



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

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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 2023, 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 2023;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of cash flows for 2023;
- the consolidated statement of changes in equity for 2023; 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 2023 and for the year ended 31 December 2022 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 International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have 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
<p>Recoverability of deferred tax assets</p> <p><i>Refer to Note 15 to the consolidated financial statements of the Group</i></p> <p>In the consolidated statement of financial position as at 31 December 2023, the Group recognised deferred tax assets in the amount of RUB 9,751 million in respect of the Group companies' accumulated tax loss carried forward.</p> <p>Under IAS 12, <i>Income Taxes</i>, 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.</p> <p>The Group's management analysed probability of receiving future taxable profits by 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.</p> <p>We focus our audit on the existence of sufficient evidence that the Group's deferred tax assets are recoverable because the Group's management applied significant judgements and estimates in respect of available mechanisms for recovery of deferred tax assets in the Group companies with accumulated loss, and in respect of the amount of the future taxable profit and timing when it would be available.</p>	<p>We performed the following audit procedures to address the key audit matter:</p> <ul style="list-style-type: none"> • We analysed the management's plan in respect of utilisation of the deferred tax assets and the process of projecting the future taxable profit. • We assessed the current status of implementation of the management's plan to utilise the deferred tax assets. • 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 experts. • We obtained and analysed written representations of the Group's management in relation to their assessment of recoverability of deferred tax assets. <p>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 2023 does not guarantee that future events which are inherently uncertain will not lead to a significant change in these estimates.</p> <p>We also assessed a compliance of the information disclosed in Note 15 to the consolidated financial statements with the IFRS Accounting Standards disclosure requirements.</p>

Other matter – Materiality and Group audit scope

Overview

Materiality	Overall Group materiality: Russian Roubles ("RUB") 5,730 million, which represents 5% of profit before tax.
Group scoping	<ul style="list-style-type: none"> • We conducted audit procedures on the entire financial information of the three components. • Our audit scope addressed 99.6% of the Group's revenues and 97.6% of the Group's absolute value of underlying profit before tax.

Materiality

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	RUB 5,730 million (2022: RUB 11,615 million)
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We selected components based on the assessment of risk of material misstatement of the Group's consolidated financial statements associated with components, taking into account a relative significance of the components for the Group. The Group auditor performed further audit procedures for the selected components on their entire financial information not engaging the component auditors. We also included information systems and tax specialists in our engagement team.

By performing the above audit procedures at the components, combined with the centralized audit procedures and audit procedures with respect to the process of preparation of the consolidated financial statements, we have obtained sufficient and appropriate audit evidence regarding the consolidated financial statements of the Group as a whole.

Other information

Management is responsible for the other information. The other information comprises the Integrated annual report of PJSC "PhosAgro" for 2023 (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 2023, which is expected to be made available to us after the date of this auditor's report.

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 2023, 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.

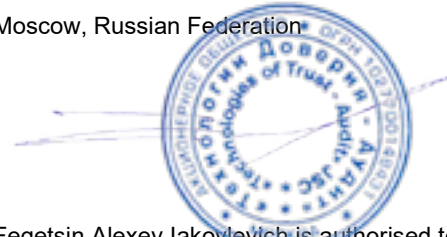
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

26 April 2024

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 2023

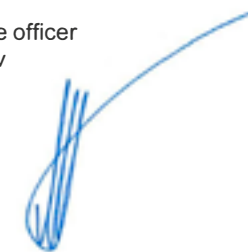
RUB million	Note	2023	2022
Revenues	5	440,304	569,527
Cost of Group products sold	6	(235,560)	(253,419)
Cost of products for resale		(16,056)	(15,599)
Gross profit		188,688	300,509
Administrative and selling expenses	7	(32,282)	(42,403)
Taxes, other than income tax	8	(12,779)	(11,327)
Other expenses, net	9	(7,557)	(9,371)
Foreign exchange gain/(loss) from operating activities, net	27 (c)	14,686	(9,068)
Operating profit		150,756	228,340
Finance income	10	3,353	4,439
Finance costs	10	(7,881)	(11,967)
Gain from revaluation of investments in equity instruments measured at fair value through profit or loss	16	1,025	
Foreign exchange (loss)/gain from financing activities, net	27 (c)	(32,650)	11,485
Profit before tax		114,603	232,297
Income tax expense	11	(28,462)	(47,583)
Profit for the year		86,141	184,714
Attributable to:			
Shareholders of the Company		86,084	184,662
Non-controlling interests*		57	52
Basic and diluted earnings per share (in RUB)	22	665	1,426
Other comprehensive loss			
Items that will never be reclassified to profit or loss			
Actuarial losses	25	(35)	(276)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference			(2,929)
Foreign currency translation difference reclassified to profit or loss upon loss of control over foreign subsidiaries			(6,302)
Actuarial losses reclassified to profit or loss upon loss of control over foreign subsidiaries			61
Other comprehensive loss for the year		(35)	(9,446)
Total comprehensive income for the year		86,106	175,268
Attributable to:			
Shareholders of the Company		86,049	175,216
Non-controlling interests*		57	52

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

The consolidated financial statements were approved on 26 April 2024:

Chief executive officer
M. K. Rybnikov

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




The consolidated 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 financial statements set out on pages 5 to 33.