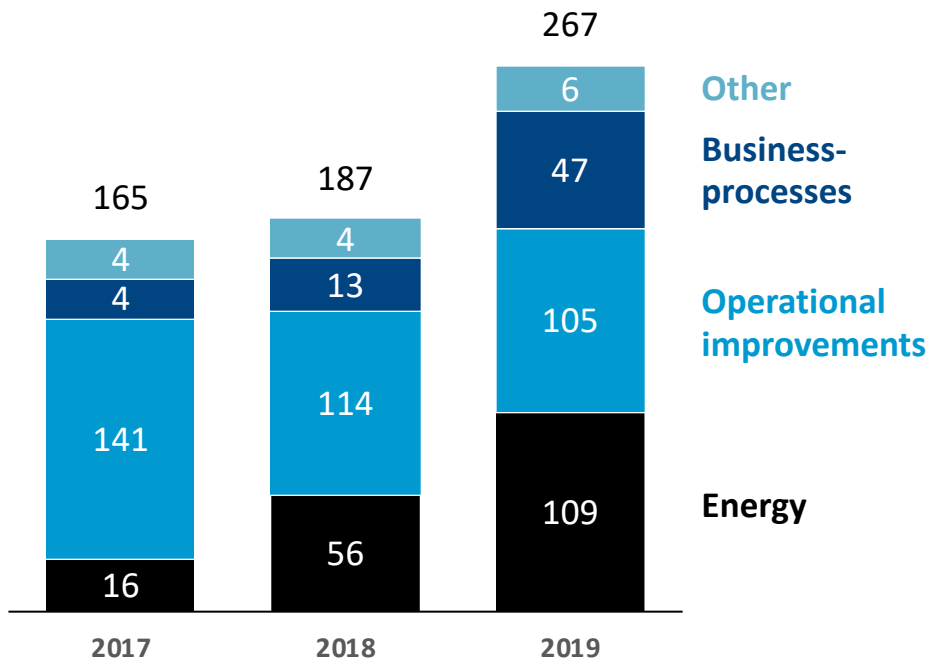
Investment program with a targeted IRR¹ of 20%+

Focus on Operational Efficiency

Expansion of the program translates into lower costs and higher productivity

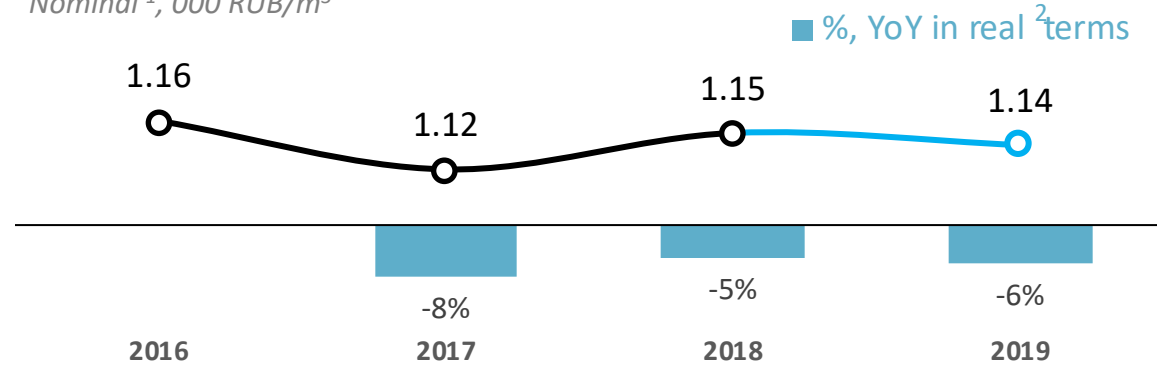
Group-wide ongoing initiatives

Number of top-down / bottom-up initiatives



Apply strict control over costs

Nominal ¹, 000 RUB/m³



Initiatives:

- Optimization of mining and ore beneficiation processes
- Increase of equipment availability
- Energy efficiency increase
- Labor productivity growth
- Restructuring of construction and geological exploration units

Source: Company data and analysis.

1. Include payroll and other employee payments, fuel and energy, materials, external services and transportation, other production costs.

2. Labor costs, services and transportation are adjusted based on CPI. Material costs, fuel and energy are adjusted based on respective price indexes.

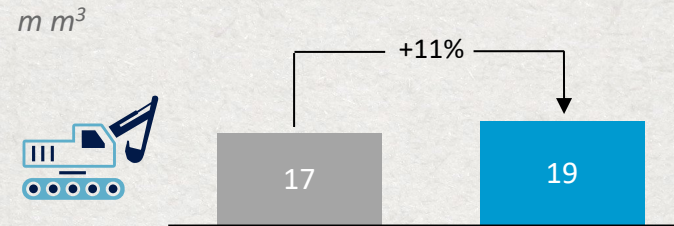
Case Study: Operational Turnaround Program at Nyurba

To be replicated and scaled up across other divisions

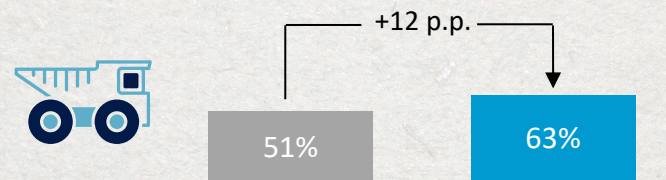
Key streams and initiatives

- **Improving mine fleet dispatching** processes by SIC¹ procedures implementation
- **Optimizing equipment availability** by reducing non-value added operations
- **Optimizing maintenance and repairs operations** will lead to improved equipment and plant availability
- **Increasing processing plant hourly throughput** by optimizing ore blending processes

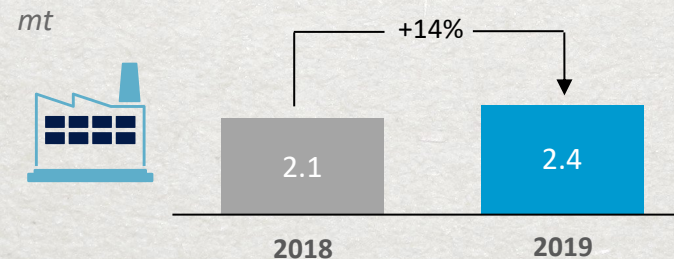
Run of mine



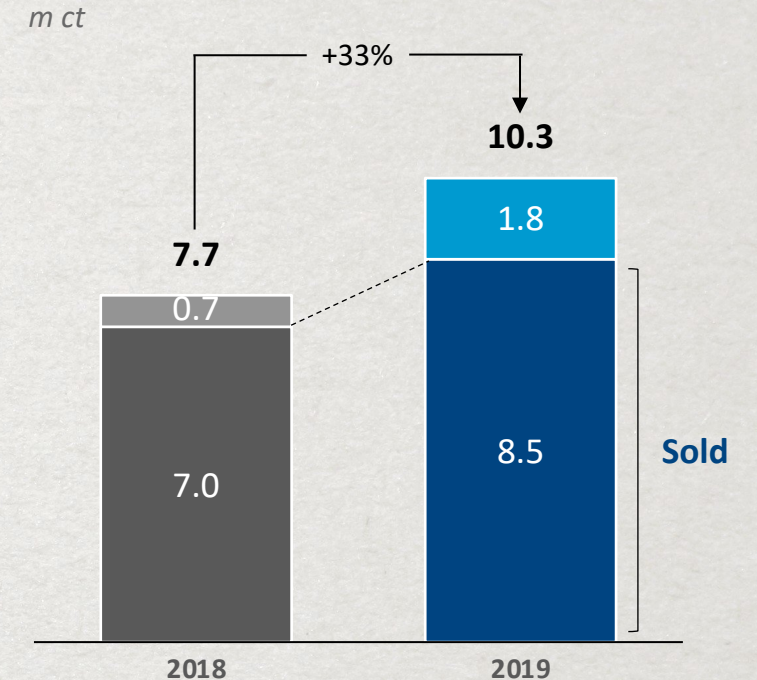
Overall equipment efficiency



Ore processing



Diamond production



- Strong demand for Nyurba's diamonds in 2019 - **Division sales grew by +19% in 2019** while overall Group's sales decreased by -12%

Source: Company data and analysis.

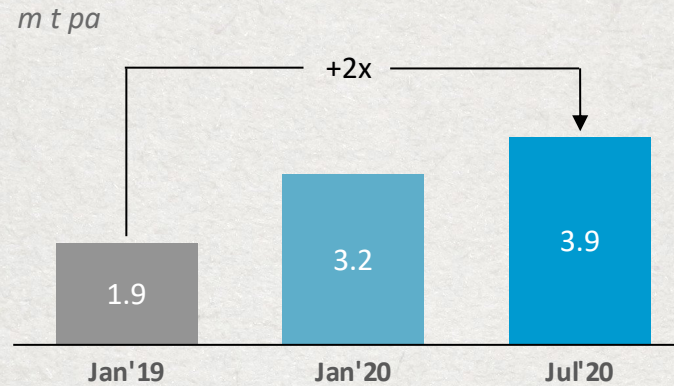
1. Short interval control.

Case Study: Operational Efficiency at Udachny

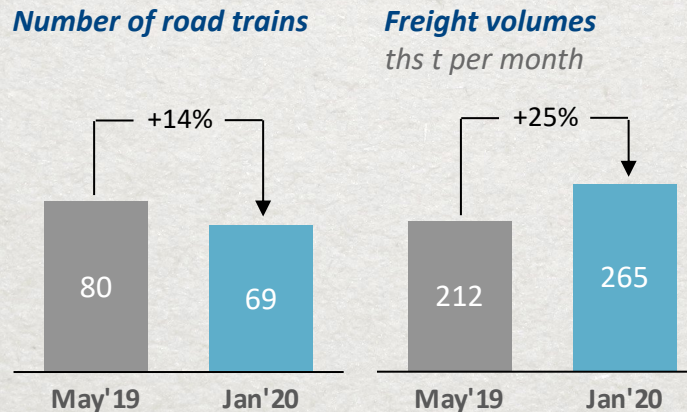
Key streams and initiatives

- **New management team** – revision of organizational structure and processes
- **Debottlenecking** and implementation of structural changes at all stages of production chain
- **Optimization of ore transportation** from V. Munskeye deposit to processing plant

UG mine production capacity

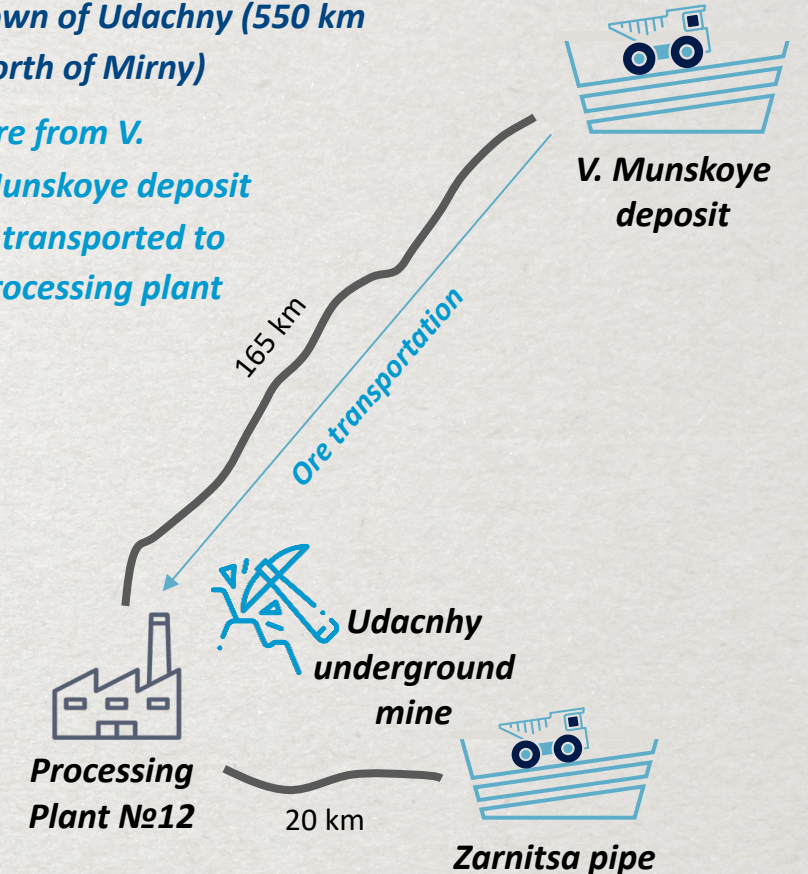


Road trains optimization



Production facilities of Udachny Division are based in town of Udachny (550 km north of Mirny)

