



**PJSC “PhosAgro”**

**Consolidated Interim Condensed  
Financial Statements  
for the nine months ended  
30 September 2022**

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# Report on Review of Consolidated Interim Condensed Financial Statements

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

## Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of Public Joint Stock Company "PhosAgro" and its subsidiaries (together – the "Group") as at 30 September 2022 and the related consolidated interim condensed statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, changes in equity and cash flows for the nine-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

3 November 2022  
Moscow, Russian Federation



A.Y. Fegetsyn 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 Interim Condensed Statement of Profit or Loss and Other Comprehensive Income  
for the three and nine months ended 30 September 2022*

<i>RUB million</i>	Note	Nine months ended 30 September		Three months ended 30 September	
		2022	2021	2022	2021
Revenues	5	459,423	292,564	122,914	116,303
Cost of Group products sold	6	(201,268)	(148,237)	(57,529)	(55,004)
Cost of products for resale		(12,122)	(7,584)	(4,728)	(2,291)
<b>Gross profit</b>		<b>246,033</b>	<b>136,743</b>	<b>60,657</b>	<b>59,008</b>
Administrative and selling overhead expenses	7	(35,135)	(19,772)	(6,705)	(6,599)
Taxes, other than income tax, net	8	(8,087)	(4,446)	(2,851)	(1,449)
Other expenses, net	9	(2,985)	(2,423)	(1,223)	(902)
Foreign exchange (loss)/gain from operating activities, net	25	(23,039)	(690)	6,735	76
<b>Operating profit</b>		<b>176,787</b>	<b>109,412</b>	<b>56,613</b>	<b>50,134</b>
Finance income	10	3,657	407	1,748	213
Finance costs	10	(10,672)	(3,914)	(1,162)	(1,437)
Foreign exchange gain/(loss) from financing activities, net	25	38,341	2,775	(11,928)	(549)
COVID-19 related expenses		-	(350)	-	(132)
<b>Profit before tax</b>		<b>208,113</b>	<b>108,330</b>	<b>45,271</b>	<b>48,229</b>
Income tax expense	11	(42,612)	(20,490)	(8,818)	(9,041)
<b>Profit/(loss) for the period</b>		<b>165,501</b>	<b>87,840</b>	<b>36,453</b>	<b>39,188</b>
Attributable to:					
Non-controlling interests*		6	(17)	2	(2)
Shareholders of the Parent		165,495	87,857	36,451	39,190
Basic and diluted earnings per share (in RUB)	19	1,278	678	282	303
<b>Other comprehensive (loss)/income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation difference		(2,929)	(453)	-	51
Foreign currency translation difference reclassified to profit or loss upon loss of control over subsidiaries	26	(6,302)	-	-	-
Actuarial losses reclassified to profit or loss upon loss of control over subsidiaries		61	-	-	-
<b>Other comprehensive (loss)/income for the period</b>		<b>(9,170)</b>	<b>(453)</b>	<b>-</b>	<b>51</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>156,331</b>	<b>87,387</b>	<b>36,453</b>	<b>39,239</b>
Attributable to:					
Non-controlling interests*		6	(17)	2	(2)
Shareholders of the Parent		156,325	87,404	36,451	39,241

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

The consolidated interim condensed financial statements were approved on 03 November 2022:

Chief executive officer  
M.K. Rybnikov



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



The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 5 to 21.

**PJSC “PhosAgro”****Consolidated Interim Condensed Statement of Financial Position as at 30 September 2022**

<i>RUB million</i>	<b>Note</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Assets</b>			
Property, plant and equipment	12	258,812	237,444
Advances issued for property, plant and equipment and other non-current assets		12,079	13,237
Other non-current assets	14	6,773	2,058
Deferred tax assets		6,617	9,499
Non-current spare parts		5,327	4,698
Right-of-use assets	13	3,932	6,955
Catalysts		1,970	2,049
Intangible assets		1,769	1,756
Investments in associates		602	569
<b>Non-current assets</b>		<b>297,881</b>	<b>278,265</b>
Cash and cash equivalents	18	106,929	21,710
Trade and other receivables	17	60,855	48,526
Inventories	16	36,683	41,177
Income tax receivable		9,406	540
VAT and other taxes receivable		9,237	15,013
Other financial assets	15	184	216
<b>Current assets</b>		<b>223,294</b>	<b>127,182</b>
<b>Total assets</b>		<b>521,175</b>	<b>405,447</b>
<b>Equity</b>			
Share capital		372	372
Share premium		7,494	7,494
Retained earnings		212,678	148,193
Actuarial losses		(692)	(753)
Foreign currency translation reserve		-	9,231
<b>Equity attributable to shareholders of the Parent</b>		<b>219,852</b>	<b>164,537</b>
Equity attributable to non-controlling interests		112	106
<b>Total equity</b>		<b>219,964</b>	<b>164,643</b>
<b>Liabilities</b>			
Loans and borrowings	20	91,261	157,081
Deferred tax liabilities		24,403	12,937
Lease liabilities	21	1,607	3,459
Defined benefit obligations		765	952
<b>Non-current liabilities</b>		<b>118,036</b>	<b>174,429</b>
Dividends payable		101,012	2
Trade and other payables	22	30,293	41,754
Loans and borrowings	20	46,831	12,710
VAT and other taxes payable		3,798	6,397
Lease liabilities	21	1,145	2,178
Income tax payable		96	3,334
<b>Current liabilities</b>		<b>183,175</b>	<b>66,375</b>
<b>Total equity and liabilities</b>		<b>521,175</b>	<b>405,447</b>

The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 5 to 21.

