



Knowledge grows



Yara first-quarter report 2021

- Improved pricing more than offset higher natural gas cost
- Continued premium product growth
- USD 2.7 billion free cash flow ¹⁾ rolling 4 quarters
- 8.6% ROIC ²⁾, up from 6.9% a year earlier

Yara's first-quarter EBITDA excluding special items was up 16% compared with a year earlier, mainly reflecting improved pricing more than offsetting higher natural gas cost. Net income was USD 14 million compared with USD 119 million net loss a year earlier. Excluding currency effects and special items, the basic earnings per share was USD 0.80 compared with USD 0.39 per share in first quarter 2020.

Highlights ²⁾

USD millions, except where indicated otherwise

	1Q 2021	1Q 2020
Revenue and other income	3,142	2,851
Operating income	322	248
EBITDA	586	511
EBITDA excl. special items	585	504
Net income	14	(119)
Basic earnings per share ³⁾	0.05	(0.43)
Basic earnings per share excl. foreign currency translation and special items ³⁾	0.80	0.39
Net cash provided by operating activities	558	192
Net cash used in investing activities	(193)	(199)
Net debt/equity ratio	0.35	0.46
Net debt/EBITDA excl. special items (last 12 months) ratio	1.26	1.69
Average number of shares outstanding (millions)	261.2	270.5
Return on invested capital (ROIC) ⁴⁾	9.0%	6.6%

Key statistics

	1Q 2021	1Q 2020
Yara production (thousand tonnes) ⁵⁾		
Ammonia	1,792	1,924
Finished fertiliser and industrial products, excl. bulk blends	5,159	5,310
Yara deliveries (thousand tonnes)		
Ammonia trade	458	421
Fertiliser	6,841	6,847
Industrial Product	1,767	1,721
Total deliveries	9,065	8,989
Yara's Energy prices (USD per MMBtu)		
Global weighted average gas cost ⁶⁾	6.0	4.3
European weighted average gas cost	6.9	4.5

1) Net cash provided by operating activities minus net cash used in investment activities (see cash flow statement page 14)

2) See page 27-32 for definitions, explanations and reconciliations of Alternative Performance Measures (APMs).

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

4) Quarterly numbers annualized.

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

6) Excluding Babrala.

Variance analysis

USD millions	1Q 2021
EBITDA 2021	586
EBITDA 2020	511
Reported EBITDA variance	75
Special items variance (see page 7 for details)	(6)
EBITDA variance ex special items	81
Volume/Mix	(3)
Margin	121
Currency translation	(17)
Other	(20)
Total variance explained	81

First quarter

Yara's first-quarter EBITDA excluding special items was 16% higher than a year earlier reflecting mainly higher prices more than offsetting increased energy cost. Product mix improved as deliveries of premium products increased, while fixed costs and currency effects contributed negatively.

Europe

Europe's first-quarter EBITDA excluding special items was 21% higher than a year earlier as increased prices offset higher feedstock and fixed costs. The rapid increase in commodity prices negatively affected premiums.

Americas

Americas' first-quarter EBITDA excluding special items was 52% higher than a year earlier, as increased nitrogen and phosphate prices positively impacted production margins. Overall deliveries increased, driven by continued premium product growth.

Africa & Asia

Africa & Asia's first-quarter EBITDA excluding special items

was 174% higher than a year earlier following increased deliveries of premium products and improved production performance.

Global Plants & Operational Excellence (GPOE)

GPOE's first-quarter EBITDA excluding special items was 7% higher than a year earlier as higher nitrogen and phosphate prices more than offset increased energy prices. Negative portfolio effect of USD 6 million following the divestment of Qafco.

Industrial Solutions

Industrial Solutions' first-quarter EBITDA excluding special items was 16% lower than a year earlier mainly due to Maritime and positive one-off effects in 1Q20, more than offsetting higher commercial margins and deliveries.

Clean Ammonia

Clean Ammonia's first-quarter EBITDA excluding special items was in line with a year earlier as higher commissions due to rising ammonia prices was offset by timing effects on internal contracts.

Production volumes

	1Q 2021	1Q 2020
Thousand tonnes		
Ammonia	1,792	1,924
<i>of which equity-accounted investees</i>	-	181
Urea	1,167	1,511
<i>of which equity-accounted investees</i>	-	268
Nitrate	1,635	1,533
NPK	1,494	1,456
CN	398	407
UAN	219	240
SSP-based fertiliser	234	133
MAP	12	31
Total Finished Products ¹⁾	5,159	5,310

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

Deliveries

Crop Nutrition deliveries	iQ 2021	iQ 2020
Thousand tonnes		
Urea	1,368	1,426
Nitrate	1,593	1,670
NPK	2,446	2,375
<i>of which Yara-produced compounds</i>	1,620	1,580
<i>of which blends</i>	588	603
CN	477	398
UAN	383	356
DAP/MAP/SSP	141	148
MOP/SOP	149	126
Other products	282	349
Total Crop Nutrition deliveries	6,841	6,847

Europe deliveries	iQ 2021	iQ 2020
Thousand tonnes		
Urea	293	308
Nitrate	1,156	1,269
NPK	924	938
<i>of which Yara-produced compounds</i>	872	888
CN	137	110
Other products	412	445
Total deliveries Europe	2,922	3,070

Americas deliveries	iQ 2021	iQ 2020
Thousand tonnes		
Urea	630	621
Nitrate	367	361
NPK	1,113	1,057
<i>of which Yara-produced compounds</i>	398	364
<i>of which blends</i>	493	514
CN	296	250
DAP/MAP/SSP	102	110
MOP/SOP	119	102
Other products	241	246
Total deliveries Americas	2,867	2,747
<i>of which North America</i>	958	860
<i>of which Brazil</i>	1,452	1,466
<i>of which Latin America ex Brazil</i>	457	421

Africa & Asia deliveries	iQ 2021	iQ 2020
Thousand tonnes		
Urea	446	497
Nitrate	70	39
NPK	410	381
<i>of which Yara-produced compounds</i>	350	328
CN	45	38
Other products	81	74
Total deliveries Africa & Asia	1,052	1,030
<i>of which Asia</i>	811	793
<i>of which Africa</i>	240	237

Industrial Solutions deliveries	iQ 2021	iQ 2020
Thousand tonnes		
Ammonia ¹⁾	150	141
Urea ¹⁾	396	409
Nitrate ²⁾	280	276
CN	47	42
Other products ³⁾	406	370
Water content in industrial ammonia and urea	487	482
Total Industrial Solutions deliveries	1,767	1,721

1) Pure product equivalents.

