



Knowledge grows



# Yara fourth-quarter report 2021

- Increased margins reflect business model resilience
- 7.9% ROIC <sup>1)</sup>, in line with a year earlier as impairments offset margin growth
- NOK 30 per share annual dividend proposed
  - Total NOK 58 per share cash returns <sup>2)</sup> paid and proposed for 2021

Yara's fourth-quarter EBITDA excluding special items was 50% higher compared with a year earlier, mainly reflecting improved margins. Net income was a negative USD 26 million compared with a positive USD 246 million a year earlier, as Yara recognized impairment losses of USD 250 million, of which USD 232 million is related to the Dallol mining project in Ethiopia. Excluding currency effects and special items, basic earnings per share was USD 1.19 compared with USD 0.76 per share in fourth quarter 2020.

## Highlights <sup>1)</sup>

USD millions, except where indicated otherwise	4Q 2021	4Q 2020	2021	2020
Revenue and other income	5,032	2,925	16,607	11,728
Operating income	148	210	1,068	1,176
EBITDA	669	484	2,804	2,223
EBITDA excl. special items	765	511	2,891	2,161
Net income	(26)	246	384	690
Basic earnings per share <sup>3)</sup>	0.16	0.93	1.75	2.58
Basic earnings per share excl. foreign currency translation and special items <sup>3)</sup>	1.19	0.76	4.73	3.08
Net cash provided by operating activities	(117)	462	1,406	2,047
Net cash used in investing activities	(298)	(268)	(874)	248
Net debt/equity ratio	0.55	0.36	0.55	0.36
Net debt/EBITDA excl. special items (last 12 months) ratio	1.36	1.36	1.36	1.36
Average number of shares outstanding (millions)	254.7	264.8	256.8	268.0
Return on invested capital (ROIC) <sup>4)</sup>	5.0 %	6.2 %	7.9 %	8.0 %

## Key statistics

	4Q 2021	4Q 2020	2021	2020
<b>Yara production (thousand tonnes) <sup>5)</sup></b>				
Ammonia	1,759	1,866	7,261	7,606
Finished fertiliser and industrial products, excl. bulk blends	5,170	5,270	20,856	21,047
<b>Yara deliveries (thousand tonnes)</b>				
Ammonia trade	489	539	2,007	1,966
Fertiliser	6,788	7,107	28,376	29,291
Industrial Product	1,903	1,773	7,430	6,920
<b>Total deliveries</b>	<b>9,180</b>	<b>9,419</b>	<b>37,814</b>	<b>38,177</b>
<b>Yara's Energy prices (USD per MMBtu)</b>				
Global weighted average gas cost <sup>6)</sup>	15.4	4.4	9.3	3.8
European weighted average gas cost	22.7	4.4	11.7	3.6

1) See page 31-36 for definitions, explanations and reconciliations of Alternative Performance Measures (APMs).

2) Share buybacks included in the year of purchase, including the corresponding pro-rata redemption of shares from the Norwegian state.

3) USD per share. Yara currently has no share-based compensation programs resulting in a dilutive effect on earnings per share.

4) Quarterly numbers annualized. Year-to-date numbers 12-months rolling average.

5) Including Yara share of production in equity-accounted investees, excluding Yara-produced blends.

6) Excluding Babrala.

## Variance analysis

USD millions	4Q 2021	2021
EBITDA 2021	669	2,804
EBITDA 2020	484	2,223
Reported EBITDA variance	185	581
Special items variance (see page 8 for details)	(69)	(149)
EBITDA variance ex special items	254	730
Volume/Mix	(15)	(25)
Margin	328	941
Currency translation	9	(46)
Other	(68)	(140)
Total variance explained	254	730

### Fourth quarter

Yara's fourth-quarter EBITDA excluding special items was 50% higher than a year earlier, mainly reflecting improved margins with higher selling prices more than offsetting increased production costs, slightly lower deliveries and increased fixed costs. Average urea prices were almost three times higher than a year earlier, with Yara's realized prices also increasing strongly but not to the same extent as spot traded prices. This reflects normal seasonality, as producer order books tend to be longer in the autumn, and that sharp spot price increases, if sustained, take time to feed through to other markets and products. Additional information per segment on deliveries and financial results are found on page 4 and 19, respectively.

#### Europe

EBITDA excluding special items was 54% higher than a year earlier, as higher prices more than offset lower deliveries and increased feedstock costs. Deliveries decreased 7%, mainly reflecting a strong period last year and customers reluctant to take positions in a volatile price environment.

#### Americas

EBITDA excluding special items was 160% higher than a year earlier, as increased nitrogen prices more than offset higher energy costs, inventory write-downs and increased logistical costs. Production margins were strong in particular for ammonia and urea. Total deliveries increased 6% with strong growth in premium products.

#### Africa & Asia

EBITDA excluding special items was 78% higher than a year earlier, mainly reflecting improved production margins on ammonia. Total deliveries were 27% lower as higher prices impacted demand.

#### Global Plants & Operational Excellence (GPOE)

EBITDA excluding special items was 60% higher than a year earlier, as higher nitrogen and phosphate prices more than offset increased energy costs.

#### Clean Ammonia

EBITDA excluding special items was 43% lower than a year earlier, mainly reflecting increased external ammonia sourcing at higher prices. The price increases are passed on to Yara's production plants, but with a time lag of approximately one month.

### Industrial Solutions

EBITDA excluding special items was 56% lower than a year earlier, mainly reflecting higher production costs and lower reliability only partially offset by higher deliveries, higher selling prices and temporary surcharges.

### Full year

Yara's full-year EBITDA excluding special items was 34% higher than a year earlier, mainly reflecting higher prices more than offsetting increased energy cost, higher fixed costs and currency effects. Total deliveries were 1% lower as decline in crop nutrition products (-3%) was partially offset by increase of industrial products (+7%).

#### Europe

EBITDA excluding special items was 39% higher than a year earlier, as higher prices more than offset lower deliveries and higher feedstock costs. Total deliveries were 9% lower driven by lower pre buying in the first half of the 2021/22 season.

#### Americas

EBITDA excluding special items was 71% higher than a year earlier, mainly reflecting higher production margins in North America and slightly higher deliveries which were partly offset by higher fixed costs and inventory write downs.

#### Africa & Asia

EBITDA excluding special items was 120% higher than a year earlier, mainly reflecting higher production margins on ammonia.

#### Global Plants & Operational Excellence (GPOE)

EBITDA excluding special items was 19% higher than a year earlier, as higher nitrogen and phosphate prices more than offset increased energy and raw material costs.

#### Clean Ammonia

EBITDA excluding special items was 2% higher than a year earlier, mainly reflecting an improved ammonia market which more than compensated for a negative effect from sales contracts with lagged prices.

### Industrial Solutions

EBITDA excluding special items was 14% lower than a year earlier, as higher prices and deliveries were more than offset by the steep increase in energy prices during fourth quarter and lower activity in Maritime.

## Production volumes

	4Q 2021	4Q 2020	2021	2020
Thousand tonnes				
Ammonia	1,759	1,866	7,261	7,606
<i>of which equity-accounted investees</i>	-	-	-	181
Urea	1,165	1,230	4,739	5,175
<i>of which equity-accounted investees</i>	-	-	-	268
Nitrate	1,530	1,650	6,254	6,471
NPK	1,659	1,517	6,442	6,104
CN	443	416	1,773	1,640
UAN	228	240	917	959
SSP-based fertiliser	144	213	717	647
MAP	-	4	14	51
<b>Total Finished Products <sup>1)</sup></b>	<b>5,170</b>	<b>5,270</b>	<b>20,856</b>	<b>21,047</b>

1) Including Yara share of production in equity-accounted investees, excluding Yara-produced blends.

## Deliveries

<b>Crop Nutrition deliveries</b>	4Q 2021	4Q 2020	2021	2020
Thousand tonnes				
Urea	1,281	1,567	5,745	6,051
Nitrate	1,390	1,427	5,477	5,826
NPK	2,735	2,672	10,400	10,444
<i>of which Yara-produced compounds</i>	1,528	1,594	6,208	6,243
<i>of which blends</i>	973	906	3,585	3,657
CN	390	370	1,745	1,594
UAN	237	253	1,295	1,405
DAP/MAP/SSP	142	189	904	991
MOP/SOP	335	320	1,534	1,462
Other products	277	309	1,275	1,519
<b>Total Crop Nutrition deliveries</b>	<b>6,788</b>	<b>7,107</b>	<b>28,376</b>	<b>29,291</b>

<b>Europe deliveries</b>	4Q 2021	4Q 2020	2021	2020
Thousand tonnes				
Urea	180	253	940	1,009
Nitrate	955	981	3,770	4,333
NPK	631	705	2,582	2,769
<i>of which Yara-produced compounds</i>	595	684	2,426	2,632
CN	75	89	440	446
Other products	329	299	1,500	1,559
<b>Total deliveries Europe</b>	<b>2,170</b>	<b>2,327</b>	<b>9,232</b>	<b>10,116</b>

<b>Americas deliveries</b>	4Q 2021	4Q 2020	2021	2020
Thousand tonnes				
Urea	643	667	2,683	2,700
Nitrate	371	321	1,336	1,170
NPK	1,749	1,504	6,104	5,939
<i>of which Yara-produced compounds</i>	688	537	2,421	2,159
<i>of which blends</i>	852	806	3,157	3,285
CN	247	219	1,096	962
DAP/MAP/SSP	133	173	820	889
MOP/SOP	312	296	1,432	1,374
Other products	164	232	991	1,240
<b>Total deliveries Americas</b>	<b>3,620</b>	<b>3,411</b>	<b>14,463</b>	<b>14,275</b>
<i>of which North America</i>	800	832	3,465	3,481
<i>of which Brazil</i>	2,245	2,099	8,801	8,814
<i>of which Latin America ex Brazil</i>	575	480	2,198	1,979

**Africa & Asia deliveries**

	4Q 2021	4Q 2020	2021	2020
Thousand tonnes				
Urea	458	647	2,121	2,342
Nitrate	64	125	371	322
NPK	355	463	1,714	1,735
<i>of which Yara-produced compounds</i>	245	373	1,361	1,453
CN	68	62	209	186
Other products	53	71	265	314
<b>Total deliveries Africa &amp; Asia</b>	<b>999</b>	<b>1,368</b>	<b>4,681</b>	<b>4,900</b>
<i>of which Asia</i>	730	1,066	3,499	3,730
<i>of which Africa</i>	269	302	1,182	1,169

**Industrial Solutions deliveries**

	4Q 2021	4Q 2020	2021	2020
Thousand tonnes				
Ammonia <sup>1)</sup>	155	142	563	543
Urea <sup>1)</sup>	418	407	1,645	1,577
Nitrate <sup>2)</sup>	318	240	1,234	1,069
CN	56	49	201	182
Other products <sup>3)</sup>	355	408	1,636	1,605
Water content in industrial ammonia and urea	601	528	2,152	1,944
<b>Total Industrial Solutions deliveries</b>	<b>1,903</b>	<b>1,773</b>	<b>7,430</b>	<b>6,920</b>

1) Pure product equivalents.

