

Strategy

Strategy to 2025

2025 marked the completion of the Strategy to 2025, which the Board of Directors had approved back in March 2019. It is fair to say that most of the strategic goals have been successfully met.

During 2025, the draft Strategy to 2030 was discussed several times, both by the Board's Strategy and Sustainable Development Committee and by the Board itself. The document is comprehensive, setting out goals and plans across all of the Company's key functional areas.

Information on the draft Strategy to 2030 is provided in the final subsection of this section

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Achievement of Strategy to 2025 goals

2025 targets

2025 results

Operational efficiency and production growth

Capacity expansion

Phosphate rock production:

◆ **11.1 mt**
◆ **11.6 mt** +1.5% vs 2024
+10.5% vs 2019

Mineral fertilizer and feed phosphate production:

◆ **11.5 mt**
◆ **12.0 mt** +4.4% vs 2024
+25.0% vs 2019

Maintaining high feedstock self-efficiency

Ammonia:

◆ **76%**
◆ **72%** -2 p.p. vs 2024
-14 p.p. vs 2019

Sulphuric acid:

◆ **91%**
◆ **93%** +2 p.p. vs 2024
+5 p.p. vs 2019

Ammonium sulphate¹

◆ **75%**
◆ **45%** +8 p.p. vs 2024
+42 p.p. vs 2019

Stronger operating efficiency

Implementation of projects targeting technical and organisational improvements and greater operating efficiency, including AI integration across key production, service, and corporate business processes.

Increasing sales efficiency

Expansion of the foothold in premium markets (own products: mineral fertilizers and feed-grade MCP)

Number of distribution and logistics centres:

◆ **35**
◆ **37** unchanged vs 2024
+37% vs 2019

Total storage capacity:

◆ **>650 kt**
◆ **>1,000 kt** unchanged vs 2024
>53% vs 2019

Liquid complex fertilizer storage capacity:

◆ **62 kt**
◆ **121 kt** +19.8% vs 2024
+175% vs 2019

Higher share of premium fertilizer brands

Share of complex fertilizers (NPK/NPS/PKS) in total output:

◆ **43%** (5.0 mt)
◆ **35%** (4.2 mt) +7.7% vs 2024
+20.0% vs 2019

Boosting logistics efficiency

Reduction of transportation costs

- Increased reliance on corporate rolling stock
- Use of innovative railcar fleet: its share of total rolling stock owned or leased by the Company was:

◆ **34.1%** +0.1 p.p. vs 2024
+3.2 p.p. vs 2019

Alignment of production and sales

Freight turnover by rail at key production sites:

◆ **28.3 mtpa**
◆ **28.9 mtpa** +5.1% vs 2024
+42.4% vs 2019

Development of port infrastructure

Efficient mix of port capacities in terms of costs and supply reliability:

◆ **8.0 mt**
◆ **9.5 mt** +18.9% vs 2024

Environmental efficiency

Reduced emissions²

Per unit emissions:

◆ **0.800 kg/t**
◆ **0.667 kg/t** -6.3% vs 2024
-24.9% vs 2019

Reduced impact on water bodies²

Per unit waste water discharge³:

◆ **1.70 m³/t**
◆ **1.63 m³/t** -10.9% vs 2024
-26.5% vs 2019

Reduced waste generation

Share of recycled and disposed of hazard class 1–4 waste:

◆ **40,00%**
◆ **40.75%** +1.6% vs 2024
+18.1% vs 2019

Social responsibility

Employee satisfaction

Aggregate satisfaction and loyalty index:

◆ **65 p.p.**
◆ **76 p.p.**⁴

Climate impact

Reduced Scope 1 GHG emissions²

Per unit Scope 1 GHG emissions:

◆ **109.1 kg CO₂-eq./t** 2028 target
◆ **118.1 kg CO₂-eq./t** -2.6% vs 2024
-21.5% vs 2019

Base year for the climate strategy: 2018

Health and safety

Fostering a safety culture and adhering to the highest occupational health and safety standards

Occupational injuries:

◆ **annual reduction by 10%**
◆ **LTIFR of 0.49** -13% vs 2024
◆ **0 accidents** in 2025

¹ Deviation from the self-sufficiency target for ammonium sulphate is due to the fact that part of the ammonium sulphate output (139 kt in 2025) was sold as a commercial product rather than used for processing into compound mineral fertilizers as per the scenario adopted in the Strategy to 2025. Taking this 139kt into account, the actual self-sufficiency rate for 2025 would be 75%.

² Per tonne of finished and semi-finished products.

³ Excluding mining and pit waters.

⁴ Starting from 2024, employee surveys are conducted once every two years. The results presented are from the most recent assessment, which took place in 2024.

Operational efficiency and production growth

Capacity expansion

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

◆

Target 12.5. Making products with enhanced characteristics in line with safe production requirements and maximising the recycling of production waste.



The long-term growth in demand for mineral fertilizers has been steady. In order to respond to stronger demand, PhosAgro focuses on expanding capacities to produce its key products, which is one of our key strategic goals for 2025.

Delivery on production targets, mt

Indicator	2019 (actual)	2023 (actual)	2024 (actual)	2025 (plan)	2025 (actual)	2025 (actual) / 2024 (actual), %	Strategy to 2025
Production of nitrogen-based fertilizers	2.3	2.6	2.6	2.6	2.6	0.7	2.5
Production of phosphate fertilizers and feed-grade MCP	7.3	8.4	8.9	9.4	9.4	5.5	8.9
Production of phosphate rock	10.5	10.7	11.4	11.5	11.6	1.5	11.1

Major capacity expansion projects under Strategy to 2025

Development of ore and raw material base (Apatit's Kirovsk branch)

◆

Development of +310 m level at the Rasvumchorrsky mine

Timeline

2016–2019

Targets

Up to 4 mt of ore per year

Cost

RUB 5.2 bln

Status

Ore mining since 2018

◆

Development of +10 m level at the Kirovsky mine

Timeline

1st start-up facility (Kukisvumchorr flank): 2016–2022

2nd start-up facility (Yukspor flank): 2016–2023

Further development with mining equipment procurement: 2021–2035

Targets

Up to 9 mt of ore per year, total ore reserves of over 200 mt

Cost

RUB 40.4 bln

Status

Ore mining since 2022

◆

Stripping and mine development preparations at the Rasvumchorr Plateau deposit to +310 m level

Timeline

1st start-up facility: 2018–2025

2nd start-up facility: 2022–2031

Further development with mining equipment procurement: 2022–2040

Targets

+1.4 mt of phosphate rock per year by 2035

Cost

RUB 43.9 bln

Status

1st start-up facility launched in Q4 2025, with ore mining starting at +430 m level

