Knowledge grows

Yara International ASA

Thor Giæver, EVP & CFO

6 December 2023

SpareBank 1 Markets Morning meeting

Growing a Nature Positive Food Future

Climate neutrality

Reduce our own emissions and improve productivity at our production sites

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Contribute to decarbonize agriculture

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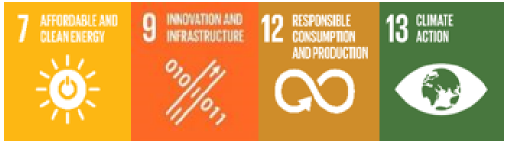
Contribute to decarbonize transportation and energy



Regenerative farming

Improve farming productivity and nutrient use efficiency (NUE)

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Positively impact nature in the value chain: soil health, biodiversity, water, air quality and land use change

Prosperity

Improve farmer income and sustainability

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Positively impact farmer diversity

—

Contribute to zero hunger and healthy nutrition

YARA

Yara will prioritize strategic and value-creating investments in US clean ammonia

Type	Project	CO2 Capture	Yara volume[1]	Type	Yara capex[3]	Start of production
Blue ammonia	**Project YaREN[2]** North America, Texas, Ingleside Partnership with Enbridge	~95%	1.2 – 1.4 mt	50% stake and full offtake	1.3 – 1.45 bn	2027 – 2028
	New Blue Ammonia[2] Project North America, TBD	~95%	0.8 – 1.0 mt	Majority stake	1.8 – 2.0 bn	2028 - 2029
	Sluiskil CCS[2] Netherlands	~60%	~0.4 mt	100% owned	~0.2 bn	2025 - 2027

Green ammonia

- ✓ Developing a portfolio that will enable and position Yara's transition to full decarbonization over time.
- ✓ Pilot projects in execution in Norway and Australia to prepare for subsequent industrial scale-ups
- ✓ Full industrial scale-ups when technology is sufficiently matured and required financial frameworks are in place

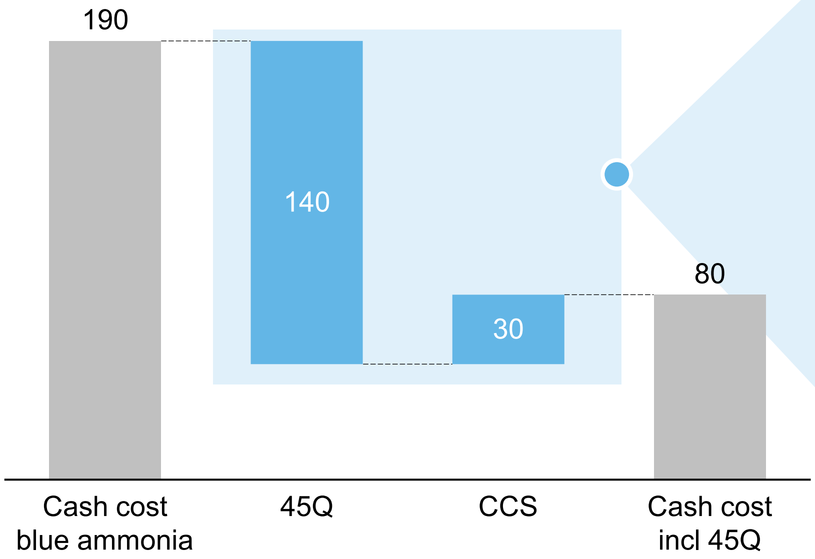
The portfolio of asset back supply will be complemented by additional volumes from third party sourcing

1) Offtake available to Yara
2) Subject to final investment decision
3) In USD, excluding potential lease classification of offtake agreements

Strong US clean ammonia project economics

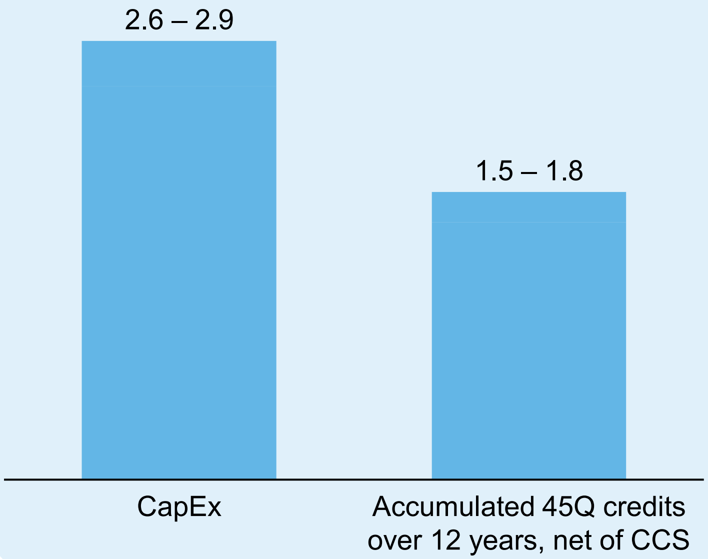
Strong federal incentives in the US for sequestering CO2

