



INCREASING SALES IN PRIORITY MARKETS

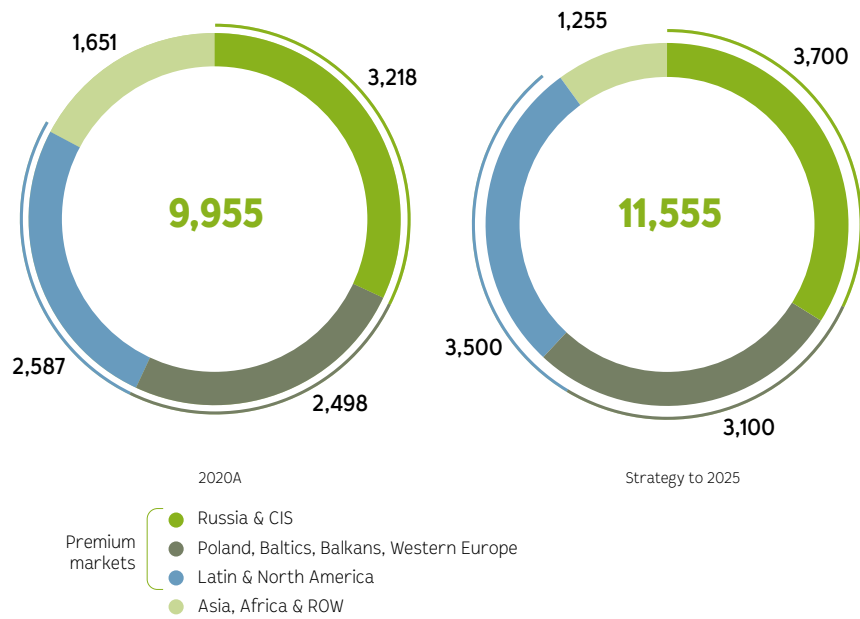


EXPANDING THE Foothold IN PREMIUM MARKETS

The Company's strategic goal is to increase sales in its strategic markets: up to 3.7 mln t in Russia and CIS, 3.5 mln t in North and South America, and 3.1 mln t in Europe by 2025, by strengthening its position as a producer of fertilizers free of heavy metal concentrations dangerous to health amid toughening of the EU cadmium regulations.

The sales breakdown of premium markets is generally in line with our strategy, with minor differences attributable to changes in a market environment and the netback-driven sales model.