Ore from V. Munskeye deposit is transported to processing plant

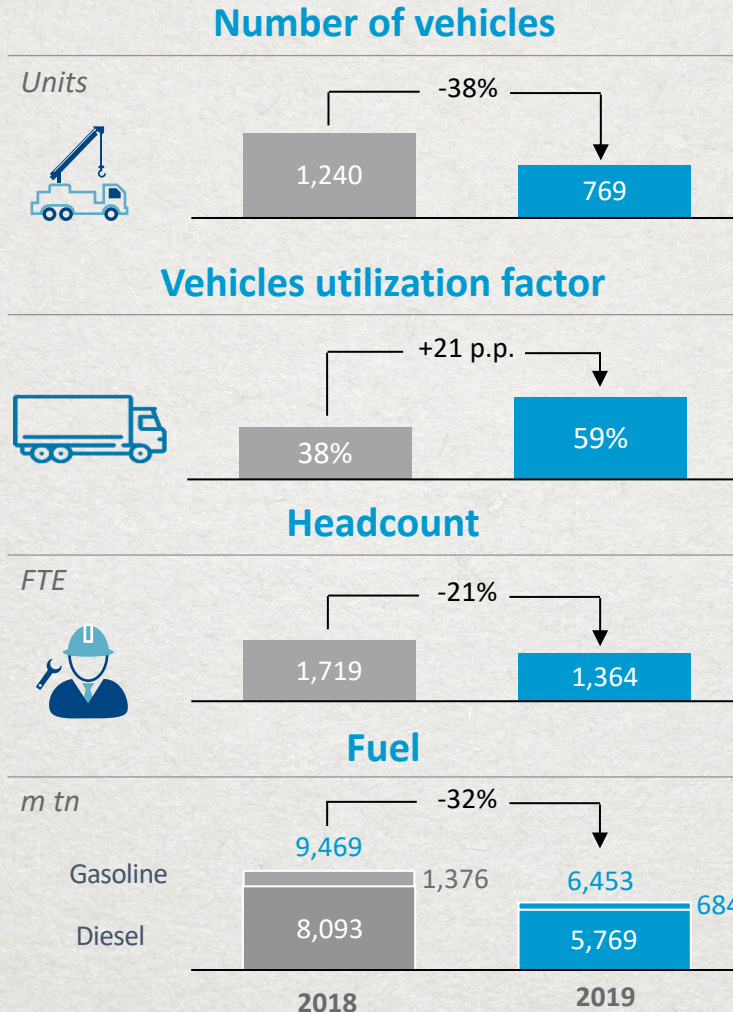


Case Study: Automotive Transport Optimization

Centralization and usage-based approach provide long-term cost cutting effect

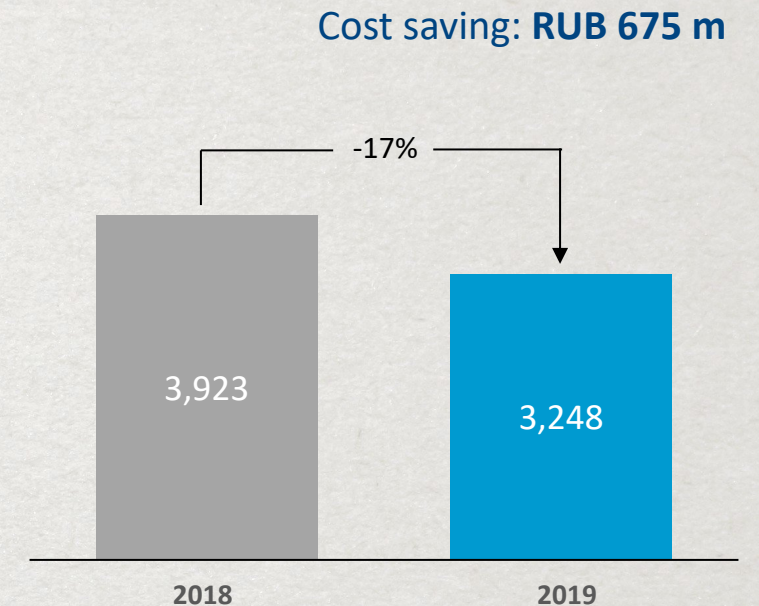
Key streams and initiatives

- Enhanced vehicles utilization
- Route optimization and reduction of fleet renewal program
- Revision of organizational structure
- Labor productivity increase



Cumulative effect in cost cutting

RUB m, expenses related to transportation



Source: Company data and analysis.

Case Study: Improving Efficiency of Support Functions

Optimization of sourcing/logistics and centralization of support functions



Sourcing and Logistics

Program launch
2018/19

Scale
RUB124 bn¹

Scope
Group-level

Key initiatives in 2019-2020

- Automation of MRP system (implementation of SAP ERP by 2021)
- Centralization of planning & inventory management functions
- Enhancement of demand planning and introduction of flexible forecasting tool to optimize stock management

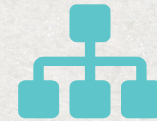
Deliverables in 2019:

- Procurement process cost reduction: savings of RUB 4.4 bn
- More accurate forecast of stock requirements: decrease of procurement purchases by RUB 1.5 bn
- Inventory management improvement: reduction in the average annual inventory level by RUB 1.3 bn

Source: Company data and analysis.

1. RUB 124 bn per annum procurement of supplies (incl. materials) volume.

2. Personnel expense total.



Shared Service Centre

Program launch
2017/18

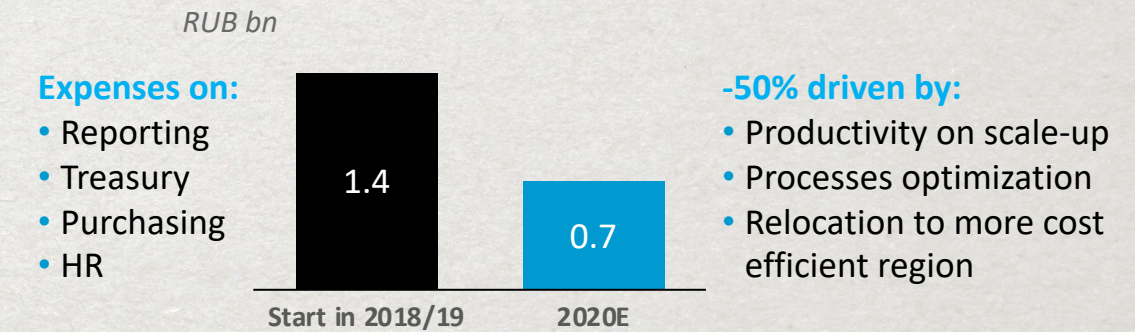
Scale
RUB1.4 bn²

Scope
Expanding
to Group-level
in 2021

Key goals:

- **Efficiency** and quality improvements / **Standardization** and unification / **Accelerate transformation initiatives** implementation, scope, and projects execution

Cost savings from the initiative



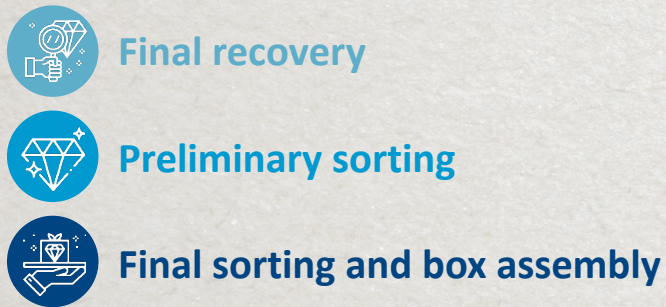
Case Study: Working Capital Management

Reduction in rough diamond WIP inventory days

Key enablers

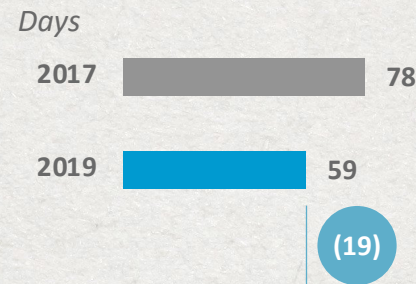
- Team and capability development
- Productivity monitoring and benchmarking
- New productivity based motivation system
- IT systems upgrade:
 - Sorting and assembling automation
 - Dispatching system of sorting process

Stages of diamond production chain which were optimized – WIP¹ cycle:

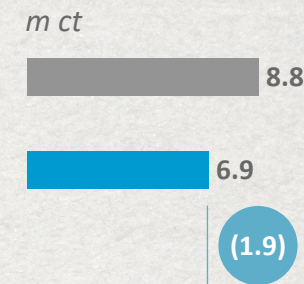


Reduction of diamonds WIP² cycle

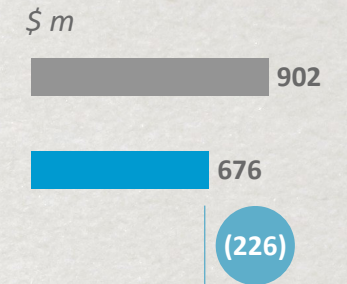
Decrease in average WIP Cycle



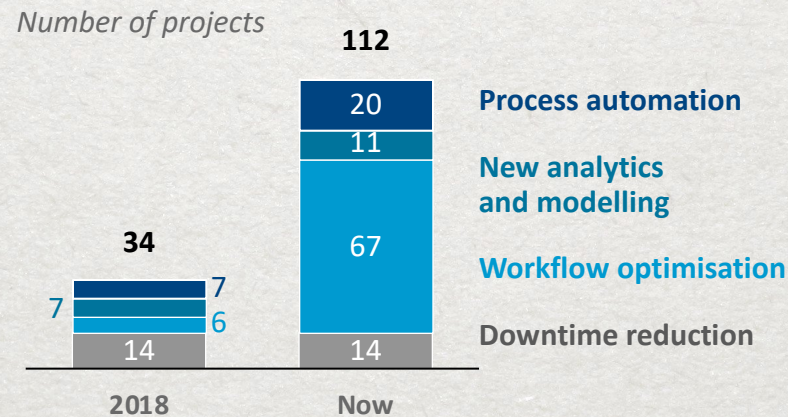
... leading to lower rough diamond WIP inventory by Volume



... and by Value²

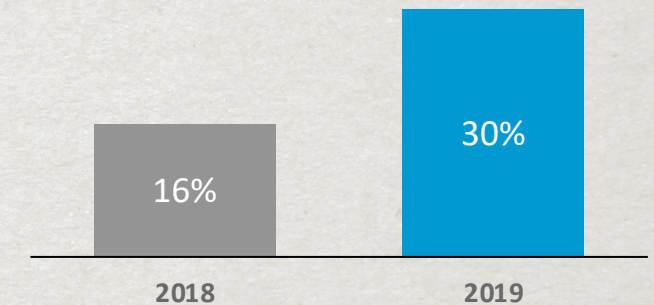


Optimization levers



Sorting automation

Share of diamonds sized up to 0.75 ct sorted using machines

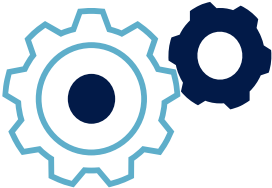


Source: Company data and analysis.

1. Work in progress.
2. Numbers do not include +10.8 ct and industrial diamonds.
3. Based on prices of diamonds set by reference to price lists approved by the Ministry of Finance of the Russian Federation.

New Initiative: Production System Launch

Building continuous improvement culture



From Project Success...

- Success at pilot projects leading to “Can-do mentality”
- New knowledge lacks “sharing capability”
- One-off effect rather than systemic



...to Systemic Changes

- Group-wide goals cascaded to employees level
- Optimal standard operating processes
- KPI’s and motivation schemes
- Leaders’ as a role model for cultural change
- Toolbox for efficiency, reskilling, benchmarking

ALROSA Production System launched in 2019

Key stages: Diagnostics/Piloting > System Adjusting > Scaling up

2019 results:

- Nyurba Division project – elements of PS were introduced
 - Visualization
 - 6S system
 - Standard Operating Practices
- Q4’19 – “Ideas Factory” launched to motivate bottom-up initiatives
- ... resulting in 72 initiatives submitted and 19 initiatives approved for execution

How Ideas Factory Works



Source: Company data.

New Initiative: Dedicated Digitalization Program

All-encompassing digitalization program at all levels of ALROSA's operations

Program description

- Digitalization program was **launched in December 2019**
- **Key priorities:**
 - Productivity enhancement (implementation of more advanced equipment and improvement of business processes)
 - Cost reduction
 - Safety improvement
 - Establishment of digital culture at all levels

Key initiatives



Advancement of project planning and design processes



Optimization of maintenance process



Digitalization of Health & Safety functions



Further integration of unmanned technologies and digital systems

Plans for 2020

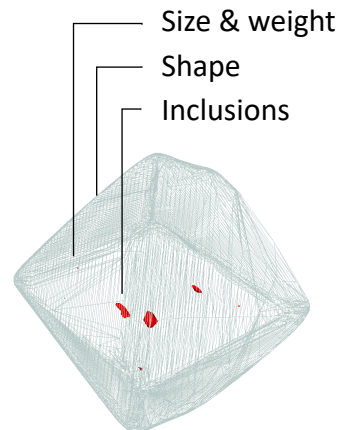
- Organizational redesign to ease digital initiatives implementation
- Launching **4 pilot projects at Nyurba and Udachny**
- Capex: **RUB 0.5 bn**
- **Further scale up** of the positive results **across all assets** of the Group

Source: Company data.

Digitalization Project Overview

Digital twin and online auctions

- Project envisages **creation of digital twins** for diamonds of 2CT+ unifying various diamond parameters collected
- **No capex requirements** (per carat fee)
- **Current status:** pilot stage until May 2020
- **Benefits for ALROSA**
 - Reducing the time and efforts spent on marketing
 - Less time required to find the buyer
 - Increase value of long-term agreements
- **Benefits for clients**
 - Less time required to find the right stone
 - Reduction of manufacturing lead time
 - Reduction of scanning costs



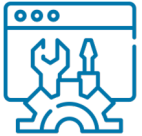
Diamonds tracing

- Given increasing importance of sustainable consumption and preference for ethically sourced products, **diamond tracing is an important component** in the modern diamond industry **guaranteeing the authenticity and ethical sourcing** of the stones
- Stones with embedded tracing data are highly valued by consumers and create a separate premium segment
- **ALROSA participates in various pilot diamond tracing initiatives** including our own tracing project, GIA's Diamond Origin programme and Everledger/WeChat project

Diamonds are traced through the entire production chain from the origin of rough stone to the end jewelry product

Source: Company data.

