



Knowledge grows

# Fourth-quarter report 2020

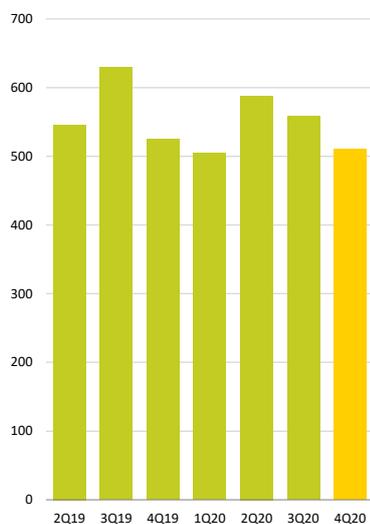
Yara International ASA



- Improved deliveries and production offset energy cost increase
- NOK 20 per share annual dividend proposed
  - Total NOK 52 per share cash returns <sup>1)</sup> paid and proposed for 2020
- Taking steps to enable the hydrogen economy, establishing Clean Ammonia unit
- 8.0% ROIC <sup>2)</sup>, up from 6.6% a year earlier

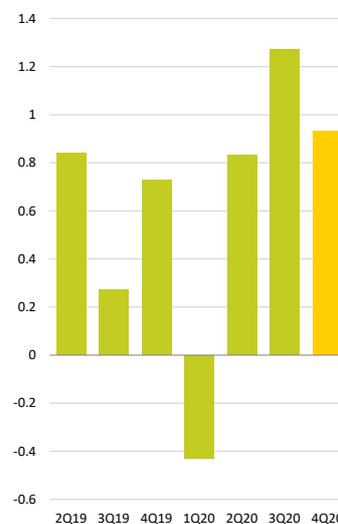
## EBITDA <sup>3)</sup>

USD millions

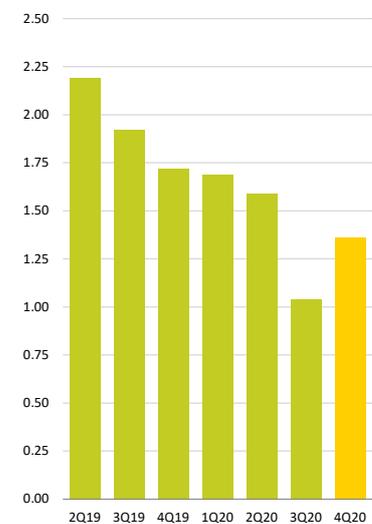


## Earnings per share

USD



## Net debt/EBITDA <sup>3)</sup>



<sup>1)</sup> Including NOK 18 additional dividend paid 4Q 2020 and share buybacks (included in the year of purchase, including the corresponding pro-rata redemption of shares from the Norwegian State).

<sup>2)</sup> For definition and reconciliation of ROIC, see APM section in 4Q report, pages 35-40.

<sup>3)</sup> EBITDA excluding special items. The Net debt/EBITDA ratio is based on rolling 12-months EBITDA.



# Financial review

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

USD millions, except where indicated otherwise	4Q 2020	4Q 2019	2020	2019
Revenue and other income	2,925	3,028	11,728	12,936
Operating income	210	211	1,176	989
EBITDA	484	499	2,223	2,095
EBITDA excl. special items	511	525	2,161	2,165
Net income	246	199	690	589
Basic earnings per share <sup>2)</sup>	0.93	0.73	2.58	2.20
Basic earnings per share excl. foreign currency translation and special items <sup>2)</sup>	0.76	0.80	3.08	3.09
Net cash provided by operating activities	462	688	2,047	1,907
Net cash used in investing activities	(268)	(300)	248	(1,044)
Net debt/equity ratio	0.36	0.42	0.36	0.42
Net debt/EBITDA excl. special items (last 12 months) ratio	1.36	1.72	1.36	1.72
Average number of shares outstanding (millions)	264.8	271.7	268.0	272.3
Return on invested capital (ROIC) <sup>3)</sup>	6.2 %	5.8 %	8.0 %	6.6 %

<sup>1)</sup> See page 35-40 for definitions, explanations and reconciliations of Alternative Performance Measures (APMs).

<sup>2)</sup> USD per share. Yara currently has no share-based compensation programs resulting in a dilutive effect on earnings per share.

<sup>3)</sup> Quarterly numbers annualized.

## Key statistics

	4Q 2020	4Q 2019	2020	2019
<b>Yara production (thousand tonnes) <sup>1)</sup></b>				
Ammonia	1,866	2,048	7,606	8,479
Finished fertiliser and industrial products, excl. bulk blends	5,271	5,432	21,048	22,060
<b>Yara deliveries (thousand tonnes)</b>				
Ammonia trade	539	712	1,966	2,527
Fertiliser	7,012	6,476	29,045	27,620
Industrial Product	1,781	1,910	7,086	7,837
<b>Total deliveries</b>	<b>9,332</b>	<b>9,097</b>	<b>38,097</b>	<b>37,983</b>
<b>Yara's Energy prices (USD per MMBtu)</b>				
Global weighted average gas cost	4.7	4.0	3.8	4.7
European weighted average gas cost	5.1	4.3	3.6	5.4

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

## Market information

Average of publication prices		4Q 2020	4Q 2019	2020	2019
Urea granular (fob Egypt)	USD per tonne	260	249	246	263
CAN (cif Germany)	USD per tonne	203	208	191	226
Ammonia (fob Black Sea)	USD per tonne	204	225	204	240
DAP (fob US Gulf)	USD per tonne	352	299	314	356
Phosphate rock (fob Morocco)	USD per tonne	83	80	80	91
European gas (TTF)	USD per MMBtu	4.5	3.7	3.0	4.8
US gas (Henry Hub)	USD per MMBtu	2.3	2.5	2.0	2.7
EUR/USD currency rate		1.2	1.1	1.1	1.1
USD/BRL currency rate		5.4	4.1	5.1	3.9

Yara's fourth-quarter EBITDA excluding special items was down 3% compared with a year earlier, mainly reflecting higher deliveries offset by increased gas prices. Net income was USD 246 million (USD 0.93 basic earnings per share), compared with USD 199 million (USD 0.73 basic earnings per share) a year earlier. Excluding currency effects and special items, the basic earnings per share was USD 0.76 compared with USD 0.80 per share in fourth quarter 2019.

"Yara delivers its tenth consecutive quarter with improved capital returns, with increased deliveries and production offsetting the impact of higher energy prices. Yara has performed well during 2020, and we propose a NOK 20 per share dividend to the annual general meeting,

bringing our total cash distribution to shareholders for 2020 to NOK 52 per share. I would like to give credit to our entire organisation for a solid effort in this demanding year, driven by our strong common purpose," said Svein Tore Holsether, President and Chief Executive Officer of Yara.

"I am also pleased to announce we are taking further steps to enable the hydrogen economy, establishing a new global unit – Yara Clean Ammonia – to capture growth opportunities within carbon-free food solutions, shipping fuel and other clean ammonia applications, leveraging Yara's unique existing positions within ammonia production, trade and shipping," said Holsether.

## Variance analysis

USD millions	4Q 2020	2020
EBITDA 2020	484	2,223
EBITDA 2019	499	2,095
Reported EBITDA variance	(15)	128
Special items variance (see page 12 for details)	(1)	132
EBITDA variance ex special items	(14)	(4)
Volume/Mix	34	123
Price/Margin excluding energy	27	(362)
Energy price	(31)	269
Currency translation	6	98
Other	(50)	(132)
Total variance explained	(14)	(4)

### Fourth quarter

Yara's fourth-quarter EBITDA excluding special items was 3% lower than a year earlier reflecting mainly higher deliveries offset by energy prices. Product mix also improved in the quarter, reflecting increased deliveries of premium products. Fixed costs were slightly higher.

### Europe

Europe's fourth-quarter EBITDA excluding special items was 1% higher than a year earlier as increased deliveries and lower feedstock costs for ammonia were offset by lower realised prices. The increased deliveries were driven by firming urea market and higher production.

### Americas

Americas' fourth-quarter EBITDA excluding special items was 20% lower than last year, as higher premium product deliveries were offset by lower upgrading margins in the region and lower commercial margins in Brazil.

### Africa & Asia

Africa & Asia's fourth-quarter EBITDA excluding special items was 177% higher than a year earlier driven by increased deliveries of premium products in the Asian market and higher production output.

