

What about the Company's corporate governance – the "G" in ESG?

The Company is committed to high standards of corporate governance. As Chairman of PhosAgro's Board of Directors, I am accountable for keeping our corporate governance transparent and effective. I believe every Board member shares this approach – acting for the benefit of all stakeholders and taking prudent, carefully balanced decisions.

Half of the Board members elected in May 2025 (five out of ten) were independent directors, bringing diverse leadership experience from the chemical industry, top research institutions, and senior government roles. The Board's expertise and perspective enable the Company to make effective strategic decisions.

Ensuring that shareholders enjoy equal rights and can exercise them without impediment is a responsibility and a constant focus of the Board. The number of our shareholders has doubled since 2021, mainly because of an influx in retail investors. This has required us to develop new approaches to engaging with this stakeholder group.

The Company maintains an ongoing dialogue with analysts from leading Russian banks and brokerage firms, and ensures that shareholders, including minority ones, have opportunities to engage with PhosAgro's management via conference calls, webcasts, and investment conferences.

The Company also follows its approved dividend policy rigorously and pays dividends to shareholders on a regular basis.

What are PhosAgro Group's goals for 2026? And what are the main pillars of the Company's Strategy to 2030?

The global mineral fertilizer market conditions are hard to predict, but either way, the projects we launched in 2025 – above all, the Balakovo fertilizer capacity expansion and the start of underground apatite-nepheline ore mining at Rasvumchorr Plateau – are expected to be fully visible in our 2026 production and financial results.

Under the base scenario of the Strategy to 2030, PhosAgro Group aims to increase agrochemical product sales by 16%, from 11.8 mt in 2024 to 13.7 mt in 2030. We plan to reinforce our leadership in our priority Russian market while redirecting exports to the promising markets of the Global South. Our self-sufficiency in feedstock – from the mineral resource base to raw materials for the intermediate stages of chemical production – will help us control costs and maintain high profitability.

The Strategy to 2030 sets out three development horizons. Horizon 1 involves investments in our core business – phosphate and nitrogen fertilizer production. Horizon 2 concerns investments in new opportunities in adjacent or related market segments to diversify our operations. This includes entering the food phosphate market, creating vanadium catalysts for sulphuric acid production, and increasing the output of aluminium fluoride – a by-product of our production that is used as a raw material in the aluminium industry.

Horizon 3, lastly, is about investing in entirely new products or markets and in breakthrough innovations. This involves plans to develop, register, and bring to market more than 30 new products, as well as to introduce artificial intelligence into production, quality management, maintenance, and industrial safety.

Biologised fertilizers are one example of such a breakthrough. They contain added live microorganisms or their metabolites to help plants absorb nutrients more effectively. In 2025, PhosAgro Group secured patents for the production of a full line of biologised complex NPK fertilizers using Russian technologies.

2026 marks an anniversary for the Company. Over the 25 years since its founding in 2001, PhosAgro Group has built a track record of steady growth – driven by highly professional teamwork of its thousands of employees and by strong management decisions. The Company is consistently increasing its output, supporting food security both domestically and worldwide, and setting the highest corporate standards.

In that spirit, I want to thank all those who contribute to PhosAgro Group's development and to the attainment of our strategic objectives – our employees, contractors, customers, investors, and other stakeholders. Thank you for your trust and support, for that is what drives our shared growth and development!

CEO's statement



Among major achievements of 2025 were the Balakovo fertilizer production expansion and the start of phosphate mining at the Rasvumchorr Plateau underground mine. Digitalising production processes and migrating to domestic IT solutions were also key priorities in 2025.

Supplying Russian farmers with superior quality mineral fertilizers is PhosAgro's primary focus. The Group also maintains strong positions in international sales markets.

In 2025, PhosAgro Group set a new record for chemical product output. This performance once again reaffirmed the effectiveness of our vertically integrated business model, which spans phosphate rock mining through to the sale of complex fertilizers to farmers.

Alexander Gilgenberg
CEO of PhosAgro



What was PhosAgro's fertilizer production performance in 2025? What was the contribution from each production site?

Our agrochemical product output grew by 4% in 2025, reaching 12.2 mt. The biggest growth came from phosphate-based fertilizers: DAP, complex NPK fertilizers (with nitrogen, phosphorus, and potassium in the right proportions for farmers), and feed-grade MCP.

This growth was driven by the Volkhov production site reaching its design capacity and the completion of a major upgrade of the Balakovo site, which is scheduled to reach full capacity by the end of 2026.

Balakovo now operates a flexible production scheme that can produce different fertilizer types based on market needs. Higher output of key raw materials – phosphoric and sulphuric acids – has supplied the site's production facilities with the required feedstock.

In 2025, our Cherepovets site, which focuses on nitrogen fertilizers, increased its output by 0.7% thanks to streamlined production processes.

What was PhosAgro Group's investment in expanding its production capacities in 2025, including its ore and raw material base?

We invested over RUB 67 bln in the reporting year, including capitalised repairs, and nearly a third of that went to developing our ore and raw material base.

