Knowledge grows

Yara International ASA 2023 fourth-quarter results

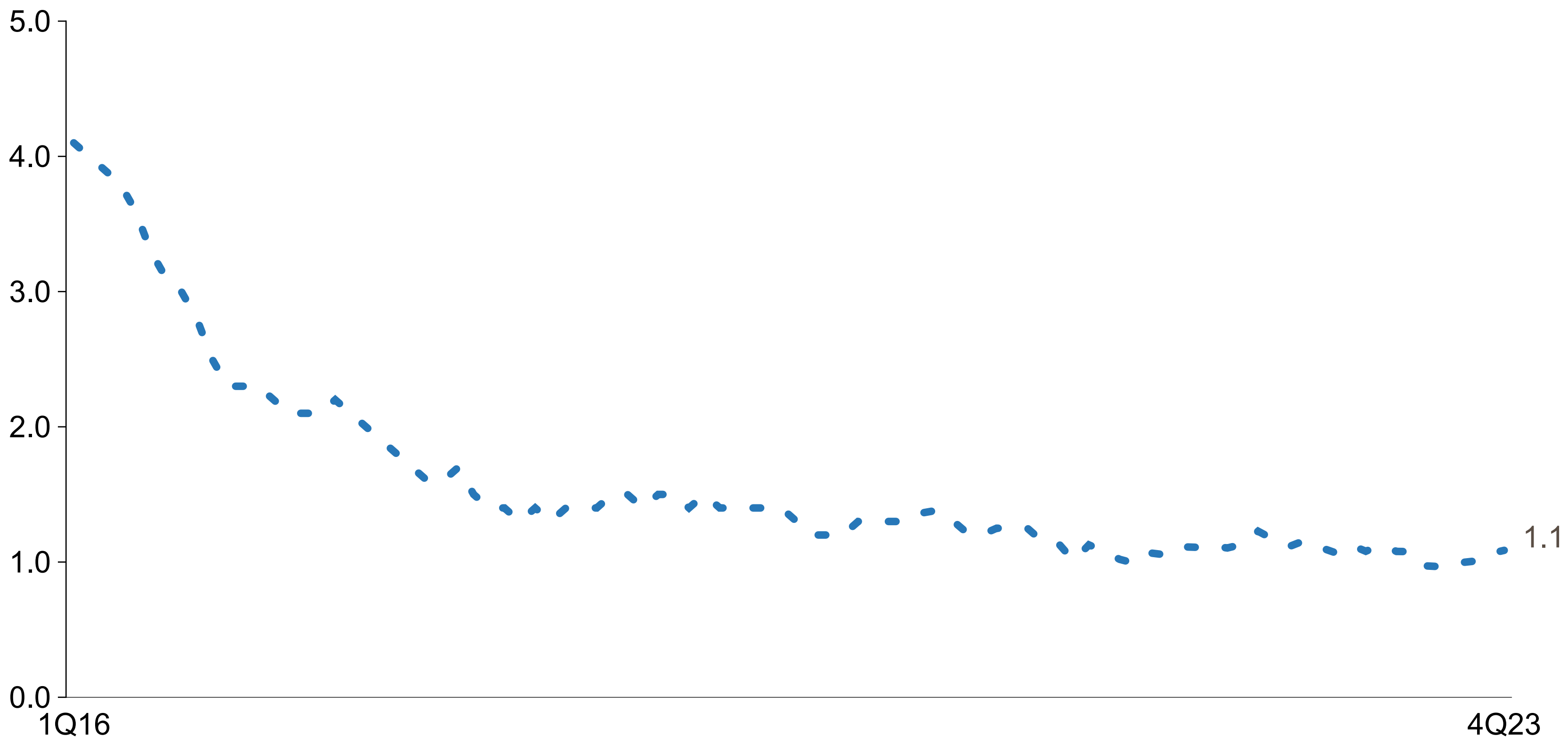
9 February 2024

Cautionary note

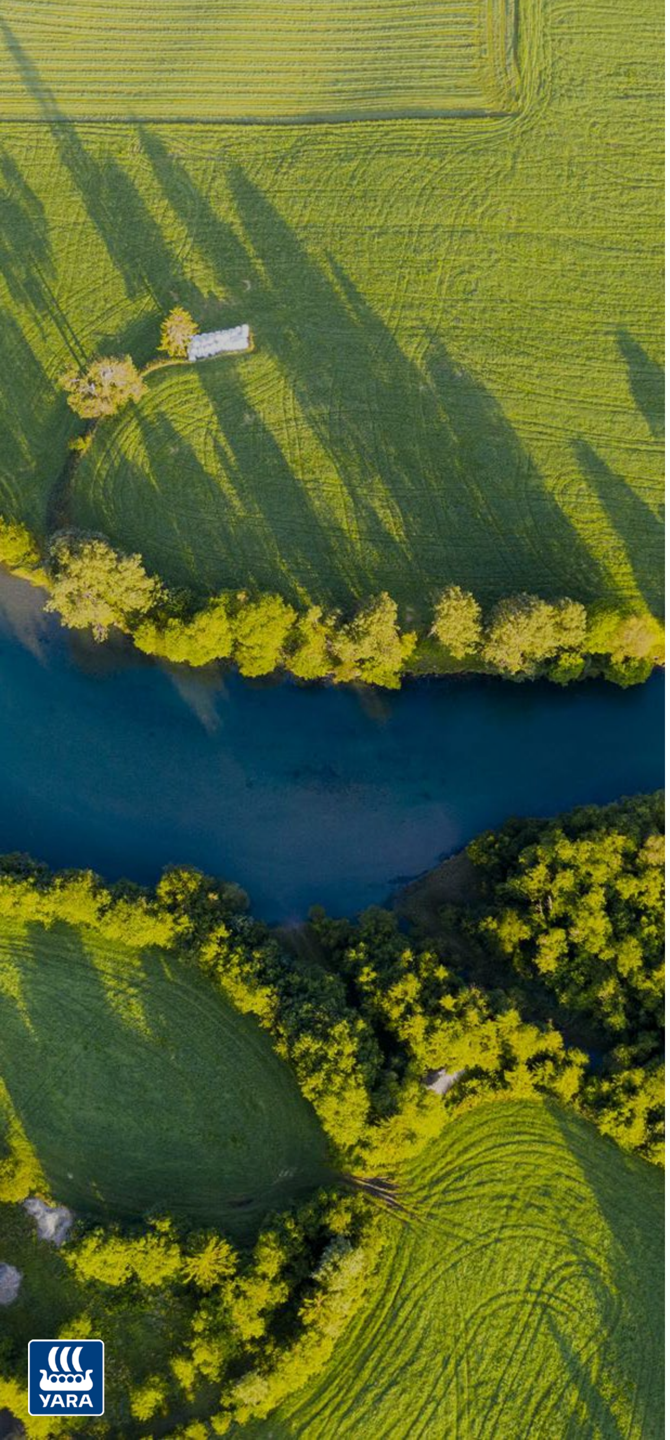
This presentation contains forward-looking information and statements relating to the business, financial performance and results of Yara and/or industry and markets in which it operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties and assumptions. Forward-looking statements are not guarantees of future performance, and risks, uncertainties and other important factors could cause the actual business, financial performance, results or the industry and markets in which Yara operates to differ materially from the statements expressed or implied in this presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecasted results will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statements.

Our ambition is zero injuries

TRI[1] (12-month rolling)



1) Total Recordable Injuries per 1 million working hours



Increased crop nutrition deliveries and improving margin trend

4Q 2023

EBITDA[1] of 586 MUSD, improving trend since 2Q23

4% increase in crop nutrition deliveries

1 BUSD full-year free cash flow[2]

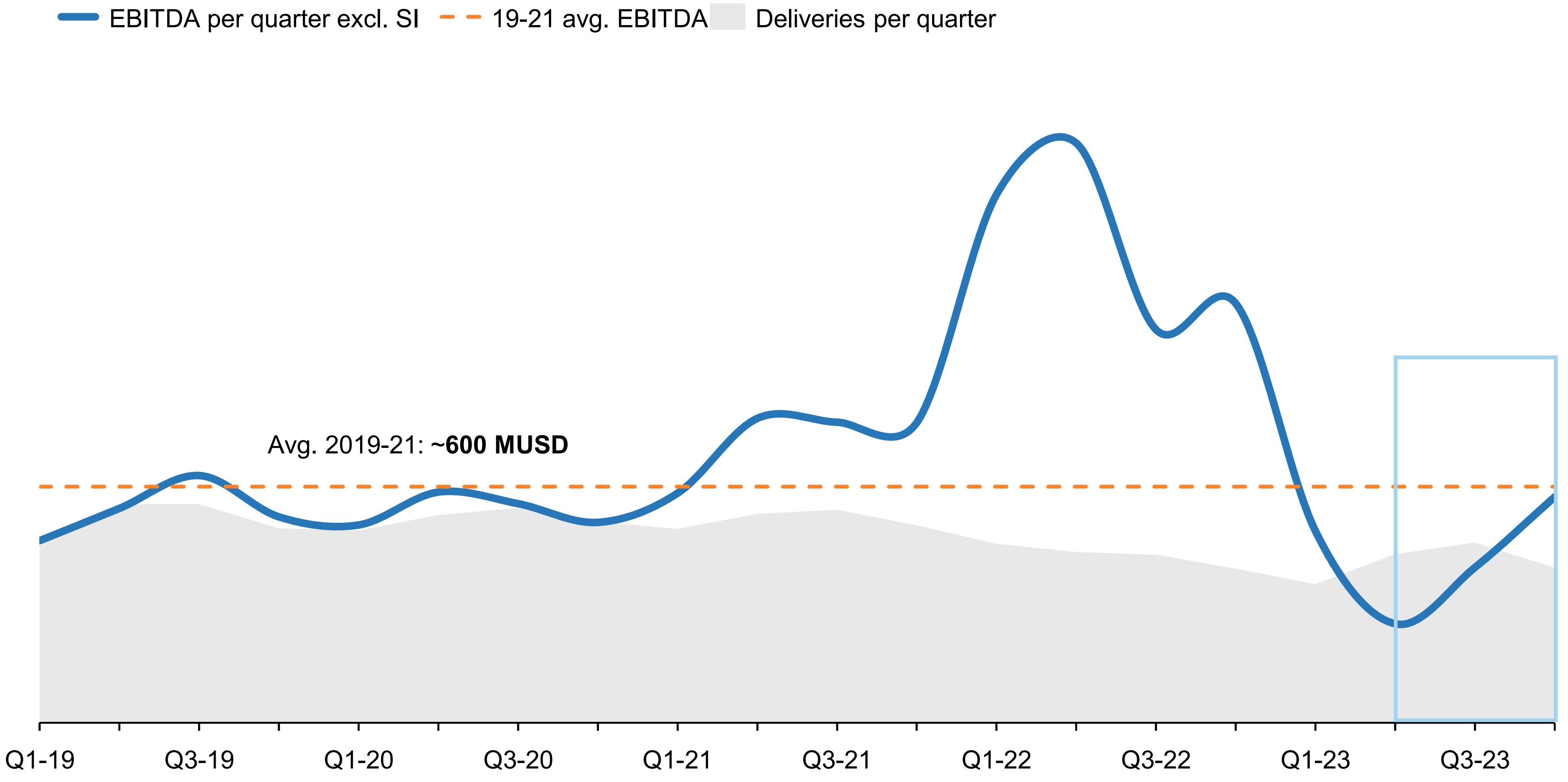
Increased buying and rising prices indicate volume catch-up in first half of 2024

NOK 5 per share annual dividend proposed

1) Alternative performance measures are defined, explained and reconciled to the financial statements in the APM section of the 4Q report on pages 35-41
2) Net cash provided by operating activities minus net cash used in investment activities (see cash flow statement page 15 in Yara 4Q report)

