

The consolidated financial statements



Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

www.tedo.ru

Ferro-Plaza Business Centre,
14/3 Krzhizhanovsky street, bldg. 5/1,
Akademichesky municipal district,
Moscow, Russian Federation, 117218

+7 495 967 60 00



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Independent Auditor’s Report

To the Shareholders and Board of Directors of Public Joint Stock Company “PhosAgro”:

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Public Joint Stock Company “PhosAgro” (PJSC “PhosAgro”) and its subsidiaries (together – the “Group”) as at 31 December 2025, and the Group’s consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for 2025;
- the consolidated statement of changes in equity for 2025; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for qualified opinion

The Group’s management did not disclose segment information for the year ended 31 December 2025 and for the year ended 31 December 2024 in the notes to the consolidated financial statements as required by IFRS 8, Operating Segments. Disclosing the omitted segment information within this Basis for qualified opinion section is not practicable as it would be unduly voluminous in relation to this auditor’s report.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, and the ethical requirements of Federal Law of 30 December 2008 No. 307-FZ “On Auditing Activity”, the Auditor’s Professional Ethics Code and Auditor’s Independence Rules that are relevant to audits of the financial statements of public interest entities in the Russian Federation. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recoverability of deferred tax assets <i>Refer to Note 15 to the consolidated financial statements of the Group</i> In the consolidated statement of financial position at 31 December 2025, the Group recognised deferred tax assets of RUB 13,876 million in respect of the Group companies’ accumulated tax losses carried forward. Under IAS 12, Income Taxes, a deferred tax asset in respect of unused tax losses shall be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Group’s management analysed probability of receiving future taxable profits by the Group companies and concluded that the deferred tax assets are recoverable. This analysis was based on management’s plans in respect of recoverability of the Group’s deferred tax assets and projections of the future taxable profit. We continue to pay special attention to verifying the existence of sufficient evidence that the Group’s deferred tax assets are recoverable as the Group’s management applies significant judgements and estimates in respect of the size of the future taxable profit, timing when it would be available, and available mechanisms to recover the deferred tax assets.	We performed the following audit procedures to address the key audit matter: - We received and analysed the management’s plan in respect of recoverability of the deferred tax assets. - We assessed the current status of implementation of the management’s plan to recover the deferred tax assets, including: - we received the projection of the future taxable profit prepared by the Group’s management and reviewed, on a sample basis, the assumptions related to future income and expenses reflected in the projection, including their comparison to the industry and market trends. We also assessed the quality of the Group’s management projections by comparing the previous periods projections to actual results; - we assessed, on a sample basis, the mathematical accuracy of calculations applied by the Group’s management; - we assessed whether the management used reasonable judgements related to applying the mechanisms available to the Group to recover the deferred tax assets, among other things, by engaging our taxation specialists; - we analysed written representations of the Group’s management in relation to their assessment of recoverability of deferred tax assets. Acceptability of the management’s current estimates in relation to the deferred tax assets recoverability for the purpose of the consolidated financial statements of the Group for 2025 does not guarantee that future events which are inherently uncertain will not lead to a significant change in these estimates. We also assessed a compliance of the information disclosed in Note 15 to the consolidated financial statements with the IFRS Accounting Standards disclosure requirements.

Other information

Management is responsible for the other information. The other information comprises the Integrated annual report of PJSC “PhosAgro” for 2025 (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the Securities issuer’s report for the 12 months 2025, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Securities issuer's report for the 12 months 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report is Fegetsin Alexey Iakovlevich.

27 April 2026

Moscow, Russian Federation



Fegetsin Alexey Iakovlevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906101957)

PJSC “PhosAgro”
Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2025

RUB million	Note	2025	2024
Revenues	5	573,628	507,689
Cost of Group products sold	6	(324,577)	(293,484)
Cost of products for resale		(22,682)	(12,675)
Gross profit		226,369	201,530
Administrative and selling expenses	7	(45,288)	(41,620)
Taxes, other than income tax	8	(11,856)	(15,489)
Other expenses, net	9	(10,489)	(10,414)
Foreign exchange (loss)/gain from operating activities, net	25 (c)	(23,131)	6,452
Operating profit		135,605	140,459
Finance income	10	3,227	6,497
Finance costs	10	(23,728)	(15,694)
Foreign exchange gain/(loss) from financing activities, net	25 (c)	34,470	(22,355)
Other		-	137
Profit before tax		149,574	109,044
Income tax expense	11	(35,331)	(24,575)
Profit for the year		114,243	84,469
Attributable to:			
Shareholders of the Company		114,205	84,430
Non-controlling interests*		38	39
Basic and diluted earnings per share (in RUB)	20	882	652
Other comprehensive (loss)/income			
Items that will never be reclassified to profit or loss			
Actuarial (losses)/gains	23	(402)	132
Other comprehensive (loss)/income for the year		(402)	132
Total comprehensive income for the year		113,841	84,601
Attributable to:			
Shareholders of the Company		113,803	84,562
Non-controlling interests*		38	39

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

The consolidated financial statements were approved on 27 April 2026:

Chief executive officer
A.A. Gilgenberg



Deputy CEO for Finance and International Projects
A.F. Sharabaiko



The accompanying notes form an integral part of these consolidated financial statements.

PJSC “PhosAgro”
Consolidated Statement of Financial Position as at 31 December 2025

RUB million	Note	31 December 2025	31 December 2024
Assets			
Property, plant and equipment	12	395,831	357,577
Non-current spare parts		13,864	13,564
Deferred tax assets	15	11,669	14,081
Right-of-use assets	13	10,166	6,419
Advances issued for property, plant and equipment		7,083	8,818
Intangible assets		3,382	2,991
Catalysts		2,876	2,987
Investments in associates and joint ventures	14	951	715
Other non-current assets		90	1,310
Non-current assets		445,912	408,462
Trade and other receivables	17	114,323	104,653
Inventories	16	65,070	56,105
Cash and cash equivalents	18	14,681	10,398
Income tax receivable		11,881	99
VAT and other taxes receivable		11,542	9,628
Other short-term assets		479	3,125
Current assets		217,976	184,008
Total assets		663,888	592,470
Equity			
Share capital	19	372	372
Share premium		7,494	7,494
Retained earnings		233,025	157,590
Actuarial losses		(1,273)	(871)
Equity attributable to shareholders of the Company		239,618	164,585
Equity attributable to non-controlling interests		175	137
Total equity		239,793	164,722
Liabilities			
Loans and bonds	21	119,062	169,962
Deferred tax liabilities	15	30,248	17,031
Lease liabilities	22	4,741	3,056
Defined benefit obligations	23	1,499	1,029
Non-current liabilities		155,550	191,078
Loans and bonds	21	209,715	161,661
Trade and other payables	24	42,796	48,394
Dividends payable	19	11,135	19,779
VAT and other taxes payable		3,086	2,633
Lease liabilities	22	1,631	1,075
Income tax payable		182	3,128
Current liabilities		268,545	236,670
Total equity and liabilities		663,888	592,470

The accompanying notes form an integral part of these consolidated financial statements.

PJSC “PhosAgro”
Consolidated Statement of Cash Flows for 2025

RUB million	Note	2025	2024
Cash flows from operating activities			
Operating profit		135,605	140,459
<i>Adjustments for:</i>			
Depreciation and amortisation	6, 7	40,712	36,546
(Loss)/gain on disposal of property, plant and equipment and intangible assets	9	202	(70)
Cash flows from operations before changes in working capital		176,519	176,935
Increase in trade and other receivables ¹		(18,961)	(45,712)
Increase in inventories, catalysts and non-current spare parts		(8,603)	(13,263)
Increase in trade and other payables ¹		1,989	10,380
Cash flows from operations before income tax and interest paid		150,944	128,340
Income tax paid		(34,430)	(20,953)
Finance costs paid		(23,400)	(14,670)
Cash flows from operating activities		93,114	92,717
Cash flows from investing activities			
Finance income		3,238	4,958
Repayment of loans issued		2,126	193
Acquisition of property, plant and equipment and intangible assets		(67,296)	(75,152)
Capitalised borrowing costs paid	12	(9,280)	(4,702)
Advances issued for right-of-use assets		(1,545)	(136)
Loans issued		(40)	(2,770)
Other		1,111	13,878
Cash flows used in investing activities		(71,686)	(63,731)
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs	21	223,099	212,336
Repayment of borrowings	21	(187,834)	(154,961)
Dividends paid to shareholders of the Company	19	(46,620)	(109,169)
Repayment of dividends previously refunded to shareholders of the Company	19	(800)	(587)
Refund of dividends paid ²	19	6	3,132
Lease payments	22	(1,208)	(1,448)
Cash flows used in financing activities		(13,357)	(50,697)
Net increase/(decrease) in cash and cash equivalents		8,071	(21,711)
Cash and cash equivalents at 1 January		10,398	29,163
Effect of exchange rates fluctuations		(3,788)	2,946
Cash and cash equivalents at 31 December	18	14,681	10,398

¹ Changes in trade and other receivables and changes in trade and other payables include effect of foreign exchange differences from operating activities.

