



Knowledge grows

Pre-quarter information

1Q 2024



Key market prices and outside-in model

Market prices

Fertilizers

USD/ton, average of publications

	2023					2024				
	Nov	Dec	Jan	Feb	Avg 1Q23 ¹	Nov	Dec	Jan	Feb	Avg 1Q24 ¹
Ammonia, FOB Arab Gulf	895	848	774	665	762	510	477	410	319	402
Urea, FOB Arab Gulf (ex. US)	573	487	425	355	422	349	318	334	379	344
CAN, CIF Germany	644	619	580	456	551	335	308	302	305	305

Currencies

No lag, updated March 8th

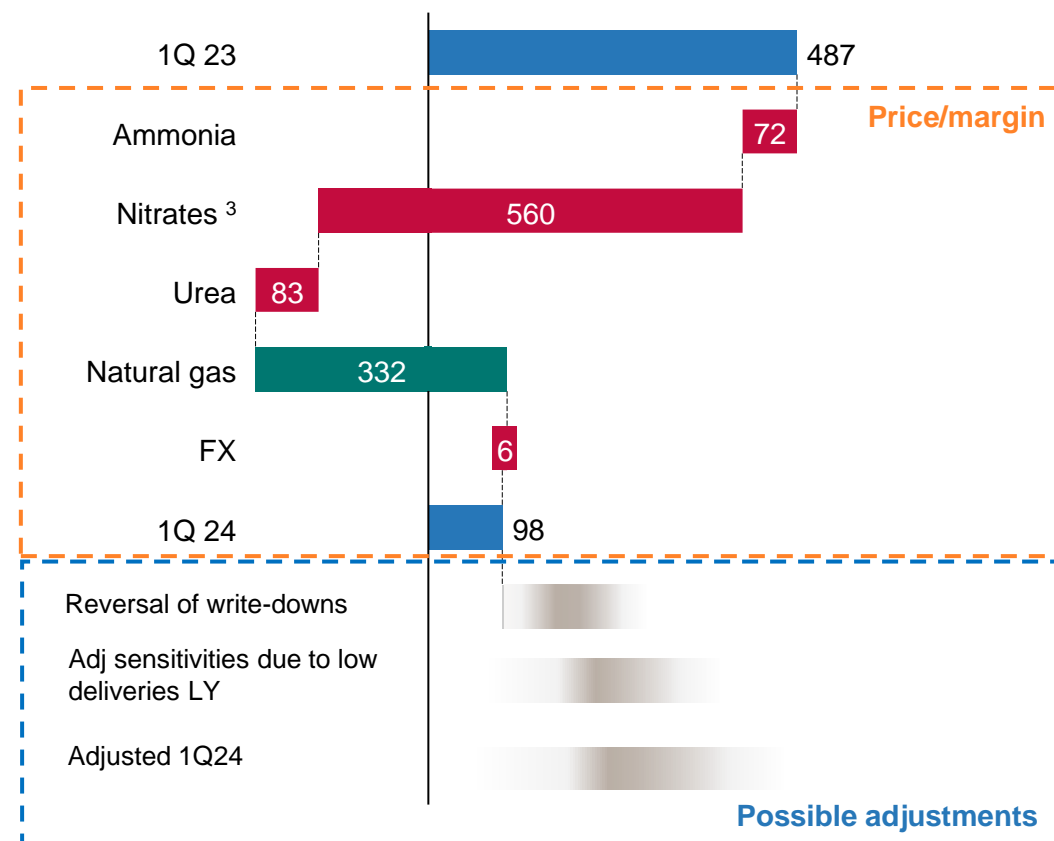
	1Q23	1Q24	Change
USD per EUR	1.07	1.09	0.01
USD per NOK	0.10	0.10	0.00
USD per BRL	0.19	0.20	0.01

Natural gas: impact of spot price change (using 1 month lag)

Gas cost guiding from 4Q23 based on forward curves: +320 MUSD (saving)
 Estimated impact of spot prices compared with forward curves³: +12 MUSD (saving)
Updated gas cost guiding: +332 MUSD (saving)

Outside-in model

MUSD, volume neutral, based on sensitivities²



1) Average prices for the quarter are lagged one month

2) From Yara.com: <https://www.yara.com/investor-relations/analyst-information/sensitivities/>

3) Including nitrogen sensitivity in NPK. Phosphate and Potash not recommended to model on a quarter by quarter basis

4) As part of the fourth quarter 2023 presentation, details for 1Q24 gas guiding was given on slide 31. The impact of European spot prices compared with forward curves as of 31 Jan 24 has been calculated based on last year first quarter gas consumption of 23.1 mmbtu rather than the regular calculation using gas consumption based on capacities of 40 mmbtu per quarter.



