Knowledge grows

Capital Markets Day 2019

London 26 June 2019

Agenda

Section	Time	Presenters
1. Strategy update	Start 08:30	**Holsether**
2. Driving value growth		**Knutsen/Hanzen**
3. Improving operations		**Andersen/Røsæg**
Coffee break	10:20-10:50	
4. Portfolio review		**Bonte**
5. Capital allocation & returns		**Røsæg**
6. Wrap-up		**Holsether**
7. Q&A	End 12:00	**All presenters**

Knowledge grows

Strategy update

The Crop Nutrition
Company for the Future

Svein Tore Holsether

The Crop Nutrition Company for the Future

Delivering improved returns as a focused company

Crop Nutrition Focus

Improvement
- Capturing the full value of our growth investments
- Extending productivity, cost and capital improvements beyond 2020

Value
- Strengthening our crop-focused solutions and market positions, further reinforcing resilient Sales & Marketing earnings

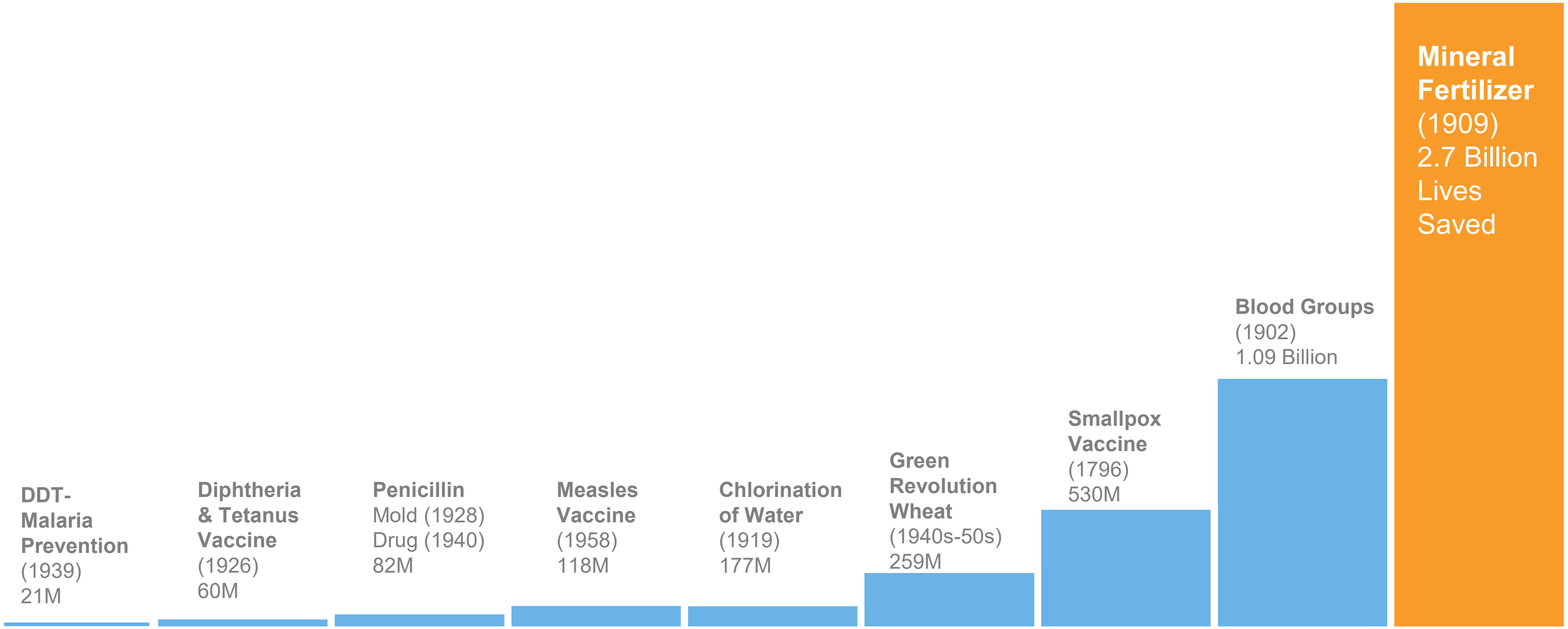
Growth
- Driving collaborative growth through food-chain partnerships and digital capability

Industrial Focus

Evaluating IPO of industrial business
- First major integrated industrial nitrogen-player
- A leading player with the highest value proposition in core markets
- Solid European platform as fundament to achieve a strong global position
- Attractive market portfolio balancing stability & growth

Improved returns
Clear principles for capital allocation

Agriculture has delivered huge benefits to humankind over the past 100 years



Source: Medigo GmbH

The agricultural sector is facing several fundamental changes

Climate Change	CC impacts how and where crops can be grown, and demands agricultural efficiency improvements	*Yara's premium products, knowledge and solutions reduce emissions, preserve resources and address specific challenges like water stress*
Circular Economy	Increased awareness and need for nutrient recycling	*Yara is contributing its knowledge and experience in partnerships to develop new crop nutrition business models, e.g. based on urban waste streams*
Technology in agriculture	Digital solutions change how farmers operate	*Innovative digital technology and solutions combine ideally with Yara's unrivalled global on-field presence and crop nutrition knowledge*
Food value chain integration	Increasing consumer demands: quality, environmental impact, traceability	*Yara's global on-field presence and crop nutrition knowledge make it an ideal partner for food producers and retailers*

Our Corporate Strategy is evolving to meet these challenges

Industry consolidation → **Capital allocation to product and market growth** → **Operational improvement focus** → **Crop Nutrition focus and value growth**

2004

Yara listed on Oslo Stock Exchange

2007- 08

Major acquisitions

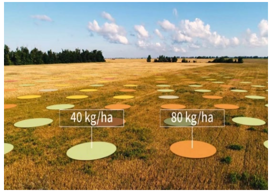
2013-15

LatAm M&A, production expansions

2016

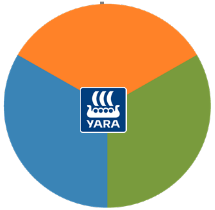
Yara Improvement Program established

2017



Digital farming unit launched

2018



Updated strategy

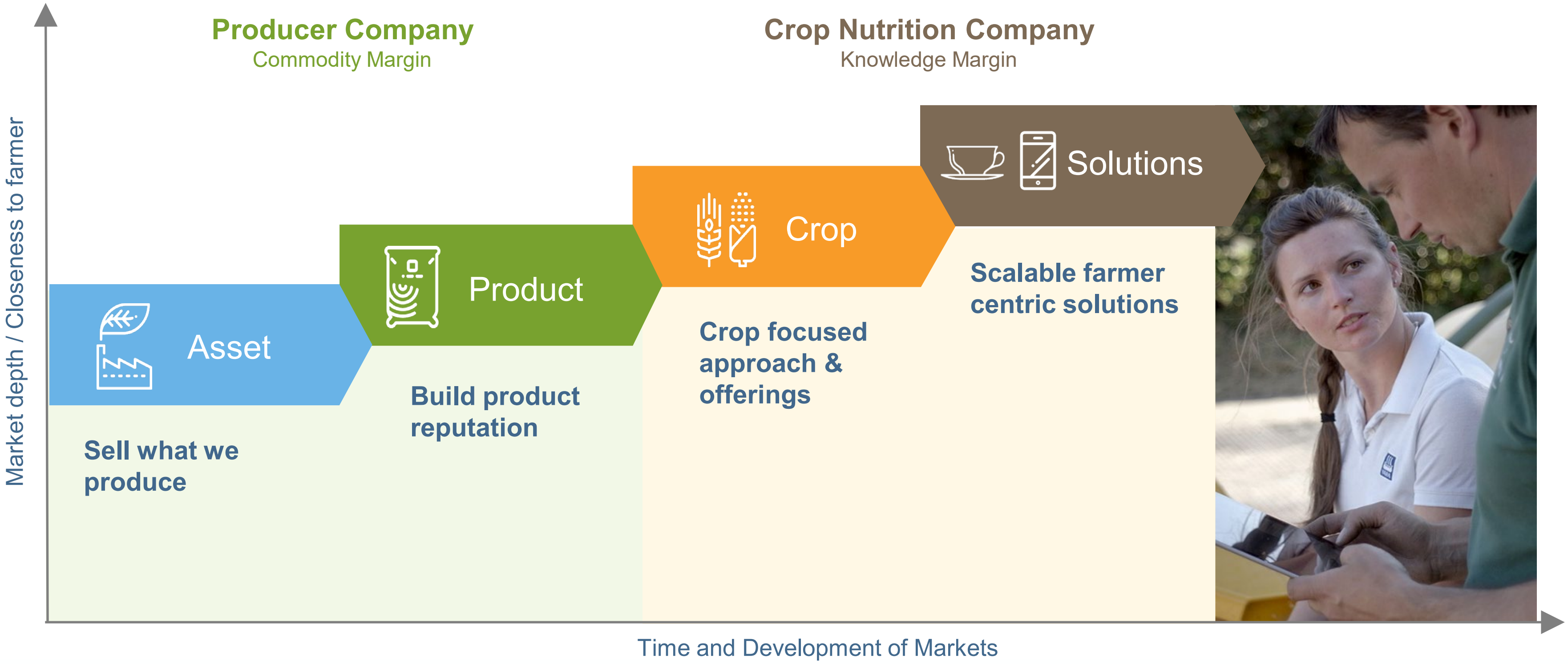
The Crop Nutrition Company for the Future

Our Strategy

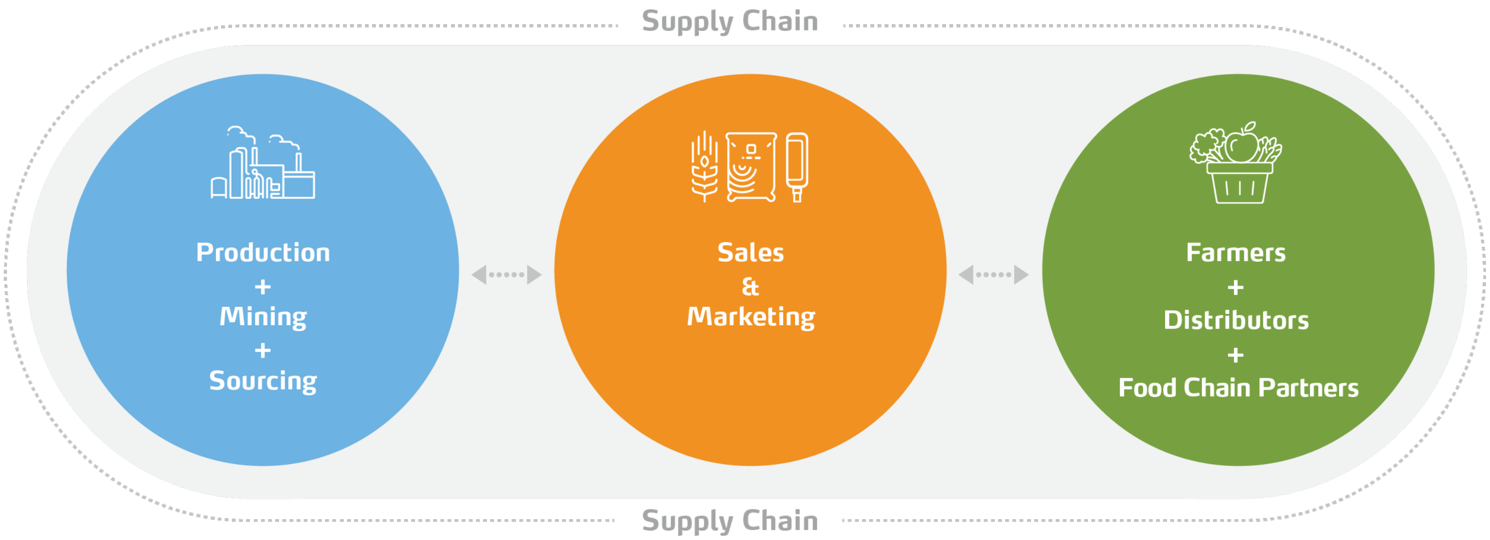
- Yara's strategy is to become the **Crop Nutrition Company for the Future**, delivering sustainable crop nutrition solutions to farmers and industry, while delivering superior return on capital
- Crop nutrition solutions include products, knowledge and services including digital farming tools that enable farmers to optimize crop yield, resource efficiency and financial return
- Yara operates an integrated business model, with value creation focused on three strategic priorities - advancing *operational excellence,* creating *scalable solutions* and driving *innovative growth*

Strategic Priorities

Our journey from pure producer to the Crop Nutrition Company for the Future



Our integrated business model combines production of premium products with a farmer centric approach

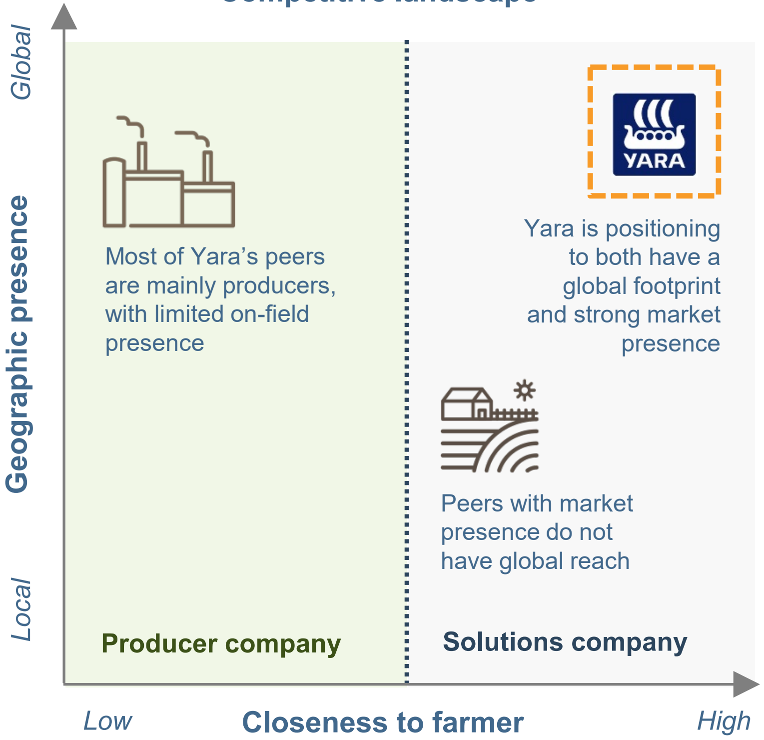


Our business model creates value from factory to field

	Value drivers:		EBITDA (MUSD)	Examples:
Sales & Marketing	**Knowledge margin**	Capture knowledge margin by providing crop nutrition solutions covering both product, knowledge and services based on deep insight of farmer and customer needs	613	• Consistent NPK premiums and high margin knowledge intensive micro nutrients • Holistic solutions enabled by digital tools
	Shortening the distribution chain	Avoid unnecessary layers between Yara and the farmer and design go to market channels that add value and scale up Yara's farmer reach		• Doubling EBITDA in Thailand by selling to 150 retailers rather than one importer
	Infrastructure and logistical margin	Scale, optimization and consistent presence through infrastructure around the globe		• Close to 200 infrastructure points ensure logistical scale and lower freight costs
Production	**Production and sourcing**	Safety, productivity, high quality product portfolio, and sourcing strength	856	• Systematic productivity improvements across 28 sites • Global sourcing strength provides attractive raw material prices
			2018	