**PJSC “PhosAgro”****Consolidated Interim Condensed Statement of Cash Flows  
for the nine months ended 30 September 2022**

		Nine months ended 30 September	
<i>RUB million</i>	Note	2022	2021
<b>Cash flows from operating activities</b>			
Operating profit		176,787	109,412
Adjustments for:			
Depreciation and amortisation	6, 7	22,651	20,879
Loss on disposal of property, plant and equipment and other non-current assets	9	260	147
Operating profit before changes in working capital and provisions		199,698	130,438
Increase in inventories, catalysts and non-current spare parts		(9,955)	(2,257)
Decrease/(increase) in trade and other receivables*		27,258	(15,835)
Decrease in trade and other payables*		(15,393)	(718)
Cash flows from operations before income taxes and interest paid		201,608	111,628
Income tax paid		(38,391)	(21,070)
Finance costs paid		(3,820)	(3,164)
<b>Cash flows from operating activities</b>		<b>159,397</b>	<b>87,394</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(41,998)	(31,681)
Cash and cash equivalents disposed as a result of loss of control over subsidiaries	26	(36,729)	-
Loans issued	15	(3,130)	-
Borrowing cost capitalised paid	12	(718)	(906)
Advances issued for right-of-use assets		(419)	-
Finance income received		3,191	51
Proceeds from disposal of financial assets measured at fair value through profit or loss	14	1,778	-
Other		167	94
<b>Cash flows used in investing activities</b>		<b>(77,858)</b>	<b>(32,442)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings, net of transaction costs	20	31,082	53,296
Repayment of borrowings	20	(22,293)	(23,513)
Dividends paid to shareholders of the Parent		-	(22,728)
Lease payments	21	(1,119)	(1,457)
<b>Cash flows from used financing activities</b>		<b>7,670</b>	<b>5,598</b>
<b>Net increase in cash and cash equivalents</b>		<b>89,209</b>	<b>60,550</b>
Cash and cash equivalents at 1 January		21,710	8,460
Effect of exchange rates fluctuations		(3,990)	(1,021)
<b>Cash and cash equivalents at 30 September</b>	<b>18</b>	<b>106,929</b>	<b>67,989</b>

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

The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 5 to 21.

**PJSC “PhosAgro”**
**Consolidated Interim Condensed Statement of Changes in Equity for the nine months ended 30 September 2022**

<i>RUB million</i>	Attributable to shareholders of the Parent					Total	Attributable to non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Actuarial losses	Foreign currency translation reserve			
<b>Balance at 1 January 2021</b>	<b>372</b>	<b>7,494</b>	<b>90,757</b>	<b>(717)</b>	<b>9,581</b>	<b>107,487</b>	<b>129</b>	<b>107,616</b>
<b>Total comprehensive income/(loss)</b>								
Profit/(loss) for the period	-	-	87,857	-	-	<b>87,857</b>	(17)	<b>87,840</b>
Foreign currency translation difference	-	-	-	-	(453)	<b>(453)</b>	-	<b>(453)</b>
<b>Transactions with owners recognised directly in equity</b>								
Dividends to the Company's shareholders	-	-	(41,958)	-	-	<b>(41,958)</b>	-	<b>(41,958)</b>
<b>Balance at 30 September 2021</b>	<b>372</b>	<b>7,494</b>	<b>136,656</b>	<b>(717)</b>	<b>9,128</b>	<b>152,933</b>	<b>112</b>	<b>153,045</b>
<b>Balance at 1 January 2022</b>	<b>372</b>	<b>7,494</b>	<b>148,193</b>	<b>(753)</b>	<b>9,231</b>	<b>164,537</b>	<b>106</b>	<b>164,643</b>
<b>Total comprehensive income/(loss)</b>								
Profit for the period	-	-	165,495	-	-	<b>165,495</b>	6	<b>165,501</b>
Foreign currency translation difference	-	-	-	-	(2,929)	<b>(2,929)</b>	-	<b>(2,929)</b>
Foreign currency translation difference reclassified to profit or loss upon loss of control over subsidiaries, note 26	-	-	-	-	(6,302)	<b>(6,302)</b>	-	<b>(6,302)</b>
Actuarial losses reclassified to profit or loss upon loss of control over subsidiaries	-	-	-	61	-	<b>61</b>	-	<b>61</b>
<b>Transactions with owners recognised directly in equity</b>								
Dividends to the Company's shareholders	-	-	(101,010)	-	-	<b>(101,010)</b>	-	<b>(101,010)</b>
<b>Balance at 30 September 2022</b>	<b>372</b>	<b>7,494</b>	<b>212,678</b>	<b>(692)</b>	<b>-</b>	<b>219,852</b>	<b>112</b>	<b>219,964</b>

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 5 to 21.

## **1 BACKGROUND**

### **(a) Organisation and operations**

PJSC “PhosAgro” (the “Company” or the “Parent”) is a public joint stock company registered in accordance with the Civil Code of the Russian Federation. 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 apatite concentrate 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.

As at 30 September 2022, the Company’s key shareholders are two entities registered in Russia – ILLC Chlodwig Enterprises holding approximately 20.3% of the Company’s ordinary shares and ILLC Adorabella holding approximately 23.3% of the Company’s ordinary shares, and T. P. Litvinenko holding approximately 21% of the Company’s ordinary shares. The Parent does not have the ultimate controlling party in accordance with the definitions 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. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

In 2022 ongoing political tensions intensified as a result of situation with Ukraine, which negatively affected commodity and financial markets and increased volatility, especially in exchange rates. On 24 February 2022 Brent oil prices increased to over USD 100 per barrel, foreign currency exchange rates reached RUB 90.88 per 1 EUR and RUB 80.42 per 1 USD. On 11 March 2022, RUB depreciation reached its maximum level and foreign currency exchange rates were RUB 132.96 per 1 EUR and RUB 120.38 per 1 USD. Subsequently, these exchange rates strengthened, although they remained volatile during the reporting period. It is not possible to determine how long this increased volatility will last or when the above indicators will revert to previous levels.

A number of sanctions have been introduced to restrict Russian entities from having access to European and USA financial markets. Sanctions included access termination to SWIFT international system for several Russian banks which could potentially impact the Group’s ability to transfer or receive funds. As a result of restrictions, there is a risk that USD-denominated coupon payments will not reach the final debt securities holders through foreign paying agents. In October 2022 the Group received approval from Eurobond holders to change debt securities repayment mechanism. These changes are mainly aimed at reducing repayment risks and in providing that payments can be made both through the main paying agent and directly to noteholders. In March 2022, Andrey A. Guryev was included in the European Union sanctions list, followed by his resignation from the Company’s CEO role and his post on the Board of Directors. 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.

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**

The consolidated interim condensed financial statements of the Group have been prepared in accordance with IAS 34, *Interim Financial Reporting*.