2) Including AN Solution.

3) Including sulphuric acid, ammonia and other minor products.

## Financial items

USD millions	4Q 2021	4Q 2020	2021	2020
Interest income	16	18	64	61
Dividends and net gain/(loss) on securities	-	1	-	1
Interest income and other financial income	16	20	64	62
Interest expense	(44)	(30)	(138)	(135)
Net interest expense on net pension liability	(2)	(2)	(5)	(5)
Net foreign currency translation gain/(loss)	(91)	98	(251)	(243)
Other	2	4	(21)	(25)
Interest expense and foreign currency translation gain/(loss)	(135)	69	(415)	(408)
Net financial income/(expense)	(119)	89	(351)	(346)

The fourth quarter variance in financial items compared with the same period last year primarily reflects a net foreign currency translation loss of USD 91 million this quarter, versus a gain of USD 98 million in the same quarter a year ago.

The net foreign currency translation loss this quarter stems mainly from internal funding positions in European euro and Brazilian real against the Norwegian krone, while Yara's US dollar denominated debt positions generated only a minor net loss. In the same quarter a year ago, a gain on Yara's US dollar positions was partly offset by losses on the internal funding positions.

At the start of first quarter 2022, the US dollar denominated debt position generating currency effects in the income statement is approximately USD 2,450 million, with the exposure primarily towards the Norwegian krone and the Brazilian real.

Yara's accounting policy regarding foreign currency transactions is described on page 16 and in the integrated report for 2020 on page 118.

## Income tax

Income before tax for the quarter is USD 38 million with a tax cost of USD 64 million (170%). The high effective tax rate is due to the impairment of Dallol, which is recognized with limited tax effect, in addition to increased valuation allowances on certain deferred tax assets.

The increase in interest expense compared with the same quarter previous year reflects higher floating interest rates and a somewhat higher portion of the gross debt established in Latin American countries.

Full-year net financial expense was marginally higher than a year ago, with the variance primarily explained by a higher net foreign currency translation loss.

Interest expense for the full year was USD 3 million higher than a year before, primarily explained by lower capitalized interest related to expansion projects.

The full-year foreign currency translation loss of USD 251 million comprises a loss of USD 100 million on the US dollar denominated debt positions and a loss of USD 151 million on internal positions in other currencies than USD. The year before, the losses on the US dollar denominated debt positions and the internal positions in other currencies than USD were USD 86 million and USD 157 million respectively.

The effective tax rate for the full year is negatively impacted by the impairments of Salitre and Dallol with limited tax effect, in addition to increased valuation allowance and currency loss on certain deferred tax assets.

## Cash Flow

### Fourth quarter

Yara's operating cash flow in fourth quarter 2021 was USD 580 million lower than a year earlier, as a higher operating income before depreciation and amortization was more than offset by an increase in operating capital. The increase in operating capital was driven by increased inventory and receivable values reflecting higher gas and commodity prices.

Yara's investing cash flow in the period was slightly above the same period a year earlier.

### Full year

Yara's operating cash flow in 2021 was USD 644 million lower than a year earlier, as a higher operating income before depreciation and amortization was more than offset by an increase in operating capital. The increase in operating capital was driven by increased inventory and receivable values following higher raw material costs and commodity prices.

When adjusting for Qafco proceeds of USD 1 billion received last year, Yara's investing cash flow in the period increased by USD 122 million compared to a year earlier, mainly reflecting higher maintenance investments. The funding cash flow mainly reflects payment of ordinary dividends, principal loan payments and share buy backs.

## Outlook

Yara's industry fundamentals are robust, as the twin challenges of resource efficiency and environmental footprint require significant transformations within both agriculture and the hydrogen economy. Yara's leading food solutions and ammonia positions are well placed to both address and create business opportunities from these challenges.

Yara's market environment is supportive, with higher nitrogen prices globally reflecting both strong demand and a tight supply situation. However, high and volatile natural gas prices continue to pose a challenge for the nitrogen industry in Europe, adding to global food security concerns in a situation with already tight supply across the main nutrients.

As a result of the high gas prices Yara curtailed production at several of its European ammonia facilities in the fourth quarter, but production is currently running as normal. Yara is committed to supplying its customers provided that sufficient margins are available. The situation going forward will depend on market developments, especially for ammonia globally and natural gas in Europe.

Based on current forward markets for natural gas (21 January) and assuming stable gas purchase volumes, Yara's gas cost for first and second quarter 2022 would be respectively USD 900 million and USD 700 million higher than a year earlier. Gas costs may change depending on future spot gas prices and local terms.

Yara's financial situation is robust, with a net debt / EBITDA ratio of 1.36 at the end of fourth quarter. An ordinary dividend for the 2021 fiscal year of NOK 30 per share will be proposed by the board to the Annual General Meeting in May. Including this the pro-forma net debt / EBITDA ratio at the end of fourth quarter is 1.67. Yara will consider further cash distributions in the coming quarters, in line with its capital allocation policy.

Global nitrogen prices have strengthened significantly in the past year driven by strong demand and limited supply additions. Industry consultant projections show increased nitrogen capacity growth in 2022, however the demand outlook remains strong, driven by solid demand fundamentals and low global inventories. In Europe, nitrogen deliveries for the first half of the 2021/22 season are estimated to be 17% behind a year earlier. Deliveries have been slow also in January, but are expected to pick up shortly, as the main application gets underway in key markets.

## Special items

Yara defines “special items” as items in the results which are not regarded as part of underlying business performance for the period. These comprise restructuring related items, contract derivatives, impairments and other items which are not primarily related to the period in which they are recognized, subject to a minimum value of USD 5 million per

item within a 12-month period. “Contract derivatives” are commodity-based derivative gains or losses which are not the result of active exposure or position management by Yara. Together with impairments, these are defined as special items regardless of amount.

USD millions	Fixed cost effect				EBITDA effect				Operating income effect			
	4Q 2021	4Q 2020	2021	2020	4Q 2021	4Q 2020	2021	2020	4Q 2021	4Q 2020	2021	2020
Environmental provisions	-	1	-	1	-	1	-	1	-	1	-	1
Scrapping of project development and provision for demolition	-	1	-	(1)	-	1	-	(6)	-	1	-	(5)
Impairment of non-current assets	-	-	-	-	-	-	-	-	20	(8)	6	(25)
Contract derivatives gain/(loss)	-	-	-	-	1	-	(1)	-	1	-	(1)	-
Restructuring cost	(1)	-	(8)	-	(1)	-	(8)	-	(1)	-	(8)	-
Additional bonus to employees	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
<b>Total Europe</b>	<b>(5)</b>	<b>(1)</b>	<b>(12)</b>	<b>(4)</b>	<b>(5)</b>	<b>(1)</b>	<b>(13)</b>	<b>(9)</b>	<b>15</b>	<b>(9)</b>	<b>(7)</b>	<b>(34)</b>
Environmental provisions	-	(4)	-	(4)	-	(4)	-	(4)	-	(4)	-	(4)
Salitre divestment	(4)	-	(6)	-	(4)	-	(6)	-	14	-	(344)	-
Settlement of employee benefit plan	-	-	2	-	-	-	2	-	-	-	2	-
Supplier settlement	-	-	-	-	-	-	37	-	-	-	37	-
Provision related to closure of plant	(10)	4	(10)	4	(10)	4	(10)	4	(10)	4	(10)	4
Impairment of non-current assets	-	-	-	-	-	-	-	-	(44)	(3)	(44)	(3)
Additional bonus to employees	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
<b>Total Americas</b>	<b>(21)</b>	<b>(7)</b>	<b>(21)</b>	<b>(7)</b>	<b>(21)</b>	<b>(7)</b>	<b>15</b>	<b>(7)</b>	<b>(47)</b>	<b>(10)</b>	<b>(366)</b>	<b>(10)</b>
Supplier claim compensation	-	-	-	-	-	-	8	-	-	-	8	-
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	(43)	(2)
Contract derivatives gain/(loss)	-	-	-	-	(65)	1	(90)	14	(65)	1	(90)	14
Additional bonus to employees	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<b>Total Africa &amp; Asia</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(67)</b>	<b>(1)</b>	<b>(83)</b>	<b>12</b>	<b>(67)</b>	<b>(1)</b>	<b>(127)</b>	<b>10</b>
Impairment of non-current assets	6	-	6	-	6	-	6	-	(236)	-	(236)	-
Qafco divestment	-	-	-	-	-	-	-	97	-	-	-	97
Additional bonus to employees	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<b>Total Global Plants &amp; Operational Excellence</b>	<b>4</b>	<b>(2)</b>	<b>4</b>	<b>(2)</b>	<b>4</b>	<b>(2)</b>	<b>4</b>	<b>95</b>	<b>(238)</b>	<b>(2)</b>	<b>(238)</b>	<b>96</b>
Environmental provision	-	-	(10)	-	-	-	(10)	-	-	-	(10)	-
Settlement of employee benefit plan	-	-	4	-	-	-	4	-	-	-	4	-
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	(3)	-
Restructuring cost	-	-	(1)	-	-	-	(1)	-	-	-	(1)	-
Additional bonus to employees	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<b>Total Industrial Solutions</b>	<b>(2)</b>	<b>(2)</b>	<b>(9)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(9)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(12)</b>	<b>(2)</b>
Contract derivatives gain/(loss)	-	-	-	-	(3)	-	1	1	(3)	-	1	1
Additional bonus to employees	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Clean Ammonia</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>(3)</b>	<b>-</b>	<b>1</b>	<b>1</b>
Action Africa	-	(12)	-	(20)	-	(12)	-	(20)	-	(12)	-	(20)
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	(6)	-	(15)
Portfolio management costs	-	-	-	(7)	-	-	-	(7)	-	-	-	(7)
Additional bonus to employees	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<b>Total Other and Eliminations</b>	<b>(2)</b>	<b>(14)</b>	<b>(2)</b>	<b>(28)</b>	<b>(2)</b>	<b>(14)</b>	<b>(2)</b>	<b>(28)</b>	<b>(2)</b>	<b>(20)</b>	<b>(2)</b>	<b>(44)</b>
<b>Total Yara</b>	<b>(28)</b>	<b>(27)</b>	<b>(42)</b>	<b>(44)</b>	<b>(96)</b>	<b>(26)</b>	<b>(87)</b>	<b>62</b>	<b>(345)</b>	<b>(44)</b>	<b>(751)</b>	<b>17</b>

Description and reconciliation of alternative performance measures are included on page 31-36.