We are uniquely positioned to create value

Competitive landscape



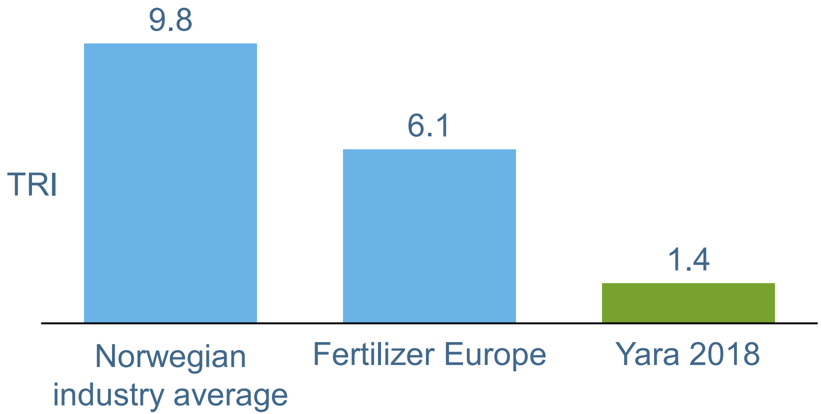
Yara's competitive edge	Proof points
Unique global presence and farmer interaction	Sales to **+160 countries** **+60 countries** with operations **9,000** fully branded retail outlets[1] Sales to **20 million** farmers
Unrivalled global agronomic crop knowledge	870 sales agronomists on the ground Pioneered agricultural growth and production for 114 years
Crop-specific nutrition solutions based on a differentiated and sustainable product portfolio	Global #1 in nitrates and NPK
Integrated business model	Global optimization of production and market margins; reduces volatility
New innovative business models	Digital farming and value chain collaboration initiatives with leading global partners

[1]Owned and operated by external parties

Our Commitments: Safety

Ensuring a safe workplace environment for employees and partners

Striving toward zero accidents with no fatalities and Total Reported Incidents (“TRI”) **<1.2** by 2025



Our Commitments: Diversity, Engagement and Compliance

Empowering an engaged, respected and diverse workforce

- Engagement index[1] **>80%** by 2025
- Minimum 20% of female top managers by 2020 and 25% by 2025

Ethics and compliance is our license to operate

- Zero tolerance for corruption
- Commitment to respect human rights in our own operations and our supply chain

[1]Korn Ferry Engagement index

Our Ambition: towards climate neutrality

Yara's total greenhouse gas emissions halved by almost eliminating N_2O

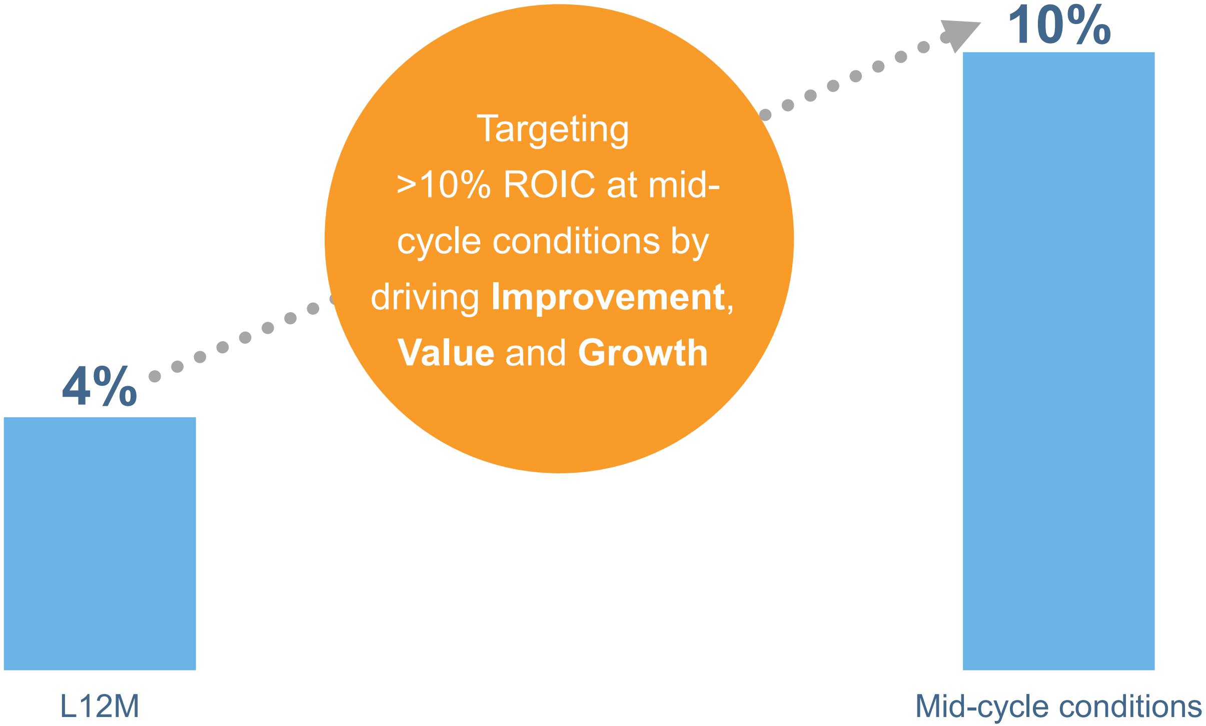
Further improving on world leading performance by CO_2 reduction target

Ambition to become climate neutral by 2050

Past 15 years | **Present** | **Future**

We will deliver improved returns

Return on Invested Capital (ROIC)



Knowledge grows

Driving value growth

Strengthening our crop-focused solutions, food-chain partnerships and digital capability

Terje Knutsen

Lair Hanzen

Our terminal footprint is the key to secure other value creation levers

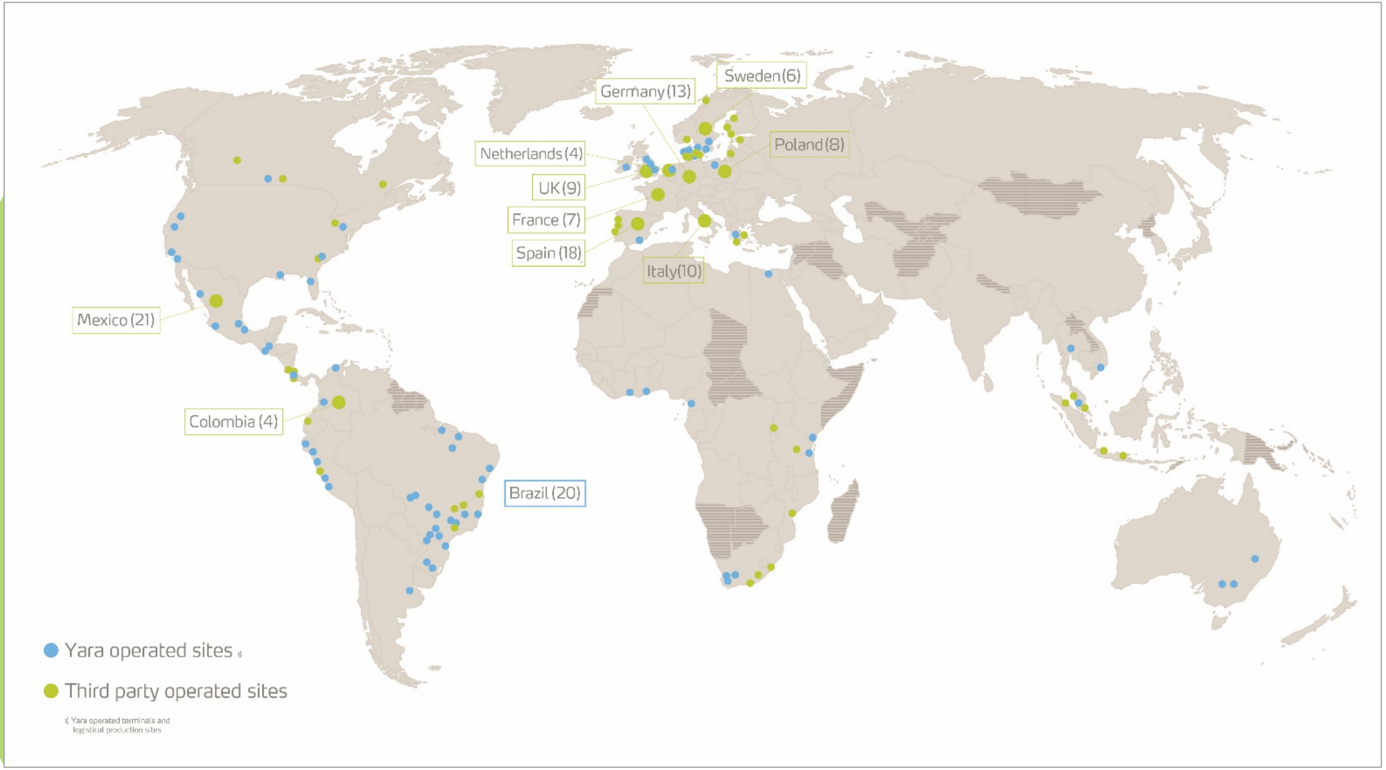
Value drivers

Knowledge margin

Shortening the distribution chain

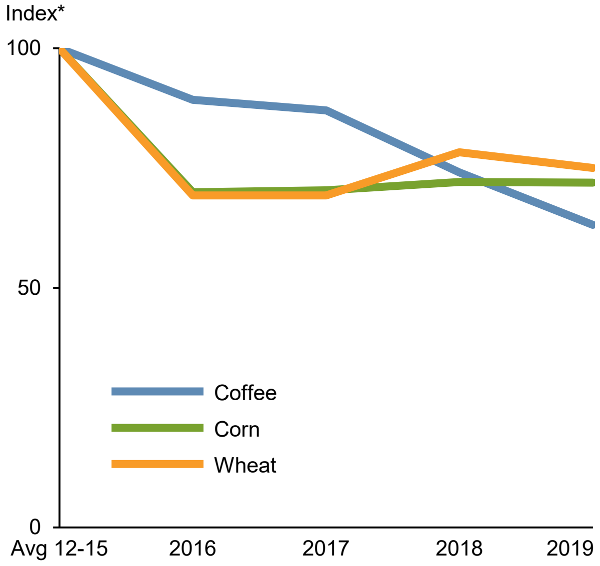
Infrastructure and logistical margin

Production and sourcing

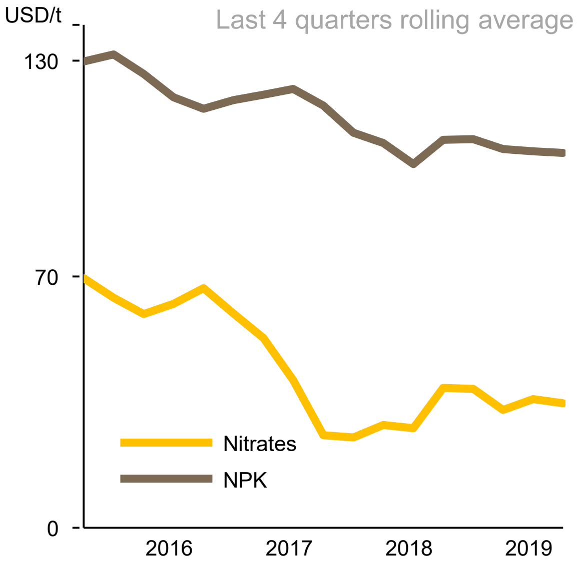


Sales & Marketing contributes with resilient earnings despite deteriorating farmer economics

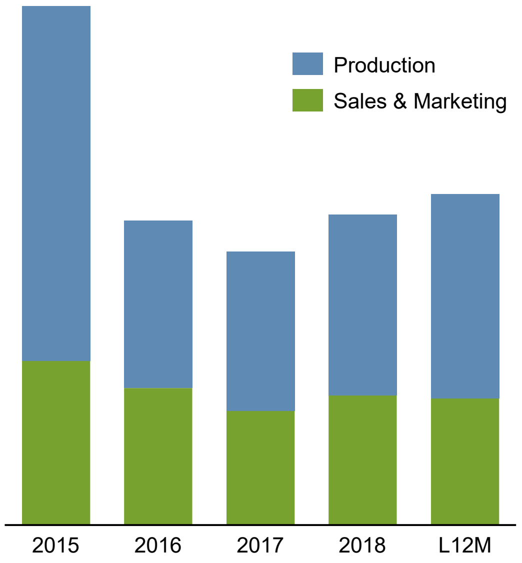
Crop prices have deteriorated



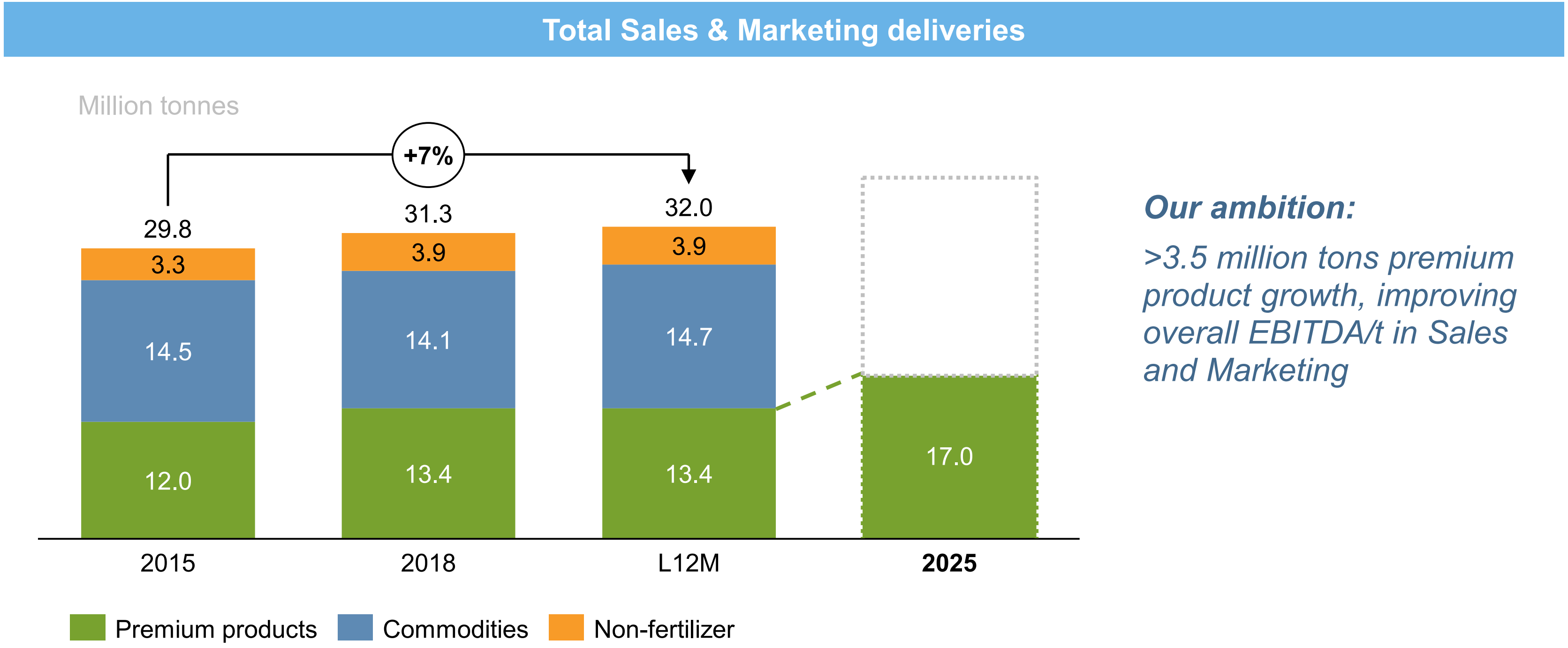
Nitrate and NPK premiums



EBITDA development



We are growing the premium segment



Our ambition:

>3.5 million tons premium product growth, improving overall EBITDA/t in Sales and Marketing