New Initiative: Maintenance Efficiency Improvement



Program launch
2020

Scale
RUB 20 bn¹

Scope
Group-level

Key initiatives in 2020-2021

- **Centralization through organization redesign** and model of competences distribution
- **Processes optimization** (operational efficiency, IT, standardization of the processes, knowledge sharing)
- **Upskill and labor productivity**

Expected deliverables:

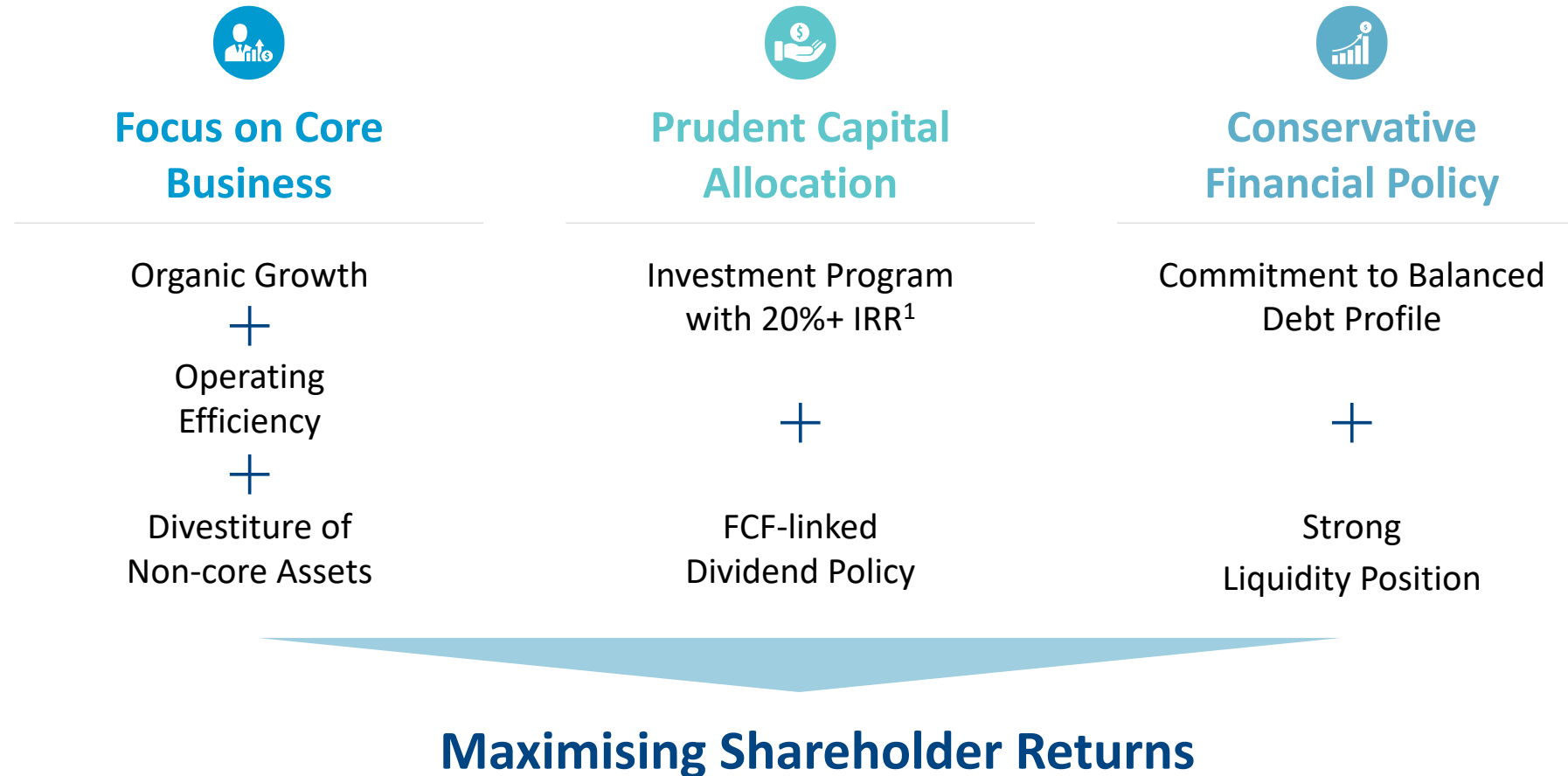
- Reduced downtime
- Lower capex / Opex for maintenance
- Productivity gains

1. Maintenance capex and opex per annum



Capital Allocation – Key Principles and Policy Overview

Key principles and policy overview



1. For investments in new mining capacity and operational efficiency projects.

Strong Balance Sheet

... with leverage at historic-lows

Highlights

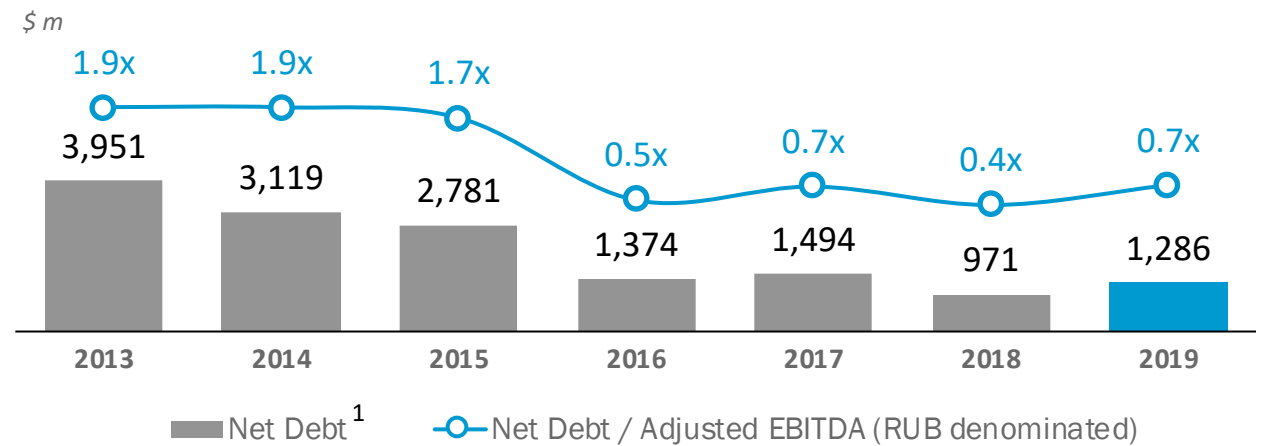
- **Total debt is \$1.9bn** with the average cost of 4.8% pa
- **Investment grade credit rating**
 - **S&P** – BBB- (Stable)
 - **Fitch** – BBB- (Stable)
 - **Moody's** – Baa2 (Stable)
- In April 2019, ALROSA issued 5-years \$500 m Eurobond with a coupon rate of 4.65% pa
- **Conservative long-term financial targets in line with investment grade criteria**
 - Target Net Debt / EBITDA range: 0.5-1.0x
 - Minimum liquidity reserves of over RUB 35 bn of cash and committed lines
 - Natural FX hedge – financial liabilities are matched with income streams
 - Solid track record with fixed-income investors

Source: Company data and analysis.

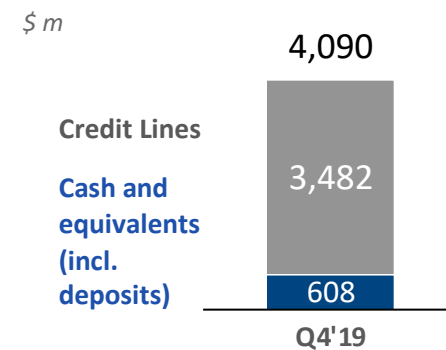
1. Including lease obligation (RUB 5.7 bn, which includes initial recognition, repayment and FX).

2. Excluding lease obligation (RUB 5.7 bn, which includes initial recognition, repayment and FX) and amortization of discount.

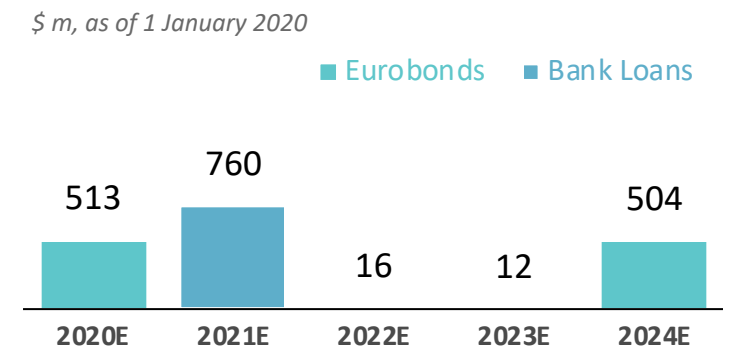
Net Debt evolution to investment grade credit ratings



Liquidity position

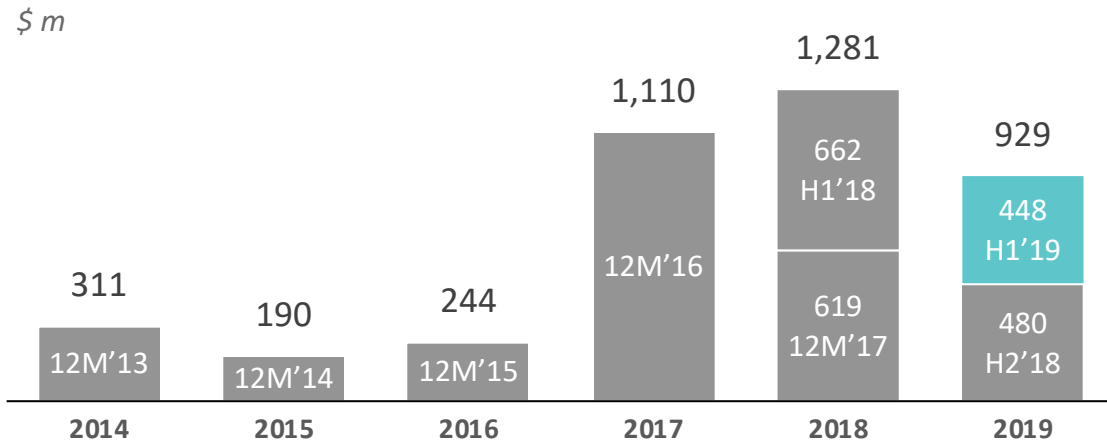


Debt² repayment schedule

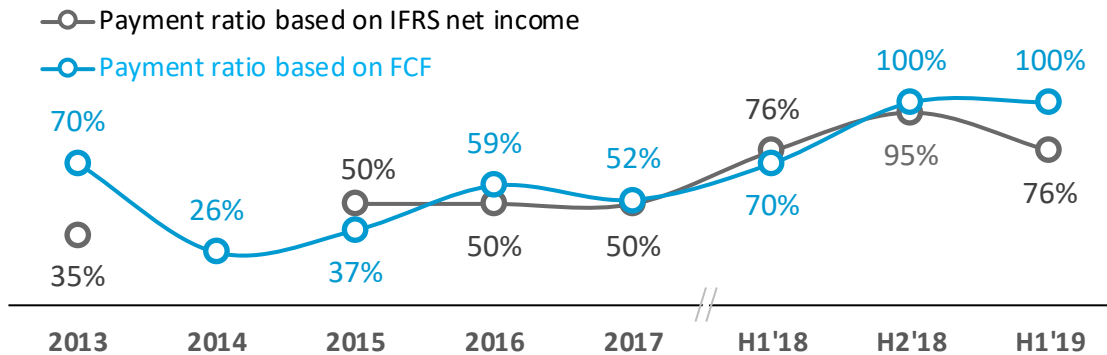


Dividend Policy Focused on Maximisation of Shareholder Returns

Historical dividend payments¹



Dividend payout ratio

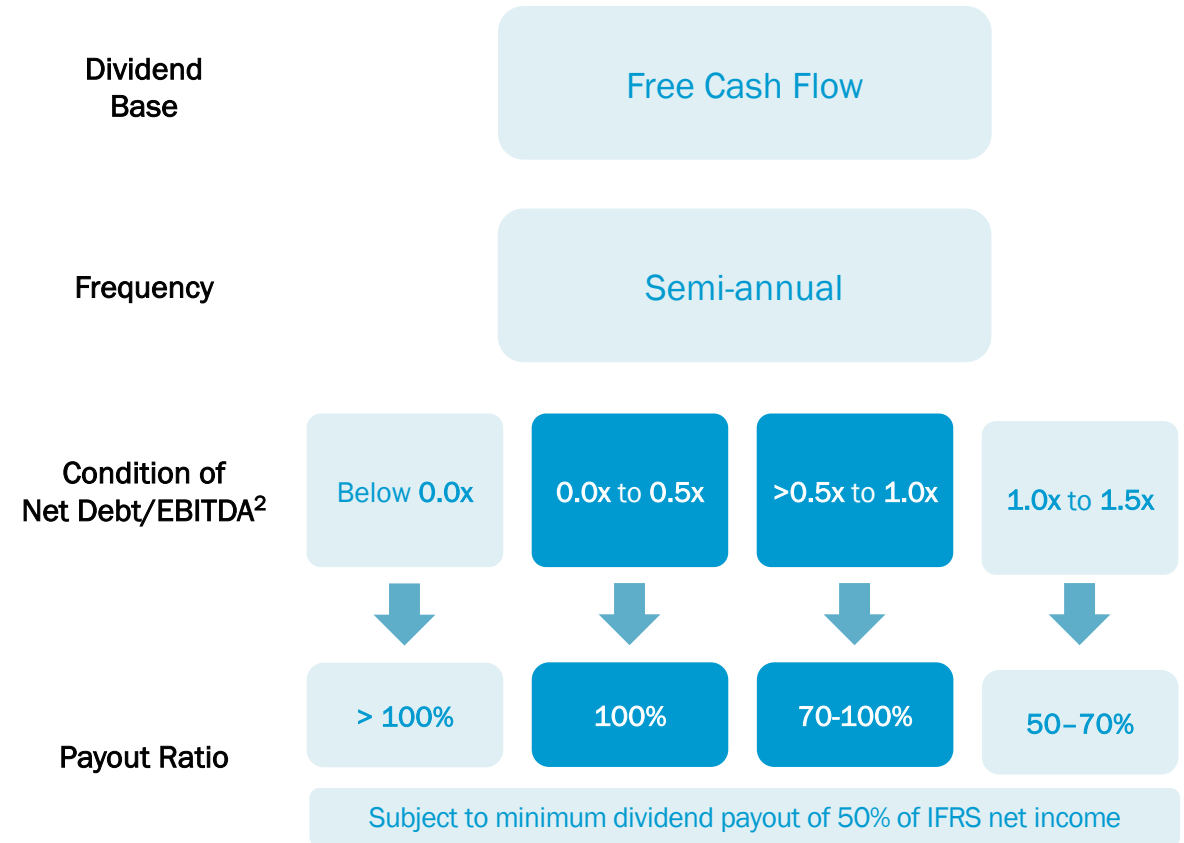


Source: Company data and analysis.

