



#### 4Q & FY 2021 Operating Results:

### PhosAgro Ramped up Agrochemical Production to a Record 10.5 Million Tonnes in 2021

**Moscow** – PJSC PhosAgro (the “Company”, MOEX, LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, increased its agrochemical production by 3% year-on-year in FY 2021 to a record 10.5 million tonnes.

#### 4Q and FY 2021 highlights

Production of phosphate rock and nepheline concentrates increased by 0.8% year-on-year to 11.8 million tonnes in FY 2021. In 4Q 2021, production exceeded 3.0 million tonnes, an increase of 8.3% year-on-year.

Total fertilizer production increased by 3.3% year-on-year in FY 2021, reaching 10.3 million tonnes, thanks to increased production of DAP/MAP, NPK and ammonium sulphate. Fertilizer production in 4Q 2021 amounted to 2.8 million tonnes, an increase of 12.8% year-on-year.

Total fertilizer sales in FY 2021 amounted to around 10.3 million tonnes. This 3% year-on-year increase was driven by high demand in the Company’s priority markets.

Sales of nitrogen-based fertilizers increased by more than 9% in FY 2021, primarily due to strong demand for these products in Russia and global markets amid a decrease in the production of nitrogen-based fertilizers in Europe in late 2021.

#### Production and sales volumes

Production volumes by category						
(kt)	12M 2021	12M 2020	Chng, %	4Q 2021	4Q 2020	Chng, %
Phosphate-based fertilizers and feed phosphates	7,893.6	7,577.9	4.2%	2,113.8	1,829.7	15.5%
Nitrogen-based fertilizers	2,412.1	2,402.3	0.4%	641.5	613.3	4.6%
<b>TOTAL fertilizers</b>	<b>10,305.7</b>	<b>9,980.2</b>	<b>3.3%</b>	<b>2,755.3</b>	<b>2,443.0</b>	<b>12.8%</b>
Other products	174.5	184.0	-5.2%	46.1	42.0	9.8%
<b>TOTAL fertilizers and other products</b>	<b>10,480.2</b>	<b>10,164.2</b>	<b>3.1%</b>	<b>2,801.4</b>	<b>2,485.0</b>	<b>12.7%</b>
Phosphate rock and nepheline concentrate	11,798.6	11,700.8	0.8%	3,024.4	2,793.0	8.3%
Sales volumes by category						
(kt)	12M 2021	12M 2020	Chng, %	4Q 2021	4Q 2020	Chng, %
Phosphate-based fertilizers and feed phosphates	7,762.4	7,668.9	1.2%	1,903.7	1,545.3	23.2%
Nitrogen-based fertilizers	2,494.5	2,285.7	9.1%	566.7	499.5	13.5%
<b>TOTAL fertilizers</b>	<b>10,256.9</b>	<b>9,954.6</b>	<b>3.0%</b>	<b>2,470.4</b>	<b>2,044.8</b>	<b>20.8%</b>
Other products	177.3	183.7	-3.5%	48.8	44.2	10.4%
<b>TOTAL fertilizers and other products</b>	<b>10,434.2</b>	<b>10,138.3</b>	<b>2.9%</b>	<b>2,519.2</b>	<b>2,089.0</b>	<b>20.6%</b>

Phosphate rock and nepheline concentrate	3,802.8	4,310.8	-11.8%	898.8	1,029.9	-12.7%
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**PhosAgro CEO Andrey Guryev said:**

“Looking at our record results for 2021, I would like to underscore our sustainability efforts. The Company once again demonstrated its ability to achieve strong production results while meeting its social, philanthropic and environmental commitments.

“Our key investment projects in 2021 implemented best available techniques, and some of them, such as the project to expand our aluminium fluoride production, were in line with circular-economy principles. The fact that international organisations and rating agencies have recognised our efforts is the best indicator of their impact.

“In November 2021, for example, the International Fertilizer Association (IFA) recognised PhosAgro, for the second time, as an Industry Stewardship Champion for its responsible approach to production. The IFA’s Industry Stewardship Champion label is granted to companies that are IFA Protect & Sustain certified, highlighting their commitment to continuous improvement and adherence to best practices in the areas of energy efficiency and resource conservation, occupational health and safety, and environmental protection, and it attests to the fact that industry champions have best corporate policies in place in these areas.