◆

Development of the Gakman block

Timeline

2022–2035

Targets

+0.6 mt of phosphate rock by 2034

Cost

RUB 9.3 bln

Status

Ore mining started at +320 m level in January 2025

◆

Development of the Vostochny mine

Timeline

2019–2040

Targets

+4.7 mt of phosphate rock by 2032

Cost

RUB 80.7 bln

Status

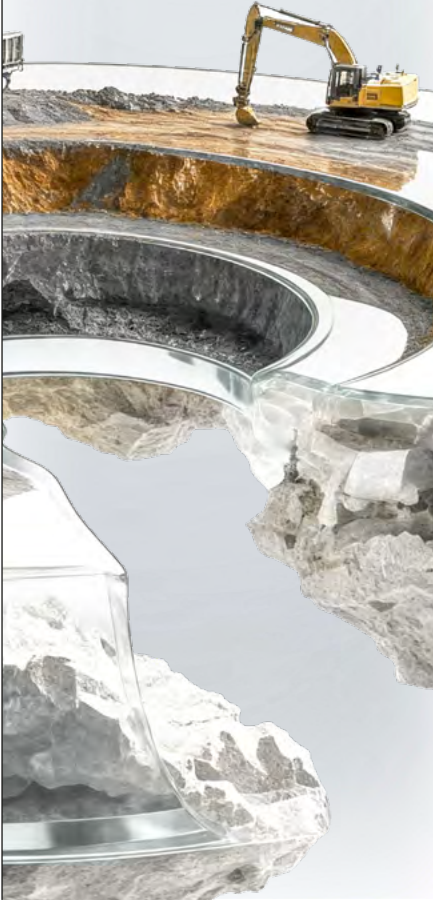
Mining equipment deliveries on schedule. IPCC¹ launch completed



¹ In-pit crushing and conveying system.

Development of Apatit's chemical production facilities

Major capacity expansion projects under Strategy to 2025

◆ Phosphate fertilizer capacity expansion (Project +750), Cherepovets Timeline 2015–2019 Targets +1,127 kt of phosphate fertilizers per year Cost RUB 11.4 bln Status Completed	◆ Balakovo branch development (Phase 1) Timeline 2019–2021 Targets +110 kt of granulated ammonium sulphate Cost RUB 0.6 bln Status Completed	◆ Volkhov branch development to 2025 Timeline Reaching design capacity for fertilizers: 2018–2023 Completion of infrastructure facilities: 2024–2026 Targets +838 kt of MAP per year +44 kt of water-soluble MAP per year +250 mln kWh per year of electricity generation Cost RUB 33.7 bln Status Completed 	◆ Increased phosphate rock processing and MAP output through upgrade of wet-process phosphoric acid plant (WPAP-450), Volkhov branch Timeline 2023–2024 Targets +107 kt of MAP per year Cost RUB 2.3 bln Status Completed	◆ Increase in feed-grade monocalcium phosphate (MCP) output, Balakovo branch Timeline 2021–2024 Targets +100 kt of MCP Cost RUB 3.3 bln Status Completed 	◆ Balakovo branch development (Phase 3) Timeline 2022–2025 Targets IRR 25% +732 kt of mineral fertilizers per year Cost RUB 18.2 bln Status Pilot production of MAP, DAP, NPK, and NPS began between April and June 2025
◆ Construction of nitric acid unit with ammonium nitrate output increase, Cherepovets Timeline 2017–2019 Targets +150 kt of nitrogen-based fertilizers per year Cost RUB 2.2 bln Status Completed	◆ Increased phosphate rock processing through modernisation of dihydrate phosphoric acid production, Cherepovets Timeline 2022–2024 Targets +173 kt of DAP per year Cost RUB 4.4 bln Status Completed		◆ Balakovo branch development (Phase 2) Timeline 2021–2024 Targets +196 kt of granulated ammonium sulphate Cost RUB 4.6 bln Status Completed		◆ Aluminium fluoride shop capacity expansion to 79.1 kt per year, Cherepovets Timeline 2023–2025 Targets +4.5 kt of aluminium fluoride per year Cost RUB 0.4 bln Status Completed

Maintaining high feedstock self-efficiency

Feedstock self-sufficiency

Strong vertical integration is PhosAgro's major competitive advantage. With our phosphate

rock reserves covering 100% of the Company's needs for phosphate fertilizer production, we are ramping up output of other key types

of feedstock, thus increasing our feedstock security and cutting costs.

Self-sufficiency in key types of feedstock

Indicator	2019 (actual)	2023 (actual)	2024 (actual)	2025 (plan)	2025 (actual)	Strategy to 2025
Ammonia, %	86	75	74	71	72	76
Production, mt	1.9	2.0	2.0	2.0	2.0	1.9
Consumption, mt	2.2	2.6	2.7	2.8	2.7	2.5
Sulphuric acid, %	88	92	93	96	93	91
Production, mt	6.1	8.1	8.5	9.2	8.8	7.8
Consumption, mt	6.9	8.8	9.1	9.6	9.5	8.6
Ammonium sulphate, %	3	46	37	62	45	75
Production, mt	0.0	0.3	0.2	0.3	0.2	0.7
Consumption, mt	0.4	0.6	0.5	0.5	0.5	0.9

Major projects to maintain and increase feedstock self-sufficiency under Strategy to 2025

◆ Construction of ammonium sulphate production unit, Cherepovets Timeline 2018–2019 Targets +300 kt of ammonium sulphate per year Cost RUB 2.5 bln Status Completed	◆ Construction of fifth sulphuric acid production unit (SK-3300) Timeline 2017–2020 Status Completed	◆ Upgrade of sulphuric acid production unit (SK-20) Timeline 2021–2024 Status Completed	◆ 2019–2025 Strategy projects completed in 2025	◆ Upgrade of sulphuric acid production and infrastructure facilities to increase capacity by 93 t of monohydrate per hour (SK-20/1) Timeline 2024–2025 Status Sulphuric acid production unit started up in June 2025
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¹ Deviation from the self-sufficiency target for ammonium sulphate is due to the fact that part of the ammonium sulphate output (139 kt in 2025) was sold as a commercial product rather than used for processing into compound mineral fertilizers as per the scenario adopted in the Strategy to 2025. Taking this 139kt into account, the actual self-sufficiency rate for 2025 would be 75%.