1. Dividends paid. Amounts are based on FX rates as of the dividend record dates (2014-H2'18) or as of the end of the period (H1'2019).

2. Based on first and second half year ND/EBITDA and FCF.

Dividend policy overview





04

2019

**FINANCIALS
AND OUTLOOK**

Key Financials

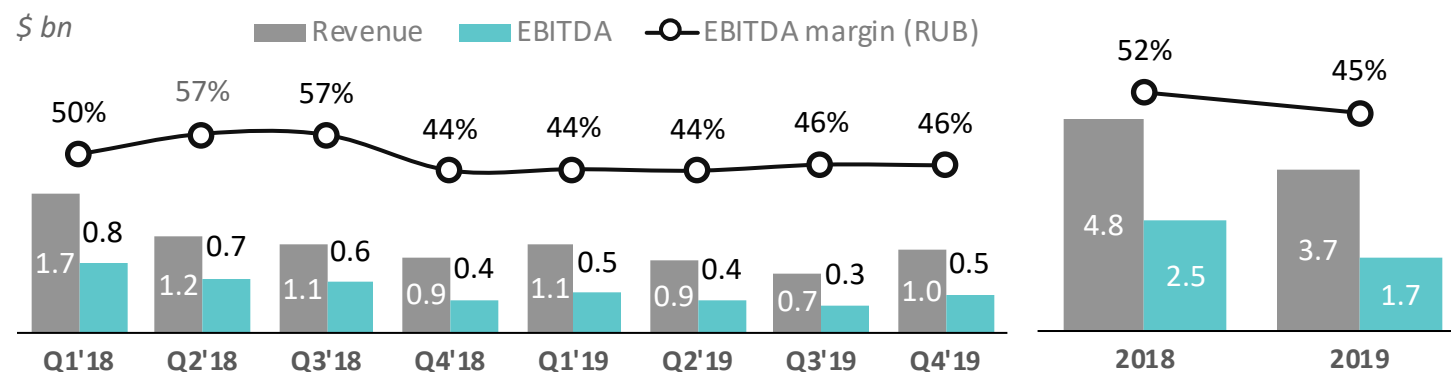
Resilient financial performance with strong margins and positive free cash flow

Highlights

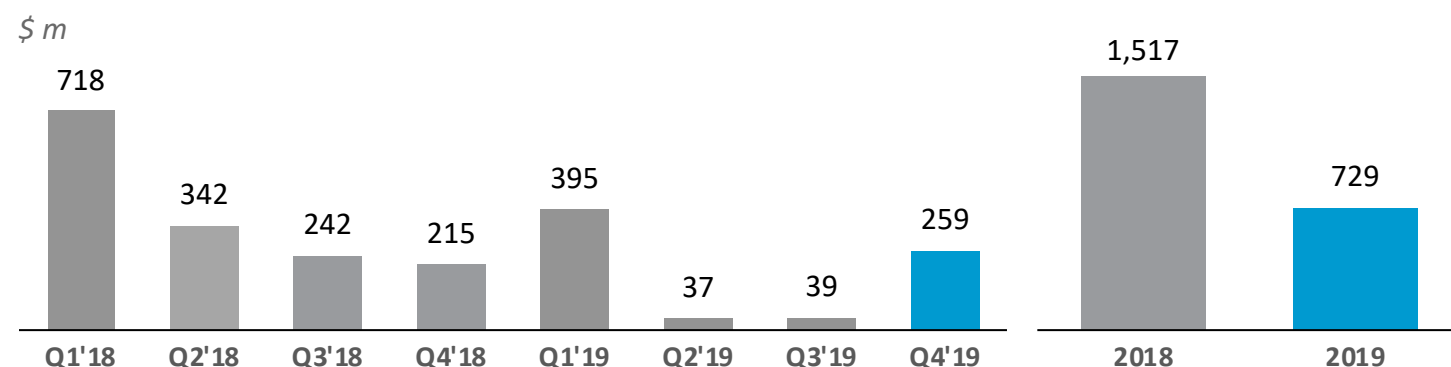
Q4'19:

- Revenue came at \$1.0 bn (+43% QoQ) due to a 28% growth in sales in carats. 10% YoY increase due to better product mix
- EBITDA was \$0.5 bn (+42% QoQ and +15% YoY) largely due to top line increase
- EBITDA margin was flat at 46% (+2 p.p. YoY)
- FCF amounted to \$259 m
- Net debt / LTM EBITDA (RUB) stood at 0.7x

Superior profitability



Strong Free Cash Flow Generation



Source: Company data and analysis.

1. Q4'19 amounts are based on average FX rates for the period – RUB 63.7449/\$.

Outlook

Market outlook

- **Long-term fundamentals of the industry remain strong** – diamond jewelry demand continues to expand as real disposable income grows
- **Rough diamond market, after a significant destocking in 2019, gradually reaching supply-demand balance**
- **Supply of the rough diamonds continues to decrease as deposits deplete**

ALROSA performance

- **2020 production to decrease to 34.2 m ct**
- **2020 sales will depend on market conditions**, but expected to recover from 2019 trough
- **2020 capex outlook revised down** from RUB 26 to 22 bn with no effect on operational performance (in 2019 capex was revised from RUB 29 to 20 bn)
- **Ongoing savings** from operational efficiency programs to support profitability

Source: Company data.



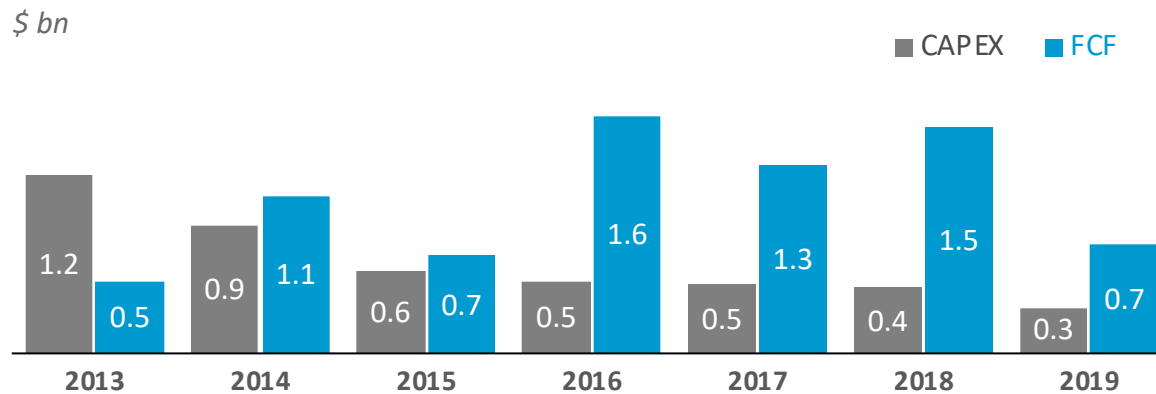
05

APPENDIX

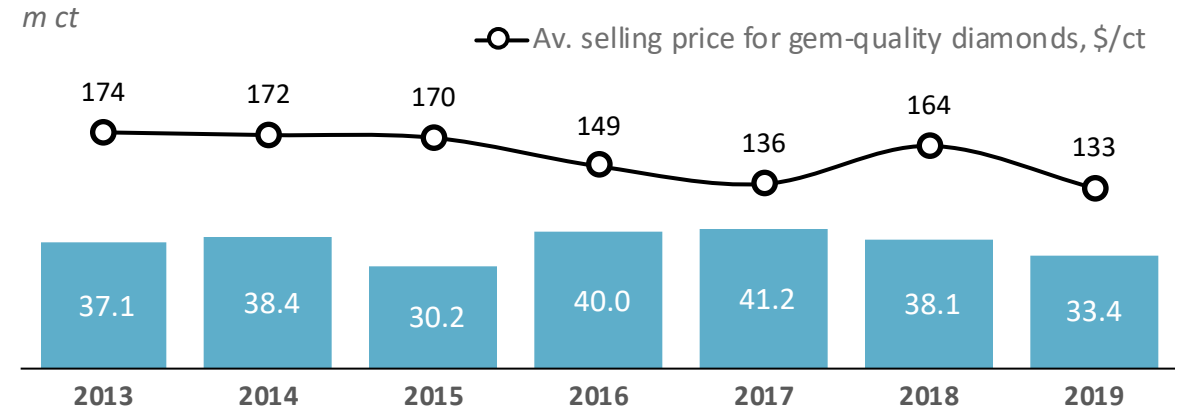
ALROSA: Key Highlights

- Company demonstrates stable – above 45% margins
- ... well supported by cost control / high utilization rates at the mines
- Capex to trend down as growth projects are up and running

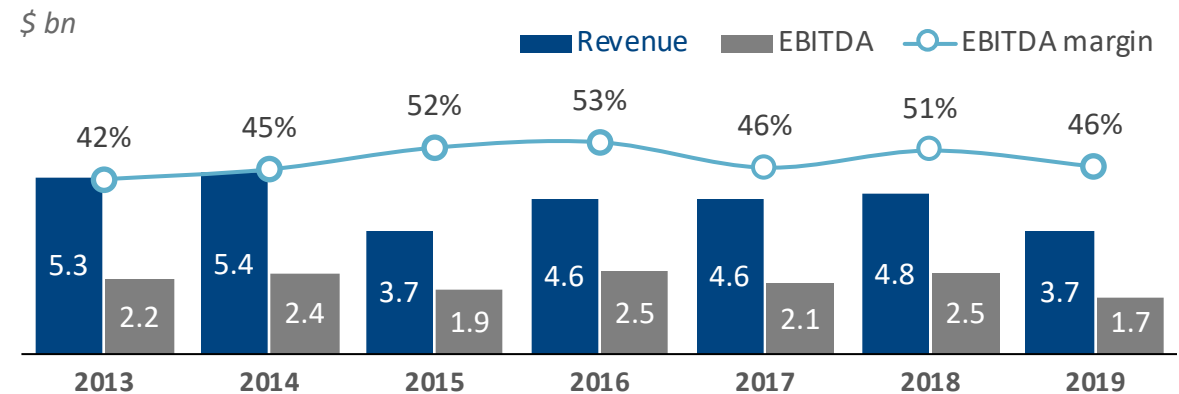
ALROSA' capital intensity is decreasing



Rough diamond sales

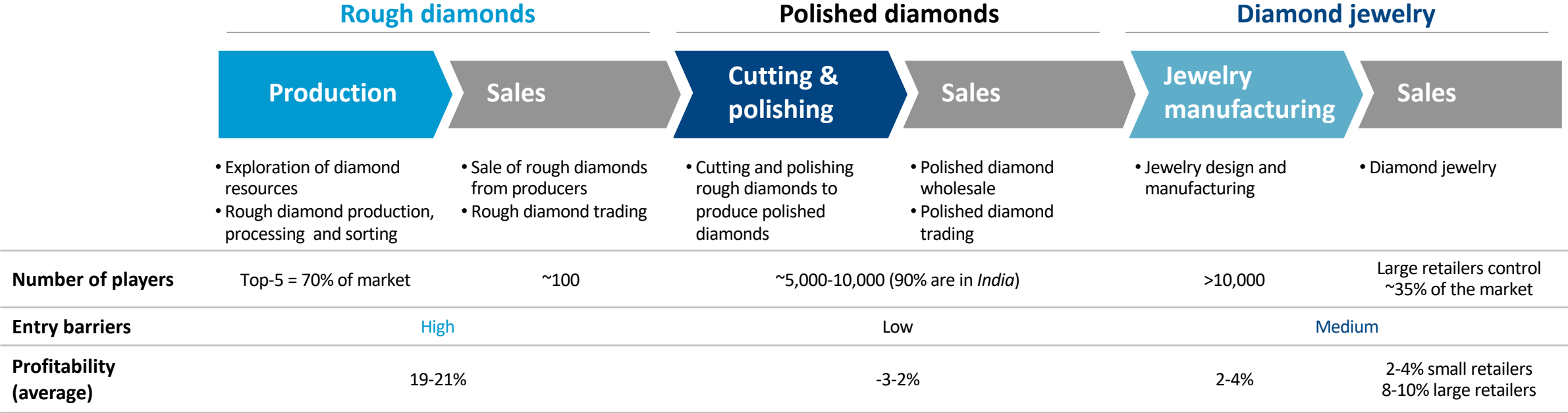


Revenue, EBITDA and EBITDA margin

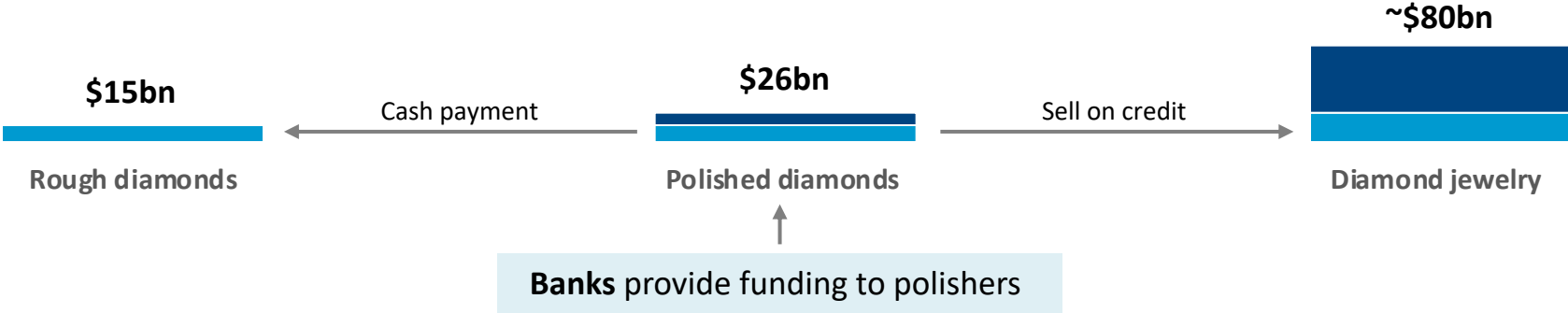


Source: Company data.