Improving EBITDA trend

EBITDA excl. special items[1] per quarter, MUSD



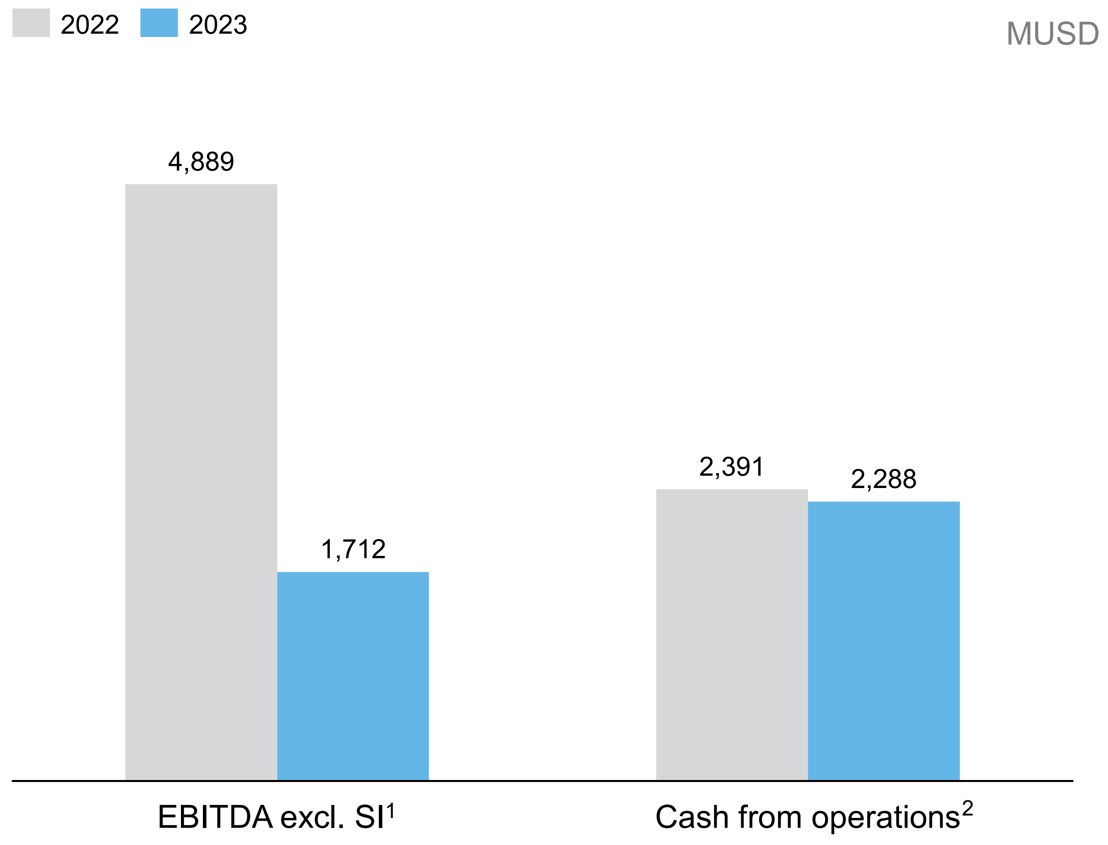
Comments

- EBITDA excl. special Items[1] improved in fourth quarter, returning to average 2019-21 levels despite lower deliveries
- Improvement mainly driven by increased ammonia and NPK margins

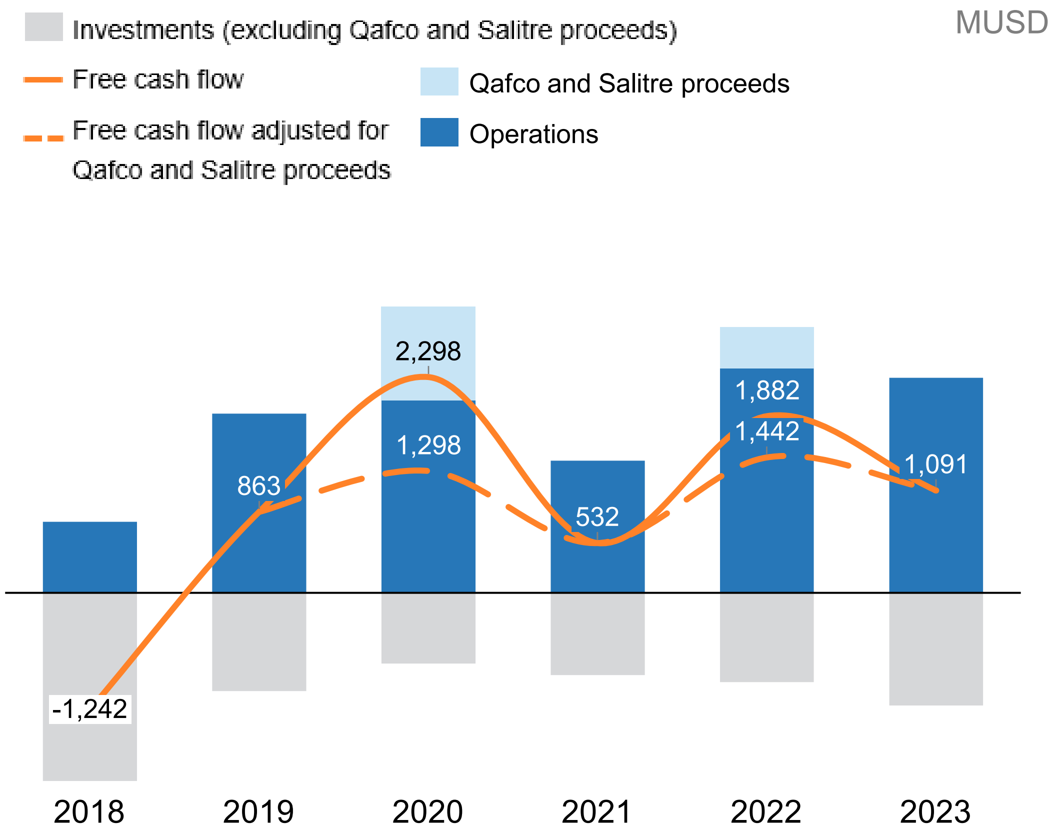
1) EBITDA excl. special items. For definition and reconciliation see Alternative performance measures (APM) section of 4Q report, pages 35-41

Strong full-year cash flow, despite challenging market conditions

2023 cash from operations on same level as high-margin 2022



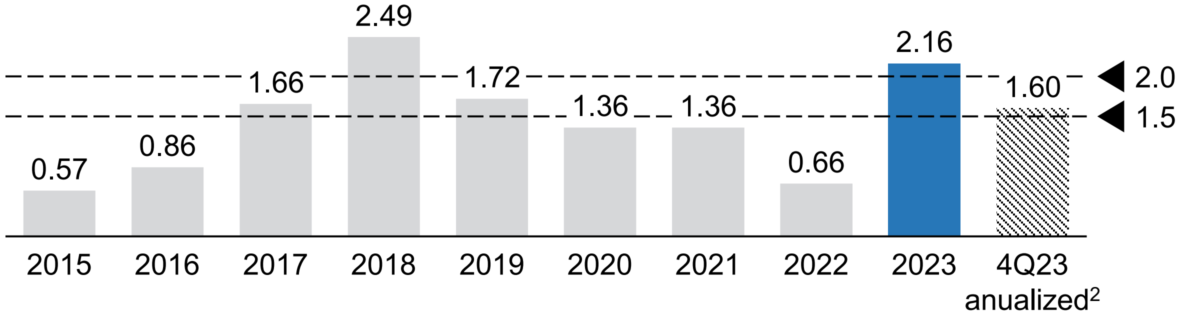
Free cash flow[3] of 1 BUSD in 2023



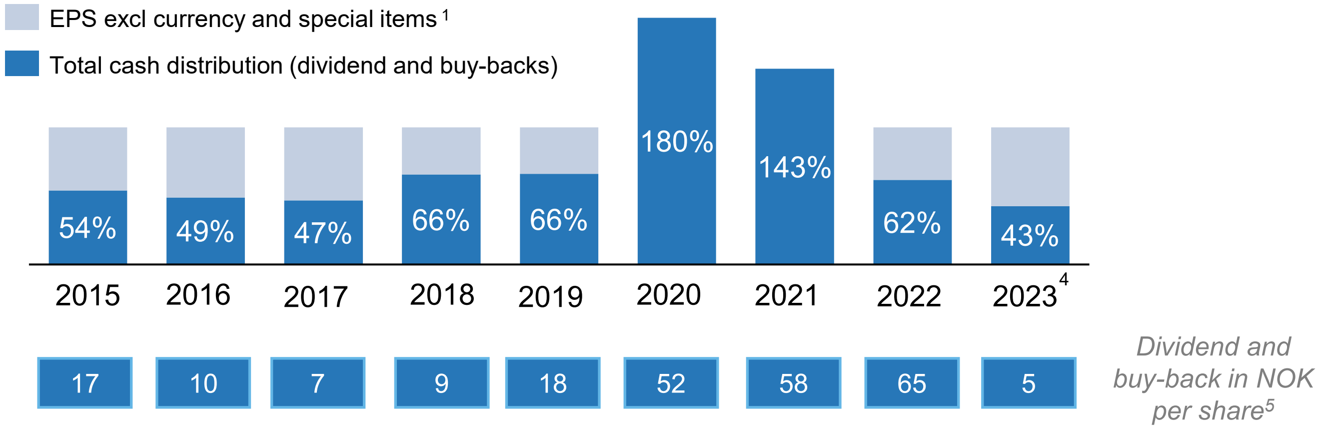
1) EBITDA excl. special items. For definition and reconciliation see Alternative performance measures (APM) section of 4Q report, pages 35-41
2) Net cash provided by operating activities as presented in the cash flow statement, page 15 of 4Q report
3) Net cash provided by operating activities minus net cash used in investment activities (see cash flow statement page 15 in Yara 4Q report)

Proposed dividend of 5 NOK per share

Net Debt/EBITDA excl. Special Items[1]



Dividend share of EPS excl. currency and special items[1]

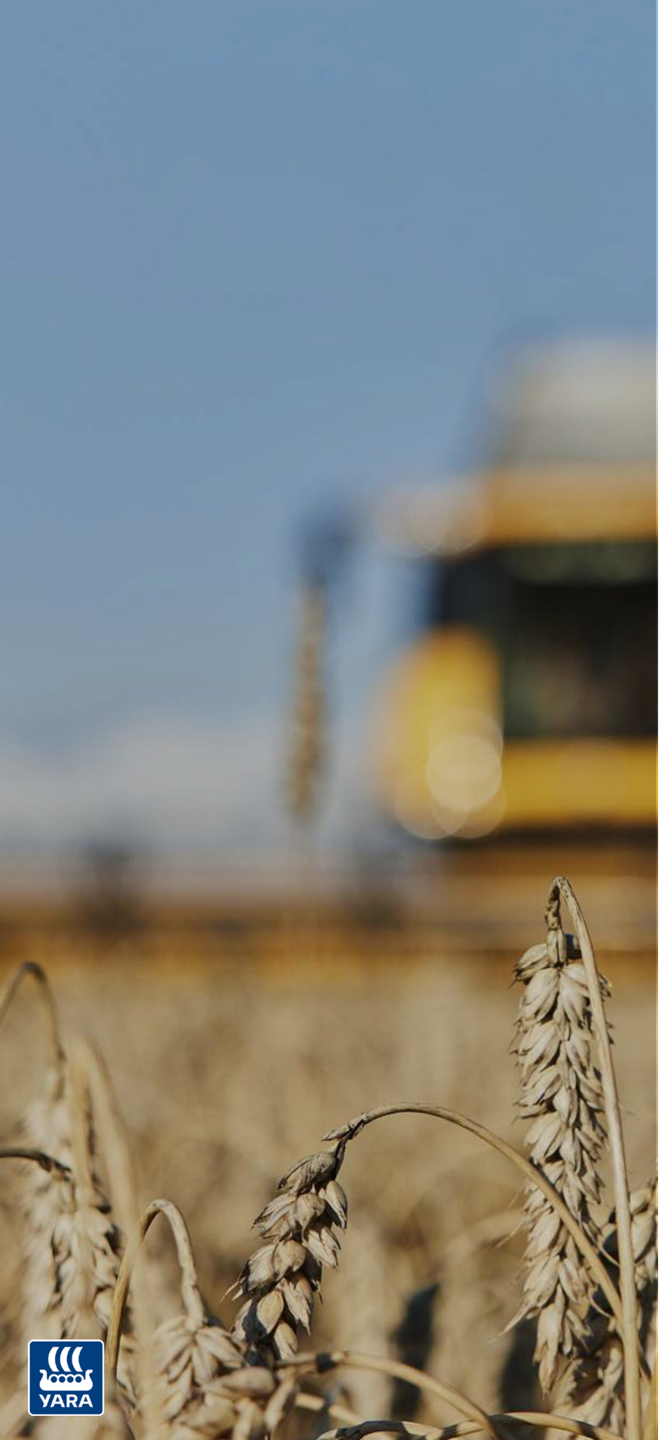


Comments

- In line with its capital allocation policy, Yara has delivered significant cash returns to shareholders, totalling 175 NOK per share over the last three years
- For 2023 the Yara Board proposes an ordinary dividend of NOK 5 per share, equivalent to 43% of net income excluding currency translation and special items
- Yara's overall objective to maintain a mid-investment grade credit rating remains firm, with a targeted mid- to long-term net debt/EBITDA[1] range of 1.5-2.0, FFO/net debt[3] at 0.4-0.5 and a net debt/equity[1] ratio below 0.60

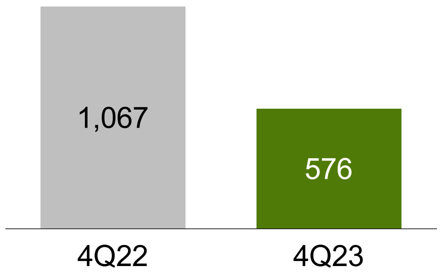
1) For definition and reconciliation see Alternative Performance Measures (APM) section of the 4Q report, pages 35-41
2) 4Q'23 "run rate" i.e. EBITDA excl. special items (576 MUSD) annualized and divided by current net debt of 3,690 MUSD
3) Funds from operations/net debt = cash from operations excluding change in working capital / net interest-bearing debt. Included as key metric for credit rating agencies to monitor capital structure in line with target.