### Global Plants & Operational Excellence (GPOE)

GPOE's fourth-quarter EBITDA excluding special items was 16% lower than a year earlier primarily due to a portfolio effect following the QAFCO divestment. Higher production volumes adjusted for portfolio changes were offset by lower upgrading margins and higher fixed costs.

### Industrial Solutions

Industrial Solutions' fourth-quarter EBITDA excluding special items was 16% higher than a year earlier reflecting strong commercial margins partly offset by lower upgrading margins and Maritime. Revision of cost estimates on Maritime projects had a positive effect of 10 MUSD in the quarter.

### Full year

Yara's full year 2020 EBITDA excluding special items was in line with a year earlier as lower gas prices, increased deliveries of premium products and a stronger US dollar were offset by weaker commodity prices and slightly higher underlying fixed costs.

### Europe

Europe's full year EBITDA excluding special items was 7% lower than a year earlier as lower feedstock costs for ammonia and natural gas were offset by lower realised prices.

### Americas

Americas full year 2020 EBITDA excluding special items was 5% lower than a year earlier, as higher premium product deliveries and lower fixed costs were offset by lower upgrading margins on urea and phosphates. The lower fixed costs includes currency translation effects due to a stronger US Dollar, especially vs the Brazilian Real.

### Africa & Asia

Africa & Asia's full year 2020 EBITDA excluding special items was 75% higher than a year earlier reflecting increased deliveries of premium products and ramp-up of Pilbara TAN plant in Australia.

### Global Plants & Operational Excellence (GPOE)

GPOE's full year 2020 EBITDA excluding special items was 7% lower than a year earlier mainly due to the QAFCO portfolio effect, as lower gas costs were otherwise offset by lower commodity prices and higher fixed costs.

### Industrial Solutions

Industrial Solutions' full year 2020 EBITDA excluding special items was 13% higher than a year earlier reflecting improved commercial margins. Challenging market situation for Maritime throughout the year, while demand for industrial nitrogen was negatively impacted by Covid-19.

### Improvement programme

Yara launched an extended improvement programme at its Capital Markets day on June 26 2019, following solid improvements achieved in the previous three years. As part of this, Yara moved to reporting operational metrics on a rolling 12-months (L12M) basis to better reflect underlying performance.

Underlying production in the quarter improved slightly both for finished products and ammonia compared to the previous quarter, maintaining momentum on a rolling 12-months basis. Current initiatives in the improvement programme are

implemented while ensuring operational continuity through Covid-19 in order to reduce the risk of prolonged outages.

Recent improvement of Energy Efficiency is mainly due to the closure of Yara Trinidad. Fixed Costs are slightly higher than 2019 but on track to achieve the 2023 ambition level of keeping nominal costs flat. Net Operating Capital days have improved by four days in the fourth-quarter ending 2020 two days below 2019, and remains a priority going forward.

	2020	2019	2018
Production - ammonia (kt) <sup>1)</sup>	7,696	7,772	7,850
Production - finished products (kt) <sup>1)</sup>	21,258	21,067	20,870
Energy Efficiency (GJ/T) <sup>2)</sup>	33.2	33.9	34.1
Fixed Costs (USD millions) <sup>3)</sup>	2,322	2,291	2,314
Net operating capital (days) <sup>3)</sup>	113	115	104

1) Production output measured on rolling 12-months, adjusted for major turnarounds and market optimization effects. Adjustments are done to better reflect the underlying production performance. Numbers exclude Qafco and Lifeco volumes. 2018 baseline includes growth and bottleneck projects already communicated and is adjusted related to Galvani and Pardies portfolio effects.

2) Energy Efficiency (GJ/t) looks at the L12M total energy consumption per tonne ammonia produced.

3) For definitions of Fixed Cost and Net operating capital days, refer to page 38-39 in the APM section.

## Production volumes

	4Q 2020	4Q 2019	2020	2019
Thousand tonnes				
Ammonia	1,866	2,048	7,606	8,479
<i>of which equity-accounted investees</i>	-	288	181	1,000
Urea	1,230	1,565	5,175	6,419
<i>of which equity-accounted investees</i>	-	428	268	1,504
Nitrate	1,650	1,554	6,472	6,225
NPK	1,517	1,322	6,104	5,697
CN	416	336	1,640	1,543
UAN	240	265	959	974
SSP-based fertiliser	213	357	647	1,087
MAP	4	33	51	115
<b>Total Finished Products <sup>1)</sup></b>	<b>5,271</b>	<b>5,432</b>	<b>21,048</b>	<b>22,060</b>

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

## Deliveries

<b>Crop Nutrition deliveries</b>	4Q 2020	4Q 2019	2020	2019
Thousand tonnes				
Urea	1,564	1,373	6,042	5,909
Nitrate	1,352	1,274	5,775	5,412
NPK	2,681	2,500	10,574	9,943
<i>of which Yara-produced compounds</i>	1,567	1,319	6,140	5,618
<i>of which blends</i>	884	1,008	3,749	3,801
CN	363	241	1,433	1,237
UAN	253	264	1,405	1,287
DAP/MAP/SSP	188	167	1,014	1,096
MOP/SOP	323	309	1,473	1,326
Other products	289	349	1,328	1,411
<b>Total Crop Nutrition deliveries</b>	<b>7,012</b>	<b>6,476</b>	<b>29,045</b>	<b>27,620</b>

<b>Europe deliveries</b>	4Q 2020	4Q 2019	2020	2019
Thousand tonnes				
Urea	253	148	1,009	796
Nitrate	981	888	4,334	4,057
NPK	705	620	2,769	2,714
<i>of which Yara-produced compounds</i>	684	602	2,632	2,555
CN	89	64	446	393
Other products	299	304	1,558	1,492
<b>Total deliveries Europe</b>	<b>2,327</b>	<b>2,025</b>	<b>10,116</b>	<b>9,452</b>

<b>Americas deliveries</b>	4Q 2020	4Q 2019	2020	2019
Thousand tonnes				
Urea	664	678	2,692	2,615
Nitrate	323	321	1,196	1,117
NPK	1,513	1,502	6,070	5,687
<i>of which Yara-produced compounds</i>	511	413	2,056	1,797
<i>of which blends</i>	783	928	3,376	3,441
CN	211	128	801	679
DAP/MAP/SSP	173	144	912	1,014
MOP/SOP	298	286	1,386	1,233
Other products	213	279	1,050	1,115
<b>Total deliveries Americas</b>	<b>3,395</b>	<b>3,338</b>	<b>14,108</b>	<b>13,461</b>
<i>of which North America</i>	825	773	3,316	3,254
<i>of which Brazil</i>	2,090	2,140	8,813	8,438
<i>of which Latin America ex Brazil</i>	480	425	1,979	1,769

**Africa & Asia deliveries**

	4Q 2020	4Q 2019	2020	2019
Thousand tonnes				
Urea	647	548	2,341	2,497
Nitrate	48	64	245	237
NPK	463	378	1,735	1,542
<i>of which Yara-produced compounds</i>	373	304	1,453	1,266
CN	62	48	186	166
Other products	70	75	314	264
<b>Total deliveries Africa &amp; Asia</b>	<b>1,291</b>	<b>1,113</b>	<b>4,821</b>	<b>4,707</b>
<i>of which Asia</i>	988	815	3,652	3,525
<i>of which Africa</i>	302	298	1,169	1,182

**Industrial Solutions deliveries**

	4Q 2020	4Q 2019	2020	2019
Thousand tonnes				
Ammonia <sup>1)</sup>	142	152	543	625
Urea <sup>1)</sup>	407	420	1,577	1,792
Nitrate <sup>2)</sup>	240	281	1,069	1,146
CN	56	125	348	434
Other products <sup>3)</sup>	528	507	1,944	2,028
Water content in industrial ammonia and urea	408	426	1,605	1,811
<b>Total Industrial Solutions deliveries</b>	<b>1,781</b>	<b>1,910</b>	<b>7,086</b>	<b>7,837</b>

1) Pure product equivalents.

2) Including AN Solution.

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

### Fertiliser market conditions

The Food and Agriculture Organisation of the United Nations (FAO) grain price index increased through the fourth quarter and exceeded both the previous year and ten-year average by 19% and 4%, respectively. The overall food price index was 7% higher than a year earlier, while 1% below the ten-year average. Among fundamental drivers are supportive global demand, including corn imports by China, downward revision of the US corn crop, uncertainty related to Russian wheat export availability, some crop concerns in Latin America and unclear outlook for the winter wheat in parts of North America and Eastern Europe. Financial investors have been building long positions in agricultural commodities, especially within corn.