The Company operates the world's largest deposit of phosphorus-bearing apatite-nepheline ore in the Khibiny Mountains (Murmansk region). The ore's volcanic origin gives our fertilizers their superior quality. This deposit has been mined for almost a hundred years, so sustaining and expanding our raw material base is a strategic priority – one that will secure the Company's long-term business sustainability.

In December 2025, we extracted the first apatite-nepheline ore at the Rasvumchorr Plateau underground mine, which has been under development since 2018. It is designed to extract the underground reserves of the Tsentralny mine, where open-pit mining has been carried out for the past five decades.

We plan to extract 390 kt of ore at Rasvumchorr in 2026 and reach full design capacity of 6 mt by 2034. PhosAgro Group's total investment in building and equipping the new mine has exceeded RUB 38 bln.

Other investment projects completed in 2025 include the expansion of aluminium fluoride production in Cherepovets and preparations to launch our own power generation using gas-piston power plants in Balakovo.

How did the Company perform financially in 2025? What metrics are worth highlighting?

In 2025, PhosAgro Group's revenue grew by 13% to RUB 573.6 bln, reflecting both increased production volumes and higher fertilizer prices in global markets.

EBITDA came in at RUB 176.3 bln (RUB 199.4 bln excluding FX impact from operating activities), representing a margin of 30.7%. This profitability reflects the strong efficiency of the Company's operations, increased output of high-margin fertilizers, a flexible sales policy, and high self-sufficiency in raw materials.

Importantly, the Company's leverage stayed comfortable in the reporting year. As at 31 December 2025, net debt stood at RUB 320.5 bln, down RUB 5 bln from 31 December 2024, while the net debt / EBITDA ratio at the end of 2025 was 1.82x.

In 2025, the Company placed two USD-denominated bond issues, which helped reduce the overall cost of borrowing against a backdrop of high interest rates in Russia. We continue to hold the highest credit ratings (AAA) from Expert RA and ACRA, both with a stable outlook.

A key focus for PhosAgro Group in 2025 was industrial digitalisation and the shift away from imported technology solutions due to sanctions. Which Company initiatives in this area were most important?

Digitalisation and the transition to import-independent IT solutions are critical development priorities for the Company. I would single out several projects in this area.

The Company replaced the US-based Oracle enterprise resource planning (ERP) system with the domestic Global ERP solution. We also implemented an automated production management system from the Russian Tsifra Group, replacing the foreign manufacturing execution system (MES).

The Company has made a complete transition to the domestic Astra Linux operating system and the R7 office software.

The next phase of PhosAgro Group's digital transformation will involve using AI in production and corporate processes. This will demand more data storage and processing power, so we started building our own data centre in Volkhov in 2025.

What demand trends for your fertilizers did you witness in 2025, and what market patterns do you foresee ahead?

We provide Russian farmers with priority access to our products, offering them affordable prices set in line with the recommendations of Russia's Federal Antimonopoly Service and the trading policies we agreed with it. In 2025, we supplied around 3.2 mt of fertilizers to the domestic market.

Through the PhosAgro-Region distribution network, we offer Russian farmers more than just fertilizer sales. We provide a comprehensive service offering that includes agrochemical soil analysis, hybrid selection, crop nutrition design, and the delivery of the right fertilizers. We plan to further expand this offering going forward.

We export our products to more than 100 countries worldwide. The majority of our exports go to BRICS countries. In 2025,

we delivered 4.8 mt to the region – up 20% from the previous year. Our top global buyers are India and Brazil (2.65 mt and 1.7 mt in 2025 respectively).

The Group already accounts for 21% of total phosphate-based fertilizer imports into BRICS countries.

Looking at trends, we see that large developing countries with rapidly growing populations need to produce more food on limited land resources. The solution is to intensify agriculture through the use of mineral fertilizers.

PhosAgro's mission is to contribute to global food security. Accordingly, we plan to steadily increase production and expand our fertilizer range in the coming years, in order to meet the needs of farmers across various regions of the world.

We also see demand for solutions that enable more efficient fertilizer application. In the near future, the Company plans to launch the production of biologised fertilizers containing microorganisms that help plants better absorb nutrients from fertilizers.

What is your outlook for PhosAgro Group in 2026? What targets does the Company aim to hit?

2026 marks an anniversary for our Company and will be the first year of the new Strategy to 2030, which we expect the Board of Directors to approve soon. The strategy will continue to rest on organic growth of production, underpinned by strong resource self-sufficiency, delivered through highly effective projects, all the while keeping a steadfast focus on social and environmental performance.

In 2026, we target higher production and sales than in 2025, driven mainly by the recently completed investment projects in Balakovo and Kirovsk, along with strong demand for mineral fertilizers both in Russia and globally.

I believe the past year's achievements and our continued growth strategy will lay the groundwork for PhosAgro Group's long-term sustainable development – and for the next chapter of the Company's story – a quarter-century story of success, milestones, and accomplishments.