The consolidated financial statements

Technologies of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

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Independent Auditor's Report

To the Shareholders and Board of Directors of Public Joint Stock Company "PhosAgro":

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Public Joint Stock Company "PhosAgro" (PJSC "PhosAgro") and its subsidiaries (together – the "Group") at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for 2024;
- the consolidated statement of financial position at 31 December 2024;
- the consolidated statement of cash flows for 2024;
- the consolidated statement of changes in equity for 2024; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for qualified opinion

The Group's management did not disclose segment information for the year ended 31 December 2024 and for the year ended 31 December 2023 in the notes to the consolidated financial statements as required by IFRS 8, Operating Segments. Disclosing the omitted segment information within this Basis for qualified opinion section is not practicable as it would be unduly voluminous in relation to this auditor's report.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
Recoverability of deferred tax assets	
Refer to Note 16 to the consolidated financial statements of the Group In the consolidated statement of financial position at 31 December 2024, the Group recognised deferred tax assets of RUB 15,189 million in respect of the Group companies' accumulated tax losses carried forward. Under IAS 12, *Income Taxes*, a deferred tax asset in respect of unused tax losses shall be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Group's management analysed probability of receiving future taxable profits by the Group companies and concluded that the deferred tax assets are recoverable. This analysis was based on management's plans in respect of recoverability of the Group's deferred tax assets and projections of the future taxable profit. We pay special attention to verifying the existence of sufficient evidence that the Group's deferred tax assets are recoverable as the Group's management applies significant judgements and estimates in respect of the size of the future taxable profit, timing when it would be available, and available mechanisms to recover the deferred tax assets.	We performed the following audit procedures to address the key audit matter: • We received and analysed the management's plan in respect of recoverability of the deferred tax assets. • We assessed the current status of implementation of the management's plan to recover the deferred tax assets. • We received the projection of the future taxable profit prepared by the Group's management and reviewed, on a sample basis, the assumptions related to future income and expenses reflected in the projection, including their comparison to the industry and market trends. We also assessed the quality of the Group's management projections by comparing the previous periods projections to actual results. • We assessed, on a sample basis, the mathematical accuracy of calculations applied by the Group's management. • We assessed whether the management used reasonable judgements related to applying the mechanisms available to the Group to recover the deferred tax assets, among other things, by engaging our taxation experts. • We analysed written representations of the Group's management in relation to their assessment of recoverability of deferred tax assets. Acceptability of the management's current estimates in relation to the deferred tax assets recoverability for the purpose of the consolidated financial statements of the Group for 2024 does not guarantee that future events which are inherently uncertain will not lead to a significant change in these estimates. We also assessed a compliance of the information disclosed in Note 16 to the consolidated financial statements with the IFRS Accounting Standards disclosure requirements.
Compliance with debt and bonds covenants	
Refer to Notes 23 and 27 to the consolidated financial statements of the Group At 31 December 2024, the Group had RUB 331,623 million of current and non-current loans and borrowings. Loan and bonds agreements include financial and non-financial covenants, including cross-default provisions, which in case of breach result in creditors obtaining the right to claim early repayment. At 31 December 2024, the Group did not have a right to defer the settlement of certain outstanding loans if creditors would claim early repayment after the reporting period (Note 27 (e)).	We performed the following audit procedures in respect of the key audit matter: • We updated our understanding of long-term and short-term debt and bonds covenants, including additions and amendments. • We tested compliance with financial covenants by recalculating the ratios and comparing our results with the thresholds set by the loan agreements and issue prospectuses. • We tested, on a sample basis, compliance with non-financial covenants by inspecting the supporting documents and confirming the relevant facts.

Key audit matter	How our audit addressed the key audit matter
We consider this as a key audit matter due to the volume of the loans and borrowings and materiality of the effect which short-term or long-term classification of loans and borrowings has on the consolidated statement of financial position.	• We reviewed the bank's waiver letter regarding the identified non-compliance of loan agreement covenant. • We verified loans and borrowings classification in the consolidated statement of financial position, assessed necessity and completeness of classification of non-current loans and borrowings as current and additional disclosure requirements. Additionally, we assessed whether the information disclosed in Notes 23 and 27 to the consolidated financial statements is sufficient in accordance with IFRS 7 "Financial Instruments: Disclosures" and IAS 1 "Presentation of Financial Statements" presentation and disclosure requirements.

Other matter – Materiality and Group audit scope

Overview

Materiality	Overall Group materiality: Russian Roubles ("RUB") 5,450 million, which represents 5% of profit before tax.
Group scoping	• We conducted audit procedures covering all financial information of the significant components. • Our audit scope addressed 99.9% of the Group's revenues and 97% of the Group's absolute value of underlying profit before tax.

Materiality

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	RUB 5,450 million (2023: RUB 5,730 million)
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We selected components based on the assessment of risk of material misstatement of the Group's consolidated financial statements associated with components, taking into account a relative significance of the components for the Group. The Group auditor performed further audit procedures for the selected components on their entire financial information not engaging the component auditors. We also included information systems and tax specialists in our engagement team.

By performing the above audit procedures at the components, combined with the centralized audit procedures and audit procedures with respect to the process of preparation of the consolidated financial statements, we have obtained sufficient and appropriate audit evidence regarding the consolidated financial statements of the Group as a whole.

Other information

Management is responsible for the other information. The other information comprises Integrated annual report of PJSC "PhosAgro" for 2024 (but does not include the consolidated financial statements and our auditor's report thereon) and the Securities issuer's report for the 12 months 2024, which are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Integrated annual report of PJSC "PhosAgro" for 2024 and the Securities issuer's report for the 12 months 2024, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report is Fegetsin Alexey Iakovlevich.

13 February 2025

Moscow, Russian Federation

Fegetsin Alexey Iakovlevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906101957)

PJSC "PhosAgro"

Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2024

RUB million	Note	2024	2023
Revenues	6	507,689	440,304
Cost of Group products sold	7	(293,484)	(235,560)
Cost of products for resale		(12,675)	(16,056)
Gross profit		**201,530**	**188,688**
Administrative and selling expenses	8	(41,620)	(32,282)
Taxes, other than income tax	9	(15,489)	(12,779)
Other expenses, net	10	(10,414)	(7,557)
Foreign exchange gain from operating activities, net	27 (c)	6,452	14,686
Operating profit		**140,459**	**150,756**
Finance income	11	6,497	3,353
Finance costs	11	(15,694)	(7,881)
Gain from revaluation of investments in equity instruments measured at fair value through profit or loss	17	137	1,025
Foreign exchange loss from financing activities, net	27 (c)	(22,355)	(32,650)
Profit before tax		**109,044**	**114,603**
Income tax expense	12	(24,575)	(28,462)
Profit for the year		**84,469**	**86,141**
Attributable to:			
Shareholders of the Company		84,430	86,084
Non-controlling interests*		39	57
Basic and diluted earnings per share (in RUB)	22	652	665
Other comprehensive income/(loss)			
Items that will never be reclassified to profit or loss			
Actuarial gains/(losses)	25	132	(35)
Other comprehensive income/(loss) for the year		**132**	**(35)**
Total comprehensive income for the year		**84,601**	**86,106**
Attributable to:			
Shareholders of the Company		84,562	86,049
Non-controlling interests*		39	57

**Non-controlling interests are the minority shareholders of the subsidiaries of PJSC "PhosAgro"*

The consolidated financial statements were approved on 13 February 2025:

Chief executive officer
M.K. Rybnikov

Deputy CEO for Finance and International Projects
A.F. Sharabaiko

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC "PhosAgro"
Consolidated Statement of Financial Position at 31 December 2024

RUB million	Note	31 December 2024	31 December 2023
Assets			
Property, plant and equipment	13	357,577	308,663
Deferred tax assets	16	14,081	9,751
Non-current spare parts		13,564	8,059
Advances issued for property, plant and equipment		8,818	10,140
Right-of-use assets	14	6,419	7,240
Intangible assets		2,991	2,773
Catalysts		2,987	2,667
Other non-current assets	17	1,310	8,262
Investments in associates and joint ventures	15	715	636
Non-current assets		**408,462**	**358,191**
Trade and other receivables	19	104,653	66,274
Inventories	18	56,105	48,468
Cash and cash equivalents	20	10,398	29,163
VAT and other taxes receivable		9,628	7,611
Other short-term assets	17	3,125	5,083
Income tax receivable		99	1,703
Security payment for windfall tax	1(b)	-	6,355
Current assets		**184,008**	**164,657**
Total assets		**592,470**	**522,848**
Equity			
Share capital	21	372	372
Share premium		7,494	7,494
Retained earnings		157,590	144,658
Actuarial losses		(871)	(1,003)
Equity attributable to shareholders of the Company		**164,585**	**151,521**
Equity attributable to non-controlling interests		137	84
Total equity		**164,722**	**151,605**
Liabilities			
Loans and borrowings	23	169,962	161,710
Deferred tax liabilities	16	17,031	13,603
Lease liabilities	24	3,056	2,818
Defined benefit obligations	25	1,029	1,129
Non-current liabilities		**191,078**	**179,260**
Loans and borrowings	23	161,661	86,429
Trade and other payables	26	48,394	40,705
Dividends payable		19,779	54,919
Income tax payable		3,128	208
VAT and other taxes payable		2,633	1,954
Lease liabilities	24	1,075	1,413
Windfall tax payable	1(b)	-	6,355
Current liabilities		**236,670**	**191,983**
Total equity and liabilities		**592,470**	**522,848**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC "PhosAgro"
Consolidated Statement of Cash Flows for 2024

