



**PhosAgro Reports 3Q and 9M 2020 Financial Results:  
EBITDA Margin at 38%, Free Cash Flow up More Than 5x to RUB 19 bln**

**Moscow** – PhosAgro (“the Company”) (Moscow Exchange and LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, today announces its interim consolidated IFRS financial results for 3Q and 9M 2020.

**Highlights for 3Q and 9M 2020**

Revenue in 3Q 2020 increased by 10.0% year-on-year to RUB 71.0 billion (USD 965 million) due to increased sales of fertilizers in key markets and rouble exchange rate fluctuation.

Revenue for 9M 2020 was relatively unchanged year-on-year at RUB 195.0 billion (USD 2.8 billion). The Company managed to maintain revenues in line with the previous year despite lower average sales prices for phosphate-based and nitrogen fertilizers in 2020.

In 3Q 2020, the Company’s EBITDA increased by 27.0% year-on-year to RUB 27.1 billion (USD 368 million) thanks to an increase in fertilizer sales at a time when global raw materials prices were lower. EBITDA margin increased by 5 pp to 38.1%.

EBITDA for 9M 2020 increased by 2.3% year-on-year to RUB 65.9 billion (USD 928 million). EBITDA margin was 33.8%.

The Company’s free cash flow in 3Q 2020 increased more than fivefold year-on-year to RUB 19.4 billion (USD 264 million). This considerable increase was due to higher sales and more efficient management of working capital.

Free cash flow reached RUB 39.7 billion (USD 567 million) for 9M 2020, an increase of 21.8% year-on-year.

Net profit for 9M 2020, adjusted for the effect of currency exchange differences, was RUB 39.3 billion (USD 557 million), up 13.8% year-on-year.

As of 30 September 2020, net debt amounted to RUB 149.9 billion (USD 1.9 billion), and net debt/EBITDA as of the end 3Q was 1.95x, remaining stable over the past several quarters.

**Financial and operational highlights:**

| FINANCIAL HIGHLIGHTS |            |            |         |            |            |         |
|----------------------|------------|------------|---------|------------|------------|---------|
| RUB million          | 9M<br>2020 | 9M<br>2019 | Chng, % | 3Q<br>2020 | 3Q<br>2019 | Chng, % |
| Revenue              | 194,988    | 194,983    | 0.0%    | 70,992     | 64,550     | 10.0%   |
| EBITDA*              | 65,897     | 64,396     | 2.3%    | 27,054     | 21,301     | 27.0%   |
| EBITDA margin        | 33.8%      | 33.0%      | 0.8 pp  | 38.1%      | 33.0%      | 5.1 pp  |
| Net income           | 3,958      | 42,707     | -90.7%  | -1,333     | 9,762      | n/a     |

|                             |                    |                    |                |                    |                    |                |
|-----------------------------|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
| Adj. net income**           | 39,311             | 34,534             | 13.8%          | 18,095             | 11,797             | 53.4%          |
| Free cash flow              | 39,665             | 32,564             | 21.8%          | 19,391             | 3,605              | 437.9%         |
|                             |                    |                    |                | <b>30.09.2020</b>  | <b>31.12.2019</b>  |                |
| Net debt                    |                    |                    |                | 149,939            | 131,583            |                |
| ND/LTM EBITDA               |                    |                    |                | 1.95x              | 1.74x              |                |
| <b>Sales, ths tonnes</b>    | <b>9M<br/>2020</b> | <b>9M<br/>2019</b> | <b>Chng, %</b> | <b>3Q<br/>2020</b> | <b>3Q<br/>2019</b> | <b>Chng, %</b> |
| Phosphate-based fertilizers | 6,124              | 5,517              | 11.0%          | 2,247              | 1,959              | 14.7%          |
| Nitrogen fertilizers        | 1,776              | 1,660              | 7.0%           | 470                | 512                | -8.3%          |
| <b>Total sales</b>          | <b>7,900</b>       | <b>7,177</b>       | <b>10.1%</b>   | <b>2,717</b>       | <b>2,471</b>       | <b>9.9%</b>    |

RUB/USD rates: average 3Q 2020 rate: 73.6; average 3Q 2019 rate: 64.6; as of 30 September 2020: 79.7; as of 30 September 2019: 64.4

\*EBITDA is calculated as operating profit adjusted for depreciation and amortisation.

\*\*Net profit as reported minus FX gain or loss.

