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**



 $^1$  Certified for environmental compliance under the  $\underline{\text{Vitality Leaf}}$  international standard.



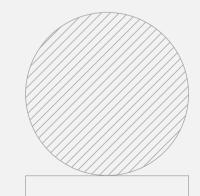
In 2024, the Company celebrated its 23rd anniversary, but the year also marked a significant milestone: the 95th anniversary of the Kirovsk site. What achievements define this legacy?

The Kirovsk branch of Apatit operates at one of the world's largest and richest deposits, enabling us to mine high<sup>1</sup> phosphate rock – the starting point of our value chain. Today, the Kirovsk branch comprises three mines and two beneficiation plants, maintaining its status as a global leader in high-grade phosphate rock production and Russia's only nepheline concentrate producer.

In its 95th anniversary year, the Kirovsk branch produced its 750-millionth tonne of phosphate rock. To better illustrate this volume: it equals 10,715,000 railcars – enough to circle the Earth's equator over three times.

In 2024, the Kirovsky mine also produced its 2.2-billionth tonne of apatite-nepheline ore, the raw material for eco-sustainable phosphate fertilizers.

Vertical integration remains a cornerstone of our competitive edge, which is why we pay meticulous attention to the production site where our value chain begins.





2024 also marked the 50th anniversary of sulphuric acid production at the Cherepovets site. Did this milestone coincide with new achievements?

The Cherepovets site of Apatit achieved a remarkable landmark by producing its 105-millionth tonne of sulfuric acid in 2024, setting a new record in a year that also celebrated 55 years of the chemical industry development in the Vologda region.

Sustained growth in sulphuric acid output - a strategically critical product – is essential for expanding phosphate rock processing and phosphate fertilizer production.

In 2024, the Cherepovets site produced 5.5 mt of phosphate-based fertilizers, a 6% increase y-o-y. This growth was driven, in particular, by effective programmes to build new and upgrade existing sulphuric acid capacities along with the generationslong dedication and expertise of our sulphuric acid production team.



PhosAgro actively upgraded and expanded capacities in 2024. What were the key outcomes?

We made substantial progress in 2024. In Cherepovets and Volkhov, productivity upgrades to wet-process phosphoric acid production systems increased phosphate rock processing by 400 ktpa.

The Volkhov site launched a groundbreaking new mega-plant, boosting its annual fertilizer production by over 4x compared to 2019 (to more than 1 mtpa) and phosphate rock processing by over 5x (to more than 1.5 mtpa).

The Balakovo site began producing diammonium phosphate (DAP). expanded feed-grade monocalcium phosphate (MCP) output by 100 ktpa, and reached full capacity of nearly 3 mtpa at its SK-20 sulphuric acid unit (an increase of 350 ktpa, or 13%).

The Balakovo site is also implementing Phase 3 of its expansion, introducing flexible MAP/DAP/NPS/NPK fertilizer production and expanding output. Upon completion, annual fertilizer production will grow by almost 1 mtpa

Other key ongoing projects at the Balakovo site include the continued construction of the SK-20/1 sulphuric acid unit (launching in H2 2025 to add another 750 ktpa of sulphuric acid), the setting up of a phosphogypsum conversion facility, and the development of in-house power generation (also set for completion in 2025).

At the Kirovsk branch, the +10 m level at the Kirovsky mine commenced operations, and underground mining began within the Gakman block of the Yukspor deposit. Construction of a new mine for the Rasvumchorr Plateau deposit (RUB 38 bln capital investment) and development of the Vostochny mine (RUB 33 bln investment through 2035) are underway.

Our consistent efforts to expand production, tap new deposits, and upgrade key capacities underpin the Company's business resilience and growth. These projects not only boost output but also create a platform for future expansion and efficiency gains. In the coming years, PhosAgro Group will continue strategic development, strengthening its industry position and offering cutting-edge fertilizer and mineral solutions.



What were the Company's financial highlights in 2024?

2024 results reflected multiple external and internal factors, notably higher production volumes and selling prices.

Our management team's coordinated efforts ensured effective cost control and increased sales of high-margin products.

We closed 2024 with revenue exceeding RUB 507 bln, EBITDA of over RUB 177 bln, adjusted net profit above RUB 100 bln, and comfortable net debt of RUB 325.4 bln (net debt / EBITDA: 1.84x). Our EBITDA margin stood at 34.9%, with free cash flow reaching RUB 29 bln.

In 2025, we will prioritise debt reduction and repayment over refinancing, despite accessible debt markets, to reduce servicing costs and strengthen our position as a highly rated, reliable borrower.



2024 was a year of milestones for PhosAgro Group. What are its 2025 prospects?

2025 promises to be equally successful. Early signs are encouraging: January saw historic monthly production and shipment records.

For the first time ever, the Company produced over 1 mt of mineral fertilizers, feed phosphates, and sodium tripolyphosphate in a single month. January also set two shipment records: 1.07 mt of agrochemicals and 1.01 mt of apatite concentrate.

We are confident that 2024's achievements will propel future successes. I extend my gratitude to the entire PhosAgro Group team for their professionalism and dedication, and to our partners, clients, contractors, and suppliers for their invaluable role in these outstanding results.