PhosAgro fertilizer and feed phosphates structure in markets, kt

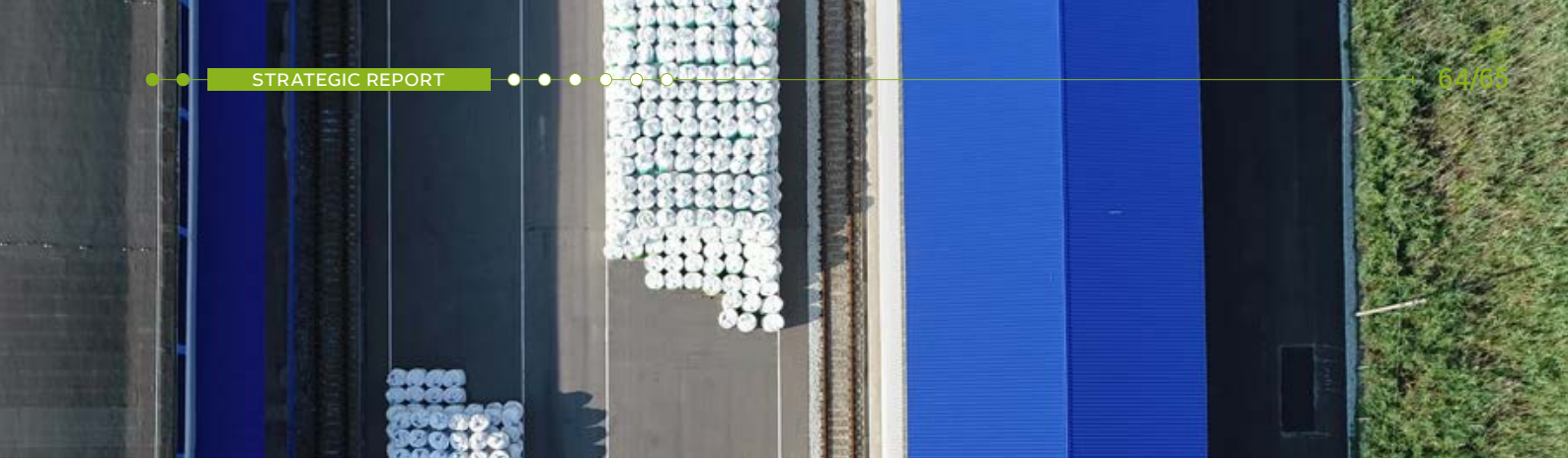


Increasing sales in the domestic market

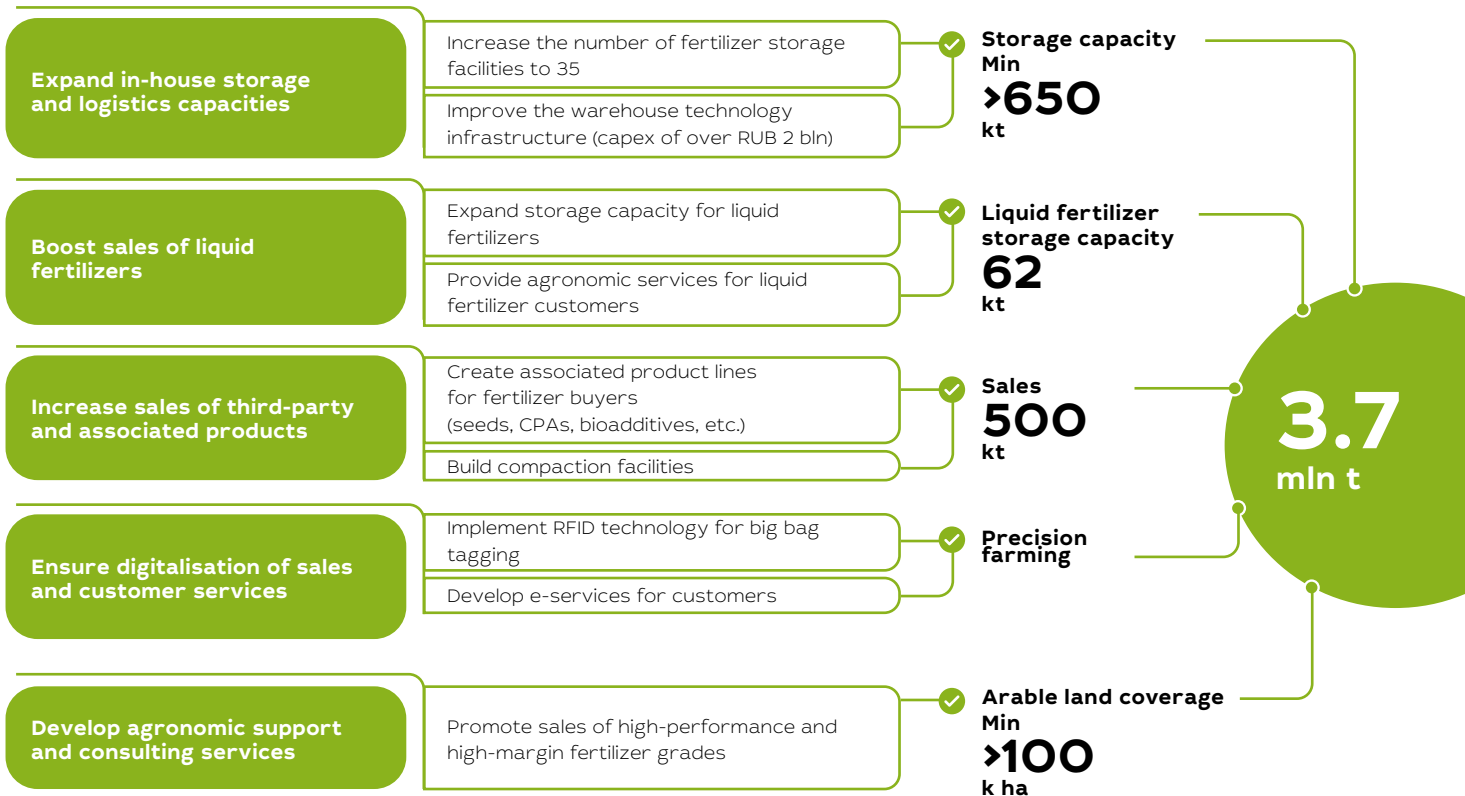
- Retain the current market share in phosphate and complex fertilizers, increase sales in the nitrogen segment
- Enter the associated products segment (CPAs, seeds, feed additives)
- Develop the service model and distribute agricultural equipment
- Potential effect of developing the service model on EBITDA: USD 40–150 mln per year



