



Knowledge grows

# Third-quarter report 2020

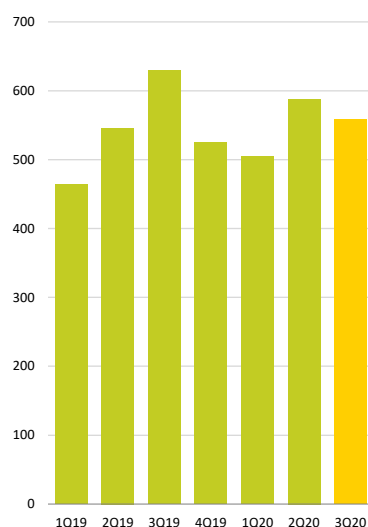
Yara International ASA



- NOK 18 per share additional dividend proposed; total NOK 53 per share cash returns <sup>1)</sup> paid or committed to shareholders in 2020
- 7.9% ROIC <sup>2)</sup>, up from 6.1% a year earlier
- EBITDA <sup>3)</sup> down 11%, mainly reflecting lower nitrogen prices
- Record premium NPK deliveries
- USD 2.5 billion free cashflow <sup>4)</sup> rolling 4 quarters

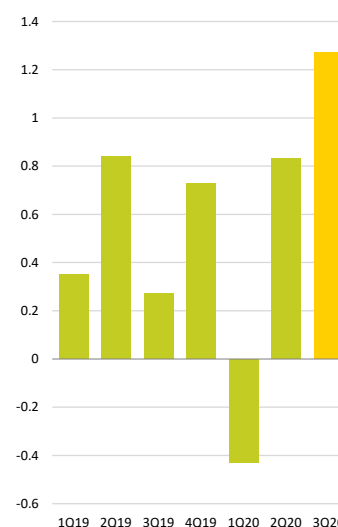
## EBITDA <sup>3)</sup>

USD millions

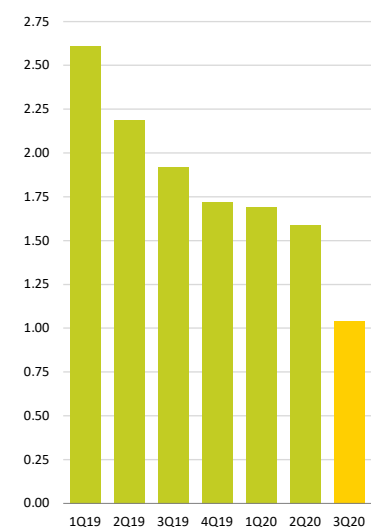


## Earnings per share

USD



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



<sup>1)</sup> Including share buy-backs in 1Q20 plus ongoing buy-backs to be completed in 1Q21 (assuming an average share price of 350 NOK) and the proportional redemption of shares owned by the Norwegian state relating to these buy-backs

<sup>2)</sup> L12M ROIC

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

<sup>4)</sup> Net cash provided by operating activities minus net cash used in investing activities (see cash flow statement page 20).



# Financial review

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

USD millions, except where indicated otherwise	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Revenue and other income	3,083	3,491	8,803	9,907
Operating income	384	314	966	778
EBITDA	645	591	1,739	1,596
EBITDA excl. special items	558	630	1,650	1,640
Net income	340	74	444	390
Basic earnings per share <sup>2)</sup>	1.27	0.27	1.65	1.47
Basic earnings per share excl. foreign currency translation and special items <sup>2)</sup>	0.88	0.94	2.32	2.30
Net cash provided by operating activities	659	285	1,587	1,219
Net cash used in investing activities	854	(255)	516	(744)
Net debt/equity ratio	0.27	0.46	0.27	0.46
Net debt/EBITDA excl. special items (last 12 months) ratio	1.04	1.92	1.04	1.92
Average number of shares outstanding (millions)	267.9	272.4	269.0	272.5
Return on invested capital (ROIC) <sup>3)</sup>	10.4 %	8.1 %	7.9 %	6.1 %

<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. Year-to-date numbers 12-months rolling average.

## Key statistics

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
<b>Yara production (thousand tonnes) <sup>1)</sup></b>				
Ammonia	1,949	2,195	5,740	6,432
Finished fertiliser and industrial products, excl. bulk blends	5,358	5,672	15,777	16,628

<b>Yara deliveries (thousand tonnes)</b>				
Ammonia trade	484	646	1,428	1,815
Fertiliser	7,687	7,603	22,006	21,144
Industrial Product	1,937	2,058	5,304	5,927
<b>Total deliveries</b>	<b>10,108</b>	<b>10,308</b>	<b>28,738</b>	<b>28,886</b>

<b>Yara's Energy prices (USD per MMBtu)</b>				
Global weighted average gas cost	3.1	3.8	4.0	3.6
European weighted average gas cost	2.6	4.0	3.2	5.7

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

## Market information

Average of publication prices		3Q 2020	3Q 2019	YTD 2020	YTD 2019
Urea granular (fob Egypt)	USD per tonne	250	277	241	271
CAN (cif Germany)	USD per tonne	180	222	186	232
Ammonia (fob Black Sea)	USD per tonne	181	209	203	244
DAP (fob US Gulf)	USD per tonne	315	338	301	375
Phosphate rock (fob Morocco)	USD per tonne	80	85	79	94
European gas (TTF)	USD per MMBtu	2.0	3.5	2.6	5.1
US gas (Henry Hub)	USD per MMBtu	1.9	2.3	1.9	2.8
EUR/USD currency rate		1.2	1.1	1.1	1.1
USD/BRL currency rate		5.4	3.9	5.0	3.9

Yara's third-quarter EBITDA excluding special items was down 11% compared with a year earlier, mainly reflecting lower nitrogen prices. Net income was USD 340 million (USD 1.27 basic earnings per share), compared with USD 74 million (USD 0.27 basic earnings per share) a year earlier. Excluding currency effects and special items, the basic earnings per share was USD 0.88 compared with USD 0.94 per share in third quarter 2019.

"Yara delivers its ninth consecutive quarter with improved capital returns, despite our results being impacted by lower nitrogen prices. Our crop nutrition focused business model continues to

perform strongly, delivering record premium NPK volumes in the quarter. I would like to give credit to the entire Yara organisation for another solid effort in a demanding environment," said Svein Tore Holsether, President and Chief Executive Officer of Yara.

"Our cash flow also continued to improve, with 2.5 billion US dollars of free cash flow generated over the last four quarters. We will propose a NOK 18 per share additional dividend for payment in the fourth quarter, bringing our total cash paid or committed to shareholders in 2020 to NOK 53 per share," said Holsether.

## Variance analysis

USD millions	3Q 2020
EBITDA 2020	645
EBITDA 2019	591
Reported EBITDA variance	54
Special items variance (see page 12 for details)	126
EBITDA variance ex special items	(72)
Volume/Mix	(14)
Price/Margin excluding energy	(89)
Energy price	60
Currency translation	14
Other	(43)
Total variance explained	(72)

### Third quarter

Yara's third-quarter EBITDA excluding special items was 11% lower than a year earlier mainly reflecting lower nitrogen prices and margins. Product mix improved in the quarter as a result of record high premium NPK deliveries, although overall deliveries were lower.

#### Europe

- Lower realised prices in off-season quarter
- Deliveries in line with previous year

The Europe region third-quarter EBITDA excluding special items was 29% lower than a year earlier as lower feedstock costs for ammonia and natural gas were offset by lower realised prices in off-season quarter. Nitrate prices in particular were down, reflecting both lower commodity prices and commercial premiums as urea trended up in 3Q20 vs a falling trend in 3Q19. Delivered volumes were in line with the same quarter last year.

#### Americas

- Increased sales volumes in Brazil and Latin America
- Lower upgrading margin on nitrogen and phosphates

The Americas region third-quarter EBITDA excluding special items was in line with last year, as higher deliveries in Brazil and Latin America and lower fixed costs were offset by lower upgrading margins on phosphates and nitrogen.

#### Africa & Asia

- Sales volumes of premium products significantly up
- Mixed operational performance

The Africa & Asia region third-quarter EBITDA excluding special items was 40% higher than a year earlier mainly due to increased deliveries of premium products in the Asian market, representing an increase of 23%. The positive development was partially offset by lower production volumes.