RUB million	Note	2024	2023
Cash flows from operating activities			
Operating profit		140,459	150,756
Adjustments for:			
Depreciation and amortisation	7, 8	36,546	32,282
(Gain)/loss on disposal of property, plant and equipment and intangible assets	10	(70)	365
Cash flows from operations before changes in working capital		**176,935**	**183,403**
(Increase)/decrease in trade and other receivables[1]		(45,712)	6,063
Increase in inventories, catalysts and non-current spare parts		(13,263)	(11,624)
Increase/(decrease) in trade and other payables[1]		10,380	(46)
Cash flows from operations before income tax and interest paid		**128,340**	**177,796**
Income tax paid		(20,953)	(29,777)
Finance costs paid		(14,670)	(7,378)
Windfall tax security payment	1 (b)	-	(6,355)
Cash flows from operating activities		**92,717**	**134,286**
Cash flows from investing activities			
Finance income		4,958	2,000
Acquisition of property, plant and equipment and intangible assets		(75,152)	(64,232)
Borrowing cost capitalised paid	13	(4,702)	(1,896)
Loans issued		(2,577)	43
Advances issued for right-of-use assets		(136)	(94)
Other		13,878	101
Cash flows used in investing activities		**(63,731)**	**(64,078)**
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs	23	212,336	172,906
Repayment of borrowings	23	(154,961)	(155,306)
Dividends paid to shareholders of the Company	21	(109,169)	(94,487)
Repayment of dividends previously refunded to shareholders of the Company		(587)	(182)
Refund of dividends paid[2]		3,132	17,416
Dividends paid to non-controlling interests		-	(131)
Lease payments	24	(1,448)	(1,416)
Cash flows used in financing activities		**(50,697)**	**(61,200)**
Net (decrease)/increase in cash and cash equivalents		**(21,711)**	**9,008**
Cash and cash equivalents at 1 January		29,163	13,356
Effect of exchange rates fluctuations		2,946	6,799
Cash and cash equivalents at 31 December	20	**10,398**	**29,163**

[1] *Changes in trade and other receivables and changes in trade and other payables include effect of foreign exchange differences from operating activities.*

[2] *The Group received cash refund from depositories paid as dividends to parties who were entitled to receive them, but didn't receive dividends due to reasons beyond the depositories' control.*

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC "PhosAgro"
Consolidated Statement of Changes in Equity for 2024

RUB million	Note	Attributable to shareholders of the Company: Share capital	Share premium	Retained earnings	Actuarial (losses)/ gains	Total	Attributable to non-controlling interests	Total equity
Balance at 1 January 2023		**372**	**7,494**	**190,664**	**(968)**	**197,562**	**158**	**197,720**
Total comprehensive income/(loss)								
Profit for the year		-	-	86,084	-	**86,084**	57	**86,141**
Actuarial losses	25	-	-	-	(35)	**(35)**	-	**(35)**
Transactions with owners recognised directly in equity								
Dividends	21	-	-	(132,090)	-	**(132,090)**	(131)	**(132,221)**
Balance at 31 December 2023		**372**	**7,494**	**144,658**	**(1,003)**	**151,521**	**84**	**151,605**
Balance at 1 January 2024		**372**	**7,494**	**144,658**	**(1,003)**	**151,521**	**84**	**151,605**
Total comprehensive income/(loss)								
Profit for the year		-	-	84,430	-	**84,430**	39	**84,469**
Actuarial gains	25	-	-	-	132	**132**	-	**132**
Transactions with owners recognised directly in equity								
Dividends	21	-	-	(71,484)	-	**(71,484)**	-	**(71,484)**
Increase of non-controlling interests in a subsidiary		-	-	(14)	-	**(14)**	14	**-**
Balance at 31 December 2024		**372**	**7,494**	**157,590**	**(871)**	**164,585**	**137**	**164,722**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC "PhosAgro"
Notes to the Consolidated Financial Statements for 2024

1 BACKGROUND

(a) Organisation structure and operations

PJSC "PhosAgro" (the "Company" or the "Parent") is a public joint stock company registered in accordance with Russian legislation. PJSC "PhosAgro" and its subsidiaries (together referred to as the "Group") comprise Russian legal entities. The Company was registered in October 2001. The Company's address is Leninsky prospekt 55/1 building 1, Moscow, Russian Federation, 119333.

The Group's principal activity is production of apatite concentrate and mineral fertilisers at plants located in the cities of Kirovsk (Murmansk region), Cherepovets (Vologda region), Balakovo (Saratov region) and Volkhov (Leningrad region), and their distribution across the Russian Federation and abroad.

At 31 December 2024 and at 31 December 2023, the Company's major shareholder is the entity registered in Russia – ILLC Adorabella holding approximately 23.35% of the ordinary shares. As of 31 December 2024, and 31 December 2023, the Parent does not have the ultimate controlling party in accordance with the definition of control described in IFRS 10 *Consolidated financial statements*.

(b) Russian business environment

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial conditions of the Russian Federation, which display certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue development, and are subject to varying interpretations and frequent changes (note 29). The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

Geopolitical tension caused by the Ukrainian case in February 2022 continued in 2024. Geopolitical situation escalation resulted in significant exchange rates fluctuations and increased volatility in financial and commodity markets. Sanctions and restrictions have been and continue to be imposed towards a number of Russian entities such as access termination to European and USA financial markets, SWIFT international system and others. Price cap on Russian oil and gas and embargo on Russian petrochemicals were introduced. In June 2024, restrictive measures were introduced by the USA against Moscow Stock Exchange Group, which led to USD and EUR trading interruption and short-term delays in official exchange rate determination of these currencies against the rouble.

At the end of 2023, Central Bank of Russian Federation increased key rate to 16% per annum with subsequent increase up to 18% on 29 July 2024, up to 19% on 16 September 2024 and up to 21% on 28 October 2024.

There is no way to determine how long the increased volatility will continue and when the above factors will stabilise. The future effects of current economic situation and the above measures are difficult to predict. Management's current expectations and estimates could differ from actual results.

The Russian Government Resolution that came into effect starting from 2023 introduced export duties on mineral fertilisers followed by the subsequent changes to the customs duty calculation method and rates. From 1 October 2023 to 31 December 2024, the following customs duty rates depending on the official exchange rate of US dollar to Russian Rouble set by the Central Bank of Russia are applied:

- on nitrogen-based fertilisers – 7% of their customs value, but not less than RUB 1,100 per tonne, if the average US dollar exchange rate over the monitoring month is below RUB 80, or 10% of their customs value, but not less than RUB 1,100 per tonne, if the average US dollar exchange rate over the monitoring month is above RUB 80;
- on phosphate-based and compound fertilisers – 7% of their customs value, but not less than RUB 2,100 per tonne, if the average US dollar exchange rate over the monitoring month is below RUB 80, or 10% of their customs value, but not less than RUB 2,100 per tonne, if the average US dollar exchange rate over the monitoring month is above RUB 80.

From 13 December 2024 to 31 December 2024, 7% rate of customs duties was applied. From 1 January 2025 0% customs duties rate depending on the official exchange rate of US dollar to Russian Rouble is applied due to the termination of the Russian Government Resolution.

On 4 August 2023, the President of Russian Federation signed Federal Law No. 414-FZ On Excess Profits Tax (the so-called "Windfall Tax") effective from 1 January 2024. The law introduces 10% tax rate applied to the excess of the arithmetic average profits for 2021-2022 over the arithmetic average profits for 2018-2019. In November 2023, the Group made a windfall tax security payment. At 31 December 2023, the Group's windfall tax liability was calculated at 5% tax rate considering security payment of RUB 6,355 million.

1 BACKGROUND (CONTINUED)

The security payment and liability for windfall tax were reflected in the consolidated statement of financial position at 31 December 2023. In January 2024, the Group exercised its right to a tax deduction for the above security payment, and offset asset and liability for this tax.

Management of the Group has considered events and conditions that could give rise to material uncertainties and concluded that the range of possible outcomes does not cast significant doubt over the Group’s ability to continue as a going concern.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Group additionally prepares IFRS Accounting Standards consolidated financial statements in the Russian language in accordance with the Federal Law No. 208-FZ *On consolidated financial reporting*.

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for financial instruments initially recognised at fair value with subsequent revaluation through profit or loss.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the functional currency of the Parent and its subsidiaries.

These consolidated financial statements are presented in RUB. All financial information presented in RUB has been rounded to the nearest million, except per share amounts.

(d) Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3 (b) (iii) – estimated useful lives of property, plant and equipment;
- Note 16 - recognition of deferred tax assets: availability of future taxable income for offsetting with appropriate tax losses.

(e) Adoption of new and revised standards and interpretations

The following revised standards, issued by the International Accounting Standards Board (IASB) and approved for use on the territory of Russian Federation, became effective from January 1, 2024, but didn’t have a material impact on the Group, except for the disclosure of information about the covenants related to the non-current liabilities in accordance with Amendments Non-current Liabilities with Covenants to IAS 1 (note 23).

- Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, the effective date subsequently modified to 1 January 2024).
- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, the effective date subsequently modified to 1 January 2024).

2 BASIS OF PREPARATION (CONTINUED)

- Lease Liability in a Sale and Leaseback Amendments to IFRS 16 – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Non-current Liabilities with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).
- Supplier Finance Arrangements – amendments to IAS 7 and IFRS 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

(f) New standards and interpretations not yet adopted

A number of new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 and which the Group has not early adopted, but is in process of assessing the impact on the Group’s consolidated financial statements.

- Sale or Contribution of Assets between an Investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Foreign currencies

Foreign exchange gains and losses that relate to loans and borrowings as well as cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income within the line item “Foreign exchange loss/gain from financing activities, net”. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within the line item “Foreign exchange gain/loss from operating activities, net”.

(b) Property, plant and equipment

(i) Initial recognition

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at the date of transition to IFRS Accounting Standards (January 1, 2005) was determined by reference to its fair value at that date (“deemed cost”) as determined by an independent appraiser.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Subsequent expenditure

Expenses related to current repairs and maintenance of property, plant and equipment are recognised within profit or loss and other comprehensive income as incurred.

The Group recognises expenses related to current repairs and maintenance of property, plant and equipment incurred less than once per 12 months with the cost of more than RUB 100 thousand as assets, and depreciates these assets on a straight-line basis until the next repair.

Expenses related to the replacement of major spare parts and renewal of property, plant and equipment are capitalised and depreciated in the ordinary course.

(iii) Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the month of acquisition or, in respect of internally constructed assets, from the month when an asset is completed and ready for use. Land is not depreciated.