4) Assuming approval of the 2023 dividend by the 2024 Annual General Meeting. Calculation: Dividend and buy-back in NOK per share divided by EPS excl. currency and special items translated to NOK at yearly average exchange rate
5) Share buybacks included in the year of purchase, including the corresponding pro-rata redemption of shares from the Norwegian state

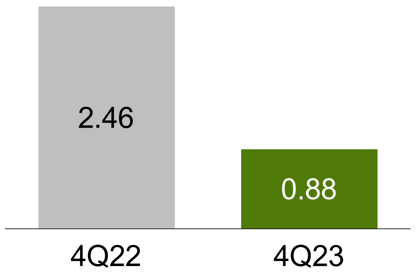


Financial performance

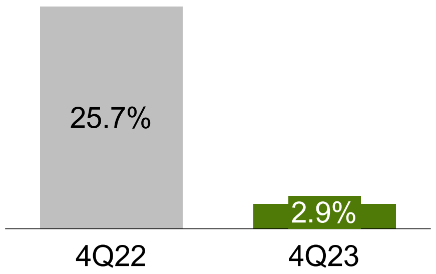
EBITDA excl. special items[1]
(MUSD)



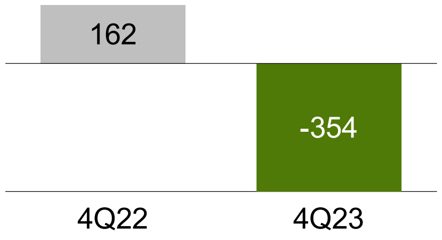
EPS excl. currency and special items[1]
(USD per share)



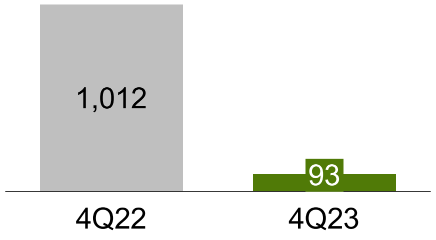
ROIC[1]
(12-month rolling, %)



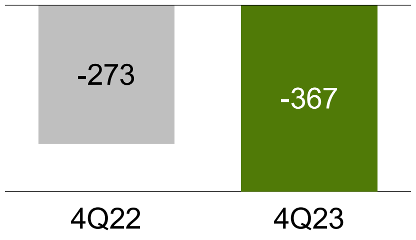
Change in net operating capital[2]
(MUSD)



Cash from operations
(MUSD)



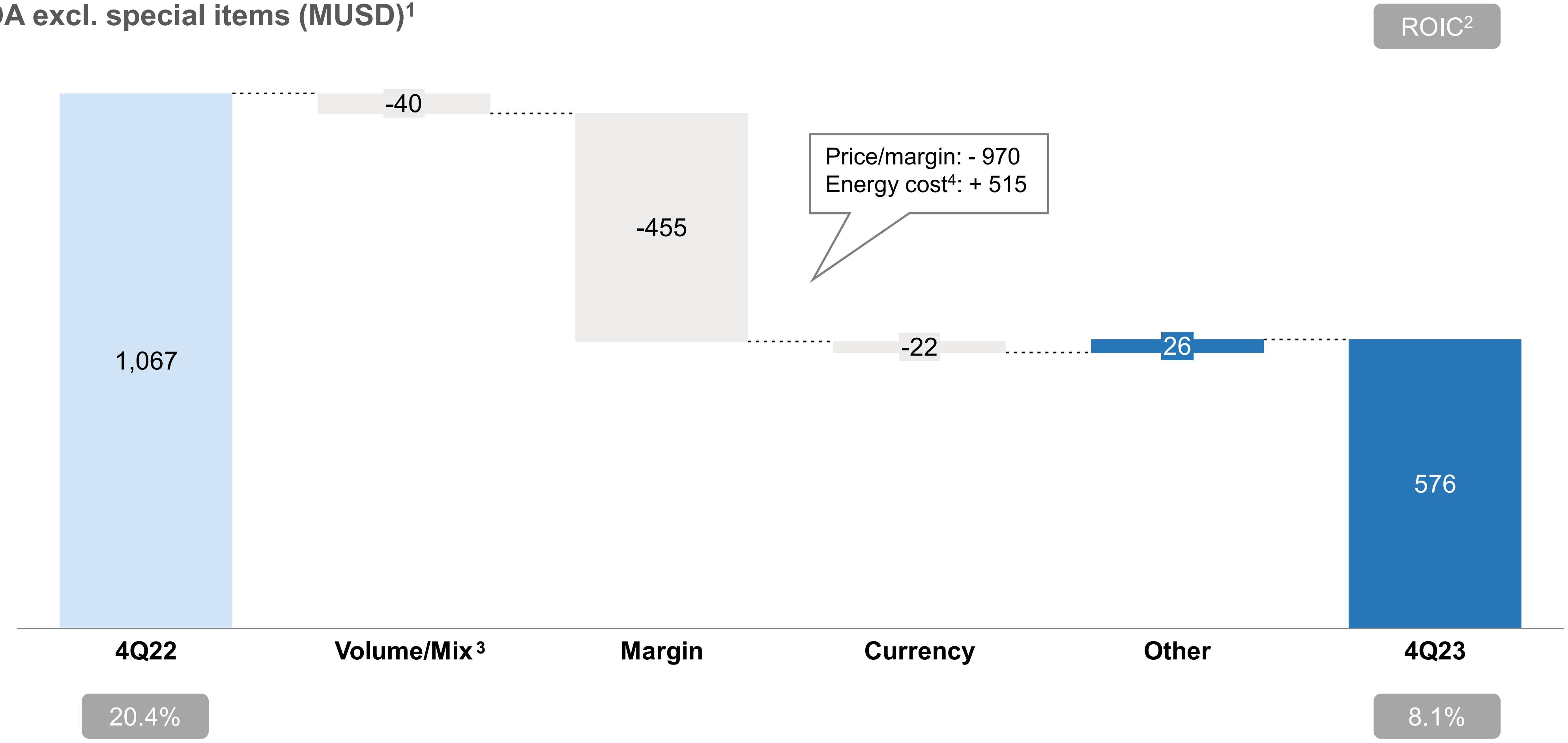
Investments (net)[3]
(MUSD)



1) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 4Q report on pages 35-41
2) Change in net operating capital as presented in the cash flow statement, page 15 of 4Q report
3) Net cash used in investing activities as presented in the cash flow statement, page 15 of 4Q report

4Q EBITDA excl. special items down 46% compared with high-price environment in 4Q 2022

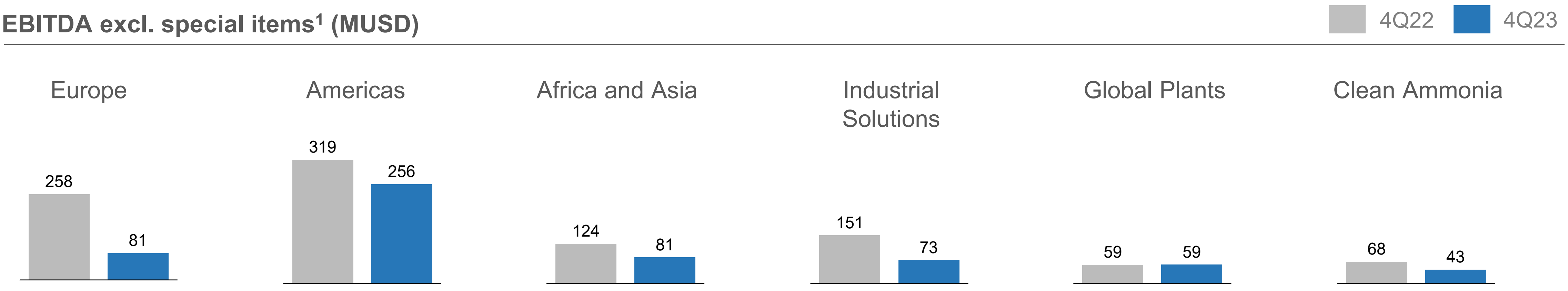
EBITDA excl. special items (MUSD)[1]



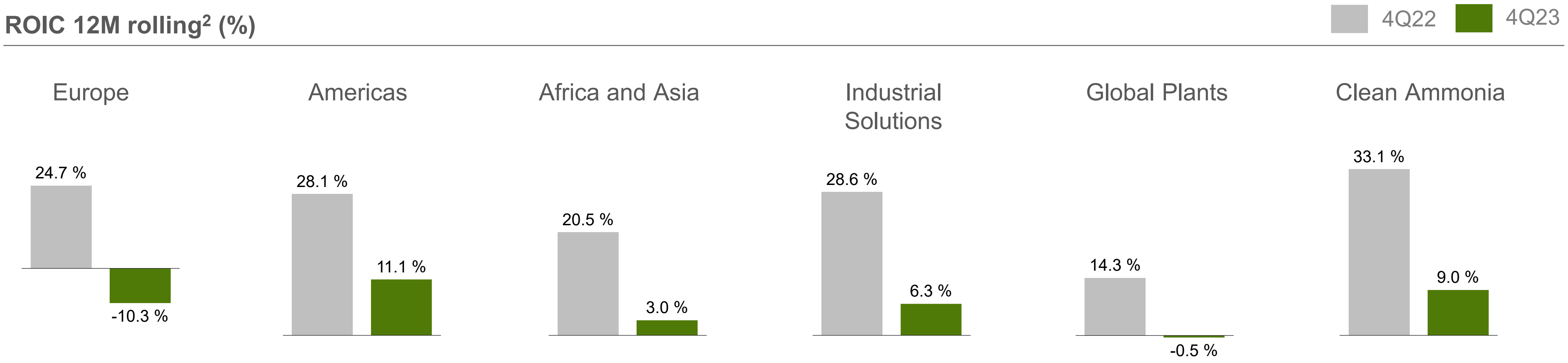
1) EBITDA excl. special items. For definition and reconciliation see Alternative performance measures (APM) section of 4Q report, page 35-41
2) Quarterly ROIC, annualized. For definition and reconciliation see APM section of 4Q report, page 36
3) Volume effect calculated as change in volume vs 4Q23 per product multiplied by margin per product in 4Q22. Margin calculated as residual.
4) Energy cost variance calculated by multiplying gas price differential with last year's gas consumption

Results by segment

EBITDA excl. special items[1] (MUSD)



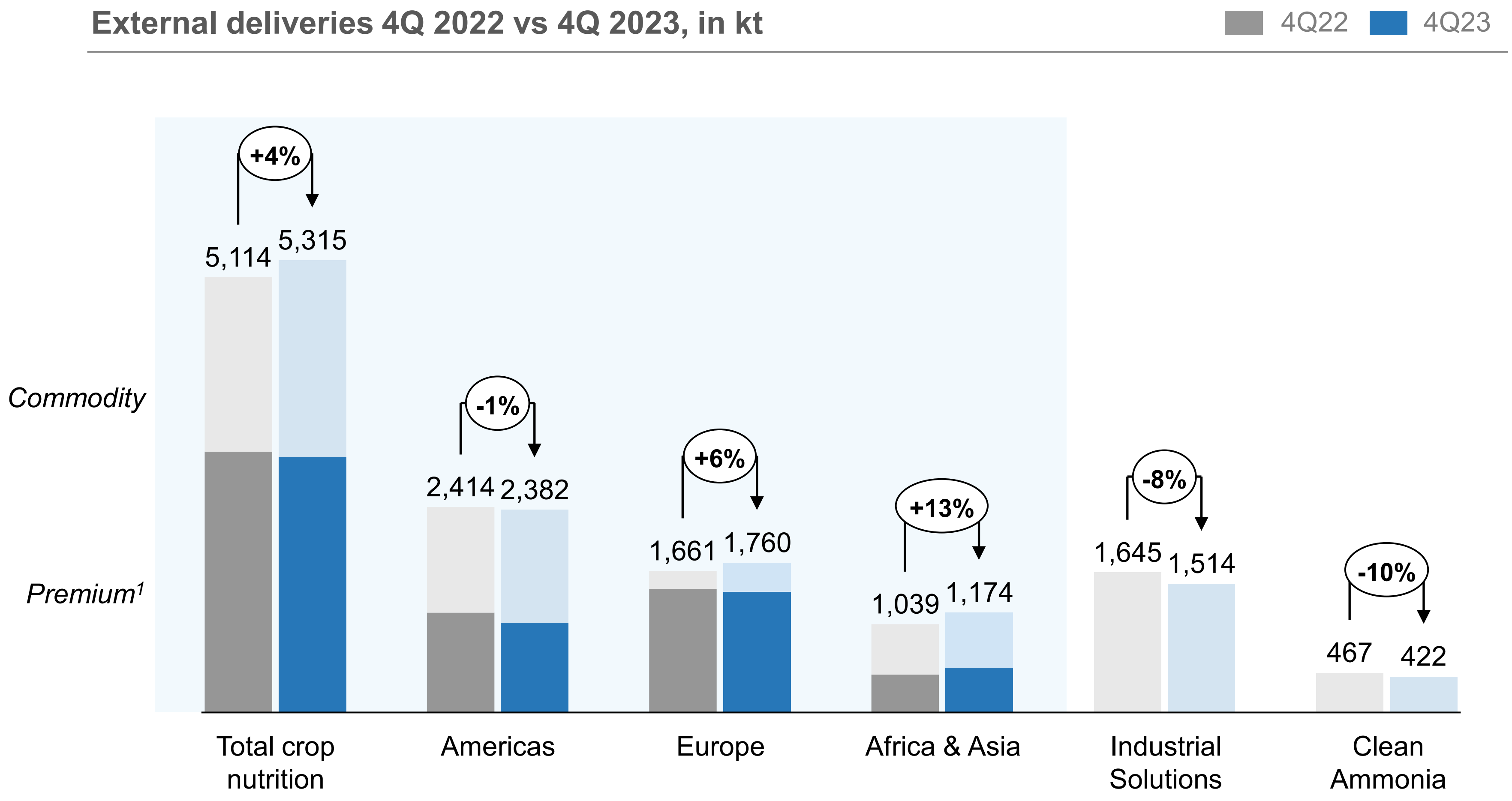
ROIC 12M rolling[2] (%)