2) Including AN Solution.

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

Financial items

USD millions	1Q 2021	1Q 2020
Interest income	17	15
Dividends and net gain/(loss) on securities	-	-
Interest income and other financial income	17	15
Interest expense	(33)	(38)
Net interest expense on net pension liability	(1)	(1)
Net foreign currency translation gain/(loss)	(256)	(301)
Other	(3)	(14)
Interest expense and foreign currency translation gain/(loss)	(293)	(354)
Net financial income/(expense)	(276)	(339)

The variance in financial items compared with first quarter last year primarily reflects USD 45 million lower net foreign currency translation loss.

The net foreign currency translation loss this quarter stems primarily from internal funding positions, mainly in Euro against the Norwegian krone and in Brazilian real against both Euro and the Norwegian krone. The US dollar denominated debt positions generated only a moderate loss. In the same quarter a year ago, the loss stemmed primarily from the US dollar denominated debt positions while the internal funding positions generated a net gain.

At the start of second quarter 2021, the US dollar denominated debt position generating currency effects in the

income statement was approximately USD 2,300 million. Around 75% of the exposure was towards the Norwegian krone and the rest mainly towards Yara's emerging market currencies.

Yara's accounting policy regarding foreign currency transactions is described on page 15 and in the integrated report for 2020 on page 118.

Interest expense this quarter was USD 5 million lower than in the first quarter previous year, primarily reflecting lower interest rates. The average gross debt level increased by around USD 150 million compared with the same quarter a year ago.

Income tax

The high effective tax rate of 70% for the first quarter 2021 is mainly explained by increased valuation allowances on tax

assets in certain countries. First quarter last year also had higher tax cost due to the same reason.

Cash Flow

Yara's operating cash flow in first quarter 2021 was USD 366 million higher than a year earlier, driven by increased operating income and positive cashflow from release of working capital. Higher prepayments from customers in Brazil and lower receivables in Asia this year compared to the year before contributed to the higher working capital released, combined with lower amount of collateral deposits.

Yara's investing cash flow in the period was in line with last year, while the funding cash flow mainly reflects principal payments and continued buy backs of shares (USD 169 million) in line with the associated mandate from the Annual General Meeting.

Outlook

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

Ensuring continuity in food production and related value chains remains a top priority for all countries. Yara's market environment is in a positive trend, with increasing food prices creating stronger planting and crop nutrition incentives for farmers. Nitrogen fertiliser markets are robust, with significantly higher prices than a year ago reflecting both stronger demand and limited new supply. Yara's industrial business has also picked up, following weaker demand during the start of the pandemic.

Natural gas input prices in Europe have increased from the record low levels in 2020, however the resulting cost impact for Yara has so far been more than offset by the positive effect of higher nitrogen prices globally. Based on current forward markets for natural gas (12 April) Yara's gas costs for second and third quarter 2021 are expected to be respectively USD 180 million and USD 220 million higher than a year earlier. The estimates may change depending on future spot gas prices and local terms.

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 lower capital expenditure due to strong capital discipline. Yara has proposed a NOK 20 per share dividend to the annual general meeting, bringing its total cash distribution to shareholders for 2020 to NOK 52 per share, and has also proposed that the general meeting approves a new 5% share buyback authorisation. Improving returns and cash flow may lead to increased payout capacity, and Yara will consider further cash returns in the coming quarters, in line with its capital allocation policy.

Global nitrogen prices have strengthened since mid-2020, as food prices have increased while nitrogen supply growth has been limited. Recent industry consultant projections show higher nitrogen supply growth in 2021, however limited start-up activity has been seen so far, and the risk of project delays is stronger than normal due to Covid-19.

Special items

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

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

USD millions	Fixed cost effect		EBITDA effect		Operating income effect	
	1Q 2021	1Q 2020	1Q 2021	1Q 2020	1Q 2021	1Q 2020
Impairment of non-current assets	-	-	-	-	(4)	(9)
Contract derivatives gain/(loss)	-	-	-	-	-	-
Total Europe	-	-	-	-	(4)	(9)
Total Americas	-	-	-	-	-	-
Impairment of non-current assets	-	-	-	-	-	(2)
Contract derivatives gain/(loss)	-	-	1	11	1	11
Total Africa & Asia	-	-	1	11	1	9
Total Global Plants & Operational Excellence	-	-	-	-	-	-
Total Industrial Solutions	-	-	-	-	-	-
Contract derivatives gain/(loss)	-	-	-	-	-	-
Total Clean Ammonia	-	-	-	-	-	-
Portfolio management costs	-	(4)	-	(4)	-	(4)
Total Other and Eliminations	-	(4)	-	(4)	-	(4)
Total Yara	-	(4)	1	7	(3)	(4)

Description and reconciliation of alternative performance measures are included on page 27-32.

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	1Q 2021	1Q 2020	2020
Revenue from contracts with customers	3	3,131	2,832	11,591
Other income	4	11	19	137
Revenue and other income		3,142	2,851	11,728
Raw materials, energy costs and freight expenses		(2,179)	(1,867)	(7,819)
Change in inventories of own products		7	(117)	(201)
Payroll and related costs		(309)	(276)	(1,136)
Depreciation and amortization	7	(242)	(230)	(919)
Impairment loss	7	(4)	(11)	(46)
Other operating expenses		(92)	(101)	(431)
Operating costs and expenses		(2,820)	(2,603)	(10,551)
Operating income		322	248	1,176
Share of net income in equity-accounted investees		-	7	20
Interest income and other financial income		17	15	62
Foreign currency translation gain/(loss)		(256)	(301)	(243)
Interest expense and other financial items		(37)	(53)	(165)
Income before tax		46	(85)	850
Income tax		(32)	(34)	(160)
Net income		14	(119)	690
Net income attributable to				
Shareholders of the parent		13	(117)	691
Non-controlling interests		1	(2)	(0)
Net income		14	(119)	690
Basic earnings per share ¹⁾		0.05	(0.43)	2.58
Weighted average number of shares outstanding	2	261,154,877	270,494,236	267,985,860