Diamond Value Chain



Value chain size in 2018



Source: Company analysis, AWDC Bain report "The Global Diamond Industry 2019".

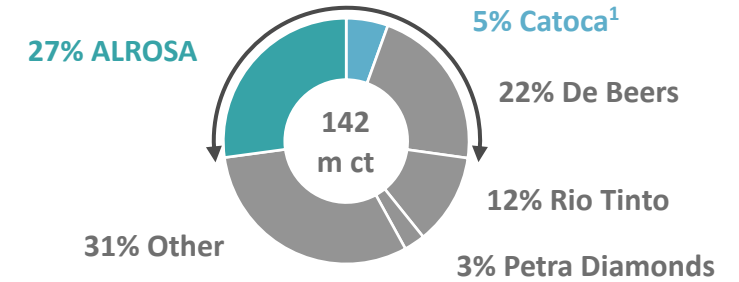
Consolidated Diamond Supply

Core diamond mines of the BIG-3 market leaders



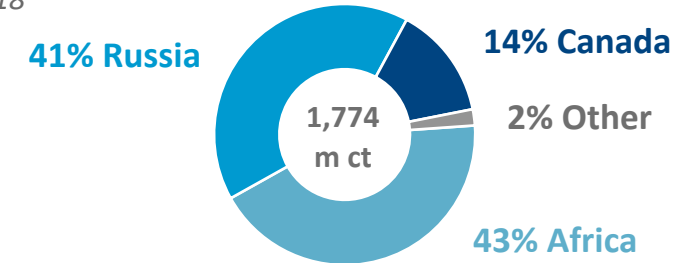
~60% of global rough diamond output is attributable to BIG-3

2019, share in global diamond production



Countries with the largest diamond reserves

2018



The global diamond reserves base is highly concentrated with the top 10 countries by reserves volume accounting for over 95% of total reserves.

Sources: Company analysis, other diamond producers data.
1. ALROSA owns 41% stake.

Information on Assets

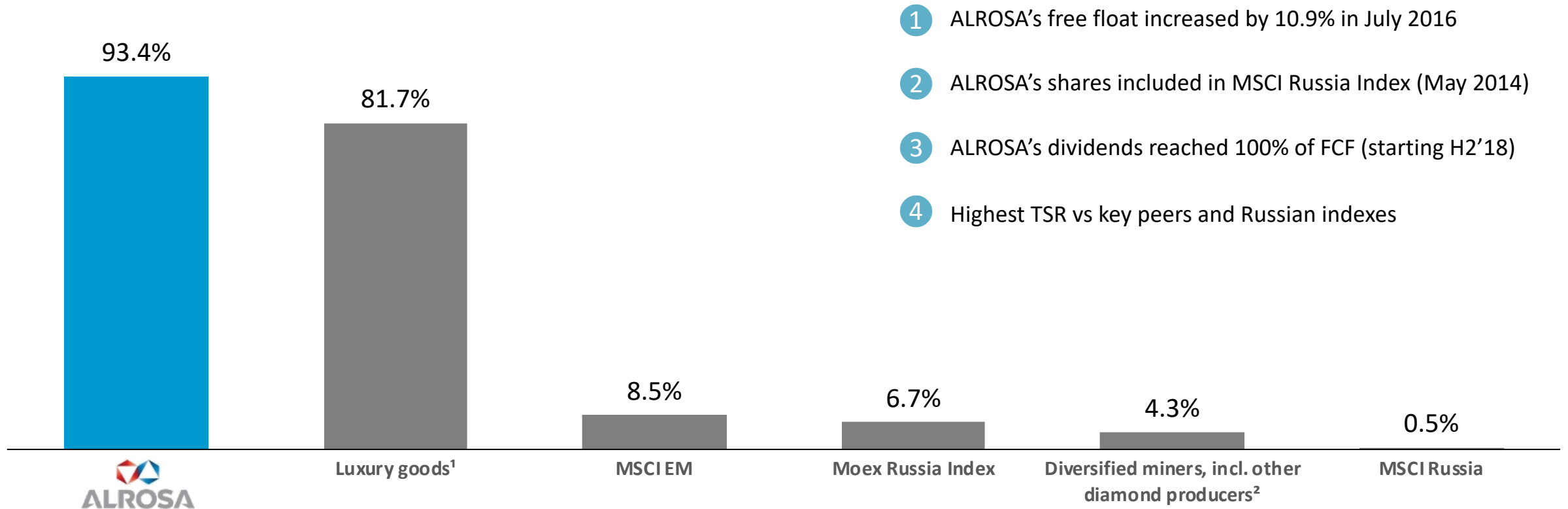
	Type of mining	Cash costs, \$/ct		Price, \$/ct		Spread, \$/ct		Grade, ct/t		Diamond production, '000 ct				Expected LOM	JORC reserves, '000 ct
		2017	2018	2017	2018	2017	2018	2018	2019	2017	2018	2019	2020F		
Aikhal Division										13,011	11,850	10,147	9,495		175,561
Jubilee pipe	open-pit	18	19 ¹	141	137	123	118	1.14	0.94	10,160	9,063	7,181	7,193	2034	104,937
Aikhal underground mine	underground	25	25	47	48	22	23	4.86	5.51	2,480	2,429	2,574	2,037	2044	66,346
Komsomolskaya pipe	open-pit	174	99 ²	239	234	65	135	0.37	0.36	370	358	354	-	2019	809
Zaria pipe	open-pit	-	-	-	-	-	-	-	0.38	-	-	38	265	2030	3,469
Mirny Division										7,231	4,195	3,006	2,411		57,779
International underground mine	underground	29	34 ³	210	165	181	132	6.20	5.53	3,699	3,448	2,167	1,909	2045	49,566
Mir underground mine	underground	38	50 ⁴	130	113	92	63	2.86	-	2,772	30	-	-		-
Alluvial and technogenic deposits	alluvial	59	96 ⁵	205	167	147	71	0.16	0.18	760	718	839	502	2035	8,213
Udachny Division										3,821	3,929	5,674	7,113		164,462
Udachnaya pipe	open-pit	37	-	90	-	53	-	-	-	1,046	-	-	-		-
Udachny underground mine	underground	73	60 ⁶	103	99	30	38	1.32	1.24	1,615	2,530	3,125	4,899	2064	128,475
Zarnitsa pipe	open-pit	100	93 ⁷	165	154	65	62	0.26	0.25	786	952	763	302	2035	5,350
Verkhne-Munskoe deposit	open-pit	68	108 ⁸	65	149	-3	41	0.57	0.64	80	207	1,530	1,912	2041	30,391
Alluvial deposits	alluvial	92	85 ⁷	90	83	-3	-2	0.26	0.29	294	240	256	-		246
Nyurba Division										7,713	7,719	10,267	7,690		125,510
Nyurbinskaya pipe	open-pit							4.49	3.98	4,774	4,057	3,269	3,371	2035	29,447
Botuobinskaya pipe	open-pit							4.54	5.46	1,211	1,379	5,530	1,678	2035	76,254
Alluvial deposits	alluvial							2.53	2.36	1,728	2,283	1,468	2,641	2035	19,809
Severalmaz										2,642	3,636	4,230	4,200		73,890
Arkhangelskaya pipe	open-pit	31	20 ⁹	47	53	16	34			1,283	1,530	2,091	2,678	2031	47,433
Karpinskogo-1,2 pipes	open-pit							1.06	1.28	1,359	2,106	2,138	1,522	2028	26,458
Almazy Anabara	alluvial	38	30	63	78	26	48	0.40	0.42	5,197	5,420	5,161	3,329		23,533
ALROSA		37	36	113	108	77	72	0.91	0.93	39,614	36,749	38,485	34,237		620,735
	underground	37	39	134	111	97	72	2.83	2.33	10,566	8,437	7,866	8,845		
	open-pit	34	32	114	113	80	81	1.12	1.17	21,069	19,651	22,895	18,921		
	alluvials	43	41	83	91	40	50	0.43	0.42	7,979	8,661	7,724	6,472		

Source: Company data and analysis, Diamond mineral resources in accordance with the JORC Code as at 1 July 2018.

- Increase by 7% due to diamond production decrease by 11% driven by processing lower-grade ore (down 14%).
- Decrease by 43% due to price factor and decrease of pipe share in Processing plant №8 costs.
- Increase by 18% due to diamond production decrease by 7% driven by processing lower-grade ore (down 10%).
- Increase due to the closure of the Mir underground mine. In 2018 remaining ores inventory were processed.
- Increase by 66% due to increase of general expenses, increase of ore processing by 10% and diamond production decrease by 6% driven by processing lower-grade ore (down 14%).
- Decrease due to a scheduled ramp-up to design capacity.
- Decrease due to stronger USD, cash costs per carat in RUB not changed.
- Increase by 60% due to processing lower-grade ore (down 47%). 9. Decrease by 36% due to due to diamond production increase by 38% driven by processing higher-grade ore (up 30%).

Delivering Superior Shareholder Return

Total shareholder return since the IPO date (October 28, 2013)



- ① ALROSA's free float increased by 10.9% in July 2016
- ② ALROSA's shares included in MSCI Russia Index (May 2014)
- ③ ALROSA's dividends reached 100% of FCF (starting H2'18)
- ④ Highest TSR vs key peers and Russian indexes

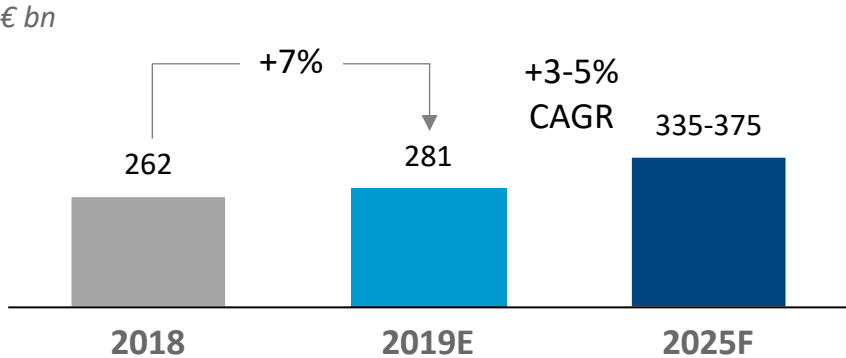
1. Luxury goods include following companies: LVMH Moet Hennessy; Hermes; Cie Financiere Richemont; Kering; Swatch; Prada; Tiffany & Co; Tapestry; Burberry; Ralph Lauren; Capri; Moncler; Tod's; ALROSA.
 2. Diversified miners include: Anglo American; Rio Tinto; BHP; Glencore; Vale; Gem Diamonds; Petra Diamonds; Lucara Diamond; Firestone Diamonds; Mountain Province Diamonds; Stornoway Diamond.

Demand Drivers

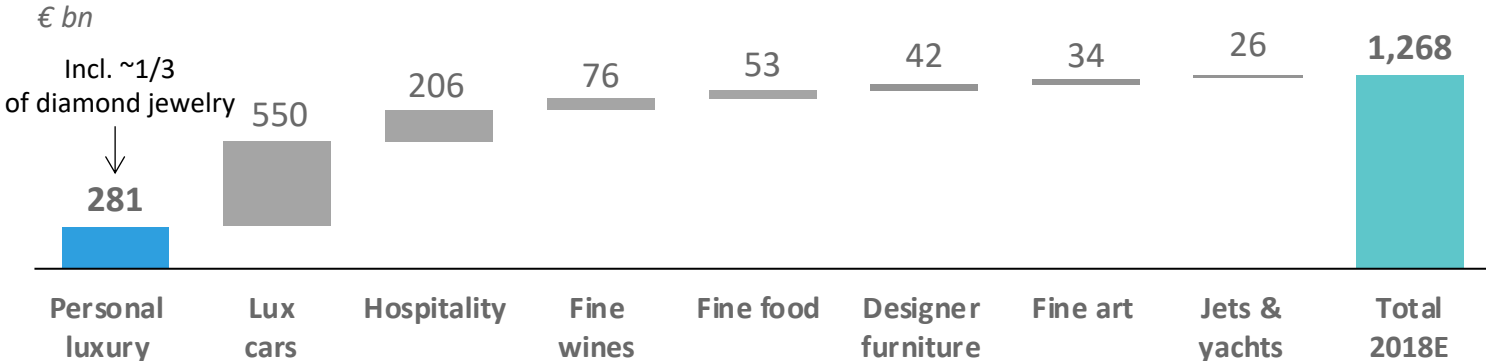
Highlights

- 2019E luxury market valued at c. €1.3 trillion (+8% YoY) is steadily growing
- Most dynamic growth is concentrated in Asia incl. Japan and China
- Diamond jewelry consumption is correlated with USA GDP and disposable income