Capital investments

◆ **Progress against 2025 strategic goals of capacity expansion and feedstock self-sufficiency comes on the back of effective planning and the successful implementation of the Company's investment programme.**

A disciplined approach to CAPEX

- Minimum project IRR: approved discount rate + 2% (at least 14%²)
- Annual CAPEX budget of up to 50% of EBITDA
- More efficient working capital management

Breakdown of CAPEX for 2023–2025, RUB bln

Expenditures	2023 (actual)	2024 (actual)	2025 (plan)	2025 (actual)
Investment projects	18.8	26.5	22.6	22.5
Maintenance	31.3	33.9	28.4	28.0
Non-industrial construction	3.3	2.5	2.8	3.1
Total excluding capitalised repairs	53.4	62.9	53.8	53.6
Total including capitalised repairs	64.2	75.2	67.8	67.3

² The minimum internal rate of return is reviewed from time to time, including by considering the current key interest rate set by the Bank of Russia.

CAPEX funding in 2023–2025

Indicator	2023 (actual)	2024 (actual)	2025 (actual)
CAPEX ¹ , RUB bln	53.4	62.9	53.6
Adjusted EBITDA, RUB bln	168.4	170.6	199.4
CAPEX / adjusted EBITDA, %	32	37	27

Key investment projects: funding breakdown for 2025, RUB bln

Apatit’s Balakovo branch development (Phase 3)	4.4
Upgrade of sulphuric acid production and infrastructure facilities to increase capacity by 93 t of monohydrate per hour (SK-20/1)	4.4
Stripping and mine development at the Rasvumchorr Plateau deposit, Apatit’s Kirovsk branch	2.6
Apatit’s Volkhov branch development to 2030	1.9
Development of +10 m level at the Kirovsky mine, Apatit’s Kirovsk branch	1.6
Open pit ore mining increase, Koashva and Njorkpahk deposits, Apatit’s Kirovsk branch	1.6
Development of in-house power generation at Apatit’s Balakovo branch	1.1
Other investment projects	4.9
Total for investment projects	22.5

Operating efficiency improvements



Target 8.5 Maintaining and developing existing operations and creating innovative facilities.

At PhosAgro, we are implementing a whole range of projects and initiatives to improve our technologies and organisational approaches and streamline production processes.



¹ CAPEX excluding capitalised repairs.

In 2025, the Risk-Based Maintenance and Repair project was underway at the Balakovo branch of Apatit.

Balakovo

Timeline

January 2024 – June 2026

Key initiatives

1. Implement risk-based maintenance and repair principles and approaches
2. Measure and achieve economic impact from risk-based maintenance and repair implementation
3. Restructure maintenance and repair processes and provide hands-on staff training
4. Maintain current performance levels of key production shops
5. Cut maintenance and repair services budget at Apatit’s Balakovo branch by 13% in vs plan 2024

Economic effect in 2025

Targets for maintenance and repair service budget reduction and for maintaining the target equipment technical availability ratio were achieved.

In 2025, the Reliability-Centred Maintenance and Repair project at the Vostochny mine of Apatit's Kirovsk branch was completed.

Kirovsk

Timeline

November 2024 – December 2025

Key initiatives

1. Roll out reliability-centred maintenance and repair approach
2. Maintain equipment/machinery reliability within a limited maintenance and repair budget
3. Meet equipment technical availability ratio and budget targets for 2025 in line with the production programme
4. Ensure sustainability of and retention of implemented business processes
5. Improve technical availability ratio for dump trucks and excavators
6. Cut maintenance and repair budget by 7.1% in 2025 vs plan

Economic effect in 2025

Key project results for 2025:

maintenance and repair budget savings achieved while meeting the target technical availability ratio for mining equipment in Q4, with retention of target maintenance business processes reaching a moderate level

In 2025, the Reliability-Centred Maintenance and Repair for Self-Propelled Machines project at the Kirovsky and Rasvumchorrsky mines of Apatit's Kirovsk branch was completed.

Kirovsk

Timeline

9 January 2024 – 31 December 2025

Key initiatives

1. Develop reliability-centred maintenance and repair processes
2. Upgrade maintenance and repair staff skills
3. Ensure retention of new maintenance and repair business processes
4. Cut maintenance and repair budgets in 2025 by 14% vs 2024
5. Maintain the achieved technical availability ratio for LHD² loaders and self-propelled drill rigs

Economic effect in 2025

Key project results for 2025:

- Budget reduction target met
- Technical availability ratio target for LHD loaders met

² LHD (load, haul, dump) loaders.

In 2025, the Group’s entities successfully implemented Russian software, including as part of import substitution efforts. The projects below were included in the list of high-priority projects under the IT import substitution programme of the Russian Government and have received or are receiving state funding.

◆

Integrated Production and Sales System project (ERP system import substitution, Phase 1)

◆

Cherepovets, Kirovsk, Balakovo, Volkhov

Timeline

September 2024 – April 2026

Key initiatives

The Sales, Production, and Production Cost Calculation modules were developed and deployed for the first time on the domestic Global ERP platform for continuous-cycle manufacturing companies, replacing the corresponding Oracle E-Business Suite ERP modules

Economic effect in 2025

No economic impact calculated, but full import independence is secured for critical production and sales processes, with maximum retention of existing functionality

◆

Our project to introduce a manufacturing execution system (automated enterprise management system) for a major holding company in the chemical sector marks the first time domestic software with such functionality has been deployed in the industry

The project ensured continuity in production processes through the use of Russian application software. Its success enables us to further enhance capabilities and roll the solution out to other facilities of the Company.