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

Condensed consolidated interim statement of comprehensive income

USD millions	Notes	1Q 2021	1Q 2020	2020
Net income		14	(119)	690
Other comprehensive income that may be reclassified to statement of income (net of tax)				
Currency translation adjustments		(103)	(169)	(56)
Hedge of net investments		-	(125)	22
Net other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax		(103)	(294)	(34)
Other comprehensive income that will not be reclassified to statement of income in subsequent periods (net of tax)				
Currency translation adjustments ¹⁾		1	(352)	28
Net gain/(loss) on equity instruments at fair value through other comprehensive income		-	-	(3)
Remeasurement gains/(losses) on defined benefit plans	8	101	(34)	(51)
Net other comprehensive income that will not be reclassified to statement of income in subsequent periods, net of tax		102	(386)	(26)
Reclassification adjustments of the period		-	-	(6)
Total other comprehensive income, net of tax		-	(680)	(66)
Total comprehensive income, net of tax		14	(799)	624
Total comprehensive income attributable to				
Shareholders of the parent		13	(797)	624
Non-controlling interests		1	(2)	-
Total		14	(799)	624

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

Condensed consolidated interim statement of changes in equity

USD millions	Notes	Share Capital ¹⁾	Premium paid-in capital	Currency translation adjustments	Other reserves ⁴⁾	Retained earnings	Attributable to share-holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2019		66	(49)	(1,367)	(215)	10,395	8,830	79	8,909
Net income		-	-	-	-	(117)	(117)	(2)	(119)
Other comprehensive income, net of tax		-	-	(521)	(125)	(34)	(680)	-	(680)
Total comprehensive income		-	-	(521)	(125)	(151)	(797)	(2)	(799)
Treasury shares ²⁾	2					(80)	(81)	-	(81)
Balance at 31 March 2020		65	(49)	(1,888)	(340)	10,165	7,953	77	8,030
Net income		-	-	-	-	808	808	1	809
Other comprehensive income, net of tax		-	-	487	143	(17)	613	1	614
Total comprehensive income		-	-	487	143	791	1,421	2	1,423
Transactions with non-controlling interests		(2)	-	-	-	(306)	(307)	-	(307)
Treasury shares ²⁾	2	-	-	-	-	-	-	1	1
Dividends distributed	2	-	-	-	-	(925)	(925)	(1)	(926)
Balance at 31 December 2020		64	(49)	(1,402)	(197)	9,724	8,141	79	8,220
Net income		-	-	-	-	13	13	1	14
Other comprehensive income, net of tax		-	-	(102)	-	101	-	-	-
Total comprehensive income		-	-	(102)	-	114	13	1	14
Treasury shares ^{2) 3)}	2	(1)	-	-	-	(259)	(260)	-	(260)
Long term incentive plan		-	-	-	-	(2)	(2)	-	(2)
Balance at 31 March 2021		63	(49)	(1,503)	(196)	9,578	7,892	80	7,972

1) Par value NOK 1.70.

2) As approved by General Meeting 7 May 2019.

3) As approved by General Meeting 7 May 2020.

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

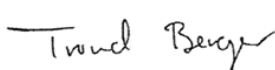
Condensed consolidated interim statement of financial position

USD millions	Notes	31 Mar 2021	31 Mar 2020	31 Dec 2020
Assets				
Non-current assets				
Deferred tax assets		495	498	485
Goodwill	7	820	790	831
Intangible assets other than goodwill	7	147	159	157
Property, plant and equipment	7	8,136	7,881	8,579
Right-of-use assets	7	409	400	430
Associated companies and joint ventures		105	87	108
Other non-current assets		379	363	380
Total non-current assets		10,489	10,177	10,969
Current assets				
Inventories	5	2,079	2,064	2,161
Trade receivables		1,598	1,759	1,478
Prepaid expenses and other current assets		601	657	630
Cash and cash equivalents		1,361	349	1,363
Non-current assets and disposal group classified as held-for-sale		5	888	5
Total current assets		5,644	5,718	5,637
Total assets		16,133	15,895	16,605

Condensed consolidated interim statement of financial position

USD millions, except share information	Notes	31 Mar 2021	31 Mar 2020	31 Dec 2020
Equity and liabilities				
Equity				
Share capital reduced for treasury stock		63	65	64
Premium paid-in capital		(49)	(49)	(49)
Total paid-in capital		14	16	15
Other reserves		(1,700)	(2,228)	(1,599)
Retained earnings		9,578	10,165	9,724
Total equity attributable to shareholders of the parent		7,892	7,953	8,141
Non-controlling interests		80	77	79
Total equity	2	7,972	8,030	8,220
Non-current liabilities				
Employee benefits	8	482	482	627
Deferred tax liabilities		404	429	388
Long-term interest-bearing debt	6	3,349	2,612	3,371
Other non-current liabilities		144	297	138
Non-current provisions		287	303	361
Non-current lease liabilities		314	307	335
Total non-current liabilities		4,981	4,430	5,220
Current liabilities				
Trade and other current payables		1,827	1,642	1,880
Prepayments from customers		495	386	372
Current tax liabilities		139	82	156
Short-term provisions		73	58	75
Current portion of long-term debt		132	398	132
Short-term interest-bearing debt	6	285	655	345
Other current liabilities		119	113	95
Current lease liabilities		110	102	111
Total current liabilities		3,180	3,435	3,165
Total equity and liabilities		16,133	15,895	16,605
Number of shares outstanding	2	259,580,357	269,678,611	263,001,109

