



PhosAgro Reports Operating and Financial Results for 9M 2022

Moscow – PhosAgro (“PhosAgro” or “the Company”) (Moscow Exchange, LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, today announces its consolidated IFRS financial results for the first nine months (9M) of 2022.

9M 2022 highlights:

In 9M 2022, mineral fertilizer production increased by 6.7% year-on-year to 8.1 million tonnes. This increase was made possible thanks to the smooth, uninterrupted operation of new production facilities launched as part of the Company’s comprehensive long-term development programme.

Sales of mineral fertilizers in 9M 2022 increased by 6.8% year-on-year to more than 8.3 million tonnes. This growth was driven by an increase in production volumes and strong demand for fertilizers in Russian and global markets.

Revenue for 9M 2022 increased by 57.0% year-on-year to RUB 459.4 billion (USD 6.5 billion). The growth in revenue was the result of an increase in sales of end products, which was driven by higher output of mineral fertilizers. An extensive programme for the modernisation and construction of new production facilities enabled the Company to considerably improve the performance of its equipment.

The increase in revenue was also driven by higher average sales prices in world markets and a change in sales structure that favours high-margin fertilizers, which are in high demand among farmers.

In 9M 2022, adjusted EBITDA increased by 69.9% year-on-year to RUB 222.5 billion (USD 3.2 billion). EBITDA margin for the period rose to 48.4%.

In 9M 2022, adjusted free cash flow amounted to RUB 118.3 billion (USD 1.7 billion), up 115.2% year-on-year.

As of 30 September 2022, net debt had decreased by RUB 119.8 billion since the end of 2021, amounting to RUB 33.9 billion (USD 0.6 billion). The net debt / adjusted EBITDA ratio had decreased to 0.12x as of the end of 3Q 2022.

Financial and operating highlights

| FINANCIAL HIGHLIGHTS | | | |
|-------------------------|-------------------|-------------------|-----------|
| RUB mln | 9M 2022 | 9M 2021 | Chng % |
| Revenue | 459,423 | 292,564 | 57.0% |
| EBITDA* | 199,438 | 130,291 | 53.1% |
| Adj. EBITDA** | 222,477 | 130,981 | 69.9% |
| Adj. EBITDA margin | 48.4% | 44.8% | |
| Net profit | 165,501 | 87,840 | 88.4% |
| Adj. net profit*** | 150,199 | 85,755 | 75.1% |
| Free cash flow | 81,539 | 54,952 | 48.4% |
| Adj. free cash flow**** | 118,268 | 54,952 | 115.2% |
| | 30.09.2022 | 31.12.2021 | |
| Net debt | 33,915 | 153,718 | |

ND / adj. LTM EBITDA

0.12x

0.80x

| Operating highlights | | | |
|--------------------------------|----------------|----------------|-------------|
| Production volumes by category | | | |
| kt | 9M 2022 | 9M 2021 | Chng % |
| Phosphate-based & MCP | 6,184.2 | 5,779.8 | 7.0% |
| Nitrogen-based fertilizers | 1,875.4 | 1,770.6 | 5.9% |
| TOTAL fertilizers | 8,059.6 | 7,550.4 | 6.7% |
| Sales volumes by category | | | |
| kt | 9M 2022 | 9M 2021 | Chng % |
| Phosphate-based & MCP | 6,390.0 | 5,858.7 | 9.1% |
| Nitrogen-based fertilizers | 1,922.0 | 1,927.8 | -0.3% |
| TOTAL fertilizers | 8,312.1 | 7,786.5 | 6.8% |

RUB/USD exchange rates: average rate for 9M 2022: 70.61; average rate for 9M 2021: 74.01; as of 30 September 2022: 57.41; as of 31 December 2021: 74.29.

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

** Adj. EBITDA is EBITDA as reported minus FX differences from operating activities.

*** Adj. net profit is net profit as reported minus FX gain or loss.

**** Free cash flow adjusted for the amount of cash and cash equivalents written off as a result of the loss of ownership of foreign companies.

Maintaining a high level of creditworthiness and servicing its debt obligations on time continue to be priorities for the Company.

In the current situation, the Company is maintaining financial stability thanks to its high level of business efficiency and its balanced approach to the implementation of its investment programme for long-term development. This approach enables the Company to increase its profit margin and generate considerable free cash flow.

Among recent developments, the Company held a vote among the holders of all three of its Eurobond issues in order to make amendments to the issuance documentation. These amendments will enable the Company to continue reliably servicing its public debt, including by splitting payment flows between noteholders in Russian and foreign jurisdictions.

As of now, three coupon payments have already been made under the split-payment scheme, and the Company expects these payments to make it through international clearing systems to the final noteholders outside the Russian Federation.