¹ McKinsey estimate



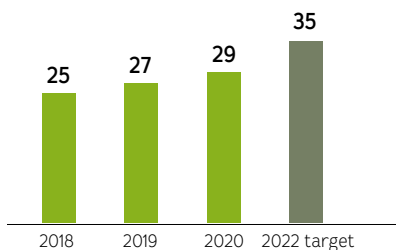
Roadmap for the strategy to increase sales: the Russian and CIS market



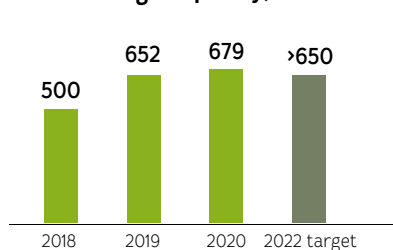
Progress towards our targets

The ongoing expansion of storage and logistics capacities in Russia is in line with our strategy.

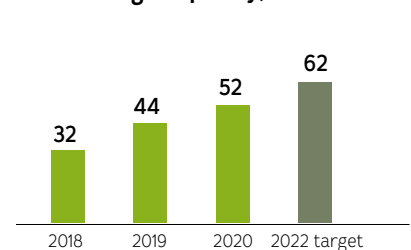
Number of DLCs



Total storage capacity, kt



APP storage capacity, kt



From 2018 to 2020, a total of over RUB 2 bln was invested in the development of the Russian regional network. In 2021, the Company plans to focus on expanding its storage and transshipment infrastructure for liquid mineral fertilizers. In 2020,

its storage capacity for liquid complex fertilizers exceeded 50 kt, which was unprecedented in Russia.

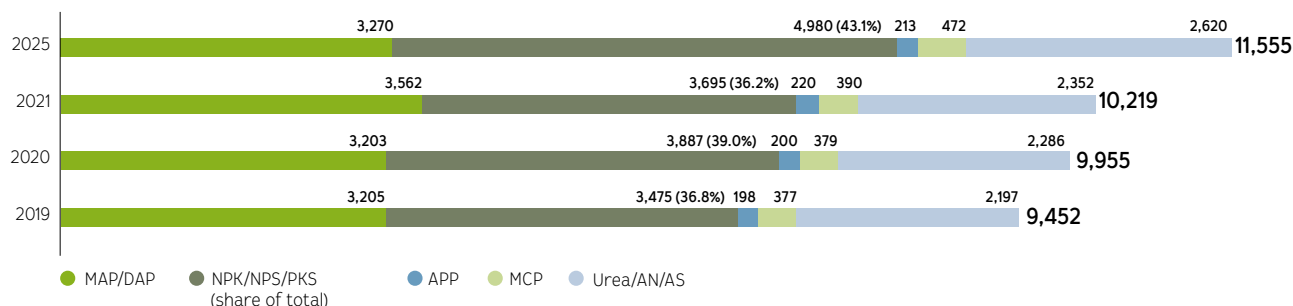
2020 saw the number of distribution and logistics centres rise to 29. PhosAgro strives to place its distribution centres as close