◆

Cherepovets chemical facilities of Apatit

Timeline

December 2022 – February 2025

Results in 2025

Successful implementation of the software with a warranty and technical support

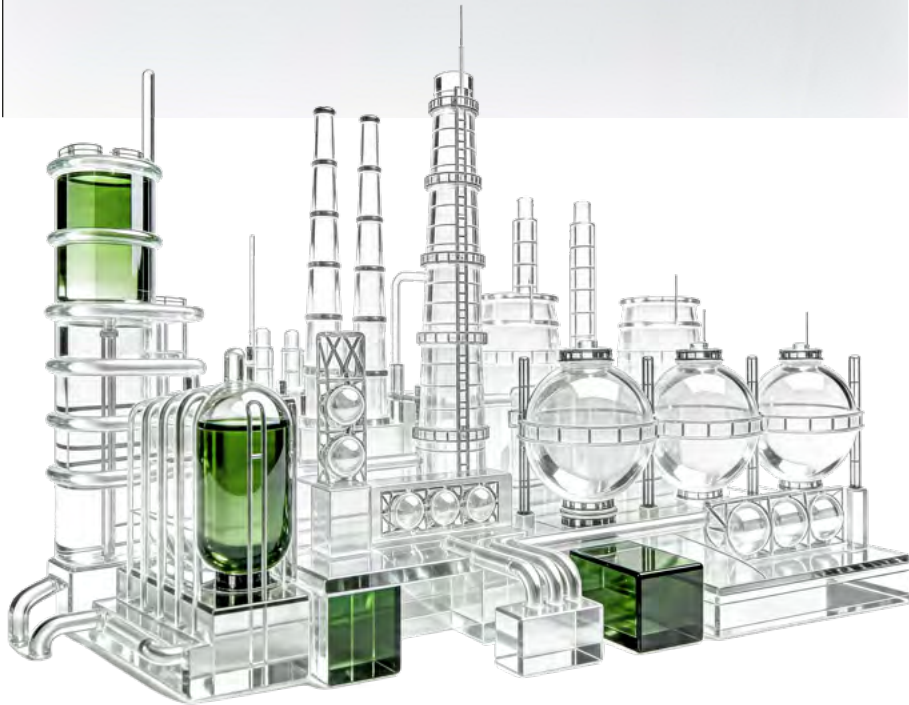
Key initiatives

Import substitution of foreign software for managing and controlling production processes: replacement of PI System by AVEVA (the company exited the Russian market) with the domestic ZIIoT Platform from Tsifra Group

Impact:

1. Reduction in planned downtime hours, increasing mineral fertiliser production operating time by 1.2%

2. Additional economic benefit from reduced software licence support costs



◆

Project to develop, implement and test a domestic cross-platform distributed automated process control system

◆

Cherepovets, sulphuric acid production

Timeline

December 2022 – February 2026

Key initiatives

Develop, implement and test a domestic cross-platform distributed automated process control system (APCS) for chemical and petrochemical plants to replace foreign APCS

Economic effect in 2025

No economic impact calculated, but the project secures Russia's technological sovereignty in APCS for the chemical and petrochemical industries

◆

Project to implement a digital model of power supply systems using the Russian Advanced Protection Suite (APS) software

◆

Cherepovets, Kirovsk, Balakovo, Volkhov

Timeline

July 2025 – December 2026

Key initiatives

1. Build a comprehensive tool to model power supply networks, calculate electrical conditions and relay protection and automatic equipment settings, and analyse network performance to develop corrective actions.

2. Create and roll out a process for electrical business network modelling at Apatit sites using APS

Economic effect in 2025

The solution will cut process disruptions caused by faulty relay protection and automatic equipment along with unacceptable deviations in electrical parameters.

◆

Intelligent Transport Logistics System (ITLS) project

Replacing foreign logistics software with a domestic specialised railway transport management system

◆

Cherepovets, Kirovsk, Balakovo, Volkhov

Timeline

July 2025 – September 2027

Key initiatives

The project covers the entire logistics chain: from on-site transport and product loading to warehouse receipt (for domestic shipments) or vessel loading at ports (for exports). ITLS handles rail and road transport, including containers.

Economic effect in 2025

No economic impact calculated, but the project ensures technological sovereignty, information security, and transport and production safety, while raising digital maturity to improve logistics efficiency and cut transport costs

AI projects

AIChemist project: Russian automated enterprise management system enhanced with AI capabilities

Machine learning and generative AI



PhosAgro enhanced its Russian automated enterprise management system with artificial intelligence capabilities. Integrating Sber’s GigaChat Max large language model was the next step after the system’s commercial launch.

How it works: a machine learning model predicts product quality from data supplied by related systems, while the language model checks compliance with process rules. Retrieval-augmented generation (RAG) technology pulls information from the Company’s knowledge base. The Model Context Protocol (MCP) enables the integration of AI agents to analyse context and tackle tasks independently.

Result: an intelligent assistant and a single knowledge environment bringing together corporate knowledge, documentation, and up-to-the-minute production metrics.

- Impact:**
- Lower production costs and operating expenses through precise maintenance of process conditions. The system helps avoid abnormal situations and, if they arise, quickly suggests the best response.
 - Higher finished product output. The solution has proved its worth, so the Company plans to deploy it across other units and production sites.
 - GigaChat, now part of the system, monitors product quality and outperforms the foreign software

previously used. Employees have gained a powerful tool that handles routine work and helps them deal with complex issues.

Predictive Analytics project

Machine learning



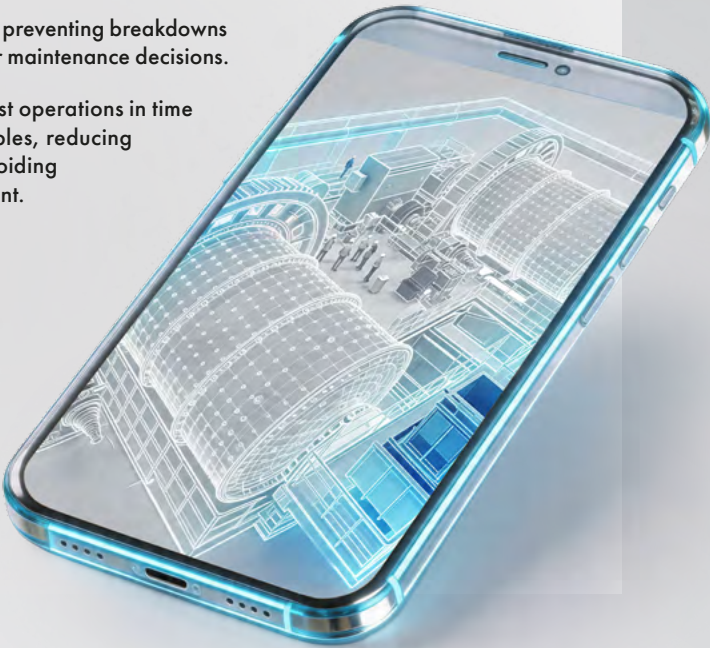
PhosAgro’s IT team built the Predictive Analytics project as a fully in-house AI-powered tool.

The solution is now successfully deployed at the apatite-nepheline beneficiation plants of Apatit’s Kirovsk branch.

How it works: 407 predictive models track large ball mill performance across thousands of parameters, flagging potential failures before they happen.

- What the system does:**
- Forecasts remaining equipment life to support planning
 - Cuts maintenance costs by preventing breakdowns
 - Offers real-time advice for maintenance decisions.

Impact: specialists can adjust operations in time and order the right consumables, reducing unplanned downtime and avoiding critical wear of vital equipment.



Diagnostics of AI Potential in PhosAgro Group project

Artificial intelligence (AI) is becoming a key driver of competitiveness and sustainable business growth in the digital age. In 2025, we launched our Diagnostics of AI Potential in PhosAgro Group project.