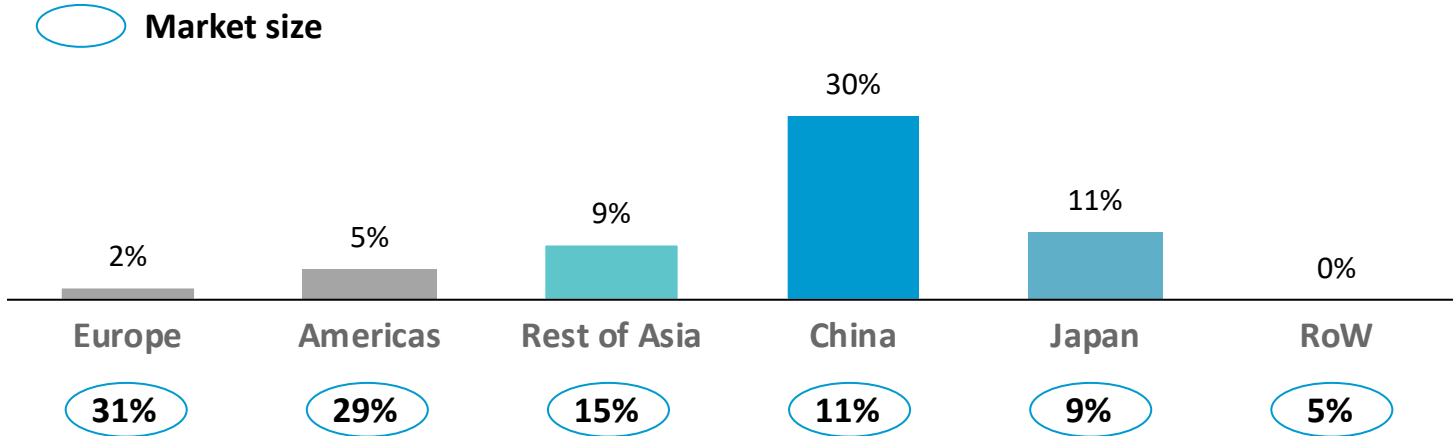
Personal luxury market forecast



Global luxury market breakdown in 2019E



Personal luxury market growth¹ by region 2019E

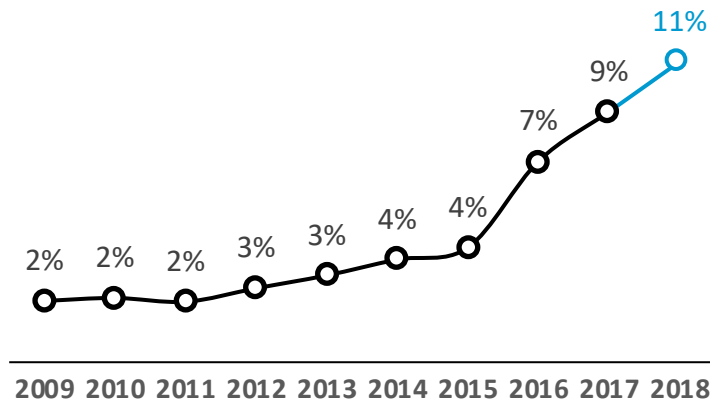


Source: Bain-Altgamma 2019 Worldwide Luxury Market Monitor.
1. Trends at current exchange rates.

Financial Crisis in India

Bad loans problem in banking sector

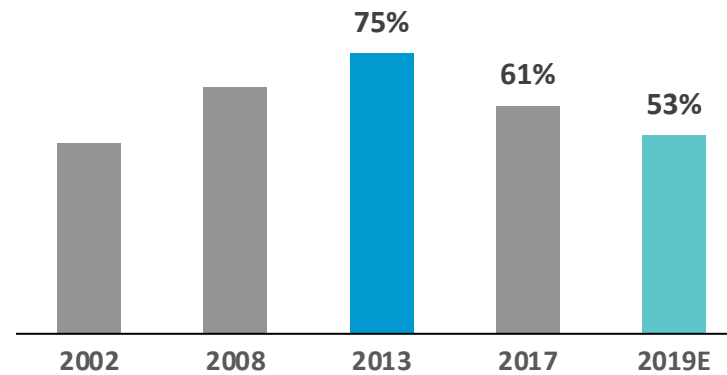
% of non-performing assets



- Share of non-performing assets at Indian commercial banks increased to the highest levels for the last 10 years

Midstream leverage

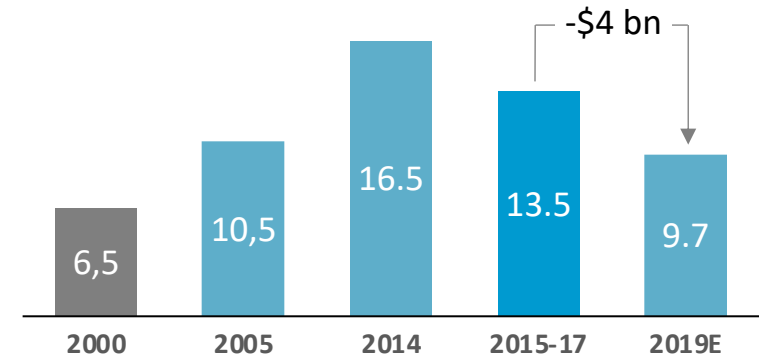
% of revenue



- Financing conditions remain tight for Indian polishers (90% of global polishing) after fraud in 2018 and stricter financing from banks (as Indian banking sector is preparing for Basel III regulations)

Financial bubble burst hitting mid-stream

\$ bn



- Indian banks and NBFCs¹ beefed-up lending, scarifying borrowers' "quality"
- Financial scandals in 2018, interest rates fluctuations, weaker currency lead financial tightening in 2018/19

Source: GJEPC, Edahn Golan Diamond Research & Data, CEIC Data.

1. NBFC – non-bank financial corporation.

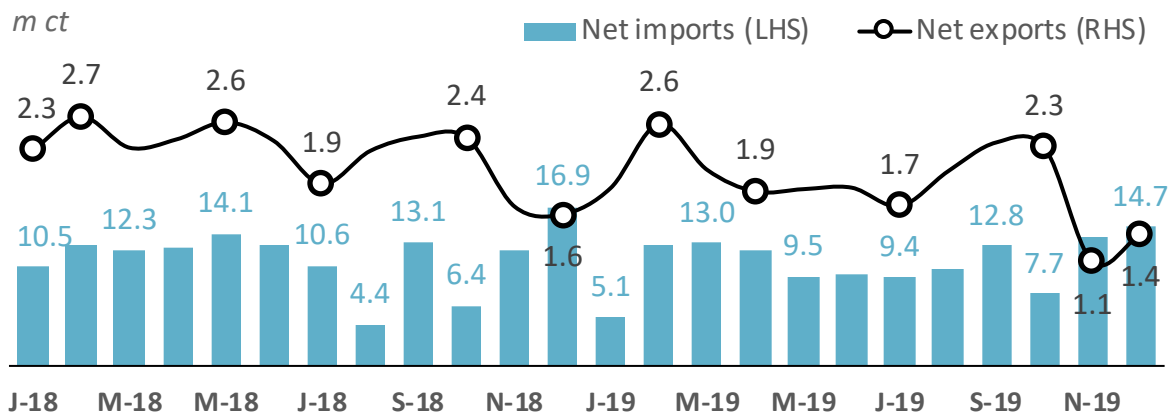
2019 Indian Trade Statistics

By the year end inventory level in the system has been normalized – destocking is over

Drivers of destocking

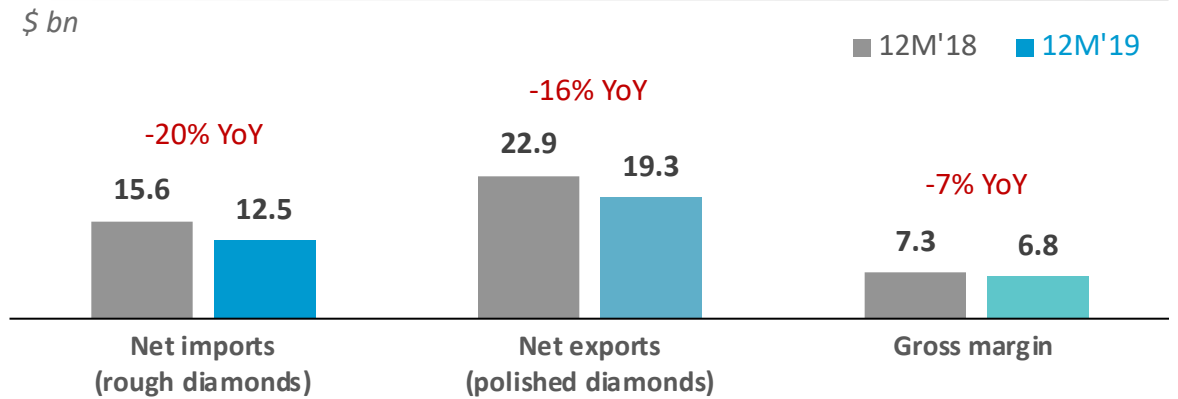
- Lower demand from retailers (demand + on-line factors)
- Level of stocks is approaching low levels (uptick in purchasing of rough registered `prompting a sequential sales growth)
- 12M'19 net imports down by 20% YoY to \$12.5 bn
- ...while net exports decreased by 16% YoY to \$19.3 bn

Monthly volumes of imported and exported diamonds

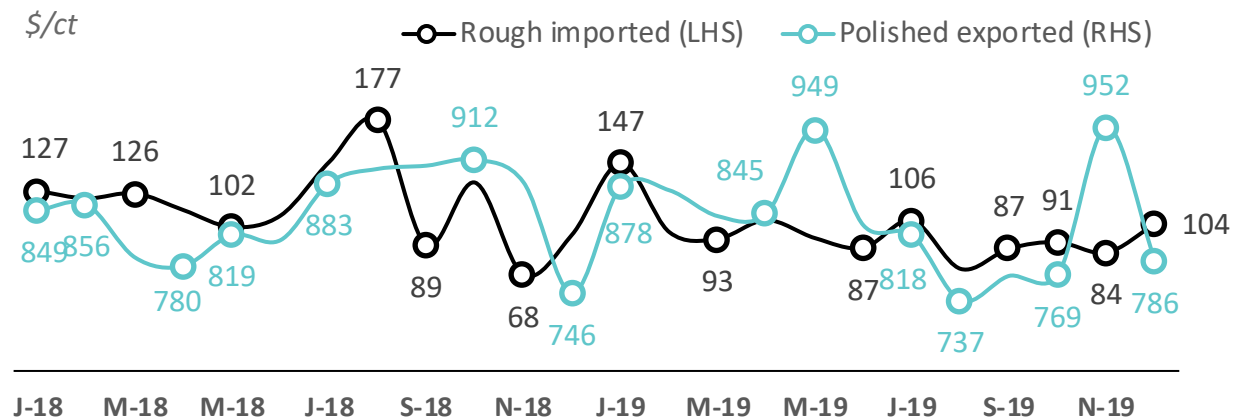


Source: GJEPC, Company analysis.

Indian midstream destocking in 2019



Monthly prices of imported and exported diamonds

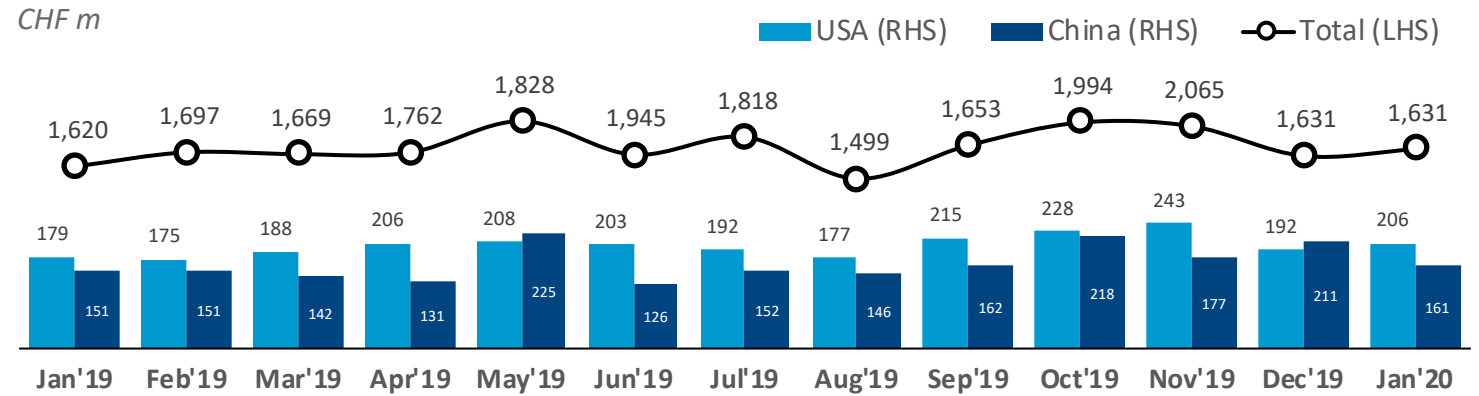


Destocking Decelerates

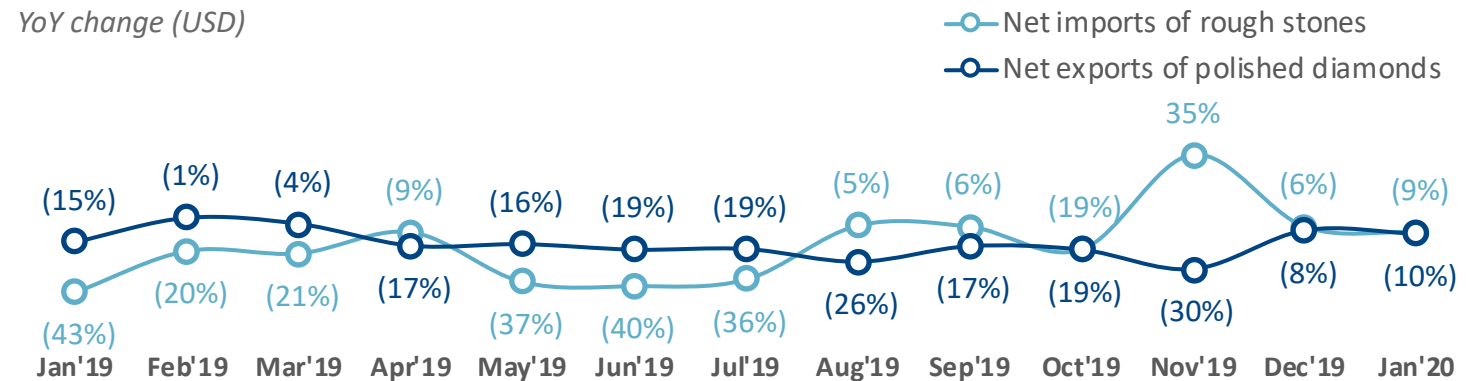
Highlights

- **End-market consumers:** luxury & jewelry demand to returns to historical growth rates, USA and Mainland China driving recovery
- **Retailers:** Stocks decrease, sales turned positive (e.g. Tiffany, Signet)
- **Mid-stream:** rough inventories hit rock-bottom
 - Leverage back from 90% to 60% levels
 - Restocking
 - Price uptick for selected categories
- **Miners:** from Jan'19 quickly shifted to “price over volume” sales strategy reducing supply to keep like-for-like prices stable (-6% YoY vs +3% in 2018)

End-demand: Swiss watch exports as a “canary in the mine”



Net imports of rough stones and net exports of polished diamonds in/from India



Source: Federation of the Swiss Watch Industry FH, GJEPC, Company's analysis.