Global fertiliser demand remains supported by the need for higher grain production to match increasing consumption. This is illustrated by The US Department of Agriculture projection of a 1.8% increase in global grain consumption for the 2020/21 season. While production is forecasted to increase as well, the global grain ending stocks-to-use ratio is forecasted to end the season at 108 days, compared with 111 days at the start of the season. Excluding China, the projected ending stocks-to-use ratio is 58 days of consumption, down by 1 day.

Granular urea prices fob Egypt averaged USD 260 per tonne for September through November, compared with USD 249 per tonne during the same period a year earlier. Positive demand development has increased the deficit in the global balance excluding China, and prices were stable through the quarter at a level sufficient to attract substantial Chinese urea exports. Chinese urea exports for September through November amounted to 2.8 million tonnes, up from 1.7 million tonnes a year earlier. Strong Indian demand contributed to the Chinese export increase.

Ammonia prices fob Black Sea were on average USD 204 per tonne for September through November, representing a reduction of USD 21 per tonne compared with USD 225 per tonne a year earlier. The global ammonia market remains fundamentally oversupplied, resulting in market driven curtailments and pressured margins for high cost producers. Trinidad as an example is a country where production is curtailed as a consequence.

DAP prices improved through the quarter, with an average of USD 352 per tonne fob US Gulf for September through

November compared to an average of USD 299 per tonne a year earlier. Following the expansions in Morocco and Saudi Arabia, recent price increases indicate an improving supply-demand balance. Improved crop prices are resulting in increased demand for phosphate fertilisers, while supply is already running at high rates, with limited potential to increase.

As rock prices increased only modestly, the upgrading margin from rock to DAP was higher for September through November than a year earlier.

### Regional market developments

Fourth-quarter nitrogen deliveries in Western Europe were 5% higher than a year earlier, while imports were down 7%. Season-to-date nitrogen deliveries were at same level as last season, while imports were down 5%.

Brazil imported 2.2 million tonnes of urea during the fourth quarter, up from 2.0 million tonnes last year. Total 2020 imports ended at 7.1 million tonnes compared to 5.6 million tonnes last year. Agriculture demand in Brazil has been strong due to supportive crop prices and weaker local currency increasing export values.

Fourth-quarter urea production in China is estimated to have increased 6% compared to a year earlier. However, December production dropped significantly, as natural gas was directed to heating purposes, leading to tighter coal market. Adjusting for exports, season-to-date domestic supply is similar to the previous season. The average domestic urea price for September through November was 4% lower than a year earlier in local currency, 1% higher expressed in US dollars, and increasing through the quarter. Strong recent exports, production decline from early December and a positive demand outlook for 2021, have all contributed to supply concerns in the Chinese market recently driving prices higher.

In India, urea sales have been strong so far into the new season. April through December sales were reported at 6% above last year. Weather factors and plantings have been supportive for the second year in a row. Urea production for the same period is reported 3% higher than a year earlier. Given the increased supply deficit, India was an active and supportive buyer in the global market through the fourth quarter.

## Financial items

USD millions	4Q 2020	4Q 2019	2020	2019
Interest income	18	15	61	74
Dividends and net gain/(loss) on securities	1	-	1	2
Interest income and other financial income	20	15	62	76
Interest expense	(30)	(46)	(135)	(157)
Net interest expense on net pension liability	(2)	(3)	(5)	(9)
Net foreign currency translation gain/(loss)	98	98	(243)	(145)
Other	4	6	(25)	(15)
Interest expense and foreign currency translation gain/(loss)	69	55	(408)	(327)
Net financial income/(expense)	89	70	(346)	(251)

The variance in financial items for fourth quarter compared with a year earlier primarily reflects USD 16 million lower interest expense due to lower average interest rates.

The net foreign currency translation gain this quarter stems primarily from the depreciation of the US dollar against Yara's other main currencies. The gain was partly offset by losses on internal funding positions, mainly in Euro against the Norwegian krone. In the same quarter last year the gain was largely related to a depreciation of the US dollar.

At the start of first quarter 2021, the US dollar denominated debt position generating currency effects in the income statement was approximately USD 1,900 million. Around 60% of the exposure was towards the Norwegian krone and the rest mainly towards Yara's emerging market currencies.

Yara's accounting policy regarding foreign currency transactions is described on page 21 and in the annual report for 2019 on page 93.

## Income tax

Fourth-quarter tax cost is USD 52 million, which is approximately 17% of income before tax. The effective tax rate is positively impacted by a realized liquidation loss and

Full-year net financial expense was USD 95 million higher than a year earlier. The variance is primarily explained by a higher net foreign currency translation loss this year, especially during first quarter.

Interest expense for the full year was USD 22 million lower than a year earlier, driven by lower gross interest-bearing debt and reflecting that interest on taxes for prior periods was included in the amount reported last year.

The foreign currency translation loss this year of USD 243 million comprised a loss of USD 86 million on the US dollar denominated debt positions and a loss of USD 157 million on internal positions in other currencies. A year earlier, the US dollar debt positions and the internal positions contributed almost equally to the reported net loss.

currency gains on deferred tax positions, partly offset by increased valuation allowances on certain deferred tax assets.

## Net interest-bearing debt

USD millions	4Q 2020	2020
Net interest-bearing debt at the beginning of the period	(2,261)	(3,725)
Cash earnings <sup>1)</sup>	385	1,653
Dividends received from equity-accounted investees	6	9
Net operating capital change	(49)	265
Investments (net)	(268)	(752)
Proceeds from sale of equity-accounted investee	-	1,000
Yara dividend and buy-backs	(674)	(1,235)
New leases <sup>2)</sup>	(30)	(117)
Other, including foreign currency translation gain/(loss)	(38)	(29)
Net interest-bearing debt at end of period	(2,930)	(2,930)

1) Operating income plus depreciation and amortization, minus tax paid, net gain/(loss) on disposals, net interest expense and bank charges.

2) New lease arrangements in scope for IFRS 16 increase the net interest-bearing debt without having an immediate cash impact.

As a supplement to the consolidated statement of cash flows (page 20), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt at the end of the fourth quarter 2020 was USD 2,930 million, which is USD 669 million higher than at the end of the third quarter. The increase was driven by additional dividend payment, share buy-backs and investments exceeding cash earnings. Investments amounted to USD 268 million, primarily reflecting regular maintenance investments.

Net Investments for the year 2020 amounted to USD 752 million as capital expenditures of USD 769 million was partly

offset by cash inflows from investments of USD 17 million. Growth investments included USD 155 million related to the Rio Grande and Salitre projects in Brazil.

The debt/equity ratio at the end of fourth quarter 2020, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.36 compared with 0.27 at the end of the third quarter 2020.

At the end of fourth quarter 2020, the net debt/EBITDA excl. Special items (last 12 months) ratio is 1.36, up from 1.04 at the end of the third quarter 2020.

## 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.

Ensuring continuity in food production and related value chains remains a top priority for all countries. Yara's market environment is in a positive trend, with increasing grain prices creating stronger planting and crop nutrition incentives for farmers. Nitrogen fertiliser markets are robust, with strengthening prices ahead of the Northern hemisphere planting season. Yara's industrial business has also picked up in the second half, following weaker demand in the second quarter.

Natural gas input prices in Europe have recently increased, from record low levels in 2020. Based on current forward markets for natural gas (2 February) Yara's spot-priced gas costs for first and second quarter 2021 are expected to be respectively USD 100 million and USD 145 million higher than a year earlier. The estimates may change depending on future spot gas prices.

Yara has a triple responsibility in the ongoing global pandemic: Firstly, to safeguard its employees, contractors,

partners, neighbours and society at large. Secondly, to be a responsible company and act in accordance with government guidelines. And thirdly, to keep operations running, to help support the supply of food and other essential products to society. This means that the timing of turnarounds, improvement initiatives and the project portfolio will be optimised to reduce the risk of prolonged outages.

Yara's financial situation is robust, with strong cash flow from operations and declining capital expenditure due to strong capital discipline. Yara will propose a NOK 20 per share dividend to the annual general meeting, bringing its total cash distribution to shareholders for 2020 to NOK 52 per share. Improving returns and cash flow may lead to increased payout capacity, in line with Yara's capital allocation policy.