Project goal: a systematic audit of the Company’s AI maturity and potential.

The project will produce a heat map of AI readiness across 16 business areas to help prioritise AI projects by business impact, time, and complexity.

The audit will help reveal gaps, identify priority development areas, and shape a strategy for sustainable AI deployment that supports business growth.

Timeline: September 2025 – March 2026

Locations: Cherepovets, Kirovsk, Balakovo, and Volkhov production sites.

- Key initiatives:**
1. Benchmark AI applications in the chemical and related industries among Russian and international peers

2. Assess AI readiness across 16 business areas using a maturity model and create a heat map
3. Prioritise AI projects and initiatives by business impact, timeline, and complexity
4. Develop models for economic impact assessment and AI project management
5. Introduce systematic component (reserve) accounting
6. Create AI development roadmaps based on maturity model criteria

Increasing sales efficiency

The strategic sales goals of PhosAgro Group include expanding its foothold in premium markets and increasing the share of premium product sales.

The Group is successfully pursuing these goals in the evolving market landscape both by actively engaging in high-margin markets and by developing and promoting new, primarily complex grades of mineral fertilizers.

These goals are interrelated, as different geographical markets have historically shown a preference for specific fertilizer grades. For instance, in South America, one of our key regions, there is a strong focus on dual fertilizer grades which enable farmers to create individual blends tailored to their crops, soils, climate, and other agricultural factors. Conversely, in Russia, the Company’s primary market, consumers have historically preferred

compound and complex fertilizer grades that are ready for application and do not require blending

Expanding the foothold in premium markets



◆

Targets 2.4, 12.5, 15.3.
Promoting and raising awareness about best farming practices and developing the service model.

We remain strategically focused on Russia as both our domestic and primary market.

From 2018 to 2025, the Company invested over RUB 6.5 bln in developing PhosAgro-Region, its own distribution network operating in Russia and across the CIS.

As at the end of 2025, the number of our distribution centres stood at 37, with total storage capacity of over 1 mt, including a record-high 121 kt of transshipment capacity for liquid mineral fertilizers – the largest in the country.

Nearly half of the distribution centres now have packaging lines, and blending units for custom fertilizer production are operating in the Black Earth and Volga regions.

In 2025, a compacted ammonium sulphate line with 13,000 t annual capacity was launched at the PhosAgro-Kuban distribution centre in the Krasnodar Territory.

The supply of mineral fertilizers to industrial producers has seen significant growth, increasing by 64% over the past two years (from 61 ktpa in 2023 to 100 ktpa in 2025).

In 2025, as part of its service model development, the Company continued to offer Russian farmers the service of chemical soil analysis. Over the year, agronomic services surveyed more than 120,000 ha. Since the launch of the initiative, we have surveyed 315,000 ha across 36 regions in seven federal districts.

Progress towards our targets

Indicator	2019 (actual)	2023 (actual)	2024 (actual)	2025 (actual)	Strategy to 2025
Distribution centres	27	34	37	37	35
Total storage capacity, kt	652	868	1,000	>1,000	>650 kt
Liquid complex fertilizer storage capacity, kt	44	85	101	121	62

In 2025, the Company opened its own accredited commercial agrochemical laboratory at PhosAgro-Lipetsk, analysing over 3,500 soil samples in its first year and providing farmers with reliable data to choose the right fertilizer programmes.

In 2025, we continued to actively develop a new business area – the supply of domestically bred seeds. Sales reached 45,500 seed units, 2.7 times higher than in 2024. This gave the Company’s customers access to a comprehensive service package, including agrochemical analysis, hybrid selection, development of plant nutrition and protection systems, and fertilizer supply.

In 2025, PhosAgro-Region and the State Variety Testing Commission¹ signed a cooperation agreement to run a joint pilot project on advanced agricultural technologies. The goal is to unlock the potential of Russian varieties – boosting productivity, quality, and competitiveness – by developing mineral nutrition programmes tailored to each variety or hybrid. The 2025 project involved 24 breeding varieties across four technical crops. Results are expected to be added to the Seed Production Federal State Information System, making information on cultivation technologies using Company fertilizers widely available.

Plans for 2026

In 2026, PhosAgro Group will focus on further expanding its distribution network, upgrading the logistics infrastructure, and launching new logistics centres in Russia’s key agricultural regions.

In 2026, the Company plans to further enhance its service business by offering Russian farmers an expanded set of agronomic and process solutions to improve agricultural productivity.

Higher share of premium fertilizer brands in the sales mix

In the reporting year, the market witnessed accelerated growth in the sales of complex triple fertilizers, with their share in the Company’s product portfolio rising to 35% in 2025.

The share of complex fertilizer brands in sales depends on the structure of the Company’s export markets, which is influenced by both economic and geopolitical factors, as different geographic markets have historically shown

preferences for specific products. The flexibility of our production assets enables us to respond swiftly to changes in the market demand, while simultaneously ensuring optimal profitability of the product portfolio and full capacity utilisation.

Mineral fertilizer and feed phosphate sales mix, kt

Indicator	2019 (actual)	2023 (actual)	2024 (actual)	2025 (actual)	2025 (actual) / 2024 (actual), %	Strategy to 2025
Urea/AN/AS	2.2	2.6	2.5	2.6	4.8	2.6
MCP	0.4	0.4	0.4	0.5	25.6	0.5
APP	0.2	0.2	0.2	0.2	–13.4	0.2
NPK/PK/PKS	3.5	3.5	3.9	4.2	9.1	5.0
MAP/DAP	3.2	4.5	4.7	4.5	–2.6	3.3
Total	9.5	11.1	11.6	12.0	3.7	11.5
Share of complex fertilizers, %	37	31	33	35		43



◆

Targets 2.4, 12.5, 13.2.
Expanding sales of mineral fertilizers with improved characteristics² and developing advanced plant nutrition systems, including those that limit greenhouse gas emissions and help adapt to climate change.

The Company continues to develop and actively market new fertilizer grades in an effort to meet the existing and potential needs of farmers in Russia and abroad to the fullest extent possible, while taking into account the specifics of crops, soil types, and farming conditions.

PhosAgro Group is actively developing the following premium products:

- fertilizers with micronutrients are considered one of the most potent ways to combat malnutrition and reduce nutrient deficiencies, as the micronutrients can be accumulated by plants and thus benefit the human diet;

- biological and biomineral fertilizers are expected to become one of the most effective solutions to ensure global food security by boosting agrochemical efficiency of plant nutrition systems without damaging the ecosystem.

For more information on these and other innovative fertilizer grades produced by PhosAgro, see the Research and Education section

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¹ State Commission of the Russian Federation for Testing and Protection of Selection Achievements.

