



**PhosAgro Reports 2Q and 1H 2021 Operating Results:  
1H Fertilizer Production Reached 5.1 Million Tonnes; Production of Key Products (DAP/MAP + NPK) in 2Q Increased 8% Year-on-Year**

**Moscow** – PhosAgro (“PhosAgro” or “the Company”) (Moscow Exchange, LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, announces that its fertilizer production in 1H 2021 increased by 0.7% year-on-year to 5.1 million tonnes.

### 2Q and 1H 2021 highlights

In 1H 2021, production of phosphate rock and nepheline concentrate decreased by 1.9% year-on-year to 5.8 million tonnes; in 2Q 2021, production of phosphate rock and nepheline concentrate decreased by 1.7% to 2.9 million tonnes.

Fertilizer output in 1H 2021 increased by 0.7% to 5.1 million tonnes thanks to capacity upgrades to increase the production of NPK fertilizers.

Fertilizer sales in 1H 2021 remained essentially unchanged year-on-year at 5.2 million tonnes. At the same time, sales of nitrogen-based fertilizers increased by 8% over the same period on the back of strong seasonal demand.

Fertilizer sales in 2Q 2021 amounted to 2.3 million tonnes. The year-on-year decrease was due to a delay in the start of seasonal demand in India, postponing some sales to the third quarter.

### Production and sales volumes

Production volumes by category						
(kt)	1H 2021	1H 2020	Chng, %	2Q 2021	2Q 2020	Chng, %
Phosphate-based & MCP	3,825.5	3,807.5	0.5%	1,842.4	1,869.6	-1.5%
Nitrogen-based fertilizers	1,231.6	1,215.2	1.3%	600.2	597.8	0.4%
<b>TOTAL fertilizers</b>	<b>5,057.1</b>	<b>5,022.7</b>	<b>0.7%</b>	<b>2,442.6</b>	<b>2,467.4</b>	<b>-1.0%</b>
Phosphate rock and nepheline concentrate	5,819.4	5,931.3	-1.9%	2,927.2	2,976.4	-1.7%
Other products	85.4	92.8	-8.0%	37.6	42.7	-11.9%

Sales volumes by category						
(kt)	1H 2021	1H 2020	Chng, %	2Q 2021	2Q 2020	Chng, %
Phosphate-based & MCP	3,743.6	3,876.7	-3.4%	1,667.1	1,789.4	-6.8%
Nitrogen-based fertilizers	1,413.6	1,308.9	8.0%	626.3	606.1	3.3%
<b>TOTAL fertilizers</b>	<b>5,157.2</b>	<b>5,185.6</b>	<b>-0.5%</b>	<b>2,293.4</b>	<b>2,395.5</b>	<b>-4.3%</b>
Phosphate rock and nepheline concentrate	1,951.3	2,159.7	-9.6%	964.1	1,084.0	-11.1%
Other products	87.9	90.7	-3.1%	39.6	39.1	1.3%

### PhosAgro CEO Andrey Guryev said:

“PhosAgro managed to maintain fertilizer production and sales at record high levels the second quarter and the first half of the year. This was driven by our ongoing investments in building new production facilities and upgrading existing ones, as well as strong seasonal demand in our traditional sales markets; low carry-over stocks in India, South Asia and the United States; and the excellent affordability of fertilizers for farmers.

“This year, our output profile has continued to move in the direction of a greater share of high-margin complex NPK fertilizers. Over the first half of the year, we increased production of these fertilizers by more than 11% year-on-year. This demonstrates the soundness of the Company’s development strategy, which

is aimed at increasing our presence in premium market segments by offering customers comprehensive solutions.

“I would also like to note that our high sales volumes were driven by a recovery in global fertilizer prices after a 1.5-fold decline during the previous three years. This fact will undoubtedly be reflected in the Company’s financial performance for the period.

“In the short term, we expect the traditional seasonal increase in demand in the Indian and Brazilian markets to support global demand for fertilizers. This factor may help keep fertilizer prices at their current levels.”