### Variance analysis

In order to track underlying business developments from period to period, Yara's management also uses a variance analysis methodology ("variance analysis"), that involves the extraction of financial information from the accounting system, as well as statistical and other data from internal management information systems. Management considers the estimates produced by the variance analysis, and the identification of trends based on such analysis, sufficiently precise to provide useful data to monitor our business.

However, these estimates should be understood to be less than an exact quantification of the changes and trends indicated by such analysis.

The variance analysis presented in Yara's quarterly and annual financial reports is prepared on a Yara EBITDA basis including net income from equity-accounted investees. The volume, margin and other variances presented therefore include effects generated by performance in equity-accounted investees.

# Condensed consolidated interim statement of income

USD millions, except share information	Notes	4Q 2021	4Q 2020	2021	2020
Revenue from contracts with customers	3	5,086	2,912	16,617	11,591
Other income and commodity derivative gain/(loss)	5	(55)	13	(9)	137
<b>Revenue and other income</b>		<b>5,032</b>	<b>2,925</b>	<b>16,607</b>	<b>11,728</b>
Raw materials, energy costs and freight expenses		(4,175)	(2,013)	(12,803)	(7,819)
Change in inventories of own products		316	3	668	(201)
Payroll and related costs		(346)	(313)	(1,270)	(1,136)
Depreciation and amortization	8	(247)	(238)	(984)	(919)
Impairment loss	8	(250)	(18)	(666)	(46)
Expected and realized credit loss on trade receivables		(4)	(6)	(6)	(17)
Other operating expenses		(177)	(130)	(479)	(414)
<b>Operating costs and expenses</b>		<b>(4,884)</b>	<b>(2,715)</b>	<b>(15,540)</b>	<b>(10,551)</b>
<b>Operating income</b>		<b>148</b>	<b>210</b>	<b>1,068</b>	<b>1,176</b>
Share of net income in equity-accounted investees		9	-	23	20
Interest income and other financial income		16	20	64	62
Foreign currency translation gain/(loss)		(91)	98	(251)	(243)
Interest expense and other financial items		(44)	(28)	(164)	(165)
<b>Income before tax</b>		<b>38</b>	<b>298</b>	<b>739</b>	<b>850</b>
Income tax expense		(64)	(52)	(355)	(160)
<b>Net income</b>		<b>(26)</b>	<b>246</b>	<b>384</b>	<b>690</b>
<b>Net income attributable to</b>					
Shareholders of the parent		41	246	449	691
Non-controlling interests <sup>2)</sup>		(67)	-	(65)	-
<b>Net income</b>		<b>(26)</b>	<b>246</b>	<b>384</b>	<b>690</b>
Basic earnings per share <sup>1)</sup>		0.16	0.93	1.75	2.58
<b>Weighted average number of shares outstanding</b>	2	<b>254,725,627</b>	<b>264,818,040</b>	<b>256,789,744</b>	<b>267,985,860</b>

1) Yara currently has no share-based compensation program resulting in a dilutive effect on earnings per share.

2) A total of USD 67 million (4Q and 2021) is related to non-controlling interests in Yara Dallol. See note 8 for more information.

# Condensed consolidated interim statement of comprehensive income

USD millions	Notes	4Q 2021	4Q 2020	2021	2020
Net income		(26)	246	384	690
<b>Other comprehensive income that may be reclassified to statement of income (net of tax)</b>					
Currency translation adjustments		(47)	103	(132)	(56)
Hedge of net investments		1	67	(21)	22
Net other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax		(46)	170	(154)	(34)
<b>Other comprehensive income that will not be reclassified to statement of income in subsequent periods (net of tax)</b>					
Currency translation adjustments <sup>1)</sup>		(1)	237	(45)	28
Net gain/(loss) on equity instruments at fair value through other comprehensive income		4	(3)	4	(3)
Remeasurement gains/(losses) on defined benefit plans	9	40	40	170	(51)
Net other comprehensive income that will not be reclassified to statement of income in subsequent periods, net of tax		43	274	129	(26)
Reclassification adjustments of the period		-	-	-	(6)
Total other comprehensive income, net of tax		(2)	444	(25)	(66)
Total comprehensive income, net of tax		(29)	690	359	624
<b>Total comprehensive income attributable to</b>					
Shareholders of the parent		38	690	425	624
Non-controlling interests		(67)	1	(66)	-
Total		(29)	690	359	624

1) Currency translation adjustments that will not be reclassified to statement of income are related to entities with functional currency NOK as these are not classified as "foreign operations" to Yara International ASA.

# Condensed consolidated interim statement of changes in equity

USD millions	Share Capital <sup>1)</sup>	Premium paid-in capital	Currency translation adjustments	Other reserves <sup>3)</sup>	Retained earnings	Reserve of disposal group held for sale	Attributable to share-holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2019	66	(49)	(1,367)	(215)	10,395		8,830	79	8,909
Net income	-	-	-	-	691	-	691	-	690
Other comprehensive income, net of tax	-	-	(35)	18	(51)	-	(67)	1	(66)
Total comprehensive income, net of tax	-	-	(35)	18	640	-	624	-	624
Long term incentive plan	-	-	-	-	1	-	1	-	1
Treasury shares <sup>2)</sup>	(2)	-	-	-	(386)	-	(388)	-	(388)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	1	1
Dividends distributed	-	-	-	-	(925)	-	(925)	(1)	(926)
Balance at 31 December 2020	64	(49)	(1,402)	(197)	9,724	-	8,141	79	8,220
Net income	-	-	-	-	449	-	449	(65)	384
Other comprehensive income, net of tax	-	-	(177)	(17)	170	-	(24)	-	(25)
Total comprehensive income, net of tax	-	-	(177)	(17)	619	-	425	(66)	359
Disposal group held for sale	-	-	8	-	-	(8)	-	-	-
Treasury shares <sup>2)</sup>	(1)	-	-	-	(247)	-	(248)	-	(248)
Dividends distributed	-	-	-	-	(1,214)	-	(1,214)	(1)	(1,215)
Balance at 31 December 2021	63	(49)	(1,571)	(214)	8,883	(8)	7,104	13	7,116

1) Par value NOK 1.70.

2) As approved by General Meeting 7 May 2020.

3) Other reserves includes fair value reserve of financial assets at FVOCI, hedge of net investments, and cash flow hedges.

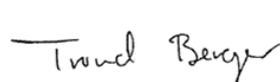
# Condensed consolidated interim statement of financial position

USD millions	Notes	31 Dec 2021	31 Dec 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets		504	485
Goodwill	8	789	831
Intangible assets other than goodwill	8	132	157
Property, plant and equipment	8	7,133	8,579
Right-of-use assets	8	421	430
Associated companies and joint ventures		120	108
Other non-current assets		476	379
<b>Total non-current assets</b>		<b>9,574</b>	<b>10,968</b>
<b>Current assets</b>			
Inventories	6	4,003	2,161
Trade receivables		2,138	1,478
Prepaid expenses and other current assets		708	630
Cash and cash equivalents		394	1,363
Non-current assets and disposal group classified as held-for-sale	4	454	5
<b>Total current assets</b>		<b>7,698</b>	<b>5,637</b>
<b>Total assets</b>		<b>17,272</b>	<b>16,605</b>

# Condensed consolidated interim statement of financial position

USD millions, except share information	Notes	31 Dec 2021	31 Dec 2020
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital reduced for treasury stock		63	64
Premium paid-in capital		(49)	(49)
<b>Total paid-in capital</b>		<b>14</b>	<b>15</b>
Other reserves		(1,793)	(1,599)
Retained earnings		8,883	9,724
<b>Total equity attributable to shareholders of the parent</b>		<b>7,104</b>	<b>8,141</b>
Non-controlling interests		13	79
<b>Total equity</b>	<b>2</b>	<b>7,116</b>	<b>8,220</b>
<b>Non-current liabilities</b>			
Employee benefits	9	399	627
Deferred tax liabilities		443	388
Long-term interest-bearing debt	7	3,089	3,371
Other non-current liabilities		77	138
Non-current provisions		283	361
Non-current lease liabilities		321	335
<b>Total non-current liabilities</b>		<b>4,612</b>	<b>5,220</b>
<b>Current liabilities</b>			
Trade and other current payables		3,698	1,880
Prepayments from customers		634	372
Current tax liabilities		166	156
Short-term provisions		74	75
Current portion of long-term debt	7	476	132
Short-term interest-bearing debt	7	337	345
Other current liabilities		39	95
Current lease liabilities		104	111
Liability associated with disposal group classified as held-for-sale	4	17	-
<b>Total current liabilities</b>		<b>5,544</b>	<b>3,165</b>
<b>Total equity and liabilities</b>		<b>17,272</b>	<b>16,605</b>
Number of shares outstanding	2	254,725,627	263,001,109

The Board of Directors and Chief Executive Officer  
Yara International ASA  
Oslo, 7 February 2022