Global nitrogen prices were weak during 2019 and first half 2020, as higher-cost Chinese exports were in demand only in certain parts of the season. However, supply growth outside China receded in 2020, increasing demand for Chinese exports and strengthening nitrogen prices as a result. Recent industry consultant projections show higher nitrogen supply growth in 2021, however limited start-up activity has been seen so far, and the risk of project delays is stronger than normal due to Covid-19.

## 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 2020	4Q 2019	2020	2019	4Q 2020	4Q 2019	2020	2019	4Q 2020	4Q 2019	2020	2019
Environmental provisions	1	(9)	1	(9)	1	(9)	1	(9)	1	(9)	1	(9)
Impairment of non-current assets	-	-	-	-	-	-	-	-	(8)	(18)	(25)	(27)
Scrapping of project development and provision for demolition	1	-	(1)	-	1	-	(6)	-	1	-	(5)	-
Additional bonus to employees	(4)	-	(4)	-	(4)	-	(4)	-	(4)	-	(4)	-
<b>Total Europe</b>	<b>(1)</b>	<b>(9)</b>	<b>(4)</b>	<b>(9)</b>	<b>(1)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(27)</b>	<b>(34)</b>	<b>(36)</b>
Environmental provisions	(4)	4	(4)	(2)	(4)	4	(4)	(2)	(4)	4	(4)	(2)
Impairment of non-current assets	-	-	-	-	-	-	-	-	(3)	(3)	(3)	(11)
Provision related to closure of plant	4	(24)	4	(24)	4	(24)	4	(24)	4	(24)	4	(26)
Additional bonus to employees	(7)	-	(7)	-	(7)	-	(7)	-	(7)	-	(7)	-
<b>Total Americas</b>	<b>(7)</b>	<b>(20)</b>	<b>(7)</b>	<b>(26)</b>	<b>(7)</b>	<b>(20)</b>	<b>(7)</b>	<b>(26)</b>	<b>(10)</b>	<b>(23)</b>	<b>(10)</b>	<b>(39)</b>
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	(2)	(3)
Contract derivatives gain/(loss)	-	-	-	-	1	4	14	14	1	4	14	14
Damaged inventory	-	-	-	-	-	3	-	3	-	3	-	3
Additional bonus to employees	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-
<b>Total Africa &amp; Asia</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(1)</b>	<b>7</b>	<b>12</b>	<b>16</b>	<b>(1)</b>	<b>7</b>	<b>10</b>	<b>14</b>
Contract derivatives gain/(loss)	-	-	-	-	-	-	-	(1)	-	-	-	(1)
Gain on sale of Qafco	-	-	-	-	-	-	97	-	-	-	97	-
Provision for fuel taxes	-	-	-	-	-	-	1	(32)	-	-	1	(32)
Additional bonus to employees	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-
<b>Total Global Plants &amp; Operational Excellence</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>97</b>	<b>(33)</b>	<b>(2)</b>	<b>-</b>	<b>97</b>	<b>(33)</b>
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	-	(3)
Dismantling provision for closed site	-	-	-	(8)	-	-	-	(8)	-	-	-	(6)
Release of provision related to discontinuation of pilot plant	-	-	-	3	-	-	-	3	-	-	-	3
Additional bonus to employees	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-
<b>Total Industrial Solutions</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(6)</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(6)</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(6)</b>
Impairment of non-current assets	-	-	-	-	-	-	-	-	(6)	-	(15)	-
Action Africa	(12)	-	(20)	-	(12)	-	(20)	-	(12)	-	(20)	-
Portfolio management costs	-	(4)	(7)	(13)	-	(4)	(7)	(13)	-	(4)	(7)	(13)
Additional bonus to employees	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-
<b>Total Other and Eliminations</b>	<b>(14)</b>	<b>(4)</b>	<b>(28)</b>	<b>(13)</b>	<b>(14)</b>	<b>(4)</b>	<b>(28)</b>	<b>(13)</b>	<b>(20)</b>	<b>(4)</b>	<b>(44)</b>	<b>(13)</b>
<b>Total Yara</b>	<b>(27)</b>	<b>(32)</b>	<b>(44)</b>	<b>(53)</b>	<b>(26)</b>	<b>(26)</b>	<b>62</b>	<b>(70)</b>	<b>(44)</b>	<b>(47)</b>	<b>17</b>	<b>(113)</b>

Description and reconciliation of alternative performance measures are included on page 35-40.

### 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 2020	4Q 2019	2020	2019
Revenue from contracts with customers	3	2,912	3,004	11,591	12,858
Other income	4,5	13	24	137	78
<b>Revenue and other income</b>		<b>2,925</b>	<b>3,028</b>	<b>11,728</b>	<b>12,936</b>
Raw materials, energy costs and freight expenses		(2,010)	(2,105)	(8,021)	(9,334)
Payroll and related costs		(313)	(318)	(1,136)	(1,180)
Depreciation and amortization	5,8	(238)	(239)	(919)	(922)
Impairment loss	5	(18)	(21)	(46)	(43)
Other operating expenses	8	(137)	(134)	(431)	(467)
<b>Operating costs and expenses</b>		<b>(2,715)</b>	<b>(2,817)</b>	<b>(10,551)</b>	<b>(11,946)</b>
<b>Operating income</b>		<b>210</b>	<b>211</b>	<b>1,176</b>	<b>989</b>
Share of net income in equity-accounted investees	4	-	13	20	65
Interest income and other financial income		20	15	62	76
Foreign currency translation gain/(loss)		98	98	(243)	(145)
Interest expense and other financial items		(28)	(43)	(165)	(182)
<b>Income before tax</b>		<b>298</b>	<b>294</b>	<b>850</b>	<b>803</b>
Income tax		(52)	(95)	(160)	(214)
<b>Net income</b>		<b>246</b>	<b>199</b>	<b>690</b>	<b>589</b>
<b>Net income attributable to</b>					
Shareholders of the parent		246	199	691	599
Non-controlling interests		-	-	-	(10)
<b>Net income</b>		<b>246</b>	<b>199</b>	<b>690</b>	<b>589</b>
Basic earnings per share <sup>1)</sup>		0.93	0.73	2.58	2.20
Weighted average number of shares outstanding	2	264,818,040	271,661,032	267,985,860	272,319,232

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

# Condensed consolidated interim statement of comprehensive income

USD millions	Notes	4Q 2020	4Q 2019	2020	2019
Net income		246	199	691	589
<b>Other comprehensive income that may be reclassified to statement of income (net of tax)</b>					
Currency translation adjustments		103	44	(56)	30
Hedge of net investments		67	23	22	(9)
Net other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax		170	68	(34)	20
<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>		237	73	28	(24)
Net gain/(loss) on equity instruments at fair value through other comprehensive income		(3)	(2)	(3)	(2)
Remeasurement gains/(losses) on defined benefit plans	9	40	84	(51)	(9)
Net other comprehensive income that will not be reclassified to statement of income in subsequent periods, net of tax		274	155	(26)	(35)
Reclassification adjustments of the period	4	-	1	(6)	1
Total other comprehensive income, net of tax		444	223	(66)	(14)
Total comprehensive income, net of tax		690	422	624	576
<b>Total comprehensive income attributable to</b>					
Shareholders of the parent		690	422	624	585
Non-controlling interests		1	-	-	(10)
Total		690	422	624	576

<sup>1)</sup> 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	Notes	Share Capital <sup>1)</sup>	Premium paid-in capital	Currency translation adjustments	Other reserves <sup>4)</sup>	Retained earnings	Attributable to share-holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2018		66	(49)	(1,319)	(204)	10,189	8,683	227	8,910
Net income		-	-	-	-	599	599	(10)	589
Other comprehensive income, net of tax		-	-	7	(11)	(9)	(14)	-	(14)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>7</b>	<b>(11)</b>	<b>589</b>	<b>585</b>	<b>(10)</b>	<b>575</b>
Transactions with non-controlling interests		-	-	(54)	-	(97)	(151)	(137)	(288)
Treasury shares <sup>2)</sup>	2	-	-	-	-	(83)	(83)	-	(83)
Dividends distributed	2	-	-	-	-	(203)	(203)	(2)	(205)
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)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(35)</b>	<b>18</b>	<b>640</b>	<b>624</b>	<b>-</b>	<b>624</b>
Treasury shares <sup>2) 3)</sup>	2	(2)	-	-	-	(386)	(388)	-	(388)
Share capital increase in subsidiary, non-controlling interest		-	-	-	-	-	-	1	1
Dividends distributed	2	-	-	-	-	(925)	(925)	(1)	(926)
Balance at 31 December 2020		64	(49)	(1,402)	(197)	9,724	8,141	79	8,220

1) Par value NOK 1.70.