### Global Plants & Operational Excellence

- Lower upgrading margins on nitrogen and phosphates
- Production volumes slightly down

The Global Plants third-quarter EBITDA excluding special items was 26% lower than a year earlier as a result of lower upgrading margins and lower deliveries to other operating segments. Production volumes were 4% lower than a year ago when adjusting for QAFCO.

### Industrial Solutions

- Improved margins more than offset lower deliveries and Maritime situation
- Strong contributions from AdBlue and Base Chemicals

Industrial Solutions third-quarter EBITDA excluding special items was 8% higher than a year earlier reflecting improved margins due to lower gas costs and higher commercial margins in AdBlue and Base Chemicals. The improvement was partially offset by lower deliveries and reduced activity level in Maritime, both negatively impacted by Covid-19. Overall demand for industrial nitrogen is recovering following significant Covid-19 impacts during first and second quarter.

### 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 for the quarter improved both for finished products and ammonia compared to the previous quarter. 3Q annualized ammonia production reached 8.1 mt

vs 7.5 mt in 2Q and finished products 21.8 mt vs 20.9 mt in 2Q. 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 lower than 2019 and on track to achieve the 2023 ambition level of keeping nominal costs flat. Net Operating Capital days have increased by two days compared with 2019 and improving it towards our target will be a top priority going forward.

	L12M	2019	2018
Production - ammonia (kt) <sup>1)</sup>	7,576	7,772	7,850
Production - finished products (kt) <sup>1)</sup>	20,942	21,067	20,870
Energy efficiency (GJ/T) <sup>2)</sup>	33.5	33.9	34.1
Fixed cost (USD millions) <sup>3)</sup>	2,289	2,291	2,314
Net operating capital (days) <sup>3)</sup>	117	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 debottleneck 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

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Thousand tonnes				
Ammonia	1,949	2,195	5,740	6,432
<i>of which equity-accounted investees</i>	-	266	181	713
Urea	1,280	1,578	3,945	4,854
<i>of which equity-accounted investees</i>	-	382	268	1,076
Nitrate	1,667	1,608	4,821	4,672
NPK	1,588	1,578	4,587	4,374
CN	389	410	1,225	1,206
UAN	241	258	719	710
SSP-based fertiliser	191	204	434	730
MAP	3	35	47	82
Total Finished Products <sup>1)</sup>	5,358	5,672	15,777	16,628

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

## Deliveries

### Crop Nutrition deliveries

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Thousand tonnes				
Urea	1,510	1,413	4,474	4,535
Nitrate	1,389	1,364	4,423	4,138
NPK	2,981	2,949	7,871	7,444
<i>of which Yara-produced compounds</i>	1,618	1,547	4,549	4,299
<i>of which blends</i>	1,231	1,298	2,873	2,796
CN	315	318	1,069	996
UAN	291	288	1,152	1,023
DAP/MAP/SSP	146	191	317	543
MOP/SOP	798	697	1,659	1,403
Other products	257	384	1,041	1,062
<b>Total Crop Nutrition deliveries</b>	<b>7,687</b>	<b>7,603</b>	<b>22,006</b>	<b>21,144</b>

### Europe deliveries

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Thousand tonnes				
Urea	204	101	757	648
Nitrate	1,043	1,037	3,353	3,169
NPK	593	696	2,064	2,094
<i>of which Yara-produced compounds</i>	569	666	1,948	1,953
CN	94	102	357	328
Other products	368	389	1,259	1,188
<b>Total deliveries Europe</b>	<b>2,302</b>	<b>2,324</b>	<b>7,790</b>	<b>7,427</b>

### Americas deliveries

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Thousand tonnes				
Urea	689	595	2,024	1,938
Nitrate	263	250	873	796
NPK	1,938	1,889	4,534	4,185
<i>of which Yara-produced compounds</i>	660	586	1,521	1,384
<i>of which blends</i>	1,164	1,219	2,600	2,513
CN	174	169	588	551
DAP/MAP/SSP	759	655	1,511	1,276
MOP/SOP	145	189	316	541
Other products	168	259	840	836
<b>Total deliveries Americas</b>	<b>4,136</b>	<b>4,006</b>	<b>10,686</b>	<b>10,123</b>
<i>of which North America</i>	651	632	2,491	2,481
<i>of which Brazil</i>	2,946	2,888	6,697	6,298
<i>of which Latin America ex Brazil</i>	538	486	1,498	1,345

**Africa & Asia deliveries**

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Thousand tonnes				
Urea	617	717	1,694	1,950
Nitrate	84	77	197	173
NPK	450	364	1,272	1,164
<i>of which Yara-produced compounds</i>	<i>389</i>	<i>295</i>	<i>1,080</i>	<i>962</i>
CN	47	47	124	117
Other products	52	68	243	189
<b>Total deliveries Africa &amp; Asia</b>	<b>1,249</b>	<b>1,273</b>	<b>3,530</b>	<b>3,593</b>
<i>of which Asia</i>	<i>976</i>	<i>967</i>	<i>2,663</i>	<i>2,710</i>
<i>of which Africa</i>	<i>273</i>	<i>306</i>	<i>867</i>	<i>883</i>

**Industrial Solutions deliveries**

	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Thousand tonnes				
Ammonia <sup>1)</sup>	123	146	401	473
Urea <sup>1)</sup>	407	450	1,170	1,373
Nitrate <sup>2)</sup>	281	284	830	865
CN	103	116	291	310
Other products <sup>3)</sup>	498	516	1,416	1,521
Water content in industrial ammonia and urea	525	546	1,196	1,386
<b>Total Industrial Solutions deliveries</b>	<b>1,937</b>	<b>2,058</b>	<b>5,304</b>	<b>5,927</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 Organization of the United Nations (FAO) grain price index increased through the third quarter and exceeded last year by 7% on average, but still 11% lower than the ten-year average. The overall food price index was 2% higher compared to last year, and 14% below the ten-year average. Demand for biofuels has rebounded from the low levels observed after the Covid-19 outbreak, but still below pre-pandemic levels.

Global fertiliser demand remains supported by the need for higher grain production to match the continued increase in consumption. This is illustrated by The US Department of Agriculture projection of a 1.6% increase in global grain consumption for the 2020/21 season. At the same time, production is forecasted to keep up the pace by raising the global grain ending stocks-to-use ratio to 112 days, representing an increase of 1 day compared with 111 days at the start of the season. Excluding China, the projected ending stocks-to-use ratio at 62 days of consumption is up by 3 days.

Granular urea prices fob Egypt averaged USD 250 per tonne for June through August, compared with USD 277 per tonne during the same period last year. While prices declined through the third quarter last year, tighter market conditions resulted in the opposite development this year. Both August and September pricing increased year-on-year. Industrial demand for urea is still recovering from the negative Covid-19 impact in the first and second quarter but is more than offset by strong agricultural demand. The positive demand development has increased the deficit in the global balance excluding China during the quarter. Urea prices moved higher than Chinese domestic price in order to incentivise required Chinese exports, where the volume effect is expected to be reflected in export figures from September and onwards. Chinese urea exports for June through August modestly amounted to 0.6 million tonnes, down from 1.1 million tonnes same period last year.

Ammonia prices fob Black Sea were on average USD 180 per tonne for June through August, representing a reduction of USD 42 per tonne compared with USD 222 per tonne last year. The global ammonia market remains fundamentally oversupplied, resulting in market driven curtailments. Margins for high cost producers are under pressure, while low natural gas prices in Europe and elsewhere have altered the relative competitiveness of global ammonia producers. Trinidad as an example is a country where production is

curtailed as a consequence. The combination of low European gas prices and regional ammonia deficit places West European ammonia producers at the lower end of the cost curve in terms of delivered cost.

DAP prices improved through the quarter, but the average of USD 315 per tonne fob US Gulf for June through August was lower than the average of USD 338 per tonne last year. Following the expansions in Morocco and Saudi Arabia, recent price increases indicate an improving supply-demand balance. Chinese phosphate exports are down year to date but picking up through the third quarter driven by more attractive pricing. Production in India has faced challenges due to Covid-19, resulting in an increased need for imports.