### Commenting on the Company's financial results, PhosAgro CEO Andrey Guryev said:

"In the third quarter, we delivered further growth in our financial results. PhosAgro's revenue and EBITDA increased year-on-year on the back of higher production volumes, while global prices for key raw materials remained low. As a result, EBITDA margin exceeded 38%.

"Efficient management of working capital and the sell-down of product inventories enabled us to achieve significant growth in terms of free cash flow, which exceeded RUB 19 billion, a more than fivefold increase from the same period last year.

"The Company's debt burden remained at a consistently comfortable level below 2x net debt/EBITDA. Capital investment in the first nine months of 2020 amounted to 42% of EBITDA, which is even slightly below internal targets.

"Looking at our outlook on market developments, I think that the markets look balanced at the moment, and this balance may be maintained during the fourth quarter. Slower seasonal demand in South Asia and Latin America is likely to be offset by rising imports in the United States, Western Europe and Africa, while exports from China will remain limited."

### Commenting on the Company's performance, Xavier Rolet, Chairman of PhosAgro's Board of Directors, said:

"I have been a member of PhosAgro's Board of Directors for more than two years, and last year I was elected Chairman. Throughout this entire time, I have witnessed the efforts that the Company has undertaken in terms of its sustainable development and reducing its environmental impact, and these efforts are bearing fruit. In November 2020, as part of its regular review, Sustainalytics changed the Company's ESG risk rating from 43.5 to 26.9. This is one of the best ESG risk ratings the agency has given to large Russian companies or to fertilizer producers globally.

"Speaking of the Company's development, I would like to reflect on our main achievements in terms of the implementation of our Strategy to 2025. During 2020, PhosAgro successfully completed construction and fully ramped up a new high-quality ammonium sulphate line in Cherepovets, which has already led to a decrease in external purchases and to higher profitability for complex fertilizers. Until the year end, we also plan to launch a new granulated MAP production line at the Volkhov (Metachem) plant, which will mean that the implementation of our Strategy to 2025 is proceeding according to plan.

“I would also note that at last Friday’s meeting of the Board of Directors we approved PhosAgro’s financial statements for 9M 2020. Taking into account the strong financial results, we decided to recommend that the General Meeting of Shareholders approve a dividend payment in the amount of RUB 41 per GDR for 3Q 2020.”

### **3Q 2020 market conditions**

In 3Q 2020, the phosphate fertilizer market was characterised by an upward price trend due to the following factors:

- The ongoing investigation by the US Department of Commerce and the US International Trade Commission concerning Mosaic’s petition to introduce countervailing duties on phosphate fertilizers from Morocco and Russia. As a result, DAP/MAP supplies from these countries, which account for about 85% of annual imports, were stopped, which led to an increase in demand and higher prices for fertilizers from alternative suppliers.
- Peak seasonal demand for MAP in Brazil and DAP/NP/NPK in India. Additional supporting factors included favourable global market conditions for agricultural products and good weather conditions, which facilitated an increase in crop acreage and higher demand for fertilizers.
- Continued limited DAP/MAP export supplies from China in favour of seasonal supplies to the domestic market.

As a result, DAP/MAP prices increased in 3Q 2020 from USD 285–300 per tonne to USD 332–343 per tonne (FOB Baltic). The average price of DAP/MAP in 3Q 2020 was USD 314 per tonne (FOB Baltic), compared with USD 297 per tonne in 2Q 2020.

Nitrogen fertilizer markets were also dominated by upward trends due to the increase in seasonal demand for urea in key sales markets like India, Brazil and other Latin American countries, as well as stable demand for ammonium nitrate in Russia’s domestic market. The average price for prilled urea in 3Q 2020 was USD 233 per tonne (FOB Baltic), compared with USD 209 per tonne in 2Q 2020. The average price for ammonium nitrate in 3Q 2020 was USD 160 per tonne (FOB Baltic), compared with USD 155 per tonne in 2Q 2020.

Commercial ammonia prices were under pressure due to weak off-season demand in key sales markets and low world prices for natural gas. The average price for ammonia in 3Q 2020 was USD 178 per tonne (FOB Baltic), compared with USD 201 per tonne (FOB) in 2Q 2020.

No significant changes were noted during 3Q 2020 in the principal sulphur and phosphate rock markets: prices remained stable within the range of USD 37–50 per tonne (FOB Black Sea) for sulphur and within USD 75–90 (FOB Morocco) for phosphate raw materials.