“In 4Q 2021, MSCI ESG Research reaffirmed PhosAgro’s A rating in its prestigious integrated index. The agency noted the Company’s high level of corporate governance and its leadership in terms of chemical safety programmes.

“And I would also like to note the improvement in the Company’s position in the ranking by Sustainalytics, a leading independent agency. According to Sustainalytics’ latest assessment, PhosAgro’s ESG risk rating improved from 27.3 to 22.8. The new assessment ranks PhosAgro among the 30 leading chemical companies worldwide, and this is one of the best results among global companies in the agrochemical sector.”

“The past year, which marked PhosAgro’s 20th anniversary, once again affirmed that, by focusing on organic growth, we chose the right path for development. The ongoing modernisation of our production facilities using best available techniques, our increased self-sufficiency in key inputs and our focus on sustainability have enabled us not only to reinforce our position as the largest and most reliable supplier of fertilizers in our priority Russian market but also to strengthen our competitive advantages in global mineral fertilizer markets.

“In FY 2021, we increased production of phosphate-based fertilizers by 4.2% year-on-year; moreover, the production of our main fertilizer grades, DAP/MAP and NPK, increased by 14.1% and 9.5%, respectively. This growth was driven by an increase in the production of phosphoric and sulphuric acids as well as the recovery in ammonia production following the completion of scheduled maintenance at the end of the third quarter.

“In 4Q 2021, we saw favourable price trends in the main world markets for phosphate- and nitrogen-based fertilizers, which enabled us to increase sales by more than 20% year-on-year.

“Among the external factors that supported our operating performance during the quarter, I would like to highlight the consistently high demand for fertilizers in the Russian market, the increase in demand in the markets of Latin America and Europe, as well as the decrease in export supplies from China.

“At the beginning of 2022, prices remain high in global markets on the back of restrictions on exports from China and strong demand for phosphate-based fertilizers in India. At the same time, we can see a price correction in global markets for nitrogen-based fertilizers in the wake of a busy period of import purchases in the majority our main sales markets.”

## Production volumes by type:

Production volumes by category						
(kt)	12M 2021	12M 2020	Chng, %	4Q 2021	4Q 2020	Chng, %
Phosphate rock	10,675.5	10,541.4	1.3%	2,744.4	2,504.0	9.6%
Nepheline concentrate	1,123.1	1,159.4	-3.1%	280.0	289.0	-3.1%
<b>TOTAL</b>	<b>11,798.6</b>	<b>11,700.8</b>	<b>0.8%</b>	<b>3,024.4</b>	<b>2,793.0</b>	<b>8.3%</b>
<b>Phosphate-based fertilizers</b>						
DAP/MAP	3,610.7	3,164.4	14.1%	1,012.9	775.9	30.5%
NPK	3,111.3	2,840.3	9.5%	842.5	717.0	17.5%
NPS	561.6	928.9	-39.5%	99.2	182.7	-45.7%
APP	208.6	205.8	1.4%	55.7	48.8	14.1%
MCP	390.6	392.1	-0.4%	103.5	102.9	0.6%
PKS	10.8	46.4	-76.7%	0.0	2.4	-100.0%
<b>TOTAL</b>	<b>7,893.6</b>	<b>7,577.9</b>	<b>4.2%</b>	<b>2,113.8</b>	<b>1,829.7</b>	<b>15.5%</b>
<b>Nitrogen-based fertilizers</b>						
AN	694.8	691.5	0.5%	190.7	185.8	2.6%
Urea	1,643.2	1,679.1	-2.1%	422.5	415.6	1.7%
Ammonium sulphate	74.1	31.7	133.8%	28.3	11.9	137.8%
<b>TOTAL</b>	<b>2,412.1</b>	<b>2,402.3</b>	<b>0.4%</b>	<b>641.5</b>	<b>613.3</b>	<b>4.6%</b>
<b>TOTAL fertilizers</b>	<b>10,305.7</b>	<b>9,980.2</b>	<b>3.3%</b>	<b>2,755.3</b>	<b>2,443.0</b>	<b>12.8%</b>
<b>Other products</b>						
STPP	91.9	95.0	-3.3%	24.8	20.0	24.0%
Other	82.6	89.0	-7.2%	21.3	22.0	-3.2%
<b>TOTAL other products</b>	<b>174.5</b>	<b>184.0</b>	<b>-5.2%</b>	<b>46.1</b>	<b>42.0</b>	<b>9.8%</b>
<b>Feedstocks</b>						
Ammonia	1,931.1	1,970.3	-2.0%	518.3	461.0	12.4%
Phosphoric acid	2,952.0	2,716.8	8.7%	785.0	643.0	22.1%
Sulphuric acid	7,352.2	6,815.6	7.9%	1,954.8	1,679.0	16.4%
Ammonium sulphate	259.0	293.9	-11.9%	83.3	79.0	5.4%
<b>TOTAL feedstocks</b>	<b>12,494.3</b>	<b>11,796.6</b>	<b>5.9%</b>	<b>3,341.4</b>	<b>2,862.0</b>	<b>16.8%</b>