Trond Berger  
Chair



Kimberly Mathisen  
Vice chair



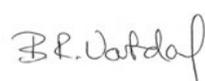
Adele Bugge Norman Pran  
Board member



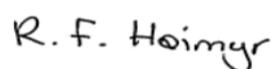
John Thuestad  
Board member



Rune Bratteberg  
Board member



Birgitte Ringstad Vartdal  
Board member



Ragnhild Flesland Høimyr  
Board member



Geir O. Sundbø  
Board member



Håkon Reistad Fure  
Board member



Øystein Kostøl  
Board member



Svein Tore Holsether  
President and CEO

# Condensed consolidated interim statement of cash flows

USD millions	Notes	4Q 2021	4Q 2020	2021	2020
<b>Operating activities</b>					
Net income/(loss) before taxes		38	298	739	850
<b>Adjustments to reconcile net income/(loss) to net cash provided by operating activities</b>					
Depreciation and amortization	8	247	238	984	919
Impairment loss	8	250	18	666	46
(Gain)/loss on disposal of non-current assets		19	6	9	6
Gain on sale of equity-accounted investees		-	-	-	(97)
Net foreign currency translation loss/(gain)		90	(98)	251	243
Adjustment for finance income and expense		29	9	100	102
Income taxes paid		(150)	(31)	(350)	(264)
Interest paid <sup>1)</sup>		(83)	(77)	(166)	(182)
Interest received		17	20	68	65
Bank charges		5	1	(15)	(15)
Other		(3)	12	(36)	(2)
<b>Working capital changes that provided/(used) cash</b>					
Trade receivables		(404)	(38)	(743)	39
Inventories		(798)	(25)	(2,042)	119
Prepaid expenses and other current assets		(72)	119	(113)	161
Trade and other payables		685	65	1,669	68
Prepayments from customers		(105)	(51)	291	39
Other interest-free liabilities		119	(2)	95	(51)
<b>Net cash provided by/(used in) operating activities</b>		<b>(117)</b>	<b>462</b>	<b>1,406</b>	<b>2,047</b>
<b>Investing activities</b>					
Purchases of property, plant and equipment		(284)	(268)	(809)	(739)
Proceeds from sales of property, plant and equipment		6	7	15	11
Cash flows used in obtaining control of subsidiaries or other businesses		-	-	(43)	(13)
Net sales/(purchases) of short-term investments		-	-	(1)	-
Purchases of other long-term assets		(27)	(7)	(49)	(17)
Proceeds from sales of other long-term assets		7	-	14	1,006
<b>Net cash provided by/(used in) investing activities</b>		<b>(298)</b>	<b>(268)</b>	<b>(874)</b>	<b>248</b>
<b>Financing activities</b>					
Loan proceeds <sup>2)</sup>	7	503	81	451	780
Principal payments <sup>2)</sup>	7	(107)	(11)	(235)	(650)
Payments of lease liabilities	7	(37)	(34)	(142)	(122)
Purchase of treasury shares	2	-	(149)	(363)	(309)
Dividends	2	(35)	(525)	(1,214)	(926)
Other cash transfers (to)/from non-controlling interests		-	1	(1)	-
<b>Net cash used in financing activities</b>		<b>323</b>	<b>(638)</b>	<b>(1,504)</b>	<b>(1,228)</b>
<b>Foreign currency effects on cash and cash equivalents</b>		<b>(2)</b>	<b>17</b>	<b>4</b>	<b>(2)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(94)</b>	<b>(428)</b>	<b>(968)</b>	<b>1,064</b>
Cash and cash equivalents at beginning of period <sup>3)</sup>		491	1,793	1,365	301
<b>Cash and cash equivalents at end of period <sup>3)</sup></b>		<b>397</b>	<b>1,365</b>	<b>397</b>	<b>1,365</b>
<b>Bank deposits not available for the use of other group companies</b>				<b>44</b>	<b>32</b>

1) Including interest on lease liabilities.

2) Loan proceeds and principal payments related to short-term borrowings for which maturity is three months or less, are presented net.

3) Excluded expected credit loss provisions on bank deposits.

# Notes to the interim financial statements

## General and accounting policies

Yara (the Group) consists of Yara International ASA and its subsidiaries. Yara International ASA is a public limited company incorporated in Norway. The address of its registered office is Drammensveien 131, Oslo, Norway.

These unaudited, condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. They are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, and should be read in conjunction with the annual consolidated financial statements in Yara's Integrated Report for 2020. The accounting policies applied are the same as those applied in the annual consolidated financial statements 2020 except for a change in Yara's accounting policy for intangible assets.

Yara has changed the Group's accounting policy for intangible asset in accordance with a decision made by the International Financial Reporting Interpretations Committee (IFRIC), published in April 2021. The agenda decision states that the customer in a Software as a Service (SaaS) arrangement would normally not recognize configuration or customization costs as an intangible asset because it does not control the software being configured. Further it stated that related configuration or customizations activities often would not create a resource controlled by the customer that is separate from the software and consequently should be expensed. Following a review of all Group significant software implementation projects, an implementation effect of USD 9 million has been recognized as other operating expense in the fourth quarter 2021 as Yara previously capitalized software implementation and development cost under IAS 38. No distinction was previously made between

licensed software hosted on-premise or in third party data centers, and subscriptions to software-as-a-service (SaaS) deliveries. Prior year comparatives have not been restated as Yara considers the implementation effect to be immaterial at Group level.

As a result of rounding differences numbers or percentages may not add up to the total.

These condensed consolidated financial statements are presented in US dollars (USD) million, except when otherwise indicated. Individual financial statements of Yara International ASA and its subsidiaries are prepared in the respective entities' functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Yara International ASA is Norwegian kroner (NOK). In the individual financial statements, transactions in currencies other than the entity's functional currency are recognized by applying the exchange rate at the date of transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated using the exchange rate at that date. The changes in value due to such foreign currency translations are recognized in the statement of income of the individual entity and reflected as "foreign currency translation gain/loss" in the consolidated statement of income for the Group. When preparing the consolidated financial statements, all items in the individual financial statements are translated into USD using the exchange rates at period end for statement of financial position items and monthly average exchange rates for statement of income items. Gains and losses derived from this translation are included in other comprehensive income as a separate component.

## Note 1 Judgments, estimates and assumptions

Yara faces risks and uncertainties which require management to make judgements, estimates and assumptions when preparing consolidated financial statements, and which may significantly differ from actual results and may lead to material adjustments to carrying amounts. The significant judgments, estimates and assumptions related to impairment of assets, tax assets and liabilities, pensions liabilities, Covid-19, climate

change and joint arrangements as communicated in the consolidated financial statements as of 31 December 2020, also apply to these interim financial statements. In addition, exposures to inventory write-down and onerous contracts have been areas of extra focus in the fourth quarter closing process due to the recent volatility in natural gas and nitrogen market

## Note 2 Shares, dividend and share buy-back program

The Extraordinary General Meeting on 6 September 2021 approved an additional dividend of NOK 5,094 million (NOK 20 per share). The additional dividend was paid out during the third and fourth quarter 2021 (USD 589 million).

The Annual General Meeting on 6 May 2021 approved a dividend for 2020 of NOK 5,190 million (NOK 20 per share), which has been paid out during second quarter 2021 (USD 625 million).

On 6 May 2021, the Annual General Meeting also authorized the Board of Directors to acquire up to 12,736,281 shares in the open market and from the Norwegian State. Shares may be purchased within a price range from NOK 10 to NOK 1,000. The shares shall be subsequently cancelled. Yara has renewed its agreement with the Norwegian State according to which the State's shares will be redeemed on a pro-rata

basis to ensure the State's ownership is unchanged in the event of a cancellation of shares bought back. Yara has not purchased own shares under the 2021 buy-back program.

Under the 2020 buy-back program, Yara purchased 3,420,752 own shares in 2021 for a total consideration of NOK 1,398 million (USD 164 million) and 5,131,128 own shares in 2020 for a total consideration of NOK 1,823 million (USD 201 million). These shares were cancelled at the Annual General Meeting on 6 May 2021. Pursuant to the agreement with the Norwegian State, total equity attributable to the shareholders of the parent has been reduced with an additional NOK 1,697 million (USD 192 million) for the redemption of 4,854,730 shares from the Norwegian State. The payment of the redemption was carried out in July 2021.

	Ordinary shares	Own shares	Number of shares outstanding
Total at 31 December 2019	272,402,637	(1,362,013)	271,040,624
Treasury shares - share buy-back program <sup>1)</sup>	-	(1,362,013)	(1,362,013)
Redeemed shares Norwegian State <sup>2)</sup>	(1,546,374)	-	(1,546,374)
Shares cancelled <sup>2)</sup>	(2,724,026)	2,724,026	-
Treasury shares - share buy-back program <sup>3)</sup>	-	(5,131,128)	(5,131,128)
Total at 31 December 2020	268,132,237	(5,131,128)	263,001,109
Treasury shares - share buy-back program <sup>2)</sup>	-	(3,420,752)	(3,420,752)
Redeemed shares Norwegian State <sup>3)</sup>	(4,854,730)	-	(4,854,730)
Shares cancelled <sup>3)</sup>	(8,551,880)	8,551,880	-
Total at 31 December 2021	254,725,627	-	254,725,627

1) As approved by the General Meeting 7 May 2019.

2) As approved by the General Meeting 7 May 2020.

3) As approved by the General Meeting 6 May 2021



## 3 Operating segment information

Yara's segment structure comprises the following segments:

- Europe
- Americas
- Africa & Asia
- Global Plants & Operational Excellence
- Clean Ammonia
- Industrial Solutions

In addition, Yara has a global function - Farming Solutions. This function has a global mandate to drive the transformation of Yara's core crop nutrition business, developing both existing and new solutions including premium products, digital business, food value chain collaboration and climate-neutral solutions.

The operating segments are the key components of Yara's business which are assessed, monitored and managed on a regular basis by Yara's Chief Executive Officer (CEO).

The regional segments (Europe, Americas and Africa & Asia) operate in a fully integrated setup, comprising production, supply chain and commercial operations, producing and delivering Yara's existing fertilizer solutions in addition to commercializing and selling new offerings under the guidance of Farming Solutions.

The Global Plants & Operational Excellence segment operates Yara's largest and export-oriented production plants (Porsgrunn, Sluiskil) and has a key role in driving operational improvements, competence development and technical project execution across Yara's production system.

The Clean Ammonia segment contains Yara's Ammonia Trade and Shipping business, which plays a vital role in Yara's production system as it off-takes excess ammonia volume from producing plants and delivers ammonia to consuming plants to optimize production capacity utilization. In addition, Yara Ammonia Trade and Shipping sources and trades ammonia externally. The segment is also evaluating several new green and blue ammonia projects with the aim to serve growing markets for clean ammonia and add scale to the existing business.

