



**1Q 2021 Operating Results:
PhosAgro Reports 40% Quarter-on-Quarter Increase in Fertilizer Sales to 2.9 Million Tonnes**

Moscow – PhosAgro (“Company”, “Group”, MOEX, LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, reports that its fertilizer output in 1Q 2021 increased by 2.2% year-on-year to 2.7 million tonnes.

1Q 2021 highlights:

Production of phosphate rock and nepheline concentrates decreased by 2.1% year-on-year to 2.9 million tonnes.

Total fertilizer production increased by 2.3% in 1Q 2021, reaching 2.6 million tonnes. The increase was the result of modernisations to capacities that enabled an increase in NPK production, which is in line with the Company’s strategy to 2025.

Fertilizer sales in 1Q 2021 increased by 2.6% year-on-year and by about 40% quarter-on-quarter. This growth was driven by both high seasonal demand for fertilizers and a large volume of carry-over sales at the end December 2020.

Production and sales volumes

Production volumes by category					
<i>(kt)</i>	1Q 2021	1Q 2020	Chng, %	4Q 2020	Chng, %
Phosphate-based & MCP	1,983.1	1,937.9	2.3%	1,829.7	8.4%
Nitrogen-based fertilizers	631.4	617.4	2.3%	613.4	2.9%
TOTAL fertilizers	2,614.5	2,555.3	2.3%	2,443.1	7.0%
Other products	47.8	50.1	-4.6%	42.7	11.9%
TOTAL fertilizers and other products	2,662.3	2,605.4	2.2%	2,485.8	7.1%
Phosphate rock and nepheline concentrate	2,892.2	2,954.9	-2.1%	2,792.9	3.6%
Sales volumes by category					
<i>(kt)</i>	1Q 2021	1Q 2020	Chng, %	4Q 2020	Chng, %
Phosphate-based & MCP	2,076.5	2,087.3	-0.5%	1,545.3	34.4%
Nitrogen-based fertilizers	787.3	702.8	12.0%	499.5	57.6%
TOTAL fertilizers	2,863.8	2,790.1	2.6%	2,044.8	40.1%
Other products	48.3	51.6	-6.4%	44.2	9.3%
TOTAL fertilizers and other products	2,912.1	2,841.7	2.5%	2,089.0	39.4%
Phosphate rock and nepheline concentrate	987.2	1,075.7	-8.2%	1,029.9	-4.1%

PhosAgro Board of Directors Chairman Xavier Rolet said:

“PhosAgro delivered another excellent set of financial results for the Fiscal Year 2020 driven by strong production growth. First Quarter 2021 results have confirmed the strength of the Company's outlook and position backed by its strong and scalable production capabilities which are well positioned to meet growing demand for fertilizers and continue to deliver excellent operating results.”

“In consideration of the Company's outstanding performance and the positive trend in global fertilizer prices, the Board of Directors last week unanimously recommended the payment of an increased dividend of RUB 63 per ordinary share by the Company's Shareholders at the next Annual General Meeting, in addition to the interim dividends already paid.”

PhosAgro CEO Andrey Guryev said:

“Constantly improving operating performance and increasing fertilizer production volumes are key objectives of our long-term development strategy. In our efforts to meet these goals, we are building a large production facility at our site in Volkhov. The first production lines with a nameplate capacity of nearly 300 thousand tonnes of MAP per year have already been launched, and once the project is completed, the total capacity of the new production units at the Volkhov site will reach almost 900 thousand tonnes, which will ensure long-term growth of PhosAgro's operating results.

“At the same time, I would like to note that the project is very energy-efficient, as it will provide for up to 85% of its electricity needs through the use of process steam.

“In terms of the Company's operating results in the first quarter, I would like to note that we were able to increase the production and sales of fertilizers both year-on-year and quarter-on-quarter. This was driven by high seasonal demand in the Company's main sales markets and an increase in fertilizer prices in global markets.

“Global prices for phosphate-based fertilizers rose throughout the first quarter on the back of excellent affordability with respect to the primary crop basket, seasonal demand and low carry-over stocks in India, South Asia and the United States. Right now, the spring season is almost at an end, and we may see a slight decrease in demand during the off-season.”