Tangible fixed assets are depreciated over the following useful lives:

Buildings	10 to 60 years;
Plant and equipment	5 to 35 years;
Fixtures and fittings	2 to 25 years.

(iv) Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group's average funding cost (the weighted average interest cost is applied), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs are capitalised.

Borrowing costs capitalised are presented as part of cash flows from investing activities in the consolidated statement of cash flows.

(v) Advances issued for property, plant and equipment

A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

(c) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, long-term accounts receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

The Group's financial assets measured at amortised cost include trade and other receivables (excluding receivables measured at fair value under provisionally priced sales agreements), long-term receivables, cash and cash equivalents, and loans issued.

The Group's financial assets measured at fair value through profit or loss include receivables under provisional pricing agreements and investments in equity instruments.

The Group's financial liabilities measured at amortised cost include loans and borrowings, lease liabilities, trade and other payables, dividends payable.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank deposits held for longer than three months that are repayable on demand within several working days without penalties or that can be redeemed/withdrawn, subject to the interest income forfeited, are classified as cash equivalents if the deposits are held to meet short-term cash needs and there is no significant risk of a change in value as a result of an early withdrawal.

(e) Inventories

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventory (finished goods and goods for resale) for distribution companies is determined on the first-in, first-out (FIFO) basis. The cost of inventories for production companies is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Spare parts to be used for construction and in repairs capitalised are classified as non-current assets and are included in line item "Non-current spare parts".

Catalysts to be used in production during the period of more than 1 year are classified as part of non-current assets and written-off to the production cost based on the volume of goods produced. Catalysts to be used in production within 1 year are classified as part of inventories.

(f) Impairment

Financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group estimates loss allowances either based on ECLs that result from default events possible within 12 months after the reporting date or based on lifetime ECLs that result from all possible default events over the expected life of a financial instrument.

For purposes of measuring probabilities of default, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the debtor is more than 90 days past due on its contractual payments;
- the debtor meets the unlikeliness-to-pay criteria listed below:
- the debtor is insolvent;
- the debtor is in breach of financial covenant(s);
- it is becoming likely that the debtor will enter bankruptcy.

The Group estimates loss allowance for trade receivables using the simplified approach in the amount equal to the lifetime ECL of the financial instrument. To calculate expected credit losses, the Group segments counterparties based on their geographic location and considers their credit rating, adjusted for current and future factors specific to the debtors, historical credit loss experience and economic environment in which they operate.

The Group estimates loss allowances for other financial assets either based on ECLs that result from default events possible within 12 months after the reporting date or until contract maturity, if shorter, until there has been a significant increase in credit risk since the initial recognition of the asset. In assessing ECL and credit risk, the Group considers quantitative and qualitative information and performs an analysis that is based on the Group's actual credit loss experience and considers forward-looking information. A significant increase in credit risk is presumed if a debtor is more than 30 days past due.

If credit risk has increased significantly since the initial recognition or there is evidence that a financial asset is impaired, the expected credit losses for that asset are measured based on the lifetime ECLs. If the fair value of an impaired financial asset subsequently increases and such increase can be objectively attributed to an event occurring after the impairment loss was recognised in profit or loss for the period, the amount written off as a loss is reversed and the reversed amount is recognised in profit or loss for the period.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases

As a lessee

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The Group separates lease cash flows into principal lease payments (financing activities) and interest lease payments (operating activities) in the consolidated statement of cash flows.

Lease liability is measured at amortised cost using the effective interest method. It is revalued when there is a change in future lease payments arising from adjusted interest rate, extension or termination option and other events.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within cost of sales, administrative expenses and selling expenses in the consolidated statement of profit or loss and other comprehensive income.

(h) Employee benefits

(i) Defined benefit plans

The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in the consolidated statement of profit or loss and other comprehensive income. To the extent the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

All actuarial gains and losses are recognised in full as they arise in other comprehensive income.

(ii) Long-term service benefits other than pensions

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. All actuarial gains and losses are recognised in full as they arise in other comprehensive income.

(iii) Defined contribution plans

The Group makes mandatory contributions to the Social Fund of Russian Federation (until January 1, 2023 – Russia's State pension fund). These amounts are written off as expenses in the period when the Group's employees provided services related to these accruals.

(i) Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws in force or put into force by the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Windfall tax

Windfall tax is within the scope of IAS 12 Income taxes, it is recognised as a current income tax and is subject to respective income tax accounting policy.

Windfall tax is a one-off tax. Windfall tax liability and expenses are recognised in the consolidated financial statements starting from the moment when the Federal Law has been substantively enacted.

Windfall tax liability and expenses are measured at the amount calculated using the tax rates considering security payment made.

The security payment and liability for windfall tax were reflected in the consolidated statement of financial position at 31 December 2023. In January 2024, the Group exercised its right to a tax deduction for the above security payment, and offset asset and liability for this tax (note 12).

(k) Revenues

Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer. The amount of revenue recognised reflects the consideration the Group expects to be entitled in exchange for goods or services, taking into account any trade, volume and other discounts.

The selling price for goods or services can be fixed or provisionally priced, with subsequent determination of the final price within the period established by the contract (provisionally priced contracts). Revenue under such contracts is initially recognised at a predetermined price. Accounts receivable under provisionally priced contracts are measured at fair value through profit or loss with appropriate adjustments recorded in revenue until the final price is determined.

Advances received before the control passes to a customer are recognised as the contract liabilities. The amount of consideration does not contain a significant financial component as payment terms for the majority of contracts are less than one year. No information is provided about remaining performance obligations at the reporting date that have an original expected duration of one year or less, as allowed by IFRS 15.

Contracts with customers for the supply of goods use a variety of delivery terms. The Group determined that under the terms of the certain contracts for the supply of goods the Group undertakes to provide delivery and the related delivery services after the transfer of control over the goods to the buyer at the loading port. Under IFRS 15, these services are a separate performance obligation, which revenue must be recognised during the period of delivery as revenue from logistics activities. The Group recognises revenue from these logistics services at the time of delivery, due to the fact that the potential difference is calculated and recognised as insignificant.

Group`s revenue include the proceeds from transportation services. Transportation services costs are mainly represented by logistics costs and included in cost of Group products sold.

(l) Export customs duties

Starting from January 1, 2023, customs duties were introduced on export revenue of mineral fertilisers (note 1), which are considered by the Group as an additional fee and are recognised as logistics expenses as part of the cost of products sold.

(m) Taxes, other than income tax

The Group presents taxes, other than income taxes in a separate line item in the consolidated statement of profit or loss and other comprehensive income "Taxes other than income taxes" (note 9). The Group does not classify these expenses according to their function in the line items of cost of sales, administrative and selling expenses. According to the Group's management opinion the presentation in a separate line item in the consolidated statement of profit or loss and other comprehensive income, transparently and fully presents information about taxes, other than income tax impact on the financial results of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Finance income and finance costs

Finance income comprises interest income, dividend income, unwinding of discount on financial assets and share of profit of associates and foreign exchange gains on financing activities. Interest income is recognised as it accrues in profit or loss. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, interest expense on lease liabilities, bank fees, interest expense on defined benefit obligations, securitisation fees, increase in credit loss for financial investments, share of loss of associates and foreign exchange losses on financing activities.

Foreign currency gains and losses, arising from operations with foreign currency and share of profit and losses of associates are reported on a net basis.

(o) Overburden removal expenditure

In open pit apatite rock mining operations, it is necessary to remove the overburden and other waste in order to access the economically recoverable resources.

According to the Group's approach to stripping, the ore, which becomes accessible after the overburden removal, is extracted within no more than four months. Therefore, the stripping ratio (volume of overburden removed over the volume of resources extracted) is expected to stay relatively constant over the future periods and stripping costs incurred during the production phase of the open pit mine are recognised in the profit or loss as incurred.

4 CHANGE IN THE ACCOUNTING POLICY AND RECLASSIFICATIONS

Starting from 1 January 2024, the Group disclosed advances issued and received net of VAT in the consolidated statement of financial position.

The table below reconciles carrying amounts of assets and liabilities as presented in accordance with the previous accounting policy and the new amounts after the changes were adopted

Extract from the Consolidated Statement of Financial Position:

RUB million	31 December 2023 (as previously reported)	Adjustment / reclassification	31 December 2023 (as presented)
Assets			
Advances issued for property, plant and equipment	10,337	(197)	10,140
Non-current assets	**358,388**	**(197)**	**358,191**
Trade and other receivables	66,362	(88)	66,274
VAT and other taxes recoverable	10,119	(2,508)	7,611
Current assets	**167,253**	**(2,596)**	**164,657**
Total assets	**525,641**	**(2,793)**	**522,848**
Liabilities			
Trade and other payables	42,653	(1,948)	40,705
VAT and other taxes payable	2,799	(845)	1,954
Current liabilities	**194,776**	**(2,793)**	**191,983**
Total equity and liabilities	**525,641**	**(2,793)**	**522,848**

5 FAIR VALUE DETERMINATION

When measuring a fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels of a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3*: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If inputs used to measure a fair value of an asset or a liability might be categorised into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and / or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Financial assets and liabilities measured at amortised cost

The fair value of financial assets and liabilities represented by short-term loans issued, trade and other receivables (except for receivables measured at fair value under provisional pricing agreements), cash and cash equivalents, trade and other payables is categorised into level 3 of fair value hierarchy and approximate their carrying amounts at the reporting date.

Bonds' fair value is measured based on quoted market prices for disclosure purposes and categorised into level 1 of the fair value hierarchy. Loans and borrowings and non-current receivables fair value is categorised into level 3 of the fair value hierarchy.

(b) Financial instruments measured at fair value

The fair value of investments measured at fair value through profit or loss and receivables under provisionally priced sales agreements measured at fair value through profit or loss is determined using the valuation techniques and categorised into level 3 of the fair value hierarchy.

Investments value measured at fair value through profit or loss is estimated based on the model of discounted cash flows from the investee's operating activities.