1) For definition and reconciliation of EBITDA excl. special items see APM section of 4Q report, page 35
2) For definition and reconciliation of ROIC, see APM section in 4Q report, page 36

Increased crop nutrition deliveries

External deliveries 4Q 2022 vs 4Q 2023, in kt



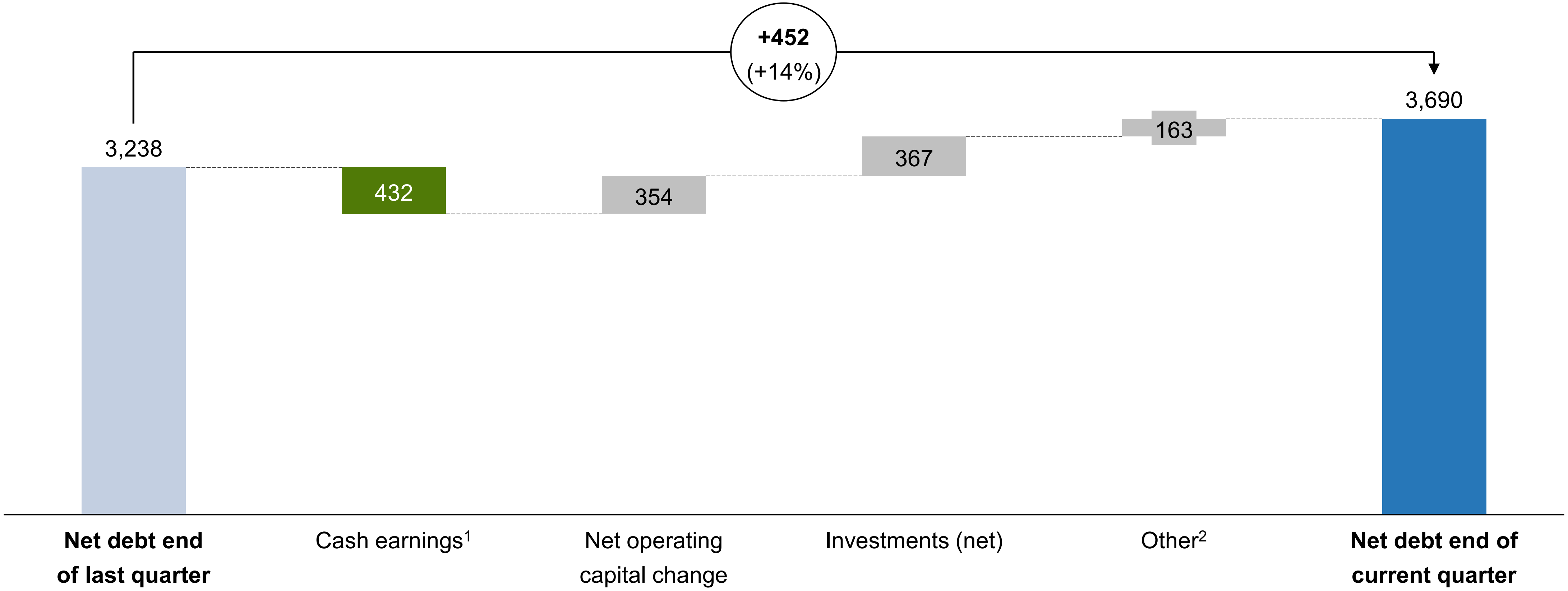
Comments

- Europe deliveries up 6%, but below historical average as buyers were reluctant to take positions
- Asia demand picking up ahead of application season, recovering compared with weak demand a year earlier
- Lower Industrial Solutions and Clean Ammonia deliveries mainly reflecting lower downstream industrial and fertilizer demand

1) Premium defined as Differentiated N, NPK, CN, fertigation products and YaraVita

Net debt increase mainly due to higher operating capital

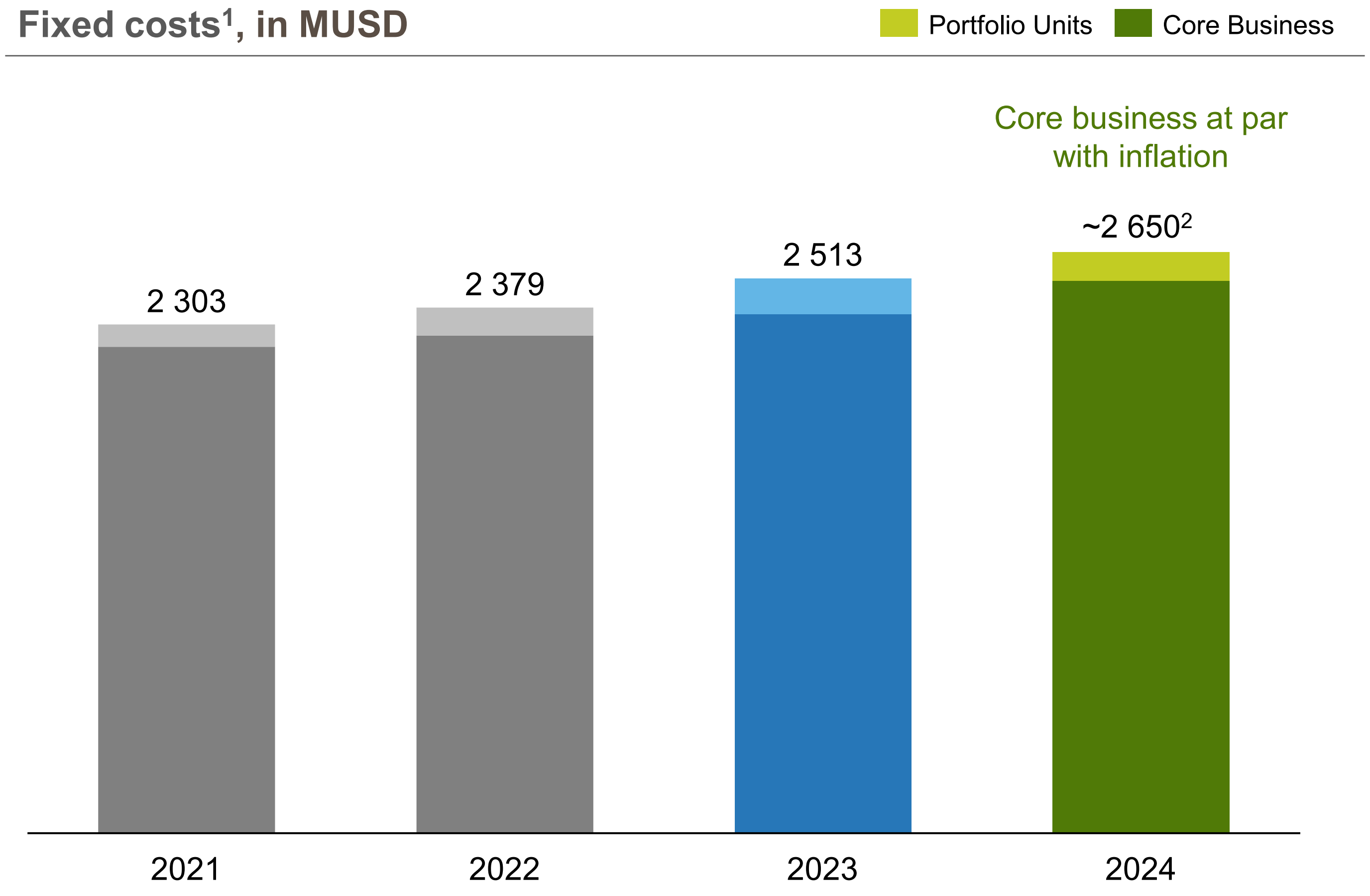
Net interest-bearing debt: 4Q development (MUSD)



1) Operating income plus depreciation and amortization, write downs, minus tax paid, net gain/(loss) on disposals, net interest expense, and bank charges
2) Other mainly related to new leasing contracts, currency effects and fair value adjustment of liabilities

Fixed cost target to beat inflation in core business and moderate spend in growth areas

Fixed costs[1], in MUSD



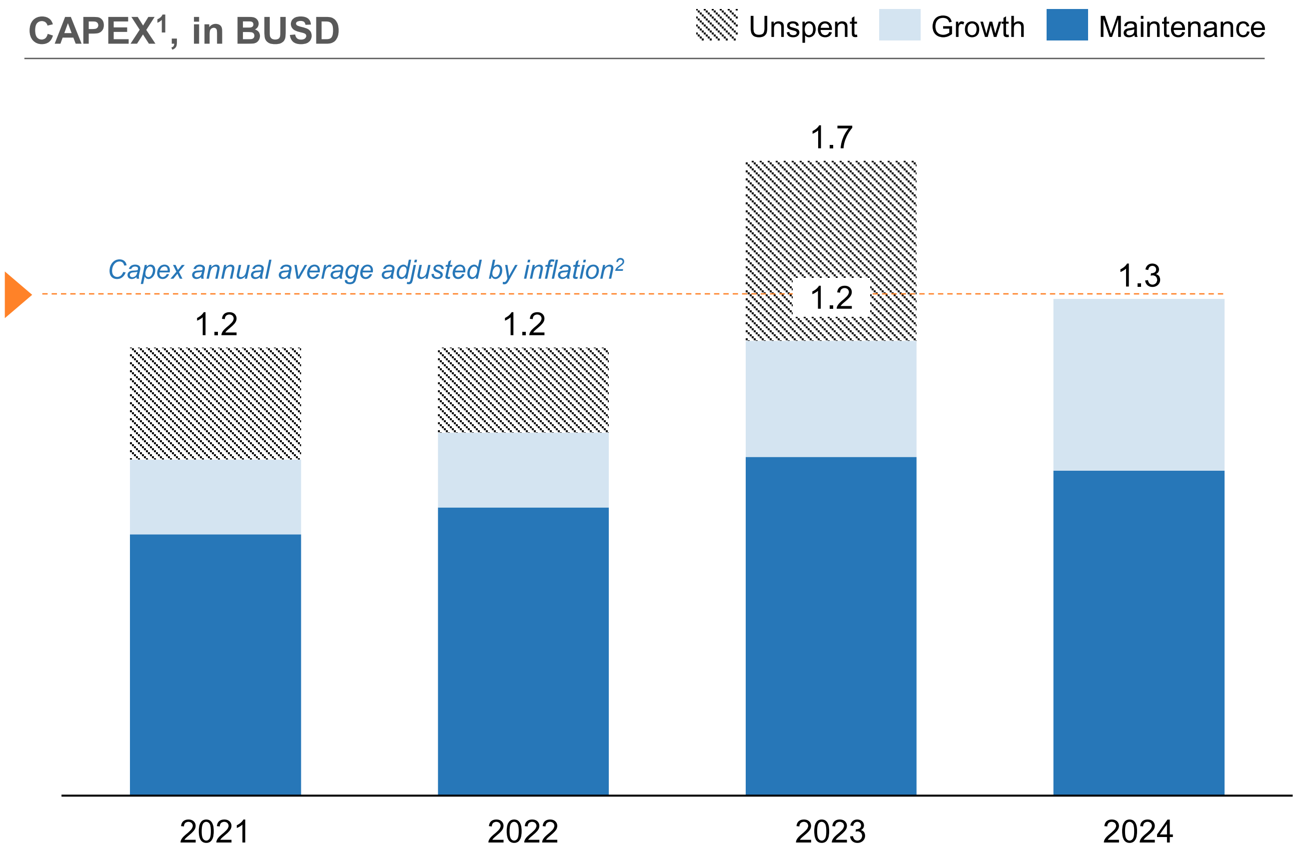
Comments

- Fixed cost for core business for 2023 in line with inflation
- Planned fixed costs reduction for portfolio units in 2024
- Further cost optimization planned going forward in new business areas to narrow focus

1) For a reconciliation of Fixed costs to Operating costs and expenses, see the APM section of the 4Q report, page 39
2) Subject to changes in currencies and inflation