### **3Q and 9M 2020 financial performance**

In 3Q 2020, revenue increased by 10.0% year-on-year to RUB 71.0 billion (USD 965 million), driven by a 9.9% increase in sales and the 14.3% devaluation of the rouble. However, lower prices for phosphate-based and nitrogen fertilizers on a year-on-year basis (down 3.9% and 5.9%, respectively) limited revenue growth.

Revenue for 9M 2020 remained steady year-on-year and amounted to RUB 195.0 billion (USD 2.8 billion). This was achieved despite the fact that the average sales prices for phosphate-based and nitrogen fertilizers in 2020 were lower year-on-year by 18.9% and 10.7%, respectively. The main revenue drivers were 10.1% sales growth and the 8.7% devaluation of the rouble year-on-year.

Throughout the first nine months of 2020, the Company enjoyed a strong increase in export sales of fertilizers. Export sales volumes rose by 11.8% year-on-year. This was achieved, to a great extent, thanks to the Company's robust sales system and the high quality of its fertilizers. Sales volumes were also boosted by favourable weather conditions, the affordability of fertilizers for end users and the temporary halt in fertilizer production in India and China in the spring due to the introduction of restrictive measures in connection with the coronavirus pandemic. All these factors enabled PhosAgro to increase sales volumes in its priority markets of Latin America and Europe. At the same time, sales volumes in the Company's domestic market also increased by 6.4% thanks to the growth of the entire agricultural sector in the Russian Federation.

Gross profit in 3Q 2020 increased by 19.8% year-on-year and amounted to RUB 35.2 billion (USD 478 million). The gross profit margin was 49.6%. Gross profit and gross profit margin in the phosphate-based and nitrogen fertilizer segments saw the following changes:

- Gross profit in the phosphate-based fertilizer segment increased by 25.8% to RUB 29.9 billion (USD 407 million). The gross profit margin increased to 50% (from 45% in 3Q 2019). This change was associated with a decrease in world prices for raw materials and the devaluation of the rouble.
- Gross profit in the nitrogen fertilizer segment decreased by 8.4% to RUB 4.9 billion (USD 67 million). At the same time, the gross profit margin remained at 58%, the same as a year earlier.

The Company's EBITDA for 3Q 2020 increased by 27.0% year-on-year and amounted to RUB 27.1 billion (USD 368 million).

Despite the fact that the prices for phosphate-based and nitrogen fertilizers in the third quarter of this year were lower compared with the same period last year, EBITDA margin increased to 38%. The increase in EBITDA margin was due to the improved operating efficiency of production facilities, a decrease in global prices for basic raw materials and an increase in sales volumes.

Net profit (adjusted for non-cash FX items) for 3Q 2020 increased by 53.4% year-on-year to RUB 18.1 billion (USD 246 million).

In 3Q 2020, free cash flow increased more than fivefold year-on-year to RUB 19.4 billion (USD 264 million). This considerable growth was possible because of the Company's high EBITDA margin, sales growth and efficient management of working capital.

Capital expenditures in 3Q 2020 amounted to RUB 8.8 billion (USD 120 million), which corresponds to 33% of EBITDA for the reporting period. The Company invested predominantly in the development of its resource and raw material production in Kirovsk, modernisation of mineral fertilizer production and rail infrastructure in Cherepovets, creation of a flexible ammonium sulphate production line in Balakovo, as well as the construction of new capacities at the Volkhov production site, the launch of which is planned for the second half of November 2020.

As of 30 September 2020, the net debt/EBITDA ratio was 1.95x. The increase (compared with 31 December 2019) was due to the devaluation of the rouble against the US dollar in March 2020, since a large part of the Company's loan portfolio is denominated in US dollars. Net debt as of 30 September 2020 amounted to RUB 149.9 billion (USD 1.9 billion).