While lower prices for sulphur and ammonia partly compensate for the drop in DAP prices, both rock prices and the upgrading margin from rock to DAP were lower for June through August than a year earlier.

### Regional market developments

Third-quarter nitrogen deliveries in Western Europe were 1% lower compared with last year, and imports were down 1% as well.

Brazil imported 2.1 million tonnes of urea during the third quarter, up from 1.1 million tonnes last year. Year-to-date imports are at 4.9 million tonnes compared to 3.5 million tonnes last year. While shifts in phasing pattern can explain part of the increase, agriculture demand in Brazil was strong as crop prices were supportive and weaker local currency increased export values.

Third-quarter urea production in China is estimated to be 1% higher than last year. The average domestic urea price for the third quarter was 13% lower than last year in local currency, and 14% lower expressed in US dollars. The decline is a combination of lower production costs and lower producer margins.

In India, urea sales have been strong so far into the new season. April through September sales were reported at 16% above last year. While weather factors and plantings have been supportive, farmers may also have decided to buy earlier than last year, potentially linked to Covid-19 related fear of shortages. Price risk is not a relevant factor as urea price is fixed for farmers in India. Urea production for the same period is reported 5% higher than last year. Given the strong sales, inventories are low, and India is an active and supportive buyer in the global market.



## Financial items

USD millions	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Interest income	14	20	43	59
Dividends and net gain/(loss) on securities	-	2	-	2
Interest income and other financial income	14	22	43	61
Interest expense	(35)	(34)	(105)	(111)
Net interest expense on net pension liability	(1)	(2)	(3)	(7)
Net foreign currency translation gain/(loss)	26	(199)	(341)	(243)
Other	(6)	(12)	(28)	(21)
Interest expense and foreign currency translation gain/(loss)	(17)	(248)	(478)	(381)
Net financial income/(expense)	(3)	(226)	(435)	(321)

The variance in financial items compared with third quarter last year primarily reflects a net foreign currency translation gain of USD 26 million this quarter, compared with a loss of USD 199 million in the same quarter last year. This quarter, a gain on Yara's US dollar denominated debt positions was partly offset by losses on internal funding positions, mainly in Brazilian real against the Norwegian krone and the European euro. In the same quarter last year, the net loss was due to an appreciation of the US dollar.

The reported currency translation effect this quarter also reflects that Yara's US dollar debt positions changed noticeably with the receipt of the Qafco proceeds (see Note 4 Disposal for further details). Thus, at the start of the fourth quarter, the US dollar denominated debt position generating currency effects in the income statement was approximately

USD 1,400 million, with around 55% of the exposure 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.

Interest expense this quarter was USD 1 million higher than in second quarter last year as the effect of an around USD 170 million lower average gross debt level was more than offset by a reduction in capitalized interest.

Net financial expense for the first nine months was USD 114 million higher than a year ago. The variance is mainly explained by a higher net foreign currency translation loss, especially in the first quarter this year.

## Income tax

Third-quarter provisions for current and deferred taxes were USD 45 million, which is approximately 12% of income before tax. The effective tax rate is positively impacted by the tax

exempted gain from the sale of Yara's 25% share in Qatar Fertiliser Company.

## Net interest-bearing debt

USD millions	3Q 2020	YTD 2020
Net interest-bearing debt at the beginning of the period	(3,577)	(3,725)
Cash earnings <sup>1)</sup>	436	1,268
Dividends received from equity-accounted investees	1	3
Net operating capital change	202	314
Investments (net)	(146)	(484)
Proceeds from sale of equity-accounted investee	1,000	1,000
Yara dividend and buy-backs	(108)	(561)
New leases <sup>2)</sup>	(25)	(88)
Other, including foreign currency translation gain/(loss)	(43)	10
Net interest-bearing debt at end of period	(2,261)	(2,261)

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 third quarter 2020 was USD 2,261 million, which is USD 1,316 million lower than at the end of the second quarter. Cash earnings, positive change in working capital and USD 1 billion Qafco proceeds exceeded share buy-backs and investments this quarter. Decrease in working capital mainly reflects lower receivables globally and lower inventory in Americas. Investments amounted to USD 146 million, reflecting primarily regular

maintenance investments. Growth investments included USD 23 million related to the Rio Grande and Salitre projects in Brazil.

The debt/equity ratio at the end of third quarter 2020, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.27 compared with 0.45 at the end of second quarter 2020.

At the end of third quarter 2020, the net debt/EBITDA excl. Special items (last 12 months) ratio is 1.04, down from 1.59 at the end of the second quarter 2020.

## Outlook

Fertiliser industry fundamentals remain robust, as long-term population growth and dietary improvement trends drive long-term food demand. At the same time, the twin challenges of resource efficiency and environmental footprint require significant agricultural productivity improvements going forward, including improved fertiliser efficiency. Yara's crop nutrition focused business model and strategy are well positioned to both address and create business opportunities from these challenges.

Yara's market environment is in a positive trend overall, with a broadly stable global grain balance and limited urea supply pressure. Fertiliser and food demand is resilient also in times of crisis, and ensuring continuity in food production and related value chains remains a top priority for all countries. Nitrogen fertiliser markets are robust, with overall normal planting and application seen in both the Northern and Southern hemisphere. Yara's industrial business has also picked up in the third quarter, following weaker demand in the second quarter.

Natural gas input prices in Europe have recently increased, from record low levels. Based on current forward markets for natural gas (9 October) Yara's spot-priced gas costs for fourth quarter 2020 and first quarter 2021 are expected to be respectively USD 40 million and USD 40 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. Following the sale of Yara's 25% share in Qatar Fertiliser Company, Yara initiated a buyback of 5% of its share capital and will propose a NOK 18 per share additional dividend for payment in the fourth quarter, bringing its total cash paid or committed to shareholders in 2020 to NOK 53 per share.