Yara Industrial Solutions mainly provides nitrogen-based solutions and services across a wide range of industries. The segment performs its activities through five global commercial units; Transport Reagents, Mining Applications, Base Chemicals, Industrial Nitrates and Yara Marine Technologies. These commercial units are backed by six dedicated production plants across Europe, Latin America, Africa & Asia.

USD millions	4Q 2021	4Q 2020 Restated <sup>1)</sup>	2021	2020 Restated <sup>1)</sup>
<b>External revenue from contract with customers</b>				
Europe	1,204	690	3,885	2,924
Americas	2,013	1,096	6,587	4,562
Africa & Asia	594	517	2,384	1,845
Global Plants & Operational Excellence	19	8	51	32
Clean Ammonia	382	142	1,162	490
Industrial Solutions	870	454	2,524	1,719
Other and Eliminations	5	6	23	19
<b>Total</b>	<b>5,086</b>	<b>2,912</b>	<b>16,617</b>	<b>11,591</b>
<b>Internal revenue</b>				
Europe	313	118	936	531
Americas	246	68	628	258
Africa & Asia	283	115	847	389
Global Plants & Operational Excellence	941	389	2,771	1,573
Clean Ammonia	431	142	1,155	538
Industrial Solutions	68	59	270	263
Other and Eliminations	(2,283)	(891)	(6,607)	(3,551)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>				
Europe	1,517	808	4,822	3,455
Americas	2,259	1,164	7,215	4,820
Africa & Asia	877	631	3,231	2,233
Global Plants & Operational Excellence	960	396	2,822	1,605
Clean Ammonia	812	284	2,317	1,028
Industrial Solutions	939	513	2,794	1,982
Other and Eliminations	(2,278)	(885)	(6,583)	(3,532)
<b>Total</b>	<b>5,086</b>	<b>2,912</b>	<b>16,617</b>	<b>11,591</b>
<b>Operating income <sup>2)</sup></b>				
Europe	110	34	394	201
Americas	173	35	303	281
Africa & Asia	(7)	19	92	49
Global Plants & Operational Excellence	(151)	36	125	382
Clean Ammonia	7	26	93	95
Industrial Solutions	4	53	167	234
Other and Eliminations	12	8	(106)	(65)
<b>Total</b>	<b>148</b>	<b>210</b>	<b>1,068</b>	<b>1,176</b>
<b>EBITDA <sup>2)</sup></b>				
Europe	159	105	664	477
Americas	277	108	991	563
Africa & Asia	23	50	248	162
Global Plants & Operational Excellence	141	84	570	572
Clean Ammonia	16	35	131	129
Industrial Solutions	35	82	287	344
Other and Eliminations	18	22	(87)	(23)
<b>Total</b>	<b>669</b>	<b>484</b>	<b>2,804</b>	<b>2,223</b>
<b>Investments <sup>3)</sup></b>				
Europe	100	115	302	250
Americas	58	105	174	280
Africa & Asia	12	20	(1)	104
Global Plants & Operational Excellence	72	125	191	210
Clean Ammonia	2	-	9	-
Industrial Solutions	52	45	166	73
Other and Eliminations	17	4	13	16
<b>Total</b>	<b>313</b>	<b>414</b>	<b>854</b>	<b>933</b>

1) The 2020 segment figures have been restated according to introduction of the new segment Clean Ammonia in 1Q 2021. The Yara Group figures are unchanged.

2) For definition and reconciliation, see section "Alternative performance measures".

3) Investment comprise property, plant and equipment, intangible assets, equity-accounted investees and other equity investments. The figures presented are capitalized amounts and may deviate from cash flow from investing activities due to timing of cash outflows.

USD millions, except where indicated otherwise	2021	2020 Restated <sup>1)</sup>
<b>Net operating profit after tax (NOPAT) <sup>2)</sup></b>		
Europe	302	157
Americas	288	260
Africa & Asia	74	43
Global Plants & Operational Excellence	94	293
Clean Ammonia	70	71
Industrial Solutions	135	181
Other and Eliminations	(61)	(30)
<b>Total</b>	<b>903</b>	<b>976</b>
<b>Invested capital <sup>2)</sup></b>		
Yara <sup>3)</sup>	11,363	12,200
Europe	2,486	2,370
Americas	3,954	4,073
Africa & Asia	1,910	2,105
Global Plants & Operational Excellence	1,623	2,168
Clean Ammonia	370	346
Industrial Solutions	1,142	1,051
<b>ROIC <sup>2)</sup></b>		
Yara <sup>3)</sup>	7.9 %	8.0 %
Europe	12.2 %	6.6 %
Americas	7.3 %	6.4 %
Africa & Asia	3.9 %	2.0 %
Global Plants & Operational Excellence	5.8 %	13.5 %
Clean Ammonia	18.8 %	20.6 %
Industrial Solutions	11.8 %	17.2 %

1) The 2020 segment figures have been restated according to introduction of the new segment Clean Ammonia in 1Q 2021. The Yara Group figures are unchanged.

2) For definition and reconciliation, see section "Alternative performance measures". NOPAT, Invested Capital and ROIC are calculated on a 12-month rolling average basis.

3) A normalized operating cash requirement is employed in the ROIC calculation for Yara, but not for the segments. This effect explains the variance in ROIC, NOPAT and Invested Capital between Yara and the segments. For definition and reconciliation, see "Alternative performance measures" section for more information.

## Reconciliation of operating income to EBITDA

USD millions	Operating income	Equity-accounted investees	Interest income and other financial income	Depreciation and amortization <sup>2)</sup>	Impairment loss <sup>3)</sup>	EBITDA
<b>4Q 2021</b>						
Europe	110	1	1	67	(19)	159
Americas	173	7	13	58	26	277
Africa & Asia	(7)	-	-	30	-	23
Global Plants & Operational Excellence	(151)	-	-	50	242	141
Clean Ammonia	7	-	-	10	-	16
Industrial Solutions	4	1	1	30	-	35
Other and Eliminations	12	-	1	3	1	18
<b>Total</b>	<b>148</b>	<b>9</b>	<b>16</b>	<b>247</b>	<b>250</b>	<b>669</b>
<b>4Q 2020<sup>1)</sup></b>						
Europe	34	(1)	-	64	8	105
Americas	35	-	15	55	3	108
Africa & Asia	19	-	-	30	-	50
Global Plants & Operational Excellence	36	-	-	48	-	84
Clean Ammonia	26	-	-	8	-	35
Industrial Solutions	53	-	1	27	1	82
Other and Eliminations	8	-	3	4	6	22
<b>Total</b>	<b>210</b>	<b>-</b>	<b>20</b>	<b>238</b>	<b>18</b>	<b>484</b>
<b>2021</b>						
Europe	394	5	1	270	(6)	664
Americas	303	15	54	237	381	991
Africa & Asia	92	-	3	110	44	248
Global Plants & Operational Excellence	125	-	-	203	242	570
Clean Ammonia	93	-	-	38	-	131
Industrial Solutions	167	3	2	112	3	287
Other and Eliminations	(106)	-	4	14	2	(87)
<b>Total</b>	<b>1,068</b>	<b>23</b>	<b>64</b>	<b>984</b>	<b>666</b>	<b>2,804</b>
<b>2020<sup>1)</sup></b>						
Europe	201	4	-	246	25	477
Americas	281	5	53	221	3	563
Africa & Asia	49	-	2	110	2	162
Global Plants & Operational Excellence	382	6	-	184	-	572
Clean Ammonia	95	-	-	34	-	129
Industrial Solutions	234	3	1	105	1	344
Other and Eliminations	(65)	2	5	19	15	(23)
<b>Total</b>	<b>1,176</b>	<b>20</b>	<b>62</b>	<b>919</b>	<b>46</b>	<b>2,223</b>

1) The 2020 segment figures have been restated according to introduction of the new segment Clean Ammonia in 1Q 2021. The Yara Group figures are unchanged.

2) Including amortization on excess value in equity-accounted investees.

3) Including impairment loss on excess value in equity-accounted investees.

## Disaggregation of external revenues by nature

USD millions	Fertilizer and chemical products	Freight/ insurance services	Other products and services	Total
<b>4Q 2021</b>				
Europe	1,161	26	17	1,204
Americas	1,966	43	3	2,013
Africa & Asia	584	9	1	594
Global Plants & Operational Excellence	8	-	10	19
Clean Ammonia	365	14	2	382
Industrial Solutions	802	41	28	870
Other and Eliminations	4	-	1	5
<b>Total</b>	<b>4,890</b>	<b>133</b>	<b>63</b>	<b>5,086</b>
<b>4Q 2020<sup>1)</sup></b>				
Europe	653	24	13	690
Americas	1,059	36	1	1,096
Africa & Asia	501	8	8	517
Global Plants & Operational Excellence	3	-	5	8
Clean Ammonia	125	15	1	142
Industrial Solutions	385	18	51	454
Other and Eliminations	3	-	3	6
<b>Total</b>	<b>2,728</b>	<b>101</b>	<b>83</b>	<b>2,912</b>
<b>2021</b>				
Europe	3,732	103	50	3,885
Americas	6,410	168	9	6,587
Africa & Asia	2,330	49	5	2,384
Global Plants & Operational Excellence	16	-	35	51
Clean Ammonia	1,093	62	7	1,162
Industrial Solutions	2,290	144	90	2,524
Other and Eliminations	4	-	19	23
<b>Total</b>	<b>15,876</b>	<b>526</b>	<b>215</b>	<b>16,617</b>
<b>2020<sup>1)</sup></b>				
Europe	2,783	102	39	2,924
Americas	4,401	154	7	4,562
Africa & Asia	1,803	33	9	1,845
Global Plants & Operational Excellence	13	-	19	32
Clean Ammonia	423	60	7	490
Industrial Solutions	1,392	134	193	1,719
Other and Eliminations	5	-	14	19
<b>Total</b>	<b>10,819</b>	<b>484</b>	<b>288</b>	<b>11,591</b>

1) The 2020 segment figures have been restated according to introduction of the new segment Clean Ammonia in 1Q 2021. The Yara Group figures are unchanged.

