Knowledge grows

Yara fourth-quarter report 2023

- EBITDA[1] of 586 MUSD, improving trend since 2Q23
- 4% increase in crop nutrition deliveries
- 1 BUSD full-year free cash flow [2]
- Increased buying and rising prices indicate volume catch-up in first half of 2024
- NOK 5 per share annual dividend proposed

Highlights [1]

USD millions, except where indicated otherwise	4Q 2023	4Q 2022	2023	2022
Revenue and other income	3,582	5,464	15,547	24,051
Operating income	260	777	312	3,827
EBITDA	586	1,065	1,709	4,959
EBITDA excl. special items	576	1,067	1,712	4,889
Net income/(loss)	246	766	54	2,782
Basic earnings/(loss) per share [3]	0.96	3.02	0.19	10.90
Basic earnings/(loss) per share excl. foreign currency exchange gain/(loss) and special items [3]	0.88	2.46	1.11	10.98
Net cash provided by/(used in) operating activities	93	1,012	2,288	2,391
Net cash provided by/(used in) investing activities	(367)	(273)	(1,197)	(509)
Net debt / equity ratio	0.49	0.37	0.49	0.37
Net debt / EBITDA excl. special items (last 12 months) ratio	2.16	0.66	2.16	0.66
Average number of shares outstanding (millions)	254.7	254.7	254.7	254.7
Return on invested capital (ROIC) [4]	8.1 %	20.4 %	2.9 %	25.7 %

Key statistics

	4Q 2023	4Q 2022	2023	2022
Yara production (thousand tonnes)				
Ammonia	1,871	1,568	6,391	6,510
Finished fertilizer and industrial products, excl. bulk blends	4,933	4,403	18,437	18,332
Yara deliveries (thousand tonnes)				
Ammonia trade	422	467	1,475	1,771
Fertilizer	5,315	5,114	22,283	22,687
Industrial Product	1,514	1,645	6,350	7,159
Total deliveries	7,251	7,226	30,109	31,616
Yara's Energy prices (USD per MMBtu)				
Global weighted average gas cost[5]	10.0	20.0	10.9	21.8
European weighted average gas cost	13.0	31.4	14.9	31.8

1) See page 35-41 for definitions, explanations, and reconciliations of Alternative performance measures (APMs).
2) Net cash provided by operating activities minus net cash used in investment activities (see cash flow statement, page 15).
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) Excluding Babrala.

Variance analysis

USD millions	4Q 2023	2023
EBITDA 2023	586	1,709
EBITDA 2022	1,065	4,959
Reported EBITDA variance	(479)	(3,250)
Special items variance (see page 8 for details)	12	(73)
EBITDA variance excl. special items	(491)	(3,177)
Volume/Mix	(40)	(100)
Margin	(455)	(3,017)
Currency translation	(22)	3
Other	26	(63)
Total variance explained	(491)	(3,177)

Fourth quarter

Yara's fourth-quarter EBITDA excluding special items was 46% lower than a year earlier, mainly reflecting lower margins with lower selling prices more than offsetting the decline in energy costs. Total deliveries were in line with the same period a year earlier, with increased crop nutrition deliveries compared to a weaker fourth quarter last year, offset by lower industrial product deliveries. Subdued demand led Yara to curtail some of its European production, totaling 11% of both finished fertilizers and ammonia capacity in the quarter.

Europe

EBITDA excluding special items was 69% lower than a year earlier, as lower selling prices more than offset lower feedstock costs and higher deliveries. Deliveries increased by 6% compared to 2022 which had lower deliveries due to a high-price environment and production curtailments.

Americas

EBITDA excluding special items was 20% lower than a year earlier, mainly reflecting lower production margins in North America more than offsetting increased commercial margins and lower fixed costs. Deliveries were down by 1% compared to fourth quarter last year due to reduced fertilizer demand in the second corn season in Brazil partly offset by increased commodity sales.