² Confirmed by a certificate of conformity issued by the Russian Quality Agency, granting the producer the right to label products with the distinctive Green One label (owned by the Russian Ministry of Agriculture). Apatit is included in the State Register of Manufacturers of Agricultural Products, Food, Industrial and Other Products with Improved Characteristics.

Boosting logistics efficiency

The most part of the Company’s freight (ca. 99%) is transported via the Russian Railways network. Freight turnover in 2025 increased by 3.4% compared to 2024, reaching 31.5 mt.

Rail shipments are also a focus area of key initiatives aimed at improving delivery safety and reliability and reducing transportation costs.



Reduction of transportation costs

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Target 12.5.
Managing chemicals and wastes wisely throughout their life cycle, including transportation.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

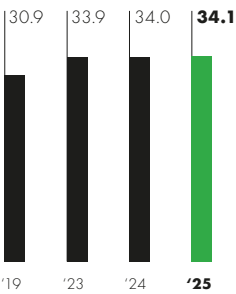
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As part of implementing the Strategy to 2025, we have significantly increased reliance on our own rolling stock, buying mostly innovative

railcars with a higher capacity and longer run life. Increased reliance on PhosAgro’s own rolling stock means:

- enhanced safety of operation and more reliable supplies, as PhosAgro Group’s production and logistics processes are less dependent on third-party services;
- higher cost efficiency, as corporate railcars are cheaper in use than third-party rolling stock;
- a positive environmental effect, as the use of innovative rolling stock with higher cargo tonnage per railcar and train reduces the negative impact on the environment per tonne of cargo.

Share of innovative rolling stock in total rolling stock owned or leased by the Company¹, %



Another key focus for ensuring transport safety and optimising transport costs in 2025 was negotiating mutually beneficial terms and signing agreements with Russian Railways involving co-financing of transport infrastructure development at railway stations adjacent to the production sites of Apatit.

Alignment of production and sales

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Target 9.1.
Developing rail infrastructure and contributing to the development of local communities through our value chain.

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

The throughput capacity of the Company’s rail infrastructure is the main logistics condition for reliably meeting the production programme targets.

In response to growing rail freight volumes, the Company is implementing a phased programme to develop its own internal railway infrastructure.

Cherepovets production site

Nitrogen facility

In 2025, work continued under a four-party agreement between Apatit, Severstal, Russian Railways and Lengiprotrans on simulation modelling of the Cherepovets railway hub operations, with a list of measures to be drawn up to handle both current and future freight turnover. Completion is scheduled for 2026.

Phosphate facility

- An overhaul and upgrade of the rail car service station equipment began in 2025, and a new rail track for loading packaged products was completed.
- 2026 plans include upgrading the ammonia unloading rack and boosting productivity at the rail car service station and sulphur unloading units.

Rolling stock renewal programme schedule for Apatit and its branches

Rolling stock	Timeline	Planned	Acquired in 2025	Total acquired including 2025	Programme completion
Electric locomotives, Kirovsk branch	2022–2030	11	2	4	36%
Dump cars, Kirovsk branch	2021–2033	392 railcars	1 railcar	90 railcars	23%
Diesel locomotives, Cherepovets site and Balakovo branch	2023–2030	23	–	7	31%

¹ Share in total rolling stock owned or leased by the Company.

AI projects

Mobile Voice Patrol

Computer vision



The Mobile Voice Patrol project was rolled out across all Apatit sites in 2025.

The project was implemented with Skolkovo grant support in collaboration with Speech Technology Centre.

It is a unique Russian AI-based solution. For the first time in the rail industry, speech recognition is being used at scale – inspectors can record commercial and technical rail car checks by voice using a headset and tablet.



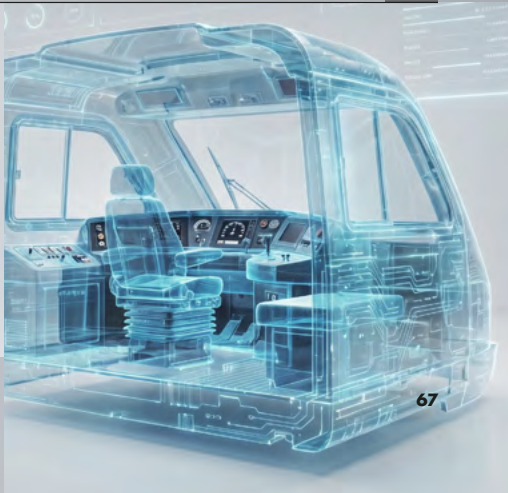
AI-powered onboard vision system

Computer vision



An AI-based onboard technical vision system has been put into commercial operation.

Installed on a shunting diesel locomotive, the neural network monitors the track ahead, alerts the driver of hazards, and automatically applies the brakes when there is a risk of an incident, regardless of the driver’s actions.



Kirovsk branch production site

In 2025, construction began on a second track for the Vudyavr–Vostochnaya section. Key technical solutions were produced for the development of the railway infrastructure in the Aykuven and ANBP-3 track areas.

Balakovo branch production site

In 2025, 5.3 km of new railway tracks were built, eight sets of turnouts were laid, signalling, centralisation and blocking systems were modernised, and a transition to digital radio communication was completed.

Volkhov branch production site

In 2025, 4.4 km of newly built railway tracks were put into operation at Volkhovstroy II station of the October Railway. Work was carried out on laying cable communications for signalling, centralisation and blocking systems and for communication lines, and 43 overhead line poles and 12 headspans were installed.

For more information on the ITLS project, see the [Operating Efficiency Improvements subsection](#)

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Progress towards our targets, mtpa

Freight turnover of chemical facilities’ railway infrastructure	2019 (actual)	2023 (actual)	2024 (actual)	2025 (actual)	Strategy to 2025
Cherepovets site	12.0	15.3	16.1	16.9	16.5
Balakovo branch	6.7	7.2	6.9	7.5	8.0
Volkhov branch	1.6	4.0	4.5	4.5	3.8
Total	20.3	26.5	27.5	28.9	28.3

Development of port infrastructure

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Target 9.1.
Enhancing port network, along with offering employment opportunities, developing infrastructure and implementing social investment programmes.

9

INDUSTRY INNOVATION AND INFRASTRUCTURE

In addition to developing logistics and sales infrastructure across Russia, we are working to increase the reliability and efficiency of our exports by both reducing transshipment costs and providing state-of-the-art transshipment capacities.

To expand cargo delivery options to ports and port infrastructure utilisation during the Strategy to 2025 period, the Company acquired containers for bulk cargo transportation: 6,000 units in 2023–2024 and another 4,000 units in 2025.