² The Group received cash refund from depositories paid as dividends to parties who were entitled to receive them, but didn't receive dividends due to reasons beyond the depositories' control.

PJSC “PhosAgro”
Consolidated Statement of Changes in Equity for 2025

RUB million	Note	Attributable to shareholders of the Company				Attributable to non-controlling interests		Total equity
		Share capital	Share premium	Retained earnings	Actuarial (losses)/ gains	Total	interests	
Balance at 1 January 2024	372	7,494	157,590	144,658	(1,003)	151,521	84	151,605
Total comprehensive income/(loss)								
Profit for the year	23	-	-	84,430	-	84,430	39	84,469
Actuarial gains		-	-	-	132	132	-	132
Transactions with owners recognised directly in equity								
Dividends	19	-	-	(71,484)	-	(71,484)	-	(71,484)
Increase of non-controlling interests in a subsidiary		-	-	(14)	-	(14)	14	-
Balance at 31 December 2024		372	7,494	157,590	(871)	164,585	137	164,722
Balance at 1 January 2025		372	7,494	157,590	(871)	164,585	137	164,722
Total comprehensive income/(loss)								
Profit for the year	23	-	-	114,205	-	114,205	38	114,243
Actuarial losses		-	-	-	(402)	(402)	-	(402)
Transactions with owners recognised directly in equity								
Dividends	19	-	-	(46,620)	-	(46,620)	-	(46,620)
Unclaimed dividends	19	-	-	7,850	-	7,850	-	7,850
Balance at 31 December 2025		372	7,494	233,025	(1,273)	239,618	175	239,793

The accompanying notes form an integral part of these consolidated financial statements.

PJSC “PhosAgro”

Notes to the Consolidated Financial Statements for 2025

1 BACKGROUND

(a) Organisation structure and operations

PJSC “PhosAgro” (the “Company” or the “Parent”) is a public joint stock company registered in accordance with Russian legislation. PJSC “PhosAgro” and its subsidiaries (together referred to as the “Group”) comprise Russian legal entities. The Company was registered in October 2001. The Company’s address is Leninsky prospekt 55/1 building 1, Moscow, Russian Federation, 119333.

The Group’s principal activity is production of phosphate rock and mineral fertilisers at plants located in the cities of Kirovsk (Murmansk region), Cherepovets (Vologda region), Balakovo (Saratov region) and Volkhov (Leningrad region), and their distribution across the Russian Federation and abroad.

At 31 December 2025 and 31 December 2024, PJSC “PhosAgro” does not have the immediate parent, the senior parent and the ultimate controlling party in accordance with the definition of control described in IFRS 10 Consolidated financial statements.

(b) Russian business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial conditions of the Russian Federation, which display certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue development, and are subject to varying interpretations and frequent changes (note 27). The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

Geopolitical tension caused by the Ukrainian case in February 2022 continued in 2025. Geopolitical situation escalation resulted in significant exchange rates fluctuations, increased prices for certain raw materials and volatility in financial and commodity markets. Sanctions and restrictions have been and continue to be imposed towards a number of Russian entities such as access termination to European and USA financial markets, SWIFT international system and others. Price cap on Russian oil and gas and embargo on Russian petrochemicals were introduced. At 31 December 2025, USD, EUR and CNY exchange rates against RUB decreased compared to 31 December 2024.

On 29 July 2024, the Central Bank of Russian Federation set the key rate at 18% per annum, which was subsequently increased to 21% at 31 December 2024. Starting from 9 June 2025, the key rate had been gradually reduced and amounted to 16% per annum at 31 December 2025. From 16 February 2026 the key rate was decreased to 15.5%, and subsequently to 15% per annum from 23 March 2026.

It’s unknown how long the increased volatility will continue and when the above factors will stabilise. The future effects of current economic situation and the above measures are difficult to predict. Management’s current expectations and estimates could differ from actual results.

On 12 July 2024, Federal Law No. 176-FZ on Amendments to part one and part two of the Tax Code of the Russian Federation, certain legislative acts of the Russian Federation and on the invalidation of certain provisions of legislative acts of the Russian Federation was adopted. The Law introduced the following changes effective from 1 January 2025:

- corporate income tax rate increase from 20% to 25%;
- introduction of excise tax on natural gas for ammonia producers as a result of extended list of excisable products (note 6);
- change in methodology of calculating mineral extraction tax: transition to the formula dependent on export quotations of phosphate ore - Morocco FOB and percentage of useful component in the mined ore. Base rate for phosphates – 4%.

Since 1 July 2025 EU Council decision on customs duties for Russian agricultural production and mineral fertilisers was put into force. Duties of 40 Euro per ton and 45 Euro per ton were introduced in addition to current 6.5% rate for nitrogen and complex fertilisers correspondingly. Duties will be further increased during the three years period. The Group’s management does not expect significant impact on the Group’s financial results and operations.

PJSC “PhosAgro”

Notes to the Consolidated Financial Statements for 2025

1 BACKGROUND (CONTINUED)

On 28 November 2025 the Federal Law No. 425-FZ On Amendments to Parts One and Two of the Tax Code of Russian Federation, certain Legislation Acts and cancellation of certain legislation acts provisions of Russian Federation was adopted. This Federal Law introduced VAT rate increase from 20% to 22% from 1 January 2026.

Management of the Group has considered events and conditions that could give rise to material uncertainties and concluded that the range of possible outcomes does not cast significant doubt over the Group’s ability to continue as a going concern.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Group additionally prepares IFRS Accounting Standards consolidated financial statements in the Russian language in accordance with the Federal Law No. 208-FZ *On consolidated financial reporting*.

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for financial instruments initially recognised at fair value with subsequent revaluation through profit or loss.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the functional currency of the Parent and its subsidiaries.

These consolidated financial statements are presented in RUB. All financial information presented in RUB has been rounded to the nearest million, except per share amounts.

(d) Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3 (b) (iii) – estimated useful lives of property, plant and equipment;
- Note 15 – recognition of deferred tax assets: availability of future taxable income for offsetting with appropriate tax losses.

(e) Adoption of new and revised standards and interpretations

The following revised standards, issued by the International Accounting Standards Board (IASB) and approved for use on the territory of Russian Federation, became effective from January 1, 2025, but didn’t have a material impact on the Group.

- Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

(f) New standards and interpretations not yet adopted

A number of new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 and which the Group has not early adopted, but is in process of assessing the impact on the Group’s consolidated financial statements.

PJSC “PhosAgro”
Notes to the Consolidated Financial Statements for 2025

2 BASIS OF PREPARATION (CONTINUED)

- Sale or Contribution of Assets between an Investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

Other new standards and interpretations will not have an impact on the Group’s consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Foreign currencies

Foreign exchange gains and losses that relate to loans and bonds as well as cash and cash equivalents are presented in the consolidated statement of profit or loss within the line item “Foreign exchange loss/gain from financing activities, net”. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within the line item “Foreign exchange gain/loss from operating activities, net”.

(b) Property, plant and equipment

(i) Initial recognition

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at the date of transition to IFRS Accounting Standards (January 1, 2005) was determined by reference to its fair value at that date (“deemed cost”) as determined by an independent appraiser.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Subsequent expenditure

Expenses related to current repairs and maintenance of property, plant and equipment are recognised within profit or loss and other comprehensive income as incurred.

The Group recognises expenses related to current repairs and maintenance of property, plant and equipment incurred less than once per 12 months with the cost of more than RUB 100 thousand as assets, and depreciates these assets on a straight-line basis until the next repair.

Expenses related to the replacement of major spare parts and renewal of property, plant and equipment are capitalised and depreciated in the ordinary course.

PJSC “PhosAgro”
Notes to the Consolidated Financial Statements for 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the month of acquisition or, in respect of internally constructed assets, from the month when an asset is completed and ready for use. Land is not depreciated.

Tangible fixed assets are depreciated over the following useful lives:

Buildings	10 to 60 years;
Plant and equipment	5 to 35 years;
Fixtures and fittings	2 to 25 years.

(iv) Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group’s average funding cost (the weighted average interest cost is applied), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs are capitalised.

Borrowing costs capitalised are presented as part of cash flows from investing activities in the consolidated statement of cash flows.

(v) Advances issued for property, plant and equipment

A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

(c) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, long-term accounts receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

The Group’s financial assets measured at amortised cost include trade and other receivables (excluding receivables measured at fair value under provisionally priced sales agreements), long-term receivables, cash and cash equivalents, and loans issued.

The Group’s financial assets measured at fair value through profit or loss include receivables under provisional pricing agreements and investments in equity instruments.

The Group’s financial liabilities measured at amortised cost include loans and bonds, lease liabilities, trade and other payables, dividends payable.

(d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank deposits held for longer than three months that are repayable on demand within several working days without penalties or that can be redeemed/withdrawn, subject to the interest income forfeited, are classified as cash equivalents if the deposits are held to meet short-term cash needs and there is no significant risk of a change in value as a result of an early withdrawal.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Inventories

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventory (finished goods and goods for resale) for distribution companies is determined on the first-in, first-out (FIFO) basis. The cost of inventories for production companies is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Spare parts to be used for construction and in repairs capitalised are classified as non-current assets and are included in line item “Non-current spare parts”.