Ammonia cash cost[1], USD/ton, illustrative



The accumulated 45Q credits benefit is substantial

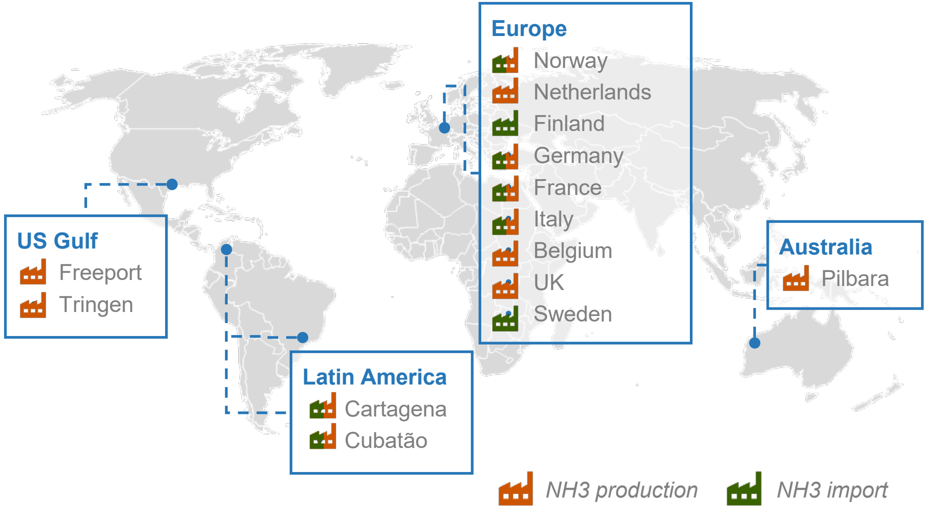
USD billion, illustrative example[2]



1) Assumptions production cash costs: gas price*35+50, 1.7 tCO2/t NH3, IRA credit 85 USD/t CO2, 95% capture rate, CCS cost 30-40 USD/t NH3.
2) Based on CapEx of USD 2.6 – 2.9 billion and capacity of 1.2 – 1.4 million ton per annum

US ammonia investments are complementary to Yara's European footprint

Yara current ammonia footprint is flexible



70% of Yara assets in Europe are flexible on ammonia source

Creating opportunities for Yara to:

1) Fuel parts of the EU production with import of low-carbon ammonia at competitive cost