Africa & Asia

EBITDA excluding special items was 34% lower than a year earlier, driven by lower ammonia prices and deliveries, which more than offset higher deliveries and commercial margins in Asia. Total deliveries were 13% higher compared to a weak fourth quarter last year which was impacted by poor farmer economics in the region and Chinese domestic prices being decoupled from global prices.

Global Plants & Operational Excellence (GPOE)

EBITDA excluding special items was comparable to a year earlier. The result was mainly reflecting higher production volume offsetting higher fixed cost. Production volume increased due to lower curtailments and reliability improvement compared to fourth quarter last year.

Industrial Solutions

EBITDA excluding special items was 52% lower than a year earlier, driven by declining market prices and lower deliveries. Total deliveries decreased 8%, mainly in chemical applications Europe and mining applications.

Clean Ammonia

EBITDA excluding special items was 36% lower than a year earlier, driven by lower deliveries, lower margins due to lower ammonia prices, and higher fixed costs. Total deliveries were 10% lower than a year earlier driven by distinct lack of downstream industrial and fertilizer demand.

Full year

Yara's full year EBITDA excluding special items was 65% lower than a year earlier, mainly reflecting lower margins with lower selling prices more than offsetting lower production cost. Deliveries decreased 5% compared to a year earlier, driven by reduced third party product availability following sanctions on Russia.

Europe

EBITDA excluding special items was 92% lower than a year earlier, as lower selling prices more than offset higher deliveries and lower feedstock cost. Deliveries increased by 3 % compared to last year.

Americas

EBITDA excluding special items was 56% lower than a year earlier, mainly reflecting lower production margins in North America, lower commercial margins in Latin America and lower deliveries. Deliveries decreased 8 % compared to last year due to reduced third party product availability following sanctions on Russia.

Africa & Asia

EBITDA excluding special items was 66% lower than a year earlier, driven by reduced ammonia production margins and lower selling prices offsetting higher deliveries. Total deliveries were 5% higher compared to last year which was impacted by poor farmer economics in the region and Chinese domestic prices being decoupled from global prices.

Global Plants & Operational Excellence (GPOE)

EBITDA excluding special items was 57% lower than a year earlier. This result mainly reflected reduced fertilizer prices impacting production margins.

Industrial Solutions

EBITDA excluding special items was 65% lower than a year earlier, driven by lower market prices and lower deliveries. Total deliveries were down 11%, mainly in Chemical applications EMEA due to reduced industrial activity in Europe and in Transport Reagents compared with record deliveries a year earlier.

Clean Ammonia

EBITDA excluding special items was 60% lower than a year earlier, driven by lower deliveries, lower margins due to lower ammonia prices, and higher fixed costs. Total deliveries were 17% lower than a year earlier, due to reduced product availability given the maintenance of key ammonia production sites and lower downstream industrial and fertilizer demand.

Production volumes

Thousand tonnes	4Q 2023	4Q 2022	2023	2022
Ammonia	1,871	1,568	6,391	6,510
Urea	1,181	881	4,266	3,949
Nitrate	1,405	1,452	5,504	5,625
NPK	1,620	1,444	5,888	5,980
CN	388	407	1,595	1,749
UAN	240	132	856	738
SSP-based fertilizer	85	87	296	291
MAP	14	-	32	-
Total Finished Products	4,933	4,403	18,437	18,332

Deliveries

Crop Nutrition deliveries

Thousand tonnes	4Q 2023	4Q 2022	2023	2022
Urea	1,141	995	4,690	4,700
Nitrate	1,069	1,027	4,462	4,442
NPK	2,025	2,131	8,355	8,498
of which Yara-produced compounds	*1,361*	*1,508*	*5,905*	*5,728*
of which blends	*653*	*597*	*2,369*	*2,464*
CN	329	323	1,478	1,500
UAN	212	140	1,047	998
DAP/MAP/SSP	118	109	560	559
MOP/SOP	176	149	709	921
Other products	246	240	982	1,069
Total Crop Nutrition deliveries	5,315	5,114	22,283	22,687