Strict capital prioritization in line with strategy

CAPEX[1], in BUSD



Comments

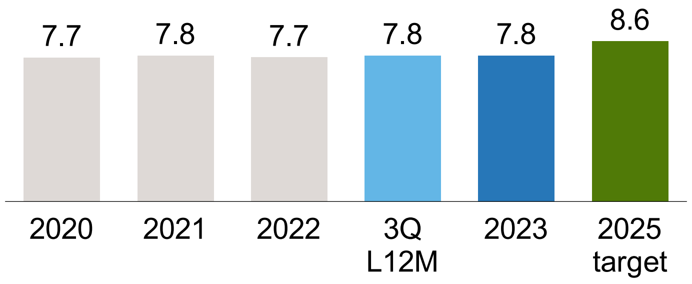
- Strict prioritization of capex reduced 2023 capex to 1.2 BUSD, with no underspend carry-over to 2024
- Capex guidance for 2024 of **1.3 BUSD**:
  - ~ 900 MUSD maintenance capex, including turnarounds and other reliability investments
  - ~150 MUSD decarbonization and premium product growth:
    - YaraVita (UK)
    - CN capacity expansion (Porsgrunn, Norway)
    - CCS, Sluiskil (Netherlands)
  - Remaining capex includes GHG project portfolio and capitalized blue ammonia project cost

1) Capex is defined as a cash outflow from investing activities as presented in the cash flow statement, page 15 of 4Q report
2) Historical average capex spend adjusted by yearly inflation: 1.2BUSD (2022 real terms) * yearly inflation expectation = 1.3BUSD

Yara Improvement Program (YIP)

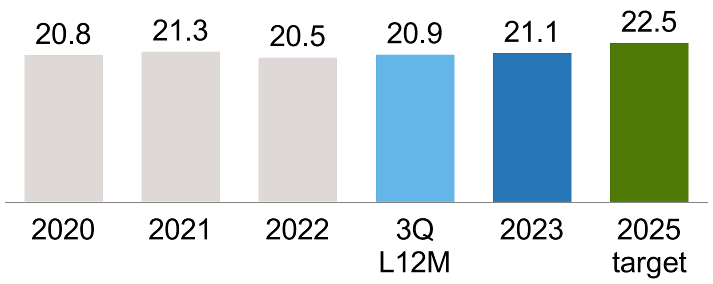
Ammonia production[1] (mt)

Consistent performance across most assets offset a few turnaround issues and outages throughout the year.



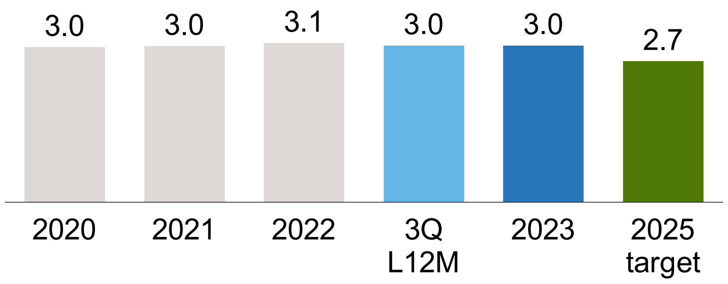
Finished product production[1] (mt)

Strong performance across several key sites in a more challenging operating environment.



GHG emission intensity (t CO2e/tN)

Stable GHG due to better reliability and fewer curtailments in the second half of 2023.

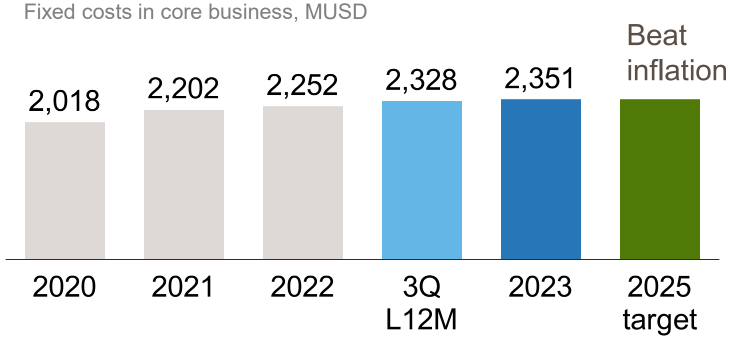


Fixed cost[2] and capex[3] guidance (MUSD)

Continued strong cost and capital discipline with a target to beat cost inflation in core business, and capex guidance at max 1.2 BUSD annual average in real terms4.

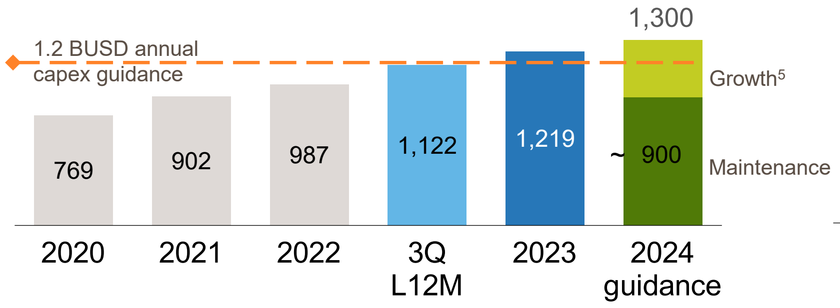
2023 increase in-line with inflation.

Fixed costs in core business, MUSD



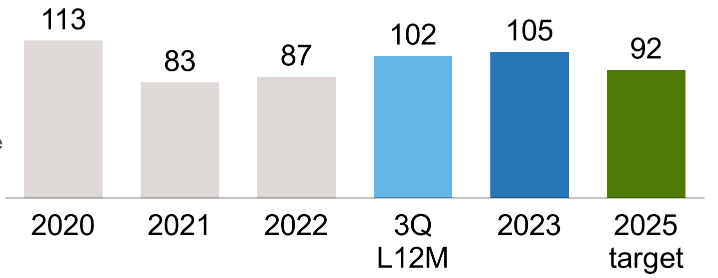
2023 as per capex guidance; increase vs 2022 mainly driven by maintenance execution.

Capex, MUSD



Operating capital[6] (Days)

Operating capital days increase is due to price-effect more than offsetting sightly reduced inventory volumes (t)



1) Targets and actual volumes adjusted for portfolio changes
2) For a reconciliation of Fixed costs to Operating costs and expenses, see the APM section of the 4Q report, page 39
3) Capex is defined as a cash outflow from investing activities as presented in the cash flow statement, page 15 of 4Q report
4) 2022 base year
5) Includes improvement and growth projects (both committed and uncommitted)
6) Operating capital excluding prepayments from customers. For a reconciliation of Operating capital days, see the APM section of the 4Q report, page 40

Full year condensed statement of income

	2023	2022	Variance
Revenue and other income	15,547	24,051	-8,504
Raw materials, energy costs and freight expenses	(11,445)	(18,078)	6,633
Change in inventories of own products	(650)	725	(1,375)
Payroll and related costs	(1,399)	(1,284)	(115)
Depreciation and amortization	(1,018)	(964)	(54)
Impairment loss	(220)	(35)	(185)
Expected and realized credit loss on trade receivables	(9)	(14)	5
Other operating costs and expenses	(495)	(575)	80
Operating costs and expenses	(15,236)	(20,224)	4,989
Operating income	312	3,827	(3,515)
Share of net income/(loss) in equity-accounted investees	1	25	-25
Interest income and other financial income	159	108	51
Foreign currency exchange gain/(loss)	(32)	(61)	29
Interest expense and other financial items	(249)	(260)	12
Income/(loss) before tax	191	3,639	(3,448)
Income tax expense	(136)	(857)	720
Net income/(loss)	54	2,782	(2,728)
Basic earnings/(loss) per share	0.19	10.90	
Weighted average number of shares outstanding	254,725,627	254,725,627	

Comments

- Lower revenue and variable cost reflect lower prices for both finished products and raw materials
- 2023 impairment loss relates mainly to Tertre plant, Belgium (168 MUSD)
- High effective tax rate in 2023 due to Tertre impairment and tax losses in certain countries not recognized as tax assets

Condensed statement of financial position

	31 Dec 2023	31 Dec 2022	Variance
Assets			
Total non-current assets	9,814	9,363	452
Total current assets	6,213	8,620	(2,407)
Total assets	16,027	17,982	(1,955)
Equity and liabilities			
Total equity	7,570	8,600	(1,030)
Total non-current liabilities	4,743	5,043	(300)
Total current liabilities	3,714	4,338	(625)
Total equity and liabilities	16,027	17,982	(1,955)

Comments

- Reduction in current assets reflects lower compared with 2022, impacting both inventories and trade receivables
- In addition to lower prices, trade payables reduced further due to lower commodity TPP[1] sourcing to Brazil
- Equity reflects net income of 54 MUSD, 220 MUSD currency gain on foreign operations and 1.3 BUSD dividend payment

1) TPP – third-party products

Driving sustainable performance with an integrated scorecard

People

Yara KPI	2021	2022	2023	2025 target
Strive towards zero accidents, TRI	1.0	1.1	1.1	<1.0
Engagement Index [1]	79%	78%	77%	Top quartile
Diversity and inclusion index [1]	77%	75%	75%	Top quartile
Female senior managers [2]	29%	29%	32%	40%

1) Measured annually
2) Status per end of the quarter

Planet

Yara KPI	2021	2022	2023	2025 target
GHG emissions, intensity, t CO2e/t N	3.0	3.1	3.0	2.7
GHG emissions, scope 1+2, CO2e [1]	-4%	-14%	-14%	-30%
Digitized hectares, mHa [2]	N/A	19	23	150
MSCI rating	A	A	AA	A

1) GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline
2) Cropland with digital farming user activity within defined frequency parameters

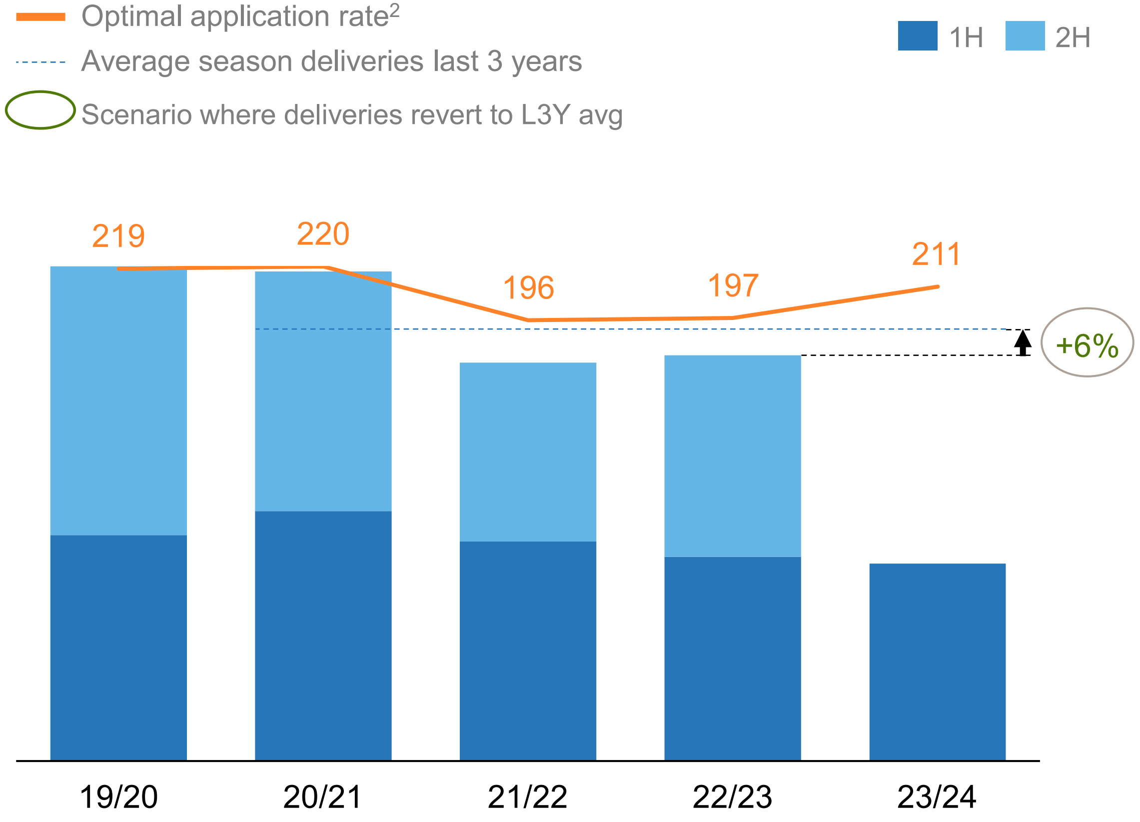
Profit

Yara KPI	2021	2022	2023	2025 target
Ammonia Production, mt [1]	7.8	7.7	7.8	8.6
Finished Fertilliser Production, mt [1]	21.3	20.5	21.1	22.5
Premium generated, MUSD [2]	125	1 594	1 877	N/A
Operating capital days [3]	83	87	105	92
Capital return (ROIC)	7.9%	25.7 %	2.9%	>10%
Fixed costs in core business, MUSD [4]	2,202	2,252	2 351	beat inflation