Sales Structure and Channels

Multichannel distribution with growing focus on long-term contracts

Overview of sales channels

- Long-term contracts which provide stable sales and predictable prices during volatility on diamond market (strategy generates ~70% of ALROSA's rough diamond sales)
- Largest jewelry chain stores:

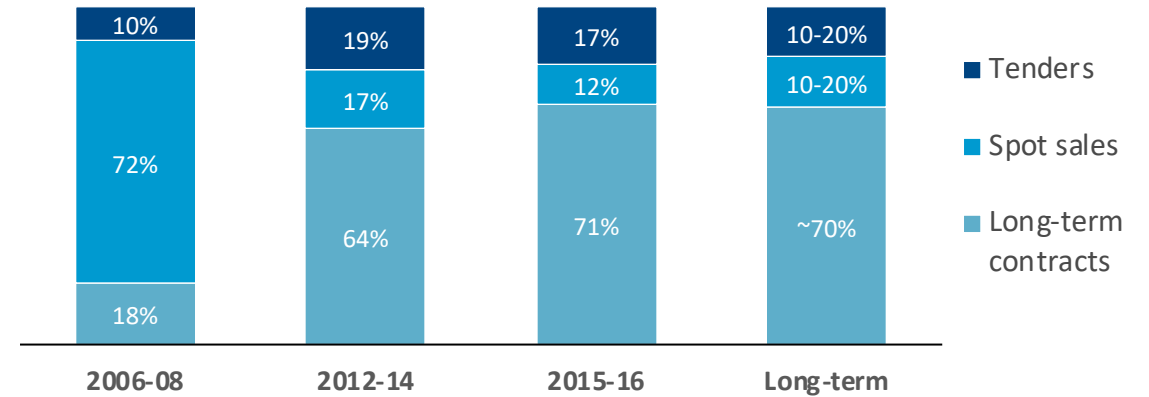


- Competitive sales via auction and tenders
- Spot sales pursuant to one-off contract arrangers
- Sales through Russian government entities – Almaziuvelirexport and Gokhran of Russia

88%
of ALROSA's diamond sales
accounted for exports

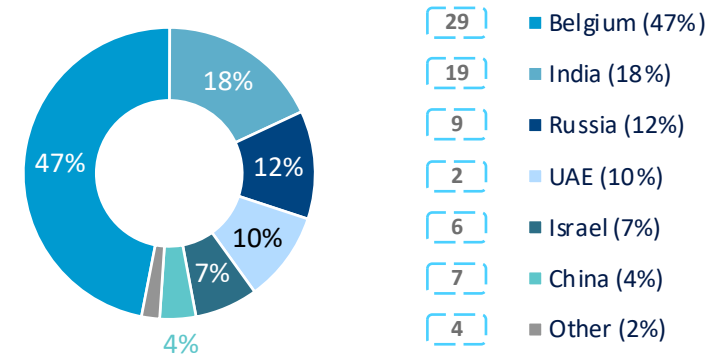
98% / 72%
of ALROSA's diamond sales / volume
generated by sales of
gem-quality rough in 2019

ALROSA's rough diamond sales channel breakdown



ALROSA's geography of sales¹

number of long-term clients as of 1 January 2020



Source: Company data.
1. Based on clients legal residences.

Key Investment Projects

	① Udachny UG mine	② VM ¹ deposit	③ Maiskaya pipe	④ VG ² deposit
Type of mining	Underground	Open-pit	Open-pit	Alluvials
Production start	2014	2018	2025	2024
Ramp-up	2021	2019	2027	2025
Target ore output pa, m t	4.0	3.0	0.3	1.1
Target production pa, m ct	5.6	1.8	1.2	0.4
Total CAPEX, RUB bn	63.9	20,0	5.6	2.3
<i>Invested share</i>	86%	92%	5%	0%
Resource base³, m ct	207.6	40.4	12.7	4.7



Source: Company data.

1. Verkhne-Munskoye deposit.

2. Vodorazdelnye Galechniki deposit.

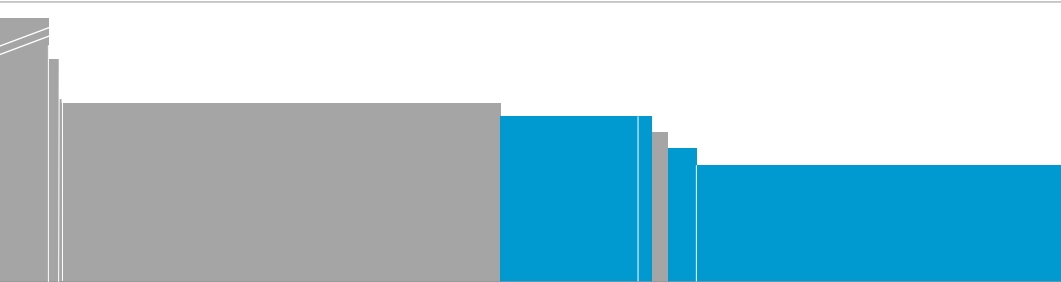
3. Diamond mineral resources in accordance with the JORC Code as at 1 July 2018.

Profit Curve of Existing Diamond Mines

Margin per carat by mines

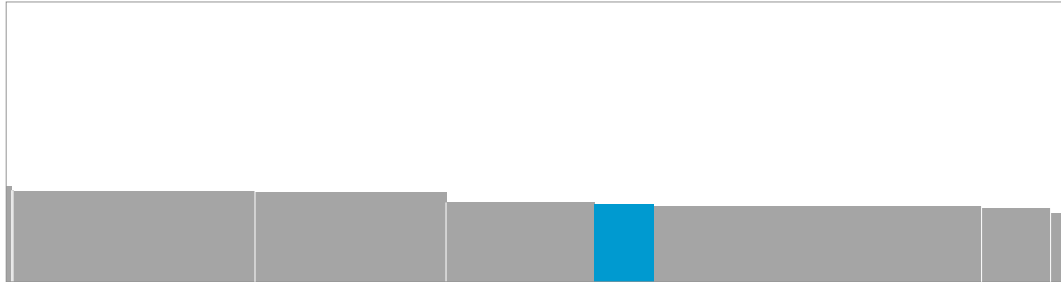
Tier-1 performing mines (1st quartile, 0-25%)

(Price per ct - Cash Cost per ct), \$



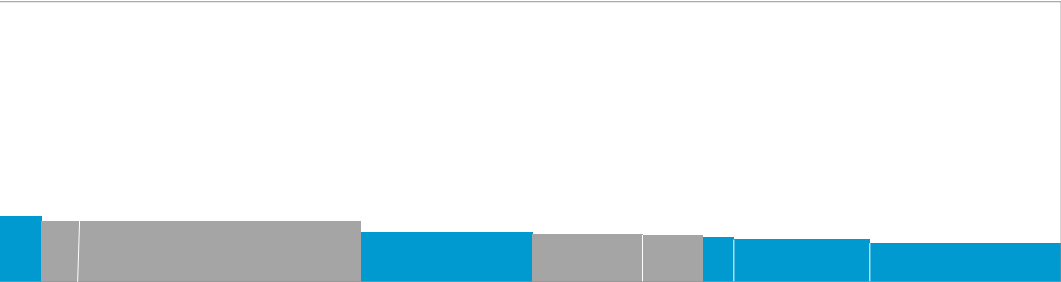
Tier-2 performing mines (2nd quartile, 25-50%)

(Price per ct - Cash Cost per ct), \$



Tier-3 performing mines (3rd quartile, 50-75%)

(Price per ct - Cash Cost per ct), \$



Tier-4 performing mines (4th quartile, 75-100%)

(Price per ct - Cash Cost per ct), \$

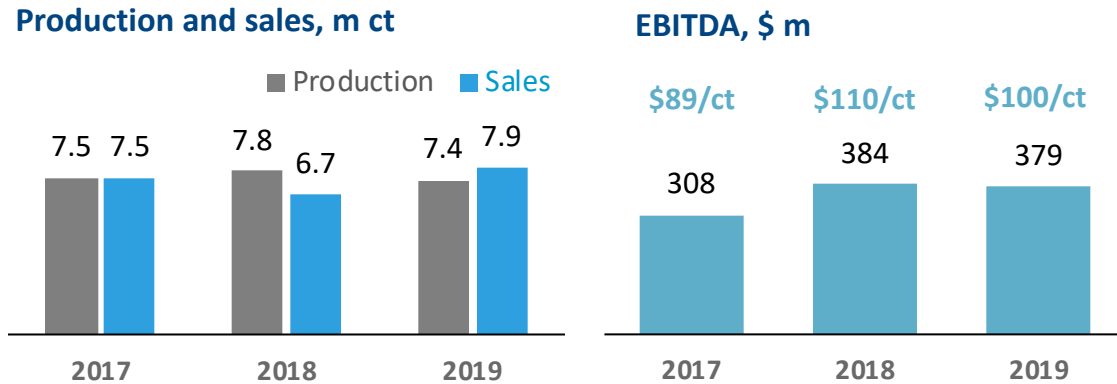


Source: Company data and analysis.
 Note: Assessment of 2017 production.

Projects in Africa

Promising region with high exploration potential

Improved financial performance at Catoca



- **Catoca in numbers:**
 - Total reserves ~ 122 m ct // 2 processing plants with 13 m t pa // 0.6 ct/t
- **Recent corporate governance improvements:**
 - Supervisory & Fiscal committees authorized to review and approve contracts
 - Appointment of executive directors to be approved by Supervisory committee
 - Rotation between ALROSA and Endiama in appointing CEO and CFO
- **Change in sales practices:**
 - New approach to sale channels diversification following reform in Angola's diamond industry has already resulted in double-digit growth of diamond prices

Development of Luele pipe

- Luale kimberlite pipe is the largest diamond discovery over the past 60 years
- The project is operated by Luaxe consortium
- The pipe development plan to be approved by the end of 2019
- **Resource base:** 350 m ct
- **Expected av. grade:** 0.95 ct/t

Exploration activities

- **Kimang JV (Angola):**
 - 50/50% JV between ALROSA and Endiama
 - Exploration activities in Quango area, the North of Central Angola
 - Awaiting exploration license approval for Chisombo area
- **Zimbabwe:**
 - Strategic partnership with the government of Zimbabwe
 - Selection of potential targets for exploration study

Source: Company data and analysis.

M&A: Focus on Organic Growth

- Growth is coming from organic growth of existing portfolio
- **Program to divest non-core assets** started in 2013 includes assets in real estate, energy (gas) farming, insurance, etc.
 - The program is planned to be completed by 2020-21
 - Number of non-core entities decreased by 5 times from 2013
 - 2013-2019 proceeds from divestments – RUB 40 bn
 - 2013: 51% stake in iron ore producer Timir sold to EVRAZ – RUB 4.95 bn
 - Q1'18: gas assets sold to NOVATEK – RUB 30.3 bn

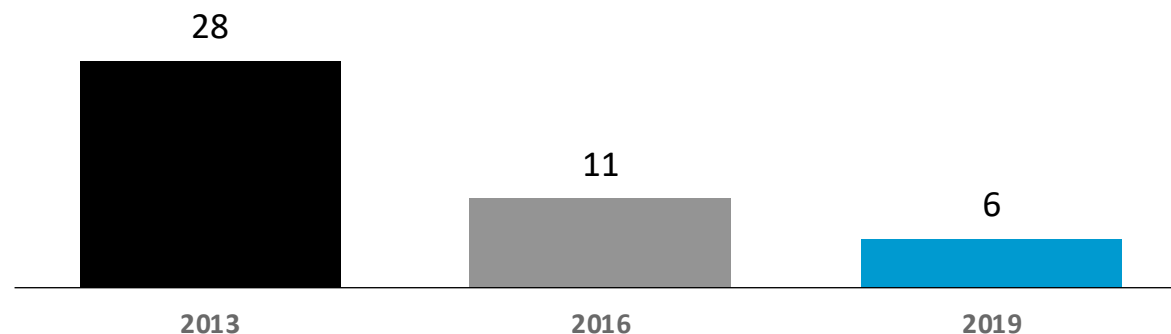
12M' 19 proceeds from divestments were RUB 3.2 bn:

- disposal of non-core assets for RUB 1.4 bn (the most significant transaction – sale of 100% stake in Golubaya Volna resort for RUB 1.1 bn)
- disposal of property by Innovation Centre Bourevestnik in St. Petersburg for RUB 1.8 bn

Source: Company data.