2) As approved by General Meeting 7 May 2019.

3) As approved by General Meeting 7 May 2020.

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

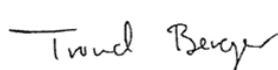
# Condensed consolidated interim statement of financial position

USD millions	Notes	31 Dec 2020	31 Dec 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets		485	484
Intangible assets		988	1,031
Property, plant and equipment		8,579	8,614
Right-of-use assets	8	430	428
Associated companies and joint ventures	4	108	970
Other non-current assets		380	414
<b>Total non-current assets</b>		<b>10,969</b>	<b>11,940</b>
<b>Current assets</b>			
Inventories	6	2,161	2,360
Trade receivables		1,478	1,564
Prepaid expenses and other current assets		630	553
Cash and cash equivalents		1,363	300
Non-current assets and disposal group classified as held-for-sale	4	5	9
<b>Total current assets</b>		<b>5,637</b>	<b>4,785</b>
<b>Total assets</b>		<b>16,605</b>	<b>16,725</b>

# Condensed consolidated interim statement of financial position

USD millions, except share information	Notes	31 Dec 2020	31 Dec 2019
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital reduced for treasury stock		64	66
Premium paid-in capital		(49)	(49)
Total paid-in capital		15	16
Other reserves		(1,599)	(1,582)
Retained earnings		9,724	10,395
Total equity attributable to shareholders of the parent		8,141	8,830
Non-controlling interests	4	79	79
Total equity	2	8,220	8,909
<b>Non-current liabilities</b>			
Employee benefits	9	627	498
Deferred tax liabilities		388	416
Other long-term liabilities		138	247
Long-term provisions		361	303
Long-term interest-bearing debt	7	3,371	2,698
Long-term lease liabilities	8	335	337
Total non-current liabilities		5,220	4,499
<b>Current liabilities</b>			
Trade and other payables		1,880	1,614
Prepayments from customers		372	399
Current tax liabilities		156	140
Short-term provisions		75	72
Other short-term liabilities		95	101
Short-term interest-bearing debt	7	345	494
Current portion of long-term debt	7	132	398
Short-term lease liabilities	8	111	98
Total current liabilities		3,165	3,317
Total equity and liabilities		16,605	16,725
Number of shares outstanding	2	263,001,109	271,040,624

The Board of Directors and Chief Executive Officer  
Yara International ASA  
Oslo, 8 February 2021



Trond Berger  
Chairperson



Kimberly Lein-Mathisen  
Vice chair



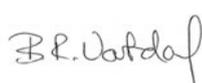
Adele Bugge Norman Pran  
Board member



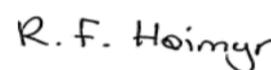
John Thuestad  
Board member



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 2020	4Q 2019	2020	2019
<b>Operating activities</b>					
Operating income		210	211	1,176	989
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation and amortization	5	238	239	919	922
Impairment loss	5	18	21	46	43
Write-down and reversals, net		6	7	14	12
Income taxes paid		(31)	(39)	(264)	(135)
Dividend from equity-accounted investees		6	69	9	166
Change in net operating capital <sup>1)</sup>		(49)	232	265	112
Interest and bank charges received/(paid) <sup>2)</sup>		(56)	(61)	(132)	(169)
Gain on sale of equity-accounted investees	4	-	-	(97)	-
Other <sup>3)</sup>		120	8	110	(34)
<b>Net cash provided by operating activities</b>		<b>462</b>	<b>688</b>	<b>2,047</b>	<b>1,907</b>
<b>Investing activities</b>					
Purchases of property, plant and equipment		(268)	(309)	(739)	(1,066)
Cash outflow on business combinations		-	-	(13)	-
Purchases of other long-term and short-term investments		(7)	(6)	(17)	(30)
Proceeds from sales of property, plant and equipment		7	5	11	13
Proceeds from sales of other long-term investments and subsidiaries	4	-	11	1,006	40
<b>Net cash from/(used in) investing activities</b>		<b>(268)</b>	<b>(300)</b>	<b>248</b>	<b>(1,044)</b>
<b>Financing activities</b>					
Loan proceeds/(repayments), net	7	70	(200)	130	(381)
Payments of lease liabilities	8	(34)	(30)	(122)	(108)
Purchase of treasury shares	2	(149)	(65)	(309)	(65)
Dividends	2	(525)	-	(926)	(203)
Other cash transfers (to)/from non-controlling interests		1	(1)	-	(1)
<b>Net cash from/(used in) financing activities</b>		<b>(638)</b>	<b>(296)</b>	<b>(1,228)</b>	<b>(758)</b>
Foreign currency effects on cash and cash equivalents		17	-	(2)	(7)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(428)</b>	<b>93</b>	<b>1,064</b>	<b>98</b>
Cash and cash equivalents at beginning of period <sup>4)</sup>		1,793	208	301	203
<b>Cash and cash equivalents at end of period <sup>4)</sup></b>		<b>1,365</b>	<b>301</b>	<b>1,365</b>	<b>301</b>
Bank deposits not available for the use of other group companies				32	35

1) Operating capital consists of trade receivables, inventories, trade payables and prepayments from customers.

2) Including interest on lease liabilities.

3) Fourth quarter 2020 and year 2020 includes, respectively, USD 21 million and USD 49 million of cash inflow due to prior months' collateral deposits with banks to keep credit exposure from derivatives within agreed limits.

4) Excluded expected credit loss provisions on bank deposits.

# Notes to the interim financial statements

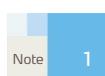
## General and accounting policies

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 Annual Report for 2019. The accounting policies applied are the same as those applied in the annual consolidated financial statements 2019. 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.



## Judgments, estimates and assumptions

Yara is facing risks and uncertainties which requires management to make judgments, 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, taxes, pensions and joint arrangements as communicated in the consolidated financial statements as of 31 December 2019, also apply to these interim financial statements. As a result of the outbreak of Covid-19 in 2020, all significant estimates and underlying assumptions have been reviewed in the light of this new situation. So far, Yara has not experienced any

major disruption to its operations or experienced significant financial effects due to Covid-19. In addition to the accounting areas listed above, Yara has also focused on estimates related to expected credit loss on trade receivables and on inventory valuation. With the turmoil in the financial markets during the year, Yara has updated the defined benefit obligation with revised financial assumptions and the fair value of the plan assets as of 31 December 2020. This resulted in a gain in the fourth quarter (3 months) and a loss for the year (12 months) recognized through other comprehensive income. Except for that, Yara has not identified significant Covid-19 impact to these condensed consolidated financial statements as of 31 December 2020.

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

The Annual General Meeting in May 2020 approved a dividend for 2019 of NOK 4,045 million (NOK 15.00 per share), which was paid out during second quarter 2020 (USD 401 million).

The Extraordinary General Meeting in November 2020 approved an additional dividend of NOK 4,766 million (NOK 18.00 per share), which was paid out during fourth quarter 2020 (USD 525 million).

On 7 May 2020, the Annual General Meeting authorized the Board of Directors to acquire up to 13,406,611 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.

During fourth quarter 2020, Yara has purchased 3,803,167 own shares under the 2020 buy-back program for a total

consideration of NOK 1,345 million (USD 149 million). During third quarter 2020, Yara purchased 1,327,961 own shares under the 2020 buy-back program for a total consideration of NOK 478 million (USD 52 million). These shares will be cancelled at the next Annual General Meeting to be held in 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 982 million (USD 109 million) for the commitment to redeem 2,912,838 shares from the Norwegian State.

Under the 2019 buy-back program, Yara purchased 1,362,013 own shares in 2020 for a total consideration of NOK 496 million (USD 51 million) and 1,362,013 own shares in 2019 for a total consideration of NOK 486 million (USD 53 million). These shares were cancelled at the Annual General Meeting on 7 May 2020. Pursuant to the agreement with the Norwegian State, total equity attributable to the shareholders of the parent was reduced with an additional NOK 555 million (USD 59 million) for the redemption of 1,546,374 from the Norwegian State.