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 22 April 2021



Trond Berger
Chairperson



Kimberly Lein-Mathisen
Vice chair




Adele Bugge Norman Pran
Board member



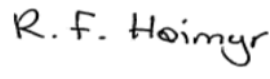
John Thuestad
Board member



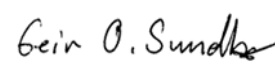
Rune Bratteberg
Board member



Birgitte Ringstad Vartdal
Board member



Ragnhild Flesland Høimyr
Board member



Geir O. Sundbø
Board member



Håkon Reistad Fure
Board member



Øystein Kostøl
Board member



Svein Tore Holsether
President and CEO

Condensed consolidated interim statement of cash flows

USD millions	Notes	1Q 2021	1Q 2020	2020
Operating activities				
Net income/(loss) before taxes		46	(85)	850
Adjustments to reconcile net income/(loss) to net cash provided by operating activities				
Depreciation and amortization	7	242	230	919
Impairment loss	7	4	11	46
(Gain)/loss on disposal of non-current assets		(2)	(7)	6
Gain on sale of equity-accounted investees		-	-	(97)
Net foreign currency translation loss/(gain)		256	301	243
Adjustment for finance income and expense		20	39	102
Income taxes paid		(43)	(76)	(264)
Interest paid ¹⁾		(16)	(35)	(207)
Interest received		18	13	74
Other		(12)	(11)	(2)
Working capital changes that provided/(used) cash				
Trade receivables		(159)	(319)	39
Inventories		(6)	59	119
Prepaid expenses and other current assets ²⁾		(14)	(132)	161
Trade and other payables		228	154	107
Other interest-free liabilities ²⁾		(4)	51	(51)
Net cash provided by operating activities		558	192	2,047
Investing activities				
Purchases of property, plant and equipment		(190)	(202)	(739)
Proceeds from sales of property, plant and equipment		1	1	11
Cash flows used in obtaining control of subsidiaries or other businesses		-	-	(13)
Purchases of other long-term assets		(6)	(4)	(17)
Proceeds from sales of other long-term assets		3	6	1,006
Net cash used in investing activities		(193)	(199)	248
Financing activities				
Loan proceeds ³⁾	6	11	264	780
Principal payments ³⁾	6	(174)	(109)	(650)
Payments of lease liabilities	6	(33)	(30)	(122)
Purchase of treasury shares	2	(169)	(52)	(309)
Dividends		-	-	(926)
Net cash from/(used in) financing activities		(365)	73	(1,228)
Foreign currency effects on cash and cash equivalents		(2)	(17)	(2)
Net increase/(decrease) in cash and cash equivalents		(2)	49	1,064
Cash and cash equivalents at beginning of period ⁴⁾		1,365	301	301
Cash and cash equivalents at end of period ⁴⁾		1,363	350	1,365
Bank deposits not available for the use of other group companies		29	38	32

1) Including interest on lease liabilities.

2) First quarter 2021 includes USD 13 million net cash outflow (First quarter 2020: USD 50 million) due to currency forward contracts and prior periods' collateral deposits with banks to keep credit exposure from derivatives within agreed limits.

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

4) Excluded expected credit loss provisions on bank deposits.

Notes to the interim financial statements

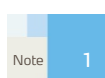
General and accounting policies

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

These unaudited, condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. They are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, and should be read in conjunction with the annual consolidated financial statements in Yara's Annual Report for 2020. The accounting policies applied are the same as those applied in the annual consolidated financial statements 2020. 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, tax assets and liabilities, pensions liabilities, Covid-19, climate change and

joint arrangements as communicated in the consolidated financial statements as of 31 December 2020, also apply to these interim financial statements.

Yara has updated the defined benefit obligation with revised financial assumptions and the fair value of the plan assets as of 31 March 2021. This resulted in a gain in the first quarter (3 months) recognized through other comprehensive income.

Note 2 Shares, dividend and share buy-back program

Yara International ASA will hold its Annual General Meeting on Thursday 6 May. The Board proposes that a dividend of NOK 20.00 per share is paid for the financial year 2020, and that the existing share buy-back program is replaced by a new program, authorizing the Board to acquire up to 5% of Yara's shares before the next Annual General Meeting.

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 first quarter 2021, Yara has purchased 3,420,752 own shares under the 2020 buy-back program for a total

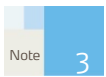
consideration of NOK 1,398 million (USD 164 million). These shares will be cancelled at the next Annual General Meeting to be held in May 2021. Pursuant to the agreement with the Norwegian State, total equity attributable to the shareholders of the parent has been reduced with an additional NOK 812 million (USD 95 million) for the commitment to redeem 1,941,892 shares from the Norwegian State.

In 2020, Yara purchased 5,131,128 own shares under the 2020 buy-back program for a total consideration of NOK 1,823 million (USD 201 million). These shares will be cancelled at the next Annual General Meeting to be held in May 2021. Pursuant to the agreement with the Norwegian State, total equity attributable to the shareholders of the parent has been reduced with an additional NOK 982 million (USD 108 million) for the commitment to redeem 2,912,838 shares from the Norwegian State.

	Ordinary shares	Own shares	Number of shares outstanding
Total at 31 December 2019	272,402,637	(1,362,013)	271,040,624
Treasury shares - share buy-back program ¹⁾	-	(1,362,013)	(1,362,013)
Redeemed shares Norwegian State ²⁾	(1,546,374)	-	(1,546,374)
Shares cancelled ²⁾	(2,724,026)	2,724,026	-
Treasury shares - share buy-back program ²⁾	-	(5,131,128)	(5,131,128)
Total at 31 December 2020	268,132,237	(5,131,128)	263,001,109
Treasury shares - share buy-back program ²⁾	-	(3,420,752)	(3,420,752)
Total at 31 March 2021	268,132,237	(8,551,880)	259,580,357

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

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



3 Operating segment information

On 9 February 2021 Yara announced that a new global unit had been established – Yara Clean Ammonia. Comparative financial information for 2020 has been restated.

Yara's segment structure is now comprised of the following segments:

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

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

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

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

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

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 Clean Ammonia was established as a new operating segment on February 9, 2021. The new segment is established to capture growth opportunities within carbon-free food solutions, shipping fuel and other clean ammonia applications, leveraging Yara's unique existing position within ammonia production, trade and shipping. Furthermore, Yara's sales and marketing platform for premium offerings can be leveraged to offer environmentally friendly farmer centric solutions based on clean ammonia. Yara's ammonia synthesis capacity in its existing plants represents a key platform for development of green ammonia production.