Europe deliveries

Thousand tonnes	4Q 2023	4Q 2022	2023	2022
Urea	125	59	532	513
Nitrate	803	761	3,467	3,292
NPK	484	587	2,098	2,096
of which Yara-produced compounds	*453*	*571*	*1,989*	*1,994*
CN	73	56	373	316
Other products	274	198	1,236	1,238
Total deliveries Europe	1,760	1,661	7,705	7,455

Americas deliveries

Thousand tonnes	4Q 2023	4Q 2022	2023	2022
Urea	475	431	1,995	1,939
Nitrate	175	164	705	853
NPK	1,107	1,207	4,583	5,071
of which Yara-produced compounds	*576*	*692*	2,594	2,732
of which blends	*525*	*497*	1,963	2,112
CN	194	209	911	970
DAP/MAP/SSP	111	101	513	508
MOP/SOP	158	123	628	824
Other products	161	178	738	778
Total deliveries Americas	2,382	2,414	10,073	10,943
of which North America	*646*	*641*	*2,811*	*2,814*
of which Brazil	*1,377*	*1,406*	*5,619*	*6,450*
of which Latin America excl. Brazil	*359*	*367*	*1,642*	*1,679*

Africa & Asia deliveries

Thousand tonnes	4Q 2023	4Q 2022	2023	2022
Urea	540	504	2,164	2,247
Nitrate	90	102	290	297
NPK	434	337	1,675	1,331
of which Yara-produced compounds	*332*	*246*	*1,321*	*1,003*
CN	61	58	195	214
Other products	48	38	182	199
Total deliveries Africa & Asia	1,174	1,039	4,506	4,289
of which Asia	*876*	*721*	*3,373*	*3,271*
of which Africa	*298*	*318*	*1,133*	*1,018*

Industrial Solutions deliveries

Thousand tonnes	4Q 2023	4Q 2022	2023	2022
Ammonia [1]	96	102	374	462
Urea [1]	329	316	1,335	1,419
Nitrate [2]	287	328	1,207	1,306
CN	45	45	181	198
Other products [3]	274	341	1,312	1,633
Water content in industrial ammonia and urea	482	515	1,940	2,141
Total Industrial Solutions deliveries	1,514	1,645	6,350	7,159

1) Pure product equivalents.
2) Including AN Solution.
3) Including sulfuric acid and other minor products.

Financial items

USD millions	4Q 2023	4Q 2022	2023	2022
Interest income	37	36	159	111
Interest income and other financial income	37	33	159	108
Foreign currency exchange gain/(loss)	44	194	(32)	(61)
Interest expense	(58)	(53)	(260)	(227)
Net interest expense on net pension liability	(2)	-	(1)	(3)
Other	26	(1)	13	(30)
Interest expense and other financial items	(33)	(54)	(249)	(260)
Net financial income/(expense)	48	173	(122)	(214)

Fourth quarter

The variance in financial items primarily reflects a USD 150 million lower net foreign currency exchange gain this quarter, compared with the same quarter a year ago.

The net foreign currency exchange gain this quarter is mainly explained by a gain on Yara's US dollar denominated debt positions as the US dollar depreciated against most of Yara's main currencies. Internal funding positions, mainly in European euro against the Norwegian krone, generated a modest gain. Also in the same quarter a year ago, the reported gain was primarily due to a depreciation of the US dollar.

Yara's accounting policy regarding foreign currency transactions is described on page 16 and in the integrated report for 2022 on pages 144 and 145.

The interest expense is moderately higher than in the same quarter last year as the effect of higher floating interest rates was partly offset by an average gross debt level around USD 150 million lower than a year earlier.

At the end of the fourth quarter, the US dollar denominated debt position generating currency effects in the income statement was approximately USD 2,650 million, with the exposure primarily towards the Norwegian krone.

Full year

Net financial expense for the full year was USD 92 million lower than a year before.

Primarily due to higher floating interest rates, interest income increased by USD 51 million while interest expense increased by USD 33 million.