The Group additionally prepared consolidated interim condensed financial statements in the Russian language in accordance with the Federal Law No. 208-FZ, *On consolidated financial reporting*.

These consolidated interim condensed financial statements do not contain all the information required for presentation in a complete set of IFRS financial statements and therefore should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2021.

**(b) Significant accounting policies**

The accounting policies followed in the preparation of these consolidated interim condensed financial statements are consistent with those applied in the annual consolidated financial statements as at and for the year ended 31 December 2021.

**(c) New and amended standards adopted by the Group**

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

**(d) Functional currency**

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the functional currency of the Parent and its subsidiaries. In March 2022, the Group lost control over its 100% subsidiary Phosint Limited owning all the foreign companies of the Group (note 26). Until the disposal, the Group included foreign trading subsidiaries with the functional currency USD, EUR and other currencies.

**(e) Presentation currency**

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

The translation from USD and EUR into RUB, where applicable, was performed as follows:

Assets and liabilities in USD and EUR as at 30 September 2022 and 31 December 2021 were translated at the following closing exchange rates:

<b>Closing exchange rate</b>	<b>RUB to USD 1</b>	<b>RUB to EUR 1</b>
30 September 2022	57.4130	55.4064
31 December 2021	74.2926	84.0695

Profit and loss items for the nine months ended 30 September 2022 and 30 September 2021 were translated at the average exchange rate for the appropriate month:

<b>Average exchange rate for the month</b>	<b>2022</b>		<b>2021</b>	
	<b>RUB to USD 1</b>	<b>RUB to EUR 1</b>	<b>RUB to USD 1</b>	<b>RUB to EUR 1</b>
January	75.8837	85.9393	74.2291	90.5062
February	77.4048	87.7638	74.3842	89.9403
March	104.0810	114.7127	74.4151	88.6904
April	77.9146	84.5887	76.0977	90.8178
May	64.7770	67.6263	74.0438	89.8856
June	57.2694	60.1826	72.5106	87.4537
July	58.1515	59.1097	73.9194	87.3794
August	60.3522	61.0268	73.5942	86.6334
September	59.8006	59.2883	72.8914	85.9412

Equity items arising during the year are recognised at the exchange rate ruling at the date of transaction. The resulting foreign exchange difference is recognised in other comprehensive income.

### **3 DETERMINATION OF FAIR VALUES**

When measuring the 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 in 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 for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the 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 values of financial assets and liabilities presented by loans issued, trade and other receivables, cash and cash equivalents, trade and other payables approximate their carrying amounts as at the reporting date.

The fair values of eurobonds are determined for disclosure purposes based on quoted market prices and included in level 1 of the fair value hierarchy. The fair values of loans and borrowings are categorised as Level 3 of the fair value hierarchy. The fair values are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### **(b) Financial instruments measured at fair value**

The fair value of financial assets measured at fair value through profit or loss is determined using valuation techniques and categorised as Level 3 of the fair value hierarchy.

### **4 SEGMENT INFORMATION**

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM has been identified as the Group's top management.

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

*Phosphate-based products segment* includes mainly production and distribution of ammophos, diammonium phosphate, sodium tripolyphosphate and other phosphate-based and complex (NPK) fertilisers on the factories located in Cherepovets, Balakovo and Volkhov, and production and distribution of apatite concentrate extracted from the apatite-nepheline ore, which is mined and processed in Kirovsk;

*Nitrogen-based products segment* includes mainly production and distribution of ammonia, ammonium nitrate and urea on the factory located in Cherepovets.

**4 SEGMENT INFORMATION (CONTINUED)**

Certain revenue and expenses are not allocated to any particular segment and are, therefore, included in the “other operations” column. None of these operations meet any of the quantitative thresholds for determining reportable segments.

The CODM assesses the performance of the reportable segments based on, among other factors, a measure of EBITDA (operating profit adjusted by depreciation and amortization). Since the EBITDA term is not a standard IFRS measure, its definition may differ from that of other companies.

Information regarding the results of each reportable segment is included below.

Segment information for the nine months ended 30 September 2022 is as follows:

<i>RUB million</i>	<b>Phosphate-based products</b>	<b>Nitrogen-based products</b>	<b>Other operations</b>	<b>Total</b>
<i>Segment revenue and profitability</i>				
Segment external revenue	370,172	74,901	14,350	<b>459,423</b>
Cost of Group products sold	(177,472)	(22,624)	(1,172)	<b>(201,268)</b>
Cost of products for resale	-	-	(12,122)	<b>(12,122)</b>
<b>Gross segment profit</b>	<b>192,700</b>	<b>52,277</b>	<b>1,056</b>	<b>246,033</b>
Administrative and selling overhead expenses	(29,023)	(5,716)	(396)	<b>(35,135)</b>
Taxes, other than income tax, net	(7,888)	(191)	(8)	<b>(8,087)</b>
Other expenses, net	(2,627)	(355)	(3)	<b>(2,985)</b>
Foreign exchange loss from operating activities, net	(18,695)	(4,316)	(28)	<b>(23,039)</b>
<b>Operating profit</b>	<b>134,467</b>	<b>41,699</b>	<b>621</b>	<b>176,787</b>
<i>Certain items of profit and loss</i>				
Depreciation and amortisation	(18,150)	(4,092)	(409)	<b>(22,651)</b>
<b>EBITDA</b>	<b>152,617</b>	<b>45,791</b>	<b>1,030</b>	<b>199,438</b>
Finance income	2,890	655	112	<b>3,657</b>
Finance costs	(8,500)	(2,042)	(130)	<b>(10,672)</b>
Foreign exchange gain from financing activities, net	32,014	6,327	-	<b>38,341</b>
<b>Profit before tax</b>	<b>160,871</b>	<b>46,639</b>	<b>603</b>	<b>208,113</b>

**PJSC “PhosAgro”**

Notes to the Consolidated Interim Condensed Financial Statements  
for the nine months ended 30 September 2022

**4 SEGMENT INFORMATION (CONTINUED)**

Segment information for the nine months ended 30 September 2021 is as follows:

<i>RUB million</i>	Phosphate-based products	Nitrogen-based products	Other operations	Total
<i>Segment revenue and profitability</i>				
Segment external revenue	234,723	48,326	9,515	<b>292,564</b>
Cost of Group products sold	(124,915)	(22,160)	(1,162)	<b>(148,237)</b>
Cost of products for resale	-	-	(7,584)	<b>(7,584)</b>
<b>Gross segment profit</b>	<b>109,808</b>	<b>26,166</b>	<b>769</b>	<b>136,743</b>
Administrative and selling overhead expenses	(16,315)	(3,147)	(310)	<b>(19,772)</b>
Taxes, other than income tax, net	(4,266)	(174)	(6)	<b>(4,446)</b>
Other expenses, net	(1,998)	(415)	(10)	<b>(2,423)</b>
Foreign exchange loss from operating activities, net	(517)	(158)	(15)	<b>(690)</b>
<b>Operating profit</b>	<b>86,712</b>	<b>22,272</b>	<b>428</b>	<b>109,412</b>
<i>Certain items of profit and loss</i>				
Amortisation and depreciation	(16,597)	(3,892)	(390)	<b>(20,879)</b>
<b>EBITDA</b>	<b>103,309</b>	<b>26,164</b>	<b>818</b>	<b>130,291</b>
Finance income	312	69	26	<b>407</b>
Finance costs	(3,233)	(672)	(9)	<b>(3,914)</b>
Foreign exchange gain from financing activities, net	2,431	344	-	<b>2,775</b>
COVID-19 related expenses	(306)	(41)	(3)	<b>(350)</b>
<b>Profit before tax</b>	<b>85,916</b>	<b>21,972</b>	<b>442</b>	<b>108,330</b>

**5 REVENUES**

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Phosphate-based products, inc.:	370,172	234,723	100,588	97,429
<i>Sales of chemical fertilisers</i>	335,141	208,389	87,446	88,319
<i>Sales of phosphate rock</i>	25,375	18,193	10,694	6,412
<i>Sales of other phosphate-based products and services</i>	8,480	7,122	2,015	2,356
<i>Sales of nepheline concentrate</i>	1,176	1,019	433	342
Nitrogen-based products	74,901	48,326	16,803	15,884
Other	14,350	9,515	5,523	2,990
	<b>459,423</b>	<b>292,564</b>	<b>122,914</b>	<b>116,303</b>

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**6 COST OF GROUP PRODUCTS SOLD**

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
<b>Production expense for Group goods sold</b>	<b>(175,275)</b>	<b>(118,006)</b>	<b>(53,146)</b>	<b>(44,916)</b>
Sulphur and sulphuric acid	(36,038)	(12,004)	(11,876)	(5,942)
Potash	(21,582)	(11,284)	(7,501)	(4,985)
Materials and services	(20,668)	(17,099)	(6,815)	(6,258)
Depreciation	(20,573)	(18,771)	(6,635)	(6,433)
Ammonia	(16,533)	(9,433)	(1,975)	(4,554)
Salaries and social contributions	(14,594)	(11,562)	(4,876)	(4,003)
Natural gas	(10,828)	(9,671)	(3,208)	(2,795)
Transportation of phosphate rock	(8,603)	(6,659)	(2,982)	(2,422)
Repair and maintenance expenses	(8,243)	(8,609)	(2,803)	(2,972)
Electricity	(5,246)	(4,924)	(1,593)	(1,713)
Fuel	(5,015)	(4,092)	(1,314)	(1,369)
Ammonium sulphate	(4,942)	(1,118)	(801)	(497)
Drilling and blasting operations expenses	(2,410)	(2,780)	(767)	(973)
<b>Logistics expenses for Group goods sold</b>	<b>(25,993)</b>	<b>(30,231)</b>	<b>(4,383)</b>	<b>(10,088)</b>
Freight, port and stevedoring expenses	(14,524)	(19,286)	(1,444)	(6,469)
Russian Railways infrastructure tariff and operators' fees	(9,532)	(8,329)	(2,839)	(2,730)
Customs duties	(1,420)	(1,654)	-	(516)
Other services and materials	(517)	(962)	(100)	(373)
	<b>(201,268)</b>	<b>(148,237)</b>	<b>(57,529)</b>	<b>(55,004)</b>

**7 ADMINISTRATIVE AND SELLING OVERHEAD EXPENSES**

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
<b>Administrative overhead expenses:</b>	<b>(31,212)</b>	<b>(14,946)</b>	<b>(5,656)</b>	<b>(5,057)</b>
Salaries and social contributions	(25,269)	(9,722)	(3,684)	(3,280)
Professional services	(1,600)	(1,279)	(496)	(441)
Depreciation and amortisation	(1,107)	(1,022)	(362)	(330)
Security and fire safety services	(884)	(777)	(305)	(271)
Other	(2,352)	(2,146)	(809)	(735)
<b>Selling overhead expenses:</b>	<b>(3,923)</b>	<b>(4,826)</b>	<b>(1,049)</b>	<b>(1,542)</b>
Salaries and social contributions	(2,260)	(2,890)	(547)	(980)
Depreciation and amortisation	(971)	(1,086)	(280)	(300)
Materials and services	(692)	(850)	(222)	(262)
	<b>(35,135)</b>	<b>(19,772)</b>	<b>(6,705)</b>	<b>(6,599)</b>

**8 TAXES, OTHER THAN INCOME TAX, NET**

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Mineral extraction tax	(6,254)	(2,725)	(2,233)	(879)
Property tax	(1,326)	(1,269)	(449)	(417)
Land tax	(169)	(166)	(56)	(57)
Environment pollution payment	(140)	(145)	(45)	(51)
VAT included in expenses	(104)	(71)	(32)	(21)
Using water objects payment	(43)	(40)	(15)	(14)
Other taxes	(51)	(30)	(21)	(10)
	<b>(8,087)</b>	<b>(4,446)</b>	<b>(2,851)</b>	<b>(1,449)</b>

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**9 OTHER EXPENSES, NET**

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Social expenditures	(3,236)	(2,256)	(1,272)	(1,050)
(Loss)/Income on disposal of property, plant and equipment and other non-current assets	(260)	(147)	(39)	41
Decrease/(increase) in provision for inventory obsolescence	117	(351)	15	19
Gain on disposal of inventories	268	284	123	140
(Accrual)/reversal of contingent liabilities	(99)	19	(67)	15
Increase in provision for bad debt and expected credit losses allowance	(56)	(64)	(13)	(2)
Other income/(loss), net	281	92	30	(65)
	<b>(2,985)</b>	<b>(2,423)</b>	<b>(1,223)</b>	<b>(902)</b>