Our 2025 strategic goal was to develop and maintain a balanced port sales infrastructure in terms of costs and reliability, capable of

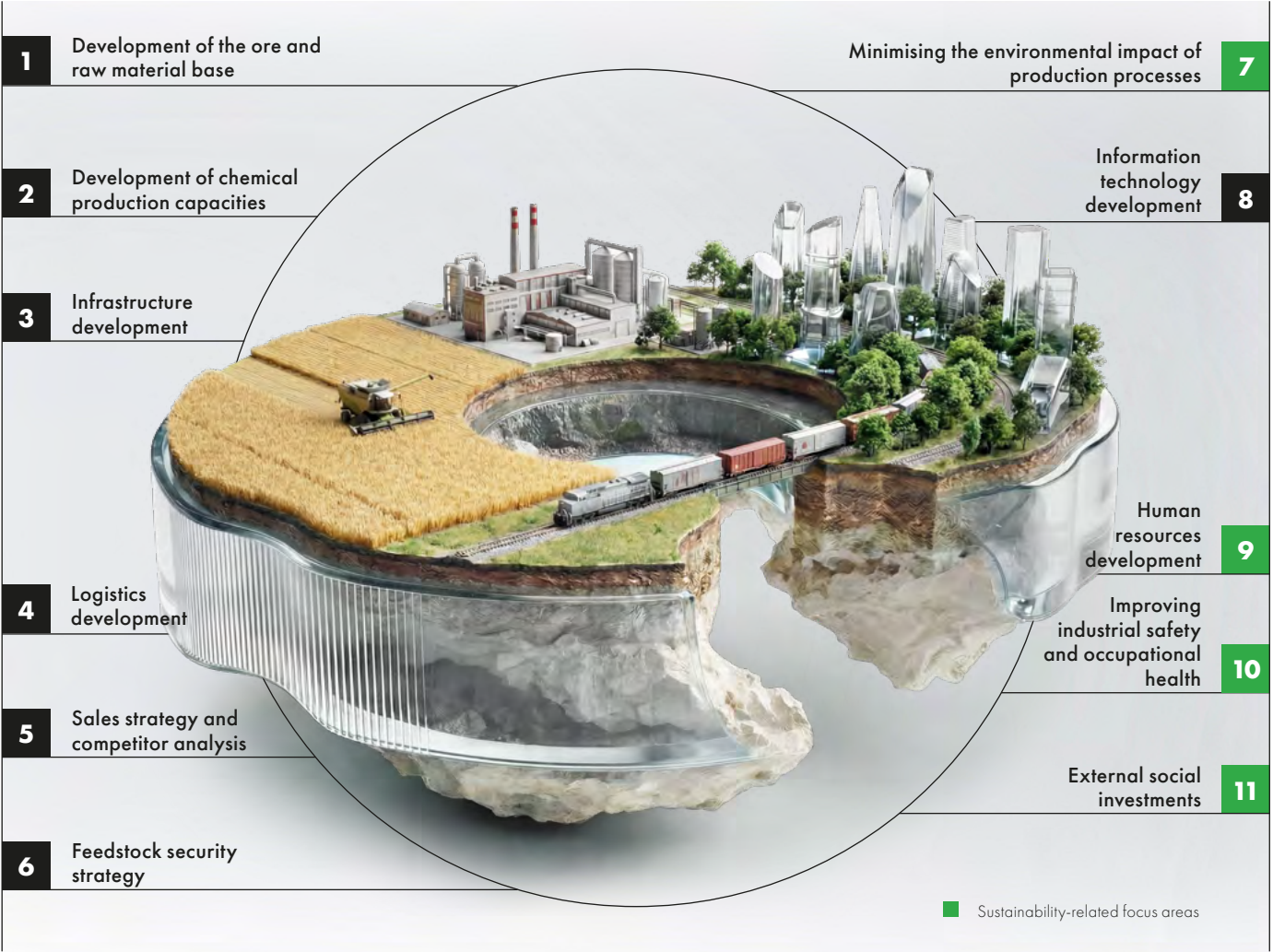
handling at least 8.0 mtpa of fertilizer exports. Actual transshipment in 2025 reached 9.3 mt, and the Company's total transshipment capacity now stands at 9.5 mt, with room to expand quickly if needed.

The ports key to PhosAgro Group’s operations are located in the North-West of Russia. The focus is cutting-edge technology and advanced specialised terminals designed to minimise environmental impact.

Strategy to 2030

The draft Strategy to 2030 is a comprehensive document covering all key areas of the Company’s operations, with sustainable development principles integrated across every domain of the business strategy.

Focus areas of PhosAgro Group's draft Strategy to 2030



For all areas of the Company's development to 2030, 11 groups of target indicators have been set. In the base scenario, the key targets are higher agrochemical production and sales, supported by the development of the ore and raw material base to supply additional

phosphate rock for mineral fertilizer production, as well as high self-sufficiency in other key raw materials – sulphuric acid and ammonia.

During the strategy development process, the UN Sustainable Development Goals

were re-prioritised. The proposed target indicators for the Strategy to 2030 were aligned with the SDGs, targets, and metrics that the Company has identified as priorities.

Strategy to 2030: targets and key measures to achieve them

Raw material security strategy / Ore and raw material base development

Phosphate rock self-sufficiency underpins the Company's vertically integrated business model. That is why the Strategy to 2030 focuses on ore and raw material base development:

- a) Ongoing approved projects:
- Development of +10 m level at the Kirovsky mine
 - Vostochny mine development
 - Stripping and mine development preparations at the Rasvumchorr Plateau deposit to +310 m level
 - Development of the Gakman block
 - Mine development preparations for a block pillar under the Saami pit
 - ANBP-3 development

b) Further development to 2040: development of the +210 m level at the Rasvumchorrsky mine; development of the –115 m level at the Kirovsky mine; extraction of footwall triangles at the Kirovsky mine.

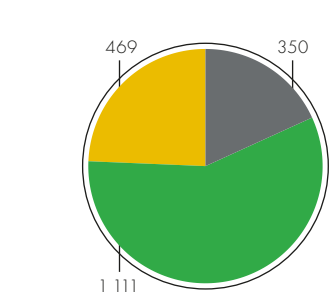
Development of chemical production capacities

The Company's key chemical production development goals are to significantly boost agrochemical output from 11.8 mt (2024) to 13.7 mt (2030), while expanding the range and volumes of water-soluble fertilizers (SMAP, SDAP, MKP, chlorine-free NPK). The main growth will come from the phosphate segment.