Receivables fair value under provisionally priced sales agreements is calculated based on mineral fertiliser market prices expected at the date when the price is finalised. These assumptions are based on consensus prices forecasts prepared by independent analytical agencies, adjusted in accordance with price calculation formulas specified in existing delivery contracts.

6 REVENUES

RUB million	2024	2023
Phosphate-based and nitrogen-based products	492,450	421,690
Other	15,239	18,614
Revenues	**507,689**	**440,304**

7 COST OF GROUP PRODUCTS SOLD

RUB million	2024	2023
Production expense for Group goods sold	**(227,713)**	**(197,783)**
Salaries and social contributions	(35,169)	(26,265)
Depreciation	(33,207)	(29,374)
Materials and services	(26,097)	(22,158)
Repair and maintenance expenses	(19,382)	(15,865)
Potash	(17,574)	(22,444)
Natural gas	(16,948)	(15,033)
Transportation of phosphate rock	(16,739)	(13,468)
Ammonia	(14,343)	(11,533)
Sulphur and sulphuric acid	(12,255)	(11,507)
Electricity	(8,340)	(7,317)
Fuel	(7,215)	(5,754)
Feedstock processing services	(6,269)	(4,341)
Anti-clodding agent	(3,909)	(3,785)
Reagents	(3,564)	(3,020)
Ammonium sulphate	(3,550)	(2,818)
Drilling and blasting operations expenses	(3,152)	(3,101)
Logistics expenses for Group goods sold	**(65,771)**	**(37,777)**
Customs duties	(34,139)	(13,207)
Russian Railways infrastructure tariff and operators' fees	(19,306)	(14,047)
Freight, port and stevedoring expenses	(11,441)	(9,924)
Other services and materials	(885)	(599)
Cost of Group products sold	**(293,484)**	**(235,560)**

In 2024, the Group's contributions to Russian Social Fund of RUB 8,203 million (2023: RUB 6,116 million) were included in salaries and social contributions line.

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Notes to the Consolidated Financial Statements for 2024

8 ADMINISTRATIVE AND SELLING EXPENSES

RUB million	2024	2023
Administrative expenses:	**(35,547)**	**(27,185)**
Salaries and social contributions	(24,260)	(18,684)
Professional services	(2,546)	(2,197)
Security and fire safety services	(2,033)	(1,539)
Depreciation and amortisation	(1,874)	(1,561)
Representative and travel expenses	(1,095)	(831)
Office equipment and stationery	(1,086)	(866)
Repair and maintenance services	(691)	(362)
Insurance	(462)	(174)
Advertising and brand promotion	(400)	(206)
Utilities	(386)	(281)
Other services	(714)	(484)
Selling expenses:	**(6,073)**	**(5,097)**
Salaries and social contributions	(3,089)	(2,476)
Depreciation and amortization	(1,465)	(1,347)
Advertising and brand promotion	(456)	(458)
Repair and maintenance services	(438)	(322)
Other services	(625)	(494)
Administrative and selling expenses	**(41,620)**	**(32,282)**

In 2024, the Group's contributions to Russian Social Fund of RUB 4,847 million (2023: RUB 3,841 million) were included in salaries and social contributions line.

9 TAXES, OTHER THAN INCOME TAX

RUB million	2024	2023
Mineral extraction tax	(12,288)	(10,026)
Property tax	(2,296)	(2,030)
Land tax	(372)	(184)
VAT included in expenses	(221)	(206)
Environment pollution payment	(183)	(225)
Using water objects payment	(86)	(67)
Other taxes	(43)	(41)
Taxes, other than income tax	**(15,489)**	**(12,779)**

10 OTHER EXPENSES, NET

RUB million	2024	2023
Social expenditures	(11,189)	(7,720)
Increase in credit loss allowance	(302)	(76)
(Increase)/decrease in allowance for inventory write-down	(202)	6
Fines, penalties and compensations received	810	173
Gain on disposal of inventories	454	485
Reversal/(accrual) of contingent liabilities	102	(108)
Gain/(loss) on disposal of property, plant and equipment and intangible assets	70	(365)
Other (expenses)/income, net	(157)	48
Other expenses, net	**(10,414)**	**(7,557)**

11 FINANCE INCOME AND FINANCE COSTS

RUB million	2024	2023
Interest income	5,383	1,967
Unwinding of discount (note 17)	890	1,308
Other finance income	224	78
Finance income	**6,497**	**3,353**
Interest expense on borrowings (note 23)	(14,530)	(7,179)
Interest expense on lease liabilities (note 24)	(429)	(284)
Bank fees	(279)	(171)
Interest expense on defined benefit obligations	(130)	(103)
Other finance costs	(326)	(144)
Finance costs	**(15,694)**	**(7,881)**

12 INCOME TAX EXPENSE

The Company's applicable corporate income tax rate is 20% (2023: 20%).

RUB million	2024	2023
Current tax expense	(25,477)	(28,172)
Deferred tax effect from the increase in the tax rate to 25%	370	-
Deferred income tax - origination and reversal of temporary differences	532	6,065
Windfall tax expense	-	(6,355)
Income tax expense	**(24,575)**	**(28,462)**

Reconciliation of income tax:

RUB million	2024	2023
Profit before tax	109,044	114,603
Income tax at applicable tax rate	(21,809)	(22,921)
Tax effect of items which are not deductible/taxable	(3,949)	(1,818)
Tax effect on foreign exchange differences on receivables recognised from disposal of Phosint Group	167	475
Deferred tax effect from the increase in the tax rate to 25%	370	-
Tax effect from reduced tax rate	646	2,157
Windfall tax	-	(6,355)
Income tax expense	**(24,575)**	**(28,462)**

On 12 July 2024, Federal Law No. 176-FZ "On amendments to parts one and two of the Tax Code of the Russian Federation, certain legislation acts of Russian Federation and consideration of certain legislation acts provisions of Russian Federation to have lost force" was adopted. This Law provides income tax increase from 20% to 25% since 1 January 2025. At 31 December 2024, the Group revalued deferred tax assets and liabilities using 25% tax rate. This resulted in increase of deferred income tax by RUB 370 million.

13 PROPERTY, PLANT AND EQUIPMENT

RUB million	Land and buildings	Plant and equipment	Fixtures and fittings	Construction in progress	Total
Gross book value at 1 January 2023	**137,820**	**234,836**	**23,414**	**44,001**	**440,071**
Additions	4,693	11,657	3,235	47,392	**66,977**
Transfers	6,102	19,577	-	(25,679)	**-**
Disposals	(1,924)	(6,236)	(451)	(123)	**(8,734)**
Gross book value at 31 December 2023	**146,691**	**259,834**	**26,198**	**65,591**	**498,314**
Additions	5,076	9,757	5,043	63,154	**83,030**
Transfers from right-of-use assets (note 14)	-	1,973	-	-	**1,973**
Transfers	18,945	25,883	-	(44,828)	**-**
Disposals	(2,269)	(6,614)	(272)	(18)	**(9,173)**
Gross book value at 31 December 2024	**168,443**	**290,833**	**30,969**	**83,899**	**574,144**
Accumulated depreciation at 1 January 2023	**(36,708)**	**(114,368)**	**(14,473)**	**-**	**(165,549)**
Depreciation	(8,572)	(21,512)	(2,191)	-	**(32,275)**
Disposals	1,889	5,844	440	-	**8,173**
Accumulated depreciation at 31 December 2023	**(43,391)**	**(130,036)**	**(16,224)**	**-**	**(189,651)**
Depreciation	(9,939)	(22,594)	(2,693)	-	**(35,226)**
Transfers from right-of-use assets (note 14)	-	(529)	-	-	**(529)**
Disposals	2,105	6,471	263	-	**8,839**
Accumulated depreciation at 31 December 2024	**(51,225)**	**(146,688)**	**(18,654)**	**-**	**(216,567)**
Net book value at 1 January 2023	**101,112**	**120,468**	**8,941**	**44,001**	**274,522**
Net book value at 31 December 2023	**103,300**	**129,798**	**9,974**	**65,591**	**308,663**
Net book value at 31 December 2024	**117,218**	**144,145**	**12,315**	**83,899**	**357,577**

During the year ended 31 December 2024, the Group capitalised borrowing costs of RUB 4,702 million (2023: RUB 1,896 million) in the value of property, plant and equipment using the weighted average interest rate of 6.37 % per year (2023: 4.43% per year).

At 31 December 2024, the most significant construction in progress balances were represented by the following investment projects:

- Kirovsk branch of Apatit, JSC: Kirovsk mine extension and modernization of RUB 11,712 million at 31 December 2024 and RUB 18,674 million at 31 December 2023;
- Kirovsk branch of Apatit, JSC: Rasvumchorrskiy mine extension and modernization of RUB 9,635 million at 31 December 2024 and RUB 6,903 million at 31 December 2023;

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- Kirovsk branch of Apatit, JSC: apatit-nepheline beneficiation plants extension and modernization of RUB 4,501 million at 31 December 2024 and RUB 3,835 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: phosphate-based fertilisers facilities modernization of RUB 11,260 million at 31 December 2024 and RUB 3,211 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: sulphuric acid facilities extension and modernization of RUB 7,148 million at 31 December 2024 and RUB 5,605 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: phosphoric acid facilities support and modernization of RUB 2,812 million at 31 December 2024 and RUB 1,416 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: feed monocalcium phosphate production facilities modernization of RUB 2,362 million at 31 December 2024 and RUB 1,903 million at 31 December 2023;
- Apatit, JSC, Cherepovets: sulphuric acid facilities support and modernization of RUB 5,756 million at 31 December 2024 and RUB 1,831 million at 31 December 2023;
- Apatit, JSC, Cherepovets: phosphoric acid facilities support and modernization of RUB 7,231 million at 31 December 2024 and RUB 2,909 million at 31 December 2023;
- Apatit, JSC, Cherepovets: tailing pond modernization for transition to dry method of phosphogypsum storage of RUB 3,397 million at 31 December 2024 and RUB 2,077 million at 31 December 2023;
- Apatit, JSC, Cherepovets: ammonia production facilities support and modernization of RUB 2,276 million at 31 December 202 and RUB 3,198 million at 31 December 2023.