as possible to the crop fields to effectively provide domestic farmers with high-quality mineral fertilizers and services, which also helps educate them on all innovations in mineral nutrition systems and new agricultural technology uses.



HIGHER SHARE OF PREMIUM FERTILIZER BRANDS IN THE SALES MIX

Change in the product structure of the premium segment, kt



Innovative products developed by PhosAgro's Innovation Centre

Fertilizers with micronutrients

Micronutrients are key to ensuring high-quality crops, with the right combination of microelements (such as B, Mn, Fe, Cu, Zn, Mo) used at the right growth stages making plants healthier and crops higher.

Fertilizers with micronutrients which can be accumulated by plants with a positive effect on human health are considered one of the most promising ways to combat malnutrition and reduce nutrient deficiencies.

In recent years, the Company has been aggressively ramping up its

production of mineral fertilizers with micronutrients.

Urea with urease inhibitor

Tighter environmental regulations in the EU are shaping a new market for eco-efficient fertilizers, such as urea with urease inhibitor.

Effects of use: environmental – gaseous losses of nitrogen reduced by up to 98%, economic – higher fertilizer efficiency resulting in a 5% increase in crop yields, urea remains in effect in the soil for extra 7–14 days, thus extending the period of incorporation or irrigation.

The Company started producing this innovative high-performance fertilizer in 2020. Having sold 20 kt in the reporting year, PhosAgro

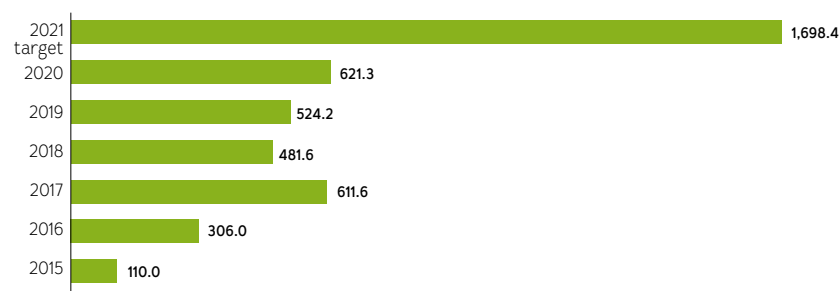
intends to boost its sales in the coming years.

Biological and biomineral fertilizers

PhosAgro's Innovation Centre also focuses on developing innovative biostimulants and biomineral fertilizers as part of the Green Standard for eco-friendly agricultural products.

The Company seeks to create special biological and biomineral fertilizers, slow and controlled-release fertilizers, and ameliorants. Biotechnology advances are set to greatly boost crop yields without damaging ecosystems and bring the agriculture to a whole new level of development. Given the limited soil resources and the strong population growth, biotechnology is key to achieving the global food security.

Production of fertilizers with micronutrients, kt



	2020	2021	2022	2023	2024	2025	2026	2027	2028
Urea with urease inhibitor, kt	20	35	50	55	60	74	84	94	104
Reduction in CO ₂ equivalent, kt	8,2	14.4	20.6	22.6	24.7	30.4	34.5	38.7	42.8

Sales support

PhosAgro seeks to be closer to its customers and make eco-efficient mineral fertilizers even more available to domestic farmers.