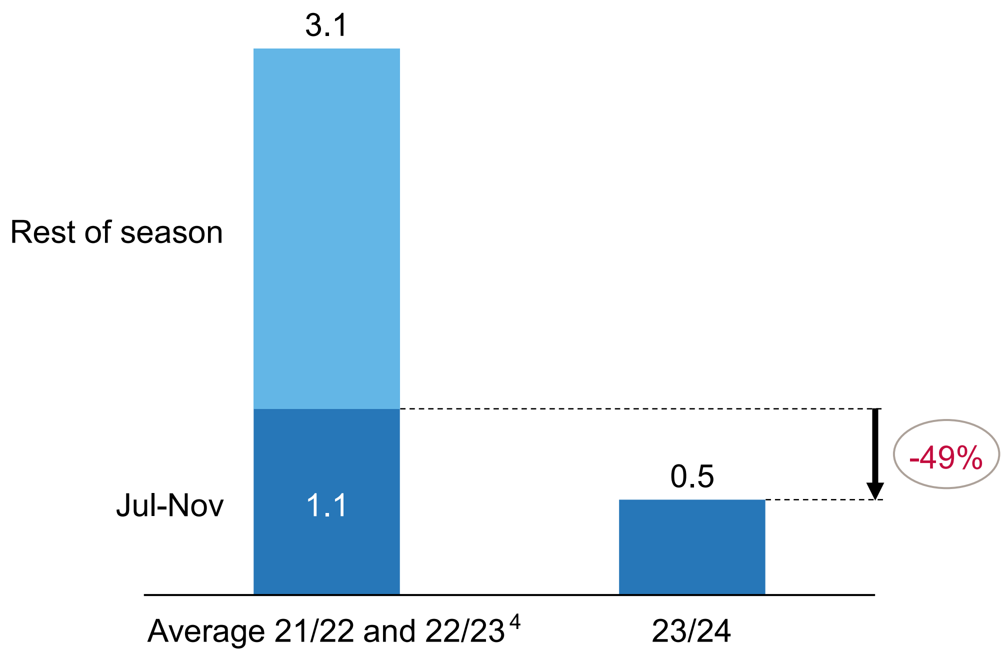
1) YIP performance
2) Comparison figures for 2021 and 2022 are changed following a revision of the market references applied. See the 4Q 23 report on page 38 for an explanation.
3) Alternative performance measures are defined, explained and reconciled to the financial statements in the APM section of the 4Q 23 report on pages 35-41
4) Fixed cost target is annual

Increased buying activity and higher optimal application rates indicate volume catch-up in 1H 2024

Lagging European deliveries season-to-date, improved farmer incentives (mt N delivered in Europe in core countries[1])



Slow start to the season in the US, significant imports needed to cover demand[3], in mt



1) All products, nutrient tonnes - estimate of fertilizer deliveries to selected countries
2) For a wheat farmer in Europe based in CAN price. Figure for 23/24 as of week 4 2024. Se slide 34 in appendix for more detailed calculation.
3) Source: TFI
4) US production increase of 0.6 mt from 21/22 to 22/23

Yara strategy focused on profitable decarbonization, strengthening ammonia and crop nutrition core

Key global trends	Strategic response
Climate emergency and decarbonization	**Decarbonize and diversify energy position** through profitable growth in low-carbon ammonia and premium low-carbon fertilizers
Geopolitical shocks and challenging energy position in Europe	**Improve future competitiveness of ammonia and crop nutrition production** through more favorable and diversified energy cost position
Global food system transformation	Establish **long-term growth platform within new business areas** through selective organic growth supported by strategic partnerships

Key projects and priorities

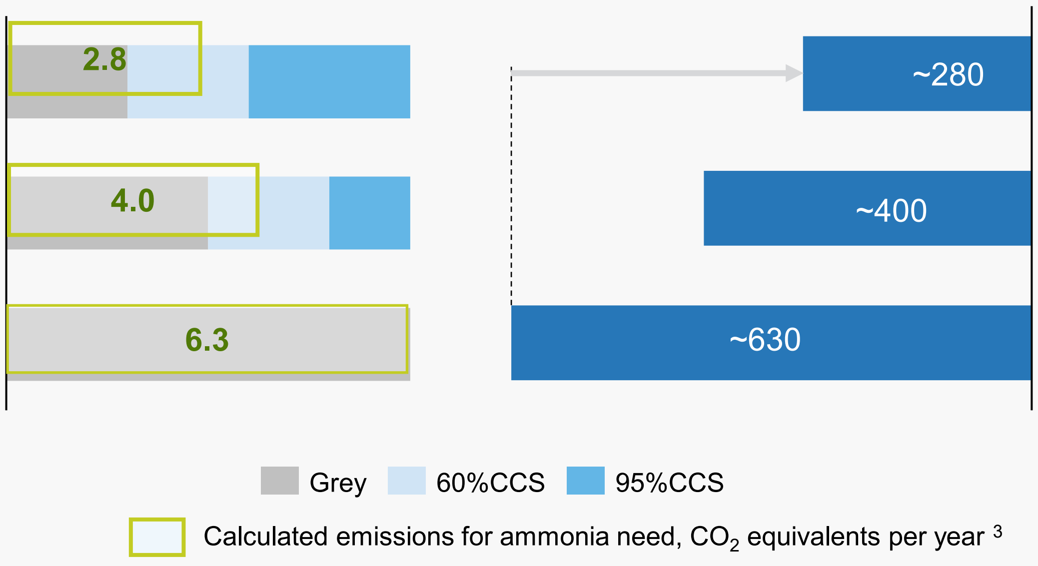
- **Sluiskil CCS:** FID confirmed, estimated start-up 2026
- 2024 roll-out of fertilizers produced in **Porsgrunn with green ammonia**
- Assessment of **asset footprint**
- **New commercial offerings**, including expanding organic and biostimulant portfolio
- **Blue ammonia projects in US:** continue to mature towards targeted FID 2H2025

Yara will strengthen its core nitrate upgrading margin through decarbonization of ammonia

Yara can utilize its flexible ammonia position to reduce carbon emissions and reduce carbon tax exposure

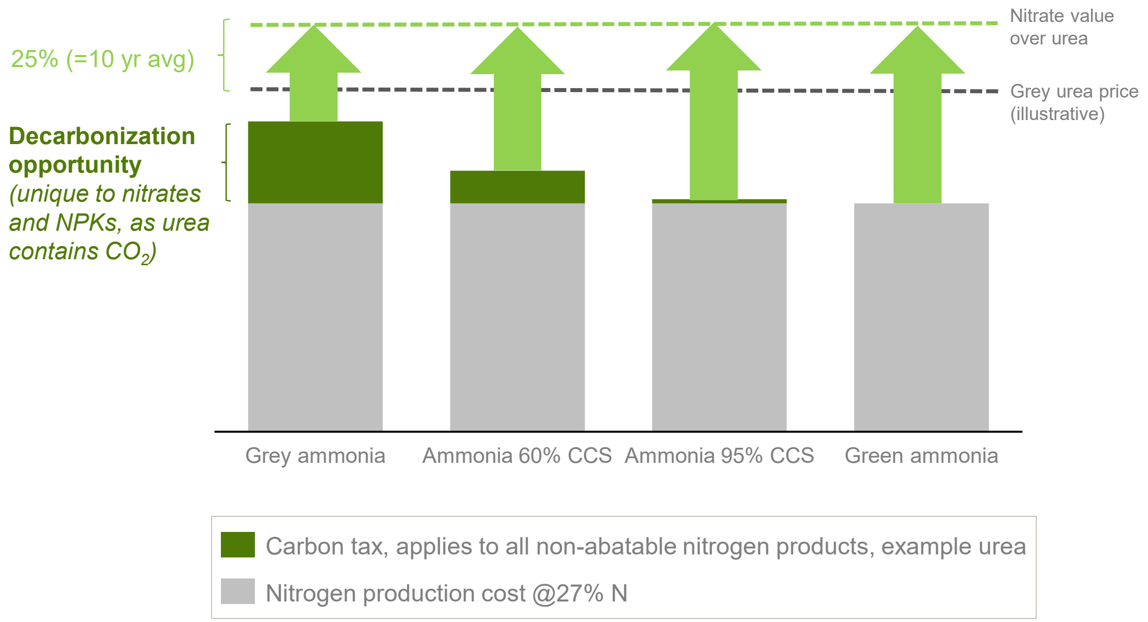
Scenarios assuming 3.5 mt total ammonia needed (for illustration)[2]

Yara's Europe annual carbon tax in 2034[4] @CO_2 cost of 100USD/t, in MUSD



Yara will strengthen its core nitrate upgrading margin through decarbonization opportunity unique to nitrates

Nitrate upgrading margin scenarios in 2034[4] assuming ammonia@500/t and CO_2@100USD/t



1) Other production cost and freight disregarded
2) Scenarios for illustration. European ammonia need for fertilizers appx 3.5mt in total (including captive) - 3 different possible scenarios; 100% Grey; 50%grey+ 30% CCS 60%+20% CCS 95%; 30% grey + 30% CCS 60% + 40% CCS 95%
3) In CO_2 equivalents per year. Carbon content assumptions for grey: 1.8tCO_2/t NH3, CCS 60%: 0,6CO_2/tNH3 and CCS 95%: 0,03 CO_2/t NH3
4) Assuming carbon cost of 100USD per tonne of CO_2 and CBAM fully phased in

Yara is playing a leading role in tackling the food crisis and climate change while enabling the energy transition

Focused strategy

Resilient and flexible business model

Attractive prospects with clear link to value creation, through three strategic pillars:

- Climate Neutrality
- Regenerative Agriculture
- Prosperity

Profitable growth

Building on Yara's leading ammonia position to serve new market segments and profitably decarbonize own production

Attractive US ammonia investments, complementary to Yara's European footprint

Strong shareholder returns

Strong capital discipline maintained – focused capital allocation and further portfolio optimization

Appendix

Updated sensitivities & production capacities on www.yara.com

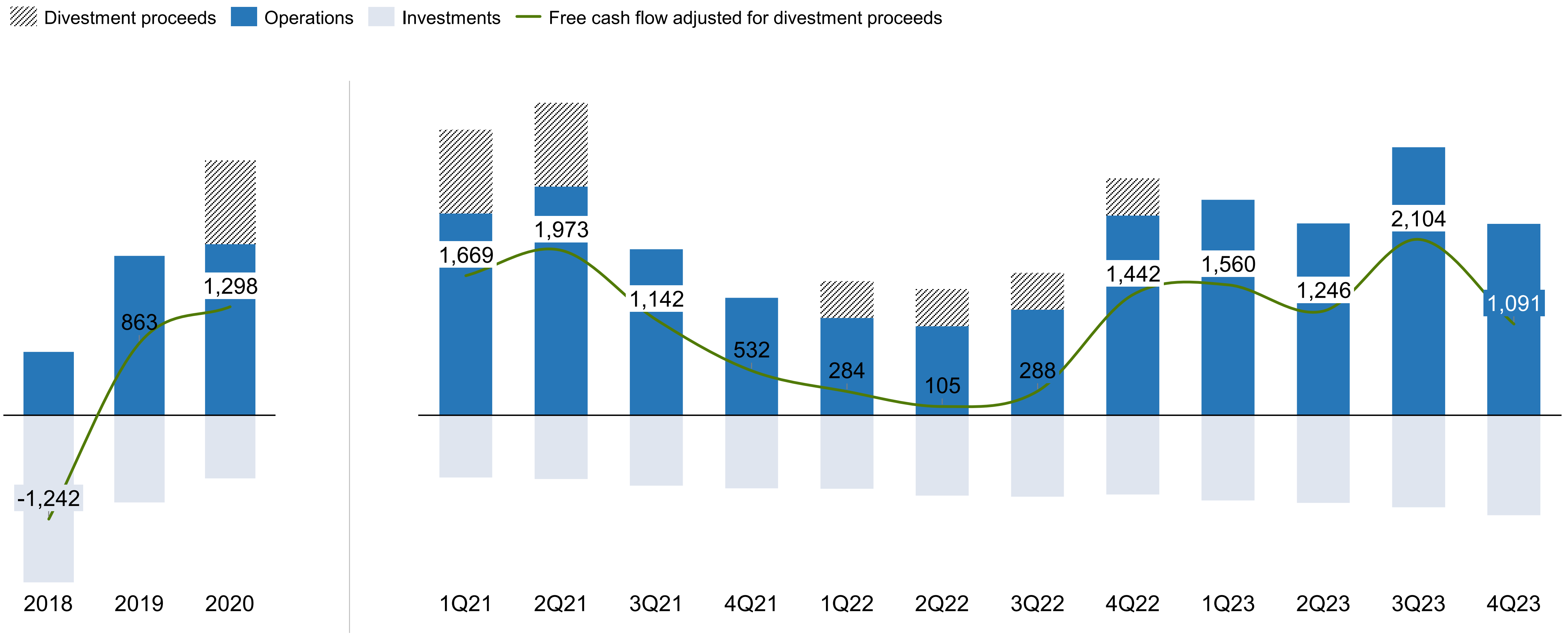
USD million	Previous	New
Urea sensitivity + 10USD/t	**44**	**42**
… of which pure urea	38	36
… of which pure UAN	6	6
Nitrate sensitivity CAN + 10 USD/t	**103**	**91**
… of which pure nitrates	65	57
… of which NPKs	38	34
Ammonia + 10 USD/t	**8**	**8**
Hub gas Europe + 0.1 USD/MMBtu	-16	-16
Hub gas North Am + 0.1 USD/MMBtu	-4	-4