14 RIGHT-OF-USE ASSETS

The Group has the following types of right-of-use assets: railway wagons, production equipment, containers for bulk cargo, offices. The leases typically run for a period of 5 years, with an option to renew the lease after that date.

RUB million	Buildings	Plant and equipment	Fixtures and fittings	Total
Net book value at 1 January 2023	**148**	**4,129**	**-**	**4,277**
New lease contracts or modification on existing lease contracts	216	1,102	2,851	**4,169**
Depreciation	(63)	(978)	(88)	**(1,129)**
Disposals	(15)	(62)	-	**(77)**
Net book value at 31 December 2023	**286**	**4,191**	**2,763**	**7,240**
New lease contracts or modification on existing lease contracts	139	1,384	65	**1,588**
Transfers to property, plant and equipment (note 13)	-	(1,444)	-	**(1,444)**
Depreciation	(92)	(543)	(198)	**(833)**
Disposals	(17)	(115)	-	**(132)**
Net book value at 31 December 2024	**316**	**3,473**	**2,630**	**6,419**

14 RIGHT-OF-USE ASSETS (CONTINUED)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

RUB million	2024	2023
Depreciation expense on right-of-use assets	833	1,129
Expenses relating to leases with variable payments	670	562
Expenses relating to short-term leases	609	387
Interest expense on lease liabilities	429	284

Amounts recognised in the consolidated statement of cash flows:

RUB million	2024	2023
Principal lease payments (note 24)	(1,448)	(1,416)
Expenses relating to leases with variable payments	(670)	(562)
Expenses relating to short-term leases	(609)	(387)
Interest payments (note 24)	(429)	(284)
Total payments	**(3,156)**	**(2,649)**

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Carrying values of the Group's investments in associates and joint ventures are as follows:

	31 December 2024		31 December 2023	
RUB million	Carrying value	Share of ownership	Carrying value	Share of ownership
JSC Khibinskaya Teplovaya Kompaniya (Russia)	607	50%	534	50%
JSC Giproruda (Russia)	61	25%	62	25%
JSC Soligalichskiy izvestkovyi kombinat (Russia)	47	26%	39	26%
LLC VC Temiryazev	-	48%	-	-
LLC Avrora-Khibiny (Russia)	-	50%	1	50%
Total	**715**		**636**	

16 DEFERRED TAX ASSETS AND LIABILITIES

(a) Deferred tax assets and liabilities by type of temporary difference

Deferred tax assets and liabilities are attributable to the following items:

	Assets	Liabilities	Net	Assets	Liabilities	Net
RUB Million	31 December 2024			31 December 2023		
Property, plant and equipment	75	(25,096)	(25,021)	85	(16,866)	(16,781)
Right-of-use assets and intangible assets	-	(1,605)	(1,605)	-	(1,448)	(1,448)
Other non-current assets	48	(3,635)	(3,587)	39	(3,147)	(3,108)
Current assets	1,249	(4,706)	(3,457)	716	(2,307)	(1,591)
Liabilities	15,625	(94)	15,531	6,413	(49)	6,364
Tax loss carryforwards	15,189	-	15,189	12,712	-	12,712
Deferred tax assets/(liabilities)	32,186	(35,136)	(2,950)	19,965	(23,817)	(3,852)
Offset	(18,105)	18,105	-	(10,214)	10,214	-
Net deferred tax assets/(liabilities)	**14,081**	**(17,031)**	**(2,950)**	**9,751**	**(13,603)**	**(3,852)**

16 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The deferred tax assets on tax loss carryforwards relate to the Russian entities of the Group. In accordance with Russian tax legislation tax losses accumulated at 31 December 2024 can be carried forward without limitation of utilisation period.

Management has developed a tax strategy to utilise the above tax losses. In assessing the tax losses recoverability, management considers a forecast of the Group's future taxable profits and the Group's tax position to make sure it is probable that relevant taxable profit will be received based on restructuring arrangements available to the Group to utilise the accumulated losses. During 2024, part of the tax loss carryforwards with previously recognized deferred tax asset of RUB 1,735 million was utilised against the taxable income.

At 31 December 2024, the Group revalued deferred tax assets and liabilities using the rate of 25% in accordance with Federal Law No. 176-FZ "On amendments to parts one and two of the Tax Code of the Russian Federation, certain legislation acts of Russian Federation and consideration of certain legislation acts provisions of Russian Federation to have lost force" (note 12).

At 31 December 2024, no deferred tax liability on taxable temporary differences of RUB 101,896 million from investments in subsidiaries was recognised (31 December 2023: on taxable temporary differences of RUB 88,627 million), either because the Parent can control recovery period of temporary differences and it is probable that these temporary differences will not recover in the foreseeable future, or because applicable income tax rate on intragroup dividends is expected to be 0%.

(b) Movement in temporary differences during the year

RUB million	31 December 2024	Recognised in profit or loss	Deferred tax effect from the increase in the tax rate to 25%	1 January 2024
Property, plant and equipment	(25,021)	(3,236)	(5,004)	(16,781)
Right-of-use assets and intangible assets	(1,605)	164	(321)	(1,448)
Other non-current assets	(3,587)	238	(717)	(3,108)
Current assets	(3,457)	(1,175)	(691)	(1,591)
Liabilities	15,531	6,062	3,105	6,364
Tax loss carry-forwards	15,189	(1,521)	3,998	12,712
Net deferred tax (liabilities)/assets	**(2,950)**	**532**	**370**	**(3,852)**

RUB million	31 December 2023	Recognised in profit or loss	1 January 2023
Property, plant and equipment	(16,781)	(1,754)	(15,027)
Right-of-use assets and intangible assets	(1,448)	(593)	(855)
Other non-current assets	(3,108)	(2,338)	(770)
Current assets	(1,591)	(795)	(796)
Liabilities	6,364	7,761	(1,397)
Tax loss carry-forwards	12,712	3,784	8,928
Net deferred tax (liabilities)/assets	**(3,852)**	**6,065**	**(9,917)**

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17 OTHER NON-CURRENT AND CURRENT ASSETS

RUB million	31 December 2024	31 December 2023
Other non-current assets		
Investments in equity instruments measured at fair value through profit or loss	1,167	1,025
Loans issued to employees, at amortised cost	99	65
Long-term accounts receivable	30	45
Loans issued to third parties, at amortised cost	9	9
Financial assets, at fair value through profit or loss	5	11
Receivable accrued as a result of Phosint Group disposal	-	7,178
Allowance for expected credit losses	-	(71)
Total other non-current assets	**1,310**	**8,262**
Other current assets		
Loans issued to third parties, at amortised cost	2,051	59
Interest receivable	466	42
Loans issued to employees, at amortised cost	47	91
Other assets	578	-
Short-term part of receivable accrued as a result of Phosint Group disposal	-	4,959
Allowance for expected credit losses	(17)	(68)
Total other current assets	**3,125**	**5,083**

The following information shows the movements of the Group's receivables recognised as a result of Phosint Group disposal during the reporting period:

RUB million	2024	2023
Balance at 1 January	**12,137**	**8,454**
Unwinding of discount (note 11)	890	1,308
Foreign currency translation difference	834	2,375
Receivables redeemed	(13,861)	-
Balance at 31 December	**-**	**12,137**

At 31 December 2024, fair value of the Group's 5% investment in Phosint Limited (currently PUREFERT LIMITED) measured at fair value through profit or loss was determined based on the model of discounted cash flows from the investee's operating activities and amounted to RUB 1,162 million (at 31 December 2023: RUB 1,025 million).

18 INVENTORIES

RUB million	31 December 2024	31 December 2023
Raw materials and spare parts	26,450	23,767
Finished goods:		
Chemical fertilisers	16,130	12,641
Apatite concentrate	868	698
Other products	1,057	1,066
Work-in-progress:		
Chemical fertilisers and other products	8,220	8,250
Chemical fertilisers and other products for resale, purchased from third parties	3,347	1,965
Other goods	331	177
Allowance for inventory write-down	(298)	(96)
Total inventories	**56,105**	**48,468**

19 TRADE AND OTHER RECEIVABLES

RUB million	31 December 2024	31 December 2023
Financial assets		
Trade accounts receivable	86,958	51,403
Other receivables[1]	2,983	430
Credit losses allowance	(599)	(474)
Non-financial assets		
Advances issued	14,524	9,870
Advances issued on custom duties	654	4,816
Deferred expenses	106	204
Receivables from employees	34	40
Provision for doubtful accounts and expected credit losses allowance	(7)	(15)
Total trade and other receivables	**104,653**	**66,274**

[1]At 31 December 2024, other receivables include advances on export duties of RUB 2,256 million, which will be fully repaid at 0% export duties rate depending on the official exchange rate of US dollar to Russian Rouble since 1 January 2025 as a result of the Russian Government Resolution termination.

At 31 December 2024 and at 31 December 2023, the Group performed revaluation of receivables under provisionally priced sales agreements measured at fair value through profit or loss and recognised an adjustment within revenue.

The following information shows the movement of the Group's receivables under provisionally priced sales agreements:

RUB million	2024	2023
Balance at 1 January	**33,586**	**2,711**
Receivables recognised	131,612	90,813
Receivables redeemed	(116,746)	(62,097)
Foreign exchange gain, net	5,785	2,233
Gain/(loss) from revaluation at fair value (unrealised)	206	(74)
Balance at 31 December	**54,443**	**33,586**

19 TRADE AND OTHER RECEIVABLES (CONTINUED)

A 5% increase/(decrease) in forecasted market prices, with all other variables held constant, will lead to increase/(decrease) fair value of the Group's receivables under provisionally priced sales agreements at 31 December 2024 by RUB 2,002 million (at 31 December 2023: RUB 1,493 million).

The movements of credit losses allowance are as follows:

RUB million	2024	2023
Balance at 1 January	**(489)**	**(492)**
Increase in credit losses allowance	(331)	(28)
Reversal of allowance	29	16
Use of allowance	185	15
Balance at 31 December	**(606)**	**(489)**

See note 27 (e) for the analysis of overdue trade and other accounts receivable.