| Cost of Sales                       |                |                |              |               |               |             |
|-------------------------------------|----------------|----------------|--------------|---------------|---------------|-------------|
| RUB million                         | 9M<br>2020     | 9M<br>2019     | Chng, %      | 3Q<br>2020    | 3Q<br>2019    | Chng,%      |
| Amortisation                        | 18,721         | 16,126         | 16.1%        | 6,498         | 5,457         | 19.1%       |
| Materials and services              | 31,701         | 31,257         | 1.4%         | 11,366        | 11,127        | 2.1%        |
| <i>Phosphate rock transport</i>     | 6,682          | 6,685          | -0.0%        | 2,446         | 2,399         | 2.0%        |
| <i>Repair expenses</i>              | 7,380          | 7,756          | -4.8%        | 2,613         | 3,009         | -13.2%      |
| <i>Drilling and blasting costs</i>  | 2,380          | 1,645          | 44.7%        | 891           | 650           | 37.1%       |
| <i>Other materials and services</i> | 15,259         | 15,171         | 0.6%         | 5,416         | 5,069         | 6.8%        |
| Raw materials                       | 27,871         | 33,705         | -17.3%       | 9,568         | 11,150        | -14.2%      |
| <i>Ammonia</i>                      | 3,480          | 2,922          | 19.1%        | 1,213         | 898           | 35.1%       |
| <i>Sulphur and sulph. acid</i>      | 3,459          | 7,852          | -55.9%       | 1,201         | 2,217         | -45.8%      |
| <i>Potassium</i>                    | 9,811          | 10,727         | -8.5%        | 3,785         | 4,205         | -10.0%      |
| <i>Natural gas</i>                  | 9,875          | 9,655          | 2.3%         | 2,954         | 3,079         | -4.1%       |
| <i>Ammonium sulphate</i>            | 1,246          | 2,549          | -51.1%       | 415           | 751           | -44.7%      |
| Salaries and social contributions   | 10,910         | 9,574          | 14.0%        | 3,796         | 3,267         | 16.2%       |
| Electricity                         | 4,919          | 4,765          | 3.2%         | 1,683         | 1,495         | 12.6%       |
| Fuel                                | 2,970          | 3,730          | -20.4%       | 923           | 1,076         | -14.2%      |
| Products for resale                 | 6,630          | 5,467          | 21.3%        | 1,968         | 1,602         | 22.8%       |
| <b>Total</b>                        | <b>103,722</b> | <b>104,624</b> | <b>-0.9%</b> | <b>35,802</b> | <b>35,174</b> | <b>1.8%</b> |

Despite a considerable increase in fertilizer production, cost of sales in 3Q 2020 increased only slightly, by 1.8% year-on-year, to RUB 35.8 billion (USD 487 million).

- The cost of materials and services increased by 2.1% year-on-year to RUB 11.4 billion (USD 155 million). This growth was driven by a 37.1% year-on-year increase in drilling and blasting costs to RUB 891 million (USD 12 million), which was the result of an increase in stripping operations.

A moderate increase of 2.0% in the cost of phosphate rock transport, to RUB 2.4 billion (USD 33 million), helped constrain the increase in the cost of materials and services. The main factor was an increase in PhosAgro's own rolling stock, but the impact was limited due to a 3.5% increase in tariffs and an increase in the volume of phosphate rock transported to the Company's plants.

Maintenance costs declined due to ongoing equipment upgrades and the improved efficiency of maintenance work.

- Raw material costs decreased by 14.2% year-on-year to RUB 9.6 billion (USD 130 million) thanks to the completion of upgrades to key production equipment at the plants in Cherepovets and Balakovo amid falling global prices for raw materials.
  - A 45.8% reduction in sulphur and sulphuric acid costs to RUB 1.2 billion (USD 16 million) was the result of a decrease in world prices for sulphur and sulphuric acid, as well as the pilot launch of a sulphuric acid production line, which made it possible to reduce external purchases of sulphuric acid.
  - A 10.0% decrease in potash costs to RUB 3.8 billion (USD 51 million) was due to a decrease in world prices. Nevertheless, a 26% increase in sales of NPK(S) brands partially offset this effect.
  - A 4.1% decrease in natural gas costs to RUB 3.0 billion (USD 40 million) was the result of a 36.9% decrease in ammonium nitrate sales due to the end of seasonal demand.