We are continuously evolving to become the Crop Nutrition Company for the Future

Market depth / Closeness to farmer

Producer Company
Commodity Margin

Crop Nutrition Company
Knowledge Margin

Asset

Sell what we produce

- Place new capacity
- Manage seasonality

Product

Build product reputation

- High quality products
- Brand premium

Crop

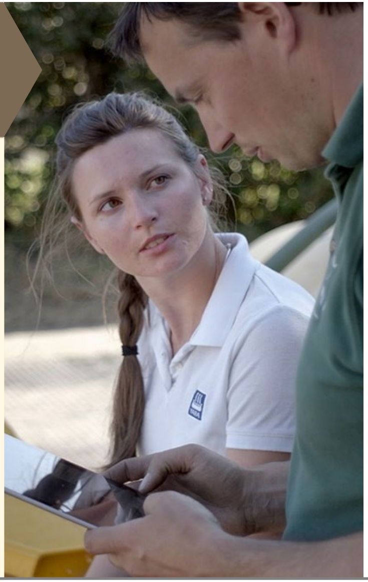
Crop focused approach & offerings

1. Product portfolio
2. Crop knowledge

Solutions

Scalable farmer centric solutions

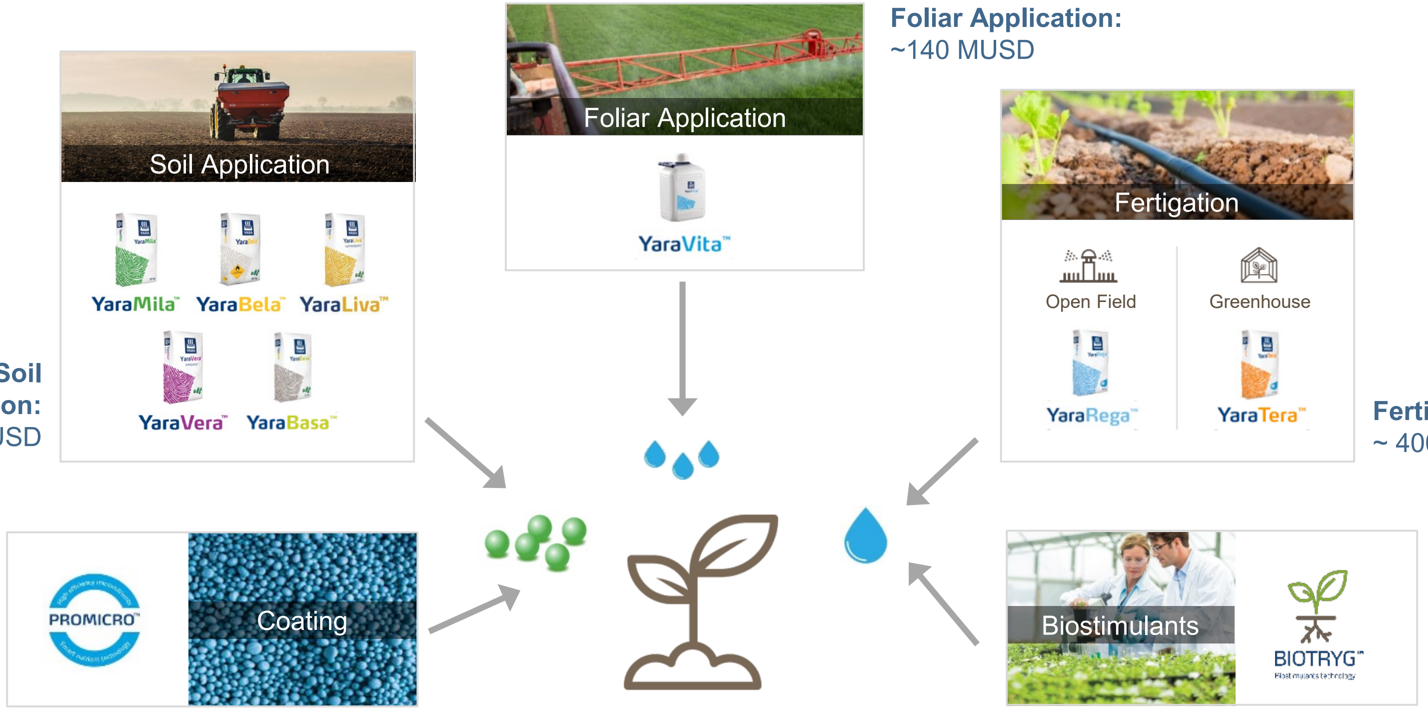
3. Holistic solutions based on farmer needs
4. Partnering with food value chain
5. Digital farming capability



Time and Development of Markets

Increased focus on developing high value and differentiated product portfolio

1



Foliar Application:
~140 MUSD

Soil application:
~9.200 MUSD

Fertigation:
~ 400 MUSD

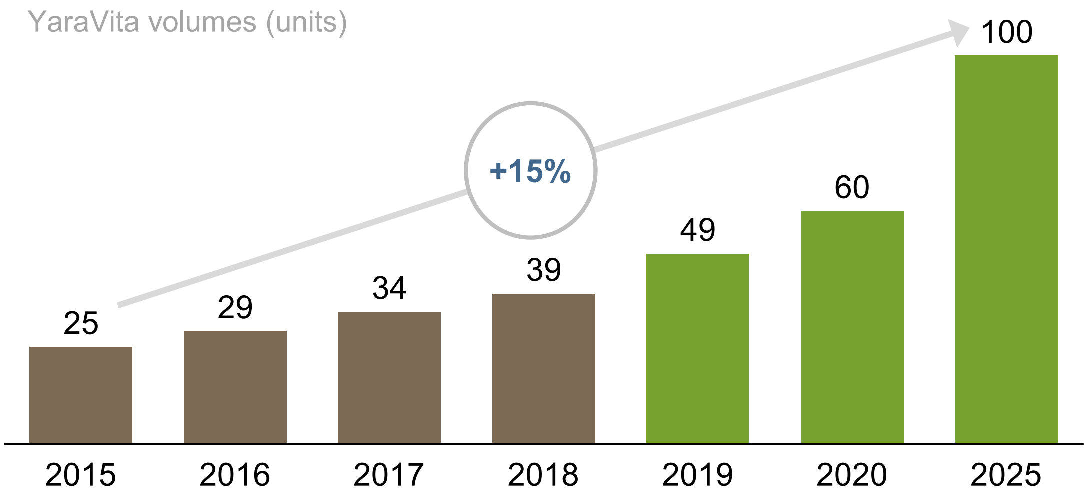
Coating:
~45 MUSD

Biostimulants:
~0 MUSD

Growing our premium portfolio through innovation

1

55% growth since 2015, CAGR of 16%



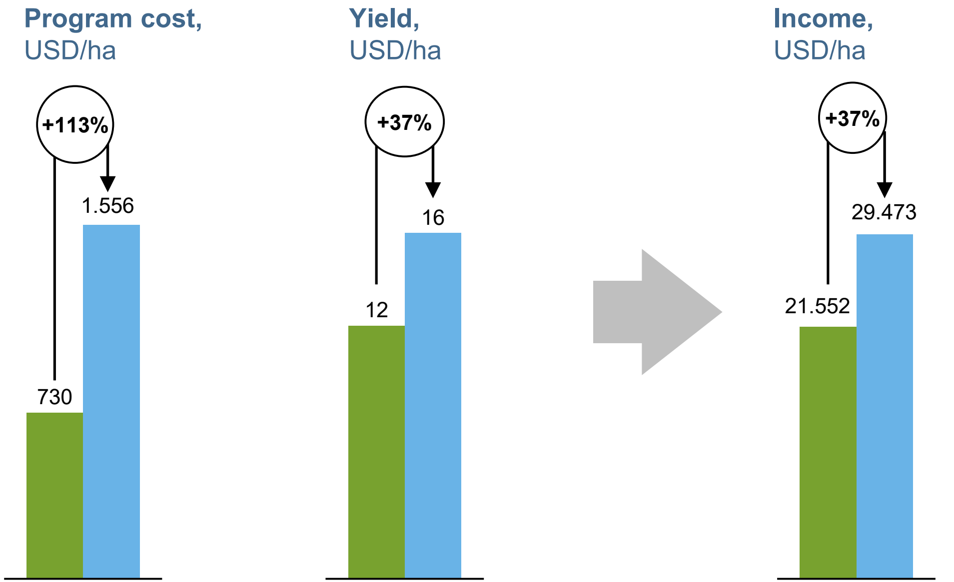
Contribution margin of ~ USD 100 million

Our ambition:

>100 million units of YaraVita sales by 2025

A focused crop approach adds value for farmer and Yara – Mexico case study

2



Farmer cost benefit: 10:1

12 days after harvest

Traditional program

Yara Program

Holistic crop solutions to deliver farmer value

proteinpass by Yara

3

Growth stage in weeks	Pre-Drilling	Growth Stage 12-25	Growth Stage 25-30	Growth Stage 31-32	Growth Stage 32-33	Growth Stage 37-39	Growth Stage 39-45
Digital services	Ayra, Irix			Irix, Atfarm	Ayra, Irix, Atfarm		
Tailored portfolio							
	Starter concept (yield + less cost, if no autumn application)			**Nutrient Use Efficiency**	**Protein quality** (ROI increase)		

Strengthen Food Chain Collaboration to grow value and reach

4

- Create business with food chain companies through solutions that deliver optimal crop quality, supply security and sustainable production

- Establish an effective channel to reach a large number of contract growers globally at scale

Our ambition:

2 million tonnes of sales generated through food companies by 2025

Circular Economy – create new business models through recycling nutrients in food and agriculture production chains

4

Circular Economy

What

- Solutions to use recovered materials as sources for N, P and K
- Shape new business and value creation models in circular agriculture
- Alternative sustainable raw material sourcing to production plants

Value drivers

- Strengthen competitive advantage; respond to consumer and regulatory trends
- Create new business models/revenue streams
- Increased resource use efficiency
- Secure alternative resource supply and lower cost

Example

Yara-Veolia partnership

What? Develop the circular economy in Europe's food and agriculture value chains

How? By recycling nutrients and promote cooperation across the value chain (e.g. Nutrient Upcycle Alliance)

Why? Secure access to nutrients, position Yara in circular value chain

Digital farming vital both to support existing model and to create new revenue streams for Yara

5

Digital value creation

Support fertilizer business growth	Build digital farm and field services business	Innovate digitally enabled crop nutrition business models

Critical proof points of our ability to deliver our digital strategy over the past 12 months

5

We have proven that we can

- ..build a strong digital capability
- ..innovate industry-leading digital services organically out of this new capability
- ..quickly get user adoption so farmers actually use our innovation
- ..identify scalable value creation models, so we can start commercializing
- ..work with industry-leading partners, as the digital transformation of agriculture will take more than one company to succeed

World-class digital capability

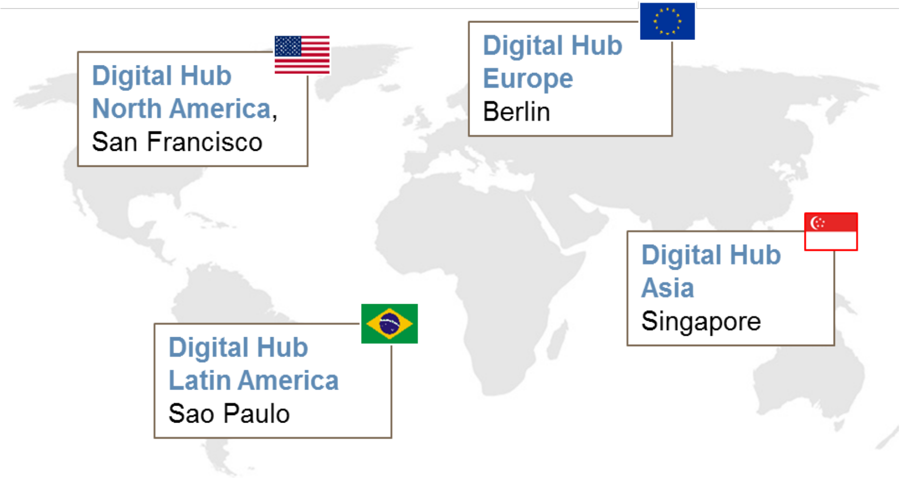
5

Unique global footprint
Proximity to all key ag markets

Top digital talent
260 from 38 nationalities, 36% female talent

Dedicated Digital Growth & Commercialization organization
Focus on value and ability to quickly scale

High paced organic innovation
versus high-cost, large-scale acquisitions



"Yara has a really good digital capability"
Luq Niazi, Global Managing Director Consumer Industries, IBM

Innovation at speed
examples of early 2019 launches

5

Yara Irix

Turning your phone into a precision sensor

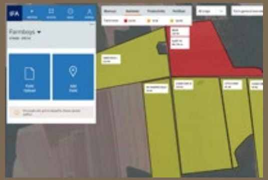
atfarm

Precise fertilization made simple

Yara Connect

Linking Yara with the smallest sub-dealers and advisors in smallholder markets

Yara Ayra

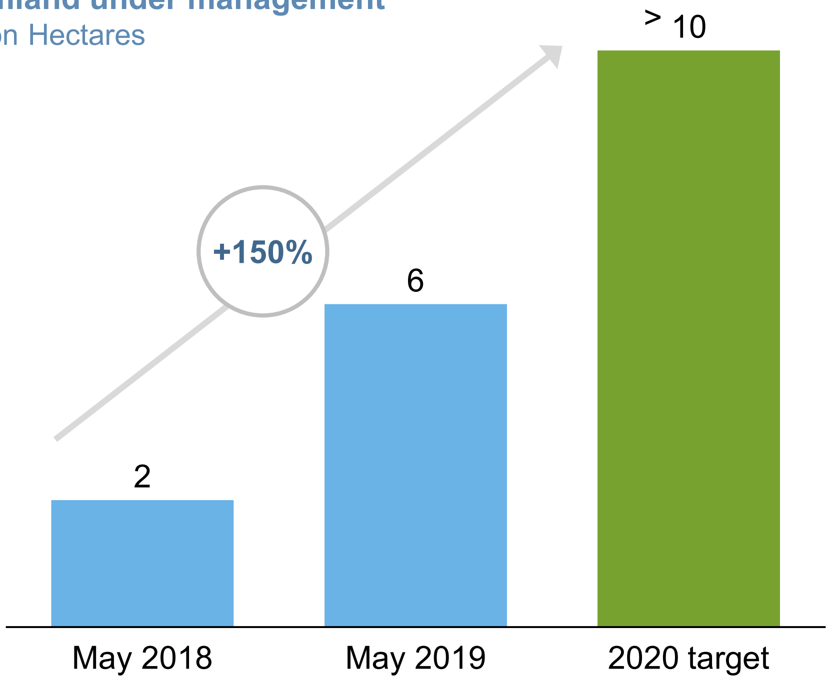


Personalized Crop Nutrition

Encouraging farmer adoption

5

Farmland under management[1]
Million Hectares



Our 2020 ambition:

>10 million hectares under management

1 Defined as active users of digital solutions

Proof of value creation

First scalable value creation models

Digital services business

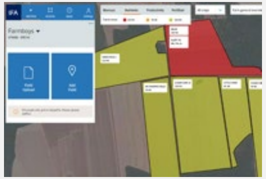
Yara Irix

Turning your phone into a precision sensor

- Subscription service model across Europe
- Together with globally leading subscription platform Zuora

Digitally-enabled business model

Yara Ayra



Personalized Crop Nutrition

- Apply soil / crop status and digital agronomy modelling
- Offer tailored crop nutrition package holistic across all nutrients

Our ambition:

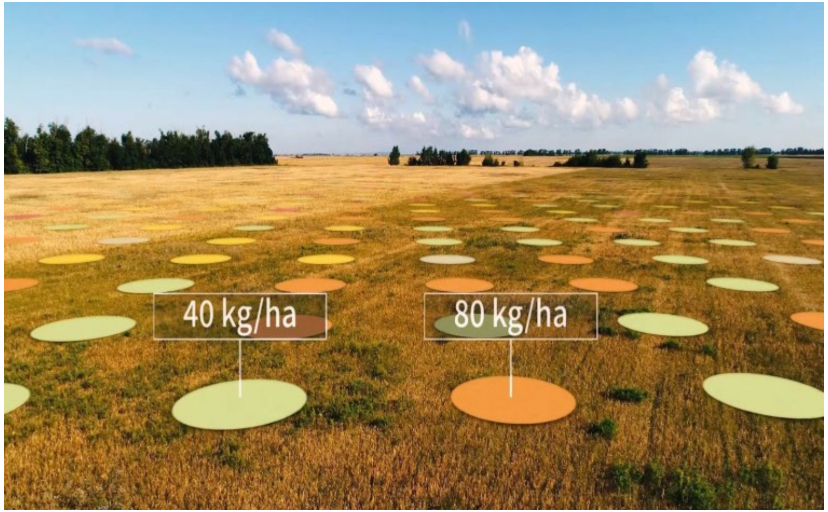
Positive EBITDA from digital farming in 2022