20 CASH AND CASH EQUIVALENTS

RUB million	31 December 2024	31 December 2023
Cash in bank	10,139	9,095
Call deposits	251	20,058
Petty cash	8	10
Total cash and cash equivalents	**10,398**	**29,163**

At 31 December 2024 and 31 December 2023, the most significant cash and cash equivalent balances (more than 95%) are kept with large Russian banks rated at AA+ and AAA by independent Russian rating agencies (ACRA, Expert RA).

21 EQUITY

(a) Share capital

At 31 December 2024 and 31 December 2023, the Company’s share capital consists of 129,500,000 ordinary shares with par value of RUB 2.5 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote.

At 31 December 2024 and 31 December 2023, the number of ordinary shares authorised for additional issue is 994,977,080, with a par value of RUB 2.5 per share.

(b) Dividend policy

The Group’s dividend policy is based on the following principles:

- balanced approach to the distribution of profits between shareholders and investment needs of the Company;
- dividend payments should support investment profile of the Company.

21 EQUITY (CONTINUED)

Amount of such payment is subject to approval of the General Shareholders' Meeting, based on recommendations provided by the Company's Board of Directors. The Board of Directors' recommendations depend on such factors as the Company's earnings for the reporting period and its financial position. To calculate the amount of dividend payments, the Board of Directors considers the Company's consolidated free cash flow for the reporting period (quarter, six months, first nine months or year) under IFRS Accounting Standards. Free cash flow is defined as cash flows from operating activities less cash flows from investing activities based on the consolidated statement of cash flows. Interim dividends payment decision is made at the General Shareholders' Meeting within three months after the relevant reporting period end. The payment period for dividends payable to a nominal holder or a trustee, which is a professional participant of the securities market, who are registered in the share register, shall be not more than 10 business days. The payment period for dividends payable to other parties registered in the shareholders register shall not exceed 25 business days after the date when the parties entitled to receive dividends are determined. Holders of PhosAgro GDRs are also entitled to receive dividends on shares in accordance with Depositary Agreements terms. In accordance with dividend policy, the Board of Directors shall seek to make sure that the amount of distributed dividends ranges from 50% to over 75% (subject to the Company's debt leverage) of the Company's consolidated free cash flow for the respective period under IFRS Accounting Standards. At the same time, the amount of declared dividends shall not be lower than 50% of net profit for the relevant period under IFRS Accounting Standards adjusted by the amount of unrealised exchange rate difference.

(c) Dividends

In accordance with Russian legislation the Company's distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company's financial statements prepared in accordance with Russian Accounting Standards. At 31 December 2024, the Company had cumulative retained earnings of RUB 41,635 million (31 December 2023: RUB 38,453 million).

Proposed by the Board of Directors in	Approved by shareholders in	Amount per share *RUB*	Amount of dividends *RUB million*
May 2024	June 2024	309	40,015.5
August 2024	September 2024	117	15,151.5
November 2024	December 2024	126	16,317.0
Total			**71,484.0**

Proposed by the Board of Directors in	Approved by shareholders in	Amount per share *RUB*	Amount of dividends *RUB million*
March 2023	March 2023	465	60,217.5
May 2023	June 2023	264	34,188.0
November 2023	December 2023	291	37,684.5
Total			**132,090.0**

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22 EARNINGS PER SHARE

Basic earnings per share are calculated based on the weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share are the same, as there is no effect of dilution.

	2024	**2023**
Weighted average number of ordinary shares in issue	129,500,000	129,500,000
Profit for the year attributable to shareholders of the Company, RUB million	84,430	86,084
Basic and diluted earnings per share, RUB	652	665

23 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the leases, see note 24. For more information about the Group's exposure to foreign currency risk, interest rate risk and liquidity risk, see note 27.

RUB million	**31 December 2024**	**31 December 2023**
Current loans and borrowings		
Unsecured bank loans	96,684	84,610
Replacement bonds	36,291	-
Eurobonds	26,398	-
Interest payable	2,588	1,819
Bank commission (short-term)	(300)	-
Total current loans and borrowings	**161,661**	**86,429**
Non-current loans and borrowings		
Bonds RUB-denominated	75,000	20,000
Replacement bonds	38,991	66,404
Bonds CNY-denominated	26,854	25,152
Unsecured bank loans	19,117	27,231
Bonds USD-denominated	10,168	-
Eurobonds	-	23,284
Bank commission (long-term)	(168)	(361)
Total non-current loans and borrowings	**169,962**	**161,710**
Total loans and borrowings	**331,623**	**248,139**

In April 2023, the Company issued two series of 3-year bonds on the Moscow Stock Exchange:

- CNY 2,000 million, with a coupon period of 91 days and coupon income China Loan prime rate (LPR 1Y) + 1.2%;
- RUB 20,000 million, with a coupon period of 182 days and coupon income 9.4%.

In accordance with the Russian President Decree from 5 July 2022 № 430 On repatriation of foreign currency and Russian Federation currency by the residents as a foreign economic activity participants, in July 2023 the Company issued replacement bonds of ZO25-D series for USD 356.9 million and ZO28-D series for USD 383.5 million in exchange for Eurobonds with maturity in 2025 and 2028 respectively. Replacement bonds have the same terms as Eurobonds including rate, coupon payment terms, par value and maturity date. Bonds repayment during issue was made by the Eurobonds, rights on which are registered by Russian depositaries. Repayment of ZO25-D and ZO28-D series bonds and appropriate coupon is made in Russian roubles applying Bank of Russia exchange rate at the repayment date.

In June 2024, the Company issued USD 100 million in BO-P01-USD series 5-year bonds on the Moscow Stock Exchange with quarterly coupon rate of 6.25% per year.

23 LOANS AND BORROWINGS (CONTINUED)

In September 2024, the Company issued RUB 35,000 million in BO-P02 series 2-year bonds on the Moscow Stock Exchange with a floating coupon rate of key rate of Central Bank of Russia plus 1.1% per year.

In November 2024, the Company issued RUB 20,000 million in BO-02-01 series 5-year bonds on the Moscow Stock Exchange with floating coupon rate of Russian Central Bank key rate plus 2% per year with early repayment offer available after two years.

Information on the Group's bond loans is presented below:

RUB million		31 December 2024			31 December 2023		
Currency	**Expiry date**	**Rate, %**	**Carrying value**	**Fair value**	**Rate, %**	**Carrying value**	**Fair value**
RUB-denominated bonds							
RUB	08.09.2026	22.10%	35,000	34,885	-	-	-
RUB	17.04.2026	9.40%	20,000	18,492	9.40%	20,000	19,589
RUB	12.11.2026[1]	23.00%	20,000	20,250	-	-	-
Replacement bonds							
USD	23.01.2025	3.05%	36,291	36,443	3.05%	32,011	31,531
USD	16.09.2028	2.60%	38,991	33,649	2.60%	34,393	31,261
CNY-denominated bonds							
CNY	09.04.2026	4.55%	26,854	25,592	4.65%	25,152	25,190
Eurobonds							
USD	23.01.2025	3.05%	14,549	12,221	3.05%	12,833	10,877
USD	16.09.2028	2.60%	11,849	7,958	2.60%	10,451	6,994
USD-denominated bonds							
USD	31.05.2029	6.25%	10,168	9,800	-	-	-
Total bonds			**213,702**	**199,290**		**134,840**	**125,442**

[1] The date of early repayment offer

The breakdown of the loans and borrowings denominated in different currencies is as follows:

RUB million	**31 December 2024**	**31 December 2023**
USD-denominated	134,256	117,677
RUB-denominated	109,639	47,254
CNY-denominated	85,383	80,280
EUR-denominated	2,345	2,928
Total	**331,623**	**248,139**

The maturity of the loans and borrowings is as follows:

RUB million	**31 December 2024**	**31 December 2023**
Less than 1 year	161,961	86,429
1-2 years	120,971	53,298
2-3 years	-	61,225
3-4 years	38,991	2,704
4-5 years	10,168	44,844
Bank commission	(468)	(361)
Total	**331,623**	**248,139**

23 LOANS AND BORROWINGS (CONTINUED)

Analysis of Group's loans and borrowings changes related to cash and non-cash movements is presented below:

RUB million	**2024**	**2023**
Balance at 1 January	**248,139**	**190,758**
Cash inflows	212,336	172,906
Cash outflows	(154,961)	(155,306)
Foreign exchange differences	25,251	39,316
Interest accrued	14,530	7,179
Interest paid	(13,851)	(6,840)
Amortisation of bank commission	179	126
Balance at 31 December	**331,623**	**248,139**

Under the terms of the Group's long-term bank loans and bonds with a carrying amount of RUB 19,117 million at 31 December 2024 (at 31 December 2023: RUB 50,360 million), the Group is required to comply with certain financial and non-financial covenants at the end of each annual and interim reporting period.

Financial covenants include the following:

- the ratio of consolidated total debt to EBITDA of the Group at the end of each reporting period must be not more than 3.5:1;
- the ratio of consolidated net debt to consolidated EBITDA of the Group at the end of each reporting period must be not more than 3:1;
- the ratio of consolidated net debt to equity of the Group at the end of each reporting period must be not more than 1.5:1;
- the ratio of consolidated EBITDA to interest expense/ net interest expense of the Group at the end of each reporting period must be not less than 3:1.

Financial covenants are calculated by the Group in accordance with definitions stipulated in the respective agreements.

Non-financial covenants include compliance with a set of conditions, for example, intended use of loans, providing the documents specified in the respective loan agreements and financial statements, restriction on significant assets disposal, pledge of property, reorganisation and other.

In 2024, the Group exceeded the net debt to equity ratio of 1.5 set by the loan agreement with one of the foreign banks. At 31 December 2024, the carrying amount of this loan was RUB 11,301 million, including interest payable. In January 2025, the Group received a waiver letter from the bank in relation to exceeding this ratio.

