

Chairman’s statement

Dear shareholders

In 2024, our Company celebrated its 23rd anniversary – a remarkable milestone marking both past achievements and future opportunities for new successes, breakthroughs, and records. These will be built on our experience, market expertise, refined business model, and, most importantly, the concerted efforts of our professional team.

Since its founding, PhosAgro Group has demonstrated consistent growth in production and financial performance while integrating principles of sustainability and social responsibility into daily operations. The year 2024 proved no exception: we continued our progressive growth, maintaining our priority focus on what matters most – our people.

Victor Cherepov

Chairman of the Board of Directors of PJSC PhosAgro



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In 2024, PhosAgro Group achieved several key objectives of its Strategy to 2025 ahead of schedule. Which results stand out as particularly significant for the Company?

In business, as in life, achieving goals requires effort and systematic action. Since 2019, when our updated strategy was first unveiled, we have steadily advanced toward our strategic targets. During this period, the Company invested over RUB 330 bln in development, substantially exceeding the target. In 2024 alone, a record RUB 75 bln was allocated to the Company’s growth. As a result, we achieved some of the key objectives of our Strategy to 2025 ahead of plan.

As a vertically integrated business, PhosAgro prioritises the development of all segments. Since 2019, we have been increasing feedstock self-sufficiency: our ammonia production in 2024 reached nearly 2 mt, and sulphuric acid output exceeded 8.5 mt (Strategy to 2025 targets: 1.9 mt and ca. 7.8 mt respectively).

In 2024, we achieved a record 11.8 mt output of agrochemical products, including 11.5 mt of mineral fertilizers and feed phosphates – another early fulfilment of our Strategy to 2025 goals.

PhosAgro-Region, Russia’s largest mineral fertilizer distribution network¹ with 11 regional companies serving thousands of farms across Russia – from Kaliningrad to Petropavlovsk-Kamchatsky – and neighbouring countries, achieved new milestones in 2024. Deliveries to Russian farmers rose to 3.34 mt. Storage capacity

for mineral fertilizers surpassed 1 mt (Strategy to 2025 target: 650 kt), liquid complex fertilizer storage capacity reached over 100 kt (Strategy to 2025 target: 62 kt), and the number of distribution centres in Russia grew to 37 (Strategy to 2025 target: 35).

At every stage of the value chain – from mining key feedstock to sales – PhosAgro Group reaches new heights and exceeds its plans.

Our integrated employee satisfaction and loyalty index is steadily increasing. Measured through external evaluation in 2024, it rose to 76 p.p. (Strategy to 2025 target: 65 p.p.).

We are now crafting a new strategy through 2030, guided by ambitious goals, the strengths of our business model, and our team’s strong expertise. Yet our core mission remains unchanged: sustainable business growth for the benefit of all stakeholders.

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In the reporting year, the Company launched a new million-tonne plant in Volkhov into commercial operation. How will this mega-project impact future results?

The Volkhov plant’s commissioning is a cornerstone of our strategy. We are confident this facility will set the standard as a technological leader in the chemical industry for decades.

The Volkhov site now produces high-demand monoammonium phosphate (MAP) fertilizers and has begun manufacturing water-soluble MAP, an essential input for greenhouse farming, with its 2024 output reaching 46 kt.

Significantly, the plant was built by Russian contractors using world-class domestic technologies. It generated 700 skilled jobs, with half represented by engineering roles offering competitive salaries.

This plant is the successful culmination of PhosAgro’s decade-long investment cycle.

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Does PhosAgro remain committed to ESG principles amidst a strong focus on strategic goals and business initiatives?

Absolutely. ESG principles are deeply embedded in our business model: we supply eco-friendly fertilizers² to farmers in Russia and worldwide, supporting global food security. Both our industry and PhosAgro exist for people. As the owner of major mining and chemical facilities, one of Russia’s largest employers, and the backbone employer in cities like Apatity and Kirovsk, we carry a special responsibility to our diverse range of stakeholders.

Nearly half of our Strategy to 2025 goals directly relate to sustainability: environmental efficiency, climate impact reduction, health and safety, and social responsibility. Since adopting our Strategy in 2019, we have made significant progress across all these areas.