Industry-shaping partnerships

Yara and IBM partner to transform the future of farming

5

- **Combining world-leading capabilities**
- Building the globally leading **Digital Farming data and services platform**
- **Joint innovation teams** across Digital Hubs
- **Bold ambition**: reaching 100 million ha incl. millions of smallholder farmers



We are enabling Farm-to-Fork Connected Digital Ecosystem

5

IBM Food Trust™

Farm and Field → Food processing → Food retail

YARA

- First agricultural player to join world leading food traceability and food chain alliance
- Provide global coverage of the first miles of food production on the farm
- Farm and field-oriented solutions for food chain optimization

We are poised to become the leading global digital farming crop nutrition platform

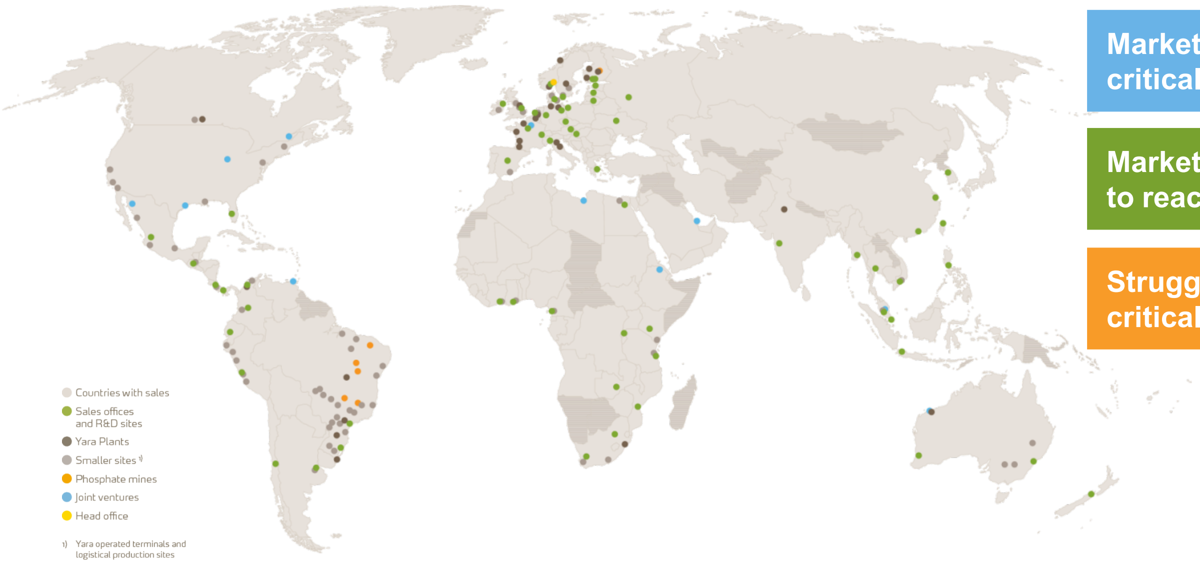
5

Why will Yara succeed?

- Farmer access and insight
- Proven agronomy competence
- Ability to develop holistic solutions
- Global reach
- Strategic partnerships to complement our capabilities

YARA

Optimize regional business models based on scale and growth opportunities



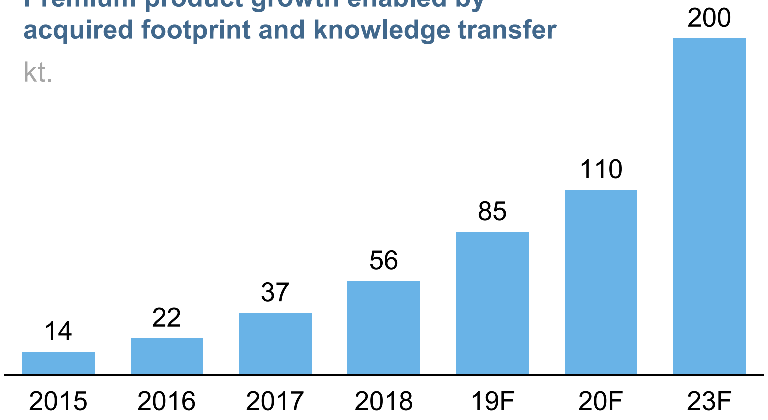
Markets with critical mass	**Defend and/or sharpen focus**
Markets with potential to reach critical mass	**Invest and grow**
Struggle to reach critical mass	**Review model**

India is increasingly attractive due to a combination of scale and government recognition

- Distribution muscle from acquired local footprint
- Digital opportunities growing through adoption
- Yara India scale up from niche base

Premium product growth enabled by acquired footprint and knowledge transfer

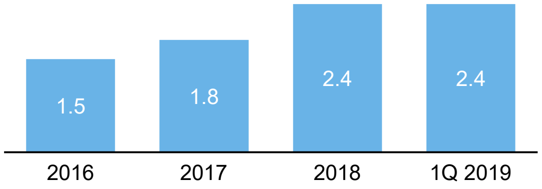
kt.



Brazil case: We are transforming our business model to maximize premiums

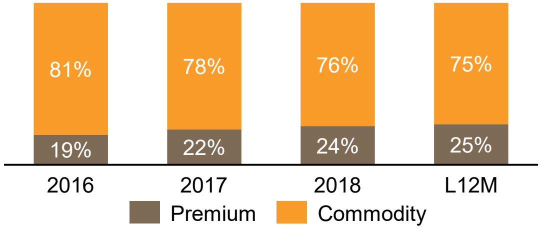
Investments peaked in 2018

(Invested Capital Billion USD)



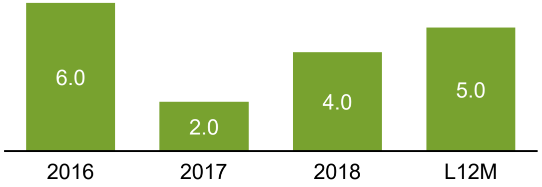
…premium sales are growing

(% of total MMT[1])

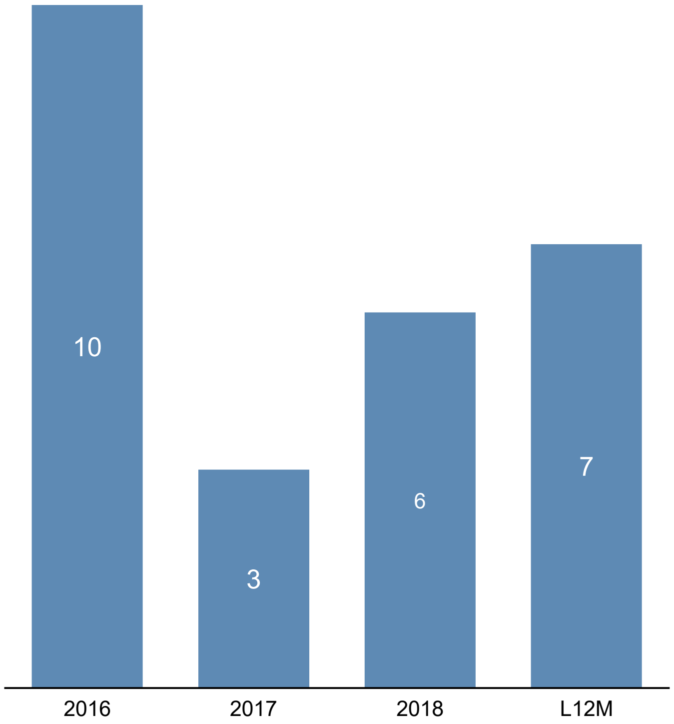


…and margins are improving

(EBIT %)



ROIC, %

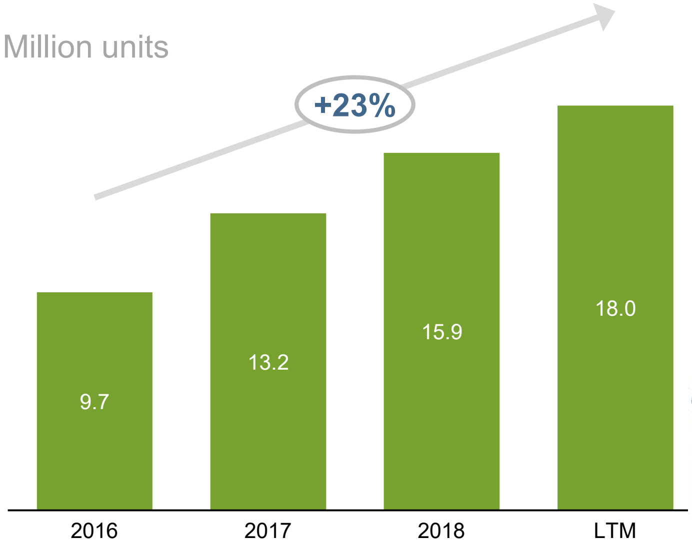


[1]2018 volumes: 2.0 mmt premium, 6.4 mmt commodity

Brazil case: Our new YaraVita plant will enable us to profitably produce local premium products in Brazil

YaraVita world class factory at Sumare - Brazil

Brazil YaraVita growth (CAGR%)



YaraVita™

Brazil case: We deliver full crop focused solutions in Brazil and drive growth in key crops

nossocafé by Yara

Asset
- Rio Grande assets converted from commodity SSP to premium NPK

Product
- Growth of high value product portfolio

Crop
- Crop knowledge drive improved yield and higher quality

Solutions
- Complete solution from pre-planting to post harvest

Delivering benefits

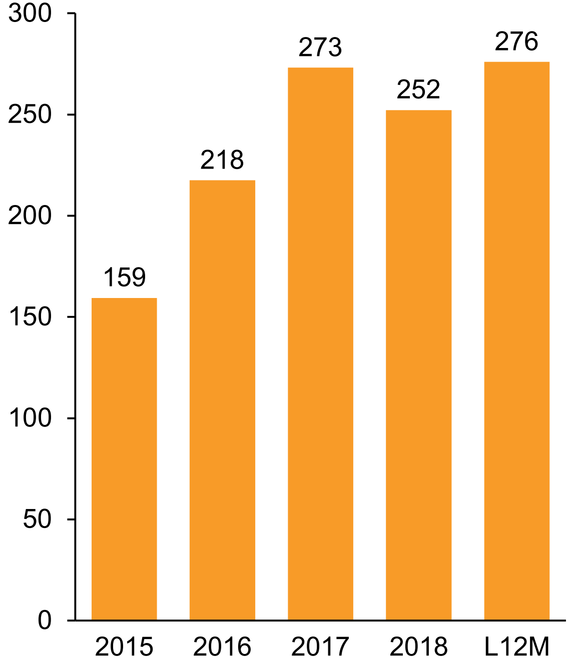
Yara benefits
- Growth and premiums
- Loyalty
- Competitive edge

Farmer benefits
- Higher premiums and yield
- Reduced risk
- Financing

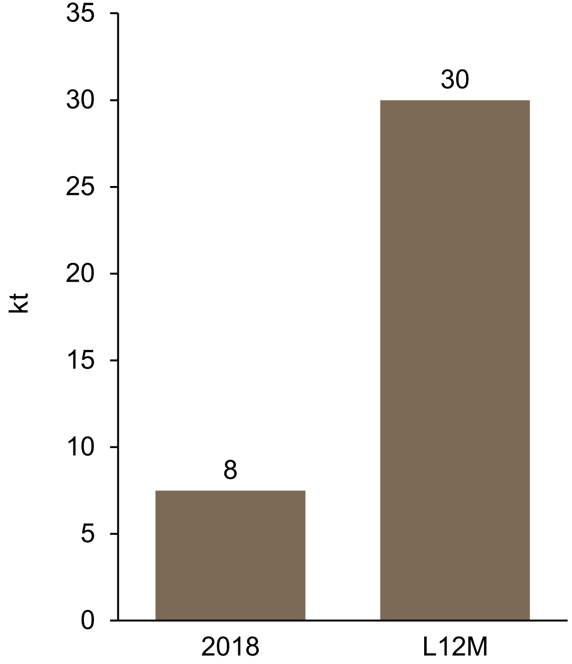
Food chain benefits
- Security of supply
- Quality
- Traceability

Brazil case: We are demonstrating premium segment growth in coffee

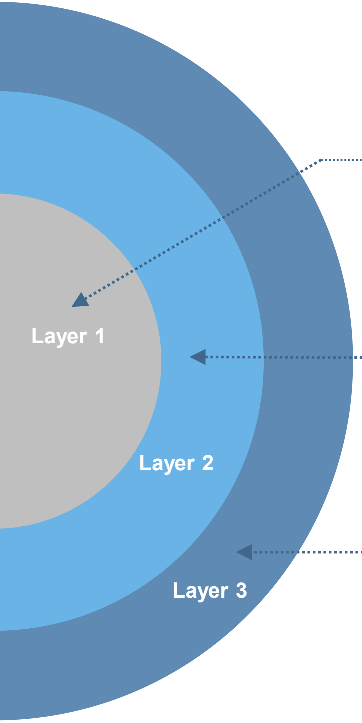
Premium products sales to coffee



Coffee sales through barter model



Brazil case: We have shifted our offerings and focus from volume to value

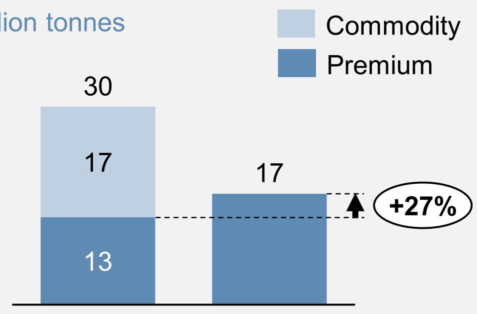


	Growth CAGR% (CB1) 2018-2025	Share of portfolio (CB1) 2015	2018	2025
Premium products for high value crops – Niche	~18	5%	6%	10%
Premium products for other crops – Value	~10	24%	41%	50%
Commodities – Scale	~4	71%	53%	40%

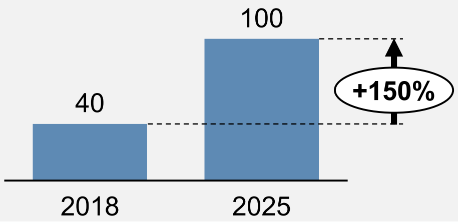
Our strategy enables increased premium product deliveries and higher margins combined with new revenue streams from Digital

Sell more premium products…

Million tonnes

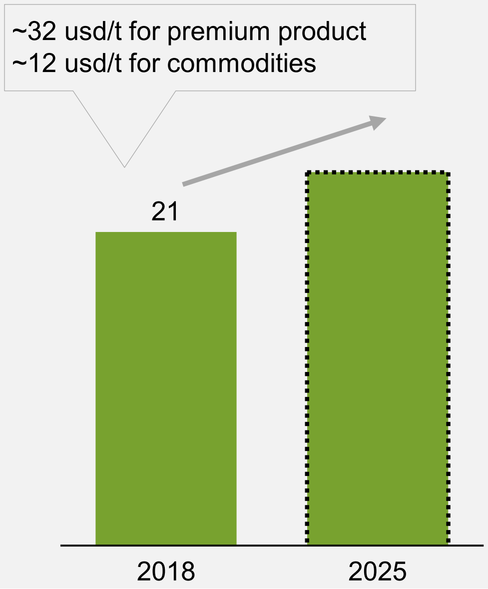


Million units of YaraVita



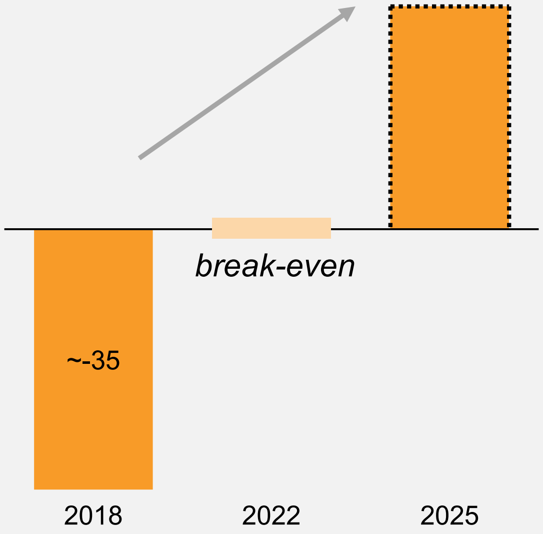
…improving overall margins

Sales and Marketing EBITDA margin
USD / tonne



Adding new revenue streams

EBITDA contribution from Digital
MUSD



Premium products defined as nitrates, compound NPK, CN, Amidas
Contribution margin equals sales price less variable costs