- A 44.7% reduction in the cost of ammonium sulphate to RUB 0.4 billion (USD 6 million) was mainly due to the global decline in prices for this raw material and full ramp-up of the Company's own ammonium sulphate production unit.
- A factor limiting the reduction in raw material costs was the 35.1% increase in ammonia expenditures to RUB 1.2 billion (USD 16 million) due to higher ammonia purchases, driven by the 26% increase in sales of NPK(S) grades and the launch of the Company's ammonium sulphate production unit.
- Salaries and social contributions increased by 16.2% year-on-year to RUB 3.8 billion (USD 52 million) as a result of an increase in headcount, as well as motivational and compensation payouts, including one off supporting payments to employees during COVID-19 pandemic.

| Administrative and selling expenses                  |            |            |         |            |            |         |
|--|------------|------------|---------|------------|------------|---------|
| RUB million  | 9M<br>2020 | 9M<br>2019 | Chng, % | 3Q<br>2020 | 3Q<br>2019 | Chng, % |
| Administrative expenses                              | 12,941     | 11,818     | 9.5%    | 4,139      | 3,883      | 6.6%    |
| <i>Salaries and social contributions</i>             | 8,376      | 6,935      | 20.8%   | 2,648      | 2,275      | 16.4%   |
| <i>Professional services</i>                         | 1,285      | 1,267      | 1.4%    | 332        | 388        | -14.4%  |
| <i>Amortisation</i>                                  | 1,019      | 1,036      | -1.6%   | 341        | 325        | 4.9%    |
| <i>Other</i>   | 2,261      | 2,580      | -12.4%  | 818        | 895        | -8.6%   |
| Selling and marketing expenses                       | 28,978     | 27,797     | 4.2%    | 9,929      | 8,969      | 10.7%   |
| <i>Freight, port and stevedoring expenses</i>        | 13,949     | 12,914     | 8.0%    | 4,865      | 4,069      | 19.6%   |
| <i>Russian Railways' tariffs and operators' fees</i> | 8,741      | 8,827      | -1.0%   | 2,818      | 2,720      | 3.6%    |
| <i>Salaries and social contributions</i>             | 2,318      | 1,954      | 18.6%   | 736        | 631        | 16.6%   |
| <i>Material and services</i>                         | 1,810      | 1,871      | -3.3%   | 661        | 817        | -19.1%  |
| <i>Customs duties</i>                                | 1,037      | 1,440      | -28.0%  | 471        | 428        | 10.0%   |
| <i>Amortisation</i>                                  | 1,123      | 791        | 42.0%   | 378        | 304        | 24.3%   |

Administrative expenses increased by 6.6% year-on-year in 3Q 2020 to RUB 4.1 billion (USD 56 million) mainly as a result of a 16.4% increase in payroll and social security expenses to RUB 2.6 billion (USD 36 million) due to an increase in the number of employees and the motivational payouts.

In 3Q 2020, selling expenses increased by 10.7% year-on-year to RUB 9.9 billion (USD 135 million). The main driver of growth was a 19.6% increase in freight, port and stevedoring costs to RUB 4.9 billion (USD 66 million) due to a 14.1% increase in export sales and the 14.3% devaluation of the rouble. However, an 11% decrease in freight tariffs constrained the growth in costs.

## Market outlook

Phosphate-based fertilizer markets are expected to remain balanced in the short term. A decrease in seasonal demand in South Asia (India/Pakistan) and Latin America may be offset by an increase in imports to the United States, Western Europe and Africa. China remains focused on supplying its domestic market. In India, contracts have been signed for the supply of phosphoric acid from Morocco with a price increase of USD 64 to USD 689 per tonne of P<sub>2</sub>O<sub>5</sub> (CFR India), according to CRU. This, combined with the strengthening of the market for phosphate-based fertilizers, may have a positive impact on prices for phosphate raw materials.

Nitrogen fertilizer prices may be seeing a correction following the main season in India and Brazil, but increased demand from the European, US and Central American markets may restrain the downward trend.

#### **Conference call and webcast:**

PhosAgro will hold a conference call and webcast today at 14:00 London time (17:00 in Moscow; 09:00 in New York).

The call will be held in English, with simultaneous translation into Russian on a separate line.

#### **Webcast link:**

<https://www.webcast-egs.com/phosagro20201109>

#### **Participant dial-in numbers:**

|                              |                     |
|------------------------------|---------------------|
| Russian Federation Toll      | +7 495 213 1767     |
| Russian Federation Toll-Free | 8 800 500 9283      |
| United Kingdom Toll          | +44 (0)330 336 9125 |
| United Kingdom Toll-Free     | 0800 358 6377       |
| United States Toll-Free      | +1 313-209-6672     |
| United States Toll           | 800-458-4148        |

#### **Conference ID numbers:**

English conference ID: 7891365

Russian conference ID: 9153081

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#### **About PhosAgro**

*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 RAFP).*

*PhosAgro's main products include phosphate rock, over 50 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 102 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).*