	Ordinary shares	Own shares	Number of shares outstanding
Total at 31 December 2018	273,217,830	(520,000)	272,697,830
Redeemed shares Norwegian State <sup>1)</sup>	(295,193)	-	(295,193)
Shares cancelled <sup>1)</sup>	(520,000)	520,000	-
Treasury shares - share buy-back program <sup>1)</sup>	-	(1,362,013)	(1,362,013)
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>2)</sup>	-	(5,131,128)	(5,131,128)
Total at 31 December 2020	268,132,237	(5,131,128)	263,001,109

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

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



## 3 Operating segment information

Yara moved to a regional organizational structure on 1 June 2020, and the Group's operations now comprise the following operating segments:

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

In addition, Yara has established a new 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 new 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 segment also comprises Yara's global ammonia trade and shipping activity.

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.

Yara published on 18 September 2020 a separate appendix which provides a comprehensive description of the new operating segments including restated financial segment information for the periods 2019 and first half 2020, including quarterly figures. This appendix is available in the Investor relations section on [yara.com](http://yara.com).

USD millions	4Q 2020	4Q 2019	2020	2019
<b>External revenue from contract with customers</b>				
Europe	690	612	2,924	3,024
Americas	1,096	1,230	4,562	5,182
Africa & Asia	517	449	1,845	1,881
Global Plants & Operational Excellence	149	190	522	677
Industrial Solutions	454	519	1,719	2,083
Other and Eliminations	6	4	19	11
<b>Total</b>	<b>2,912</b>	<b>3,004</b>	<b>11,591</b>	<b>12,858</b>
<b>Internal revenue</b>				
Europe	118	132	531	571
Americas	68	84	258	329
Africa & Asia	115	95	389	370
Global Plants & Operational Excellence	481	469	1,918	2,186
Industrial Solutions	59	48	263	257
Other and Eliminations	(841)	(829)	(3,358)	(3,713)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>				
Europe	808	744	3,455	3,595
Americas	1,164	1,315	4,820	5,510
Africa & Asia	631	544	2,233	2,251
Global Plants & Operational Excellence	630	659	2,440	2,863
Industrial Solutions	513	568	1,982	2,340
Other and Eliminations	(835)	(825)	(3,339)	(3,702)
<b>Total</b>	<b>2,912</b>	<b>3,004</b>	<b>11,591</b>	<b>12,858</b>
<b>Operating income <sup>1)</sup></b>				
Europe	34	18	201	247
Americas	35	53	281	247
Africa & Asia	19	(4)	49	(8)
Global Plants & Operational Excellence	62	74	477	365
Industrial Solutions	53	40	234	193
Other and Eliminations	8	30	(65)	(55)
<b>Total</b>	<b>210</b>	<b>211</b>	<b>1,176</b>	<b>989</b>
<b>EBITDA <sup>1)</sup></b>				
Europe	105	96	477	512
Americas	108	123	563	574
Africa & Asia	50	25	162	102
Global Plants & Operational Excellence	118	142	701	618
Industrial Solutions	82	73	344	301
Other and Eliminations	22	40	(23)	(11)
<b>Total</b>	<b>484</b>	<b>499</b>	<b>2,223</b>	<b>2,095</b>
<b>Investments <sup>2)</sup></b>				
Europe	115	84	250	246
Americas	105	135	280	510
Africa & Asia	20	38	104	72
Global Plants & Operational Excellence	125	92	211	195
Industrial Solutions	45	21	73	70
Other and Eliminations	4	15	16	39
<b>Total</b>	<b>414</b>	<b>386</b>	<b>933</b>	<b>1,133</b>

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

2) 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	2020	2019
<b>Net operating profit after tax (NOPAT) <sup>1)</sup></b>		
Europe	157	196
Americas	260	238
Africa & Asia	43	1
Global Plants & Operational Excellence	364	325
Industrial Solutions	181	151
Other and Eliminations	(30)	(25)
<b>Total</b>	<b>976</b>	<b>886</b>
<b>Invested capital <sup>1)</sup></b>		
Yara <sup>2)</sup>	12,200	13,395
Europe	2,370	2,469
Americas	4,073	4,685
Africa & Asia	2,105	2,154
Global Plants & Operational Excellence	2,514	2,854
Industrial Solutions	1,051	1,134
<b>ROIC <sup>1)</sup></b>		
Yara <sup>2)</sup>	8.0 %	6.6 %
Europe	6.6 %	7.9 %
Americas	6.4 %	5.1 %
Africa & Asia	2.0 %	0.0 %
Global Plants & Operational Excellence	14.5 %	11.4 %
Industrial Solutions	17.2 %	13.3 %

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

2) 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>1)</sup>	Impairment loss <sup>2)</sup>	EBITDA
<b>4Q 2020</b>						
Europe	34	(1)	-	64	8	105
Americas	35	-	15	55	3	108
Africa & Asia	19	-	-	30	-	50
Global Plants & Operational Excellence	62	-	-	56	-	118
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>4Q 2019</b>						
Europe	18	-	-	59	18	96
Americas	53	(3)	13	59	2	123
Africa & Asia	(4)	-	1	28	-	25
Global Plants & Operational Excellence	74	16	-	52	-	142
Industrial Solutions	40	-	-	30	1	73
Other and Eliminations	30	-	1	10	-	40
<b>Total</b>	<b>211</b>	<b>13</b>	<b>15</b>	<b>239</b>	<b>21</b>	<b>499</b>
<b>2020</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	477	6	-	218	-	701
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>
<b>2019</b>						
Europe	247	5	-	232	27	512
Americas	247	2	62	249	13	574
Africa & Asia	(8)	-	3	105	3	102
Global Plants & Operational Excellence	365	51	-	201	-	618
Industrial Solutions	193	2	1	104	1	301
Other and Eliminations	(55)	4	9	31	-	(11)
<b>Total</b>	<b>989</b>	<b>65</b>	<b>76</b>	<b>923</b>	<b>43</b>	<b>2,095</b>

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

2) 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 2020</b>				
Europe	653	24	13	690
Americas	1,059	36	1	1,096
Africa & Asia	501	8	8	517
Global Plants & Operational Excellence	128	15	6	149
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>4Q 2019</b>				
Europe	580	21	11	612
Americas	1,186	42	2	1,230
Africa & Asia	438	10	-	449
Global Plants & Operational Excellence	167	17	6	190
Industrial Solutions	369	33	117	519
Other and Eliminations	(1)	-	4	4
<b>Total</b>	<b>2,740</b>	<b>124</b>	<b>141</b>	<b>3,004</b>
<b>2020</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	436	60	26	522
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>
<b>2019</b>				
Europe	2,889	98	37	3,024
Americas	4,991	184	7	5,182
Africa & Asia	1,843	38	1	1,881
Global Plants & Operational Excellence	588	65	24	677
Industrial Solutions	1,556	136	390	2,083
Other and Eliminations	(2)	-	13	11
<b>Total</b>	<b>11,864</b>	<b>520</b>	<b>473</b>	<b>12,858</b>

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 2020</b>							
Europe	667	-	2	7	-	13	690
Americas	-	650	206	-	239	-	1,096
Africa & Asia	-	-	-	370	-	147	517
Global Plants & Operational Excellence	9	23	12	58	48	-	149
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>4Q 2019</b>							
Europe	587	-	2	9	-	14	612
Americas	1	793	192	-	245	-	1,230
Africa & Asia	1	-	-	315	-	134	449
Global Plants & Operational Excellence	8	20	5	63	94	-	190
Industrial Solutions	307	80	21	60	20	31	519
Other and Eliminations	4	-	-	-	-	-	4
<b>Total</b>	<b>908</b>	<b>893</b>	<b>219</b>	<b>448</b>	<b>359</b>	<b>178</b>	<b>3,004</b>
<b>2020</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	42	79	29	180	192	-	522
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>
<b>2019</b>							
Europe	2,932	5	6	35	-	45	3,024
Americas	1	3,263	821	-	1,096	-	5,182
Africa & Asia	1	-	-	1,333	-	547	1,881
Global Plants & Operational Excellence	56	74	23	237	287	-	677
Industrial Solutions	1,257	323	97	181	98	126	2,083
Other and Eliminations	13	-	-	(2)	-	-	11
<b>Total</b>	<b>4,259</b>	<b>3,665</b>	<b>948</b>	<b>1,785</b>	<b>1,482</b>	<b>718</b>	<b>12,858</b>

<sup>1)</sup> Disaggregation by geographical area is based on customer location.