Production volumes by type:

Production volumes by category					
(kt)	1Q 2021	1Q 2020	Chng, %	4Q 2020	Chng, %
Phosphate rock	2,614.7	2,669.6	-2.1%	2,504.1	4.4%
Nepheline concentrate	277.5	285.3	-2.7%	288.9	-3.9%
TOTAL	2,892.2	2,954.9	-2.1%	2,793.0	3.6%
Phosphate-based fertilizers					
DAP/MAP	847.4	846.3	0.1%	775.9	9.2%
NPK	775.6	693.4	11.9%	717.0	8.2%
NPS	192.7	209.0	-7.8%	182.7	5.5%
APP	60.1	58.7	2.4%	48.8	23.2%
MCP	102.3	100.3	2.0%	102.9	-0.6%
PKS	5.0	30.2	-83.4%	2.4	108.3%
TOTAL	1,983.1	1,937.9	2.3%	1,829.7	8.4%
Nitrogen-based fertilizers					
AN	182.4	181.9	0.3%	185.8	-1.8%
Urea	428.3	435.5	-1.7%	415.6	3.1%
Ammonium sulphate	20.7	0.0	n/a	11.9	73.9%
TOTAL	631.4	617.4	2.3%	613.3	3.0%
TOTAL fertilizers	2,614.5	2,555.3	2.3%	2,443.0	7.0%
Other products					
STPP	24.0	25.9	-7.3%	20.3	18.2%

Other	23.8	24.2	-1.7%	22.4	6.3%
TOTAL other products	47.8	50.1	-4.6%	42.7	11.9%
Feedstocks					
Ammonia	500.2	507.6	-1.5%	460.8	8.6%
Phosphoric acid	720.6	695.8	3.6%	643.3	12.0%
Sulphuric acid	1,814.6	1,679.9	8.0%	1,678.8	8.1%
Ammonium sulphate	72.8	67.2	8.3%	79.4	-8.3%
TOTAL feedstocks	3,108.2	2,950.5	5.3%	2,862.3	8.6%

Production in the phosphate segment increased by 2.3% year-on-year thanks to an increase in the production of premium NPK fertilizers, whose share in the phosphate segment rose from 36% to 39%. This increase was made possible by upgrades to improve the output of phosphoric acid production equipment.

Output in the nitrogen segment increased by 2.3% year-on-year thanks to an increase in production of commercial ammonium sulphate.

Sulphuric acid production increased by 8.0% year-on-year to 1.8 million tonnes. The reason for this considerable increase was that the new sulphuric acid production unit in Cherepovets, launched in early 2020, reached full capacity. 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					
<i>(kt)</i>	1Q 2021	1Q 2020	Chng, %	4Q 2020	Chng, %
Phosphate rock	705.8	791.0	-10.8%	742.2	-4.9%
Nepheline concentrate	281.4	284.7	-1.2%	287.7	-2.2%
TOTAL	987.2	1,075.7	-8.2%	1,029.9	-4.1%
Phosphate-based fertilizers					
DAP/MAP	877.4	924.9	-5.1%	535.5	63.8%
NPK	811.1	781.6	3.8%	680.7	19.2%
NPS	208.7	199.4	4.7%	192.7	8.3%
APP	63.4	63.1	0.5%	52.2	21.5%
MCP	113.7	97.4	16.7%	83.9	35.5%
PKS	2.2	20.9	-89.5%	0.3	633.3%
TOTAL	2,076.5	2,087.3	-0.5%	1,545.3	34.4%
Nitrogen-based fertilizers					
AN	252.8	236.0	7.1%	150.8	67.6%
Urea	504.2	466.8	8.0%	341.0	47.9%
Ammonium sulphate	30.3	0.0	n/a	7.7	293.5%
TOTAL	787.3	702.8	12.0%	499.5	57.6%
TOTAL fertilizers	2,863.8	2,790.1	2.6%	2,044.8	40.1%
Other products					
STPP	24.7	26.1	-5.4%	22.4	10.3%
Other	23.6	25.5	-7.5%	21.8	8.3%
TOTAL other products	48.3	51.6	-6.4%	44.2	9.3%

In 1Q 2021, sales of PhosAgro's phosphate-based fertilizers amounted to 2.1 million tonnes, which was comparable to sales from a year earlier. The volume of fertilizer sales remained at a typical level for this period despite a sharp increase in prices, which was due to their excellent affordability for end users at a time of rising prices for basic agricultural crops.