When implementing investment projects to upgrade and expand our capacities, we consistently utilise the best available technologies that combine operational efficiency

¹ By warehouse storage capacity among the distribution networks of mineral fertilizer producers with membership in the Russian Association of Fertilizer Producers (RAFP, 2024).
² Certified for environmental compliance under the [Vitality Leaf international standard](#).

with environmental responsibility. For instance, at the Volkhov plant mentioned earlier, we implemented a process steam utilisation system, which now fulfils over 80% of the facility's electricity requirements through self-generation.

Sustainable development and our business are inseparable. Our steady production growth does not conflict with our ESG commitments; rather, it empowers us to continuously expand support for employees, as well as social and charitable projects both our operating regions and on a national scale.

Our social and charitable project funding exceeded a record RUB 14 bln in 2024, up 20% from 2023. This includes expanded support for the Educated and Healthy Children of Russia (DROZD) initiative promoting youth sports; Our Favourite Cities programme to improve urban infrastructure in our regions; and our education support programme along the school–college–university–enterprise pathway.

Our educational programmes represent investments in both our business future and the industry's long-term development. By training talent from school level onwards, we build a robust and steadily growing pipeline of qualified graduates joining PhosAgro Group. Over the past decade, we have welcomed more than 3,500 engineers and skilled workers trained through the Company's support initiatives.

Employee welfare and community care have remained central to our corporate ethos since inception.

Average wages at PhosAgro rose by 67% over the past three years, reaching RUB 183,700 in 2024 – substantially outpacing inflation.

While we build a sustainable business for people rather than accolades, external recognition remains gratifying.

In February 2024, PhosAgro secured victory in most categories and received the Grade 1 Responsible Business Leadership national award established by order of the Russian President. In March 2025, the Company once more won this award with the highest final score.

In October 2024, RAEX, Russia's leading non-credit rating agency, upgraded PhosAgro's ESG rating from AA to AAA – the highest possible assessment. We became the first company to achieve this top-tier rating and led RAEX's ESG ranking across both chemical industry players and all 80 rated firms. Additionally, PhosAgro is the leader of the MOEX-RAEX ESG Balanced Index, with a maximum 7.7% weighting.

I was personally honoured to receive the Best Independent Director award in the Top 1,000 Russian managers ranking. Having served as an independent director for over a decade, I was elected Chairman of PhosAgro's Board in 2022 and subsequently re-elected in 2023 and 2024. I am deeply grateful to the team for their trust and for the collaborative work we continue to undertake for the benefit of PhosAgro Group and the broader market.

How do you envision the Company in 2025?

I am confident we will continue on a trajectory of growth, further enhancing production and financial performance while simultaneously expanding support for social and charitable initiatives. PhosAgro Group will continue to invest in strengthening vertical integration, particularly in key feedstock inputs production, to maintain a leading position among the most competitive phosphate fertilizer producers. I am optimistic about the Company's outlook, particularly given the increasing global emphasis on sustainable agricultural practices and public health. Our eco-friendly fertilizers are vital to both producing high-quality crops and ensuring global food security by effectively enriching soils with essential nutrients.

My heartfelt thanks to everyone contributing to our success: employees, partners, and contractors who have been instrumental in implementing investment programmes and achieving strategic goals. I extend particular gratitude to our shareholders and customers – your trust and support inspire PhosAgro to reach new heights.

CEO's statement



2024 was a year of sustainable growth in PhosAgro Group's operational and financial performance, laying a solid foundation for further expansion.

The Company once again demonstrated the effectiveness of its business model, the professionalism of its team, its deep market expertise, and the ability to deliver strong results while adapting to shifting market conditions.

This success stems from our unwavering commitment to sustainability and responsible business practices, deeply embedded in our goals and daily operations. While we update strategies and modernise production, one constant remains: PhosAgro Group ensures farmers in our core Russian market and globally have access to high-quality, eco-friendly fertilizers¹.

Mikhail Rybnikov

Chief Executive Officer of PJSC PhosAgro



¹ Certified for environmental compliance under the Vitality Leaf international standard.