#### Production volumes by type:

Production volumes by category						
(kt)	1H 2021	1H 2020	Chng, %	2Q 2021	2Q 2020	Chng, %
Phosphate rock	5,257.0	5,354.2	-1.8%	2,642.3	2,684.6	-1.6%
Nepheline concentrate	562.4	577.1	-2.5%	284.9	291.8	-2.4%
<b>TOTAL</b>	<b>5,819.4</b>	<b>5,931.3</b>	<b>-1.9%</b>	<b>2,927.2</b>	<b>2,976.4</b>	<b>-1.7%</b>
<b>Phosphate-based fertilizers</b>						
DAP/MAP	1,655.0	1,617.1	2.3%	807.6	770.8	4.8%
NPK	1,544.1	1,386.6	11.4%	768.5	693.2	10.9%
NPS	314.1	444.0	-29.3%	121.4	235.0	-48.3%
APP	99.3	116.7	-14.9%	39.2	58.0	-32.4%
MCP	202.2	202.2	0.0%	99.9	101.9	-2.0%
PKS	10.8	40.9	-73.6%	5.8	10.7	-45.8%
<b>TOTAL</b>	<b>3,825.5</b>	<b>3,807.5</b>	<b>0.5%</b>	<b>1,842.4</b>	<b>1,869.6</b>	<b>-1.5%</b>
<b>Nitrogen-based fertilizers</b>						
AN	358.5	362.8	-1.2%	176.1	180.9	-2.7%
Urea	837.2	843.6	-0.8%	408.9	408.1	0.2%
Ammonium sulphate	35.9	8.8	308.0%	15.2	8.8	72.7%
<b>TOTAL</b>	<b>1,231.6</b>	<b>1,215.2</b>	<b>1.3%</b>	<b>600.2</b>	<b>597.8</b>	<b>0.4%</b>
<b>TOTAL fertilizers</b>	<b>5,057.1</b>	<b>5,022.7</b>	<b>0.7%</b>	<b>2,442.6</b>	<b>2,467.4</b>	<b>-1.0%</b>
<b>Other products</b>						
STPP	41.6	47.6	-12.6%	17.6	21.7	-18.9%
Other	43.8	45.2	-3.1%	20.0	21.0	-4.8%
<b>TOTAL other products</b>	<b>85.4</b>	<b>92.8</b>	<b>-8.0%</b>	<b>37.6</b>	<b>42.7</b>	<b>-11.9%</b>
<b>Feedstocks</b>						
Ammonia	956.6	1,012.6	-5.5%	456.4	505.0	-9.6%
Phosphoric acid	1,420.1	1,380.6	2.9%	699.5	684.8	2.1%
Sulphuric acid	3,554.0	3,393.9	4.7%	1,739.4	1,714.0	1.5%
Ammonium sulphate	102.6	143.1	-28.3%	29.8	75.9	-60.7%
<b>TOTAL feedstocks</b>	<b>6,033.3</b>	<b>5,930.2</b>	<b>1.7%</b>	<b>2,925.1</b>	<b>2,979.7</b>	<b>-1.8%</b>

The production of phosphoric acid, the main feedstock in the production of phosphate-based fertilizers, increased by 2.1% in 2Q 2021 to 0.7 million tonnes. The increase was made possible thanks to upgrades to production units and efficiency improvements. The growth in phosphoric acid production during the quarter was limited by the large volume of scheduled maintenance that was postponed until the third quarter.

The 1.5% year-on-year decrease in the production of phosphate-based fertilizers in 2Q 2021 was driven by an increase in the production of complex NPK fertilizers, which in the current market conditions netted higher returns and enabled the Company to bolster its positions in priority sales markets.

In the first half of the year, production in the phosphorus segment rose by 0.5% year-on-year due to an increase in the production of premium brands of NPK fertilizers. This growth was related directly to work carried out to increase the productivity of the Company’s phosphoric acid production lines.

In 1H and 2Q 2021, production in the nitrogen segment grew by 1.3% and 0.4%, respectively, year-on-year thanks to an increase in the production of commercial ammonium sulphate.

In the first half of the year, the production of sulphuric acid rose by 4.7% year-on-year to 3.6 million tonnes. The reason for this considerable increase was that the new sulphuric acid production unit in Cherepovets reached full capacity in early 2021. With an annual nameplate capacity of 1,100 thousand tonnes, the new production line will increase the Company's self-sufficiency in sulphuric acid.