The net foreign currency exchange loss this year of USD 32 million comprises a loss of USD 146 million on the US dollar denominated debt positions and a gain of USD 114 million on internal positions in other currencies than USD. The year before, the US dollar denominated debt positions generated a loss of USD 281 million while the internal positions in other currencies than USD generated a gain of USD 220 million.

Income tax

Fourth quarter

The effective tax rate for the fourth quarter 2023 was 20.4%, compared to 19.6% for the same quarter in 2022. The recognition of a previously unrecognized tax deduction reduced the effective tax rate by 13% points in fourth quarter 2023, while the recognition of a tax liability associated with an ongoing tax audit increased the effective tax rate by 5% points. These items are explained in note 12 Provision and contingencies on page 32. The effective tax rate for the fourth quarter 2022 was impacted by the recognition of a previously unrecognized deferred tax asset.

Full year

The effective tax rate for 2023 was 71.2%, compared to 23.5% for 2022. The main reason for the high effective tax rate in 2023 was the impairment of the Tertre production plant, which was recognized without tax effect. See note 9 Impairment of non-current assets on page 29 for more information. Furthermore, tax losses that are not recognized as deferred tax assets in certain countries also contribute to higher effective tax rate in 2023.

Cash flow

Fourth quarter

Yara's fourth-quarter operating cash flow was USD 919 million lower than a year earlier, mainly due to lower operating income and increased operating capital. The increase in operating capital was driven by increased inventories and decreased payables, partly reversing the large release of operating capital in previous quarters, as expected. Yara's investing cash outflow in the period was USD 94 million higher than a year earlier, mainly reflecting increased maintenance investments. Yara's cash outflow from financing activities was USD 191 million lower than a year earlier, as principal payments on debt and lower dividend payments more than offset lower loan proceeds.

Full year

Yara's operating cash flow in 2023 was USD 103 million lower than in 2022, as decreased operating income more than offset a release of operating capital. The operating capital release was mainly driven by lower prices and reduced inventory volumes. Yara's investing cash outflow was USD 247 million higher compared to a year earlier when adjusting for Salitre proceeds of USD 440 million in 2022, mainly reflecting higher maintenance investments. The financing cash outflow was USD 294 million higher compared to a year earlier, mainly due to increased dividend payments.

Outlook

The energy transition, climate crisis and food security are top priorities globally. With its leading food solutions and ammonia positions, Yara is uniquely positioned to drive these transformations. Furthermore, the volatile operating conditions of the past years have shown the resilience of Yara's global and flexible business model. Yara's strategy is focused on further strengthening operational resilience and flexibility, and profitable growth in low-carbon ammonia, capturing value within decarbonized premium crop nutrition solutions while also unlocking growth in new ammonia markets. This will support the transformation of the global food system, generate long-term growth opportunities and drive progress towards Yara's ambition of growing a nature-positive food future.

Based on current forward markets for natural gas (31 January 2024) and assuming stable gas purchase volumes, Yara's gas cost for the first and second quarter of 2024 is estimated to be USD 320 million and USD 100 million lower than a year earlier. These estimates may change depending on future spot gas prices and local terms.

In both Europe and the US, nitrogen supply is so far running behind a normal season, indicating a tighter global balance for the first half of 2024. Fertilizer affordability has improved during the quarter, and current optimal application rates are approximately 6% higher than a year ago. The start of 2024 has seen increased buying activity and higher prices, signaling a potential volume catch-up into the main application season in the Northern hemisphere.

The peak of global urea capacity additions is now behind us, with industry consultant projections showing supply growth well below trend consumption growth from 2024 and onwards, and a historically low number of new projects under construction indicating a tightening supply-demand balance in the coming years.

Yara's capital allocation policy is based on an overall objective to maintain a mid-investment grade credit rating, with a targeted capital structure consisting of a mid-to-long term net debt/EBITDA rate of 1.5-2.0 and a net debt/equity ratio below 0.60. In line with this policy, Yara has delivered significant cash returns to shareholders, totaling 175 NOK per share over the last three years. Following a strong financial result in 2022, financial results in 2023 were impacted by significantly lower market prices and one-off position effects. At the end of fourth quarter, Yara's net debt/EBITDA excluding special items ratio is 2.16 and net debt/equity ratio is 0.49. In line with its capital allocation policy, Yara will propose a NOK 5 per share (43% of net income excluding currency and special items) annual dividend to be paid after approval in the annual general meeting scheduled for May 28th, 2024.