**10 FINANCE INCOME AND FINANCE COSTS**

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Interest income	3,207	335	1,574	197
Unwinding of discount (note 26)	347	-	164	-
Other finance income	103	72	10	16
<b>Finance income</b>	<b>3,657</b>	<b>407</b>	<b>1,748</b>	<b>213</b>
Provision for impairment of loans issued (note 15)	(4,124)	-	-	-
Discount on extension of payment terms (note 26)	(2,777)	-	-	-
Interest expense on borrowings	(3,112)	(2,862)	(1,009)	(961)
Interest expense on lease liabilities	(197)	(311)	(50)	(94)
Bank fees	(184)	(136)	(64)	(59)
Loss from revaluation of financial instruments	(55)	-	-	-
Securitisation fees	(47)	(101)	-	(27)
Interest expense on defined benefit obligations	(42)	(41)	(13)	(13)
Increase in provision for bad debts for financial investments	(14)	(94)	(3)	(35)
Other finance costs	(120)	(369)	(23)	(248)
<b>Finance costs</b>	<b>(10,672)</b>	<b>(3,914)</b>	<b>(1,162)</b>	<b>(1,437)</b>

**11 INCOME TAX EXPENSE**

The Company's applicable corporate income tax rate is 20% (nine months ended 30 September 2021: 20%).

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Current tax expense	(28,624)	(21,138)	(3,650)	(8,876)
Deferred income tax - origination and reversal of temporary differences, including change in unrecognised assets	(13,988)	648	(5,168)	(165)
<b>Income tax expense</b>	<b>(42,612)</b>	<b>(20,490)</b>	<b>(8,818)</b>	<b>(9,041)</b>

**11 INCOME TAX EXPENSE (CONTINUED)**

Reconciliation of income tax:

<i>RUB million</i>	Nine months ended 30 September	
	2022	2021
Profit before tax	208,113	108,330
Income tax at applicable tax rate	(41,623)	(21,666)
Tax effect on receivables recognised from disposal of Phosint Group (note 14)	(1,616)	-
Tax effect on foreign exchange differences on receivables recognised from disposal of Phosint Group (note 14)	(624)	-
Tax effect on provision for loans issued	(517)	-
Tax effect of items which are not deductible or assessable for taxation purposes	(702)	(613)
Effect of reduction in tax rate	2,352	1,451
Effect of tax rates in foreign jurisdictions	118	308
Change in tax incentive	-	30
<b>Income tax expense</b>	<b>(42,612)</b>	<b>(20,490)</b>

**12 PROPERTY, PLANT AND EQUIPMENT**

<i>RUB million</i>	Land and buildings	Plant and equipment	Fixtures and fittings	Construction in progress	Total
<b>Net book value at 1 January 2021</b>	<b>79,150</b>	<b>95,677</b>	<b>6,604</b>	<b>38,600</b>	<b>220,031</b>
Additions	1,224	2,915	1,591	23,388	29,118
Transfers to right-of-use assets (note 13)	-	(12)	-	-	(12)
Transfers	7,008	11,776	-	(18,784)	-
Disposals	(165)	(68)	(2)	(75)	(310)
Depreciation	(4,794)	(13,141)	(1,377)	-	(19,312)
Effect of foreign currency translation reserve	(32)	(27)	(1)	-	(60)
<b>Net book value at 30 September 2021</b>	<b>82,391</b>	<b>97,120</b>	<b>6,815</b>	<b>43,129</b>	<b>229,455</b>
<b>Net book value at 1 January 2022</b>	<b>85,791</b>	<b>100,390</b>	<b>7,769</b>	<b>43,494</b>	<b>237,444</b>
Additions	1,896	10,023	1,888	31,417	45,224
Transfers	11,593	14,676	-	(26,269)	-
Disposals	(84)	(198)	(54)	(160)	(496)
Disposal of subsidiaries (note 26)	(772)	(1,650)	(16)	-	(2,438)
Depreciation	(5,383)	(14,319)	(1,468)	-	(21,170)
Effect of foreign currency translation reserve	49	197	2	-	248
<b>Net book value at 30 September 2022</b>	<b>93,090</b>	<b>109,119</b>	<b>8,121</b>	<b>48,482</b>	<b>258,812</b>

During the nine months ended 30 September 2022, the Group capitalised borrowing costs in the amount of RUB 718 million (906 million during the nine months ended 30 September 2021) using the weighted average interest rate of 2.73% per year (3.12% per year during the nine months ended 30 September 2021).

As at 30 September 2022, the most significant construction in progress balances were represented by the following investment projects:

- Kirovsk mine extension and modernization. The Group capitalised expenses of RUB 14,273 million (as at 31 December 2021: RUB 14,045 million);
- MAP facilities construction in Volkhov. The Group capitalised expenses of RUB 11,346 million (as at 31 December 2021: RUB 13,362 million);
- Granulated ammonium sulphate facilities construction in Balakovo. The Group capitalised expenses of RUB 2,742 million (as at 31 December 2021: RUB 1,862 million);



## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- Ammonia production facilities support and modernization in Cherepovets. The Group capitalised expenses of RUB 1,877 million (as at 31 December 2021: RUB 1,077 million).