### Sales volumes by type:

Sales volumes by category						
(kt)	1H 2021	1H 2020	Chng, %	2Q 2021	2Q 2020	Chng, %
Phosphate rock	1,386.0	1,581.6	-12.4%	680.2	790.6	-14.0%
Nepheline concentrate	565.3	578.1	-2.2%	283.9	293.4	-3.2%
<b>TOTAL</b>	<b>1,951.3</b>	<b>2,159.7</b>	<b>-9.6%</b>	<b>964.1</b>	<b>1,084.0</b>	<b>-11.1%</b>
Phosphate-based fertilizers						
DAP/MAP	1,692.7	1,745.6	-3.0%	815.3	820.7	-0.7%
NPK	1,418.2	1,357.3	4.5%	607.1	575.7	5.5%
NPS	309.2	419.7	-26.3%	100.5	220.3	-54.4%
APP	104.2	109.8	-5.1%	40.8	46.7	-12.6%
MCP	211.8	199.5	6.2%	98.1	102.1	-3.9%
PKS	7.5	44.8	-83.3%	5.3	23.9	-77.8%
<b>TOTAL</b>	<b>3,743.6</b>	<b>3,876.7</b>	<b>-3.4%</b>	<b>1,667.1</b>	<b>1,789.4</b>	<b>-6.8%</b>
Nitrogen-based fertilizers						
AN	438.9	394.4	11.3%	186.1	158.4	17.5%
Urea	934.7	911.9	2.5%	430.5	445.1	-3.3%
Ammonium sulphate	40.0	2.6	1,438.5%	9.7	2.6	273.1%
<b>TOTAL</b>	<b>1,413.6</b>	<b>1,308.9</b>	<b>8.0%</b>	<b>626.3</b>	<b>606.1</b>	<b>3.3%</b>
<b>TOTAL fertilizers</b>	<b>5,157.2</b>	<b>5,185.6</b>	<b>-0.5%</b>	<b>2,293.4</b>	<b>2,395.5</b>	<b>-4.3%</b>
Other products						
STPP	44.2	44.5	-0.7%	19.5	18.4	6.0%
Other	43.7	46.2	-5.4%	20.1	20.7	-2.9%
<b>TOTAL other products</b>	<b>87.9</b>	<b>90.7</b>	<b>-3.1%</b>	<b>39.6</b>	<b>39.1</b>	<b>1.3%</b>

Fertilizer sales in 1H and 2Q 2021 decreased year-on-year to 5.2 million tonnes and 2.3 million tonnes, respectively. The decrease was due to, among other factors, restrained seasonal demand in India as a result of a late decision on subsidies and the relatively small level of subsidies.

Sales of phosphate-based fertilizers in 2Q 2021 amounted to 1.7 million tonnes. The 6.8% decline year-on-year was due to the high base in the previous period, when the decrease in fertilizer production in China and India enabled the Company not only to sell stocks carried over from 1Q but also to reduce its winter stocks. At the same time, the volume of fertilizer sales in 2Q 2021 has remained at a normal level for this period despite the sharp increase in prices, which was due to their excellent affordability for end users at a time of rapidly rising prices for basic agricultural crops.

The year-on-year decrease in sales of NPS fertilizers in 2Q 2021 was driven by a shift in market demand towards DAP/MAP/NPK grades.

Sales of nitrogen-based fertilizers in 1H and 2Q 2021 increased by 8.0% and 3.3%, respectively, year-on-year to 1.4 million tonnes and 0.6 million tonnes. Sales rose for all grades of nitrogen-based fertilizers, driven by both high seasonal demand and the affordability of fertilizers for end users.

### Market highlights

The price recovery trend continued in mineral fertilizer markets throughout 2Q 2021, which was driven by:

- ongoing favourable situation in markets for agricultural products, which has supported the affordability of fertilizers;
- the development of seasonal demand in key fertilizer markets in Latin America and South Asia (India, Pakistan);

- unscheduled limitations on the production of ammonia and potassium chloride for technical reasons, which has helped support high feedstock prices;
- a decrease in fertilizer exports from China; as a result, demand is outstripping supply, especially in the Asian region.

The third quarter is forecast to see peak of seasonal demand for phosphate-based fertilizers in key international markets.

## Contact us

PJSC PhosAgro  
Andrey Serov, Head of the Investor Relations Department  
+7 495 231 2747 ext. 2183  
[ir@phosagro.ru](mailto:ir@phosagro.ru)

Timur Belov, Press Officer  
+7 495 231 2747 ext. 2652  
[pr@phosagro.ru](mailto:pr@phosagro.ru)

EM  
Sam VanDerlip  
[vanderlip@em-comms.com](mailto:vanderlip@em-comms.com)  
+44 207 002 7859

## About Us

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

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

*PhosAgro's main products include phosphate rock, more than 50 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 102 countries spanning all of the world's inhabited continents. The Company's priority markets outside of Russia and the CIS are Latin America, Europe and Asia.*

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

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