Global nitrogen prices have been volatile during the last 2 years, as high-cost Chinese exports have been in demand only in parts of the year. However, supply growth outside China has receded in 2020, which has increased demand for Chinese exports while nitrogen price volatility has been reduced as a result. Recent industry consultant projections show higher nitrogen supply growth in 2021, however 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			
	3Q 2020	3Q 2019	YTD 2020	YTD 2019	3Q 2020	3Q 2019	YTD 2020	YTD 2019	3Q 2020	3Q 2019	YTD 2020	YTD 2019
Environmental provisions	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of non-current assets	-	-	-	-	-	-	-	-	(6)	(2)	(18)	(9)
Contract derivatives gain/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Scrapping of project development and provision for demolition	-	-	(2)	-	-	-	(7)	-	-	-	(7)	-
<b>Total Europe</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	<b>(7)</b>	<b>(2)</b>	<b>(25)</b>	<b>(9)</b>
Environmental provisions	-	(6)	-	(6)	-	(6)	-	(6)	-	(6)	-	(6)
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	-	(8)
Provision related to closure of plant	-	-	-	-	-	-	-	-	-	(1)	-	(2)
<b>Total Americas</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	<b>(16)</b>
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	(3)	(2)	(3)
Contract derivatives gain/(loss)	-	-	-	-	(2)	1	13	10	(2)	1	13	10
Damaged inventory	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Africa &amp; Asia</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>1</b>	<b>13</b>	<b>10</b>	<b>(2)</b>	<b>(1)</b>	<b>11</b>	<b>7</b>
Contract derivatives gain/(loss)	-	-	-	-	-	-	-	(1)	-	-	-	(1)
Gain on sale of Qafco	-	-	-	-	97	-	97	-	97	-	97	-
Provision for fuel taxes	-	-	-	-	-	(32)	1	(32)	-	(32)	1	(32)
<b>Total Global Plants &amp; Operational Excellence</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>(32)</b>	<b>98</b>	<b>(33)</b>	<b>97</b>	<b>(32)</b>	<b>98</b>	<b>(33)</b>
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	(3)	-	(3)
Dismantling provision for closed site	-	-	-	(8)	-	-	-	(8)	-	-	-	(5)
Release of provision related to discontinuation of pilot plant	-	-	-	3	-	-	-	3	-	-	-	3
<b>Total Industrial Solutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(6)</b>
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	(9)	-
Action Africa	(8)	-	(8)	-	(8)	-	(8)	-	(8)	-	(8)	-
Portfolio management costs	-	(2)	(7)	(9)	-	(2)	(7)	(9)	-	(2)	(7)	(9)
<b>Total Other and Eliminations</b>	<b>(8)</b>	<b>(2)</b>	<b>(15)</b>	<b>(9)</b>	<b>(8)</b>	<b>(2)</b>	<b>(15)</b>	<b>(9)</b>	<b>(8)</b>	<b>(2)</b>	<b>(24)</b>	<b>(9)</b>
<b>Total Yara</b>	<b>(8)</b>	<b>(8)</b>	<b>(17)</b>	<b>(21)</b>	<b>87</b>	<b>(39)</b>	<b>89</b>	<b>(44)</b>	<b>81</b>	<b>(48)</b>	<b>61</b>	<b>(66)</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	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Revenue from contracts with customers	3	2,985	3,477	8,679	9,853	12,858
Other income	4,5	98	14	124	54	78
<b>Revenue and other income</b>		<b>3,083</b>	<b>3,491</b>	<b>8,803</b>	<b>9,907</b>	<b>12,936</b>
Raw materials, energy costs and freight expenses		(2,077)	(2,560)	(6,010)	(7,229)	(9,334)
Payroll and related costs		(280)	(277)	(823)	(862)	(1,180)
Depreciation and amortization	5,8	(236)	(231)	(681)	(683)	(922)
Impairment loss	5	(6)	(9)	(28)	(22)	(43)
Other operating expenses	8	(99)	(101)	(294)	(333)	(467)
<b>Operating costs and expenses</b>		<b>(2,699)</b>	<b>(3,177)</b>	<b>(7,836)</b>	<b>(9,129)</b>	<b>(11,946)</b>
<b>Operating income</b>		<b>384</b>	<b>314</b>	<b>966</b>	<b>778</b>	<b>989</b>
Share of net income in equity-accounted investees	4	4	16	20	52	65
Interest income and other financial income		14	22	43	61	76
Foreign currency translation gain/(loss)		26	(199)	(341)	(243)	(145)
Interest expense and other financial items		(43)	(48)	(136)	(139)	(182)
<b>Income before tax</b>		<b>385</b>	<b>104</b>	<b>552</b>	<b>509</b>	<b>803</b>
Income tax		(45)	(30)	(108)	(119)	(214)
<b>Net income</b>		<b>340</b>	<b>74</b>	<b>444</b>	<b>390</b>	<b>589</b>
<b>Net income attributable to</b>						
Shareholders of the parent		339	74	445	399	599
Non-controlling interests		-	-	(1)	(9)	(10)
<b>Net income</b>		<b>340</b>	<b>74</b>	<b>444</b>	<b>390</b>	<b>589</b>
Basic earnings per share <sup>1)</sup>		1.27	0.27	1.65	1.47	2.20
Weighted average number of shares outstanding	2	267,905,871	272,402,637	269,049,507	272,541,043	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	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Net income	340	74	444	390	589
<b>Other comprehensive income that may be reclassified to statement of income (net of tax)</b>					
Currency translation adjustments	6	(59)	(159)	(15)	30
Hedge of net investments	28	(46)	(45)	(33)	(9)
Net other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax	34	(106)	(204)	(47)	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>	26	(139)	(209)	(97)	(24)
Net gain/(loss) on equity instruments at fair value through other comprehensive income	-	-	-	-	(2)
Remeasurement gains/(losses) on defined benefit plans <sup>2)</sup>	(40)	(67)	(91)	(93)	(9)
Net other comprehensive income that will not be reclassified to statement of income in subsequent periods, net of tax	(14)	(206)	(300)	(190)	(35)
<b>Reclassification adjustments of the period</b>					
Exchange differences on foreign operations disposed of in the year	(6)	-	(6)	-	1
Total other comprehensive income, net of tax	13	(312)	(511)	(237)	(14)
Total comprehensive income, net of tax	353	(239)	(66)	153	576
<b>Total comprehensive income attributable to</b>					
Shareholders of the parent	353	(236)	(66)	163	585
Non-controlling interests	1	(3)	-	(10)	(10)
Total	353	(239)	(66)	153	576

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

2) See note 9.



# Condensed consolidated interim statement of changes in equity

USD millions	Share Capital <sup>1)</sup>	Premium paid-in capital	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)	(1,523)	10,189	8,683	227	8,910
Net income	-	-	-	399	399	(9)	390
Total other comprehensive income, net of tax	-	-	(144)	(93)	(237)	-	(237)
Long term incentive plan	-	-	-	(1)	(1)	-	(1)
Transactions with non-controlling interests	-	-	(54)	(97)	(151)	(139)	(290)
Dividends distributed	-	-	-	(203)	(203)	(1)	(204)
Balance at 30 September 2019	66	(49)	(1,721)	10,195	8,491	78	8,568
Net income	-	-	-	199	199	-	199
Total other comprehensive income, net of tax	-	-	139	84	223	-	223
Long term incentive plan	-	-	-	1	1	-	1
Transactions with non-controlling interests	-	-	-	-	-	2	2
Treasury shares <sup>2)</sup>	-	-	-	(83)	(83)	-	(83)
Dividends distributed	-	-	-	-	-	(1)	(1)
Balance at 31 December 2019	66	(49)	(1,582)	10,395	8,830	79	8,909
Net income	-	-	-	445	445	(1)	444
Total other comprehensive income, net of tax	-	-	(420)	(91)	(511)	-	(511)
Long term incentive plan	-	-	-	(1)	(1)	-	(1)
Treasury shares <sup>2) 3)</sup>	(1)	-	-	(159)	(160)	-	(160)
Dividends distributed	-	-	-	(400)	(400)	(1)	(401)
Balance at 30 September 2020	65	(49)	(2,002)	10,189	8,203	78	8,281

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 are mainly currency translation adjustments. Other reserves also includes fair value reserve of financial assets at FVOCI, hedge of net investments, and cash flow hedges.

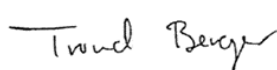
# Condensed consolidated interim statement of financial position

USD millions	Notes	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>				
<b>Non-current assets</b>				
Deferred tax assets		509	441	484
Intangible assets		957	1,017	1,031
Property, plant and equipment		7,999	8,247	8,614
Right-of-use assets	8	408	434	428
Associated companies and joint ventures	4	104	1,022	970
Other non-current assets		375	414	414
<b>Total non-current assets</b>		<b>10,352</b>	<b>11,575</b>	<b>11,940</b>
<b>Current assets</b>				
Inventories	6	2,009	2,394	2,360
Trade receivables		1,389	1,735	1,564
Prepaid expenses and other current assets		631	683	553
Cash and cash equivalents		1,791	208	300
Non-current assets and disposal group classified as held-for-sale	4	7	3	9
<b>Total current assets</b>		<b>5,826</b>	<b>5,022</b>	<b>4,785</b>
<b>Total assets</b>		<b>16,178</b>	<b>16,597</b>	<b>16,725</b>

# Condensed consolidated interim statement of financial position

USD millions, except share information	Notes	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital reduced for treasury stock		65	66	66
Premium paid-in capital		(49)	(49)	(49)
<b>Total paid-in capital</b>		<b>16</b>	<b>17</b>	<b>17</b>
Other reserves		(2,002)	(1,721)	(1,582)
Retained earnings		10,189	10,195	10,395
<b>Total equity attributable to shareholders of the parent</b>		<b>8,203</b>	<b>8,491</b>	<b>8,830</b>
Non-controlling interests		78	78	79
<b>Total equity</b>	<b>2</b>	<b>8,281</b>	<b>8,568</b>	<b>8,909</b>
<b>Non-current liabilities</b>				
Employee benefits	9	612	581	498
Deferred tax liabilities		389	413	416
Other long-term liabilities		215	273	247
Long-term provisions		334	228	303
Long-term interest-bearing debt	7	3,407	2,698	2,698
Long-term lease liabilities	8	319	325	337
<b>Total non-current liabilities</b>		<b>5,276</b>	<b>4,517</b>	<b>4,499</b>
<b>Current liabilities</b>				
Trade and other payables		1,605	1,644	1,614
Prepayments from customers		393	420	399
Current tax liabilities		128	78	140
Short-term provisions		56	93	72
Other short-term liabilities		112	122	101
Short-term interest-bearing debt	7	173	419	494
Current portion of long-term debt	7	47	640	398
Short-term lease liabilities	8	107	94	98
<b>Total current liabilities</b>		<b>2,621</b>	<b>3,511</b>	<b>3,317</b>
<b>Total equity and liabilities</b>		<b>16,178</b>	<b>16,597</b>	<b>16,725</b>
<b>Number of shares outstanding</b>	<b>2</b>	<b>266,804,276</b>	<b>272,402,637</b>	<b>271,040,624</b>

