

Chairman’s statement

Dear shareholders!

The reporting year saw PhosAgro Group complete its Strategy to 2025, which involved major investment in expanding our fertilizer capacities, developing our ore and raw material base, and driving significant production growth. We successfully met these targets and are now moving forward with new, ambitious goals.

We have consistently prioritised global and national sustainable development agendas. During the reporting year, the Group continued to contribute to Russia’s national development goals by backing cultural and sporting initiatives, meeting our environmental commitments, and carrying out social projects in the regions where we operate.



◆ **What is your assessment of the outcomes of PhosAgro Group’s Long-Term Development Strategy to 2025? What projects under that strategy have been completed during this time, including those implemented in 2025?**

The Strategy to 2025 was implemented during a period of unprecedented challenges. First, the COVID-19 pandemic forced us to adopt new approaches to employee safety, production, and logistics. Then came sanctions on Russian businesses, supply chain disruptions, the need to replace foreign production technologies and IT systems with domestic solutions, and restrictions in our key sales markets. We rose to these challenges and successfully achieved our goals. As a result, we largely diverted our fertilizer exports from Europe to developing countries, including India, Brazil, and the nations of Africa.

Between 2020 and 2025, PhosAgro Group invested over RUB 350 bln in capacity maintenance and expansion, including RUB 67 bln in 2025 alone¹. Over the life of the Strategy, we achieved our targets, with phosphate rock production increasing by more than 10% in 2025 compared with 2019 and

fertilizer and feed phosphate output growing by over 25%. We also maintained a high level of self-sufficiency in raw materials, including sulphuric acid, despite a significant increase in consumption.

The most significant development for PhosAgro Group in 2025 was the completion of the third phase of the Balakovo production site expansion. Following successful commissioning, the site began producing mineral fertilizers, with a flexible production scheme for MAP, DAP, NPK, and NPS using best available technologies.

The site is expected to reach full capacity in 2026, at which point production in Balakovo will increase by almost 1 mt from the 2024 level to 3.5 mt of fertilizers.

Another major development in 2025 was the start of underground mining of phosphate ore at the Rasvumchorr Plateau deposit in the Murmansk region, at the Kirovsk branch of Apatit. The mine is expected to reach its design capacity of 6 mt of apatite-nepheline ore per year by 2034. Maintaining and expanding our own ore and raw material resource base, which ensures the high quality of our fertilizers, is a key priority for the Company.

We are steadily expanding the PhosAgro-Region mineral fertilizer distribution network, with its branches engaging directly with farmers across Russia’s major agricultural regions and in nearby countries. In 2025,

we supplied 3.2 mt of agrochemical products to Russian farmers. As part of our strategic goal to shape up new lines in the Russian market, strategically important for us, we have continued building up our domestic selection seeds supply business, launched an accredited biochemical laboratory, and made available a comprehensive service offering that includes soil agrochemical surveys, hybrid selection, and development of crop nutrition planning systems that help fully unlock the potential of Russian selection achievements.

In the reporting year, PhosAgro Group was an active exporter of fertilizers to international markets, particularly Brazil and India. At the Made in Russia International Export Forum, the Company received two Russian government awards: Industrial Exporter of the Year and Responsible ESG Exporter.

◆ **ESG remains a key focus for PhosAgro Group. What projects in environmental protection, social responsibility, and corporate governance did the Company implement in 2025?**

ESG is integrated into both the Company’s business model and its decision-making at every level. By pursuing our ESG agenda, we are enhancing operational efficiency while contributing to Russia’s national development goals, delivering on national projects, and upholding the principles of the UN Global Compact.

We supply improved mineral fertilizers to farmers in Russia and more than 100 countries worldwide. In this way, all of PhosAgro Group’s operations contribute to sustainable agriculture and food security.

Environmentally, we are working to minimise the carbon footprint of our operations, above all through an energy efficiency programme, and to channel recyclable materials into the recycling stream. In 2025, we launched a conversion facility in Balakovo that turns phosphogypsum and fluosilicate acid (by-products of phosphoric acid production) into granulated ammonium sulphate, a valuable nitrogen fertilizer. We also recover fluorine, another by-product of phosphoric acid production: at the Cherepovets site, we expanded output of aluminium fluoride, an electrolyte component used in aluminium production.

Alongside our production and energy efficiency initiatives, we are consistently investing in human capital and the communities where we operate. Since the Company was founded, caring for our workforce and all residents of our host regions has been an unconditional priority. Over the past five years, PhosAgro Group has committed RUB 60 bln to social and charitable initiatives.

In 2025, spending on external social and charitable projects totalled about RUB 11 bln, and the Company’s overall contribution to the social sector exceeded RUB 14 bln for the second year running.

We continued to advance our key programmes: the Educated and Healthy Children of Russia (DROZD), Our Favourite Cities programme to improve urban infrastructure in our regions, and our school-college/university-enterprise education support programme, which enables us to train young talent from school age onwards.

For the third year running, PhosAgro Group was named a winner of the Responsible Business Leadership national award in 2025. Two of our programmes were singled out: our corporate housing programme won in the Contribution to Responsible Investment and Sustainable Development Finance category, and our vocational training programme (part of the school-college/university-enterprise model) was a winner in the Contribution to National Goals and Human Development category.

The Company maintains strong positions in expert assessments, including the Environment, Personnel, State (EPS) responsible business rating of AAA and the ESG indices of the Russian Union of Industrialists and Entrepreneurs (RSPP) at the maximum A level. Furthermore, in 2025, RAEX reaffirmed PhosAgro’s ESG rating at AAA – the highest achievable.

November saw Cherepovets host a regional forum of the National ESG Alliance, held with the Company’s support and participation and focused on quality of life in small towns.

PhosAgro Group is also involved in international ESG projects. Together with UNESCO and IUPAC, we continue to implement the Green Chemistry for Life programme, supporting young researchers in their efforts to mitigate adverse environmental impacts. In 2025, our Pro Agro Lectorium online platform – which offers training materials on crop nutrition for various crops, soils, and geographic conditions – became available to farmers in BRICS countries and other developing nations.

PhosAgro Group is working with the UN Food and Agriculture Organisation (FAO) on the RECSOIL (Recarbonisation of Global Soils) project, which aims to boost soil carbon and cut greenhouse gas emissions via sustainable soil management.

¹ Including capitalised repairs.

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.