Catalysts to be used in production during the period of more than 1 year are classified as part of non-current assets and written-off to the production cost based on the volume of goods produced. Catalysts to be used in production within 1 year are classified as part of inventories.

(f) Impairment

Financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group estimates loss allowances either based on ECLs that result from default events possible within 12 months after the reporting date or based on lifetime ECLs that result from all possible default events over the expected life of a financial instrument.

For purposes of measuring probabilities of default, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the debtor is more than 90 days past due on its contractual payments;
- the debtor meets the unlikeliness-to-pay criteria listed below:
- the debtor is insolvent;
- the debtor is in breach of financial covenant(s);
- it is becoming likely that the debtor will enter bankruptcy.

The Group estimates loss allowance for trade receivables using the simplified approach in the amount equal to the lifetime ECL of the financial instrument. To calculate expected credit losses, the Group segments counterparties based on their geographic location and considers their credit rating, adjusted for current and future factors specific to the debtors, historical credit loss experience and economic environment in which they operate.

The Group estimates loss allowances for other financial assets either based on ECLs that result from default events possible within 12 months after the reporting date or until contract maturity, if shorter, until there has been a significant increase in credit risk since the initial recognition of the asset. In assessing ECL and credit risk, the Group considers quantitative and qualitative information and performs an analysis that is based on the Group's actual credit loss experience and considers forward-looking information. A significant increase in credit risk is presumed if a debtor is more than 30 days past due.

If credit risk has increased significantly since the initial recognition or there is evidence that a financial asset is impaired, the expected credit losses for that asset are measured based on the lifetime ECLs. If the fair value of an impaired financial asset subsequently increases and such increase can be objectively attributed to an event occurring after the impairment loss was recognised in profit or loss for the period, the amount written off as a loss is reversed and the reversed amount is recognised in profit or loss for the period.

(g) Leases

As a lessee

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making certain adjustments to reflect the terms of the lease and type of the asset leased.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease payments included in the measurement of the lease liability comprise fixed payments.

The Group separates lease cash flows into principal lease payments (financing activities) and interest lease payments (operating activities) in the consolidated statement of cash flows.

Lease liability is measured at amortised cost using the effective interest method. It is revalued when there is a change in future lease payments arising from adjusted interest rate, extension or termination option and other events.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within cost of sales, administrative expenses and selling expenses in the consolidated statement of profit or loss and other comprehensive income.

(h) Employee benefits

(i) Defined benefit plans

The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in the consolidated statement of profit or loss and other comprehensive income. To the extent the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

All actuarial gains and losses are recognised in full as they arise in other comprehensive income.

(ii) Long-term service benefits other than pensions

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. All actuarial gains and losses are recognised in full as they arise in other comprehensive income.

(iii) Defined contribution plans

The Group makes mandatory contributions to the Social Fund of Russian Federation. These amounts are written off as expenses in the period when the Group's employees provided services related to these accruals.

(i) Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws in force or put into force by the reporting date.

Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Revenues

Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer. The amount of revenue recognised reflects the consideration the Group expects to be entitled in exchange for goods or services, taking into account any trade, volume and other discounts.

The selling price for goods or services can be fixed or provisionally priced, with subsequent determination of the final price within the period established by the contract (provisionally priced contracts). Revenue under such contracts is initially recognised at a predetermined price. Accounts receivable under provisionally priced contracts are measured at fair value through profit or loss with appropriate adjustments recorded in revenue until the final price is determined.

Advances received before the control passes to a customer are recognised as the contract liabilities. The amount of consideration does not contain a significant financial component as payment terms for the majority of contracts are less than one year. No information is provided about remaining performance obligations at the reporting date that have an original expected duration of one year or less, as allowed by IFRS 15.

Contracts with customers for the supply of goods use a variety of delivery terms. The Group determined that under the terms of the certain contracts for the supply of goods the Group undertakes to provide delivery and the related delivery services after the transfer of control over the goods to the buyer at the loading port. Under IFRS 15, these services are a separate performance obligation, which revenue must be recognised during the period of delivery as revenue from logistics activities. The Group recognises revenue from these logistics services at the time of delivery, due to the fact that the potential difference is calculated and recognised as insignificant.

Group’s revenue include the proceeds from transportation services. Transportation services costs are mainly represented by logistics costs and included in cost of Group products sold.

(k) Export customs duties

Customs duties are considered by the Group as an additional fee and are recognised as logistics expenses as part of the cost of products sold.

(l) Taxes, other than income tax

The Group presents taxes, other than income taxes in a separate line item in the consolidated statement of profit or loss and other comprehensive income “Taxes other than income taxes” (note 8). The Group does not classify these expenses according to their function in the line items of cost of sales, administrative and selling expenses. According to the Group’s management opinion the presentation in a separate line item in the consolidated statement of profit or loss and other comprehensive income, transparently and fully presents information about taxes, other than income tax impact on the financial results of the Group.

(m) Finance income and finance costs

Finance income comprises interest income, dividend income, unwinding of discount on financial assets, amortisation of income from raising finance, share of profit of associates and foreign exchange gains on financing activities. Interest income is recognised as it accrues in profit or loss. Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established.

Finance costs comprise interest expense on loans and bonds, interest expense on lease liabilities, bank fees, early bond repayment result, interest expense on defined benefit obligations, share of loss of associates and foreign exchange losses on financing activities.

Foreign currency gains and losses, arising from operations with foreign currency and share of profit and losses of associates are reported on a net basis.

(n) Overburden removal expenditure

In open pit apatite rock mining operations, it is necessary to remove the overburden and other waste in order to access the economically recoverable resources.

According to the Group’s approach to stripping, the ore, which becomes accessible after the overburden removal, is extracted within no more than four months. Therefore, the stripping ratio (volume of overburden removed over the volume of resources extracted) is expected to stay relatively constant over the future periods and stripping costs incurred during the production phase of the open pit mine are recognised in the profit or loss as incurred.

4 FAIR VALUE DETERMINATION

When measuring a fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels of a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If inputs used to measure a fair value of an asset or a liability might be categorised into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and / or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Financial assets and liabilities measured at amortised cost

The fair value of financial assets and liabilities represented by short-term loans issued, trade and other receivables (except for receivables measured at fair value under provisional pricing agreements), cash and cash equivalents, trade and other payables is categorised into level 3 of fair value hierarchy and approximate their carrying amounts at the reporting date.

Bonds’ fair value is measured based on quoted market prices for disclosure purposes and categorised into level 1 of the fair value hierarchy. Long-term loans issued, non-current receivables and all the loans received fair value is categorised into level 3 of the fair value hierarchy.

(b) Financial instruments measured at fair value

The fair value of investments measured at fair value through profit or loss and receivables under provisionally priced sales agreements measured at fair value through profit or loss is determined using the valuation techniques and categorised into level 3 of the fair value hierarchy.

Investments value measured at fair value through profit or loss is estimated based on the model of discounted cash flows from the investee’s operating activities.

Receivables fair value under provisionally priced sales agreements is calculated based on mineral fertiliser market prices expected at the date when the price is finalised. These assumptions are based on consensus prices forecasts prepared by independent analytical agencies, adjusted in accordance with price calculation formulas specified in existing delivery contracts.

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5 REVENUES

RUB million	2025	2024
Phosphate-based and nitrogen-based products	547,893	492,450
Other	25,735	15,239
Revenues	573,628	507,689

6 COST OF GROUP PRODUCTS SOLD

RUB million	2025	2024
Production expense for Group goods sold	(292,593)	(227,713)
Sulphur and sulphuric acid	(41,152)	(12,255)
Personnel expenses	(39,411)	(35,169)
Depreciation	(36,656)	(33,207)
Materials and services	(31,040)	(26,097)
Potash	(26,461)	(17,574)
Repair and maintenance expenses	(23,095)	(19,382)
Natural gas ¹	(22,824)	(16,948)
Transportation of phosphate rock	(19,990)	(16,739)
Ammonia	(18,895)	(14,343)
Electricity	(8,983)	(8,340)
Fuel	(7,253)	(7,215)
Anti-clodding agent	(4,008)	(3,909)
Ammonium sulphate	(3,798)	(3,550)
Reagents	(3,336)	(3,564)
Drilling and blasting operations expenses	(3,300)	(3,152)
Feedstock processing services	(2,391)	(6,269)
Logistics expenses for Group goods sold	(31,984)	(65,771)
Russian Railways infrastructure tariff and operators’ fees	(21,515)	(19,306)
Freight, port and stevedoring expenses	(10,730)	(11,441)
Other services and materials	(1,122)	(885)
Customs duties ²	1,383	(34,139)
Cost of Group products sold	(324,577)	(293,484)

¹ In 2025, natural gas expenses included excise tax on natural gas used for ammonia production of RUB 3,368 million.