Yara Clean Ammonia contains Yara's existing Ammonia Trade and Shipping business (previously part of the Global Plants & Operational Excellence segment). Yara's ammonia trade and shipping activity plays a vital role in Yara's production system as it off take excess ammonia volume from producing plants and delivers ammonia feedstock to consuming plants to optimize production capacity utilization. Besides significant intra-group purchases and sales, Yara Ammonia Trade and shipping purchases ammonia from third parties, predominantly to supply its European production region. It also generates significant external sales by selling ammonia to large customers in the fertilizer and chemical industries on a contractual basis, mainly in the Americas and Asia regions. It also provides optimized shipping solutions that fit Yara's storage and port capacity, including a fleet of own and time chartered vessels. Intra-group purchases and sales are transferred at internal prices based on arm's length principle.

Yara Clean Ammonia is also evaluating several early phase green and blue ammonia projects with the aim to serve growing market niches for clean ammonia. Yara believes that public funding will be important to develop new green and blue ammonia projects, but that a combination of technology development, private sector partnerships, economies of scale and carbon pricing will over time achieve standalone profitability for such projects.

A separate appendix which provides restated financial segment information for 2020, including quarterly, figures will be published on 23 April 2021. The appendix will be available in the Investor relations section on yara.com.

USD millions	1Q 2021	1Q 2020 Restated ¹⁾	2020 Restated ¹⁾
External revenue from contract with customers			
Europe	994	910	2,924
Americas	1,036	964	4,562
Africa & Asia	456	395	1,845
Global Plants & Operational Excellence	10	10	32
Clean Ammonia	165	111	490
Industrial Solutions	459	438	1,719
Other and Eliminations	10	4	19
Total	3,131	2,832	11,591
Internal revenue			
Europe	150	116	531
Americas	73	74	258
Africa & Asia	84	59	389
Global Plants & Operational Excellence	507	392	1,573
Clean Ammonia	157	141	538
Industrial Solutions	55	69	263
Other and Eliminations	(1,027)	(851)	(3,551)
Total	-	-	-
Total revenue			
Europe	1,144	1,025	3,455
Americas	1,110	1,039	4,820
Africa & Asia	540	454	2,233
Global Plants & Operational Excellence	518	401	1,605
Clean Ammonia	322	252	1,028
Industrial Solutions	514	507	1,982
Other and Eliminations	(1,017)	(847)	(3,532)
Total	3,131	2,832	11,591
Operating income ²⁾			
Europe	118	89	201
Americas	71	23	281
Africa & Asia	18	(2)	49
Global Plants & Operational Excellence	65	57	382
Clean Ammonia	20	19	95
Industrial Solutions	52	69	234
Other and Eliminations	(23)	(8)	(65)
Total	322	248	1,176
EBITDA ²⁾			
Europe	190	157	477
Americas	142	93	563
Africa & Asia	47	28	162
Global Plants & Operational Excellence	116	108	572
Clean Ammonia	29	28	129
Industrial Solutions	80	96	344
Other and Eliminations	(18)	1	(23)
Total	586	511	2,223
Investments ³⁾			
Europe	35	35	250
Americas	38	75	280
Africa & Asia ⁴⁾	(45)	47	104
Global Plants & Operational Excellence	26	26	210
Clean Ammonia	2	-	-
Industrial Solutions	13	8	73
Other and Eliminations	(3)	6	16
Total	66	197	933

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

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

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

4) Includes USD 53 million reduction to decommissioning assets due to increase in discount rate.

USD millions, except where indicated otherwise

	1Q 2021	1Q 2020 Restated ¹⁾	2020 Restated ¹⁾
Net operating profit after tax (NOPAT) ²⁾			
Europe	179	207	157
Americas	297	243	260
Africa & Asia	58	4	43
Global Plants & Operational Excellence	292	241	293
Clean Ammonia	72	62	71
Industrial Solutions	168	161	181
Other and Eliminations	(40)	(6)	(30)
Total	1,025	911	976
Invested capital ²⁾			
Yara ³⁾	11,861	13,232	12,200
Europe	2,378	2,452	2,370
Americas	3,972	4,574	4,073
Africa & Asia	2,063	2,151	2,105
Global Plants & Operational Excellence	1,993	2,494	2,168
Clean Ammonia	342	347	346
Industrial Solutions	1,042	1,123	1,051
ROIC ²⁾			
Yara ³⁾	8.6%	6.9%	8.0%
Europe	7.5%	8.5%	6.6%
Americas	7.5%	5.3%	6.4%
Africa & Asia	2.8%	0.2%	2.0%
Global Plants & Operational Excellence	14.7%	9.7%	13.5%
Clean Ammonia	21.1%	17.9%	20.6%
Industrial Solutions	16.1%	14.3%	17.2%

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

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

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

Reconciliation of operating income to EBITDA

USD millions	Operating income	Equity-accounted investees	Interest income and other financial income	Depreciation and amortization ²⁾	Impairment loss ³⁾	EBITDA
1Q 2021						
Europe	118	1	-	67	4	190
Americas	71	(2)	15	58	-	142
Africa & Asia	18	-	1	27	1	47
Global Plants & Operational Excellence	65	-	-	51	-	116
Clean Ammonia	20	-	-	8	-	29
Industrial Solutions	52	1	-	28	-	80
Other and Eliminations	(23)	-	1	4	-	(18)
Total	322	-	17	243	4	586
1Q 2020¹⁾						
Europe	89	1	-	58	9	157
Americas	23	(2)	14	58	-	93
Africa & Asia	(2)	-	-	27	2	28
Global Plants & Operational Excellence	57	6	-	45	-	108
Clean Ammonia	19	-	-	9	-	28
Industrial Solutions	69	2	-	25	-	96
Other and Eliminations	(8)	-	-	9	-	1
Total	248	7	15	230	11	511
2020¹⁾						
Europe	201	4	-	246	25	477
Americas	281	5	53	221	3	563
Africa & Asia	49	-	2	110	2	162
Global Plants & Operational Excellence	382	6	-	184	-	572
Clean Ammonia	95	-	-	34	-	129
Industrial Solutions	234	3	1	105	1	344
Other and Eliminations	(65)	2	5	19	15	(23)
Total	1,176	20	62	919	46	2,223