The Board of Directors and Chief Executive Officer  
Yara International ASA  
Oslo, 19 October 2020



Trond Berger  
Chairperson



Kimberly Lein-Mathisen  
Vice chair



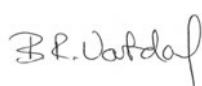
Adele Bugge Norman Pran  
Board member



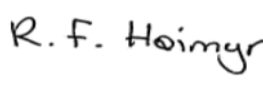
John Thuestad  
Board member



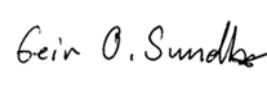
Rune Bratteberg  
Board member



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	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
<b>Operating activities</b>						
Operating income		384	314	966	778	989
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>						
Depreciation and amortization	5	236	231	681	683	922
Impairment loss	5	6	9	28	22	43
Write-down and reversals, net		(2)	2	7	5	12
Income taxes paid		(87)	(9)	(233)	(96)	(135)
Dividend from equity-accounted investees		1	-	3	97	166
Change in net operating capital <sup>1)</sup>		202	(238)	314	(119)	112
Interest and bank charges received/(paid) <sup>2)</sup>		(6)	(45)	(77)	(109)	(169)
Gain on sale of equity-accounted investees	4	(97)	-	(97)	-	-
Other		23	22	(7)	(42)	(34)
<b>Net cash provided by operating activities</b>		<b>659</b>	<b>285</b>	<b>1,587</b>	<b>1,219</b>	<b>1,907</b>
<b>Investing activities</b>						
Purchases of property, plant and equipment		(132)	(262)	(470)	(758)	(1,066)
Cash outflow on business combinations		(13)	-	(13)	-	-
Purchases of other long-term and short-term investments		(4)	(9)	(11)	(24)	(30)
Proceeds from sales of property, plant and equipment		2	5	4	8	13
Proceeds from sales of other long-term investments and subsidiaries	4	1,001	11	1,006	29	40
<b>Net cash used in investing activities</b>		<b>854</b>	<b>(255)</b>	<b>516</b>	<b>(744)</b>	<b>(1,044)</b>
<b>Financing activities</b>						
Loan proceeds/(repayments), net	7	(164)	(110)	60	(181)	(381)
Payments of lease liabilities	8	(30)	(28)	(89)	(78)	(108)
Purchase of treasury shares	2	(108)	-	(160)	-	(65)
Dividends	2	-	-	(401)	(203)	(203)
Other cash transfers (to)/from non-controlling interests		-	-	-	(1)	(1)
<b>Net cash from/(used in) financing activities</b>		<b>(302)</b>	<b>(138)</b>	<b>(592)</b>	<b>(462)</b>	<b>(758)</b>
<b>Foreign currency effects on cash and cash equivalents</b>		<b>(4)</b>	<b>(4)</b>	<b>(19)</b>	<b>(7)</b>	<b>(7)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,207</b>	<b>(112)</b>	<b>1,491</b>	<b>6</b>	<b>98</b>
Cash and cash equivalents at beginning of period <sup>3)</sup>		585	320	301	203	203
<b>Cash and cash equivalents at end of period <sup>3)</sup></b>		<b>1,793</b>	<b>208</b>	<b>1,793</b>	<b>208</b>	<b>301</b>
<b>Bank deposits not available for the use of other group companies</b>				<b>25</b>	<b>61</b>	<b>35</b>

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

2) Including interest on lease liabilities.

3) Excluded expected credit loss provisions on bank deposits.

# Notes to the interim financial statements

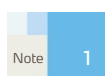
## General and accounting policies

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

These unaudited, condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. They are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, and should be read in conjunction with the annual consolidated financial statements in Yara's 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 judgements, estimates and assumptions when preparing consolidated financial statements, and which may significantly differ from actual results and may lead to material adjustments to carrying amounts. The significant judgments, estimates and assumptions related to impairment of assets, 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 first 9 months of the year, Yara has updated the defined benefit obligation with revised financial assumptions and the fair value of the plan assets as of 30 September 2020. This resulted in a loss recognized through other comprehensive income. Except for that, Yara has not identified significant Covid-19 impact to these condensed consolidated financial statements as of 30 September 2020.



## 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 400 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 third quarter 2020, Yara has purchased 1,327,961 own shares under the 2020 buy-back program for a total consideration of NOK 478 million (USD 52 million). These

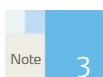
shares will be cancelled at the next Annual General Meeting to be held in May 2021. Pursuant to the agreement with the Norwegian State, total equity attributable to the shareholders of the parent has been reduced with an additional NOK 271 million (USD 30 million) for the commitment to redeem 753,856 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>	-	(1,327,961)	(1,327,961)
Total at 30 September 2020	268,132,237	(1,327,961)	266,804,276

<sup>1)</sup> As approved by the General Meeting 7 May 2019.

<sup>2)</sup> As approved by the General Meeting 7 May 2020.



## 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 [www.yara.com](http://www.yara.com).

USD millions	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
<b>External revenue from contract with customers</b>					
Europe	651	719	2,234	2,412	3,024
Americas	1,303	1,564	3,467	3,951	5,182
Africa & Asia	469	506	1,328	1,432	1,881
Global Plants & Operational Excellence	120	155	373	487	677
Industrial Solutions	436	529	1,264	1,564	2,083
Other and Eliminations	5	4	13	7	11
<b>Total</b>	<b>2,985</b>	<b>3,477</b>	<b>8,679</b>	<b>9,853</b>	<b>12,858</b>
<b>Internal revenue</b>					
Europe	141	150	412	440	571
Americas	55	76	190	244	329
Africa & Asia	127	115	274	275	370
Global Plants & Operational Excellence	457	576	1,437	1,717	2,186
Industrial Solutions	71	52	204	209	257
Other and Eliminations	(850)	(969)	(2,517)	(2,884)	(3,713)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>					
Europe	792	870	2,647	2,852	3,595
Americas	1,358	1,640	3,656	4,196	5,510
Africa & Asia	596	621	1,602	1,707	2,251
Global Plants & Operational Excellence	578	731	1,810	2,204	2,863
Industrial Solutions	507	581	1,468	1,772	2,340
Other and Eliminations	(845)	(965)	(2,505)	(2,877)	(3,702)
<b>Total</b>	<b>2,985</b>	<b>3,477</b>	<b>8,679</b>	<b>9,853</b>	<b>12,858</b>
<b>Operating income <sup>1)</sup></b>					
Europe	35	91	168	229	247
Americas	113	95	247	195	247
Africa & Asia	6	(3)	30	(4)	(8)
Global Plants & Operational Excellence	188	107	415	291	365
Industrial Solutions	68	59	181	152	193
Other and Eliminations	(26)	(35)	(73)	(84)	(55)
<b>Total</b>	<b>384</b>	<b>314</b>	<b>966</b>	<b>778</b>	<b>989</b>
<b>EBITDA <sup>1)</sup></b>					
Europe	108	152	372	416	512
Americas	181	175	455	451	574
Africa & Asia	33	26	113	77	102
Global Plants & Operational Excellence	244	167	582	476	618
Industrial Solutions	96	89	262	228	301
Other and Eliminations	(18)	(19)	(45)	(51)	(11)
<b>Total</b>	<b>645</b>	<b>591</b>	<b>1,739</b>	<b>1,596</b>	<b>2,095</b>
<b>Investments <sup>2)</sup></b>					
Europe	59	58	136	162	246
Americas	45	123	176	375	510
Africa & Asia	9	19	84	34	72
Global Plants & Operational Excellence	33	40	86	103	195
Industrial Solutions	15	23	28	49	70
Other and Eliminations	3	12	11	24	39
<b>Total</b>	<b>164</b>	<b>276</b>	<b>520</b>	<b>747</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	Oct 2019 - Sep 2020 <sup>2)</sup>	Oct 2018 - Sep 2019 <sup>2)</sup>	2019
<b>Net operating profit after tax (NOPAT) <sup>1)</sup></b>			
Europe	147	166	196
Americas	273	245	238
Africa & Asia	26	(30)	1
Global Plants & Operational Excellence	388	337	325
Industrial Solutions	172	147	151
Other and Eliminations	(17)	(57)	(25)
<b>Total</b>	<b>989</b>	<b>808</b>	<b>886</b>
<b>Invested capital <sup>1)</sup></b>			
Yara <sup>3)</sup>	12,588	13,318	13,395
Europe	2,376	2,426	2,469
Americas	4,221	4,659	4,685
Africa & Asia	2,125	2,158	2,154
Global Plants & Operational Excellence	2,696	2,857	2,854
Industrial Solutions	1,077	1,109	1,134
<b>ROIC (12-month rolling average) <sup>1)</sup></b>			
Yara <sup>3)</sup>	7.9 %	6.1 %	6.6 %
Europe	6.2 %	6.8 %	7.9 %
Americas	6.5 %	5.3 %	5.1 %
Africa & Asia	1.2 %	-1.4 %	0.0 %
Global Plants & Operational Excellence	14.4 %	11.8 %	11.4 %
Industrial Solutions	15.9 %	13.3 %	13.3 %