**PJSC “PhosAgro” Consolidated Interim Condensed Statements of Profit or Loss and Other Comprehensive Income for the three and nine months ended 30 September 2020 (unaudited)**

|  | Nine months ended |               | Three months ended |               |
|--|-------------------|---------------|--------------------|---------------|
|  | 30 September      |               | 30 September       |               |
|  | 2020              | 2019          | 2020               | 2019          |
|  | RUB million       | RUB million   | RUB million        | RUB million   |
| Revenues   | 194,988           | 194,983       | 70,992             | 64,550        |
| Cost of sales  | (103,722)         | (104,624)     | (35,802)           | (35,174)      |
| <b>Gross profit</b>  | <b>91,266</b>     | <b>90,359</b> | <b>35,190</b>      | <b>29,376</b> |
| Administrative expenses  | (12,941)          | (11,818)      | (4,139)            | (3,883)       |
| Selling expenses   | (28,978)          | (27,797)      | (9,929)            | (8,969)       |
| Taxes, other than income tax, net                                    | (2,339)           | (1,611)       | (756)              | (744)         |
| Other expenses, net  | (1,974)           | (2,690)       | (529)              | (565)         |
| <b>Operating profit</b>  | <b>45,034</b>     | <b>46,443</b> | <b>19,837</b>      | <b>15,215</b> |
| Finance income   | 576               | 1,377         | 223                | 212           |
| Finance costs  | (4,357)           | (3,439)       | (1,484)            | (1,152)       |
| Foreign exchange (loss)/gain, net                                    | (35,353)          | 8,173         | (19,428)           | (2,035)       |
| COVID-19 related expenses  | (844)             | -             | (555)              | -             |
| <b>Profit/(loss) before tax</b>                                      | <b>5,056</b>      | <b>52,554</b> | <b>(1,407)</b>     | <b>12,240</b> |
| Income tax (expense)/benefit   | (1,098)           | (9,847)       | 74                 | (2,478)       |
| <b>Profit/(loss) for the period</b>                                  | <b>3,958</b>      | <b>42,707</b> | <b>(1,333)</b>     | <b>9,762</b>  |
| Attributable to:   |                   |               |                    |               |
| Non-controlling interests ^  | (6)               | 37            | (13)               | 19            |
| Shareholders of the Parent   | 3,964             | 42,670        | (1,320)            | 9,743         |
| <b>Other comprehensive income/(loss)</b>                             |                   |               |                    |               |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                   |               |                    |               |
| Foreign currency translation difference                              | 3,571             | (617)         | 2,037              | 353           |
| <b>Other comprehensive income/(loss) for the period</b>              | <b>3,571</b>      | <b>(617)</b>  | <b>2,037</b>       | <b>353</b>    |
| <b>Total comprehensive income for the period</b>                     | <b>7,529</b>      | <b>42,090</b> | <b>704</b>         | <b>10,115</b> |
| Attributable to:   |                   |               |                    |               |
| Non-controlling interests ^  | (6)               | 37            | (13)               | 19            |
| Shareholders of the Parent   | 7,535             | 42,053        | 717                | 10,096        |
| Basic and diluted earnings/(loss) per share (in RUB)                 | 31                | 329           | (10)               | 75            |

PJSC “PhosAgro” Consolidated Interim Condensed Statement of Financial Position as at 30 September 2020 (unaudited)