## Note 4 Disposal

In third quarter 2020, Yara completed the sale of its 25% stake in Qatar Fertiliser Company (QAFCO) and received the consideration of USD 1 billion. The transaction led to a gain of USD 97 million, which is recognized as Other income in the Statement of Income and reflected in the Global Plants and

Operational Excellence segment.

The investment in QAFCO was classified as a non-current asset held-for-sale since first quarter 2020.

QAFCO is included in Yara's statements with the following amounts:

USD millions	4Q 2020	4Q 2019	2020	2019
<b>Statement of income</b>				
Other income	-	-	97	-
Share of net income in equity-accounted investees	-	16	6	55
<b>Statement of other comprehensive income</b>				
Exchange differences on translation of foreign operations	-	-	(6)	-
Remeasurement gain/(losses) on defined benefit plans	-	-	(1)	-
<b>Statement of changes in equity</b>				
Other reserves	-	-	-	6
<b>Statement of financial position</b>				
Equity-accounted investees	-	-	-	873
Non-current assets held-for-sale	-	-	-	-
<b>Statement of cash flows</b>				
Dividend from equity-accounted investees	-	68	-	158
Proceeds from sale of other long-term investments and subsidiaries	-	-	1,000	-

## Note 5 Specifications to the condensed consolidated interim statement of income

### Other income

USD millions	4Q 2020	4Q 2019	2020	2019
Sale of white certificates	-	11	6	37
Insurance and other compensations	4	3	4	14
Commodity based derivatives gain/(loss)	1	4	15	13
Sale of shares in equity-accounted investee <sup>1)</sup>	3	-	100	-
Other	5	6	12	15
<b>Total</b>	<b>13</b>	<b>24</b>	<b>137</b>	<b>78</b>

1) Of this amount, USD 97 million relates to the sale of Yara's share in Qafco in third quarter 2020. See note 4 for more information.

### Depreciation and amortization

USD millions	4Q 2020	4Q 2019	2020	2019
Depreciation of property, plant and equipment	(195)	(194)	(749)	(765)
Depreciation of right-of-use assets	(32)	(34)	(129)	(111)
Amortization of intangible assets	(11)	(11)	(41)	(46)
<b>Total depreciation and amortization</b>	<b>(238)</b>	<b>(239)</b>	<b>(919)</b>	<b>(922)</b>

### Impairment loss

USD millions	4Q 2020	4Q 2019	2020	2019
Impairment loss tangible assets	(12)	(4)	(29)	(26)
Impairment loss goodwill and intangible assets	(6)	-	(15)	(3)
Reversal of impairment loss	-	-	1	3
Impairment loss ROU assets	-	(17)	(1)	(17)
<b>Total impairment loss</b>	<b>(18)</b>	<b>(21)</b>	<b>(46)</b>	<b>(43)</b>

## Note 6 Inventories

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Industrial Solutions	Other and Eliminations	Total
<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	53	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>209</b>	<b>172</b>	<b>(87)</b>	<b>2,161</b>
Write-down, closing balance	(12)	(6)	(3)	(1)	(7)	2	(28)
<b>31 Dec 2019</b>							
Finished goods	502	435	337	58	91	(111)	1,312
Work in progress	19	2	1	15	11	-	47
Raw materials	86	518	15	67	47	-	733
Spare parts	82	60	24	65	36	-	267
<b>Total 31 Dec 2019</b>	<b>689</b>	<b>1,014</b>	<b>378</b>	<b>204</b>	<b>185</b>	<b>(111)</b>	<b>2,360</b>
Write-down, closing balance	(12)	(11)	(3)	(1)	(10)	7	(29)

## 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
2022	300	203	-	503
2023	-	45	-	45
2024	194	181	-	374
2025	-	30	23	54
Thereafter	2,363	30	2	2,395
<b>Total</b>	<b>2,857</b>	<b>490</b>	<b>25</b>	<b>3,371</b>
Current portion	83	48	-	132
<b>Total including current portion</b>	<b>2,940</b>	<b>538</b>	<b>25</b>	<b>3,503</b>

1) Yara International ASA is responsible for the entire amount.

At 31 December 2020, the fair value of the long-term debt, including the current portion, is USD 3,829 million and the carrying value is USD 3,503 million. The difference between fair value and carrying value increased by USD 13 million during the quarter.

There have been no significant changes in Yara's long-term interest-bearing debt profile during fourth quarter.

Yara's USD 1,100 million long-term revolving credit facility remains completely undrawn. All other unused credit facilities with various banks are now short-term, and the total frame available through those facilities totals approximately USD 1,170 million.

## Reconciliation of liabilities arising from financing activities

USD millions	31 Dec 2019	Cash flows	Non-cash changes				31 Dec 2020
			Foreign exchange movement	Amortization <sup>1)</sup>	Other	Reclassification	
Long-term interest-bearing debt	2,698	746	39	(3)	16 <sup>2)</sup>	(124)	3,371
Short-term interest-bearing debt	494	(214)	(9)	-	74 <sup>3)</sup>	-	345
Current portion of long-term debt	398	(402)	12	-	-	124	132
<b>Total liabilities from financing activities</b>	<b>3,590</b>	<b>130</b>	<b>42</b>	<b>(3)</b>	<b>89</b>	<b>-</b>	<b>3,847</b>

1) Amortization of transaction cost.

2) Value changes on interest rate swaps designated as hedging instruments.

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

See note 8 for reconciliation of liabilities arising from leasing.

## Financial instruments at fair value at end of period

USD millions	31 Dec 2020	31 Dec 2019
Equity instruments	18	19
Derivatives, net	(62)	(106)
Financial liabilities	(48)	(43)
<b>Financial instruments at fair value in the statement of financial position at end of period</b>	<b>(92)</b>	<b>(130)</b>

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

## Note 8 Leases

### Right-of-use assets

USD millions	31 Dec 2020	31 Dec 2019
<b>Carrying value</b>		
Opening balance	428	447
Additions and lease modifications	121	114
Depreciation	(129)	(111)
Impairment	(1)	(17)
Foreign currency translation gain/(loss)	11	(4)
Closing balance	430	428

### Lease liabilities

USD millions	31 Dec 2020	31 Dec 2019
<b>Carrying value</b>		
Opening balance	435	432
Additions and lease modifications	117	116
Lease payments	(122)	(108)
Foreign currency translation gain/(loss)	15	(4)
Closing balance	446	435

Lease liabilities classified as short-term amounts to USD 111 million (31 December 2019: USD 98 million).

Interest expensed on lease liabilities in the quarter amounts to USD 4 million (2019: USD 4 million) and USD 15 million (2019: USD 15 million) year-to-date.

### Contractual maturities of lease liabilities, including calculated interest payments

USD millions	Total
2021	128
2022	83
2023	57
2024	41
2025	29
Thereafter	286
Total undiscounted lease liabilities at 31 December 2020	623

### Leases expensed in the period

Leases expensed in the quarter amounts to USD 11 million (2019: USD 17 million) and USD 51 million (2019: USD 67 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, the 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 of the quarter is recognized as a decrease in net liability of USD 42 million and a positive effect in other comprehensive income of USD 40 million (after tax). The positive effect recognized in other comprehensive income includes impact from change in deferred tax on

previously recognized remeasurement losses, following change in applicable tax rates.

The increase to the gross employee benefit liability is USD 147 million for the year, which is partly offset by a positive return on plan assets of USD 74 million in excess of what is recognized as interest income on plan assets. The net impact to other comprehensive income is a remeasurement loss of USD 51 million (after tax). The main reason for the increase in defined benefit obligations is declining discount rates in the Euro zone and the UK during the year.

## Note 10 Post balance sheet events

The Board will propose to the Annual General Meeting a dividend of NOK 20 per share for 2020.