² In 2025, the Group recognised income of RUB 1,383 million from export duties based on the updated information from sales agreements with provisional prices.

In 2025, the Group's contributions to Russian Social Fund of RUB 9,300 million (2024: RUB 8,203 million) were included in personnel expenses line.

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Notes to the Consolidated Financial Statements for 2025

7 ADMINISTRATIVE AND SELLING EXPENSES

RUB million	2025	2024
Administrative expenses	(38,725)	(35,547)
Personnel expenses	(25,348)	(24,260)
Professional services	(2,680)	(2,546)
Security and fire safety services	(2,504)	(2,033)
Depreciation and amortisation	(2,471)	(1,874)
Representative and travel expenses	(1,432)	(1,095)
Office equipment and stationery	(1,145)	(1,086)
Repair and maintenance services	(862)	(691)
Advertising and brand promotion	(610)	(400)
Utilities	(517)	(386)
Insurance	(381)	(462)
Other services	(775)	(714)
Selling expenses	(6,563)	(6,073)
Personnel expenses	(3,150)	(3,089)
Depreciation and amortization	(1,585)	(1,465)
Repair and maintenance services	(635)	(438)
Advertising and brand promotion	(526)	(456)
Other services	(667)	(625)
Administrative and selling expenses	(45,288)	(41,620)

In 2025, the Group's contributions to Russian Social Fund of RUB 5,088 million (2024: RUB 4,847 million) were included in personnel expenses line.

8 TAXES, OTHER THAN INCOME TAX

RUB million	2025	2024
Mineral extraction tax	(8,298)	(12,288)
Property tax	(2,543)	(2,296)
Land tax	(377)	(372)
VAT included in expenses	(278)	(221)
Environment pollution payment	(172)	(183)
Using water objects payment	(104)	(86)
Other taxes	(84)	(43)
Taxes, other than income tax	(11,856)	(15,489)

9 OTHER EXPENSES, NET

RUB million	2025	2024
Social expenditures	(11,560)	(11,189)
(Loss)/gain on disposal of property, plant and equipment and intangible assets	(202)	70
Increase in credit loss allowance	(134)	(302)
Increase in allowance for inventory write-down	(21)	(202)
Fines, penalties and compensations received	1,469	810
Gain on disposal of inventories	229	454
Reversal of contingent liabilities	23	102
Other expenses, net	(293)	(157)
Other expenses, net	(10,489)	(10,414)

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10 FINANCE INCOME AND FINANCE COSTS

<i>RUB million</i>	2025	2024
Interest income	2,791	5,383
Unwinding of discount	-	890
Other finance income	436	224
Finance income	3,227	6,497
Interest expense on loans and bonds (note 21)	(21,694)	(14,530)
Interest expense on lease liabilities (note 22)	(693)	(429)
Early bond repayment result	(512)	-
Bank fees	(216)	(279)
Interest expense on defined benefit obligations	(174)	(130)
Other finance costs	(439)	(326)
Finance costs	(23,728)	(15,694)

11 INCOME TAX EXPENSE

The Group’s applicable corporate income tax rate is 25% (2024: 20%).

<i>RUB million</i>	2025	2024
Current tax expense	(19,702)	(25,477)
Deferred tax effect from the increase in the tax rate to 25%	-	370
Deferred income tax - origination and reversal of temporary differences	(15,629)	532
Income tax expense	(35,331)	(24,575)
Reconciliation of income tax:		
<i>RUB million</i>	2025	2024
Profit before tax	149,574	109,044
Income tax at applicable tax rate	(37,394)	(21,809)
Tax effect from tax benefits	3,513	646
Tax effect of items which are not deductible/taxable	(1,450)	(3,412)
Income tax expense	(35,331)	(24,575)

On 12 July 2024, Federal Law No. 176-FZ "On amendments to parts one and two of the Tax Code of the Russian Federation, certain legislation acts of Russian Federation and consideration of certain legislation acts provisions of Russian Federation to have lost force" was adopted. This Law provided income tax increase from 20% to 25% since 1 January 2025. At 31 December 2024, the Group revalued deferred tax assets and liabilities using 25% tax rate. This resulted in increase of deferred income tax by RUB 370 million.

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12 PROPERTY, PLANT AND EQUIPMENT

<i>RUB million</i>	Land and buildings	Plant and equipment	Fixtures and fittings	Construction in progress	Total
Gross book value at 1 January 2024	146,691	259,834	26,198	65,591	498,314
Additions	5,076	9,757	5,043	63,154	83,030
Transfers from right-of-use assets (note 13)	-	1,973	-	-	1,973
Transfers	18,945	25,883	-	(44,828)	-
Disposals	(2,269)	(6,614)	(272)	(18)	(9,173)
Gross book value at 31 December 2024	168,443	290,833	30,969	83,899	574,144
Additions	4,451	10,545	5,623	57,036	77,655
Transfers from right-of-use assets (note 13)	-	1,833	-	-	1,833
Transfers	21,989	39,065	-	(61,054)	-
Disposals	(1,854)	(6,531)	(394)	(19)	(8,798)
Gross book value at 31 December 2025	193,029	335,745	36,198	79,862	644,834
Accumulated depreciation at 1 January 2024	(43,391)	(130,036)	(16,224)	-	(189,651)
Depreciation	(9,939)	(22,594)	(2,693)	-	(35,226)
Transfers from right-of-use assets (note 13)	-	(529)	-	-	(529)
Disposals	2,105	6,471	263	-	8,839
Accumulated depreciation at 31 December 2024	(51,225)	(146,688)	(18,654)	-	(216,567)
Depreciation	(11,007)	(25,843)	(2,866)	-	(39,716)
Transfers from right-of-use assets (note 13)	-	(1,228)	-	-	(1,228)
Disposals	1,607	6,531	370	-	8,508
Accumulated depreciation at 31 December 2025	(60,625)	(167,228)	(21,150)	-	(249,003)
Net book value at 1 January 2024	103,300	129,798	9,974	65,591	308,663
Net book value at 31 December 2024	117,218	144,145	12,315	83,899	357,577
Net book value at 31 December 2025	132,404	168,517	15,048	79,862	395,831

During the year ended 31 December 2025, the Group capitalised borrowing costs of RUB 9,280 million (2024: RUB 4,702 million) in the value of property, plant and equipment using the weighted average interest rate of 10.66% per year (2024: 6.37% per year).

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12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31 December 2025, the most significant construction in progress balances were represented by the following investment projects:

- Kirovsk branch of Apatit, JSC: Kirovsk mine extension and modernisation of RUB 11,086 million at 31 December 2025 and RUB 11,712 million at 31 December 2024;
- Kirovsk branch of Apatit, JSC: Rasvumchorrskiy mine extension and modernisation of RUB 7,883 million at 31 December 2025 and RUB 9,635 million at 31 December 2024;
- Kirovsk branch of Apatit, JSC: apatit-nepheline beneficiation plants extension and modernisation of RUB 5,115 million at 31 December 2025 and RUB 4,501 million at 31 December 2024;
- Balakovo branch of Apatit, JSC: phosphate-based fertilisers facilities modernisation of RUB 12,463 million at 31 December 2025 and RUB 11,260 million at 31 December 2024;
- Balakovo branch of Apatit, JSC: sulphuric acid facilities extension and modernisation of RUB 7,180 million at 31 December 2025 and RUB 7,148 million at 31 December 2024;
- Balakovo branch of Apatit, JSC: phosphoric acid facilities support and modernisation of RUB 2,935 million at 31 December 2025 and RUB 2,812 million at 31 December 2024;
- Balakovo branch of Apatit, JSC: feed monocalcium phosphate production facilities modernisation of RUB 311 million at 31 December 2025 and RUB 2,362 million at 31 December 2024;
- Apatit, JSC, Cherepovets: sulphuric acid facilities support and modernisation of RUB 4,102 million at 31 December 2025 and RUB 5,756 million at 31 December 2024;
- Apatit, JSC, Cherepovets: phosphoric acid facilities support and modernisation of RUB 3,675 million at 31 December 2025 and RUB 7,231 million at 31 December 2024;
- Apatit, JSC, Cherepovets: ammonia production facilities support and modernisation of RUB 2,662 million at 31 December 2025 and RUB 2,276 million at 31 December 2024;
- Apatit, JSC, Cherepovets: tailing pond modernisation for transition to dry method of phosphogypsum storage of RUB 1,422 million at 31 December 2025 and RUB 3,397 million at 31 December 2024;
- Volkhov branch of Apatit, JSC: MAP facilities construction of RUB 1,439 million at 31 December 2025 and RUB 20 million at 31 December 2024.

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13 RIGHT-OF-USE ASSETS

The Group has the following types of right-of-use assets: railway wagons, production equipment, containers for bulk cargo, offices. The leases typically run for the period of 5 years, with an option to renew the lease after that date.