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

2) Calculated on a 12-month rolling average basis.

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

## Reconciliation of operating income to EBITDA

USD millions	Operating income	Equity-accounted investees	Interest income and other financial income	Depreciation and amortization <sup>1)</sup>	Impairment loss <sup>2)</sup>	EBITDA
<b>3Q 2020</b>						
Europe	35	1	-	65	6	108
Americas	113	2	12	54	-	181
Africa & Asia	6	-	1	27	-	33
Global Plants & Operational Excellence	188	-	-	56	-	244
Industrial Solutions	68	1	-	27	-	96
Other and Eliminations	(26)	-	1	8	-	(18)
<b>Total</b>	<b>384</b>	<b>4</b>	<b>14</b>	<b>237</b>	<b>6</b>	<b>645</b>
<b>3Q 2019</b>						
Europe	91	2	-	57	2	152
Americas	95	3	15	61	2	175
Africa & Asia	(3)	-	1	26	3	26
Global Plants & Operational Excellence	107	10	-	51	-	167
Industrial Solutions	59	1	-	27	2	89
Other and Eliminations	(35)	-	6	10	-	(19)
<b>Total</b>	<b>314</b>	<b>16</b>	<b>22</b>	<b>231</b>	<b>9</b>	<b>591</b>
<b>YTD 2020</b>						
Europe	168	5	-	182	17	372
Americas	247	5	38	165	-	455
Africa & Asia	30	-	1	80	2	113
Global Plants & Operational Excellence	415	6	-	162	-	582
Industrial Solutions	181	3	1	78	-	262
Other and Eliminations	(73)	2	2	15	9	(45)
<b>Total</b>	<b>966</b>	<b>20</b>	<b>43</b>	<b>681</b>	<b>28</b>	<b>1,739</b>
<b>YTD 2019</b>						
Europe	229	5	-	172	9	416
Americas	195	5	50	190	11	451
Africa & Asia	(4)	-	2	77	3	77
Global Plants & Operational Excellence	291	36	-	149	-	476
Industrial Solutions	152	2	1	74	(1)	228
Other and Eliminations	(84)	4	8	21	-	(51)
<b>Total</b>	<b>778</b>	<b>52</b>	<b>61</b>	<b>683</b>	<b>22</b>	<b>1,596</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>3Q 2020</b>				
Europe	617	24	10	651
Americas	1,257	45	1	1,303
Africa & Asia	459	10	-	469
Global Plants & Operational Excellence	101	14	6	120
Industrial Solutions	338	55	43	436
Other and Eliminations	1	-	4	5
<b>Total</b>	<b>2,772</b>	<b>147</b>	<b>66</b>	<b>2,985</b>
<b>3Q 2019</b>				
Europe	681	28	10	719
Americas	1,505	57	2	1,564
Africa & Asia	496	10	-	506
Global Plants & Operational Excellence	135	15	6	155
Industrial Solutions	385	35	109	529
Other and Eliminations	-	-	4	4
<b>Total</b>	<b>3,202</b>	<b>145</b>	<b>130</b>	<b>3,477</b>
<b>YTD 2020</b>				
Europe	2,130	79	26	2,234
Americas	3,342	119	6	3,467
Africa & Asia	1,302	25	1	1,328
Global Plants & Operational Excellence	308	45	20	373
Industrial Solutions	1,007	116	142	1,264
Other and Eliminations	2	-	11	13
<b>Total</b>	<b>8,091</b>	<b>383</b>	<b>205</b>	<b>8,679</b>
<b>YTD 2019</b>				
Europe	2,309	77	26	2,412
Americas	3,804	142	5	3,951
Africa & Asia	1,404	27	1	1,432
Global Plants & Operational Excellence	421	47	18	487
Industrial Solutions	1,187	103	273	1,564
Other and Eliminations	(1)	-	9	7
<b>Total</b>	<b>9,124</b>	<b>397</b>	<b>333</b>	<b>9,853</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>3Q 2020</b>							
Europe	626	1	3	12	-	10	651
Americas	-	852	252	-	201	-	1,306
Africa & Asia	-	-	-	360	-	109	469
Global Plants & Operational Excellence	7	15	4	52	42	-	120
Industrial Solutions	238	88	27	29	19	32	434
Other and Eliminations	5	-	-	-	-	-	5
<b>Total</b>	<b>876</b>	<b>956</b>	<b>287</b>	<b>453</b>	<b>262</b>	<b>152</b>	<b>2,985</b>
<b>3Q 2019</b>							
Europe	698	2	1	7	-	10	719
Americas	-	1,121	231	-	213	-	1,564
Africa & Asia	-	-	-	350	-	155	506
Global Plants & Operational Excellence	17	17	4	55	62	-	155
Industrial Solutions	324	88	23	30	29	33	529
Other and Eliminations	4	-	-	-	-	-	4
<b>Total</b>	<b>1,044</b>	<b>1,228</b>	<b>259</b>	<b>442</b>	<b>305</b>	<b>199</b>	<b>3,477</b>
<b>YTD 2020</b>							
Europe	2,159	2	8	31	-	33	2,234
Americas	-	2,009	666	-	794	-	3,469
Africa & Asia	-	-	-	972	-	356	1,328
Global Plants & Operational Excellence	34	56	17	122	144	-	373
Industrial Solutions	719	244	69	92	49	88	1,262
Other and Eliminations	12	-	-	-	-	-	13
<b>Total</b>	<b>2,925</b>	<b>2,311</b>	<b>760</b>	<b>1,217</b>	<b>988</b>	<b>477</b>	<b>8,679</b>
<b>YTD 2019</b>							
Europe	2,345	6	4	26	-	31	2,412
Americas	-	2,471	629	-	851	-	3,951
Africa & Asia	-	-	-	1,018	-	414	1,432
Global Plants & Operational Excellence	48	54	19	173	193	-	487
Industrial Solutions	950	242	77	121	78	95	1,564
Other and Eliminations	9	-	-	(2)	-	-	7
<b>Total</b>	<b>3,352</b>	<b>2,772</b>	<b>729</b>	<b>1,337</b>	<b>1,123</b>	<b>540</b>	<b>9,853</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>

1) 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 & 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	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
<b>Statement of income</b>					
Other income	97	-	97	-	-
Share of net income in equity-accounted investees	-	10	6	36	55
<b>Statement of other comprehensive income</b>					
Exchange differences on translation of foreign operations	(6)	-	(6)	-	-
Remeasurement gain/(losses) on defined benefit plans	-	-	(1)	-	-
<b>Statement of changes in equity</b>					
Other reserves			-	6	6
<b>Statement of financial position</b>					
Equity-accounted investees			-	928	873
Non-current assets held-for-sale			-	-	-
<b>Statement of cash flows</b>					
Dividend from equity-accounted investees	-	-	-	90	158
Proceeds from sale of other long-term investments and subsidiaries	1,000	-	1,000	-	-

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

### Other income

USD millions	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Sale of white certificates	-	11	6	26	37
Insurance compensations	-	-	-	11	14
Commodity based derivatives gain/(loss)	(2)	1	14	9	13
Sale of shares in equity-accounted investee <sup>1)</sup>	97	-	97	-	-
Other	3	3	7	8	15
<b>Total</b>	<b>98</b>	<b>14</b>	<b>124</b>	<b>54</b>	<b>78</b>

1) See note 4 for more information.