Knowledge grows

Improving operations

Capturing the full value of our growth investments

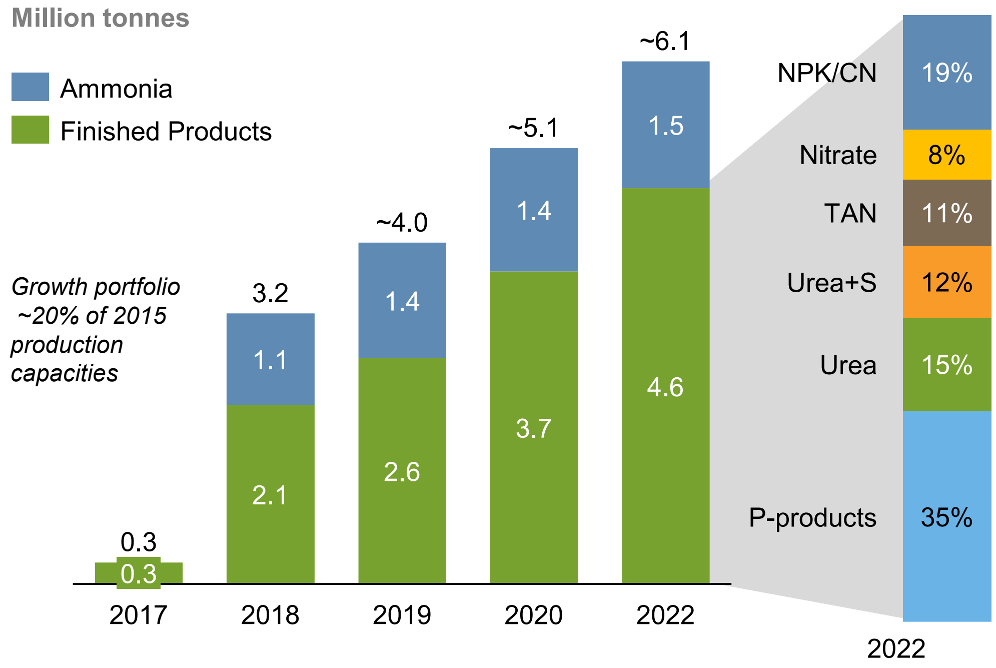
Tove Andersen

Capturing the full value potential of expanding 6 million tonnes

Investing for the future

- Significant investments made over several years now coming onstream
- Yara invested approx. 3.0 BUSD[1] in
    - 5 expansion projects
    - 3 newbuilds (incl. mine)
    - 2 M&As integrated into our operations
- Volumes from projects confirmed but with a delayed ramp-up in line with 1Q communication

Volume ramp-up from growth portfolio[2]



[1]Growth portfolio = M&As (Babrala and Cubatão), expansions (Uusikaupunki, Porsgrunn/Glomfjord, Sluiskil, Rio Grande, Köping) and new builds (Freeport, Pilbara TAN, Salitre)

We have seven new projects fully integrated and operating

Expansions

Uusikaupunki (FI)

Porsgrunn (Norway)

Köping (Sweden)

Newbuilds

Pilbara TAN[1] (AU)

Freeport (US)

M&As

Babrala (India)

Cubatao (Brazil)

Our focus in 2019 will be on capturing full value potential by finalizing and achieving full operability of existing projects

[1] Further repair and replacement work will be needed on the Pilbara TAN plant, and production is expected to be intermittent / campaign mode for the remainder of 2019. The work is due to be completed by during first half 2020, after which the plant should be in full operation

Three projects reaching completion by 2021

Sluiskil value add

- Project completion 2H 2019, full earnings from market development by 2022
- Annual additional output of 210 kt in full operation; Urea+S replacing prills

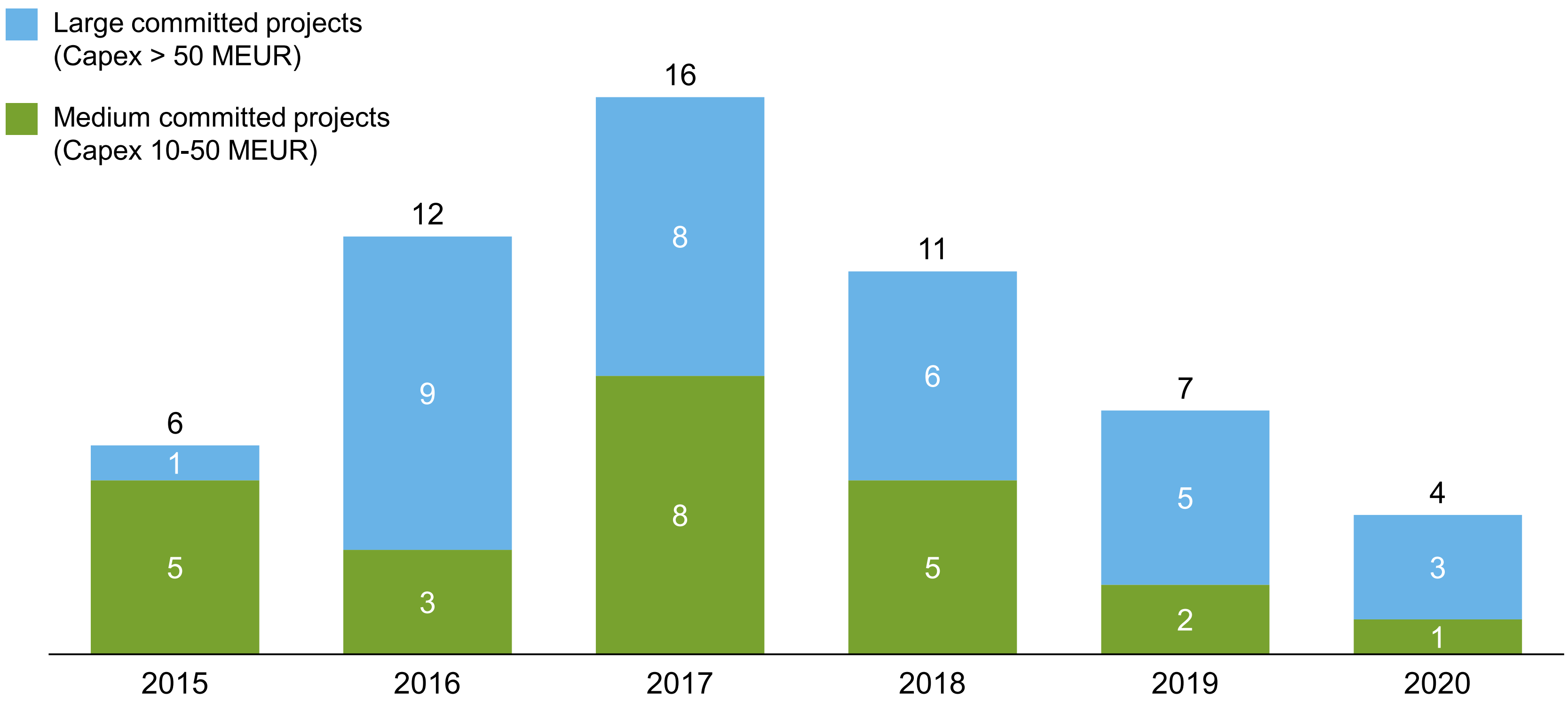
Salitre

- First full earnings effect 1Q 2021
- Annual output in full operation: 1.2 mt of P-Rock and 900 kt of granulated fertilizer

Rio Grande consolidation

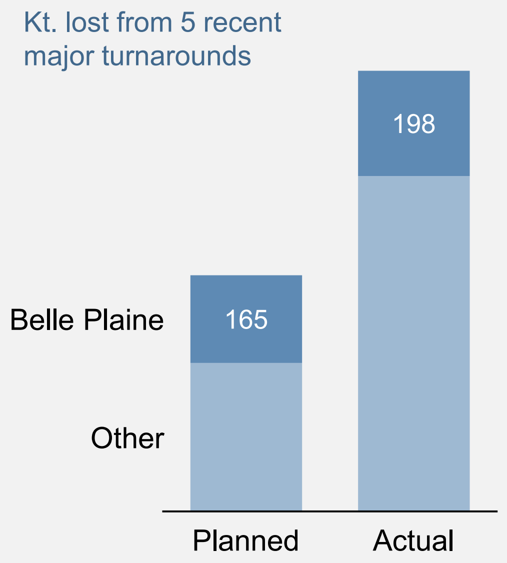
- First full earnings effect granulation: 2Q 2020
- Annual throughput in full operation: 430 kt of granulated NPK fertilizer

Significant reduction in number of projects under execution



Leveraging global production knowledge to optimize turnaround planning and execution represents a large upside opportunity

Turnaround performance



Belle Plaine highlights

- High complexity turnaround, maintenance and upgrade of ammonia and urea units
- Planned and executed based on our best practice combined with specialists from other Yara sites
- Within budget of 73 MUSD
- Improved plant performance
    - Additional 66 kt/year valued at around 15 MUSD/year

Significant part of the extended improvement program relates to improving our turnaround performance

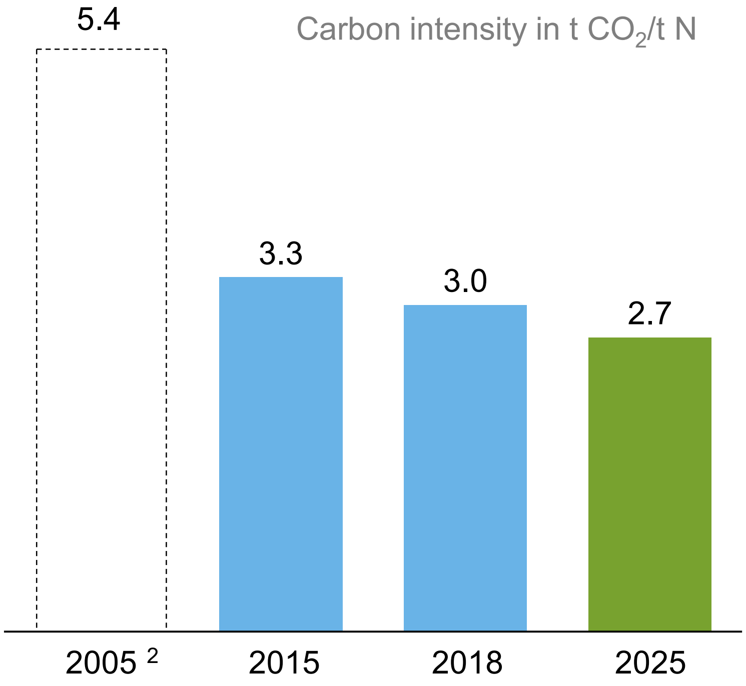
Continued strong focus on reliability

Reliability Program

Target to significantly reduce the risk of unscheduled stops in our plants

- Identify (recurring) problem areas
- Use root cause problem solving to identify and initiate actions to eliminate problems. Monitor and measure effect of actions
- Use criticality ranking to identify potential/likely problems and execute needed actions to reduce risk
- Pilot “trouble sites” with “excellence sites” as reference
- Sites prioritized based on financial impact

Investing to reach CO_2 intensity reduction target in 2025 represent positive business cases for Yara



Our ambition:

10% reduction[1] in CO_2eq intensity by 2025

- 2025 target reflects GHG emissions already considerably reduced from 2005
- Lower emissions improve our cost position
- Positive business cases; 200-450 MUSD capex required
- Supports our ambition to become climate neutral by 2050

[1] From 2018 base [2] Estimated based on historical data

Decarbonize Yara – exploring climate neutral agriculture through innovative partnerships

Decarbonize Yara

What	Value drivers	Example
• Reduce Yara's direct GHG emissions • Produce zero-carbon nitrogen • Solutions to reduce in-field agricultural GHG emissions • Contribute to green energy carrier solutions and green food value chains	• Higher revenue (consumers increasingly value products and solutions with lower environmental footprint) • Create new business and value creation models • Lower variable cost (carbon cost per tonne)	**"Green ammonia" in Australia** **What?** Feasibility study with ENGIE to produce zero emission ammonia **How?** Design a green hydrogen plant integrated with Yara's existing ammonia plant in Pilbara **Why?** Significant reduction in CO_2 emissions and lower future costs

Knowledge grows

Improving operations

Extending productivity, cost and capital improvements beyond 2020

Lars Røsæg

The Yara Improvement Program (YIP) has led to significant changes in performance across our business

750 KT of Volume improvements

Fixed costs per ton down 5% in 2018 in production

IT cost per user reduced with 20% since 2015

Production records last 12 months
Porsgrunn, Glomfjord, Köping, Uusikaupunki, Siilinjärvi, Ferrara, Le Havre, Cartagena, Brunsbüttel

5% annual productivity growth at small sites

~600
Procurement initiatives identified and implemented

New operating model Implemented in procurement

TRI rate of 1.4
65% lower than 2015

~160 MUSD in one-off benefits
White certificates and working capital

Improvement initiatives have had significant impact

Siilinjärvi reduced fixed costs by
> 6% since 2015

Tertre reduced use of scaffolding on site by 80%

Optimized packaging in Brazil with cost reduction of 30%

Knowledge transferred to other sites and locations, leading to bigger potential gains

Extended Yara Improvement Program further improves ROIC

Higher

production volumes and energy efficiency

Leaner

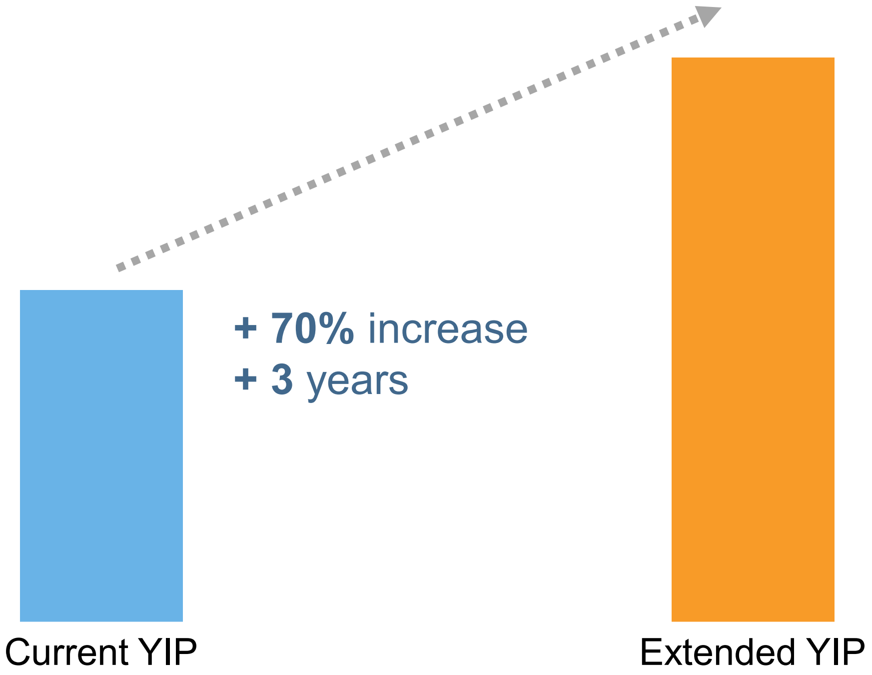
cost base

Smarter

working capital management

Extended YIP targets 70% increase in sustained EBITDA improvement

Sustained EBITDA improvement (MUSD)