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

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

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

Disaggregation of external revenues by nature

USD millions	Fertilizer and chemical products	Freight/ insurance services	Other products and services	Total
1Q 2021				
Europe	951	32	11	994
Americas	1,006	28	2	1,036
Africa & Asia	449	6	1	456
Global Plants & Operational Excellence	2	-	8	10
Clean Ammonia	148	16	1	165
Industrial Solutions	403	33	23	459
Other and Eliminations	-	-	9	10
Total	2,960	115	56	3,131
1Q 2020¹⁾				
Europe	871	30	8	910
Americas	930	33	1	964
Africa & Asia	389	6	-	395
Global Plants & Operational Excellence	4	-	6	10
Clean Ammonia	93	17	2	111
Industrial Solutions	341	38	59	438
Other and Eliminations	-	-	4	4
Total	2,628	124	80	2,832
2020¹⁾				
Europe	2,783	102	39	2,924
Americas	4,401	154	7	4,562
Africa & Asia	1,803	33	9	1,845
Global Plants & Operational Excellence	13	-	19	32
Clean Ammonia	423	60	7	490
Industrial Solutions	1,392	134	193	1,719
Other and Eliminations	5	-	14	19
Total	10,819	484	288	11,591

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

Disaggregation of external revenues by geographical area ¹⁾

USD millions	Europe	Brazil	Latin America ex. Brazil	Asia	North America	Africa	Total
1Q 2021							
Europe	971	-	2	7	-	13	994
Americas	-	498	208	-	330	-	1,036
Africa & Asia	-	-	-	337	-	119	456
Global Plants & Operational Excellence	10	-	1	-	-	-	10
Clean Ammonia	-	36	6	66	58	-	165
Industrial Solutions	262	91	27	26	20	34	459
Other and Eliminations	10	-	-	-	-	-	10
Total	1,252	625	244	435	408	166	3,131
1Q 2020²⁾							
Europe	890	-	2	8	-	9	910
Americas	-	526	172	-	267	-	964
Africa & Asia	-	-	-	297	-	98	395
Global Plants & Operational Excellence	8	-	1	-	-	-	10
Clean Ammonia	6	20	7	19	59	-	111
Industrial Solutions	264	77	22	31	16	30	438
Other and Eliminations	4	-	-	-	-	-	4
Total	1,172	622	205	354	341	137	2,832
2020²⁾							
Europe	2,826	2	11	39	1	46	2,924
Americas	-	2,659	872	-	1,033	-	4,565
Africa & Asia	-	-	-	1,342	-	503	1,845
Global Plants & Operational Excellence	30	-	2	-	-	-	32
Clean Ammonia	13	79	27	180	192	-	490
Industrial Solutions	987	333	89	128	67	113	1,716
Other and Eliminations	15	-	-	4	-	-	19
Total	3,871	3,073	1,000	1,692	1,293	662	11,591

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

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

Note 4 Other income

Other income

USD millions	1Q 2021	1Q 2020	2020
Sale of white certificates	3	6	6
Insurance and other compensations	6	-	4
Commodity based derivatives gain/(loss)	1	11	15
Sale of shares in equity-accounted investee	-	-	100
Other	1	2	12
Total	11	19	137

Note 5 Inventories

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Industrial Solutions	Clean Ammonia	Other and Eliminations	Total
31 Mar 2021								
Finished goods	357	415	304	56	78	-	(98)	1,113
Work in progress	21	1	1	12	12	-	-	46
Raw materials	78	419	26	31	41	35	(2)	628
Spare parts	92	57	27	73	43	-	-	292
Total 31 Mar 2021	547	892	359	173	173	35	(100)	2,079
Write-down, closing balance	(10)	(5)	(3)	(1)	(6)	-	1	(22)
31 Mar 2020								
Finished goods	363	400	332	40	82	-	(94)	1,123
Work in progress	15	1	1	12	9	-	-	39
Raw materials	79	445	22	28	49	33	-	656
Spare parts	80	47	25	61	35	-	-	247
Total 31 Mar 2020	536	894	380	142	174	33	(94)	2,064
Write-down, closing balance	(10)	(7)	(3)	-	(7)	-	5	(23)
31 Dec 2020								
Finished goods	429	359	279	72	74	-	(88)	1,125
Work in progress	20	-	1	12	8	-	-	41
Raw materials	85	493	22	28	43	25	1	696
Spare parts	95	58	27	73	47	-	-	299
Total 31 Dec 2020	628	910	329	185	172	25	(87)	2,161
Write-down, closing balance	(12)	(6)	(3)	(1)	(7)	-	2	(28)

Note 6 Interest-bearing debt and financial instruments at fair value

Contractual payments on long-term interest-bearing debt

USD millions	Debentures ¹⁾	Bank Loans	Other LT loans	Total
2022	291	187	-	478
2023	-	45	-	45
2024	195	181	-	375
2025	-	30	22	52
Thereafter	2,366	30	1	2,398
Total	2,851	474	23	3,349
Current portion	83	48	-	132
Total including current portion	2,935	523	24	3,481

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

At 31 March 2021, the fair value of the long-term debt, including the current portion, is USD 3,692 million and the carrying value is USD 3,481 million. The difference between fair value and carrying value decreased by USD 116 million during the quarter as higher long-term risk-free rates lead to higher 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 the first quarter.

Yara's USD 1,100 million long-term revolving credit facility remains completely undrawn. A further USD 1,380 million is available through unused short-term credit facilities with various banks.

Reconciliation of liabilities arising from financing activities

USD millions	31 Dec 2020	Cash flows	Non-cash changes					31 Mar 2021
			Additions and lease modifications	Foreign exchange movement	Amortization ¹⁾	Other	Reclassification	
Long-term interest-bearing debt	3,371	-	-	(11)	-	3 ²⁾	(15)	3,349
Short-term interest-bearing debt	345	(148)	-	1	-	87 ³⁾	-	285
Current portion of long-term debt	132	(15)	-	-	-	-	15	132
Lease liabilities	446	(33)	23	(12)	-	-	-	424
Total liabilities from financing activities	4,293	(196)	23	(22)	-	91	-	4,190

1) Amortization of transaction cost.