### Depreciation and amortization

USD millions	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Depreciation of property, plant and equipment	(192)	(192)	(554)	(572)	(765)
Depreciation of right-of-use assets	(35)	(27)	(97)	(77)	(111)
Amortization of intangible assets	(10)	(12)	(30)	(35)	(46)
<b>Total depreciation and amortization</b>	<b>(236)</b>	<b>(231)</b>	<b>(681)</b>	<b>(683)</b>	<b>(922)</b>

### Impairment loss

USD millions	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Impairment loss tangible assets	(6)	(6)	(18)	(22)	(26)
Impairment loss goodwill and intangible assets	-	(3)	(9)	(3)	(3)
Reversal of impairment loss	-	-	-	3	3
Impairment loss ROU assets	-	-	(1)	-	(17)
<b>Total impairment loss</b>	<b>(6)</b>	<b>(9)</b>	<b>(28)</b>	<b>(22)</b>	<b>(43)</b>

## Note 6 Inventories

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Industrial Solutions	Other and Eliminations	Total
<b>30 Sep 2020</b>							
Finished goods	328	362	339	51	73	(108)	1,045
Work in progress	17	2	1	11	8	-	39
Raw materials	84	424	24	59	52	-	643
Spare parts	88	56	26	68	41	-	281
<b>Total 30 Sep 2020</b>	<b>518</b>	<b>844</b>	<b>390</b>	<b>189</b>	<b>175</b>	<b>(108)</b>	<b>2,009</b>
Write-down, closing balance	(11)	(7)	(4)	-	(8)	4	(26)
<b>30 Sep 2019</b>							
Finished goods	408	460	393	40	87	(152)	1,235
Work in progress	19	1	4	15	13	-	52
Raw materials	79	626	20	66	55	-	846
Spare parts	78	62	24	62	35	-	261
<b>Total 30 Sep 2019</b>	<b>584</b>	<b>1,149</b>	<b>440</b>	<b>182</b>	<b>190</b>	<b>(152)</b>	<b>2,394</b>
Write-down, closing balance	(7)	(5)	(5)	-	(9)	2	(23)
<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	(30)

## 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
2021	76	46	2	124
2022	272	188	-	460
2023	-	53	-	53
2024	180	181	-	360
Thereafter	2,357	31	22	2,410
<b>Total</b>	<b>2,885</b>	<b>498</b>	<b>24</b>	<b>3,407</b>
Current portion	-	47	-	47
<b>Total including current portion</b>	<b>2,885</b>	<b>545</b>	<b>24</b>	<b>3,455</b>

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

At 30 September 2020, the fair value of the long-term debt, including the current portion, is USD 3,768 million and the carrying value is USD 3,455 million. The difference between fair value and carrying value increased by USD 73 million during the quarter as lower risk-free rates and credit spreads lead to lower discount rates applied in the calculation of fair value.

There have been no significant changes in Yara's long-term interest-bearing debt profile during third 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 1,130 million.

## Reconciliation of liabilities arising from financing activities

USD millions	31 Dec 2019	Cash flows	Non-cash changes						30 Sep 2020
			Debt assumed as part of acquisition	Transfer to liability held-for-sale	Foreign exchange movement	Amortization <sup>1)</sup>	Other	Reclassification	
Long-term interest-bearing debt	2,698	746	-	-	8	(4)	30 <sup>2)</sup>	(71)	3,407
Short-term interest-bearing debt	494	(292)	-	-	(24)	-	(5)	-	173
Current portion of long-term debt	398	(394)	-	-	(27)	-	-	71	47
Total liabilities from financing activities	3,590	60	-	-	(44)	(4)	24	-	3,627

1) Amortization of transaction cost.

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

See note 8 for reconciliation of liabilities arising from leasing.

## Financial instruments at fair value at end of period

USD millions	30 Sep 2020	30 Sep 2019	31 Dec 2019
Equity instruments	22	20	19
Derivatives, net	(34)	(157)	(106)
Financial liabilities	(43)	(47)	(43)
Financial instruments at fair value in the statement of financial position at end of period	(55)	(184)	(130)

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	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Carrying value</b>			
Opening balance	428	447	447
Additions and lease modifications	89	79	114
Depreciation	(97)	(77)	(111)
Impairment	(1)	-	(17)
Foreign currency translation gain/(loss)	(9)	(14)	(4)
Closing balance	408	434	428

### Lease liabilities

USD millions	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Carrying value</b>			
Opening balance	435	432	432
Additions and lease modifications	87	79	116
Lease payments	(89)	(78)	(108)
Foreign currency translation gain/(loss)	(7)	(13)	(4)
Closing balance	426	419	435

Lease liabilities classified as short-term amounts to USD 107 million (30 September 2019: USD 94 million).

Interest expensed on lease liabilities in the quarter amounts to USD 4 million (2019: USD 4 million) and USD 11 million year-to-date (2019: USD 11 million).

### Undiscounted cash flows by maturity

USD millions	Total
2020	32
2021	112
2022	70
2023	49
2024	36
Thereafter	290
Total undiscounted lease liabilities at 30 September 2020	588

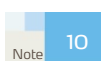
### Leases expensed in the period

Leases expensed in the quarter amounts to USD 13 million (2019: USD 22 million) and USD 38 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 third quarter, the defined benefit obligations have been remeasured using revised financial assumptions. Following a decrease in yield on high quality corporate bonds during 2020, the discount rate for the Euro zone has been decreased by 0.45 percentage points, the discount rate for UK has been decreased by 0.5 percentage points, and the discount rate for Norway has been reduced by 0.8 percentage points. Other financial assumptions have been revised where

deemed appropriate. Plan asset values have also been remeasured to reflect market value at the end of the quarter. The net remeasurement loss is recognized as an increase in net liability of USD 51 million in the third quarter and USD 116 million year-to-date. The negative effect in other comprehensive income is USD 40 million (after tax) in the third quarter and USD 91 million (after tax) year-to-date.



## Post balance sheet events

The Board proposes an additional dividend of NOK 18 per share to be paid during fourth quarter.

# Quarterly historical information

## EBITDA

USD millions	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Europe	108	107	157	96	152	131	133
Americas	181	180	93	123	175	176	99
Africa & Asia	33	52	28	25	26	31	20
Global Plants & Operational Excellence	244	202	136	142	167	150	159
Industrial Solutions	96	70	96	73	89	59	80
Other and eliminations	(18)	(28)	1	40	(19)	(5)	(27)
<b>Total</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 per share information	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Revenue and other income	3,083	2,869	2,851	3,028	3,491	3,402	3,014
Operating income	384	335	248	211	314	266	198
EBITDA	645	583	511	499	591	541	465
Net income after non-controlling interests	339	223	(117)	199	74	230	96
Basic earnings per share	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 the 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 organisational structure announced in May 2020, Yara further strengthened its position to commercially optimise 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		3Q 2020	3Q 2019	Oct 2019– Sep 2020	Oct 2018– Sep 2019	2019
Operating income		384	314	1,178	857	989
Share of net income in equity-accounted investees		4	16	33	80	65
Interest income and other financial income		14	22	58	78	76
Depreciation and amortization <sup>1)</sup>		237	231	920	897	923
Impairment loss <sup>2)</sup>		6	9	48	114	43
Earnings before interest, tax and depreciation/amortization (EBITDA)		645	591	2,237	2,026	2,095
Special items included in EBITDA <sup>3)</sup>		(87)	39	(63)	39	70
EBITDA, excluding special items	A	558	630	2,174	2,064	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 operating income to EBITDA excluding effect of special items