## 13 RIGHT-OF-USE ASSETS

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

<i>RUB million</i>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
<b>Net book value at 1 January 2021</b>	<b>185</b>	<b>7,150</b>	<b>7,335</b>
New lease contracts and modification on existing lease contracts	209	164	373
Transfers from property, plant and equipment (note 12)	-	12	12
Depreciation	(83)	(1,240)	(1,323)
Disposals	(11)	(6)	(17)
Effect of foreign currency translation reserve	(9)	(2)	(11)
<b>Net book value at 30 September 2021</b>	<b>291</b>	<b>6,078</b>	<b>6,369</b>
<b>Net book value at 1 January 2022</b>	<b>452</b>	<b>6,503</b>	<b>6,955</b>
Disposal of subsidiaries (note 26)	(246)	(18)	(264)
New lease contracts and modification on existing lease contracts	45	(1,712)	(1,667)
Depreciation	(65)	(909)	(974)
Disposals	(15)	(132)	(147)
Effect of foreign currency translation reserve	27	2	29
<b>Net book value at 30 September 2022</b>	<b>198</b>	<b>3,734</b>	<b>3,932</b>

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

<i>RUB million</i>	<b>Nine months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
Depreciation expense on right-of-use assets	974	1,323
Interest expense on lease liabilities	197	311

## 14 OTHER NON-CURRENT ASSETS

<i>RUB million.</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Receivable accrued as a result of Phosint Group disposal	6,637	-
Provision for receivable accrued as a result of Phosint Group disposal	(66)	-
Receivable accrued as a result of Phosint Group disposal, net	6,571	-
Long-term accounts receivable	63	677
Provision for long-term accounts receivable	-	(589)
Long-term accounts receivable, net	63	88
Loans issued to third parties, at amortised cost	39	637
Provision for loans issued to third parties	-	(561)
Loans issued to third parties, at amortised cost, net	39	76
Loans issued to employees, at amortised cost	88	104
Financial assets, at fair value through profit or loss	12	1,790
<b>Total other non-current assets</b>	<b>6,773</b>	<b>2,058</b>



**14 OTHER NON-CURRENT ASSETS (CONTINUED)**

As at 31 December 2021, financial assets measured at fair value through profit or loss include 9.27% share in a related party JSC “AgroGuard-Finance”. In March 2022, JSC “AgroGuard-Finance” redeemed its shares held by the Group for RUB 1,778 million. During the nine months ended 30 September 2022, the Group recognised a gain of RUB 1 million on disposal of investment in JSC “AgroGuard-Finance” as part of other expenses, net.

The following information shows the movements of the Group’s receivables recognised as a result of Phosint Group disposal during the reporting period:

<i>RUB million</i>	<b>2022</b>	<b>2021</b>
<b>Balance at 1 January</b>	-	-
Receivable accrued (note 26)	12,189	-
Discount on extension of payment terms (note 26, 10)	(2,777)	-
Unwind of discount (note 10)	347	-
Foreign currency translation difference	(3,122)	-
<b>Balance at 30 September</b>	<b>6,637</b>	-

During the reporting period the Group recognised deferred tax liabilities of RUB 1,616 million on receivables accrued as a result of Phosint Group disposal. Tax effect on foreign exchange loss from receivables revaluation was RUB 624 million.

**15 OTHER FINANCIAL ASSETS**

<i>RUB million</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Loans issued to employees, at amortised cost	97	104
Interest receivable	56	140
Loans issued to third parties, at amortised cost	51	60
Loans issued to related parties, at amortised cost	-	25
Provision for doubtful accounts	(20)	(113)
<b>Total other financial assets</b>	<b>184</b>	<b>216</b>

In February 2022, the Group provided cash of RUB 3,130 million (USD 40 million) to the investment broker at 0.25% and received securities as a collateral for the funds deposited (reverse repo transaction). As a result of negative economical situation, significant market disruptions to broker cross-border operations led to his liquidity problems and inability to repurchase securities back from the Group. As a result, the Group loan issued under this transaction was fully impaired and loss of RUB 4,124 million was recognised as a part of finance costs.

The movements in provision for doubtful accounts and expected credit losses allowance are as follows:

<i>RUB million</i>	<b>2022</b>	<b>2021</b>
<b>Balance at 1 January</b>	<b>(113)</b>	<b>(37)</b>
Increase in provision for doubtful accounts and expected credit losses allowance	(4,135)	(31)
Disposal of subsidiaries	4,235	-
Effect of foreign currency translation reserve	(11)	2
Use of allowance	6	-
<b>Balance at 30 September</b>	<b>(18)</b>	<b>(66)</b>

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**16 INVENTORIES**

<i>RUB million</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Raw materials and spare parts	15,791	11,652
<i>Finished goods:</i>		
Chemical fertilisers	10,121	22,110
Apatite concentrate	498	607
Other products	1,165	291
<i>Work-in-progress:</i>		
Chemical fertilisers and other products	5,443	5,258
Chemical fertilisers and other products for resale, purchased from third parties	3,644	1,662
Other goods	126	197
Provision for obsolescence	(105)	(600)
<b>Total inventories</b>	<b>36,683</b>	<b>41,177</b>

**17 TRADE AND OTHER RECEIVABLES**

<i>RUB million</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Financial assets</b>		
Trade accounts receivable	51,875	33,013
Other receivables	183	822
Provision for doubtful accounts and expected credit losses allowance	(42)	(339)
<b>Non-financial assets</b>		
Advances issued	8,669	14,819
Deferred expenses	138	199
Receivables from employees	40	28
Provision for doubtful accounts and expected credit losses allowance	(8)	(16)
<b>Total trade and other receivables</b>	<b>60,855</b>	<b>48,526</b>

The movements in bad debt and expected credit losses allowance are as follows:

<i>RUB million</i>	<b>2022</b>	<b>2021</b>
<b>Balance at 1 January</b>	<b>(355)</b>	<b>(369)</b>
Use of allowance	201	118
Disposal of subsidiaries	125	-
Reversal of allowance	4	8
Increase in provision for doubtful accounts and expected credit losses allowance	(5)	(68)
Effect of foreign currency translation reserve	(20)	1
<b>Balance at 30 September</b>	<b>(50)</b>	<b>(310)</b>

The Group sells trade receivables to a bank without recourse. The arrangement with the bank assumes that the customers remit cash directly to the Group and the Group transfers the collected amounts to the bank.

As at 31 December 2021, payables to the bank amounted to RUB 3,229 million and presented within other payables, receivables from the bank amounted to RUB 854 million and presented within trade receivables. As a result of loss of control over its foreign subsidiaries (note 26), the Group has no securitization arrangement and related payables and receivables balances as at 30 September 2022.

