Knowledge grows

Market update

Dag Tore Mo, Market Intelligence
Thor Giæver, Investor Relations
Currently no deficit in the global urea balance ex. China

Source: Fertilizer publications
Further reduction in European gas prices

Source: Argus
Wheat profitability at similar level to last year despite Covid-19, corn weaker due to bioethanol / oil weakness

Wheat forward price Jul 20 (Usc/bu):

Corn forward price Jul 20 (USc/bu):

Source: CME
Urea situation in China

Source: CFMW, Trade Statistics
Urea exports from China

Source: CFMW, Trade Statistics
Nitrogen supply growth is forecast to reduce significantly

Global urea capacity additions ex. China (mill. tonnes)

- India
- Algeria
- Others
- Russia
- USA
- Iran
- Nigeria

Production


Source: CRU February 2020
Annual nitrogen application is required in order to maintain yields.

Grain yield\(^1\) from Nitrogen fertilizer
Ton per hectar

- With N Fertilizer: 9.6
- 1 year without N: 5.5 (43% reduction)
- Long term without N: 1.8

\(^1\)Source: Broadbalk long term trial Rothamsted UK

Stable global nitrogen consumption pattern

Source: IFA, June 2019
Premium products and digital tools promote sustainable farming

Premium products give higher output per hectare and lower in-field emissions (coffee field trial, Brazil 2018/2019)

Bean yield (t/ha)

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<thead>
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<th>Urea</th>
<th>Urea + UI*</th>
<th>Nitrates (AN)</th>
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<tbody>
<tr>
<td>Yield</td>
<td>2.31</td>
<td>2.68</td>
<td>3.29</td>
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Ammonia emissions (kg NH3-N/ha)

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<th>Urea</th>
<th>Urea + UI*</th>
<th>Nitrates (AN)</th>
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<tr>
<td>Emissions</td>
<td>52</td>
<td>41</td>
<td>1</td>
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* UI = Urease Inhibitor
Source: trial 2018/2019 - Lavras University, Minas Gerais, Brazil & Yara Research

Precision farming tools promote sustainable farming

- Precision farming promotes best agricultural practices
- Yara’s digital tools help optimize application rates
- Yara’s solutions help farmers reduce environmental footprint while supporting their competitiveness
Attractive Yara prospects

Attractive industry fundamentals

- Growing population and dietary improvement drives demand
- Resource and environment challenges require strong ag productivity improvement
- Slow-down in nitrogen supply growth

Operating cash flow improvement

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

Focused long-term strategy

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

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