In addition:
Working capital reduction

YIP towards 2023: Productivity and cost in focus

Higher production returns and lower variable costs	**Leaner** cost base	**Smarter** working capital management
Improving returns from global production footprint: • Reduce turn-around effects and reliability issues • Increase energy efficiency • Improve variable cost position including sourcing benefits	**Strong improvement in fixed cost[1] position across Yara:** • Reduce fixed central costs • Optimize market presence and plant footprint • Productivity above inflation in production plants and markets	**Improved working capital position through:** • Optimize local business models • Deploy commercial toolkit • Leverage and standardize payment terms
2023 KPIs: **Volume: 14% increase** **Energy usage: 4% reduction** **Variable cost savings by 2020 vs. 2018: 40 MUSD**	**Improve fixed cost position vs. inflation adjusted baseline with 300 MUSD**	**Reduce overall working capital days with 12 days representing 300 MUSD of lower WC**

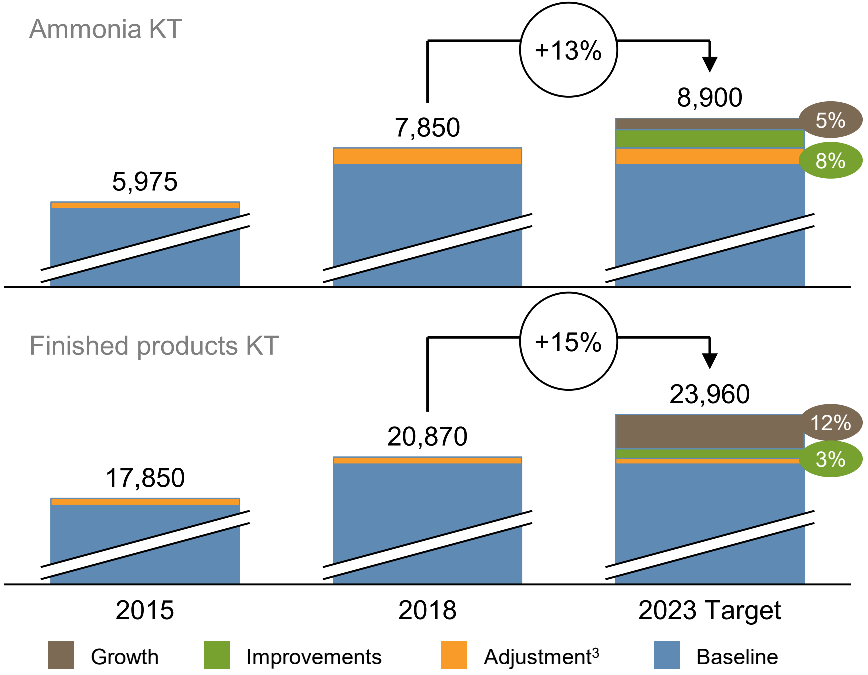
New 2023 target is equivalent to a total EBITDA improvement potential of 600 MUSD on 2018 baseline[2]

Free up 300 MUSD in capital

[1] Fixed costs: total reported CRC and SGA
[2] Represent 350 MUSD additional improvements when measured using same baseline as existing YIP targets

Higher production returns from fully implementing the Yara Productivity System

Production volume targets[1,2]

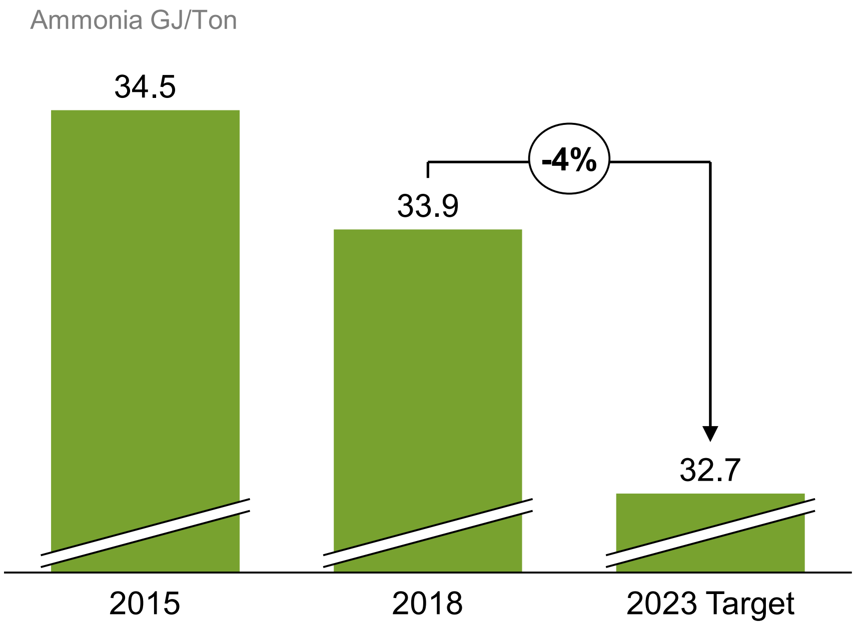


- Continue to leverage the Yara Productivity System (YPS) which has delivered additional 750 kt 2015-2018
- Growth and improvement volumes will be reported jointly going forward
- Our total target for 2023 will be 8,900 kt ammonia and 23,960 kt finished product

[1] 2018 includes growth and debottleneck projects already communicated, and is adjusted related to Galvani and Pardies portfolio effects (total 10kt)
[2] Excluding Qafco and Lifeco volumes. Improvements from Qafco included in monetary value only
[3] Normalizing for turnarounds and market optimization effects of 1,100 kt in 2018

Higher production returns from energy efficiency improvements

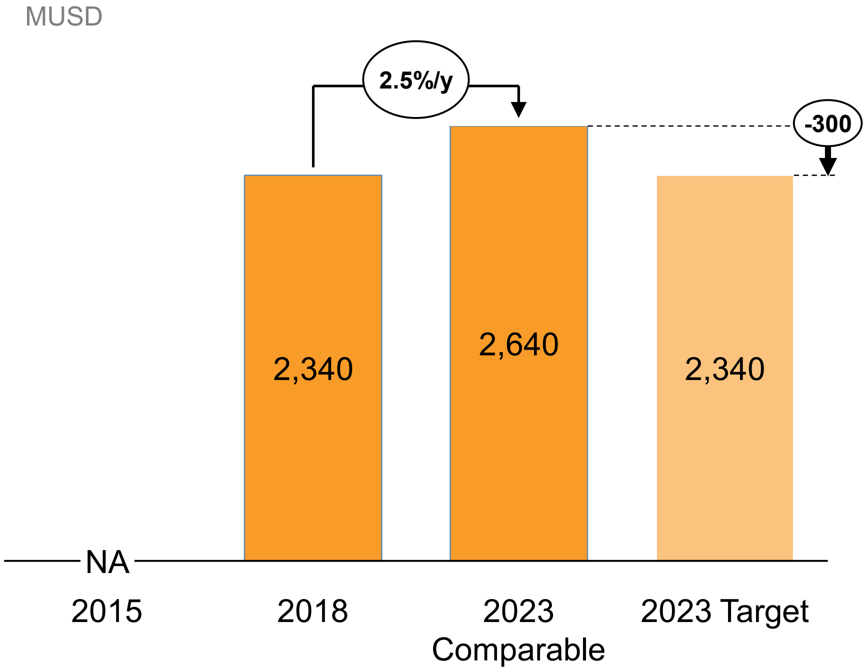
Production energy targets



- Continued focus on optimizing the energy use across our production platform
- Ammonia is the single most important energy KPI representing 80% of overall improvement potential
- Based on 2018 energy prices the total value of the targeted improvements is 50 MUSD vs 2018 results

Leaner cost base by keeping fixed cost nominally flat despite anticipated growth, strategic priorities and inflationary push

Fixed cost targets[1]

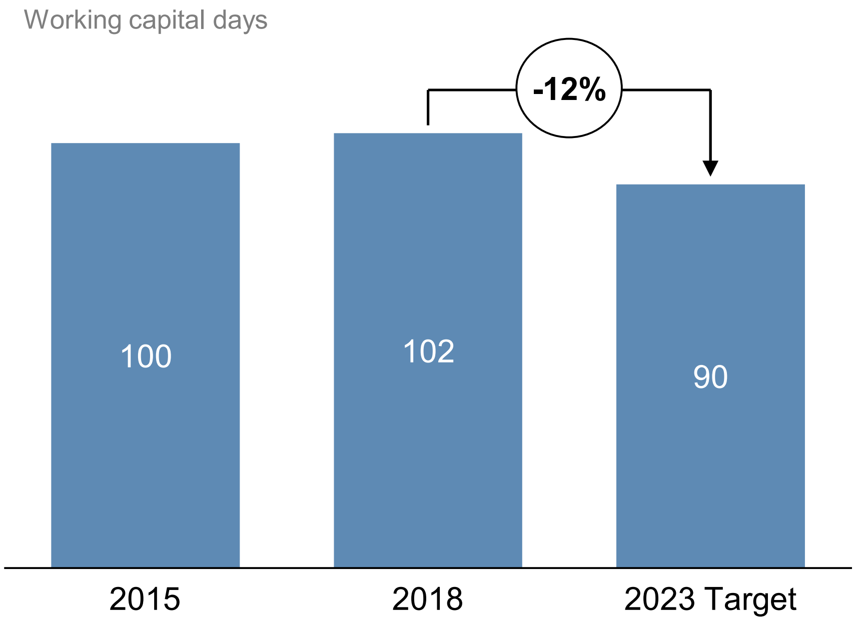


- Our cost base is subject to inflationary pressure as well as increasing due to pursuing value adding activities
- Between 2018 to 2023 our ambition is to keep overall fixed costs flat, representing an annual real reduction of at least 2.5%[2]
- This represents a real improvement in fixed costs baseline of 300 MUSD[3]

[1] Baseline normalized for projects coming on stream during 2018 and IFRS. Future costs related to special items, M&A and structural projects will be adjusted for
[2] Weighted average estimated annual inflation based on IHS forecasts
[3] Measured vs a fixed cost baseline growing with 2.5% per year.

Smarter working capital management to release 300 MUSD

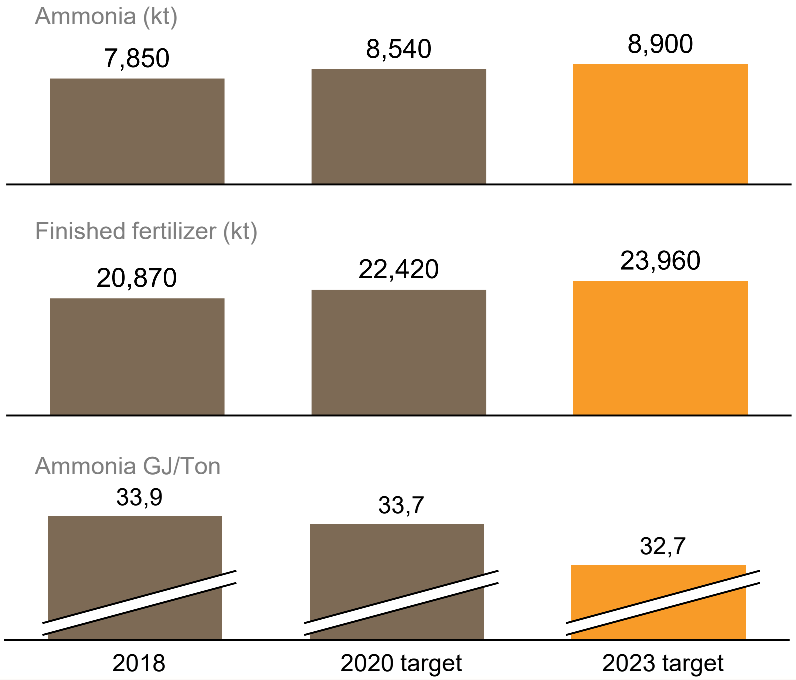
Working capital



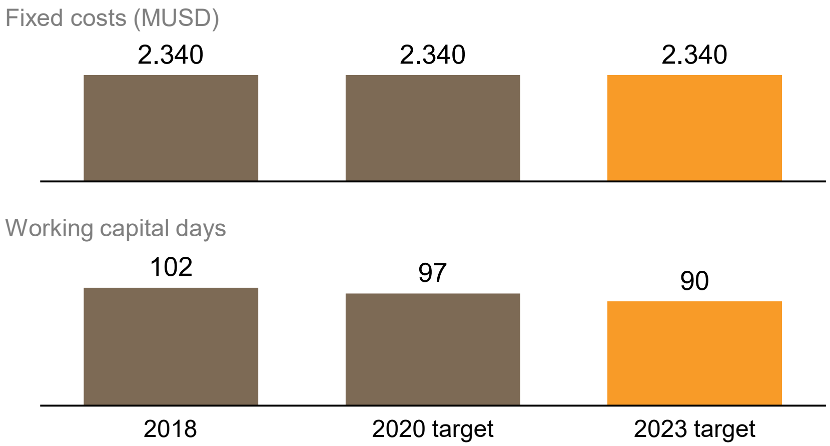
- Building on the learnings and successes of the current project, we will continue to work smarter with working capital management across our system
- Levers include optimize local business models, deploy commercial toolkit and further leverage and standardize payment terms
- Combined these levers should, based on 2018 portfolio, reduce our working capital days with 12% representing a capital improvement of 300 MUSD

Our new improvement targets build on successes from current efforts with an increased fixed cost focus

Production related target



Targets in other areas



In addition, cost saving of 90 MUSD from reduction in variable costs and digital in Production

[1] Variable costs targets to be achieved by 2020

YIP will deliver 600 MUSD of EBITDA improvements by 2023 compared to 2018 with further upside on working capital

Higher production returns	• 8,900 kt of ammonia • 23,960 kt of finished product • 4 % improvement in energy consumption
Leaner cost base	• Fixed cost improvements of 300 MUSD
Smarter working capital management	• 12 % improvement in net working capital days representing 300 MUSD
Capital required to deliver	• Annual maintenance and safety investments of 800 MUSD • One-off costs 100-150 MUSD

Knowledge grows

Portfolio review

Evaluating IPO of industrial assets

Yves Bonte

Evaluating an IPO opening up for a similar growth story as the demerger from Hydro in 2004

Pre -1999	1999	2004	2018	2019 -
Industrial conglomerate	Oil & Aluminum focus		Crop Nutrition Company for the Future	

HYDRO

YARA — Leading nitrogen company

Norsk Hydro — Today a focused aluminum company

YARA — Focused Crop Nutrition company

NewCo — The first integrated industrial nitrogen company

An IPO of the first integrated industrial nitrogen company would be an important milestone for Yara's new strategy

July 2018

Yara's strategy is to become a more **focused company**

October 2018

Ambition: **"Crop Nutrition Company for the Future"**

Yara Marine Technology divestment exemplified the new strategy of active portfolio management

December 2018

"Yara simplified operating model" announced

Broadened process of active portfolio management to include strategic options for:

- Environmental Solutions
- Mining Applications
- Industrial Nitrates

Today

Yara has decided to evaluate an IPO of a new standalone company, NewCo, that comprises a large share of Yara's former Industrial segment

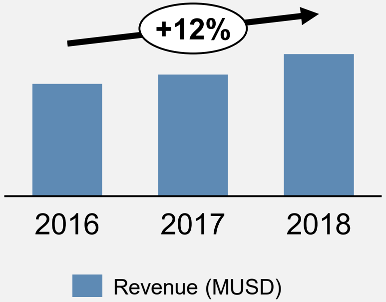
Source: Yara 2Q'18, 3Q'18 and 4Q'18 quarterly presentations and reports, Yara press release 11th of December 2018