Agrochemical output forecast to 2030

	2024	2030	2030 / 2024, kt	2030 / 2024, %
MAP/SMAP, DAP, liquid complex fertilizers	4,761	4,828	67	1
NPK/NPS	3,702	5,224	1,522	41
Nitrogen-based fertilizers	2,593	2,715	122	5
Feed-grade MCP	411	482	71	17
Sodium tripolyphosphate	65	18	–47	–72
Feed phosphates (Phase 1)	0	13	13	–
Other products	237	419	182	77
Total products	11,770	13,700	1,930	16

Output growth forecast to 2030 by site¹, kt

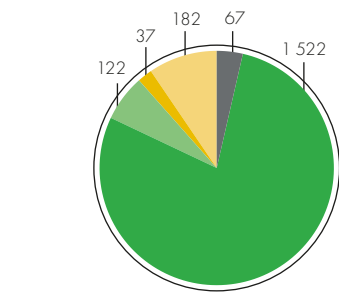


- Apatit (Cherepovets)
- Balakovo branch of Apatit
- Volkhov branch of Apatit

Logistics development

As shipments of finished products and receipts of raw materials have grown substantially, the Company has had to develop measures to keep logistics operations reliable and safe – and to set corresponding logistics targets, which are now part of the strategy's base scenario. These targets include expanding phosphate rock shipment capacities at the Kirovsk branch, upgrading logistics infrastructure in Cherepovets to accommodate increased granular sulphur volumes, and boosting freight turnover at the Volkhov and Balakovo branches. Improving freight efficiency is a particular priority. The Company has set specific targets for increasing the share of empty trains consisting of more than 100 railcars and for using longer, heavier trains.

Output growth forecast to 2030 by product, kt



- MAP/SMAP, DAP, liquid complex fertilizers
- NPK/NPS
- Nitrogen-based fertilizers
- Other fertilizers and feed phosphates
- Other products

Sales strategy

Under the base scenario, the Company aims to increase sales of agrochemical products from 11.8 mt (2024) to 13.7 mt (2030), maintaining its leadership in the priority Russian market while redirecting supplies to promising markets in the Global South. Sustaining high sales efficiency will be ensured by the unique production flexibility achieved through measures carried out during the previous and current investment cycles.

The Company has also analysed the risks associated with zero growth in chemical fertilizer consumption in China – a scenario that could potentially set a global trend.

Minimising the environmental impact of production processes

The key goals of the draft strategy are to comply with pollutant emission quotas; implement measures under comprehensive programmes to improve gas cleaning efficiency and upgrade treatment facilities; and expand the applications for products made from recycled materials.

Alongside the base scenario, an accelerated decarbonisation scenario has been developed, assuming tighter climate policy based on the stress-testing parameters proposed by the Bank of Russia².

Information technology development

The draft comprehensive business strategy now includes, for the first time, a dedicated focus on IT development (including AI). **The goals** are to make production processes more reliable and secure, remove bottlenecks that could hold back the production programme, and help the Company meet its 2030 development targets

Development priorities:



Raise software and hardware import substitution from 10% in 2024 to 80% by 2030



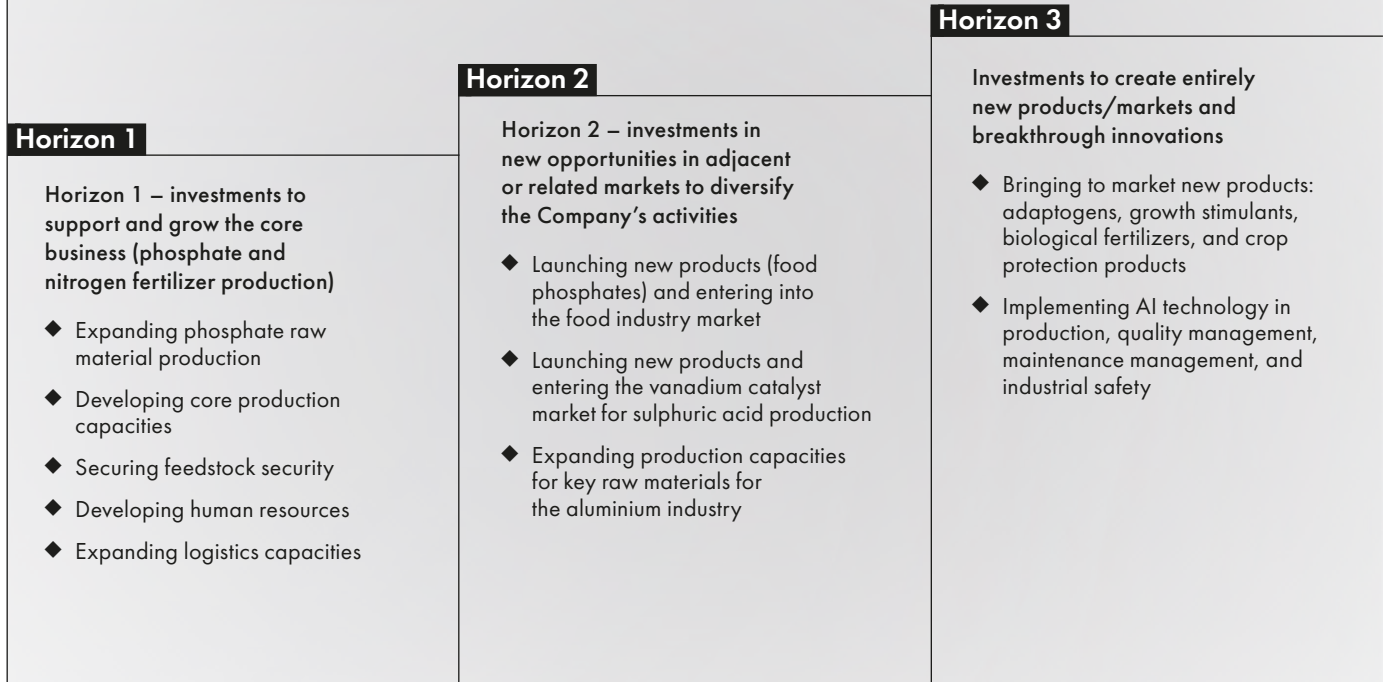
Grow the number of data centres from two today to three by 2030



Expand the use of machine learning, AI, and computer vision from three sub-processes today to 30 by 2030.

Draft development strategy: three horizons framework

The draft strategy is based on a three-horizon framework, which views the Company's activities as three parallel, interconnected work streams, each with its own time horizon and unique strategic objectives.



¹ As compared to 2024.
² NGFS Below 2°C scenario (NGFS – Network of Central Banks and Supervisors for Greening the Financial System).