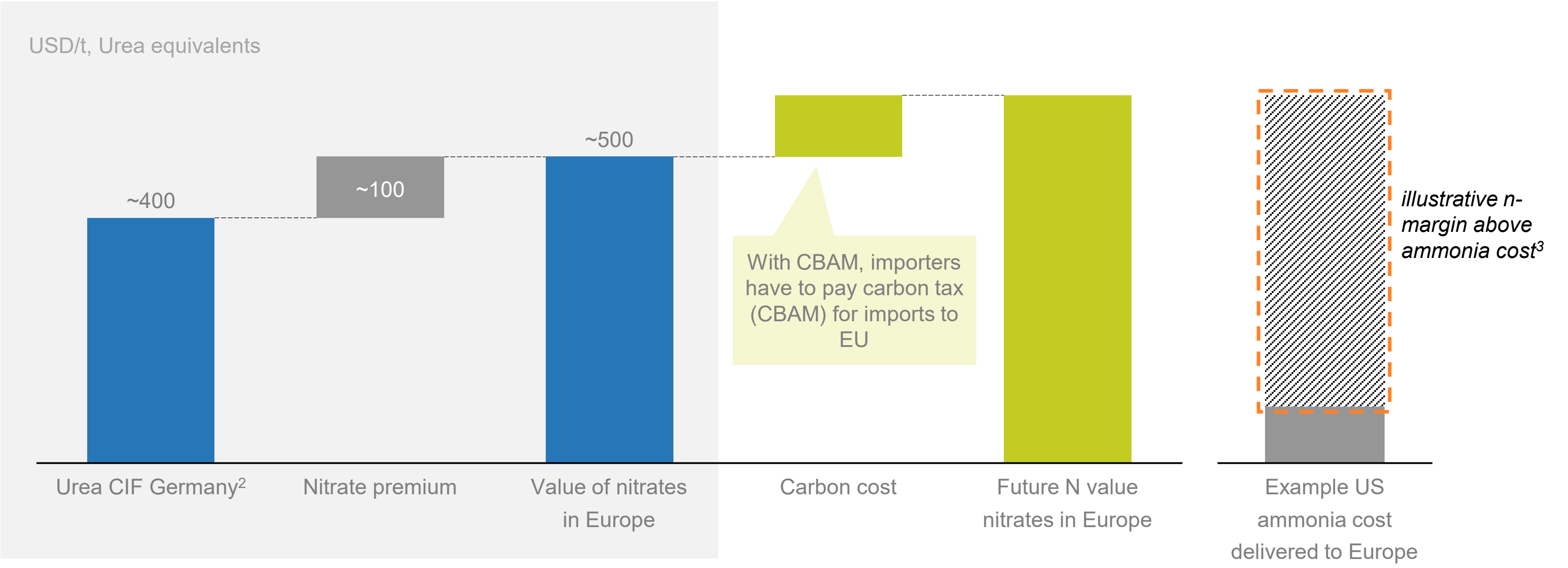
2) Diversify Yara's energy position, with increased exposure to the US market

3) Decarbonize nitrate and NPK production

Strong value creation in European nitrate upgrade position

Historical (past 10 years): nitrate premium above urea[1]

Future scenario: profitable decarbonization through US ammonia



1) Historical values for period season 2012/13-2021/22, based on market publications
2) Urea Granular FOB Egypt + 50 USD/t in transport
3) N-margin above ammonia cost before upgrading cost and freight cost to market

Scenario assumptions: average historical nitrate premium above historical urea price, carbon cost 100 USD/t CO_2 (approx. 1 tonne CO_2 per tonne urea), cost of ammonia from US based on 5 USD/MMBtu * 30 + 50 USD/t other cash cost, - 150 support in IRA plus 50 USD/t NH_3 freight to Europe

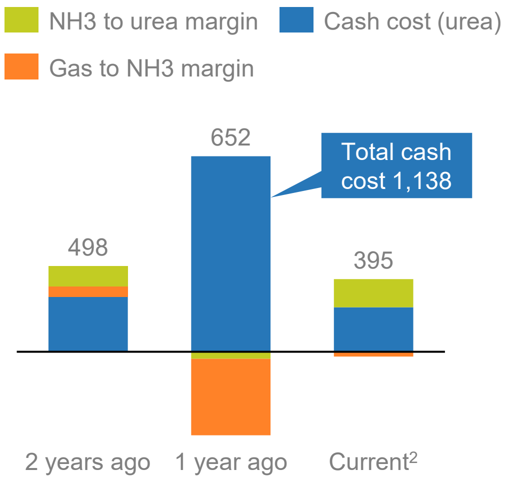
Capital allocation - key messages

- Capital allocation policy maintained, based on BBB / Baa2 credit rating target
  - Annual average capex at 1.2 BUSD max in real 2022 terms, on a net basis including portfolio optimization and equity funding
  - Fixed cost target to beat inflation in core business (excluding special items and write-downs/one off effects)
- Viability of YCA minority divestment confirmed, timing postponed due to highly accretive project portfolio currently undervalued, and limited cash outlays needed before 2025
- Increased focus on divesting non-core assets, where there is accretive conversion into prioritised growth segments
- Conservative M&A strategy, focused on smaller bolt-on acquisitions

Operating environment: energy volatility and strong urea supply currently impacts margins, but healthy farmer incentives and declining supply longer term

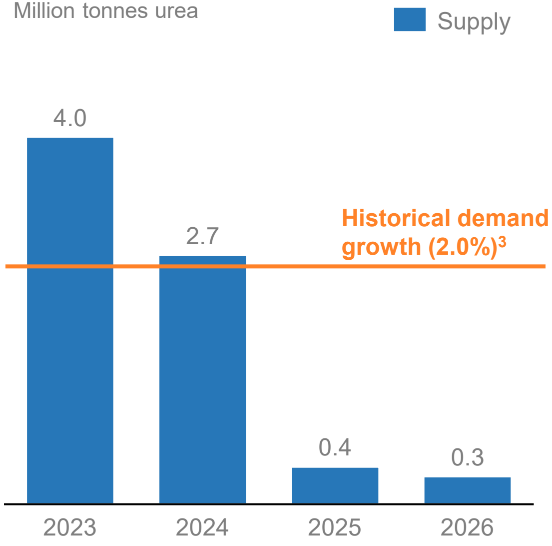
Upgrading margin[1]