The production of phosphate rock increased by 1.3% year-on-year in FY 2021, reaching 10.7 million tonnes. Moreover, production in 4Q 2021 increased by 9.6% year-on-year. This substantial increase was due to the low production base at the end of 2020 stemming from major repairs carried out on one of the Company's mine shafts.

The production of phosphoric acid, the main feedstock in the production of phosphate-based fertilizers, increased by 8.7% year-on-year in FY 2021 to 3.0 million tonnes. This increase was driven by earlier upgrades to production units and more efficient operation of equipment.

The production of phosphate-based fertilizers increased by 4.2% year-on-year in FY 2021 (driven by higher production of phosphoric acid), reaching 7.9 million tonnes. At the same time, DAP/MAP production over the same period increased by 14.1%, exceeding 3.6 million tonnes. There were two factors behind this rapid growth: first, the fact that MAP production at the Company's Volkhov site was ramped up to full capacity; second, the greater demand for two-component fertilizers and their high margins in the current market conditions.

In 4Q 2021, production of phosphate-based fertilizers increased by 15.5% year-on-year, driven mainly by a 30.5% increase in DAP/MAP output and a 17.5% increase in NPK production.

The production of nitrogen-based fertilizers increased by 4.6% year-on-year in 4Q 2021. This growth occurred following the completion of scheduled maintenance at ammonia facilities in August and September 2021.

Sulphuric acid production increased by 7.9% year-on-year in FY 2021 to almost 7.4 million tonnes. This considerable increase in production was due to the ramp-up to full capacity of the new sulphuric acid production unit in Cherepovets in 2021 as well as the commissioning and increase in capacity utilisation of a new facility at the Volkhov site.

#### Sales volumes by type:

Sales volumes by category						
(kt)	12M 2021	12M 2020	Chng, %	4Q 2021	4Q 2020	Chng, %
Phosphate rock	2,677.6	3,151.8	-15.0%	612.6	742.2	-17.5%
Nepheline concentrate	1,125.2	1,159.0	-2.9%	286.2	287.7	-0.5%
<b>TOTAL</b>	<b>3,802.8</b>	<b>4,310.8</b>	<b>-11.8%</b>	<b>898.8</b>	<b>1,029.9</b>	<b>-12.7%</b>
<b>Phosphate-based fertilizers</b>						
DAP/MAP	3,564.5	3,203.4	11.3%	957.8	535.5	78.9%
NPK	3,011.1	2,924.6	3.0%	700.2	680.7	2.9%
NPS	566.8	912.2	-37.9%	75.6	192.7	-60.8%
APP	206.3	200.3	3.0%	56.5	52.2	8.2%
MCP	405.2	378.6	7.0%	113.6	83.9	35.4%
PKS	8.5	49.8	-82.9%	0.0	0.3	-100.0%
<b>TOTAL</b>	<b>7,762.4</b>	<b>7,668.9</b>	<b>1.2%</b>	<b>1,903.7</b>	<b>1,545.3</b>	<b>23.2%</b>
<b>Nitrogen-based fertilizers</b>						
AN	798.0	618.6	29.0%	168.6	150.8	11.8%
Urea	1,616.3	1,649.0	-2.0%	362.8	341.0	6.4%
Ammonium sulphate	80.2	18.1	343.1%	35.3	7.7	358.4%
<b>TOTAL</b>	<b>2,494.5</b>	<b>2,285.7</b>	<b>9.1%</b>	<b>566.7</b>	<b>499.5</b>	<b>13.5%</b>
<b>TOTAL fertilizers</b>	<b>10,256.9</b>	<b>9,954.6</b>	<b>3.0%</b>	<b>2,470.4</b>	<b>2,044.8</b>	<b>20.8%</b>
<b>Other products</b>						
STPP	94.4	93.3	1.2%	27.1	22.4	21.0%
Other	82.9	90.4	-8.3%	21.7	21.8	-0.5%
<b>TOTAL other products</b>	<b>177.3</b>	<b>183.7</b>	<b>-3.5%</b>	<b>48.8</b>	<b>44.2</b>	<b>10.4%</b>