Disaggregation of external revenues by geographical area <sup>1)</sup>

USD millions	Europe	Brazil	Latin America ex. Brazil	Asia	North America	Africa	Total
<b>4Q 2021</b>							
Europe	1,174	-	5	9	-	15	1,204
Americas	-	1,152	406	-	454	-	2,013
Africa & Asia	-	-	-	405	-	190	594
Global Plants & Operational Excellence	17	-	1	-	-	-	19
Clean Ammonia	-	62	10	154	155	-	382
Industrial Solutions	546	161	34	27	39	64	870
Other and Eliminations	3	-	(1)	3	-	-	5
<b>Total</b>	<b>1,740</b>	<b>1,375</b>	<b>456</b>	<b>598</b>	<b>648</b>	<b>269</b>	<b>5,086</b>
<b>4Q 2020<sup>2)</sup></b>							
Europe	667	-	2	7	-	13	690
Americas	-	650	206	-	239	-	1,096
Africa & Asia	-	-	-	370	-	147	517
Global Plants & Operational Excellence	7	-	-	-	-	-	8
Clean Ammonia	2	23	11	58	48	-	142
Industrial Solutions	267	89	20	35	18	25	454
Other and Eliminations	2	-	-	4	-	-	6
<b>Total</b>	<b>946</b>	<b>763</b>	<b>240</b>	<b>474</b>	<b>305</b>	<b>185</b>	<b>2,912</b>
<b>2021</b>							
Europe	3,755	-	16	61	1	52	3,885
Americas	-	3,821	1,262	-	1,504	-	6,587
Africa & Asia	-	-	-	1,651	-	733	2,384
Global Plants & Operational Excellence	47	-	4	-	-	-	51
Clean Ammonia	6	186	44	472	453	-	1,162
Industrial Solutions	1,418	546	141	108	122	189	2,524
Other and Eliminations	20	-	-	3	-	-	23
<b>Total</b>	<b>5,247</b>	<b>4,553</b>	<b>1,467</b>	<b>2,295</b>	<b>2,080</b>	<b>973</b>	<b>16,617</b>
<b>2020<sup>2)</sup></b>							
Europe	2,826	2	11	39	1	46	2,924
Americas	-	2,659	872	-	1,033	-	4,565
Africa & Asia	-	-	-	1,342	-	503	1,845
Global Plants & Operational Excellence	30	-	2	-	-	-	32
Clean Ammonia	13	79	27	180	192	-	490
Industrial Solutions	987	333	89	128	67	113	1,716
Other and Eliminations	15	-	-	4	-	-	19
<b>Total</b>	<b>3,871</b>	<b>3,073</b>	<b>1,000</b>	<b>1,692</b>	<b>1,293</b>	<b>662</b>	<b>11,591</b>

1) Disaggregation by geographical area is based on customer location.

2) The 2020 segment figures have been restated according to introduction of the new segment Clean Ammonia in 1Q 2021. The Yara Group figures are unchanged.

## Note 4 Non-current assets and disposal group held for sale

On 1 August 2021, Yara signed a Share Purchase Agreement with EuroChem to sell its Salitre phosphate mining project in Brazil for a cash consideration of USD 410 million. The transaction is expected to be completed during first quarter 2022. The assets and liabilities of the Salitre mining project are classified as a disposal group held-for-sale and presented on separate lines within *Current assets* and *Current liabilities* in the consolidated statement of financial position at the end of the fourth quarter 2021. Prior period balance sheets are not reclassified.

The recoverable value of the Salitre assets was determined to be lower than their carrying amount, and an impairment of USD 385 million was recognized immediately before reclassification to held-for-sale. The impairment was first allocated to a share of goodwill reported in the cash generating unit to which the

Salitre project belonged of USD 31 million and then allocated to other assets on a pro-rata basis.

The fair value of the disposal group is based on the agreed consideration determined in US dollar, while the disposal group is part of a Brazilian real functional currency subsidiary. At the end of the third quarter, USD 31 million was reversed, mainly due to the USD/BRL currency development. At the end of the fourth quarter, further USD 18 million of the impairment was reversed. This is recognized in the Statement of income, on the line *Impairment loss*. The total impairment charge in 2021 is USD 337 million. The charge will continue to be sensitive to USD/BRL currency development until closing.

The disposal group and the related impairment is reported in the Americas segment.

The major classes of assets and liabilities held-for-sale at 31 December 2021 are as follows:

USD millions	Salitre	Other	Total
Intangible assets other than goodwill	2	-	2
Property, plant and equipment	375	22	397
Inventories	19	-	19
Prepaid expenses and other current assets	37	-	37
Non-current assets and disposal group held-for-sale	433	22	454
Non-current provisions	7	-	7
Trade and other current payables	2	8	10
Liabilities directly associated with disposal group held-for-sale	9	8	17

## Note 5 Specifications

### Other income and commodity derivative gain/(loss)

USD millions	4Q 2021	4Q 2020	2021	2020
Sale of white certificates	7	-	13	6
Insurance and other compensations	-	4	14	4
Supplier settlement	-	-	37	-
Commodity based derivatives gain/(loss)	(68)	1	(90)	15
Sale of shares in equity-accounted investee	-	3	-	100
Other	6	5	16	12
<b>Total</b>	<b>(55)</b>	<b>13</b>	<b>(9)</b>	<b>137</b>

## Note 6 Inventories

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Clean Ammonia	Industrial Solutions	Other and Eliminations	Total
<b>31 Dec 2021</b>								
Finished goods	606	622	473	165	-	167	(176)	1,857
Work in progress	54	1	1	35	-	39	-	130
Raw materials	133	1,272	24	78	121	102	(9)	1,722
Spare parts	92	57	28	72	-	44	2	294
<b>Total 31 Dec 2021</b>	<b>885</b>	<b>1,952</b>	<b>526</b>	<b>350</b>	<b>121</b>	<b>352</b>	<b>(183)</b>	<b>4,003</b>
Write-down, closing balance	(11)	(48)	(7)	(4)	-	(5)	35	(42)
<b>31 Dec 2020</b>								
Finished goods	429	359	279	72	-	74	(88)	1,125
Work in progress	20	-	1	12	-	8	-	41
Raw materials	85	493	22	28	25	43	1	696
Spare parts	95	58	27	73	-	47	-	299
<b>Total 31 Dec 2020</b>	<b>628</b>	<b>910</b>	<b>329</b>	<b>185</b>	<b>25</b>	<b>172</b>	<b>(87)</b>	<b>2,161</b>
Write-down, closing balance	(12)	(6)	(3)	(1)	-	(7)	2	(28)

## Note 7 Interest-bearing debt and financial instruments at fair value

### Contractual payments on long-term interest-bearing debt

USD millions	Debentures <sup>1)</sup>	Bank Loans	Other LT loans	Total
2023	-	45	-	45
2024	181	181	-	361
2025	-	30	21	52
2026	742	30	-	773
Thereafter	1,856	-	1	1,858
<b>Total</b>	<b>2,779</b>	<b>287</b>	<b>23</b>	<b>3,089</b>
Current portion	280	195	-	476
<b>Total including current portion</b>	<b>3,059</b>	<b>482</b>	<b>23</b>	<b>3,565</b>

<sup>1)</sup> Yara International ASA is responsible for the entire amount.

At 31 December 2021, the fair value of the long-term debt, including the current portion, is USD 3,770 million and the carrying value is USD 3,565 million. The difference between fair value and carrying value decreased by USD 38 million during the quarter as higher long-term risk-free rates and wider credit spreads led to higher discount rates applied in the calculation of fair value.

In November, Yara International ASA issued new NOK denominated bonds totaling NOK 2,250 million with maturity in 2026. NOK 1,000 million was issued at fixed interest rates, but have been converted to floating rates using interest rate derivatives. The remaining NOK 1,150

million was issued at floating interest rates. The proceeds from the bond issuances will be used for general corporate purposes, thereby increasing Yara's financial flexibility and strengthening its maturity profile.

In December, Yara completed upon maturity the repayment of the NOK 700 million bond issued in 2014.

Yara's USD 1,100 million long-term revolving credit facility remains undrawn. A further USD 1,000 million is available through unused short-term credit facilities with various banks.

### Reconciliation of liabilities arising from financing activities

USD millions	31 Dec 2020	Cash flows	Non-cash changes						31 Dec 2021
			Additions and lease modifications	Transfer to liability held-for-sale	Foreign exchange movement	Amortization <sup>1)</sup>	Other	Reclassification	
Long-term interest-bearing debt	3,371	108	-	-	(34)	1	(14) <sup>2)</sup>	(345)	3,089
Short-term interest-bearing debt	345	107	-	-	(7)	-	(109) <sup>3)</sup>	-	337
Current portion of long-term debt	132	-	-	-	(4)	-	3	345	476
Lease liabilities	446	(142)	145	(1)	(21)	-	-	(1)	425
<b>Total liabilities from financing activities</b>	<b>4,293</b>	<b>74</b>	<b>145</b>	<b>(1)</b>	<b>(66)</b>	<b>1</b>	<b>(120)</b>	<b>(1)</b>	<b>4,326</b>

<sup>1)</sup> Amortization of transaction cost.

<sup>2)</sup> Value changes on interest rate swaps designated as hedging instruments.

<sup>3)</sup> Includes provision for buy-back of the Norwegian State's shares.

## Financial instruments at fair value at end of period with corresponding gains and losses in the period

USD millions	2021	2020
Equity instruments	34	18
Derivatives, net	(154)	(62)
Financial liabilities	(27)	(48)
Financial instruments at fair value in the statement of financial position at end of period	(147)	(92)

USD millions	4Q 2021	4Q 2020	2021	2020
Gains and (losses) from financial instruments at fair value recognized in:				
Consolidated statement of income	(73)	(15)	(65)	96
Consolidated statement of comprehensive income	4	6	1	1
Total	(69)	(9)	(64)	97

There has been no transfer between levels of the fair value hierarchy used in measuring the fair value in the period.