Key considerations first quarter 2023 and 2024

Key elements 1Q23

- Curtailments: 44% of ammonia capacity and 30% of finished product capacity in Europe was curtailed in 1Q23
- Negative price development across main fertilizer commodities (urea, DAP, MOP) led to significant position losses and inventory write-downs
 - 190 MUSD inventory write downs
 - Directional +50% additional position losses
- Volume elements
 - Volumes historically low in 1Q23 with challenging production economics in Europe triggering curtailments. Strong urea imports.
 - Farmers delaying purchases in to second quarter in a declining price environment

Relevant elements 1Q24

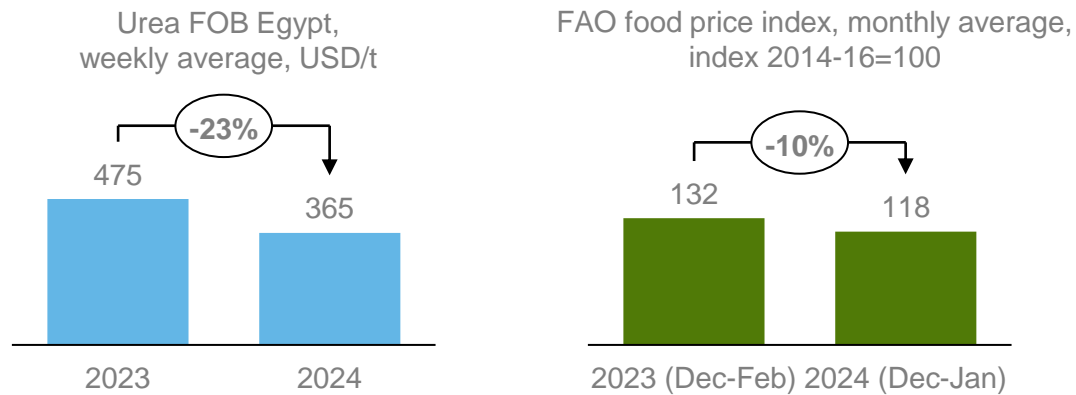
- Updated sensitivities in 4Q23
- Sensitivities published on Yara.com are based on a normalized capacity utilization of 90%, while Yara curtailed significant European capacity in 1Q23, resulting in lower than normal capacity utilization. **Price delta on normalized volumes will therefore overstate price impact – relevant therefore to consider adjusting sensitivities.**
- 2022 and 2023 were years with significant price movements, high gas cost and curtailments. It could therefore be relevant to test estimates also on 2020/21.
- However, significant and permanent shifts in sourcing and demand patterns have taken place during 2022/23 both for Yara and the industry, e.g., major changes in Yara P&K sourcing patterns and structural changes in Brazil business (e.g. lower Yara third-party trade sales), lower customer risk appetite in Europe, and increased exports and price pressure from Russian exports fob Baltic

Market developments

Urea price developments Dec-Feb 24

- Urea prices were stable in December following declines earlier in 2H 2023
- Global activity up significantly in January – early February, driving fob Egypt above 400 USD/t. Thereafter prices moderated/fell somewhat.
- As per early March, US prices have rebounded sharply, supporting the global market. Some price declines in other regions.
- Urea affordability has declined recently, with lower food prices and higher urea prices - affordability now modestly below historical average

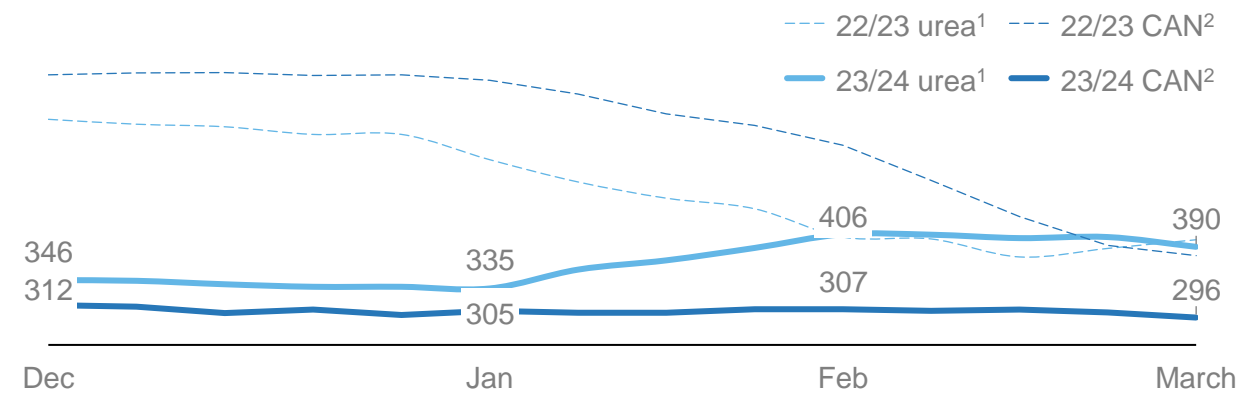
Urea affordability, average Dec- Feb



Regional developments

- Nitrate prices in Europe stable lately, gaining attractiveness versus urea. Wet weather and waterlogged fields are reported to delay application.
- Activity picking up in the US, with favorable weather, low inventories and outages tightening the balance going into spring application season
- Latin America and Asia are outside main season. Brazil caught up significantly on urea imports in December, and second corn planting is in progress. USDA estimates for corn production in 23/24 in Brazil were revised down in February driven by lower planted area.
- Crop prices have continued to fall for corn, soybeans, wheat and rice.

Price development, USD/t, weekly average



1. Urea FOB Egypt, weekly average, 46% N
 2. CAN CIF Germany, weekly average, 27% N



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