As a result, at 31 December 2024, the Group did not have unconditional right to defer settlement of a non-current portion of certain loans for at least twelve months after the reporting period (note 27 (e)).

24 LEASE LIABILITIES

RUB million	Lease liability without subsequent asset buyout	Lease liability with subsequent asset buyout	Total
Balance at 1 January 2023	**731**	**2,205**	**2,936**
New lease contracts or modification of existing lease contracts	581	2,064	**2,645**
Principal lease payments	(401)	(1,015)	**(1,416)**
Interest expense on lease liabilities	66	218	**284**
Interest lease payments	(66)	(218)	**(284)**
Disposal	(63)	(4)	**(67)**
Foreign exchange differences	(2)	135	**133**
Balance at 31 December 2023	**846**	**3,385**	**4,231**
New lease contracts or modification of existing lease contracts	463	979	**1,442**
Principal lease payments	(474)	(974)	**(1,448)**
Interest expense on lease liabilities	137	292	**429**
Interest lease payments	(137)	(292)	**(429)**
Disposal	(144)	-	**(144)**
Foreign exchange differences	1	49	**50**
Balance at 31 December 2024	**692**	**3,439**	**4,131**

25 DEFINED BENEFIT OBLIGATIONS

RUB million	31 December 2024	31 December 2023
Pension obligations, long-term	773	308
Post-retirement obligations other than pensions	256	821
Total defined benefit obligations	**1,029**	**1,129**

The Group has defined benefit plans at JSC "Apatit", including all the branches, which stipulate payment of a lump sum allowance to employees who have a specified period of service in this company upon their retirement. The movement in the present value of the defined benefit obligations is as follows:

RUB million	2024	2023
Defined benefit obligations at 1 January	**1,129**	**1,050**
Benefits paid	(136)	(101)
Current service costs and interest	168	145
Actuarial (gain)/loss in other comprehensive income	(132)	35
Defined benefit obligations at 31 December	**1,029**	**1,129**

The key actuarial assumptions used in measurement of the defined benefit obligations are as follows:

	31 December 2024	31 December 2023
Discount rate	17.78%	12.0%
Future pension increases	7%	5.7%

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26 TRADE AND OTHER PAYABLES

RUB million	31 December 2024	31 December 2023
Financial liabilities		
Trade accounts payable	30,506	22,130
including accounts payable for property, plant and equipment and intangible assets	10,277	7,661
Other payables	121	870
Non-financial liabilities		
Advances received (liabilities under the contracts with customers)	10,705	11,055
Payables to employees	6,618	5,990
Accrued expenses and provisions	247	349
Other payables	197	311
Total trade and other payables	**48,394**	**40,705**

Contract liabilities balance at the beginning of the year was fully recognised in revenue during the reporting period.

27 FINANCIAL RISK MANAGEMENT

(a) Overview

In the normal course of its operations, the Group has exposure to market, credit and liquidity risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(b) Market risk

Market risk is the risk that changes in market conditions, such as foreign exchange rates, interest rates and equity prices will affect the Group's profit or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(c) Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities. The currencies giving rise to this risk are primarily USD, CNY and EUR.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group implemented a natural hedge approach (policy) aiming at reducing its exposure to foreign currency risk by means of borrowing in the same currencies in which the Group's sales agreements are denominated.

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group has the following net monetary position on financial assets and liabilities denominated in foreign currencies:

	31 December 2024			31 December 2023		
RUB million	USD denominated	CNY denominated	EUR denominated	USD denominated	CNY denominated	EUR denominated
Non-current assets	-	-	-	7,178	-	-
Current assets	84,217	20	4,043	64,290	-	1,667
Non-current liabilities	(59,519)	(33,380)	-	(108,875)	(28,937)	(2,185)
Current liabilities	(80,461)	(53,300)	(3,943)	(12,822)	(51,959)	(1,910)
Net position of the Group companies	**(55,763)**	**(86,660)**	**100**	**(50,229)**	**(80,896)**	**(2,428)**

Management estimates that a 10% strengthening/(weakening) of RUB against USD, CNY and EUR, based on the Group's total net position in USD, CNY and EUR at the reporting date would have increased/(decreased) the Group's profit for the year by RUB 14,232 million, before any tax effect (2023: would have increased/(decreased) the Group's profit for the year by RUB 13,355 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

The net foreign exchange loss recognised in profit or loss of RUB 15,903 million (net foreign exchange loss of RUB 17,964 million for the comparative period) resulted from Russian rouble depreciation against major currencies during the reporting period (Russian rouble appreciation against major currencies during the comparative period).

The breakdown of the net foreign exchange loss by nature is presented below:

RUB million	2024	2023
Foreign exchange gain from trade and other receivable	8,228	13,072
Foreign exchange gain from other current assets	834	-
Foreign exchange loss from trade and other payables	(749)	(403)
Foreign exchange gain from other non-current assets	-	2,376
Other	(1,861)	(359)
Foreign exchange gain from operating activities, net	**6,452**	**14,686**
Foreign exchange gain from cash and cash equivalents	2,946	6,799
Foreign exchange loss from lease liabilities	(50)	(133)
Foreign exchange loss from loans and borrowings	(25,251)	(39,316)
Foreign exchange loss from financing activities, net	**(22,355)**	**(32,650)**

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely impact the financial results of the Group. Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

The interest rate profile of the Group's interest-bearing financial instruments at their carrying values is as follows:

RUB million	31 December 2024	31 December 2023
Fixed rate instruments		
Call deposits and other financial assets	322	20,208
Other non-current assets	108	74
Lease liabilities	(4,131)	(4,231)
Short-term borrowings	(123,472)	(75,107)
Long-term borrowings	(85,852)	(132,309)
Total fixed rate instruments	**(213,025)**	**(191,365)**
Variable rate instruments		
Call deposits and other financial assets	2,027	-
Long-term borrowings	(84,278)	(29,762)
Short-term borrowings	(38,489)	(11,322)
Total variable rate instruments	**(120,740)**	**(41,084)**

Sensitivity analysis for financial instruments with variable interest rates

At 31 December 2024, 2 percentage points increase/(decrease) in interest rate, with all other variables held constant, would have decreased/(increased) the Group's profit for the year and equity by RUB 2,415 million (31 December 2023: RUB 822 million).

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer and supplier or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Group's receivables from customers, current and non-current financial assets and cash and cash equivalents.

At 31 December 2024, the Group's maximum exposure to credit risk is represented by the carrying amount of its financial assets and amounted to RUB 103,008 million (31 December 2023: RUB 92,842 million) and is presented in the tables below by class of asset.

The Group's financial assets measured at amortised cost is presented below:

RUB million	Note	31 December 2024	31 December 2024
Trade receivables excluding receivables under provisionally priced sales agreements	19	32,515	17,817
Cash and cash equivalents	20	10,398	29,163
Other receivables	19	2,983	430
Loans issued to third parties, at amortised cost	17	2,060	68
Other assets	17	1,074	87
Loans issued to employees, at amortised cost	17	146	156
Receivable accrued as a result of Phosint Group disposal	17	-	12,137
Allowance for expected credit losses	17,19	(616)	(613)
Total		**48,560**	**59,245**

At 31 December 2024, 96% of the Group's trade receivables is represented by one counterparty (31 December 2023: 95%).

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's financial assets measured at fair value through profit or loss are presented below:

RUB million	Note	2024	2023
Trade receivables under provisionally priced sales agreements	19	54,443	33,586
Financial assets measured at fair value through profit or loss	17	5	11
Total		**54,448**	**33,597**

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual specific characteristics of each customer. The general characteristics of the Group's customer base, including the default risk of the industry and country, in which customers operate, have less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum amount of outstanding receivables; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmarks of creditworthiness may transact with the Group only on a prepayment basis.

The majority of the Group's customers have been transacting with the Group for several years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Group's wholesale customers.

The Group does not require collateral in respect of trade and other receivables, except for new customers who are required to work on a prepayment basis or present an acceptable bank guarantee or set up letter of credit with an acceptable bank.

The Group establishes an allowance for expected credit losses that represents its estimate of the expected credit losses in respect of trade and other receivables and other financial assets. The Group estimates the allowance for expected credit losses for trade receivables in the amount equal to lifetime expected loss allowance of the financial instrument. In the terms of calculating the expected credit loss, the Group considers the credit rating of counterparties, adjusted with forward-looking factors specific to the debtors and economic environment in which they operate, and historical credit loss experience.

Exposures within each credit risk grade are segmented by geographic region classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years.

The allowance for expected credit losses on accounts receivable has been accrued in accordance with the risk matrix presented in the table below:

RUB million	31 December 2024					
	Not past due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	Total
Loss rate	**0.1-5%**	**0.1-10%**	**11.39%**	**16.70%**	**100%**	
Gross carrying amount	87,491	1,122	729	491	108	**89,941**
Lifetime ECL	(273)	(53)	(83)	(82)	(108)	**(599)**
Net carrying value	**87,218**	**1,069**	**646**	**409**	**-**	**89,342**

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

RUB million	31 December 2023					
	Not past due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	Total
Loss rate	**0.1-6%**	**0.1-10%**	**8.62%**	**10.53%**	**100%**	
Gross carrying amount	50,148	1,338	58	57	232	**51,833**
Lifetime ECL	(165)	(66)	(5)	(6)	(232)	**(474)**
Net carrying value	**49,983**	**1,272**	**53**	**51**	**-**	**51,359**

Current and non-current financial assets

The Group lends money to related parties and to third parties, who have good credit standing. Based on the prior experience, management believes that there is no significant credit risk in respect of related party and third party loans.

Cash and cash equivalents are primarily held with large banks with high credit rating and minimal risk of default, which provides high-level credit risk limits. All bank account balances and term deposits are not overdue or impaired.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains several lines of credit in various Russian and international banks.

At 31 December 2024, Group's current liabilities exceeded current assets by RUB 52,662 million. The Group manages its liquidity and ensures timely fulfilment of its obligations using Group's own and borrowed funds. In January – February 2025, the Group obtained long-term financing of RUB 40,000 million from additional bonds issue and repaid RUB 58,277 million of loans and bonds.