**17 TRADE AND OTHER RECEIVABLES (CONTINUED)**

The following information shows the movements in the Group's assets and liabilities under the securitisation arrangement for the reporting period:

<i>RUB million</i>	Nine months ended 30 September	
	2022	2021
Trade receivables transferred to the bank	9,717	16,534
Net-off with other payables	9,471	11,017
Associated cash inflow	246	5,517
Associated cash outflow	(3,180)	(3,566)
Other non-cash turnovers	(137)	150

**18 CASH AND CASH EQUIVALENTS**

<i>RUB million</i>	30 September 2022	31 December 2021
Cash in bank	61,811	13,298
Call deposits	45,112	8,405
Petty cash	6	7
<b>Total cash and cash equivalents</b>	<b>106,929</b>	<b>21,710</b>

**19 EARNINGS PER SHARE**

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

<i>RUB million</i>	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Weighted average number of ordinary shares in issue	129,500,000	129,500,000	129,500,000	129,500,000
Profit for the period attributable to shareholders of the Parent, RUB million	165,495	87,857	36,451	39,190
Basic and diluted earnings per share, RUB	1,278	678	282	303

**20 LOANS AND BORROWINGS**

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the leases, see note 21.

<i>RUB million</i>	30 September 2022	31 December 2021
<b>Current loans and borrowings</b>		
Eurobonds	28,707	-
Unsecured bank loans	16,955	11,492
Interest payable	1,169	1,220
Bank commission (short-term)	-	(2)
<b>Total current loans and borrowings</b>	<b>46,831</b>	<b>12,710</b>
<b>Non-current loans and borrowings</b>		
Eurobonds	57,413	111,439
Unsecured bank loans	34,088	45,957
Bank commission (long-term)	(240)	(315)
<b>Total non-current loans and borrowings</b>	<b>91,261</b>	<b>157,081</b>
<b>Total loans and borrowings</b>	<b>138,092</b>	<b>169,791</b>

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**20 LOANS AND BORROWINGS (CONTINUED)**

In January 2018 the Company's SPV issued a USD 500 million 5,25-year Eurobond with a coupon rate of 3.949%, which is listed on the Irish Stock Exchange, with the fair value at the reporting date of RUB 17,568 million (31 December 2021: RUB 37,940 million).

In January 2020 the Company's SPV issued a USD 500 million 5-year Eurobond with a coupon rate of 3.05%, which is listed on the Irish Stock Exchange, with the fair value at the reporting date of RUB 16,305million (31 December 2021: RUB 37,726 million).

In September 2021, the Company's SPV issued a USD 500 million 7-year Eurobond with a coupon rate of 2.6%, which is listed on the Irish Stock Exchange, with the fair value at the reporting date of RUB 15,329 million (31 December 2021: RUB 36,140 million).

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

<i>RUB million</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
USD-denominated	112,310	154,288
RUB-denominated	16,697	3,096
EUR-denominated	9,085	12,407
<b>Total</b>	<b>138,092</b>	<b>169,791</b>

The maturity of the loans and borrowings is as follows:

<i>RUB million</i>	<b>30 September 2022</b>	<b>31 December 2021</b>
Less than 1 year	46,831	12,712
1-2 years	19,333	48,760
2-3 years	31,643	16,879
3-4 years	8,678	41,037
4-5 years	2,937	11,320
More than 5 years	28,910	39,400
Bank commission	(240)	(317)
<b>Total</b>	<b>138,092</b>	<b>169,791</b>

Reconciliation of loans and borrowings balances:

<i>RUB million</i>	<b>Nine months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
<b>Balance as at 1 January</b>	<b>169,791</b>	<b>159,140</b>
Foreign exchange loss	(40,344)	(3,109)
Cash inflows	31,082	53,296
Cash outflows	(22,293)	(23,513)
Interest accrued	3,112	2,862
Interest paid	(3,315)	(2,340)
Amortisation of bank commission	59	61
Other turnovers	-	(210)
<b>Balance as at 30 September</b>	<b>138,092</b>	<b>186,187</b>

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**21 LEASES**

<i>RUB million</i>	Lease liability without subsequent asset buyout	Lease liability with subsequent asset buyout	Total
<b>Balance as at 1 January 2021</b>	<b>3,622</b>	<b>2,573</b>	<b>6,195</b>
New lease contracts and modification of existing lease contracts	476	(114)	<b>362</b>
Interest expense on lease liabilities	177	134	<b>311</b>
Principal lease payments	(1,006)	(451)	<b>(1,457)</b>
Interest lease payments	(177)	(134)	<b>(311)</b>
Effect of foreign currency translation reserve	(12)	(1)	<b>(13)</b>
<b>Balance as at 30 September 2021</b>	<b>3,080</b>	<b>2,007</b>	<b>5,087</b>
<b>Balance as at 1 January 2022</b>	<b>3,148</b>	<b>2,489</b>	<b>5,637</b>
New lease contracts and modification of existing lease contracts	(1,429)	64	<b>(1,365)</b>
Disposal of subsidiaries (note 26)	(290)	-	<b>(290)</b>
Interest expense on lease liabilities	91	106	<b>197</b>
Principal lease payments	(625)	(494)	<b>(1,119)</b>
Interest lease payments	(91)	(106)	<b>(197)</b>
Effect of foreign currency translation reserve	33	(144)	<b>(111)</b>
<b>Balance as at 30 September 2022</b>	<b>837</b>	<b>1,915</b>	<b>2,752</b>

**22 TRADE AND OTHER PAYABLES**

<i>RUB million</i>	30 September 2022	31 December 2021
Trade accounts payable	13,469	16,643
including accounts payable for property, plant and equipment and intangible assets	5,656	5,676
Advances received (contract liabilities)	11,890	16,379
Payables to employees	4,464	5,094
Accruals and provisions	308	209
Other payables	162	3,429
<b>Total trade and other payables</b>	<b>30,293</b>	<b>41,754</b>

**23 COMMITMENTS**

As at 30 September 2022, the Group had contractual commitments for the purchase of property, plant and equipment for RUB 28,349 million (31 December 2021: RUB 29,458 million), including VAT where applicable.

**24 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.

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

**24 RELATED PARTY TRANSACTIONS (CONTINUED)****a) Transactions with related parties**

RUB million	Nature of relationship	Nine months ended 30 September	
		2022	2021
Sales of goods and services	Associates	20	18
Purchases of goods and services	Associates	(555)	(426)
Sales of goods and services	Other related parties	1,037	743
Other income/(expenses), net	Other related parties	(55)	(34)
Purchases of goods and services	Other related parties	(171)	(159)

**b) Balances with related parties**

RUB million	Nature of relationship	30 September 2022	31 December 2021
Trade and other receivables	Associates	10	20
Trade and other payables	Associates	(24)	(17)
Trade and other receivables	Other related parties	7	8
Trade and other payables	Other related parties	(69)	(349)
Short-term loans issued, at amortised cost	Other related parties	-	25

**c) Financial guarantees**

The Group issued no financial guarantees to the bank to secure associates' bank loans in the period from January to September 2022 (31 December 2021: RUB 75 million).