Market highlights in 3Q and 9M 2022:

The situation in global mineral fertilizer markets in 3Q 2022 was influenced by divergent price trends. Prices for phosphate-based and potash fertilizers gradually declined due to their relatively low affordability compared with the prices of agricultural products. At the same time, prices for nitrogen-based fertilizers, including urea, followed a predominantly upward trend, partly due to the persistence of high energy prices and the consequent noticeable decrease in the production of these types of fertilizers, especially in Europe.

Average prices in 3Q 2022 remained above prices in the same period of 2021. The average price for urea was USD 538 per tonne (FOB Baltic), compared with USD 442 per tonne in 3Q 2021. The average price for MAP was USD 777 per tonne (FOB Baltic) in 3Q 2022, compared with USD 695 per tonne in 3Q 2021.

The prices for phosphate and potash feedstocks also remained high. The average price for potassium chloride in 3Q 2022 was USD 694 per tonne (FOB Baltic), compared with USD 277 per tonne in 3Q 2021. The average price for phosphate feedstocks in 3Q 2022 was USD 320 per tonne (FOB Morocco) (for feedstocks with P₂O₅ content of 31%–33%), compared with USD 149 per tonne in 3Q 2021.

Sulphur prices decreased in 3Q 2022, driven by increased export supplies from the Middle East and other exporting regions, amid reduced demand (especially from China) due to an off-season decline in production/consumption of phosphate-based fertilizers in the domestic market. The average price for sulphur in 3Q 2022 was USD 109 per tonne (FOB Baltic), compared with USD 181 per tonne in 3Q 2021.

Market outlook

Nitrogen-based fertilizer markets continue to demonstrate a high degree of price volatility, partly due to the persistence of high natural gas prices amid an expected increase in seasonal demand from key markets – India, South America and Europe.

The market for phosphate-based fertilizers in 4Q has traditionally been the off-season period in the Company's main sales regions, which may result in additional pressure on prices. However, the lack of large export volumes from China, due to ongoing export restrictions in favour of deliveries to the domestic market, will support global markets for phosphate-based fertilizers in general.

About the Company

PhosAgro (www.phosagro.ru) is a vertically integrated Russian company and one of the world's leading producers of mineral phosphorous fertilizers and of high-grade apatite concentrate grading 39% P₂O₅ and higher. PhosAgro's fertilizers are highly effective, ensuring the improved quality of agricultural produce and avoiding soil contamination by heavy metals.

PhosAgro Group is the largest manufacturer of phosphate-based fertilisers in Europe (by total capacity of NAP/MAP/NP/NPK/NPS production), the largest producer of phosphite grading 39% P₂O₅ in the world and one of the leading global producers of ammonium and diammonium phosphate, one of Europe's leading and the only producer in Russia of monocalcium phosphate feed, and the only producer in Russia of nepheline concentrate.

The company's main products, including phosphite, over 50 types of fertilizer, phosphate feed, ammonium, and sodium tripolyphosphate, are used in over 102 countries on all inhabited continents. Our priority markets, besides Russia and the CIS, are Latin America, Europe, and Asia.

The company's shares are listed on the Moscow Exchange and its Global Depositary Receipts (GDRs) are listed on the London Stock Exchange (MOEX and LSE ticker: PHOR).

More information about PhosAgro PJSC can be found on our site: www.phosagro.ru.

*Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income for
the nine months ended 30 September 2022*

| <i>RUB million</i> | Nine months ended 30 September | |
|---|---|----------------|
| | 2022 | 2021 |
| Revenues | 459,423 | 292,564 |
| Cost of Group products sold | (201,268) | (148,237) |
| Cost of products for resale | (12,122) | (7,584) |
| Gross profit | 246,033 | 136,743 |
| Administrative and selling overhead expenses | (35,135) | (19,772) |
| Taxes, other than income tax, net | (8,087) | (4,446) |
| Other expenses, net | (2,985) | (2,423) |
| Foreign exchange (loss)/profit from operating activities, net | (23,039) | (690) |
| Operating profit | 176,787 | 109,412 |
| Finance income | 3,657 | 407 |
| Finance costs | (10,672) | (3,914) |
| Foreign exchange gain from financing activities, net | 38,341 | 2,775 |
| COVID-19 related expenses | - | (350) |
| Profit before tax | 208,113 | 108,330 |
| Income tax expense | (42,612) | (20,490) |
| Profit/(loss) for the period | 165,501 | 87,840 |
| Attributable to: | | |
| Non-controlling interests* | 6 | (17) |
| Shareholders of the Parent | 165,495 | 87,857 |
| Basic and diluted earnings per share (in RUB) | 1,278 | 678 |
| <i>Other comprehensive (loss)/income</i> | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Foreign currency translation difference | (2,929) | (453) |
| Foreign currency translation difference reclassified to profit or loss upon loss of control over subsidiaries | (6,302) | - |
| Actuarial losses reclassified to profit or loss upon loss of control over subsidiaries | 61 | - |
| Other comprehensive (loss)/income for the period | (9,170) | (453) |
| Total comprehensive income/(loss) for the period | 156,331 | 87,387 |
| Attributable to: | | |
| Non-controlling interests* | 6 | (17) |
| Shareholders of the Parent | 156,325 | 87,404 |