Average September northwest Europe price
USD per tonne



Declining growth in global urea capacity

Million tonnes urea



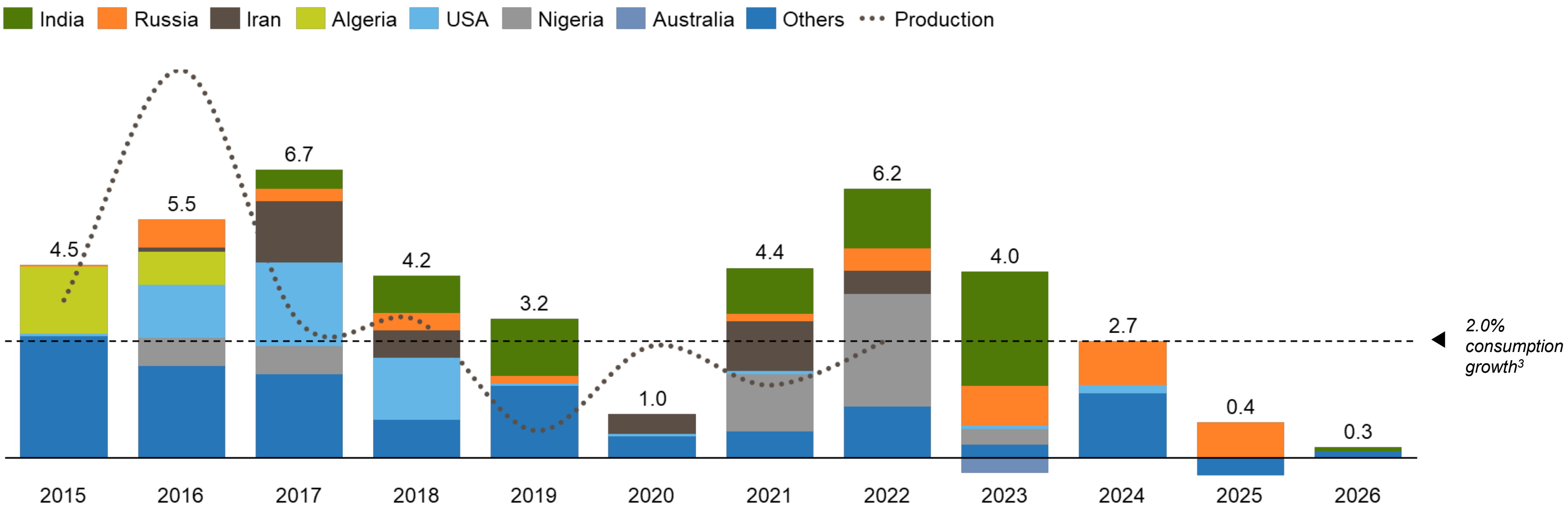
Improved farmer incentives from last year[4]

Cereal-to-urea price index, 2014-2016=100

1) Urea margin = Urea CFR NWE – (TTF*22+40USD), NH3 to urea= Urea CFR NWE - NH3 CFR NWE*0.58
2) Average prices September 2023
3) Growth calculated based on last 10 years up to 2022, equal to ~2.6 mt/year, from 2022 baseline (IFA) of 129.2 mt (global production + China trade). Trend growth rate held back by supply restrictions in 2021 and 2022.
4) Index: urea price/ cereal price, with 2014-2016 = 1. Sources: International publications for urea fob Arab Gulf, FAO for cereal price

Peak of urea capacity additions is behind us

Global urea capacity additions ex. China [1,2] (mt)



1) Urea projects assessed as "probable" by CRU.
2) Several projects under development scheduled for completion after 2026, including in Australia and Russia, with unclear timing.
3) Growth calculated based on last 10 years up to 2022, equal to ~2.6 mt/year, from 2022 baseline (IFA) of 129.2 mt (global production + China trade). Trend growth rate held back by supply restrictions in 2021 and 2022.

Source: CRU September 2023