## Note 8 Non-current assets

USD millions	Property, plant and equipment (PP&E)		Goodwill	Intangible assets other than goodwill	Right-of-use assets
	PP&E other than AuC	Assets under construction (AuC)			
<b>Carrying value</b>					
<b>2021</b>					
Balance at 1 January 2021	6,991	1,588	831	157	430
Additions and lease modifications	449	343	7	40	146
Disposals	(41)	(4)	-	(8)	-
Transfers	440	(846)	-	(1)	6
Depreciation and amortization	(800)	-	-	(42)	(141)
Impairment loss	(201)	(468)	(31)	(6)	-
Reversal of impairment loss	31	10	-	-	-
Foreign currency translation gain/(loss)	(314)	(42)	(18)	(7)	(20)
Balance at 31 December 2021	6,553	581	789	132	421
<b>2020</b>					
Balance at 1 January 2020	6,964	1,650	844	187	428
Additions and lease modifications	452	461	-	14	121
Disposals	(51)	(6)	-	-	-
Transfers	291	(296)	-	2	-
Depreciation and amortization	(749)	-	-	(41)	(129)
Impairment loss	(28)	(1)	(12)	(3)	(1)
Reversal of impairment loss	1	-	-	-	-
Foreign currency translation gain/(loss)	111	(219)	-	(2)	11
Balance at 31 December 2020	6,991	1,588	831	157	430

### Impairment losses

In the fourth quarter 2021, Yara recognized impairment losses of USD 291 million, of which USD 232 million is related to the Dallol potash mining project in Ethiopia and USD 32 million is related to fertilizer assets at the Paulínia site in Brazil. Other impairment losses in the quarter amount to USD 28 million and comprise smaller single asset impairments.

The recoverable value of the Dallol project is considered to be lower than its carrying amount. With significant capital expenditures remaining, the project is exposed to multiple uncertainties. The project is currently on hold while working on a structural solution for the next stage of development. The updated assessment has determined that the fair value less cost of disposal of the project is close to zero in the current environment. While the Dallol mining project remains an attractive project, Yara's updated assessment is that the value in use of the project does not materially exceed its fair value when taking all risks and uncertainties into consideration. The impairment loss is reported in the Global Plants & Operational Excellence segment.

The closure of fertilizer production at Yara's Paulínia site was announced in December 2021. The assets are measured based on fair value less cost of disposal, as they will not generate any significant value-in-use for Yara. The related impairment loss is reported in the Americas segment.

Impairment losses recognized in the full year 2021 amount to USD 707 million. In addition to the impairments in the fourth quarter described above, Yara recognized a USD 355 million impairment of the phosphate mining project in Salitre (disposal group held for sale in the Americas segment) in the third quarter 2021 and a USD 36 million impairment of Yara Pilbara Nitrate's TAN plant in Australia (Africa & Asia segment) in the second quarter 2021.

### Reversal of impairment losses

In the fourth quarter 2021, Yara reversed impairment losses of USD 41 million, of which USD 23 million is related to production assets in Italy. Increased value-in-use due to revised market assumptions triggered the reversal, which is reported in the Europe segment. In addition, Yara reversed USD 18 million of the third quarter 2021 impairment of the mining project in Salitre, Brazil (disposal group held for sale). The reversal is mainly due to currency development (USD/BRL) and is reported in the Americas segment.

### Leases expensed in the period

Leases expensed in the quarter amounts to USD 11 million (2020: USD 11 million) and USD 46 million (2020: USD 48 million) year-to-date, and refers to leases with variable payments, leases of low value, or leases of short term.

## Note 9 Employee benefits

By the end of fourth quarter, Yara's defined benefit obligations have been remeasured following full actuarial valuations of all defined benefit plans, using revised financial and demographic assumptions, as well as updated membership data. Plan asset values have also been remeasured to reflect market value at the end of the quarter. The net remeasurement gain for the quarter is recognized as a decrease in net liability of USD 46 million and a positive effect in other comprehensive income of USD 40 million (after tax). The positive effect recognized in other comprehensive income includes a change in deferred tax on previously recognized remeasurement losses, following a

change in applicable tax rates.

The decrease in the gross employee benefit liability is USD 144 million for the year, with an additional positive return on plan assets of USD 69 million in excess of what is recognized as interest income on plan assets. The net impact to other comprehensive income is a remeasurement gain of USD 170 million (after tax). The main reason for the decrease in defined benefit obligations is increasing discount rates during the year.

## Note 10 Post balance sheet events

The Board will propose to the Annual General Meeting a dividend of NOK 30 per share for 2021.

# Quarterly historical information

## EBITDA

USD millions	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Europe	159	145	169	190	105	108	107	157
Americas	277	283	289	142	108	181	180	93
Africa & Asia	23	90	89	47	50	33	52	28
Global Plants & Operational Excellence	141	145	168	116	84	215	165	108
Clean Ammonia	16	41	46	29	35	29	38	28
Industrial Solutions	35	64	108	80	82	96	70	96
Other and Eliminations	18	(17)	(70)	(18)	22	(18)	(28)	1
<b>Total</b>	<b>669</b>	<b>750</b>	<b>799</b>	<b>586</b>	<b>484</b>	<b>645</b>	<b>583</b>	<b>511</b>

## Results

USD millions, except share information	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Revenue and other income	5,032	4,486	3,947	3,142	2,925	3,083	2,869	2,851
Operating income	148	121	477	322	210	384	335	248
EBITDA	669	750	799	586	484	645	583	511
Net income attributable to shareholders of the parent	41	(143)	539	13	246	339	223	(117)
Basic earnings per share	0.16	(0.56)	2.10	0.05	0.93	1.27	0.83	(0.43)

# Alternative performance measures

Yara makes regular use of certain non-GAAP financial alternative performance measures (APMs), both in absolute terms and comparatively from period to period. The APMs used are the following:

- Operating income
- EBITDA
- EBITDA excluding special items
- Return on invested capital (ROIC)
- Premium generated
- Fixed cost
- Net operating capital (days)
- Net interest-bearing debt
- Net debt/equity ratio
- Net debt/EBITDA excluding special items ratio
- Basic earnings per share excluding currency and special items

Definitions and explanations for the use of these APMs are described below, including reconciliations of the APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements.

## Operating income

Operating income is directly identifiable from Yara's consolidated statement of income and is considered key

information in order to understand the Group's financial performance. It provides performance information which covers all activities which normally are to be considered as "operating". Share of net income in equity-accounted investees is however not included.

## EBITDA

Earnings before interest, tax, depreciation and amortization (EBITDA) is used for providing consistent information on Yara's operating performance and debt servicing ability. Such a measure is relative to other companies and frequently used by securities analysts, investors and other stakeholders. EBITDA, as defined by Yara, includes operating income, share of net income in equity-accounted investees, interest income and other financial income. It excludes depreciation, amortization and impairment loss, as well as amortization of excess values in equity-accounted investees. Yara's definition of EBITDA may differ from that of other companies.

## EBITDA excluding special items

EBITDA excluding special items is used to better mirror the underlying performance in the reported period, adjusting for items which are not primarily related to the period in which they are recognized. See section "Special items" on page 8 for details on special items.

## Reconciliation of operating income to EBITDA excluding effect of special items

USD millions		4Q 2021	4Q 2020	2021	2020
Operating income		148	210	1,068	1,176
Share of net income in equity-accounted investees		9	-	23	20
Interest income and other financial income		16	20	64	62
Depreciation and amortization <sup>1)</sup>		247	238	984	919
Impairment loss <sup>2)</sup>		250	18	666	46
Earnings before interest, tax and depreciation/amortization (EBITDA)		669	484	2,804	2,223
Special items included in EBITDA <sup>3)</sup>		96	26	87	(62)
EBITDA, excluding special items	A	765	511	2,891	2,161

1) Including amortization of excess value in equity-accounted investees.

2) Including impairment loss on excess value in equity-accounted investees.

3) See section "Special items" for details on special items.

## Reconciliation of net income to EBITDA

USD millions	4Q 2021	4Q 2020	2021	2020
Net income	(26)	246	384	690
Income taxes	64	52	355	160
Interest expense and other financial items	44	28	164	165
Foreign currency translation (gain)/loss	91	(98)	251	243
Depreciation and amortization <sup>1)</sup>	247	238	984	919
Impairment loss <sup>2)</sup>	250	18	666	46
<b>EBITDA</b>	<b>669</b>	<b>484</b>	<b>2,804</b>	<b>2,223</b>

1) Including amortization of excess value in equity-accounted investees.

2) Including impairment loss on excess value in equity-accounted investees.

## ROIC

Return on invested capital (ROIC) is defined as Net Operating Profit After Tax (NOPAT) divided by average invested capital calculated on a 12-months rolling average basis. NOPAT is defined as operating income excluding amortization and impairment of intangible assets other than goodwill, plus interest income from external customers, minus tax cost calculated on the previous mentioned items with a 25% flat rate, and plus net income from equity-accounted investees. Average invested capital is defined as

total current assets excluding cash and cash equivalents, plus a normalized cash level of USD 200 million, minus total current liabilities excluding short-term interest-bearing debt and current portion of long-term debt, plus property, plant and equipment, plus right-of-use assets, plus goodwill and plus equity-accounted investees.

NOPAT and average invested capital are defined and reconciled as components in the reporting of ROIC as an APM. They are not considered to be separate APMs.

## Reconciliation of operating income to net operating profit after tax

USD millions		4Q 2021	4Q 2020	2021	2020
Operating income		148	210	1,068	1,176
Amortization and impairment of intangible assets		13	14	47	44
Interest income from external customers		15	13	58	54
Calculated tax cost (25% flat rate) on items above		(44)	(59)	(293)	(319)
Share of net income in equity-accounted investees		9	-	23	20
<b>Net operating profit after tax (NOPAT)</b>	<b>B</b>	<b>141</b>	<b>178</b>	<b>903</b>	<b>976</b>
Annualized NOPAT	C=Bx4	564	711		
12-month rolling NOPAT	C			903	976

## Reconciliation of net income to net operating profit after tax

USD millions		4Q 2021	4Q 2020	2021	2020
Net income		(26)	246	384	690
Amortization and impairment of intangible assets		13	14	47	44
Interest income from external customers		15	13	58	54
Interest income and other financial income		(16)	(20)	(64)	(62)
Interest expense and other financial items		44	28	164	165
Foreign currency translation (gain)/loss		91	(98)	251	243
Income tax, added back		64	52	355	160
Calculated tax cost (25% flat rate)		(44)	(59)	(293)	(319)
<b>Net operating profit after tax (NOPAT)</b>	<b>B</b>	<b>141</b>	<b>178</b>	<b>903</b>	<b>976</b>
Annualized NOPAT	C=Bx4	564	711		
12-month rolling NOPAT	C			903	976