# Quarterly historical information

## EBITDA

USD millions	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Europe	105	108	107	157	96	152	131	133
Americas	108	181	180	93	123	175	176	99
Africa & Asia	50	33	52	28	25	26	31	20
Global Plants & Operational Excellence	118	244	202	136	142	167	150	159
Industrial Solutions	82	96	70	96	73	89	59	80
Other and eliminations	22	(18)	(28)	1	40	(19)	(5)	(27)
<b>Total</b>	<b>484</b>	<b>645</b>	<b>583</b>	<b>511</b>	<b>499</b>	<b>591</b>	<b>541</b>	<b>465</b>

## Results

USD millions, except share information	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Revenue and other income	2,925	3,083	2,869	2,851	3,028	3,491	3,402	3,014
Operating income	210	384	335	248	211	314	266	198
EBITDA	484	645	583	511	499	591	541	465
Net income after non-controlling interests	246	339	223	(117)	199	74	230	96
Basic earnings per share	0.93	1.27	0.83	(0.43)	0.73	0.27	0.84	0.35

# 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)
- 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.

The EBITDA in USD per tonne Sales and Marketing segment was introduced as an alternative performance measure in fourth quarter 2019, as an indication of the margin improvement targeted by the segment. With the new regional organizational structure announced in May 2020, Yara further strengthened its position to commercially optimize its entire value chain tailored to regional market differences and opportunities, and will communicate updated APMs in due course.

## 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 12 for details on special items.

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

USD millions		4Q 2020	4Q 2019	2020	2019
Operating income		210	211	1,176	989
Share of net income in equity-accounted investees		-	13	20	65
Interest income and other financial income		20	15	62	76
Depreciation and amortization <sup>1)</sup>		238	239	919	923
Impairment loss <sup>2)</sup>		18	21	46	43
Earnings before interest, tax and depreciation/amortization (EBITDA)		484	499	2,223	2,095
Special items included in EBITDA <sup>3)</sup>		26	26	(62)	70
EBITDA, excluding special items	A	511	525	2,161	2,165

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 2020	4Q 2019	2020	2019
Net income	246	199	690	589
Income taxes	52	95	160	214
Interest expense and other financial items	28	43	165	182
Foreign currency translation (gain)/loss	(98)	(98)	243	145
Depreciation and amortization <sup>1)</sup>	238	239	919	923
Impairment loss <sup>2)</sup>	18	21	46	43
EBITDA	484	499	2,223	2,095

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 2020	4Q 2019	2020	2019
Operating income		210	211	1,176	989
Amortization and impairment of intangible assets		14	11	44	46
Interest income from external customers		13	15	54	60
Calculated tax cost (25% flat rate) on items above		(59)	(59)	(319)	(274)
Share of net income in equity-accounted investees		-	13	20	65
Net operating profit after tax (NOPAT)	B	178	191	976	886
Annualized NOPAT	C=Bx4	711	763		
12-month rolling NOPAT	C			976	886

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

USD millions		4Q 2020	4Q 2019	2020	2019
Net income		246	199	690	589
Amortization and impairment of intangible assets		14	11	44	46
Interest income from external customers		13	15	54	60
Interest income and other financial income		(20)	(15)	(62)	(76)
Interest expense and other financial items		28	43	165	182
Foreign currency translation (gain)/loss		(98)	(98)	243	145
Income tax, added back		52	95	160	214
Calculated tax cost (25% flat rate)		(59)	(59)	(319)	(274)
Net operating profit after tax (NOPAT)	B	178	191	976	886
Annualized NOPAT	C=Bx4	711	763		
12-month rolling NOPAT	C			976	886

## Reconciliation of invested capital and ROIC calculation

USD millions		3-months average		12-months average	
		4Q 2020	4Q 2019	2020	2019
Total current assets as reported		5,637	4,785	5,637	4,785
Cash and cash equivalents as reported		(1,363)	(300)	(1,363)	(300)
Normalized level of operating cash		200	200	200	200
Total current liabilities as reported		(3,165)	(3,317)	(3,165)	(3,317)
Short-term interest-bearing debt as reported		345	494	345	494
Current portion of long-term debt as reported		132	398	132	398
Short-term lease liabilities as reported		111	98	111	98
Property, plant and equipment as reported		8,579	8,614	8,579	8,614
Right-of-use assets as reported		430	428	430	428
Goodwill as reported		831	844	831	844
Equity-accounted investees as reported		107	970	107	970
Adjustment for 3-months/12-months average		(375)	5	356	180
Invested capital	D	11,469	13,219	12,200	13,395
Return on invested capital (ROIC)	E=C/D	6.2 %	5.8 %	8.0 %	6.6 %

### 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. The production volume and energy efficiency are physical measures and are defined and reported on pages 4-5.

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	2020	2019
Operating costs and expenses	10,551	11,946
Variable part of Raw materials, energy costs and freight expenses	(7,399)	(8,714)
Variable part of Other operating expenses	(31)	(25)
Depreciation and amortization <sup>1)</sup>	(919)	(923)
Impairment loss <sup>2)</sup>	(46)	(43)
Currency effects (using baseline exchange rates as of 2018)	209	102
Special items within fixed cost	(44)	(53)
<b>Fixed cost</b>	<b>2,322</b>	<b>2,291</b>

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		2020	2019
Trade receivables as reported		1,478	1,564
Adjustment for VAT payables		(83)	(64)
Adjustment for 12-months average		106	186
Adjusted trade receivables (12-months average)	F	1,501	1,686
Revenue from contracts with customers		11,591	12,858
Interest income from external customers		51	56
Total revenue and interest income from customers	G	11,641	12,914
Credit days	$H=(F/G) * 365$	47	48
Inventories as reported		2,161	2,360
Adjustment for 12-months average		(25)	140
Inventories (12-months average)	I	2,136	2,500
Raw materials, energy costs and freight expenses		8,021	9,334
Fixed product costs and freight expenses external customers		(1,522)	(1,564)
Product variable costs	J	6,498	7,770
Inventory days	$K=(I/J) * 365$	120	117
Trade and other payables as reported		1,880	1,614
Adjustment for other payables		(451)	(329)
Adjustment for payables related to investments		(160)	(116)
Adjustment for 12-months average		(66)	162
Trade payables (12-months average)	L	1,203	1,331
Operating costs and expenses		10,551	11,946
Depreciation and amortization		(919)	(922)
Impairment loss		(46)	(43)
Other non-supplier related costs		(1,397)	(1,271)
Operating costs and expenses, adjusted	M	8,190	9,710
Payable days	$N=(L/M) * 365$	54	50
Net operating capital days	$O=H+K-N$	113	115

## 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 2020	31 Dec 2019
Cash and cash equivalents		1,363	300
Short-term interest-bearing debt		(345)	(494)
Current portion of long-term debt		(132)	(398)
Short-term lease liabilities		(111)	(98)
Long-term interest-bearing debt		(3,371)	(2,698)
Long-term lease liabilities		(335)	(337)
Net interest-bearing debt	P	(2,930)	(3,725)

### Net debt/equity ratio

USD millions		31 Dec 2020	31 Dec 2019
Net interest-bearing debt	P	(2,930)	(3,725)
Total equity	Q	(8,220)	(8,909)
Net debt/equity ratio	R=P/Q	0.36	0.42

### Net debt/EBITDA excluding special items ratio

USD millions		31 Dec 2020	31 Dec 2019
Net interest-bearing debt	P	(2,930)	(3,725)
EBITDA, excluding special items (last 12 months)	A	2,161	2,165
Net debt/EBITDA excluding special items ratio	S=(P)/A	1.36	1.72

### 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 2020	4Q 2019	2020	2019
Weighted average number of shares outstanding	T	264,818,040	271,661,032	267,985,860	272,319,232
Net income attributable to shareholders of the parent	U	246	199	691	599
Foreign currency translation gain/(loss)	V	98	98	(243)	(145)
Tax effect on foreign currency translation	W	(24)	(25)	73	38
Non-controlling interest share of foreign currency translation (gain)/loss, net after tax	X	-	-	-	(1)
Special items within income before tax <sup>1)</sup>	Y	(44)	(60)	17	(126)
Tax effect on special items	Z	13	8	17	23
Special items within income before tax, net after tax	AA=Y+Z	(30)	(52)	34	(102)
Special items within income tax	AB	-	(38)	-	(38)
Non-controlling interest's share of special items, net after tax	AC	-	-	(1)	(2)
Net income excluding currency and special items	AD=U-V-W+X-AA-AB+AC	202	216	826	842
Basic earnings per share	AE=U/T	0.93	0.73	2.58	2.20
Basic earnings per share excluding foreign currency translation and special items	AF=AD/T	0.76	0.80	3.08	3.09

<sup>1)</sup> See section "Special items" for details on special items.





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