|   | 30 September 2020 | 31 December 2019 |
|---|-------------------|------------------|
|   | RUB million       | RUB million      |
| <b>Assets</b>                                     |                   |                  |
| Property, plant and equipment                     | 206,582           | 199,459          |
| Advances issued for property, plant and equipment | 15,569            | 13,006           |
| Right-of-use assets                               | 7,671             | 6,891            |
| Catalysts   | 2,329             | 2,376            |
| Intangible assets                                 | 1,483             | 1,567            |
| Investments in associates                         | 570               | 519              |
| Deferred tax assets                               | 12,170            | 8,214            |
| Other non-current assets                          | 1,359             | 1,636            |
| <b>Non-current assets</b>                         | <b>247,733</b>    | <b>233,668</b>   |
| Other current investments                         | 239               | 251              |
| Inventories                                       | 27,150            | 29,405           |
| Trade and other receivables                       | 30,644            | 31,061           |
| Cash and cash equivalents                         | 15,408            | 8,236            |
| <b>Current assets</b>                             | <b>73,441</b>     | <b>68,953</b>    |
| <b>Total assets</b>                               | <b>321,174</b>    | <b>302,621</b>   |
| <b>Equity</b>                                     |                   |                  |
| Share capital                                     | 372               | 372              |
| Share premium                                     | 7,494             | 7,494            |
| Retained earnings                                 | 92,096            | 111,054          |
| Actuarial losses                                  | (689)             | (689)            |
| Foreign currency translation reserve              | 10,807            | 7,236            |
| Equity attributable to shareholders of the Parent | 110,080           | 125,467          |
| Equity attributable to non-controlling interests  | 134               | 170              |
| <b>Total equity</b>                               | <b>110,214</b>    | <b>125,637</b>   |
| <b>Liabilities</b>                                |                   |                  |
| Loans and borrowings                              | 146,267           | 96,736           |
| Lease liabilities                                 | 4,401             | 4,701            |
| Defined benefit obligations                       | 919               | 857              |
| Deferred tax liabilities                          | 10,772            | 10,278           |
| <b>Non-current liabilities</b>                    | <b>162,359</b>    | <b>112,572</b>   |
| Loans and borrowings                              | 12,504            | 36,839           |
| Lease liabilities                                 | 2,175             | 1,543            |
| Trade and other payables                          | 33,922            | 26,030           |
| <b>Current liabilities</b>                        | <b>48,601</b>     | <b>64,412</b>    |
| <b>Total equity and liabilities</b>               | <b>321,174</b>    | <b>302,621</b>   |

**PJSC “PhosAgro” Consolidated Interim Condensed Statement of Cash Flows for the nine months ended 30 September 2020 (unaudited)**

|   | Nine months ended 30 September |                 |
|---|--------------------------------|-----------------|
|   | 2020                           | 2019            |
|   | RUB million                    | RUB million     |
| <b><i>Cash flows from operating activities</i></b>                      |                                |                 |
| Operating profit  | 45,034                         | 46,443          |
| <i>Adjustments for:</i>   |                                |                 |
| Depreciation and amortisation   | 20,863                         | 17,953          |
| Loss on disposal of property, plant and equipment and intangible assets | 62                             | 705             |
| Operating profit before changes in working capital and provisions       | 65,959                         | 65,101          |
| Decrease in inventories and catalysts                                   | 2,648                          | 1,669           |
| Decrease in trade and other receivables                                 | 3,601                          | 6,670           |
| Increase/(decrease) in trade and other payables                         | 1,421                          | (1,183)         |
| Cash flows from operations before income taxes and interest paid        | 73,629                         | 72,257          |
| Income tax paid   | (3,990)                        | (8,998)         |
| Finance costs paid  | (2,396)                        | (2,132)         |
| <b>Cash flows from operating activities</b>                             | <b>67,243</b>                  | <b>61,127</b>   |
| <b><i>Cash flows from investing activities</i></b>                      |                                |                 |
| Acquisition of property, plant and equipment and intangible assets      | (27,360)                       | (28,336)        |
| Loans repaid/(issued), net  | 162                            | (68)            |
| Proceeds from disposal of property, plant and equipment                 | 16                             | 64              |
| Finance income received   | 493                            | 575             |
| Other payments  | (889)                          | (798)           |
| <b>Cash flows used in investing activities</b>                          | <b>(27,578)</b>                | <b>(28,563)</b> |
| <b><i>Cash flows from financing activities</i></b>                      |                                |                 |
| Proceeds from borrowings, net of transaction costs of RUB 170 million   | 47,829                         | 27,654          |
| Repayment of borrowings   | (62,026)                       | (33,992)        |
| Early eurobond partial redemption fees                                  | (292)                          | -               |
| Dividends paid to shareholders of the Parent                            | (18,774)                       | (25,252)        |
| Dividends paid to non-controlling interests                             | (30)                           | (36)            |
| Leases paid   | (1,492)                        | (1,452)         |
| Proceeds from settlement of derivatives, net                            | -                              | 112             |
| <b>Cash flows used in financing activities</b>                          | <b>(34,785)</b>                | <b>(32,966)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>             | <b>4,880</b>                   | <b>(402)</b>    |
| Cash and cash equivalents at 1 January                                  | 8,236                          | 9,320           |
| Effect of exchange rates fluctuations                                   | 2,292                          | (1,049)         |
| <b>Cash and cash equivalents at 30 September</b>                        | <b>15,408</b>                  | <b>7,869</b>    |