## Reconciliation of invested capital and ROIC calculation

USD millions		4Q 2021	4Q 2020	2021	2020
Total current assets as reported		7,698	5,637	7,698	5,637
Cash and cash equivalents as reported		(394)	(1,363)	(394)	(1,363)
Normalized level of operating cash		200	200	200	200
Total current liabilities as reported		(5,544)	(3,165)	(5,544)	(3,165)
Short-term interest-bearing debt as reported		337	345	337	345
Current portion of long-term debt as reported		476	132	476	132
Short-term lease liabilities as reported		104	111	104	111
Property, plant and equipment as reported		7,133	8,579	7,133	8,579
Right-of-use assets as reported		421	430	421	430
Goodwill as reported		789	831	789	831
Equity-accounted investees as reported		117	107	117	107
Adjustment for 3-months/12-months average		(9)	(375)	27	356
Invested capital	D	11,327	11,469	11,363	12,200
Return on invested capital (ROIC)	E=C/D	5.0 %	6.2 %	7.9 %	8.0 %

## Premium generated

Yara reports the measure Premium Generated to provide information on its commercial performance for selected Premium Products, reflecting Yara's ability to grow premium offerings and to generate a positive price premium compared with alternative commodity products. The brief definition of Premium Generated is total tonnage of delivered Premium NPKs and straight Nitrate fertilizers, multiplied by their associated price premiums. NPK premium is defined as Yara's average realized price for Premium NPKs benchmarked against a comparable and theoretically calculated blend of global nitrogen (N), phosphorus (P) and potassium (K) prices, adjusted for variable bagging costs and logistical costs. The blend model is calculated using Urea Prilled FOB Black Sea, DAP FOB North Africa, and MOP FOB Vancouver/ SOP FOB West Europe for the respective

main nutrients. These commodity prices are derived from external publications. Costs for content of secondary and micro nutrients in Yara deliveries are deducted for comparability. The Nitrate premium is defined as Yara's average sales price for straight nitrates versus the comparable value of urea. Comparability is achieved through adjusting the measures for relevant freight components and nitrogen content, such that both are represented in a theoretical delivered CIF bulk Germany value of CAN 27%. The urea reference applied is Urea Granular FOB Egypt, and the measure is adjusted for sulphur content. The measurement includes estimates and simplified assumptions, however, it is considered to be of sufficient accuracy to assess the premium development over time.

## Reconciliation of Premium generated

USD millions		2021	2020
Revenues <sup>1)</sup> from premium NPKs and straight nitrates		5,318	3,949
Adjustments to revenues <sup>2)</sup>		(615)	(496)
Adjusted revenues as basis for premium generated	F	4,703	3,452
Benchmark revenue for premium generated <sup>3)</sup>	G	4,422	2,416
Calculated premium generated	H=F-G	280	1,036

1) IFRS revenues, ref. Yara Integrated Report 2020 page 122, Note 2.1 Revenue from contracts with customers.

2) Adjustments for logistical and bagging costs, incoterms, sulphur content, and homogenization of nutrient content (for nitrates).

3) Value of commodity fertilizers adjusted by nutrient content, secondary and micro nutrients in NPK, cost of coloring and incoterms. The commodity prices are derived from the external publications Fertecon, Fertilizer Week, Profercy, The Market and FMB.

### Yara Improvement Program (YIP)

Yara has established a corporate program to drive and coordinate existing and new improvement initiatives, the Yara Improvement Program. At its Capital Markets Day on 26 June 2019, Yara launched an extended version of this program which distinguishes between three defined pillars; a) higher production returns and lower variable costs, b) leaner cost base, and c) smarter working capital management. At the same time, Yara moved to reporting operational metrics on underlying value drivers to provide information on project performance to management, and which Yara also considers to be relevant for external stakeholders. The operational metrics are reported on a rolling 12-months basis and include:

- production volume (kt),
- energy efficiency (Gj/T),
- fixed cost (USD millions), and
- net operating capital (days).

The fixed cost and the net operating capital measures represent financial alternative performance measures and are defined below.

Fixed cost is defined as the subtotal "Operating costs and expenses" in the consolidated statement of income minus variable product cost (raw materials, energy, freight), other

variable operating expenses, depreciation, amortization and impairment loss. The reported amounts are adjusted for items which are not considered to be part of underlying business performance for the period (see section "Special items" for details on special items), currency effects, and items which relate to portfolio and structural changes. The currency effects are calculated by converting from local currency to reporting currency using baseline exchange rates as of 2018. The portfolio and structural changes refer to the acquisition of the Vale Cubatão Fertilizantes complex in Brazil and the ammonia plant in Freeport.

Net operating capital days are reported on a 12-months average basis and is defined as the net of credit days, inventory days and payable days. Credit days are calculated as trade receivables, adjusted for VAT payables, relative to total revenue and interest income from customers. Inventory days are calculated as the total inventory balance relative to product variable costs. Payable days are calculated as trade payables adjusted for payables related to investments, relative to supplier related operating costs and expenses.

As Yara Improvement Program performance measures are presented to report on the progress towards Yara's strategic goals, previous calendar year is considered to represent the relevant comparatives.

### Reconciliation of operating costs and expenses to fixed cost

USD millions	2021	2020
Operating costs and expenses	15,540	10,551
Variable part of Raw materials, energy costs and freight expenses	(11,508)	(7,399)
Variable part of Other operating expenses	(37)	(31)
Depreciation and amortization <sup>1)</sup>	(984)	(919)
Impairment loss <sup>2)</sup>	(666)	(46)
Currency effects (using baseline exchange rates as of 2018)	184	209
Special items within fixed cost	(42)	(44)
Fixed cost	2,487	2,322

1) Including amortization of excess value in equity-accounted investees.

2) Including impairment loss on excess value in equity-accounted investees.

## Reconciliation of Net operating capital days

USD millions		2021	2020
Trade receivables as reported		2,138	1,478
Adjustment for VAT payables		(133)	(83)
Adjustment for 12-months average		(383)	106
Adjusted trade receivables (12-months average)	I	1,621	1,501
Revenue from contracts with customers		16,617	11,591
Interest income from external customers		54	51
Total revenue and interest income from customers	J	16,671	11,641
Credit days	$K=(I/J) * 365$	35	47
Inventories as reported		4,003	2,161
Adjustment for 12-months average		(1,202)	(25)
Inventories (12-months average)	L	2,801	2,136
Raw materials, energy costs and freight expenses		12,136	8,021
Fixed product costs and freight expenses external customers		(1,753)	(1,522)
Product variable costs	M	10,383	6,498
Inventory days	$N=(L/M) * 365$	98	120
Trade and other payables as reported		3,580	1,880
Adjustment for other payables		(556)	(451)
Adjustment for payables related to investments		(162)	(160)
Adjustment for 12-months average		(1,004)	(66)
Trade payables (12-months average)	O	1,857	1,203
Operating costs and expenses		15,540	10,551
Depreciation and amortization		(984)	(919)
Impairment loss		(666)	(46)
Other non-supplier related costs		(668)	(1,397)
Operating costs and expenses, adjusted	P	13,222	8,190
Payable days	$Q=(O/P) * 365$	51	54
Net operating capital days	$R=K+N-Q$	83	113

## Capital structure measures

Yara reports the Group's net interest-bearing debt, net debt/equity ratio and net debt/EBITDA excluding special items ratio to provide information on the Group's financial position as references to the targeted capital structure as communicated in Yara's financial policy. In addition, Yara's reporting of net interest-bearing debt highlights key development factors which supplement the consolidated statement of cash flows. Net interest-bearing debt is defined

by Yara as cash and cash equivalents and other liquid assets, reduced for short-term and long-term (including current portion) interest-bearing debt, and lease liabilities. The net debt/equity ratio is calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests. The Net Debt/EBITDA ratio is calculated as net interest-bearing debt divided by EBITDA excluding special items on a 12-months rolling basis.

### Net interest-bearing debt

USD millions		31 Dec 2021	31 Dec 2020
Cash and cash equivalents		394	1,363
Other liquid assets		2	1
Short-term interest-bearing debt		(337)	(345)
Current portion of long-term debt		(476)	(132)
Short-term lease liabilities		(104)	(111)
Long-term interest-bearing debt		(3,089)	(3,371)
Long-term lease liabilities		(321)	(335)
Net interest-bearing debt	S	(3,930)	(2,930)

### Net debt/equity ratio

USD millions		31 Dec 2021	31 Dec 2020
Net interest-bearing debt	S	(3,930)	(2,930)
Total equity	T	(7,116)	(8,220)
Net debt/equity ratio	U=S/T	0.55	0.36

### Net debt/EBITDA excluding special items ratio

USD millions		31 Dec 2021	31 Dec 2020
Net interest-bearing debt	S	(3,930)	(2,930)
EBITDA, excluding special items (last 12 months)	A	2,891	2,161
Net debt/EBITDA excluding special items ratio	V=(S)/A	1.36	1.36

### Basic earnings per share excluding currency and special items

Basic earnings per share (EPS) excluding currency and special items is an adjusted EPS measure which mirrors the underlying performance in the reported period by adjusting for currency effects and items which are not primarily related to the period in which they are recognized.

This APM represent net income after non-controlling interests, excluding foreign currency translation gain/loss and special items after tax, divided by average number of shares outstanding in the period. The tax effect on foreign currency and special items is calculated based on relevant statutory tax rate for simplicity.

### Earnings per share

USD millions, except earnings per share and number of shares		4Q 2021	4Q 2020	2021	2020
Weighted average number of shares outstanding	W	254,725,627	264,818,040	256,789,744	267,985,860
Net income attributable to shareholders of the parent	X	41	246	449	691
Foreign currency translation gain/(loss)	Y	(91)	98	(251)	(243)
Tax effect on foreign currency translation	Z	22	(24)	61	73
Non-controlling interest share of foreign currency translation (gain)/loss, net after tax	AA	-	-	-	-
Special items within income before tax <sup>1)</sup>	AB	(345)	(44)	(751)	17
Tax effect on special items	AC	67	13	91	17
Special items within income before tax, net after tax	AD=AB+AC	(278)	(30)	(659)	34
Non-controlling interest's share of special items, net after tax	AE	(84)	-	(84)	(1)
Net income excluding currency and special items	AF=X-Y-Z+AA-AD+AE	304	202	1,215	826
Basic earnings per share	AG=X/W	0.16	0.93	1.75	2.58
Basic earnings per share excluding foreign currency translation and special items	AH=AF/W	1.19	0.76	4.73	3.08

1) See section "Special items" for details on special items.





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