At 31 December 2024, the Group recognised non-current portion of certain borrowings of RUB 20,059 million within current borrowings (note 23) as the Group did not have unconditional right to defer settlement of liabilities for at least twelve months after the reporting period. Total amount of borrowings for which early repayment might be demanded by lenders in accordance with loan agreements was RUB 46,255 million as at 31 December 2024. There were no such claims by the date of issue of these consolidated financial statements and the Group's management does not expect to receive them. In January 2025, the Group received the bank's letter waiving a breach of net debt to equity ratio (note 23).

The table below illustrates the contractual maturities of financial liabilities, including interest payments, which are converted at the closing exchange rates, where applicable. The amounts disclosed in the maturity table are the contractual undiscounted cash flows:

	31 December 2024							
RUB million	Carrying value	Contractual cash flows	0-1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	Over 5 yrs
Loans and borrowings	332,091	364,781[1]	180,793[2]	133,243	634	39,626	10,485	-
Lease liabilities	4,131	6,114	1,609	1,261	868	645	577	1,154
Trade and other payables	30,627	30,627	30,627	-	-	-	-	-
Dividends payable	19,779	19,779	19,779	-	-	-	-	-
Total	**386,628**	**421,301**	**232,808**	**134,504**	**1,502**	**40,271**	**11,062**	**1,154**

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

	31 December 2023							
RUB million	Carrying value	Contractual cash flows	0-1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	Over 5 yrs
Loans and borrowings	248,500	267,696	94,081	59,358	64,308	3,939	46,010	-
Lease liabilities	4,231	5,823	1,770	1,003	758	522	355	1,415
Dividends payable	54,919	54,919	54,919	-	-	-	-	-
Trade and other payables	23,000	23,000	23,000	-	-	-	-	-
Total	**330,650**	**351,438**	**173,770**	**60,361**	**65,066**	**4,461**	**46,365**	**1,415**

[1]For bonds with early repayment offer cash flow is indicated by the offer date (note 23).

[2]The category "0-1 year" includes short-term loans and borrowings of RUB 46,255 million, for which lenders could demand early repayment in accordance with loan agreements terms (note 23).

(g) Capital management

The Group's Board of Directors pursues a policy aimed at maintaining high capital levels to keep investor, lender and market confidence and to provide future sustainable business development. The Board of Directors keeps under control the return on invested capital and dividends paid to shareholders. To maintain and adjust the capital structure, the Group may adjust periods of dividend payment to shareholders, revise its investment programme and obtain new or repay existing loans and borrowings. There were no changes in the Board's approach to capital management during the year.

The Group defines capital under management as the amount in "Equity attributable to shareholders of the Company" line item in the consolidated statement of financial position. At 31 December 2024, the Group's capital under management amounted to RUB 164,585 million (31 December 2023: RUB 151,521 million).

The Group's management regularly reviews external capital requirements and indicators of the Company and its subsidiaries including requirements established by the law and loan agreements (note 23 and 27 (f)).

28 COMMITMENTS

At 31 December 2024, the Group had contractual commitments for the purchase of property, plant and equipment for RUB 48,972 million (31 December 2023: RUB 52,917 million), including VAT where applicable.

29 CONTINGENCIES

(a) Litigation

The Group has a number of small claims and litigations relating to regular business activities and small fiscal claims. Management believes that none of these claims, individually or in aggregate, will have a material adverse impact on the Group.

(b) Tax contingencies

Russian tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

29 CONTINGENCIES (CONTINUED)

Russian transfer pricing (TP) legislation is generally aligned with the international TP principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features.

The TP legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the Group's operations.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

(c) Environmental contingencies

The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered.

The Group is involved in chemical production, which is inherently exposed to significant environmental risks. The Group companies record environmental obligations as they become probable and reliably measurable. The Group companies are parties to different litigations with the Russian environmental authorities. The management believes that based on its interpretations of applicable Russian legislation, official pronouncements and court decisions no provision is required for environmental obligations. However, the interpretations of the relevant authorities could differ from management's position and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

30 RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties include entities controlled by the Company's key shareholders, having significant influence on the Group.

The balances and transactions with related parties are usually unsecured and denominated in RUB.

(a) Transactions with related parties

RUB million	Nature of relationship	2024	2023
Sales of goods and services	Associates	28	27
Purchases of goods and services	Associates	(1,018)	(879)
Other expenses, net	Associates	(178)	-
Sales of goods and services	Other related parties	1,362	1,082
Other expenses, net	Other related parties	(512)	(400)
Financial expenses, net	Other related parties	(404)	-
Purchases of goods and services	Other related parties	(4)	(60)

In 2024, the Company declared dividends, including RUB 31,209 million (2023: RUB 77,113 million) to the shareholders holding more than 20% of the Company's shares.

In 2024, the Group received and repaid unsecured loans of RUB 17,100 million from the related party. The loans were received at interest rate of 16.65% per annum.

In 2023, the Group received and repaid unsecured loan of RUB 10,000 million from the related party. The loan was received at interest rate of 13.65 – 15.65% per annum.

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30 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

RUB million	Nature of relationship	31 December 2024	31 December 2023
Trade and other receivables	Associates	17	57
Trade and other payables	Associates	(91)	(60)
Trade and other receivables	Other related parties	506	-
Trade and other payables	Other related parties	(11)	(2)

(c) Remuneration of key management personnel and Board of Directors members

Remuneration of key management personnel consists of monthly compensation, annual performance bonus contingent on operating results, termination benefits and social security costs. The remuneration of the Board of Directors and key management personnel recognised as part of administrative and selling expenses amounted to RUB 3,964 million (2023: RUB 3,553 million).

31 SIGNIFICANT SUBSIDIARIES OF THE GROUP

Subsidiary	Country of incorporation	Effective ownership (rounded) 31 December 2024	Effective ownership (rounded) 31 December 2023
Apatit, JSC (including Balakovo, Volkhov and Kirovsk branches)	Russia	100%	100%
Mekhanik, LLC	Russia	100%	100%
NIUIF, JSC	Russia	94%	94%
PhosAgro-Region, LLC	Russia	100%	100%
PhosAgro-Belgorod, LLC	Russia	100%	100%
PhosAgro-Don, LLC	Russia	100%	100%
PhosAgro-Kuban, LLC	Russia	100%	100%
PhosAgro-Kursk, LLC	Russia	100%	100%
PhosAgro-Lipetsk, LLC	Russia	100%	100%
PhosAgro-Oryol, LLC	Russia	100%	100%
PhosAgro-Stavropol, LLC	Russia	100%	100%
PhosAgro-Volga, LLC	Russia	100%	100%
PhosAgro-SeveroZapad, LLC	Russia	100%	100%
PhosAgro-Tambov, LLC	Russia	100%	100%
PhosAgro-Sibir, LLC	Russia	100%	100%

32 SUBSEQUENT EVENTS

In 2025, the Group obtained long-term financing of RUB 40,000 million from additional bonds issue and a short-term loan of RUB 20,000 million from a related party, and repaid loans and borrowings of RUB 68,277 million, including short-term loan to a related party of RUB 10,000 million.

In February 2025, the Company made a decision to issue CNY 1,000 million in BO-02-02 series bonds with a fixed coupon rate of 10.4% per annum and maturity period of 1.5 years.

MANAGEMENT RESPONSIBILITY STATEMENT

The PhosAgro’ management hereby confirms that, to the best of its knowledge, the financial statements prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.

The management report includes a fair review of the development and performance of the business and the position of the PhosAgro and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This integrated report was reviewed and approved at PhosAgro’s Board of Directors meeting on 17 April 2025. The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 13 February 2025.

Mikhail Rybnikov
Chief Executive Officer and Chairman of the Management Board of PhosAgro

Additional information to the sections

DEFINING MATERIAL TOPICS

GRI 3-1

Approach to defining material topics

In 2022 and 2023, PhosAgro Group revised the Regulations on Collecting, Processing and Presenting Non-Financial Reporting Data in accordance with GRI standards, including the GRI Universal Standards updated in 2021. The Regulations include GRI-compliant data collection forms for the Report and establish approach to defining material topics based on double materiality. This approach relies on the review of the impact that social, economic, regulatory and governance and/or environmental factors or aspects have on the Company and vice versa.

In 2023, the Company added the following new sources of information to the materiality analysis process: feedback and comments received during the RSPP public assurance process, as well as opinions of external experts on the quality of the Company’s reports and its compliance with the best market practices, in particular, opinions of experts from Telegram channels.

In 2024, the Company determined financial materiality: it assessed the potential impact of strategic risks on its activities (weight 80%) and the international ESG rating (weight 20%) and, by comparing the two lists, identified the highest priority topics: the most significant impacts and the highest risks (double materiality).

The Group compared material topics against its strategic priorities and risk profile. The impact of material aspects on our value chain from mine to plate (for more information, see the Business Model section on page 21-23) was rated as high, medium or low. When assessing the degree of impact on processes under our control such as product development and manufacturing, purchase and mining of mineral resources, logistics and sales, we took into account the scale of an actual and potential impact and the nature of the assessed topic with due regard to industry specifics. With the application of our products seen as an important stage in value creation, we assessed the effect of this element on the selection of material topics by analysing both the Company’s impact on the end consumer and customer needs, expectations and requirements with regard to our products and practices.

To illustrate our approach to impact assessment, let us look at the GRI 404 Training and Education. For this topic, we rated the impact as high at every stage of the value chain due to an important role our highly qualified staff plays along the way from product development to sales. As regards the application stage, we assume that the customer gets a 2-in-1 product, including a fertilizer and our service expertise (training, agronomic advice and support). Employees are also directly interested in improving their professional qualifications as a means of facilitating their career development in the Company and obtaining a competitive edge in the labour market. Personal development tools help employees to harmoniously develop their skills in other areas of interest. Hence, relevant competencies and skills acquired, in particular, as part of the provided training are highly relevant.

For more information on approaches and steps to select material topics in 2024, see the Material Topics section

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