NewCo would be a new company consisting of a large share of the former Yara Industrial, and relevant production plants, assets and supply chain

The first integrated industrial nitrogen company

Scope is still being evaluated

Potential downstream scope



+

Production

Relevant production plants

+

Other

Relevant parts of central functions

=

NewCo scope

~10-15 % share of Yara EBITDA

NewCo would be the first integrated industrial nitrogen company with global reach

- The first integrated industrial nitrogen company
- A leading player with the highest value proposition in core markets
- Solid European platform as fundament to achieve a strong global position
- Attractive market portfolio balancing stability & growth

Final scope decision is planned early 2020 before carve-out effort will commence

1. NewCo currently not a standalone business – will require effort to design optimal structure (scope) before carve-out & IPO can commence
2. Final scope decision planned for early 2020
3. Carve-out effort to be initiated

IPO would be initiated after successful carve-out

Yara plan to retain a significant ownership

Knowledge grows

Capital allocation & returns

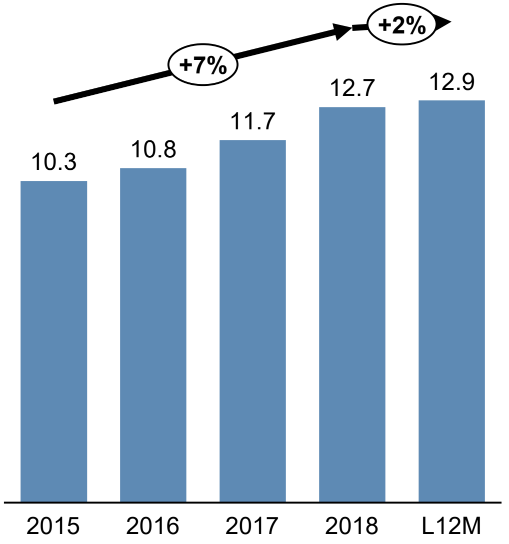
Driving value growth through performance management and strict capital allocation

Lars Røsæg

Yara is improving capital returns after a period of heavy investments and adverse market conditions

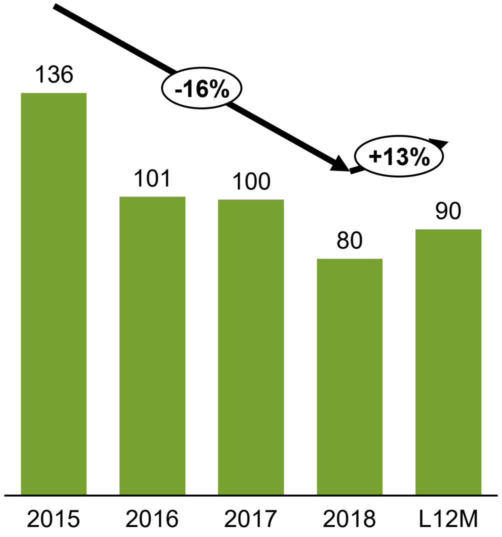
Growing asset base driven by our investment program

Avg. Invested Capital, USD Billions



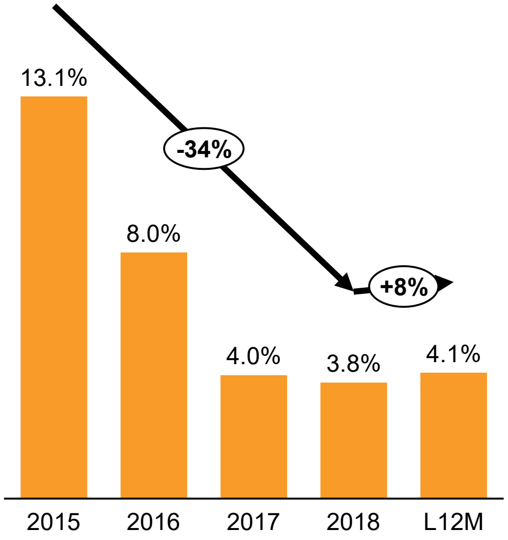
Earnings hit by unfavorable development in urea and natural gas

Urea upgrading margin[1] in EU, USD/t



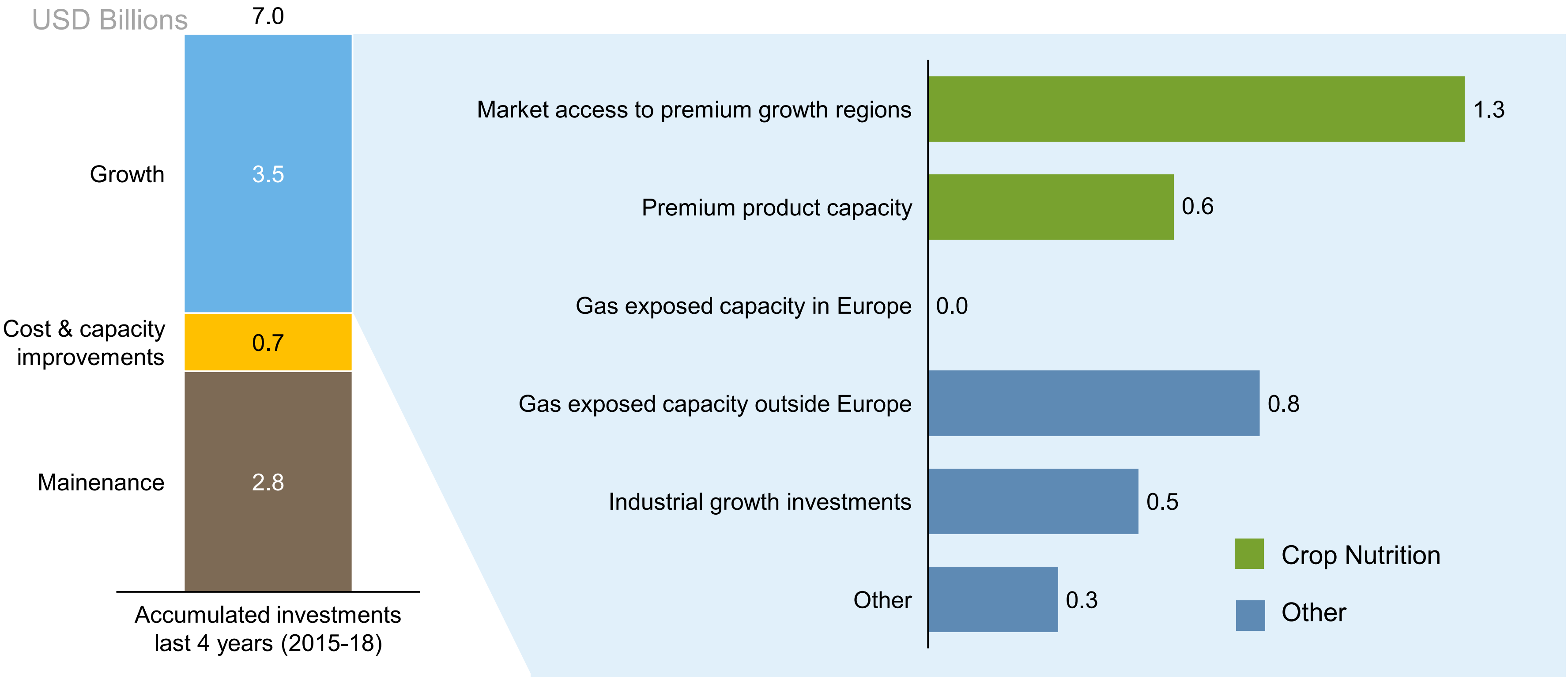
Capital returns under pressure as a consequence

ROIC, %



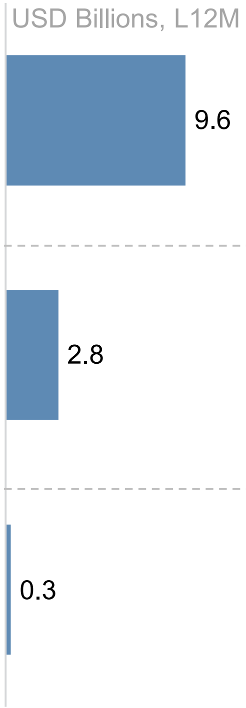
1Upgrading margin= Urea prilled Baltic + custom (6.5%) + transport cost to NW Europe (20 USD/t) – gas cost (22 mmbtu x TTF price) – fixed cost (30 USD/t)
Urea and gas prices lagged by 1 month

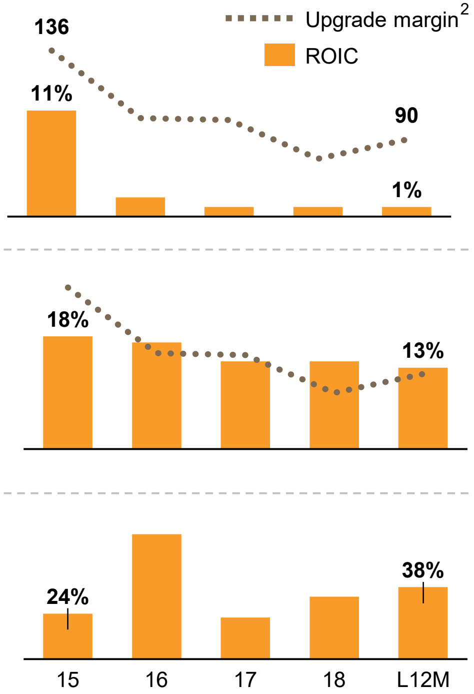
We have been investing for premium product growth and market access



Our assets have distinct value drivers

Asset types	Invested Capital	ROIC – transfer price based[1]	Value drivers
Production - Production plants, mines, ammonia trade	9.6	see chart	• Upgrade margin from raw material to finished product • Operational excellence; production reliability, raw material efficiency, fixed costs, capex intensity • Significant exposure to external commodity prices
Sales & Marketing - Warehouses, terminals, working capital	2.8	see chart	• Stable premiums over commodity reference values • Attractive growth opportunities in premium products and digital solutions
New Business - Terminals, tanks, working capital	0.3	see chart	• Growth opportunities and stable premiums above underlying commodity values





[1]Based on transfer prices and hence, does not show the full see-though value creation from the products. Internal changes in transfer prices and movements between segments will affect numbers
[2]Upgrade margin as defined on page 75

Our production portfolio features a diversified asset base with a strong cyclical upside

Plant portfolio	Invested Capital	Volume
	USD Billions	2018

Gas exposed in Europe

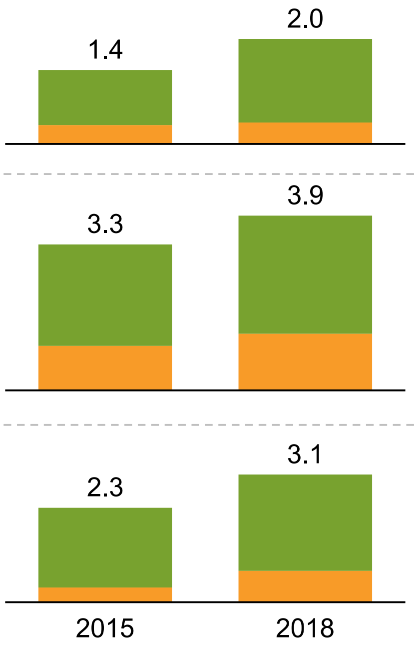
- Premium focused plants
- Commodity focused plants

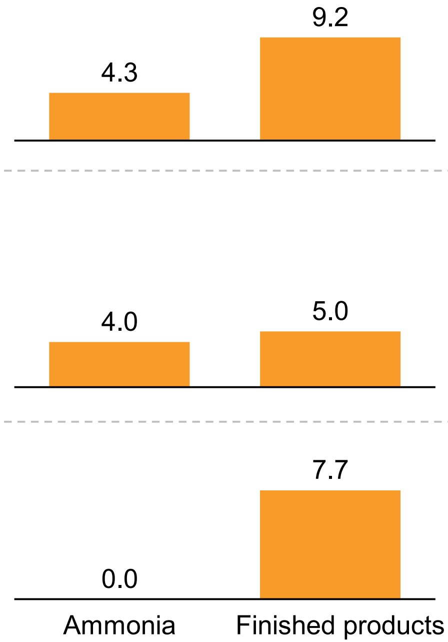
Gas exposed outside Europe

- Other plants
- Ammonia plants

Not gas exposed

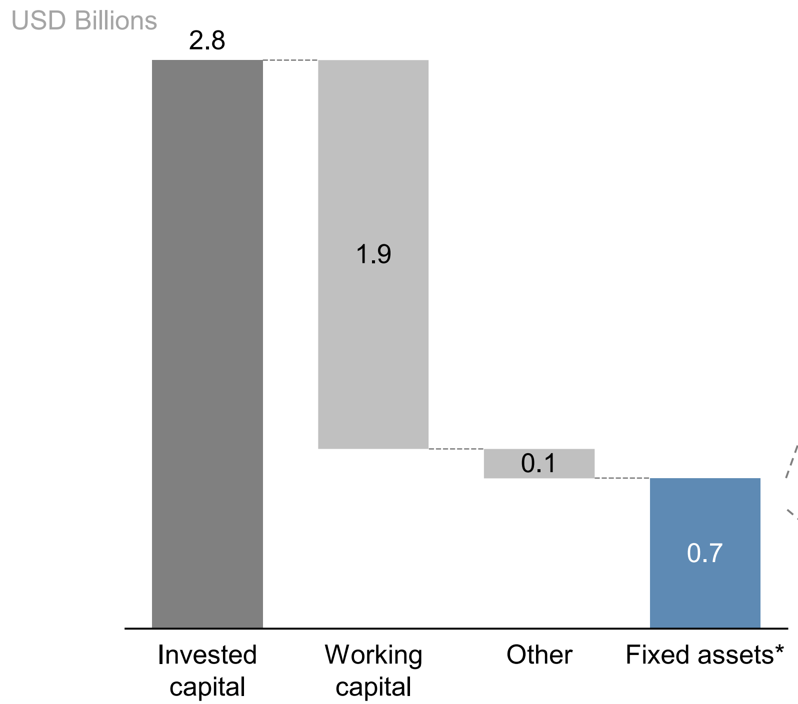
- Other
- Galvani



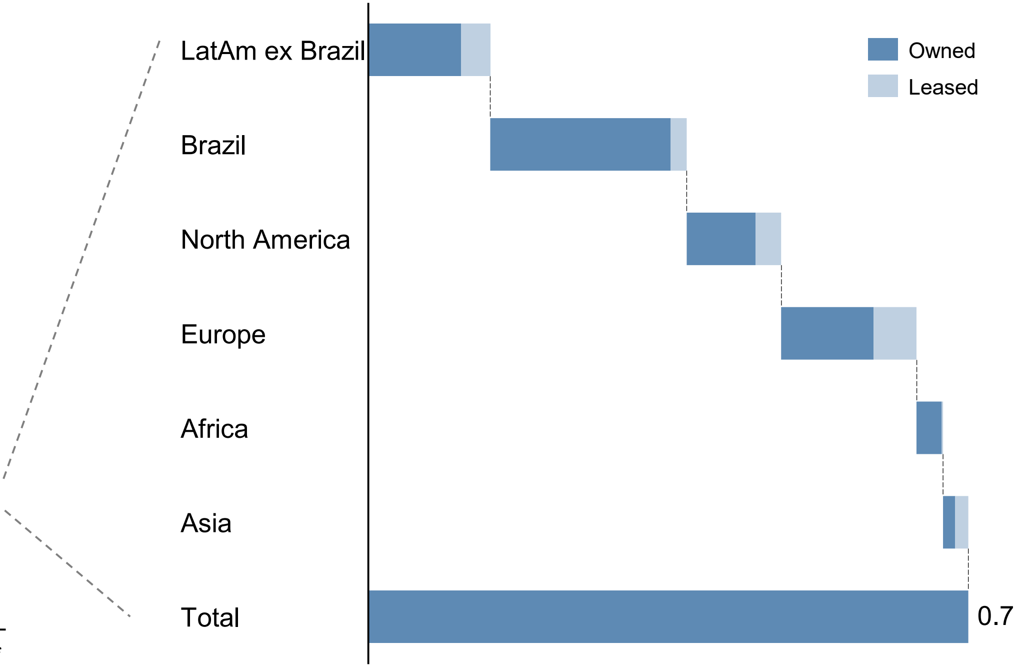


Our Sales & Marketing is backed by a strong infrastructure

Invested capital in Sales and Marketing driven by working capital..