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

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

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

USD millions	1Q 2021	1Q 2020	2020
Equity instruments	17	18	18
Derivatives, net	(23)	(136)	(62)
Financial liabilities	(45)	(40)	(48)
Financial instruments at fair value in the statement of financial position at end of period	(51)	(158)	(92)
<i>Gains and (losses) from financial instruments at fair value recognized in</i>			
Consolidated statement of income	28	(19)	88
Consolidated statement of comprehensive income	-	(9)	-
Total	28	(28)	88

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

Note 7 Non-current assets

USD millions	Property, plant and equipment (PP&E)		Goodwill	Intangible assets other than goodwill	Right-of-use assets
	PP&E other than AuC	Assets under construction (AuC)			
Carrying value					
YTD 2021					
Balance at 1 January 2021	6,991	1,588	831	157	430
Additions and lease modifications ¹⁾	(25)	87	-	4	23
Disposals	(6)	-	-	-	-
Transfers	91	(91)	-	-	-
Depreciation and amortization	(199)	-	-	(11)	(33)
Impairment	(1)	(4)	-	-	-
Foreign currency translation gain/(loss)	(196)	(99)	(11)	(4)	(11)
Balance at 31 March 2021	6,655	1,481	820	147	409
1) Includes USD 53 million reduction to decommissioning assets, due to increase in discount rate. Additions to PP&E other than AuC in 2021 is USD 28 million.					
YTD 2020					
Balance at 1 January 2020	6,964	1,650	844	187	428
Additions and lease modifications	55	139	-	3	32
Disposals	(10)	-	-	-	-
Transfers	35	(36)	-	2	-
Depreciation and amortization	(188)	-	-	(10)	(32)
Impairment	(8)	(1)	-	-	(2)
Foreign currency translation gain/(loss)	(451)	(269)	(54)	(23)	(26)
Balance at 31 March 2020	6,398	1,483	790	159	400
2020					
Balance at 1 January 2020	6,964	1,650	844	187	428
Additions and lease modifications	452	461	-	14	121
Disposals	(51)	(6)	-	-	-
Transfers	291	(296)	-	2	-
Depreciation and amortization	(749)	-	-	(41)	(129)
Impairment	(28)	(1)	(12)	(3)	(1)
Foreign currency translation gain/(loss)	111	(219)	-	(2)	11
Balance at 31 December 2020	6,991	1,588	831	157	430

Leases expensed in the period

Leases expensed in the quarter amounts to USD 11 million (Q1 2020: USD 18 million), and refers to leases with variable payments, leases of low value, or leases of short term.

Note 8 Employee benefits

By the end of first quarter, the defined benefit obligations have been remeasured using revised financial assumptions. Following an increase in yield on high quality corporate bonds during 2021, the discount rate for pension plans within the Euro zone has been increased by 0.4 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 gain of the quarter is recognized as a decrease in net liability of USD 130 million and a positive effect in other comprehensive income of USD 101 million (after tax).

Quarterly historical information

EBITDA

USD millions	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Europe	190	105	108	107	157
Americas	142	108	181	180	93
Africa & Asia	47	50	33	52	28
Global Plants & Operational Excellence	116	84	215	165	108
Clean Ammonia	29	35	29	38	28
Industrial Solutions	80	82	96	70	96
Other and eliminations	(18)	22	(18)	(28)	1
Total	586	484	645	583	511

Results

USD millions, except share information	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Revenue and other income	3,142	2,925	3,083	2,869	2,851
Operating income	322	210	384	335	248
EBITDA	586	484	645	583	511
Net income after non-controlling interests	13	246	339	223	(117)
Basic earnings per share	0.05	0.93	1.27	0.83	(0.43)

Alternative performance measures

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

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

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

Operating income

Operating income is directly identifiable from Yara's consolidated statement of income and is considered key information in order to understand the Group's financial

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

EBITDA

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

EBITDA excluding special items

EBITDA excluding special items is used to better mirror the underlying performance in the reported period, adjusting for items which are not primarily related to the period in which they are recognized. See section "Special items" on page 7 for details on special items.

Reconciliation of operating income to EBITDA excluding effect of special items

USD millions	iQ 2021	iQ 2020	Apr 2020- Mar 2021	Apr 2019- Mar 2020	2020
Operating income	322	248	1,250	1,039	1,176
Share of net income in equity-accounted investees	-	7	13	55	20
Interest income and other financial income	17	15	65	70	62
Depreciation and amortization ¹⁾	243	230	931	927	919
Impairment loss ²⁾	4	11	39	51	46
Earnings before interest, tax and depreciation/amortization (EBITDA)	586	511	2,298	2,141	2,223
Special items included in EBITDA ³⁾	(1)	(7)	(56)	63	(62)
EBITDA, excluding special items	A 585	504	2,242	2,204	2,161

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

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

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

Reconciliation of net income to EBITDA

USD millions	1Q 2021	1Q 2020	2020
Net income	14	(119)	690
Income taxes	32	34	160
Interest expense and other financial items	37	53	165
Foreign currency translation (gain)/loss	256	301	243
Depreciation and amortization ¹⁾	243	230	919
Impairment loss ²⁾	4	11	46
EBITDA	586	511	2,223

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		1Q 2021	1Q 2020	Apr 2020- Mar 2021	Apr 2019- Mar 2020	2020
Operating income		322	248	1,250	1,039	1,176
Amortization and impairment of intangible assets		11	10	45	44	44
Interest income from external customers		15	15	55	59	54
Calculated tax cost (25% flat rate) on items above		(87)	(68)	(337)	(286)	(319)
Share of net income in equity-accounted investees		-	7	13	55	20
Net operating profit after tax (NOPAT)	B	261	211	1,025	911	976
Annualized NOPAT	C=Bx4	1,044	846			
12-month rolling NOPAT	C			1,025	911	976