<i>RUB million</i>	Buildings	Plant and equipment	Fixtures and fittings	Total
Net book value at 1 January 2024	286	4,191	2,763	7,240
New lease contracts or modification on existing lease contracts	139	1,384	65	1,588
Transfers to property, plant and equipment (note 12)	-	(1,444)	-	(1,444)
Depreciation	(92)	(543)	(198)	(833)
Disposals	(17)	(115)	-	(132)
Net book value at 31 December 2024	316	3,473	2,630	6,419
New lease contracts or modification on existing lease contracts	116	2,772	2,650	5,538
Transfers to property, plant and equipment (note 12)	-	(605)	-	(605)
Depreciation	(115)	(702)	(322)	(1,139)
Disposals	(11)	(36)	-	(47)
Net book value at 31 December 2025	306	4,902	4,958	10,166

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

<i>RUB million</i>	2025	2024
Depreciation expense on right-of-use assets	1,139	833
Expenses relating to short-term leases	1,137	609
Expenses relating to leases with variable payments	1,061	670
Interest expense on lease liabilities	693	429

Amounts recognised in the consolidated statement of cash flows:

<i>RUB million</i>	2025	2024
Principal lease payments (note 22)	(1,208)	(1,448)
Expenses relating to short-term leases	(1,137)	(609)
Expenses relating to leases with variable payments	(1,061)	(670)
Interest payments (note 22)	(693)	(429)
Total payments	(4,099)	(3,156)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Carrying values of the Group’s investments in associates and joint ventures are as follows:

<i>RUB million</i>	31 December 2025		31 December 2024	
	Carrying value	Share of ownership	Carrying value	Share of ownership
JSC Khibinskaya Teplovaya Kompaniya (Russia)	718	50%	607	50%
LLC VC Temiryazev (Russia)	114	48%	-	48%
JSC Giproruda (Russia)	60	25%	61	25%
JSC Soligalichskiy izvestkovyi kombinat (Russia)	59	26%	47	26%
Total	951		715	

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Notes to the Consolidated Financial Statements for 2025

15 DEFERRED TAX ASSETS AND LIABILITIES**(a) Deferred tax assets and liabilities by type of temporary difference**

Deferred tax assets and liabilities are attributable to the following items:

<i>RUB million</i>	Assets	Liabilities	Net	Assets	Liabilities	Net
	31 December 2025			31 December 2024		
Property, plant and equipment	182	(29,925)	(29,743)	75	(25,096)	(25,021)
Right-of-use assets and intangible assets	-	(2,542)	(2,542)	-	(1,605)	(1,605)
Other non-current assets	109	-	109	48	(3,635)	(3,587)
Current assets	2,197	(2,258)	(61)	1,249	(4,706)	(3,457)
Tax loss carryforwards	13,876	-	13,876	15,189	-	15,189
Loans, bonds and borrowings ¹	216	(3,570)	(3,354)	13,131	(94)	13,037
Other liabilities	3,136	-	3,136	2,494	-	2,494
Deferred tax assets/(liabilities) Offset	19,716 (8,047)	(38,295) 8,047	(18,579) -	32,186 (18,105)	(35,136) 18,105	(2,950) -
Net deferred tax assets/(liabilities)	11,669	(30,248)	(18,579)	14,081	(17,031)	(2,950)

¹Temporary differences on loans, bonds and borrowings arise from foreign exchange differences on borrowings denominated in foreign currency.

The deferred tax assets on tax loss carryforwards relate to the Russian entities of the Group. In accordance with Russian tax legislation tax losses accumulated at 31 December 2025 can be carried forward without limitation of utilisation period.

Management has developed a tax strategy to utilise the above tax losses. In assessing the tax losses recoverability, management considers a forecast of the Group's future taxable profits and the Group's tax position to make sure it is probable that relevant taxable profit will be received based on restructuring arrangements available to the Group to utilise the accumulated losses. During 2025, part of the tax loss carryforwards with previously recognized deferred tax asset of RUB 1,538 million was utilised against the taxable income (2024: RUB 1,735 million).

At 31 December 2025, no deferred tax liability on taxable temporary differences of RUB 131,783 million from investments in subsidiaries was recognised (31 December 2024: on taxable temporary differences of RUB 101,896 million), either because the Parent can control recovery period of temporary differences and it is probable that these temporary differences will not recover in the foreseeable future, or because applicable income tax rate on intragroup dividends is expected to be 0%.

(b) Movement in temporary differences during the year

<i>RUB million</i>	31 December 2025	Recognised in profit or loss	1 January 2025
Property, plant and equipment	(29,743)	(4,722)	(25,021)
Right-of-use assets and intangible assets	(2,542)	(937)	(1,605)
Other non-current assets	109	3,696	(3,587)
Current assets	(61)	3,396	(3,457)
Tax loss carry-forwards	13,876	(1,313)	15,189
Loans, bonds and borrowings	(3,354)	(16,391)	13,037
Other liabilities	3,136	642	2,494
Net deferred tax (liabilities)/assets	(18,579)	(15,629)	(2,950)

PJSC “PhosAgro”

Notes to the Consolidated Financial Statements for 2025

15 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

<i>RUB million</i>	31 December 2024	Recognised in profit or loss	Deferred tax effect from the increase in the tax rate to 25%	1 January 2024
Property, plant and equipment	(25,021)	(3,236)	(5,004)	(16,781)
Right-of-use assets and intangible assets	(1,605)	164	(321)	(1,448)
Other non-current assets	(3,587)	238	(717)	(3,108)
Current assets	(3,457)	(1,175)	(691)	(1,591)
Tax loss carry-forwards	15,189	(1,521)	3,998	12,712
Loans, bonds and borrowings	13,037	5,696	2,607	4,734
Other liabilities	2,494	366	498	1,630
Net deferred tax (liabilities)/assets	(2,950)	532	370	(3,852)

16 INVENTORIES

<i>RUB million</i>	31 December 2025	31 December 2024
Raw materials and spare parts	29,297	26,450
<i>Finished goods:</i>		
Chemical fertilisers	20,241	16,130
Phosphate rock	1,178	868
Other products	578	1,057
<i>Work-in-progress:</i>		
Chemical fertilisers and other products	9,951	8,220
Chemical fertilisers and other products for resale, purchased from third parties	3,207	3,347
Other goods	937	331
Allowance for inventory write-down	(319)	(298)
Total inventories	65,070	56,105

17 TRADE AND OTHER RECEIVABLES

<i>RUB million</i>	31 December 2025	31 December 2024
Financial assets		
Trade receivables	90,283	86,958
Other receivables ¹	488	2,983
Credit losses allowance	(683)	(599)
Non-financial assets		
Advances issued	24,008	14,630
Advances issued on custom duties	192	654
Receivables from employees	35	34
Provision for doubtful accounts and expected credit losses allowance	-	(7)
Total trade and other receivables	114,323	104,653

¹At 31 December 2024, other receivables included advances on export duties of RUB 2,256 million which were fully repaid during 2025 as since 1 January 2025 export duties are equaled to 0%.

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17 TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 December 2025 and at 31 December 2024, the Group performed revaluation of receivables under provisionally priced sales agreements measured at fair value through profit or loss and recognised an adjustment within revenue.

The following information shows the movement of the Group's receivables under provisionally priced sales agreements:

<i>RUB million</i>	2025	2024
Balance at 1 January	54,443	33,586
Receivables recognised	158,300	131,612
Receivables redeemed	(137,301)	(116,746)
Foreign exchange (loss)/gain, net	(12,955)	5,785
Gain from revaluation at fair value (unrealised)	1,110	206
Balance at 31 December	63,597	54,443

A 5% increase/(decrease) in forecasted market prices, with all other variables held constant, will lead to increase/(decrease) fair value of the Group's receivables under provisionally priced sales agreements at 31 December 2025 by RUB 2,168 million (at 31 December 2024: RUB 2,002 million).

The movements of credit losses allowance are as follows:

<i>RUB million</i>	2025	2024
Balance at 1 January	(606)	(489)
Increase in credit losses allowance	(108)	(331)
Reversal of allowance	-	29
Use of allowance	31	185
Balance at 31 December	(683)	(606)

See note 25 (e) for the analysis of overdue trade and other accounts receivable.

18 CASH AND CASH EQUIVALENTS

<i>RUB million</i>	31 December 2025	31 December 2024
Cash in bank	14,550	10,139
Call deposits	124	251
Petty cash	7	8
Total cash and cash equivalents	14,681	10,398

At 31 December 2025, the most significant cash and cash equivalent balances (more than 95%) were placed with a large Russian bank rated at AAA by independent Russian rating agencies (ACRA, Expert RA) (at 31 December 2024: with large Russian banks rated at AA+, AAA).

19 EQUITY

(a) Share capital

At 31 December 2025 and 31 December 2024, the Company's share capital consists of 129,500,000 ordinary shares with par value of RUB 2.5 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote.

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19 EQUITY (CONTINUED)

At 31 December 2025 and 31 December 2024, the number of ordinary shares authorised for additional issue is 994,977,080, with a par value of RUB 2.5 per share.

(b) Dividend policy

The Group's dividend policy is based on the following principles:

- balanced approach to the distribution of profits between shareholders and investment needs of the Company;
- dividend payments should support investment profile of the Company.