The slight decrease in DAP / MAP sales volumes in 1Q 2021 to the level of the previous year was due to a delay in the dispatch of several vessels with products at the end of March due to severe ice conditions.

Other factors that had an impact on total sales were an increase in sales of premium brands of NPK(S) fertilizers in the European, Russian and Latin American markets, where a strong recovery in seasonal demand was observed.

As a result, the share of NPK(S) brands in total sales in 1Q 2021 increased to 49%, up from 47% a year earlier.

In 1Q 2021, PhosAgro sold 0.8 million tonnes of nitrogen-based fertilizers, an increase of 12.0% year-on-year. An increase in sales was observed for all brands of nitrogen-based fertilizers, driven by both high seasonal demand and the affordability of fertilizers for end users.

Sales volumes by key markets:

Sales volumes by region					
Phosphate-based fertilizers					
(kt)	1Q 2021	1Q 2020	Chng, %	4Q 2020	Chng, %
Russia	589.8	626.1	-5.8%	328.7	79.4%
Europe	715.6	721.1	-0.8%	479.4	49.3%
Latin America	447.5	170.0	163.2%	403.4	10.9%
India	57.9	55.0	5.3%	121.3	-52.3%
Africa	98.7	233.0	-57.6%	110.2	-10.4%
North America	55.8	120.1	-53.5%	25.2	121.4%
CIS	69.5	102.9	-32.5%	55.7	24.8%
Other	41.7	59.1	-29.4%	21.4	94.9%
Total	2,076.5	2,087.3	-0.5%	1,545.3	34.4%
Nitrogen-based fertilizers					
Russia	275.5	290.5	-5.2%	120.0	129.6%
Europe	185.7	166.7	11.4%	92.0	101.8%
Latin America	84.5	121.8	-30.6%	206.0	-59.0%
North America	186.1	67.1	177.3%	67.1	177.3%
CIS	10.6	7.8	n/a	0.3	3,433.3%
Other	44.9	48.9	-8.2%	14.1	218.4%
Total	787.3	702.8	12.0%	499.5	57.6%

Export sales of PhosAgro fertilizers increased 6.7% year-on-year to 2.0 million tonnes, driven by a strong recovery in seasonal demand in Europe, Latin America and North America. The increase in sales was also due to the excellent affordability for end users and the low level of carry-over stocks in major sales markets. All these factors enabled PhosAgro to increase sales in its main markets.

Domestic mineral fertilizer sales volumes in 1Q 2021 amounted to about 0.9 million tonnes, a nearly twofold increase from the previous quarter and at the same level as 1Q 2020. Sales of NPK and ammonium nitrate grades were driven by the growth in the affordability of fertilizers for end users and the large size of the agricultural sector in Russia.

Market highlights

Since the beginning of 2021, mineral fertilizer markets have enjoyed a noticeable increase in demand and higher prices thanks to the combination of the following factors:

- a considerable increase in demand and higher world prices for basic agricultural crops, which have contributed to an increase in the affordability of fertilizers;
- favourable weather conditions in most major sales markets;
- low carry-over stocks for the main types of fertilizers in India, South Asia and the United States;
- growth in domestic consumption of fertilizers in the main exporting regions, including due to greater supplies to the domestic market in China (to replenish stocks) and the United States (due to the introduction of import duties on phosphate-based fertilizers from Morocco and Russia);
- scheduled and unscheduled shutdowns of ammonia plants in the main producing countries.

In the future, we may see a slight price correction from current levels due to the start of the off-season in major sales markets – in the United States, Europe and China. At the same time, prices for cereals and oilseeds remain high, which will ensure that fertilizers remain highly affordable while limiting the price correction.

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About us

PhosAgro (www.phosagro.com) 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_2O_5 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_2O_5 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 RAFF).

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 over 100 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.