Main changes:

- Capacity utilization rate updated from 95% to 90% to match the actual average utilization rate
- Some updates in the N content for NPK and nitrates product mixes
- Gas sensitivities remain unchanged representing the gas consumption levels during the year with “normal” production levels

Free cash flow

Free cash flow before financing activities[1,2]

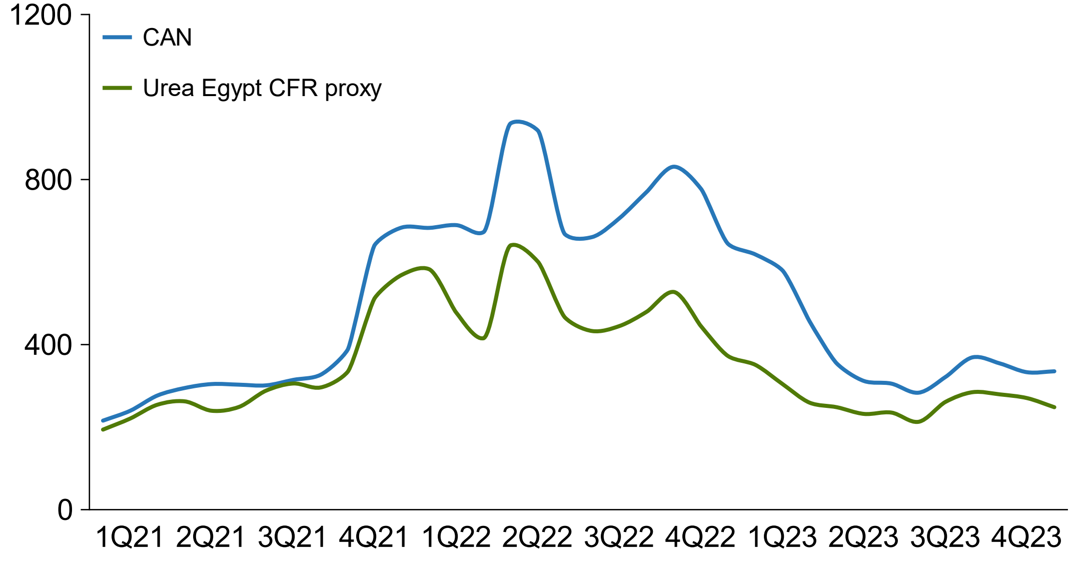


1) Net cash provided by operating activities minus net cash used in investment activities as presented in the cash flow statement, page 15 in the 4Q 2023 report.
2) L12M, MUSD

Nitrate and NPK premiums

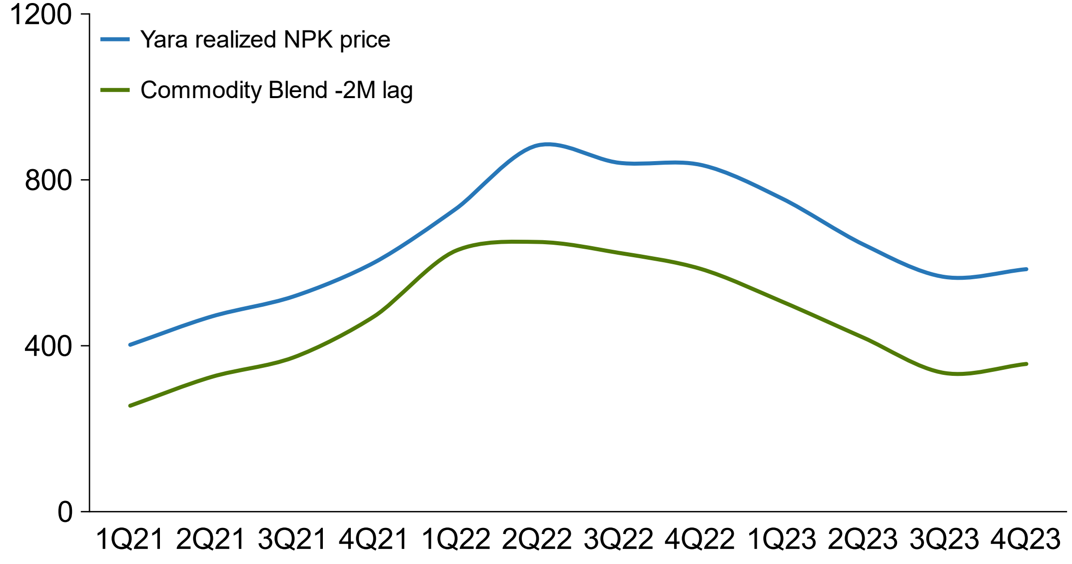
Nitrate premium above urea[1]

USD/t (CAN27 equivalents)



NPK premium above commodity blend[2]

USD/t (NPK average grade equivalents)



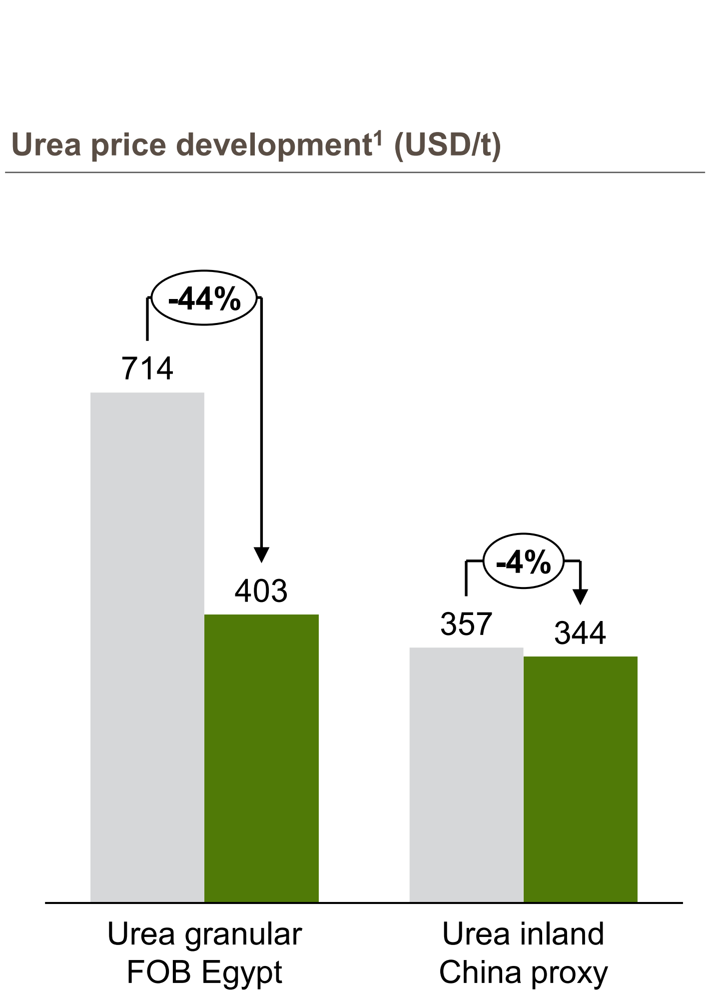
- Market premiums and P&L margins correlate over a longer time horizon, but can differ substantially shorter term
- Position (exposure) effects due to time lag from sourcing of raw materials to production and delivery will impact actual margin

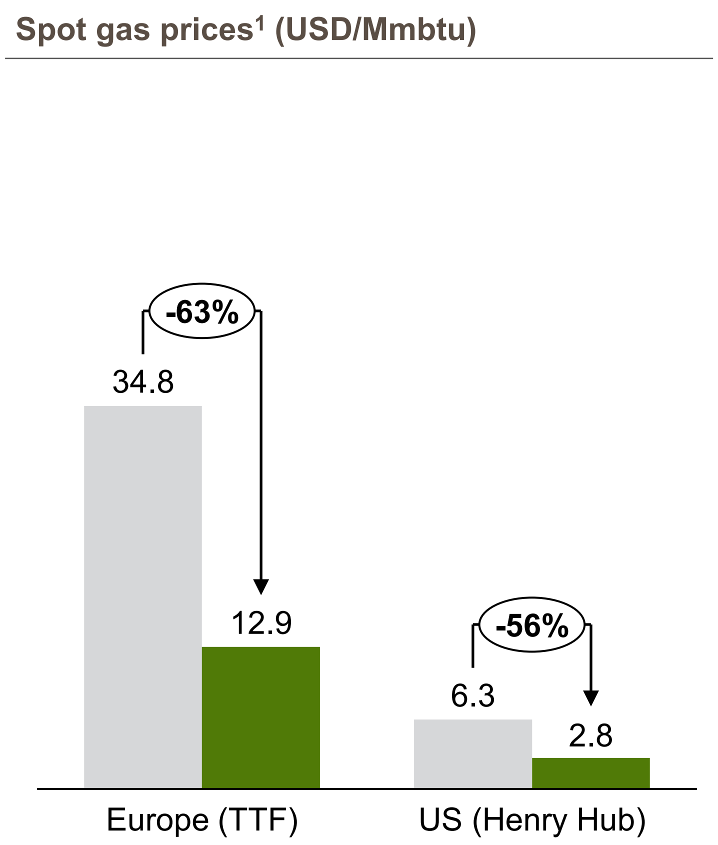
Source: Fertilizer Market publications

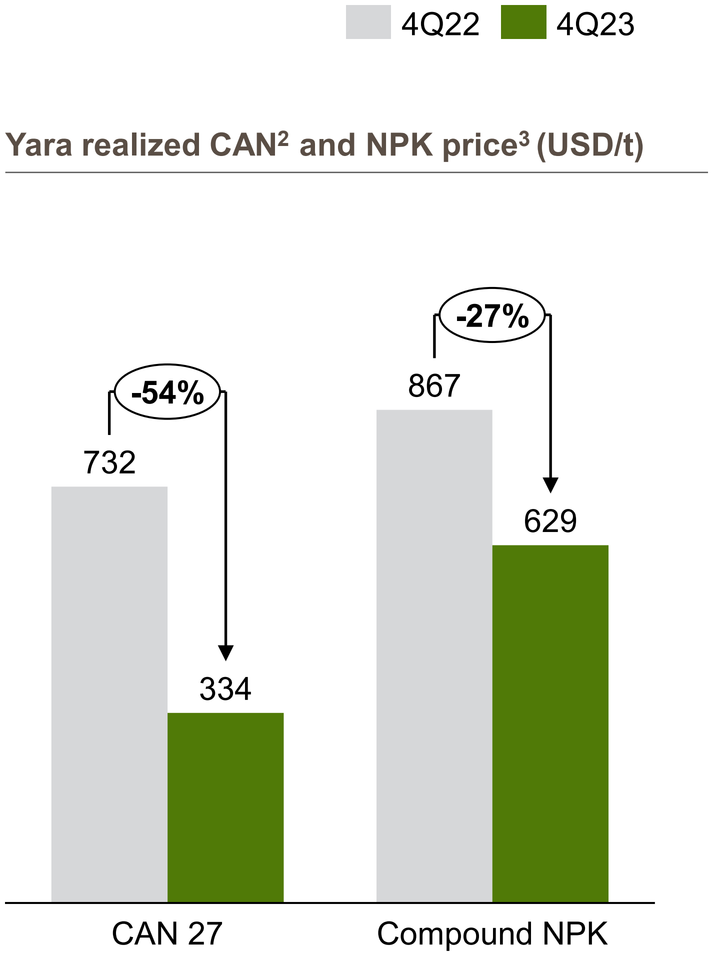
1) All prices in CAN27 equivalents, with 1 month time lag
2) Yara realized average grade 18-11-13 CIF inland Germany basis, excluding trading volumes. Commodity blend calculated from MOP, DAP and Urea in CIF inland Germany terms with two months lag on market prices. Commodity blend do not include nitrate premium