Amount of such payment is subject to approval of the General Shareholders' Meeting, based on recommendations provided by the Company's Board of Directors. The Board of Directors' recommendations depend on such factors as the Company's earnings for the reporting period and its financial position. To determine the amount of dividend payments, the Board of Directors considers the Company's consolidated free cash flow for the reporting period (quarter, six months, first nine months or year) calculated based on the consolidated financial statement prepared under IFRS Accounting Standards. Free cash flow is defined as cash flows from operating activities less cash flows from investing activities based on the consolidated statement of cash flows. Interim dividends payment decision is made at the General Shareholders' Meeting within three months after the relevant reporting period end. The payment period for dividends payable to a nominal holder or a trustee, which is a professional participant of the securities market, who are registered in the share register, shall be not more than 10 business days. The payment period for dividends payable to other parties registered in the shareholders register shall not exceed 25 business days after the date when the parties entitled to receive dividends are determined. Holders of PhosAgro GDRs are also entitled to receive dividends on shares in accordance with Depositary Agreements terms. In accordance with dividend policy, the Board of Directors shall seek to make sure that the amount of distributed dividends ranges from 50% to over 75% (subject to the Company's debt leverage) of the Company's consolidated free cash flow for the respective period calculated based on the consolidated financial statement prepared under IFRS Accounting Standards. At the same time, the amount of declared dividends shall not be lower than 50% of net profit for the relevant period under IFRS Accounting Standards adjusted by the amount of unrealised exchange rate difference.

(c) Dividends

In accordance with Russian legislation the Company's distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company's financial statements prepared in accordance with Russian Accounting Standards. At 31 December 2025, the Company had cumulative retained earnings of RUB 75,422 million (31 December 2024: RUB 41,635 million).

Proposed by the Board of Directors in	Approved by shareholders in	Amount per share <i>RUB</i>	Amount of dividends <i>RUB million</i>
February 2025	May 2025	87	11,266.5
August 2025	September 2025	273	35,353.5
Total			46,620.0

Proposed by the Board of Directors in	Approved by shareholders in	Amount per share <i>RUB</i>	Amount of dividends <i>RUB million</i>
May 2024	June 2024	309	40,015.5
August 2024	September 2024	117	15,151.5
November 2024	December 2024	126	16,317.0
Total			71,484.0

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19 EQUITY (CONTINUED)

The following information shows the movement of the Group's dividends payable:

<i>RUB million</i>	2025	2024
Balance at 1 January	19,779	54,919
Declared dividends	46,620	71,484
Refund of dividends paid ¹	6	3,132
Dividends paid to shareholders of the Company	(46,620)	(109,169)
Unclaimed dividends ²	(7,850)	-
Repayment of dividends previously refunded to shareholders of the Company	(800)	(587)
Balance at 31 December	11,135	19,779

¹ The Group received dividends cash refund from depositories as parties entitled for dividends didn't receive them due to reasons beyond the depositories' control.

² At December 31, 2025, the Group increased its retained earnings from the disposal of unclaimed dividend liability to shareholders as a result of claim period expiration.

20 EARNINGS PER SHARE

Basic earnings per share are calculated based on the weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share are the same, as there is no effect of dilution.

	2025	2024
Weighted average number of ordinary shares in issue	129,500,000	129,500,000
Profit for the year attributable to shareholders of the Company, RUB million	114,205	84,430
Basic and diluted earnings per share, RUB	882	652

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21 LOANS AND BONDS

This note provides information about the contractual terms of the Group's loans and bonds. For more information about the leases, see note 22. For more information about the Group's exposure to foreign currency risk, interest rate risk and liquidity risk, see note 25.

<i>RUB million</i>	31 December 2025	31 December 2024
Current loans and bonds		
Unsecured bank loans	88,979	96,684
Bonds RUB-denominated	85,372	-
Bonds CNY-denominated	33,478	-
Interest payable	1,952	2,588
Replacement bonds	-	36,291
Eurobonds	-	26,398
Bank commission (short-term)	(341)	(300)
Other	275	-
Total current loans and bonds	209,715	161,661
Non-current loans and bonds		
Bonds USD-denominated	77,617	10,168
Replacement bonds	29,998	38,991
Eurobonds	9,116	-
Unsecured bank loans	2,398	19,117
Bonds RUB-denominated	-	75,000
Bonds CNY-denominated	-	26,854
Bank commission (long-term)	(264)	(168)
Other	197	-
Total non-current loans and bonds	119,062	169,962
Total loans and bonds	328,777	331,623

In June 2024, the Company issued USD 100 million in BO-P01-USD series 5-year bonds on Moscow Stock Exchange with quarterly coupon rate of 6.25% per year.

In September 2024, the Company issued RUB 35,000 million in BO-P02 series 2-year bonds on Moscow Stock Exchange with a floating coupon rate of key rate of Central Bank of Russia plus 1.1% per year.

In November 2024, the Company issued RUB 20,000 million in BO-02-01 series 5-year bonds on Moscow Stock Exchange with floating coupon rate of Russian Central Bank key rate plus 2% per year with early repayment offer available after two years. In January 2025, the Company obtained long-term financing of RUB 40,000 million from additional issue of these bonds. In June 2025, the Company repaid RUB 29,753 million of these bonds.

In February 2025, the Company issued CNY 1,000 million in BO-02-02 series bonds on Moscow Stock Exchange with a fixed coupon rate of 10.4% per annum and maturity period of 1.5 years.

In April 2025, the Company issued USD 250 million in BO-02-03 series bonds on Moscow Stock Exchange with a fixed coupon rate of 7.5% per annum and maturity period of 2.5 years. In June 2025, the Company obtained USD 392.2 million from additional issue of these bonds.

In October 2025, the Company issued 3-year bonds of BO-02-04 series on the Moscow Stock Exchange in the amount of USD 250 million with a fixed annual coupon rate of 7%.

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21 LOANS AND BONDS (CONTINUED)

Information on the Group's bond loans is presented below:

RUB million		31 December 2025			31 December 2024		
Currency	Expiry date	Rate, %	Carrying value	Fair value	Rate, %	Carrying value	Fair value
USD-denominated bonds							
USD	18.09.2027	7.50%	50,237	51,751		-	-
USD	12.10.2028	7.00%	19,557	20,161		-	-
USD	31.05.2029	6.25%	7,823	8,077	6.25%	10,168	9,800
RUB-denominated bonds							
RUB	08.09.2026	17.10%	35,000	35,147	22.10%	35,000	34,885
RUB	12.11.2026 ¹	18.00%	30,372	30,963	23.00%	20,000	20,250
RUB	17.04.2026	9.40%	20,000	19,789	9.40%	20,000	18,492
Replacement bonds							
USD	16.09.2028	2.60%	29,998	27,584	2.60%	38,991	33,649
USD	23.01.2025		-	-	3.05%	36,291	36,443
CNY-denominated bonds							
CNY	09.04.2026	4.20%	22,319	20,087	4.55%	26,854	25,592
CNY	12.08.2026	10.40%	11,159	11,492		-	-
Eurobonds							
USD	16.09.2028	2.60%	9,116	6,267	2.60%	11,849	7,958
USD	23.01.2025		-	-	3.05%	14,549	12,221
Total bonds			235,581	231,318		213,702	199,290

¹ The date of early repayment offer.

The breakdown of the loans and bonds denominated in different currencies is as follows:

RUB million	31 December 2025	31 December 2024
USD-denominated	130,253	134,256
CNY-denominated	108,409	85,383
RUB-denominated	88,759	109,639
EUR-denominated	1,356	2,345
Total	328,777	331,623

The maturity of the loans and bonds is as follows:

RUB million	31 December 2025	31 December 2024
Less than 1 year	209,715	161,661
1-2 years	52,649	120,837
2-3 years	58,595	-
3-4 years	7,818	38,968
4-5 years	-	10,157
Total	328,777	331,623

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21 LOANS AND BONDS (CONTINUED)

Analysis of Group's loans and bonds changes related to cash and non-cash movements is presented below:

RUB million	2025	2024
Balance at 1 January	331,623	248,139
Cash inflows	223,099	212,336
Cash outflows	(187,834)	(154,961)
Foreign exchange differences	(38,180)	25,251
Capitalised borrowing costs accrued	9,280	4,702
Capitalised borrowing costs paid	(9,280)	(4,702)
Interest accrued	21,694	14,530
Interest paid	(22,353)	(13,851)
Early bonds repayment result	512	-
Amortisation of bank commission	357	179
Other	(141)	-
Balance at 31 December	328,777	331,623

Under the terms of the Group's long-term bank loans and bonds agreements with a carrying amount of RUB 11,473 million at 31 December 2025 (at 31 December 2024: RUB 19,117 million), the Group is required to comply with certain financial and non-financial covenants at the end of each annual and interim reporting period.

Financial covenants include the following:

- the ratio of consolidated total debt to EBITDA of the Group at the end of each reporting period must be not more than 3.5:1;
- the ratio of consolidated net debt to consolidated EBITDA of the Group at the end of each reporting period must be not more than 3:1;
- the ratio of consolidated net debt to equity of the Group at the end of each reporting period must be not more than 1.5:1;
- the ratio of consolidated EBITDA to interest expense/ net interest expense of the Group at the end of each reporting period must be not less than 3:1.