Transition to the service model

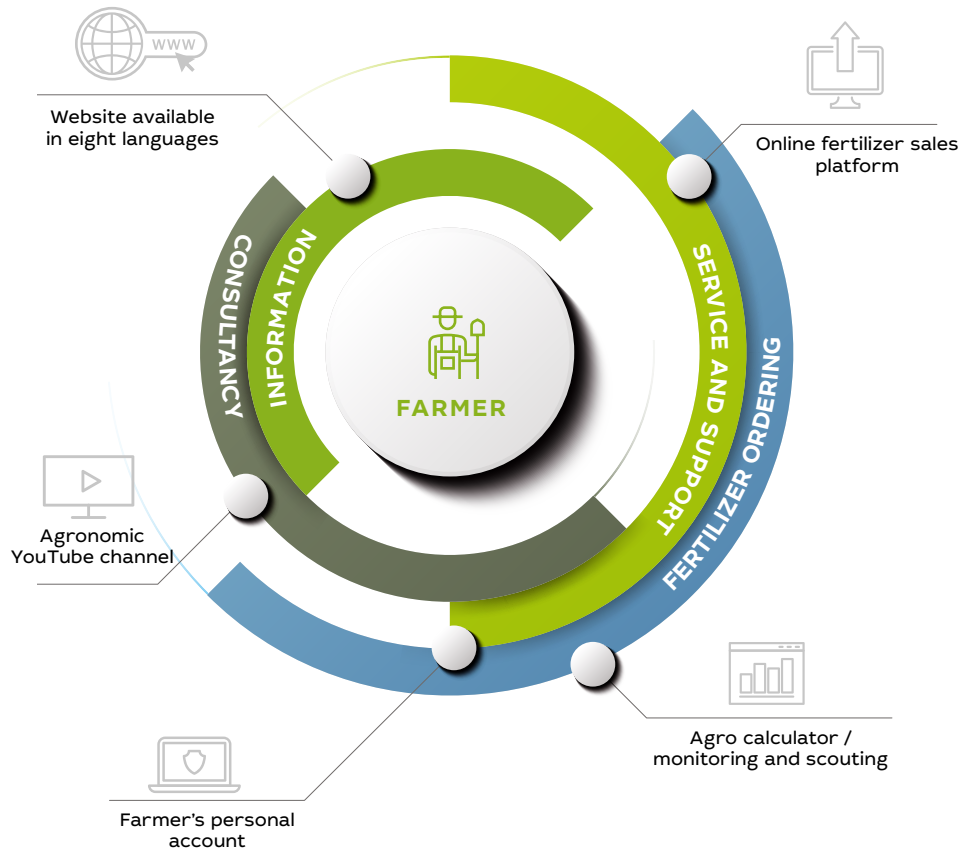
The Company started migrating from a commodity seller to a service provider. The new model relies on a digital environment to offer a compound product, i.e. product + agronomic expertise or access to innovations.

The product offering is customised to the fullest extent based on big data (customer data obtained in a digital environment).

Digital crop nutrient monitoring system using NFC tags

In 2020, PhosAgro successfully completed its pilot project to deploy a digital system using NFC tags to carry out remote monitoring of the effectiveness of mineral fertilizers. This was a joint project between PhosAgro-Region and Exact Farming. One of the advantages of using the NFC technology is the ability to control the delivery and application of PhosAgro's mineral fertilizers along the entire logistics chain 'from factory to farm' in order to minimise the loss or theft of fertilizers during transportation. The system currently covers more than 23,000 ha in 20 regions throughout the country. As part of the partnership agreement, which

PhosAgro's digital ecosystem



was signed by PhosAgro-Region and Exact Farming in December 2020, the companies plan to expand the system's coverage to over 100,000 ha in 2021.

Contribution to UN SDGs



SDG 2.4

Expanding sales of eco-efficient mineral fertilizers and developing innovative plant nutrition systems



SDGs 13.1 and 13.2

Producing mineral fertilizers with micronutrients which enhance the quality of soils as natural sinks of CO2 and help adapt to climate change



SDGs 6.3, 12.4, 15.1

Promoting and raising awareness about best farming practices and developing the service model