YARA

Key product price development



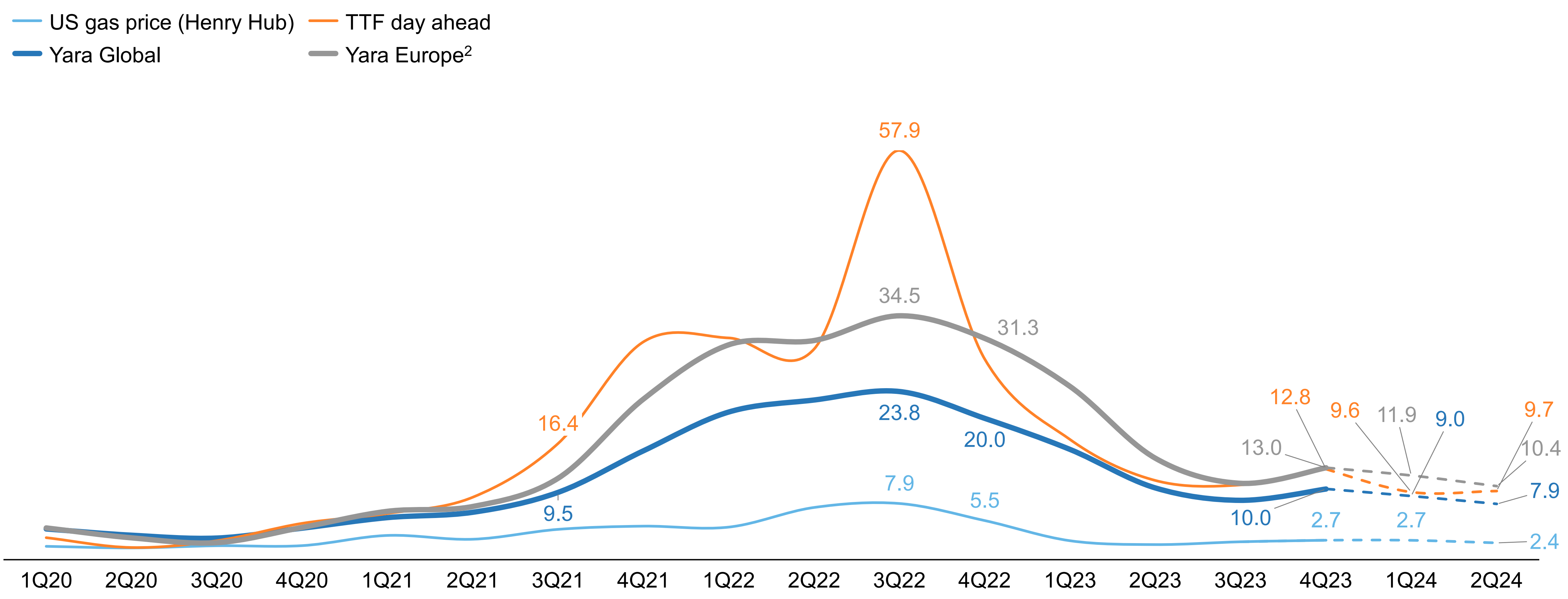




1) Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as a proxy for realized prices (delivery assumed 1 month after order)
2) In previous quarters Yara's realized CAN excluded from its calculation volumes with Sulfur content. From this quarter, Yara's realized European nitrate price, CAN 27 CIF Germany equivalent ex. Sulfur costs (Middle East reference)
3) Yara's realized global compound NPK price (average grade)

Energy cost

Quarterly averages for 2020 – 4Q 2023 with forward prices[1] for 1Q and 2Q 2024



Source: Yara, Argus

1) Dotted lines denote forward prices as of 31 January 2024, market prices (HH and TTF) are not lagged.

2) Yara Global restated from 2Q 2018 to include Cubatão gas cost, Babrala excluded, and updated Yara gas cost methodology from 1Q20

Details of energy cost actuals and estimate 1Q and 2Q 2024

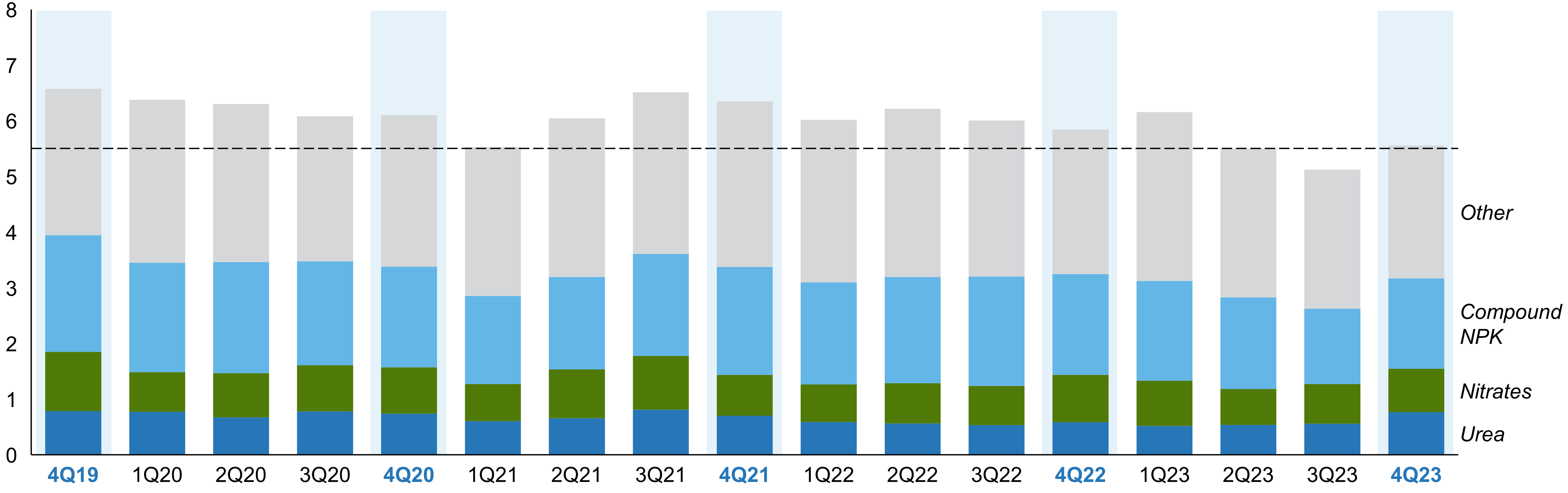
Europe		1Q23	2Q23	3Q23	4Q23	1Q24 estimations based on forward prices	2Q24 estimations based on forward prices
Average gas cost	*USD/MMbtu*	*24.6*	*14.3*	*10.8*	*13.0*	*11.9*	*10.4*
Gas consumption[1]	*Million MMBtu*	*23.1*	*24.0*	*34.8*	*37.5*	*23.1*	*24.0*
European gas cost	*USD millon*	*566*	*345*	*377*	*487*	*275*	*250*

Yara Global[2]		1Q23	2Q23	3Q23	4Q23	1Q24 estimations based on forward prices	2Q24 estimations based on forward prices
Average gas cost	*USD/MMbtu*	*15.6*	*10.2*	*8.5*	*10.0*	*9.0*	*7.9*
Gas consumption[1]	*Million MMBtu*	*47.8*	*46.7*	*54.6*	*61.9*	*47.8*	*46.7*
Global gas cost	*USD millon*	*747*	*476*	*463*	*620*	*432*	*371*

1) Gas consumption in 1Q & 2Q 2024 estimate based on actual consumption and production volumes in 1Q & 2Q 2023. Actual consumption could deviate from this due to curtailments or other factors.
2) Excluding Babrala

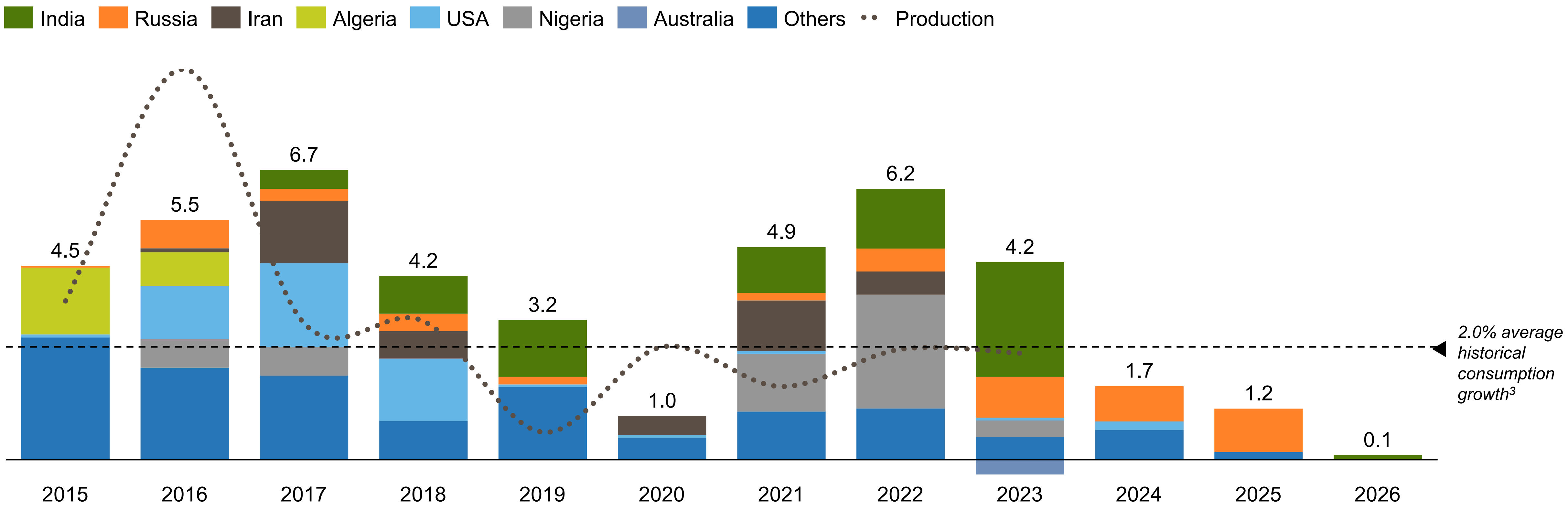
Yara inventories

Finished products inventory development in mt



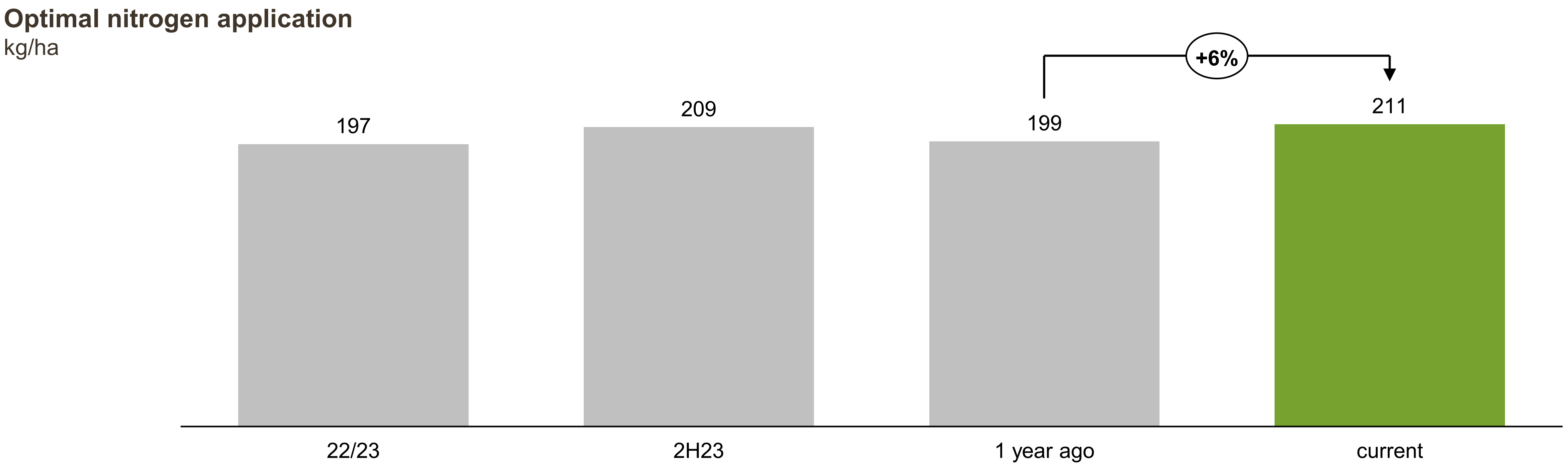
Peak of urea capacity additions is behind us

Global urea capacity additions ex. China [1,2] (mt)



1) Urea projects assessed as "probable" by CRU.
2) Several projects under development scheduled for completion after 2026, including in Australia and Russia, with unclear timing.
3) Growth calculated based on last 10 years up to 2022, equal to ~2.6 mt/year, from 2022 baseline (IFA) of 129.2 mt (global production + China trade). Trend growth rate held back by supply restrictions in 2021 and 2022.
Source: CRU December 2023

Farmer incentives: wheat example



	22/23	**2H23**	**1 year ago[3]**	**current[3]**
Wheat price (USD/t)	309	251	315	238
CAN price (USD/t)	561	337	550	302
Optimal nitrogen application (kg/ha)	197	209	199	211
Grain yield (t/ha)	9.50	9.57	9.51	9.58
Farmer revenue above nitrogen cost (USD/ha)	2,525	2.141	2,590	2,043

1) Fertilizer handbook page 68, https://www.yara.com/siteassets/investors/057-reports-and-presentations/other/2022/fertilizer-industry-handbook-2022.pdf/
2) Company research based on field trials with winter wheat
3) As of week 4

Alternative performance measures

Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the Quarterly report on pages 35-41


YARA
Knowledge grows