Financial covenants are calculated by the Group in accordance with definitions stipulated in the respective agreements.

Non-financial covenants include compliance with a set of conditions, for example, intended use of loans, providing the documents specified in the respective loan agreements and financial statements, restriction on significant assets disposal, pledge of property, reorganisation and other.

At 31 December 2025, the Group was in compliance with the established covenants and did not expect to breach them.

In 2024, the Group exceeded the net debt to equity ratio. At 31 December 2024, the Group recognised non-current portion of certain borrowings within current borrowings as the Group did not have unconditional right to defer settlement of liabilities for at least twelve months after the reporting period. In 2025 the Group received the bank's letter waiving a breach of net debt to equity ratio.

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Notes to the Consolidated Financial Statements for 2025

22 LEASE LIABILITIES

<i>RUB million</i>	Lease liability without subsequent asset buyout	Lease liability with subsequent asset buyout	Total
Balance at 1 January 2024	846	3,385	4,231
New lease contracts or modification of existing lease contracts	463	979	1,442
Principal lease payments (note 13)	(474)	(974)	(1,448)
Interest expense on lease liabilities	137	292	429
Interest lease payments	(137)	(292)	(429)
Disposal	(144)	-	(144)
Foreign exchange differences	1	49	50
Balance at 31 December 2024	692	3,439	4,131
New lease contracts or modification of existing lease contracts	742	2,835	3,577
Principal lease payments (note 13)	(361)	(847)	(1,208)
Interest expense on lease liabilities	171	522	693
Interest lease payments	(171)	(522)	(693)
Disposal	(50)	-	(50)
Foreign exchange differences	(2)	(76)	(78)
Balance at 31 December 2025	1,021	5,351	6,372

23 DEFINED BENEFIT OBLIGATIONS

<i>RUB million</i>	31 December 2025	31 December 2024
Pension obligations, long-term	1,095	773
Post-retirement obligations other than pensions	404	256
Total defined benefit obligations	1,499	1,029

The Group has defined benefit plans at JSC “Apatit”, including all the branches, which stipulate payment of a lump sum allowance to employees who have a specified period of service in this company upon their retirement. The movement in the present value of the defined benefit obligations is as follows:

<i>RUB million</i>	2025	2024
Defined benefit obligations at 1 January	1,029	1,129
Benefits paid	(161)	(136)
Current service costs and interest	229	168
Actuarial loss/(gain) in other comprehensive income	402	(132)
Defined benefit obligations at 31 December	1,499	1,029

The key actuarial assumptions used in measurement of the defined benefit obligations are as follows:

	31 December 2025	31 December 2024
Discount rate	14.72%	17.78%
Future pension increases	4.80%	7%

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24 TRADE AND OTHER PAYABLES

<i>RUB million</i>	31 December 2025	31 December 2024
Financial liabilities		
Trade payables	24,552	30,506
including payables for property, plant and equipment and intangible assets	9,602	10,277
Other payables	139	121
Non-financial liabilities		
Advances received (liabilities under the contracts with customers)	9,776	10,705
Payables to employees	8,085	6,618
Accrued expenses and provisions	224	247
Other payables	20	197
Total trade and other payables	42,796	48,394

Contract liabilities balance at the beginning of the year was fully recognised in revenue during the reporting period.

25 FINANCIAL RISK MANAGEMENT**(a) Overview**

In the normal course of its operations, the Group has exposure to market, credit and liquidity risks.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

(b) Market risk

Market risk is the risk that changes in market conditions, such as foreign exchange rates, interest rates and equity prices will affect the Group’s profit or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(c) Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities. The currencies giving rise to this risk are primarily USD, CNY and EUR.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group implemented a natural hedge approach (policy) aiming at reducing its exposure to foreign currency risk by means of borrowing in the same currencies in which the Group’s sales agreements are denominated.

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25 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group has the following net monetary position on financial assets and liabilities denominated in foreign currencies:

RUB million	31 December 2025			31 December 2024		
	CNY denominated	USD denominated	EUR denominated	CNY denominated	USD denominated	EUR denominated
Current assets	12	82,720	4,278	20	84,217	4,043
Non-current liabilities	(9)	(118,453)	(677)	(33,380)	(59,519)	-
Current liabilities	(109,003)	(12,311)	(1,185)	(53,300)	(80,461)	(3,943)
Net position of the Group companies	(109,000)	(48,044)	2,416	(86,660)	(55,763)	100

Management estimates that a 10% strengthening/(weakening) of RUB against USD, CNY and EUR, based on the Group’s total net position in USD, CNY and EUR at the reporting date would have increased/(decreased) the Group’s profit for the year by RUB 15,463 million, before any tax effect (2024: would have increased/(decreased) the Group’s profit for the year by RUB 14,232 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

The net foreign exchange gain recognised in profit or loss of RUB 11,339 million (net foreign exchange loss of RUB 15,903 million for the comparative period) resulted from Russian rouble appreciation against other currencies during the reporting period (Russian rouble depreciation against other currencies during the comparative period).

The breakdown of the net foreign exchange gain/(loss) by nature is presented below:

RUB million	2025	2024
Foreign exchange (loss)/gain from trade and other receivable	(20,900)	8,228
Foreign exchange gain/(loss) from trade and other payables	1,298	(749)
Foreign exchange gain from other current assets	-	834
Other	(3,529)	(1,861)
Foreign exchange (loss)/gain from operating activities, net	(23,131)	6,452
Foreign exchange gain/(loss) from loans and bonds	38,180	(25,251)
Foreign exchange gain/(loss) from lease liabilities	78	(50)
Foreign exchange (loss)/gain from cash and cash equivalents	(3,788)	2,946
Foreign exchange gain/(loss) from financing activities, net	34,470	(22,355)

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25 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely impact the financial results of the Group. Management does not have a formal policy of determining how much of the Group’s exposure should be to fixed or variable rates. However, at the time of raising new loans and bonds management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

The interest rate profile of the Group’s interest-bearing financial instruments at their carrying values is as follows:

RUB million	31 December 2025	31 December 2024
<i>Fixed rate instruments</i>		
Other non-current assets	63	108
Call deposits and other financial assets	203	322
Lease liabilities	(6,372)	(4,131)
Long-term loans and bonds	(118,453)	(85,852)
Short-term loans and bonds	(115,085)	(123,472)
Total fixed rate instruments	(239,644)	(213,025)
<i>Variable rate instruments</i>		
Call deposits and other financial assets	-	2,027
Long-term loans and bonds	(676)	(84,278)
Short-term loans and bonds	(94,696)	(38,489)
Total variable rate instruments	(95,372)	(120,740)

Sensitivity analysis for financial instruments with variable interest rates

At 31 December 2025, 2 percentage points increase/(decrease) in interest rate, with all other variables held constant, would have decreased/(increased) the Group’s profit for the year and equity by RUB 1,907 million (31 December 2024: RUB 2,415 million).

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer and supplier or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Group’s receivables from customers, current and non-current financial assets and cash and cash equivalents.

At 31 December 2025, the Group’s maximum exposure to credit risk is represented by the carrying amount of its financial assets and amounted to RUB 105,338 million (31 December 2024: RUB 103,008 million) and is presented in the tables below by class of asset.

The Group’s financial assets measured at amortised cost is presented below:

RUB million	Note	31 December 2025	31 December 2024
Trade receivables excluding receivables under provisionally priced sales agreements	17	26,686	32,515
Cash and cash equivalents	18	14,681	10,398
Other receivables	17	488	2,983
Other financial assets		416	1,074
Loans issued to employees, at amortised cost		127	146
Loans issued to third parties, at amortised cost		15	2,060
Allowance for expected credit losses	17	(683)	(616)
Total		41,730	48,560

At 31 December 2025, 92% of the Group’s trade receivables is represented by one counterparty (31 December 2024: 96%).

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25 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's financial assets measured at fair value through profit or loss are presented below:

<i>RUB million</i>	Note	2025	2024
Trade receivables under provisionally priced sales agreements	17	63,597	54,443
Financial assets measured at fair value through profit or loss		11	5
Total		63,608	54,448

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual specific characteristics of each customer. The general characteristics of the Group's customer base, including the default risk of the industry and country, in which customers operate, have less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum amount of outstanding receivables; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmarks of creditworthiness may transact with the Group only on a prepayment basis.

The majority of the Group's customers have been transacting with the Group for several years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Group's wholesale customers.

The Group does not require collateral in respect of trade and other receivables, except for new customers who are required to work on a prepayment basis or present an acceptable bank guarantee or set up letter of credit with an acceptable bank.

The Group establishes an allowance for expected credit losses that represents its estimate of the expected credit losses in respect of trade and other receivables and other financial assets. The Group estimates the allowance for expected credit losses for trade receivables in the amount equal to lifetime expected loss allowance of the financial instrument. In the terms of calculating the expected credit loss, the Group considers the credit rating of counterparties, adjusted with forward-looking factors specific to the debtors and economic environment in which they operate, and historical credit loss experience.