Total fertilizer sales amounted to 10.3 million tonnes in FY 2021, an increase of 3% year-on-year. This growth was driven by strong demand for fertilizers in the main markets throughout the year against a background of high crop prices, limited production of nitrogen-based fertilizers amid high natural gas prices in Europe, and the impact of decreased fertilizer exports from China.

Sales of phosphate-based fertilizers amounted to almost 7.8 million tonnes in FY 2021, an increase of 1.2% year-on-year. This growth was driven by consistently high demand in the Company's sales markets, such as Russia and Latin America, and by an increase in MAP production volumes following the launch of a new facility at PhosAgro's Volkhov site.

Sales of phosphate-based fertilizers increased by 23.2% year-on-year in 4Q 2021, driven by the launch of new production capacities in Volkhov. This increase was due to both high seasonal demand in Europe and Latin America and higher sales to India, where pent-up demand was met.

Sales in the nitrogen segment increased by 9.1% and 13.5% year-on-year, respectively, in FY 2021 and 4Q 2021. AN saw the biggest increase in sales, driven by both high seasonal demand and the affordability of fertilizers for end users.

Growth in urea sales in 4Q 2021 was driven by an increase in ammonia production following the completion of scheduled equipment maintenance at the end of 3Q 2021.

## Market highlights

The following factors had an impact on the situation in world markets for phosphate-based fertilizers in 4Q 2021:

- a considerable reduction in exports from China following the introduction in mid-October 2021 of restrictions that directed supplies to the domestic market;
- cuts in DAP/MAP production in the United States for technical reasons;
- stable seasonal demand in the markets of North and South America, as well as in the countries of Southeast Asia and Oceania.

As a result, following a short-lived period of stabilisation in August and September, global prices for the main types of phosphate-based fertilizers continued to increase during 4Q 2021, reaching their highest level for the last decade.

Global prices for nitrogen-based fertilizers also reached record highs, mainly due to the ongoing energy crisis and a record increase in natural gas prices in Europe. The introduction of restrictions on urea exports from China led to an imbalance whereby the demand in Asian markets outstripped the supply, especially in India, where the fourth quarter has traditionally accounted for the largest volume of import purchases.

The beginning of 2022 has seen continued strong demand and high prices for phosphate-based fertilizers in India, while markets for nitrogen-based fertilizers are seeing a price correction in the wake of a busy period of import purchases in most major markets.

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## About Us

*PhosAgro ([www.phosagro.ru](http://www.phosagro.ru)) is one of the world's leading vertically integrated phosphate-based fertilizer producers in terms of production volumes of phosphate-based fertilizers and high-grade phosphate rock with a P<sub>2</sub>O<sub>5</sub> content of 39% and higher. PhosAgro's environmentally friendly fertilizers stand out for their high efficiency, and they do not lead to the contamination of soils with heavy metals.*

*The Company is the largest phosphate-based fertilizer producer in Europe (by total combined capacity for DAP/MAP/NP/NPK/NPS), the largest producer of high-grade phosphate rock with a P<sub>2</sub>O<sub>5</sub> content of 39%, a top-three producer of MAP/DAP globally, one of the leading producers of feed phosphates (MCP) in Europe, and the only producer in Russia, and Russia's only producer of nepheline concentrate (according to the RFPA).*

*PhosAgro's main products include phosphate rock, more than 50 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 100 countries spanning all of the world's inhabited continents. The Company's priority markets outside of Russia and the CIS are Latin America, Europe and Asia.*

*PhosAgro's shares are traded on the Moscow Exchange, and global depositary receipts (GDRs) for shares trade on the London Stock Exchange (under the ticker PHOR). Since 1 June 2016, the Company's GDRs have been included in the MSCI Russia and MSCI Emerging Markets indexes.*

*More information about PhosAgro can be found on the website: [www.phosagro.ru](http://www.phosagro.ru).*