..and a strong infrastructure footprint across regions



* Includes PP&E and ROU

By executing our strategy we are taking measures to unlock the value potential of our business

1 Improving margins by driving premium growth

2 Deliver on our growth projects

4 Improve underlying performance through extended YIP

5 Sharpen focus on core business, evaluating IPO of industrial assets

Covered earlier today

5 **Optimize the asset base of core business**

6 **Exercise strong capital discipline**

Focus in the following

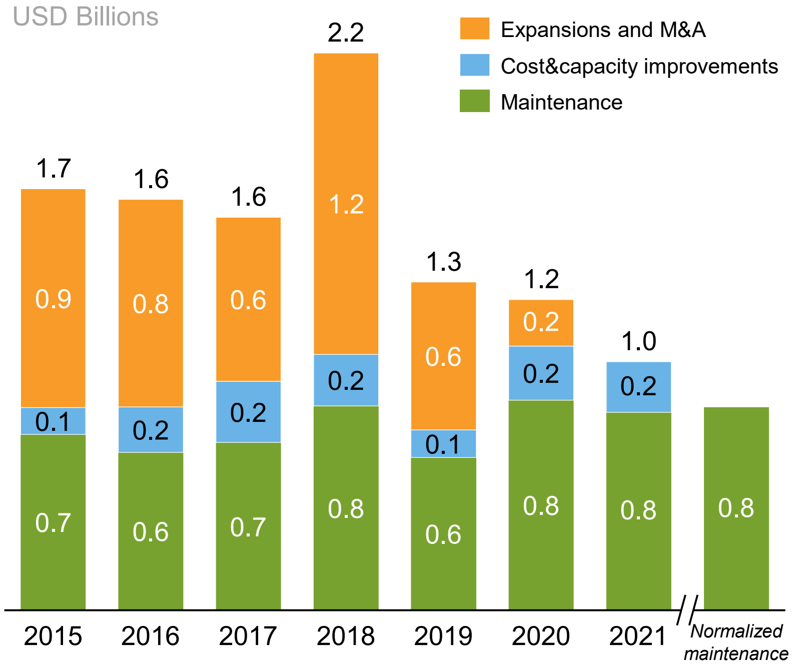
We are currently optimizing the asset base of our core business

Assets and optimization

- Yara's asset base has varying as-is profitability and differing outlook and investment profile per site
- Yara is continuously reviewing its plants and markets to optimize future value creation, including synergies and flexibility between our operations
- Improvement potential in market footprint has been identified, and lower profitability plants closely followed up based on defined improvement roadmaps

We are exercising strict capital discipline with focus on delivering committed growth

Capex plan and committed growth



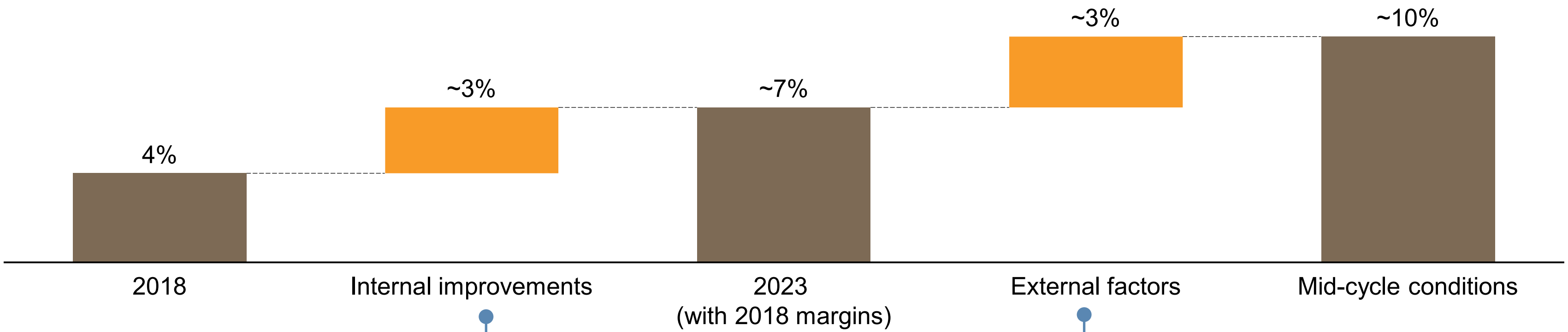
Strict capital discipline

- Investment level peaked in 2018 and material part of committed growth investments are being finalized in 2019
- With current asset base, normalized maintenance capex of ~800 MUSD. Yearly amounts driven by turnaround schedule
- Cost & Capacity improvement capex are investments with short payback, typically ~200 MUSD annually
- Going forward, Yara will continue to focus on strict capital discipline
    - Focus on delivering on committed growth
    - High return thresholds for new growth
    - Prudent balance between use of funds for growth investments, dividends, and strengthening balance sheet

Capital return improvements enabled through internal improvements and cyclical upside

ROIC %

Internal improvement levers | **Cyclical market upside**



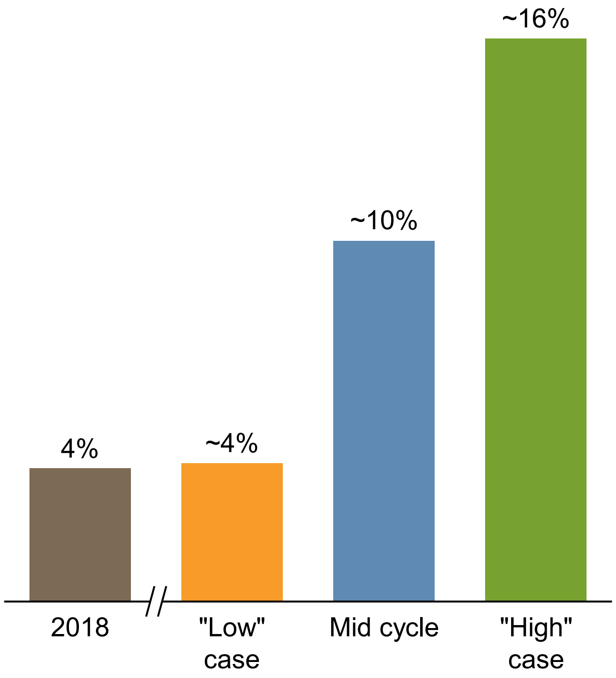
- Deliver on our growth projects
- Improve underlying performance through YIP 2.0
- Exercise strong capital discipline
- Improved commercial margins
- Sharpen focus and monetize businesses with better owners*
- Optimize the asset base of core business*

Average of "low" and "high" case (see next page)

* Impact not included in figures

Urea and EU Gas scenarios indicate a cyclical upside, while downside is to remain at current level

Illustrative ROIC impact



Assumptions

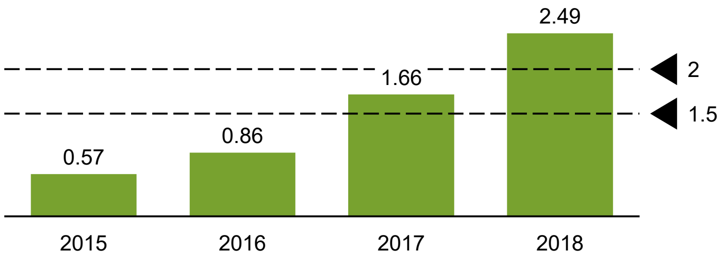
	Urea:	EU Natural gas:
"High" case	**~350 USD/t** FOB Black Sea	**~5 USD/MMBtu**
"Low" case	**~225 USD/t** FOB Black Sea	**~8 USD/MMBtu**

Including ROIC effects from targeted internal improvements in both low and high case

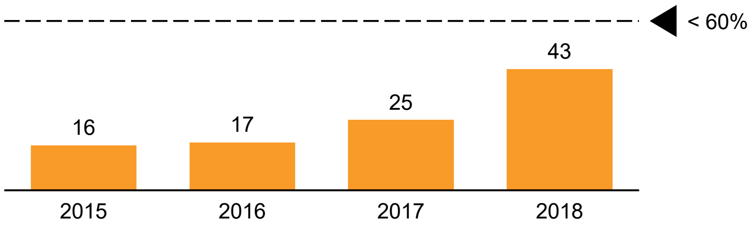
Yara is protecting its investment-grade rating while providing cyclical upside in dividends through a revised policy

- **Overall objective to maintain mid investment-grade rating**
  - BBB Standard & Poor's / Baa2 Moody's
  - Mid- to long-term target FFO[1]/net debt of 0.40-0.50 and floor of 0.30
- **Conservative short-term investment approach**
  - Priority on lifting capital returns
- **Targeted capital structure**
  - Mid- to long-term Net debt/EBITDA of 1.5-2.0
  - Maintain a net debt/equity ratio below 0.60
- **Ordinary dividend; 50% of net income (previously 40-45%) subject to the above requirements**
- **Shareholder returns are distributed primarily as cash, with buybacks as a supplemental lever**

Net Debt/EBITDA ex Special Items



Net debt / Equity



[1] FFO calculated based on Standard & Poor's methodology

Yara's financial priorities

Priority	Ambition
Maintain BBB rating	• BBB Standard & Poor's / Baa2 Moody's • Mid- to long-term target FFO/net debt of 0.40-0.50 and floor of 0.30
Prudent capital allocation	• Conservative short-term investment approach • Normalized maintenance capex of ~0.8 BUSD • Superior returns on new growth
Targeted capital structure	• Mid- to long-term Net debt/EBITDA of 1.5-2.0 • Maintain a net debt/equity ratio below 0.60
Attractive dividend profile	• Ordinary dividend 50% of net income • Subject to targeted capital structure requirements
Improved capital returns	• ROIC > 10% through cycle • YIP 2.0 deliver 600 MUSD by 2023

Knowledge grows

The way forward

Our long-term targets and prospects

Svein Tore Holsether

We are committed to fulfill our Strategy, our KPIs and our Ambition

Advance operational excellence	Create scalable solutions	Drive innovative growth
Delivering improved operations and superior profits Yara Improvement program EBITDA improvements **>600MUSD** in 2023 vs 2018	**Improving margins and nitrogen use efficiency through premium product growth** **>3.5 million tons** premium product growth and **>100 million units** of YaraVita sales by 2025, improving overall EBITDA/t in Sales and Marketing	**Building closeness to farmers through scaling up digital farming** **>10 million ha** under management in 2020 and **positive** EBITDA from digital farming **in 2022**
Driving equality and diversity through an engaged and respected workforce Engagement index **>80%** by 2025, and **>20%** female top managers by 2020 and **>25**% by 2025	**Building profitable global food chain partnerships** **>2** million tons of crop solutions sales generated through food companies by 2025	**Solving global challenges and growing profitable business through innovation** Shaping the industry by delivering sustainable and profitable innovations within de-carbonization and circular economy
Protecting the planet by aiming for climate neutrality by 2050 >**10%** decline in kg CO2e/kg N produced by 2025		

Responsibly feed the world and protect the planet
Deliver sustainable returns

>275M people fed by Yara products by 2025	ROIC >**10% through the cycle**	Striving towards zero accidents with **no fatalities and TRI <1.2** by 2025

The Crop Nutrition Company for the Future

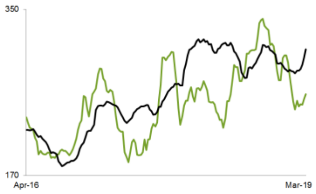
Delivering improved returns as a focused company

Crop Nutrition focus	Industrial focus
Improvement: 70% YIP target increase **Value:** Higher Sales & Marketing margins **Growth:** Increase premium sales Add revenue streams	**Evaluating IPO of industrial business** The first integrated industrial nitrogen company

Improved returns
Clear principles for capital allocation

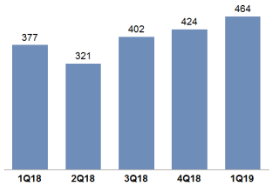
Attractive Yara prospects

Attractive industry fundamentals



- Growing population and dietary improvement drives demand
- Resource and environment challenges require strong agri productivity improvement
- Tightening global grain balance and slow-down in nitrogen supply growth

Operating cash flow improvement



- Operating cash flow improving with cycle and Yara actions
- Committed capex almost halved from 2018 to 2019
- Strict capital discipline
- Clear capital allocation policy

Focused long-term strategy

YARA

Knowledge grows

- Crop nutrition focus; #1 market presence and #1 premium fertilizer position
- Improving returns through operational Improvement, margin improvement and innovative growth

Yara - the Crop Nutrition Company for the Future

220 million
people our products help to feed

20 million
The number of farmers we collaborate with

9,000
Fully branded retail outlets[1]

870
Agronomists on the ground

No. 10
Yara has been ranked no. 10 among the 50 companies on FORTUNES' prestigious Changing the World List[2]

+60
The number of countries we operate in

[1]Owned and operated by external parties
[2] Fortune List rating dates back to 2017

Knowledge grows

Appendix

Going from reporting USD values to value drivers with extended YIP

Extended YIP represents higher targets than current YIP on all key items

	What we have already delivered: *Current YIP status (2018)*	**Extended YIP - higher or equal ambition levels in 2020:** *Current YIP vs extended YIP (2015 vs. 2020)*			**We will report on our new targets going forward:** *Extended YIP (2015 vs. 2023)*	
	2018	**2020**			**2023**	
	Current YIP	**Current YIP**	**Extended YIP**		**Extended YIP**	
Volumes (kt)	**750**	**1,100**	**6,200**	equal	**8,200**	higher
Ammonia	***80***	***400***	***1,840***	equal	***2,200***	higher
Ammonia growth investments	*1,070*	*1,440*				
Finished products	***670***	***700***	***4,360***	equal	***6,000***	higher
Finished products growth investments	*2,140*	*3,660*				
Ammonia energy efficiency (GJ/ton)	**33.9**	**33.7**	**33.7**	equal	**32.7**	higher
Fixed cost savings (MUSD)	**23**	**115**	**120**	equal[1]	**300**	higher
Variable cost savings (MUSD)	**151**	**149**	**191**	higher	**191**	higher
Working capital days	n/a[2]			new	**-12**	higher

[1] Fixed costs: total reported CRC and SGA

[2] Represent 350 MUSD additional improvements when measured using same baseline as existing YIP targets

Overview of volumes from Yara Improvement Program and growth investments

	2018	2020	2023	Change 2018	Change 2020
YIP volumes (kt)	**750**	**1,100**	**2,090**	**1,340**	**990**
Ammonia	*80*	*400*	*720*	*640*	*320*
Finished products	*670*	*700*	*1,370*	*700*	*670*
Growth investment volumes (kt)	**3,210**	**5,100**	**6,110**	**2,900**	
Ammonia	*1,070*	1,440	*1,480*	*410*	
Finished products	*2,140*	3,660	*4,630*	*2,490*	
Total volume increase	**3,960**	**6,200**	**8,200**	**4,240**	
Ammonia	*1,150*	*1,840*	*2,200*	*1,050*	
Finished products	*2,810*	*4,360*	*6,000*	*3,190*	
Total volumes	**28,720**	**30,960**	**32,860**	**4,140**	
Ammonia	*7,850*	*8,540*	*8,900*	*1,050*	
Finished products	*20,870*	*22,420*	*23,960*	*3,090*	

1) 2018 includes growth and debottleneck projects already communicated, and is adjusted related to Galvani and Pardies portfolio effects (total 10kt)
2) Excluding Qafco and Lifeco volumes
3) Normalizing for turn-arounds and market optimization effects of 1,100 kt in 2018 and 1,000 kt in 2023.