Exposures within each credit risk grade are segmented by geographic region classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years.

The allowance for expected credit losses on accounts receivable has been accrued in accordance with the risk matrix presented in the table below:

<i>RUB million</i>		31 December 2025				
	Not past due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	Total
Loss rate	0.1-6%	0.1-10%	12.71%	21.45%	63.57%	
Gross carrying amount	88,382	1,299	417	415	258	90,771
Lifetime ECL	(317)	(60)	(53)	(89)	(164)	(683)
Net carrying value	88,065	1,239	364	326	94	90,088

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25 FINANCIAL RISK MANAGEMENT (CONTINUED)

<i>RUB million</i>		31 December 2024				
	Not past due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	Total
Loss rate	0.1-5%	0.1-10%	11.39%	16.70%	100%	
Gross carrying amount	87,491	1,122	729	491	108	89,941
Lifetime ECL	(273)	(53)	(83)	(82)	(108)	(599)
Net carrying value	87,218	1,069	646	409	-	89,342

Current and non-current financial assets

The Group lends money to related parties and to third parties, who have good credit standing. Based on the prior experience, management believes that there is no significant credit risk in respect of related party and third party loans.

Cash and cash equivalents are primarily held with large banks with high credit rating and minimal risk of default, which provides high-level credit risk limits. All bank account balances and term deposits are not overdue or impaired.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for the period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains several lines of credit in various Russian and international banks.

At 31 December 2025, Group's current liabilities exceeded current assets by RUB 50,569 million (31 December 2024: RUB 52,662 million). The Group manages its liquidity and ensures timely fulfilment of its obligations using Group's own and borrowed funds. In January – April 2026, the Group obtained financing of RUB 135,082 million, including long-term financing of RUB 89,133 million and loans from related party of RUB 25,300 million and repaid RUB 130,011 million of loans, including loans from related party of RUB 25,300 million.

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25 FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below illustrates the contractual maturities of financial liabilities, including interest payments, which are converted at the closing exchange rates, where applicable. The amounts disclosed in the maturity table are the contractual undiscounted cash flows:

RUB million	31 December 2025							
	Carrying value	Contractual cash flows	0-1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	Over 5 yrs
Loans and bonds	328,910	356,461 ¹	228,779	58,330	61,285	8,067	-	-
Lease liabilities	6,372	9,380	2,684	2,210	1,784	1,105	746	851
Trade and other payables	24,691	24,691	24,691	-	-	-	-	-
Dividends payable	11,135	11,135	11,135	-	-	-	-	-
Total	371,108	401,667	267,289	60,540	63,069	9,172	746	851

RUB million	31 December 2024							
	Carrying value	Contractual cash flows	0-1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	Over 5 yrs
Loans and bonds	332,091	364,781 ¹	180,793	133,243	634	39,626	10,485	-
Lease liabilities	4,131	6,114	1,609	1,261	868	645	577	1,154
Trade and other payables	30,627	30,627	30,627	-	-	-	-	-
Dividends payable	19,779	19,779	19,779	-	-	-	-	-
Total	386,628	421,301	232,808	134,504	1,502	40,271	11,062	1,154

¹For bonds with early repayment offer cash flow is indicated by the offer date (note 21).

(g) Capital management

The Group’s Board of Directors pursues a policy aimed at maintaining high capital levels to keep investor, lender and market confidence and to provide future sustainable business development. The Board of Directors keeps under control the return on invested capital and dividends paid to shareholders. To maintain and adjust the capital structure, the Group may adjust periods of dividend payment to shareholders, revise its investment programme and obtain new or repay existing loans and bonds. There were no changes in the Board’s approach to capital management during the year.

The Group defines capital under management as the amount in “Equity attributable to shareholders of the Company” line item in the consolidated statement of financial position. At 31 December 2025, the Group’s capital under management amounted to RUB 239,618 million (31 December 2024: RUB 164,585 million).

The Group’s management regularly analyses Net Debt / EBITDA ratio calculated by dividing the Group’s total short-term and long-term loans and bonds less cash and cash equivalents by EBITDA (operating profit adjusted for depreciation and amortisation). Some loan agreements cap this ratio at no more than 3.

The Company and its subsidiaries comply with external regulatory requirements for capital including requirements established by law and loan agreements.

26 COMMITMENTS

At 31 December 2025, the Group had contractual commitments for the purchase of property, plant and equipment for RUB 53,311 million (31 December 2024: RUB 48,972 million), including VAT where applicable.

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27 CONTINGENCIES

(a) Litigation

The Group has a number of small claims and litigations relating to regular business activities and small fiscal claims. Management believes that none of these claims, individually or in aggregate, will have a material adverse impact on the Group.

(b) Tax contingencies

Russian tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Russian tax administration continues to develop, including an increased tax audit risks for transactions that lack a clear financial and economic purpose and/or are aimed solely at tax benefit obtaining in the form of reducing tax liabilities or transactions with tax noncompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made.

Russian transfer pricing (TP) legislation provides for the possibility of additional tax liability accrual for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm’s-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the Group’s operations.

As Russian tax legislation often does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

(c) Environmental contingencies

The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered.

The Group is involved in chemical production, which is inherently exposed to significant environmental risks. The Group companies record environmental obligations as they become probable and reliably measurable. The Group companies are parties to different litigations with the Russian environmental authorities. The management believes that based on its interpretations of applicable Russian legislation, official pronouncements and court decisions no provision is required for environmental obligations. However, the interpretations of the relevant authorities could differ from management’s position and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

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28 RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties include entities controlled by the Company’s key shareholders, having significant influence on the Group.

The balances and transactions with related parties are usually unsecured and denominated in RUB.

(a) Transactions with related parties

<i>RUB million</i>	Nature of relationship	2025	2024
Sales of goods and services	Associates	34	28
Purchases of goods and services	Associates	(1,241)	(1,018)
Other expenses, net	Associates	-	(178)
Sales of goods and services	Other related parties	1,115	1,362
Other expenses, net	Other related parties	(746)	(512)
Financial expenses, net	Other related parties	(251)	(404)
Purchases of goods and services	Other related parties	(2)	(4)

In 2025, the Company declared dividends, including RUB 20,353 million (2024: RUB 31,209 million) to the shareholders holding more than 20% of the Company’s shares.

In 2025, the Group received and repaid RUB 22,700 million of unsecured loans at interest rate of 23.00% per annum from a related party (2024: RUB 17,100 million at interest rate of 16.65% per annum).

(b) Balances with related parties

<i>RUB million</i>	Nature of relationship	31 December 2025	31 December 2024
Trade and other receivables	Associates	64	17
Trade and other payables	Associates	(37)	(91)
Trade and other receivables	Other related parties	13	506
Trade and other payables	Other related parties	(314)	(11)

(c) Remuneration of key management personnel and Board of Directors members

Remuneration of key management personnel consists of monthly compensation, annual performance bonus contingent on operating results, termination benefits and social security costs. The remuneration of the Board of Directors and key management personnel recognised as part of administrative and selling expenses amounted to RUB 3,700 million (2024: RUB 3,964 million).

29 SIGNIFICANT SUBSIDIARIES OF THE GROUP

Subsidiary	Country of incorporation	Effective ownership (rounded)	
		31 December 2025	31 December 2024
Apatit, JSC (including Balakovo, Volkhov and Kirovsk branches)	Russia	100%	100%
Mekhanik, LLC	Russia	100%	100%
NIUIF, JSC	Russia	94%	94%
PhosAgro-Region, LLC	Russia	100%	100%
PhosAgro-Voronezh, LLC (previous name until 11.04.2025 - PhosAgro-Belgorod)	Russia	100%	100%
PhosAgro-Don, LLC	Russia	100%	100%
PhosAgro-Kuban, LLC	Russia	100%	100%
PhosAgro-Kursk, LLC	Russia	100%	100%
PhosAgro-Lipetsk, LLC	Russia	100%	100%
PhosAgro-Oryol, LLC	Russia	100%	100%
PhosAgro-Stavropol, LLC	Russia	100%	100%
PhosAgro-Volga, LLC	Russia	100%	100%
PhosAgro-SeveroZapad, LLC	Russia	100%	100%
PhosAgro-Tambov, LLC	Russia	100%	100%
PhosAgro-Sibir, LLC	Russia	100%	100%

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30 SUBSEQUENT EVENTS

At March 31, 2026, the Group increased its retained earnings by the amount of RUB 3,565 million from the disposal of unclaimed dividend liability to shareholders as a result of claim period expiration.

In March 2026, the Company issued CNY 1,500 million in BO-02-05 series bonds on Moscow Stock Exchange with a coupon period 91 days and a fixed coupon rate of 8% per annum, maturity period of 1,183 days.

In April 2026, the Company issued RUB 70,000 million in BO-02-06 series bonds on Moscow Stock Exchange with a fixed coupon rate of 13.75 % per annum and maturity period of 1,110 days.