Reconciliation of net income to net operating profit after tax

USD millions		1Q 2021	1Q 2020	Apr 2020- Mar 2021	Apr 2019- Mar 2020	2020
Net income		14	(119)	823	379	690
Amortization and impairment of intangible assets		11	10	45	44	44
Interest income from external customers		15	15	55	59	54
Interest income and other financial income		(17)	(15)	(65)	(70)	(62)
Interest expense and other financial items		37	53	149	189	165
Foreign currency translation (gain)/loss		256	301	198	367	243
Income tax, added back		32	34	158	227	160
Calculated tax cost (25% flat rate)		(87)	(68)	(337)	(286)	(319)
Net operating profit after tax (NOPAT)	B	261	211	1,025	911	976
Annualized NOPAT	C=Bx4	1,044	846			
12-month rolling NOPAT	C			1,025	911	976

Reconciliation of invested capital and ROIC calculation

USD millions		3-months average		12-months average		
		1Q 2021	1Q 2020	Apr 2020- Mar 2021	Apr 2019- Mar 2020	2020
Total current assets as reported		5,644	5,718	5,644	5,718	5,637
Cash and cash equivalents as reported		(1,361)	(349)	(1,361)	(349)	(1,363)
Normalized level of operating cash		200	200	200	200	200
Total current liabilities as reported		(3,180)	(3,435)	(3,180)	(3,435)	(3,165)
Short-term interest-bearing debt as reported		285	655	285	655	345
Current portion of long-term debt as reported		132	398	132	398	132
Short-term lease liabilities as reported		110	102	110	102	111
Property, plant and equipment as reported		8,136	7,881	8,136	7,881	8,579
Right-of-use assets as reported		409	400	409	400	430
Goodwill as reported		820	790	820	790	831
Equity-accounted investees as reported		103	87	103	87	107
Adjustment for 3-months/12-months average		346	448	565	786	356
Invested capital	D	11,642	12,894	11,861	13,232	12,200
Return on invested capital (ROIC)	E=C/D	9.0 %	6.6 %	8.6 %	6.9 %	8.0 %

Yara Improvement Program (YIP)

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

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

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

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

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

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

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

Reconciliation of operating costs and expenses to fixed cost

USD millions	Apr 2020- Mar 2021	2020
Operating costs and expenses	10,768	10,551
Variable part of Raw materials, energy costs and freight expenses	(7,579)	(7,399)
Variable part of Other operating expenses	(25)	(31)
Depreciation and amortization ¹⁾	(931)	(919)
Impairment loss ²⁾	(39)	(46)
Currency effects (using baseline exchange rates as of 2018)	193	209
Special items within fixed cost	(40)	(44)
Fixed cost	2,347	2,322

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

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

Reconciliation of Net operating capital days

USD millions		Apr 2020- Mar 2021	2020
Trade receivables as reported		1,598	1,478
Adjustment for VAT payables		(105)	(83)
Adjustment for 12-months average		(19)	106
Adjusted trade receivables (12-months average)	F	1,475	1,501
Revenue from contracts with customers		11,889	11,591
Interest income from external customers		51	51
Total revenue and interest income from customers	G	11,941	11,641
Credit days	$H=(F/G) * 365$	45	47
Inventories as reported		2,079	2,161
Adjustment for 12-months average		28	(25)
Inventories (12-months average)	I	2,107	2,136
Raw materials, energy costs and freight expenses		8,209	8,021
Fixed product costs and freight expenses external customers		(1,555)	(1,522)
Product variable costs	J	6,654	6,498
Inventory days	$K=(I/J) * 365$	116	120
Trade and other payables as reported		1,827	1,880
Adjustment for other payables		(448)	(451)
Adjustment for payables related to investments		(74)	(160)
Adjustment for 12-months average		(71)	(66)
Trade payables (12-months average)	L	1,235	1,203
Operating costs and expenses		10,768	10,551
Depreciation and amortization		(931)	(919)
Impairment loss		(39)	(46)
Other non-supplier related costs		(1,297)	(1,397)
Operating costs and expenses, adjusted	M	8,502	8,190
Payable days	$N=(L/M) * 365$	53	54
Net operating capital days	$O=H+K-N$	108	113

Capital structure measures

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

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

Net interest-bearing debt

USD millions		31 Mar 2021	31 Dec 2020
Cash and cash equivalents		1,361	1,363
Short-term interest-bearing debt		(285)	(345)
Current portion of long-term debt		(132)	(132)
Short-term lease liabilities		(110)	(111)
Long-term interest-bearing debt		(3,349)	(3,371)
Long-term lease liabilities		(314)	(335)
Net interest-bearing debt	P	(2,828)	(2,930)

Net debt/equity ratio

USD millions		31 Mar 2021	31 Dec 2020
Net interest-bearing debt	P	(2,828)	(2,930)
Total equity	Q	(7,972)	(8,220)
Net debt/equity ratio	R=P/Q	0.35	0.36

Net debt/EBITDA excluding special items ratio

USD millions		31 Mar 2021	31 Dec 2020
Net interest-bearing debt	P	(2,828)	(2,930)
EBITDA, excluding special items (last 12 months)	A	2,242	2,161
Net debt/EBITDA excluding special items ratio	S=(P)/A	1.26	1.36

Basic earnings per share excluding currency and special items

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

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

Earnings per share

USD millions, except earnings per share and number of shares		1Q 2021	1Q 2020	2020
Weighted average number of shares outstanding	T	261,154,877	270,494,236	267,985,860
Net income attributable to shareholders of the parent	U	13	(117)	691
Foreign currency translation gain/(loss)	V	(256)	(301)	(243)
Tax effect on foreign currency translation	W	61	81	73
Non-controlling interest share of foreign currency translation (gain)/loss, net after tax	X	-	-	-
Special items within income before tax ¹⁾	Y	(3)	(4)	17
Tax effect on special items	Z	1	-	17
Special items within income before tax, net after tax	AA=Y+Z	(2)	(4)	34
Non-controlling interest's share of special items, net after tax	AB	-	(1)	(1)
Net income excluding currency and special items	AC=U-V-W+X-AA+AB	210	105	826
Basic earnings per share	AD=U/T	0.05	(0.43)	2.58
Basic earnings per share excluding foreign currency translation and special items	AE=AC/T	0.80	0.39	3.08

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



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