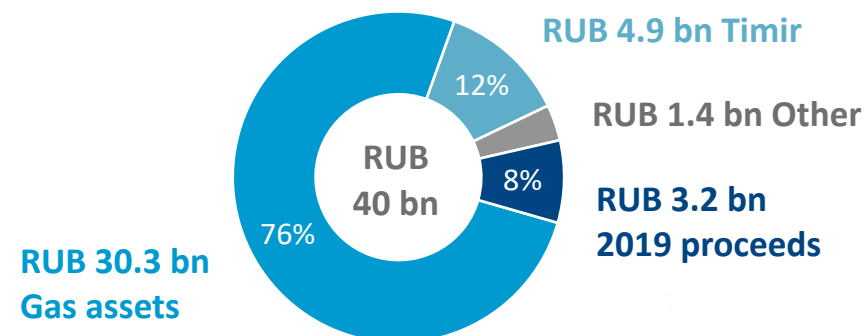
Number of non-core ALROSA's subsidiaries

As at the end of the period, subsidiaries included in the program to divest



Key divestures breakdown

2013-2019, RUB m

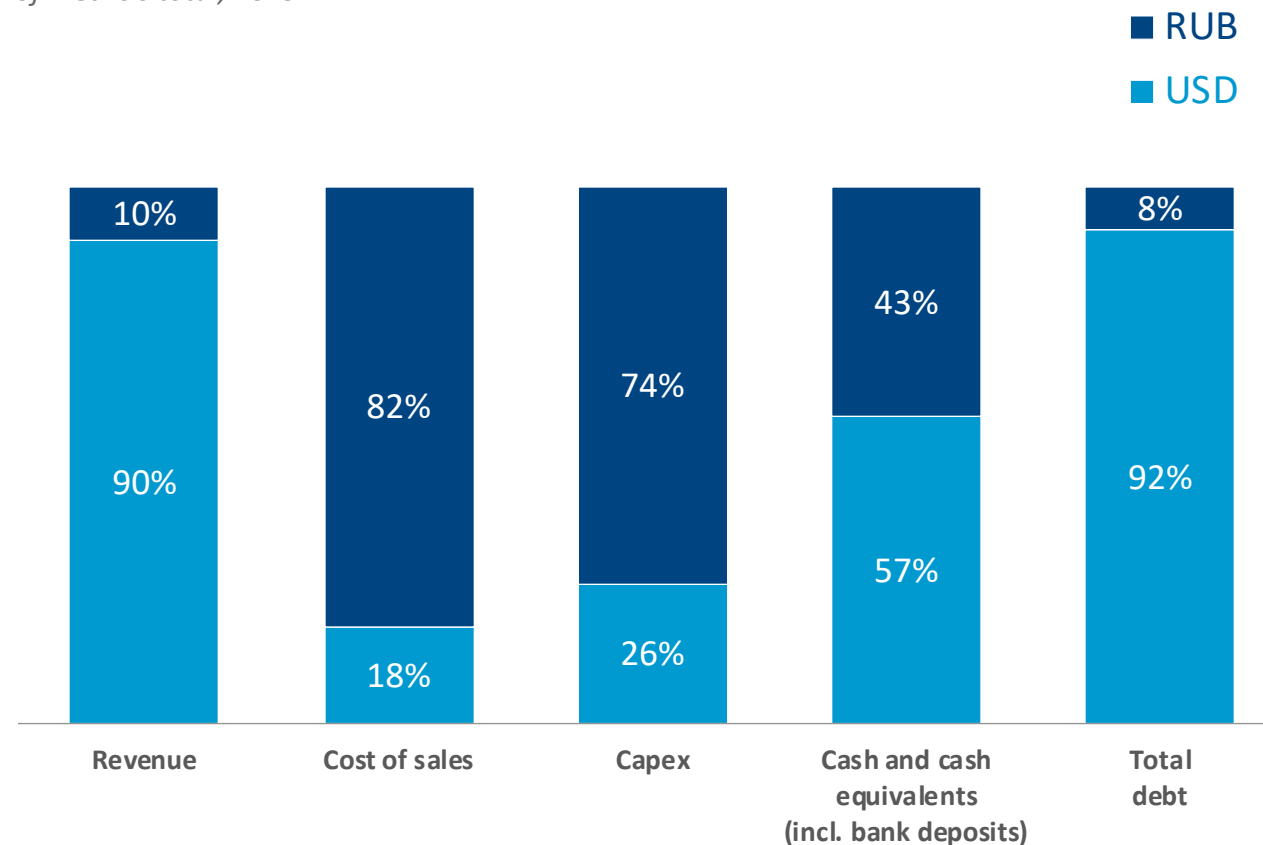


FX Rate

- ALROSA is an exporter with 90% of revenue denominated in USD
- Major portion of costs and capex is denominated in RUB, 92% of the Company's debt portfolio is denominated in USD to create a natural hedge against FX risks
- ALROSA's financial sensitivity analysis shows that a change in the USD exchange rate by +/- 1 RUB/USD leads to the following change in metrics:
 - Revenue: +/-1.40%
 - Cost of sales: +/-0.29%
 - EBITDA: +/-2.80%
 - Capex: +/-0.40%

Financial metrics breakdown by currency

% of metric's total, 2019



Source: Company data and analysis.

Management Team

Committed to deliver on ALROSA's development plans

Executive team


CEO



Sergey Ivanov
Chief Executive Officer

- Joined the Company in 2017
- Senior Vice President at Sberbank of Russia (2016–2017)
- Chairman of the Management Board of SOGAZ (2011–2016)
- Top management positions at Gazprombank (2005–2011)

COO



Igor Sobolev
First Deputy CEO – Chief Operating Officer

- Joined the Company in 2007
- Head of Capital construction division, mining & metallurgical directorate at Norilsk Nickel (2000–2007)

CFO



Alexey Philippovskiy
Deputy CEO – Chief Financial Officer

- Joined the Company in 2017
- CFO of Siberian Generating Company (2015–2017)
- Head of Finance and Economics and then CFO of Sibur (2004–2013)
- Consultant at McKinsey & Co. (2001–2004)

Sales



Evgeny Agureev
Deputy CEO for Sales

- Joined the Company in 2017
- Top management positions at Sberbank (2009–2017)

Operational team


Mirny Division



Alexey Kovalenko
Director, Mirny mining and processing division

- Joined the Company in 1996
- Over 20 years of industry experience

Udachny Division



Roman Deniskin
Director, Udachny mining and processing division

- Joined the Company in 2019
- Over 15 years of industry experience

Aikhal Division



Evgeniy Denisov
Director, Aikhal mining and processing division

- Joined the Company in 2005
- Over 15 years of industry experience


Nyurba Division



Anatoliy Platonov
Director, Nyurba mining and processing division

- Joined the Company in 1992
- Over 25 years of industry experience

Almazy Anabara



Pavel Marinychev
CEO Almazy Anabara

- Joined the Company in 2016
- First deputy Prime Minister of the Republic of Sakha (Yakutia) (2014–2016)

Severalmaz











Ravil Sanatulov
CEO Severalmaz

- Joined the Company in 1986, over 30 years of industry experience
- Advisor to CEO 2018–2020
- Director of Aikhal mining and processing division in 2007–2018

Source: Company data.

Supervisory Board Overview (1/2)

<p>1</p>  <p>Anton Siluanov</p> <p>First Deputy Chairman of the Government of the Russian Federation</p> <p>Nominated by: the Russian Federation</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2005-2011 – Deputy Minister of Finance of the Russian Federation • Since 2011 – Minister of Finance of the Russian Federation • Since 2018 – First Deputy Chairman of the Government of the Russian Federation 	<p>2</p>  <p>Aysen Nikolaev</p> <p>Head of the Republic of Sakha (Yakutia)</p> <p>Nominated by: the Republic of Sakha (Yakutia)</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2012-2018 – Head of the urban district "City of Yakutsk" • Since 2018 – Head of the Republic of Sakha (Yakutia) 	<p>3</p>  <p>Andrey Donets</p> <p>First Deputy CEO of the Far East Investment and Expert Agency</p> <p>Nominated by: the Russian Federation</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2012-2013 – CEO of OJSC Amur land planning and surveying enterprise • 2014-2015 – Deputy Mayor of Blagoveshchensk • 2015-2018 – Deputy Chairman of the Government of the Amur Region • Since 2019 – First Deputy CEO of the Far East Investment and Export Agency 	<p>4</p>  <p>Vladimir Solodov</p> <p>Chairman of the Government of the Republic of Sakha (Yakutia)</p> <p>Nominated by: the Republic of Sakha (Yakutia)</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2013-2015 – Head of department in Agency of Strategic Initiatives • 2015-2018 – Deputy Plenipotentiary Representative of the President of the Russian Federation in the Far Eastern Federal District • Since 2018 – Chairman of the Government of the Republic of Sakha (Yakutia)
<p>5</p>  <p>Andrey Karkhu</p> <p>Advisor to Head of the Municipal Entity of the Republic of Sakha (Yakutia) Anabar National (Dolgan-Evenki) Ulus (District)</p> <p>Nominated by: Municipal Districts of the Republic of Sakha (Yakutia)</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 1994-2014 – Chief Engineer of OJSC Almazy Anabara • 2014-2017 – Chief Engineer of OJSC Nizhne-Lenskoe • Since 2017 – Chief Engineer of Arctic Capital LLC • Since 2019 – Advisor to Head of the Municipal Entity of the Republic of Sakha (Yakutia) Anabar National (Dolgan-Evenki) Ulus (District) 	<p>6</p>  <p>Kirill Dmitriev</p> <p>CEO of Russian Direct Investment Fund</p> <p>Nominated by: the Russian Federation</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2007-2011 – Development Director, President of Icon Private Equity Limited Representative Office • Since 2011 – CEO of Russian Direct Investment Fund 	<p>7</p>  <p>Oleg Fedorov</p> <p>Independent director of the Supervisory Board, ALROSA</p> <p>Nominated by: minority shareholders as an independent director</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2009-2012 – Head, Department of Investment and Banking, VTB Capital • 2012-2014 – Adviser to the Head of the Federal Agency for State Property Management • Since 2013 – Independent director of the Supervisory Board of ALROSA 	<p>8</p>  <p>Maria Gordon</p> <p>Independent director of the Supervisory Board, ALROSA</p> <p>Nominated by: minority shareholders as an independent director</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 1998-2010 – Goldman Sachs, investment activity • 2010-2014 – PIMCO, investment activity • Since 2015 – Independent director of the Supervisory Board of ALROSA

Source: Company data.

Supervisory Board Overview (2/2)

<p>9</p>  <p>Evgenia Grigorieva</p> <p>Minister of Property and Land Relations of the Republic of Sakha (Yakutia)</p> <p>Nominated by: the Republic of Sakha (Yakutia)</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2007-2011 – First Deputy Minister of Property Relations of the Republic of Sakha (Yakutia) • Since 2011 – Minister of Property and Land Relations of the Republic of Sakha (Yakutia) 	<p>10</p>  <p>Sergey Ivanov</p> <p>Chief Executive Officer of ALROSA</p> <p>Nominated by: the Russian Federation</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2011-2016 – Chairman of the Management Board of AO SOGAZ • 2016-2017 – Senior Vice President, Head of Wealth Management at Sberbank of Russia • Since 2017 – CEO of ALROSA 	<p>11</p>  <p>Dmitry Konov</p> <p>Member of the Board of Directors, Chairman of the Management Board at SIBUR Holding</p> <p>Nominated by: the Russian Federation as an independent director</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2011-2016 – CEO of SIBUR • Since 2007 – Member of the Board of Directors, Chairman of the Management Board (since 2009) at SIBUR Holding 	<p>12</p>  <p>Galina Makarova</p> <p>Independent director of the Supervisory Board, ALROSA</p> <p>Nominated by: the Republic of Sakha (Yakutia) as an independent director</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2003-2007 – Ministry of Property Relations of the Republic of Sakha (Yakutia) • 2007-2015 – Permanent Representative of the Republic of Sakha (Yakutia) in St. Petersburg • Since 2018 – Independent director of the Supervisory Board of ALROSA
<p>13</p>  <p>Sergey Mestnikov</p> <p>CEO of Trust Fund for Future Generations of the Republic of Sakha (Yakutia)</p> <p>Nominated by: the Republic of Sakha (Yakutia)</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2010-2012 – Deputy Head, Head, Secretariat of Chairman of the Government of the Republic of Sakha (Yakutia) • 2012-2016 – First Deputy Minister of Property and Land Relations of the Republic of Sakha (Yakutia) • Since 2016 – CEO of Trust Fund for Future Generations of the Republic of Sakha (Yakutia) 	<p>14</p>  <p>Alexey Moiseev</p> <p>Deputy Minister of Finance of the Russian Federation</p> <p>Nominated by: the Russian Federation</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2001-2010 – Senior Economist, Deputy Head of Analytical Department of Renaissance Capital - Financial Consultant • 2010-2012 – Deputy Head of Department, Head of Division at VTB Capital • Since 2012 – Deputy Minister of Finance of the Russian Federation 	<p>15</p>  <p>Sergey Donskoy</p> <p>Member of the Supervisory Board, ALROSA</p> <p>Nominated by: the Russian Federation</p> <p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2008-2011 – Deputy Minister of Natural Resources and Environment of the Russian Federation • 2011-2012 – CEO of JSC Rusgeology • 2012-2018 – Minister of Natural Resources and Environment of the Russian Federation • Since 2018 – Advisor to CEO, Irkutsk Oil Company LLC • Since 2018 – Member of the Board of Directors of JSC INK Capital 	

Source: Company data.

Board Agenda for Coming Years

- 1** Focus on continuous business transformation to ensure long-term competitiveness and sustainable production

- 2** Emphasis on developing risk management culture within the company

- 3** Highlight long-term strategic issues in marketing

- 4** Focus on ESG aspects to ensure long-term sustainability

- 5** Wise IT transformation with additional value to business and security

Glossary

Term	Definition
ARP	Average realized price (sales revenue divided by sales volumes in carat terms)
ct	Carat : one of the four main diamond characteristics, the others being colour, cut and clarity; 1 carat=200 mg
m ct	Million carats
CVD	Chemical vapour deposition: a high-temperature, but normal-pressure process to grow lab-grown diamonds
DPA	Diamonds Producers Association
FTC	Federal Trade Commission
Gem-quality diamonds	Diamonds used for jewelry manufacturing
HPHT	High-pressure, high-temperature; a process using large presses to grow lab-grown diamonds
INED	Independent Director
Lab-grown diamonds (LGD)	Diamonds produced in laboratories using HPHT or CVD methods; also known as synthetic diamonds
m ³	Cubic meter
Average price index	Average index change of like-for-like diamonds prices (excl. +10.8 carats)
Reserves	Resources known to be economically feasible for extraction
Resources	Valuable deposits that could potentially be economically extracted at a later point
RoW	Rest of the world
tn	Tonnes
mmt	Million tonnes
p.p.	Percentage points



THANK YOU!

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