USD millions		YTD 2020	YTD 2019	2019
Operating income		966	778	989
Share of net income in equity-accounted investees		20	52	65
Interest income and other financial income		43	61	76
Depreciation and amortization <sup>1)</sup>		681	683	923
Impairment loss <sup>2)</sup>		28	22	43
Earnings before interest, tax and depreciation/amortization (EBITDA)		1,739	1,596	2,095
Special items included in EBITDA <sup>3)</sup>		(89)	44	70
EBITDA, excluding special items	A	1,650	1,640	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	3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Net income	340	74	444	390	589
Income taxes	45	30	108	119	214
Interest expense and other financial items	43	48	136	139	182
Foreign currency translation (gain)/loss	(26)	199	341	243	145
Depreciation and amortization <sup>1)</sup>	237	231	681	683	923
Impairment loss <sup>2)</sup>	6	9	28	22	43
EBITDA	645	591	1,739	1,596	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		3Q 2020	3Q 2019	Oct 2019– Sep 2020	Oct 2018– Sep 2019	2019
Operating income		384	314	1,178	857	989
Amortization and impairment of intangible assets		10	12	41	51	46
Interest income from external customers		13	14	56	62	60
Calculated tax cost (25% flat rate) on items above		(102)	(85)	(319)	(242)	(274)
Share of net income in equity-accounted investees		4	16	33	80	65
Net operating profit after tax (NOPAT)	B	310	270	989	808	886
Annualized NOPAT	C=Bx4	1,239	1,080			
12-month rolling NOPAT	C			989	808	886

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

USD millions		3Q 2020	3Q 2019	Oct 2019– Sep 2020	Oct 2018– Sep 2019	2019
Net income		340	74	643	543	589
Amortization and impairment of intangible assets		10	12	41	51	46
Interest income from external customers		13	14	56	62	60
Interest income and other financial income		(14)	(22)	(58)	(78)	(76)
Interest expense and other financial items		43	48	179	182	182
Foreign currency translation (gain)/loss		(26)	199	243	156	145
Income tax, added back		45	30	202	133	214
Calculated tax cost (25% flat rate)		(102)	(85)	(319)	(242)	(274)
Net operating profit after tax (NOPAT)	B	310	270	989	808	886
Annualized NOPAT	C=Bx4	1,239	1,080			
12-month rolling NOPAT	C			989	808	886

## Reconciliation of invested capital and ROIC calculation

USD millions		3-months average		12-months average		
		3Q 2020	3Q 2019	Oct 2019– Sep 2020	Oct 2018– Sep 2019	2019
Total current assets as reported		5,826	5,022	5,826	5,022	4,785
Cash and cash equivalents as reported		(1,791)	(208)	(1,791)	(208)	(300)
Normalized level of operating cash		200	200	200	200	200
Total current liabilities as reported		(2,621)	(3,511)	(2,621)	(3,511)	(3,317)
Short-term interest-bearing debt as reported		173	419	173	419	494
Current portion of long-term debt as reported		47	640	47	640	398
Short-term lease liabilities as reported		107	94	107	94	98
Property, plant and equipment as reported		7,999	8,247	7,999	8,247	8,614
Right-of-use assets as reported		408	434	408	434	428
Goodwill as reported		804	831	804	831	844
Equity-accounted investees as reported		104	1,022	104	1,022	970
Adjustment for 3-months/12-months average		664	165	1,331	127	180
Invested capital	D	11,921	13,356	12,588	13,318	13,395
Return on invested capital (ROIC)	E=C/D	10.4 %	8.1 %	7.9 %	6.1 %	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	Oct 2019– Sep 2020	2019
Operating costs and expenses	10,653	11,946
Variable part of Raw materials, energy costs and freight expenses	(7,514)	(8,714)
Variable part of Other operating expenses	(28)	(25)
Depreciation and amortization <sup>1)</sup>	(920)	(923)
Impairment loss <sup>2)</sup>	(48)	(43)
Currency effects (using baseline exchange rates as of 2018)	196	102
Special items within fixed cost	(49)	(53)
<b>Fixed cost</b>	<b>2,289</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		Oct 2019– Sep 2020	2019
Trade receivables as reported		1,389	1,564
Adjustment for VAT payables		(84)	(64)
Adjustment for 12-months average		260	186
Adjusted trade receivables (12-months average)	F	1,565	1,686
Revenue from contracts with customers		11,683	12,858
Interest income from external customers		52	56
Total revenue and interest income from customers	G	11,735	12,914
Credit days	$H=(F/G) * 365$	49	48
Inventories as reported		2,009	2,360
Adjustment for 12-months average		179	140
Inventories (12-months average)	I	2,188	2,500
Raw materials, energy costs and freight expenses		8,115	9,334
Fixed product costs and freight expenses external customers		(1,505)	(1,564)
Product variable costs	J	6,611	7,770
Inventory days	$K=(I/J) * 365$	121	117
Trade and other payables as reported		1,605	1,614
Adjustment for other payables		(372)	(329)
Adjustment for payables related to investments		(69)	(116)
Adjustment for 12-months average		24	162
Trade payables (12-months average)	L	1,189	1,331
Operating costs and expenses		10,653	11,946
Depreciation and amortization		(920)	(922)
Impairment loss		(49)	(43)
Other non-supplier related costs		(1,338)	(1,271)
Operating costs and expenses, adjusted	M	8,347	9,710
Payable days	$N=(L/M) * 365$	52	50
Net operating capital days	$O=H+K-N$	117	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		30 Sep 2020	30 Sep 2019	31 Dec 2019
Cash and cash equivalents		1,792	208	300
Short-term interest-bearing debt		(173)	(419)	(494)
Current portion of long-term debt		(47)	(640)	(398)
Short-term lease liabilities		(107)	(94)	(98)
Long-term interest-bearing debt		(3,407)	(2,698)	(2,698)
Long-term lease liabilities		(319)	(324)	(337)
Net interest-bearing debt	P	(2,261)	(3,968)	(3,725)

## Net debt/equity ratio

USD millions		30 Sep 2020	30 Sep 2019	31 Dec 2019
Net interest-bearing debt	P	(2,261)	(3,968)	(3,725)
Total equity	Q	(8,281)	(8,568)	(8,909)
Net debt/equity ratio	R=P/Q	0.27	0.46	0.42

## Net debt/EBITDA excluding special items ratio

USD millions		30 Sep 2020	30 Sep 2019	31 Dec 2019
Net interest-bearing debt	P	(2,261)	(3,968)	(3,725)
EBITDA, excluding special items (last 12 months)	A	2,174	2,064	2,165
Net debt/EBITDA excluding special items ratio	S=(P)/A	1.04	1.92	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		3Q 2020	3Q 2019	YTD 2020	YTD 2019	2019
Weighted average number of shares outstanding	T	267,905,871	272,402,637	269,049,507	272,541,043	272,319,232
Net income attributable to shareholders of the parent	U	339	74	445	399	599
Foreign currency translation gain/(loss)	V	26	(199)	(341)	(243)	(145)
Tax effect on foreign currency translation	W	(4)	55	96	63	38
Non-controlling interest share of foreign currency translation (gain)/loss, net after tax	X	-	-	-	(1)	(1)
Special items within income before tax <sup>1)</sup>	Y	80	(48)	60	(66)	(126)
Tax effect on special items	Z	2	10	4	15	23
Special items within income before tax, net after tax	AA=Y+Z	83	(37)	64	(51)	(102)
Special items within income tax	AB	-	-	-	-	(38)
Non-controlling interest's share of special items, net after tax	AC	-	-	(1)	(2)	(2)
Net income excluding currency and special items	AD=U-V-W+X-AA-AB+AC	235	255	625	626	842
Basic earnings per share	AE=U/T	1.27	0.27	1.65	1.47	2.20
Basic earnings per share excluding foreign currency translation and special items	AF=AD/T	0.88	0.94	2.32	2.30	3.09

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



# Notes

[illegible]



Yara International ASA  
Drammensveien 131  
NO-0277 Oslo, Norway  
Tel: +47 24 15 70 00

[www.yara.com](http://www.yara.com)