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

Consolidated Interim Condensed Statement of Financial Position
as on 30 September 2022

| <i>RUB million</i> | 30 September 2022 | 31 December 2021 |
|--|--------------------------|-------------------------|
| Assets | | |
| Property, plant and equipment | 258,812 | 237,444 |
| Advances issued for property, plant and equipment and other non-current assets | 12,079 | 13,237 |
| Other non-current assets | 6,773 | 2,058 |
| Deferred tax assets | 6,617 | 9,499 |
| Non-current spare parts | 5,327 | 4,698 |
| Right-of-use assets | 3,932 | 6,955 |
| Catalysts | 1,970 | 2,049 |
| Intangible assets | 1,769 | 1,756 |
| Investments in associates | 602 | 569 |
| Non-current assets | 297,881 | 278,265 |
| Cash and cash equivalents | 106,929 | 21,710 |
| Trade and other receivables | 60,855 | 48,526 |
| Inventories | 36,683 | 41,177 |
| Income tax receivable | 9,406 | 540 |
| VAT and other taxes receivable | 9,237 | 15,013 |
| Other financial assets | 184 | 216 |
| Current assets | 223,294 | 127,182 |
| Total assets | 521,175 | 405,447 |
| Equity | | |
| Share capital | 372 | 372 |
| Share premium | 7,494 | 7,494 |
| Retained earnings | 212,678 | 148,193 |
| Actuarial losses | (692) | (753) |
| Foreign currency translation reserve | - | 9,231 |
| Equity attributable to shareholders of the Parent | 219,852 | 164,537 |
| Equity attributable to non-controlling interests | 112 | 106 |
| Total equity | 219,964 | 164,643 |
| Liabilities | | |
| Loans and borrowings | 91,261 | 157,081 |
| Deferred tax liabilities | 24,403 | 12,937 |
| Lease liabilities | 1,607 | 3,459 |
| Defined benefit obligations | 765 | 952 |
| Non-current liabilities | 118,036 | 174,429 |
| Dividends payable | 101,012 | 2 |
| Trade and other payables | 30,293 | 41,754 |
| Loans and borrowings | 46,831 | 12,710 |
| VAT and other taxes payable | 3,798 | 6,397 |
| Lease liabilities | 1,145 | 2,178 |
| Income tax payable | 96 | 3,334 |
| Current liabilities | 183,175 | 66,375 |
| Total equity and liabilities | 521,175 | 405,447 |

Consolidated Interim Condensed Statement of Cash Flows
for the nine months ended 30 September 2022

| <i>RUB million</i> | Nine months ended 30 September | |
|--|-----------------------------------|-----------------|
| | 2022 | 2021 |
| <i>Cash flows from operating activities</i> | | |
| Operating profit | 176,787 | 109,412 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 22,651 | 20,879 |
| Loss on disposal of property, plant and equipment and other non-current assets | 260 | 147 |
| Operating profit before changes in working capital and provisions | 199,698 | 130,438 |
| Increase in inventories, catalysts and non-current spare parts | (9,955) | (2,257) |
| Decrease/(increase) in trade and other receivables* | 27,258 | (15,835) |
| Decrease in trade and other payables* | (15,393) | (718) |
| Cash flows from operations before income taxes and interest paid | 201,608 | 111,628 |
| Income tax paid | (38,391) | (21,070) |
| Finance costs paid | (3,820) | (3,164) |
| Cash flows from operating activities | 159,397 | 87,394 |
| <i>Cash flows from investing activities</i> | | |
| Acquisition of property, plant and equipment and intangible assets | (41,998) | (31,681) |
| Cash and cash equivalents disposed as a result of loss of control over subsidiaries | (36,729) | - |
| Loans issued | (3,130) | - |
| Borrowing cost capitalised paid | (718) | (906) |
| Advances issued for right-of-use assets | (419) | - |
| Finance income received | 3,191 | 51 |
| Proceeds from disposal of financial assets measured at fair value through profit or loss | 1,778 | - |
| Other | 167 | 94 |
| Cash flows used in investing activities | (77,858) | (32,442) |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from borrowings, net of transaction costs | 31,082 | 53,296 |
| Repayment of borrowings | (22,293) | (23,513) |
| Dividends paid to shareholders of the Parent | - | (22,728) |
| Lease payments | (1,119) | (1,457) |
| Cash flows from used financing activities | 7,670 | 5,598 |
| Net increase in cash and cash equivalents | 89,209 | 60,550 |
| Cash and cash equivalents at 1 January | 21,710 | 8,460 |
| Effect of exchange rates fluctuations | (3,990) | (1,021) |
| Cash and cash equivalents at 30 September | 106,929 | 67,989 |

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