**d) Key management personnel remuneration**

Remuneration of key management personnel consists of monthly compensation, annual performance bonus contingent on operating results, termination payments and contributions to the Russian state pension and social funds. The remuneration of the Board of Directors and key management personnel recognised as part of administrative and selling overhead expenses amounted to RUB 16,386 million (nine months ended 30 September 2021: RUB 3,022 million).

**25 FOREIGN CURRENCY RISK**

The Group's net monetary position on balances denominated in foreign currencies other than the respective functional currencies is as follows:

RUB million	30 September 2022	31 December 2021
Group companies in Russia:		
USD-denominated net liabilities	(50,164)	(154,993)
EUR-denominated net liabilities	(9,109)	(13,428)
	<b>(59,273)</b>	<b>(168,421)</b>
Foreign Group companies:		
USD-denominated net assets	-	2,694
EUR-denominated net assets	-	2,776
	<b>-</b>	<b>5,470</b>
Total:		
USD-denominated net liabilities	(50,164)	(152,299)
EUR-denominated net liabilities	(9,109)	(10,652)
	<b>(59,273)</b>	<b>(162,951)</b>

The foreign exchange gain recognised in profit or loss of RUB 15,302 million (RUB 2,085 million for the comparative period) resulted from Russian rouble appreciation against major currencies during the reporting period.

As at 31 December 2021, the net assets of the Group's foreign subsidiaries denominated in USD, EUR and other currencies amounted to RUB 19,842 million. As at 30 September 2022, the Group has no foreign subsidiaries (note 26).

**26 LOSS OF CONTROL OVER SUBSIDIARIES**

In March 2022, the Group lost control over its wholly owned subsidiary Phosint Limited owning all the foreign companies of the Group. Phosint Limited increased its share capital which was subscribed by Negrinio Limited, a third party company established by the management of Group's trading subsidiaries, resulting in dilution of the Group's stake in Phosint Limited to 5%.

Upon the loss of control, the Group derecognised the assets and liabilities of the subsidiaries and reclassified to profit or loss the cumulative amount of the exchange differences relating to the foreign subsidiaries of RUB 6,302 million, previously recognised in other comprehensive income and accumulated in the separate component of equity. According to the subscription agreement, all undistributed earnings of Phosint Limited and its subsidiaries (“Phosint Group”) accumulated prior to the date of loss of control will be paid solely to the Group as part of dividends distribution. As a result, a receivable of RUB 12,189 million was accrued by the Group at the date of loss of control over Phosint Group. Subsequently, the payment terms for the recognised accounts receivable were extended to three years. The Group recognised accounts receivable at present value using a discount rate of 9% per annum and accrued finance costs of RUB 2,777 million.

Summarised amounts of the assets and liabilities in the subsidiaries over which control is lost are presented below:

<i>RUB million</i>	<b>As at the date of loss of control</b>
<b>Assets</b>	
Property, plant and equipment	2,438
Right-of-use assets	264
Other non-current assets	722
Trade and other receivables	42,238
Cash and cash equivalents	36,729
Inventories	17,147
Income tax receivable	10
<b>Liabilities</b>	
Other non-current liabilities	(1,043)
Lease liabilities	(290)
Trade and other payables	(77,938)
Income tax payable	(1,749)
Other current liabilities	(37)
<b>Total net assets</b>	<b>18,491</b>

As the Group retained no significant influence over Phosint Limited upon loss of control, it classified the remaining 5% share in the company as a financial asset measured at fair value through other comprehensive income with a non-significant fair value at the date of initial recognition and at the reporting date.

During the nine months ended 30 September 2022, the Group didn't recognize any gain or loss as a result of Phosint Group disposal:

<i>RUB million</i>	<b>As at the date of loss of control</b>
Carrying amount of net assets disposed	18,491
Foreign currency translation difference reclassified to profit or loss upon loss of control over subsidiaries	(6,302)
Receivable accrued as a result of disposal of subsidiaries	12,189
<b>Result from loss of control over subsidiaries</b>	<b>-</b>

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**27 MAIN GROUP COMPANIES**

Subsidiary	Country of incorporation	Effective ownership (rounded)	
		30 September 2022	31 December 2021
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-Belgorod, LLC	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%
PureFert Trading AG (PhosAgro Trading SA till 05.09.2022)	Switzerland	5%	100%
PUREFERT LIMITED (Phosint Limited till 30.08.2022)	Cyprus	5%	100%
PureFert Logistics AG (PhosAgro Logistics SA till 05.09.2022)	Switzerland	5%	100%
PhosAgro Polska Sp.z o.o.	Poland	5%	100%
PhosAgro Deutschland GmbH	Germany	5%	100%
PhosAgro France SAS	France	5%	100%
PUREFERT Balkans d.o.o. (PhosAgro Balkans DOO till 07.09.2022)	Serbia	5%	100%
UAB PhosAgro Baltic	Lithuania	5%	100%
PhosAgro Balkans SRL	Romania	5%	100%
PhosAgro South Africa Proprietary Limited	South Africa	5%	100%
Logifert Oy	Finland	5%	100%
Bulk Terminal Kotka Oy	Finland	5%	100%

**28 SEASONALITY**

The Group is subject to certain seasonal fluctuations in fertiliser demand due to the timing of fertiliser application and, as a result, fertiliser purchases by farmers. This normally results in increase of advances received from local customers at the year-end. However, the effect of seasonality on the Group's revenue is partially offset by the fact that the Group sells its fertilisers globally and fertiliser application and purchases vary by region.

The Group's costs are generally stable throughout the year, however several maintenance activities undertaken at the Group's production facilities may not be evenly spread.

**29 SUBSEQUENT EVENTS**

In November 2022, the Board of Directors proposed paying a dividend of RUB 318 per ordinary share.