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.

	Fixed cost effect				EBITDA effect				Operating income effect			
	4Q 2023	4Q 2022	2023	2022	4Q 2023	4Q 2022	2023	2022	4Q 2023	4Q 2022	2023	2022
Environmental provision	(3)	-	(19)	-	(3)	-	(19)	-	(3)	-	(19)	-
Restructuring cost	(41)	(1)	(41)	(5)	(41)	(1)	(41)	(5)	(41)	(1)	(41)	(5)
Impairment of non-current assets	-	-	-	-	-	-	-	-	(15)	(5)	(192)	(13)
Contract derivatives gain/(loss)	-	-	-	-	-	4	4	(2)	-	4	4	(2)
Government support	-	-	-	-	8	-	8		8	-	8	-
Additional bonus to employees	-	(4)	-	(4)	-	(4)	-	(4)	-	(4)	-	(4)
Total Europe	(44)	(5)	(60)	(9)	(36)	(1)	(48)	(11)	(51)	(6)	(241)	(23)
Disposals	-	-	-	(2)	11	-	11	(11)	11	-	11	(21)
Provision related to closure of plant	-	-	-	4	-	-	-	4	-	-	-	4
Impairment of non-current assets	-	-	-	-	-	-	-	-	(3)	-	(3)	(3)
Scrapping of project development	-	-	-	-	-	-	-	(13)	-	-	-	(13)
Additional bonus to employees	-	(6)	-	(6)	-	(6)	-	(6)	-	(6)	-	(6)
Total Americas	-	(6)	-	(4)	11	(6)	11	(26)	8	(6)	8	(40)
Loss on sold asset	-	-	-	-	-	-	-	(7)	-	-	-	(7)
Insurance claim	-	-	-	-	-	7	-	7	-	7	-	7
Supplier compensation	-	-	-	-	-	-	-	9	-	-	-	9
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	-	(2)
Contract derivatives gain/(loss)	-	-	-	-	-	14	-	98	-	14	-	98
Additional bonus to employees	-	(2)	-	(2)	-	(2)		(2)	-	(2)	-	(2)
Total Africa & Asia	-	(2)	-	(2)	-	20	-	106	-	20	-	104
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	-	(3)	(4)
Arbitration award	-	-	-	-	13	-	13	-	13	-	13	-
Additional bonus to employees	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)
Total Global Plants & Operational Excellence	-	(2)	-	(2)	13	(2)	13	(2)	13	(2)	10	(5)
Write off capitalized project costs	-	-	-	-	-	(9)	-	(9)	-	(9)	-	(9)
Reimbursement related to acquisition of asset	-	-	-	-	-	-	-	17	-	-	-	17
Impairment of non-current assets	-	-	-	-	-	-	-	-	(1)	-	(1)	-
Government support	-	-	-	-	28	-	28	-	28	-	28	-
Additional bonus to employees	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)
Total Industrial Solutions	-	(2)	-	(2)	28	(11)	28	6	27	(11)	27	6
Contract derivatives gain/(loss)	-	-	-	-	-	-	-	(1)	-		-	(1)
Impairment of non-current assets	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Total Clean Ammonia	-	-	-	-	-	-	-	(1)	-	(2)	-	(3)
Impairment of non-current assets	-	-	-	-	-	-	-	-	(10)	-	(20)	-
Restructuring cost	(1)	-	(1)	-	(1)	-	(1)	-	(1)	-	(1)	-
Impairment of current assets	-	-	-	-	(5)	-	(5)	-	(5)	-	(5)	-
Additional bonus to employees	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)
Total Other and Eliminations	(1)	(2)	(1)	(2)	(6)	(2)	(6)	(2)	(16)	(2)	(26)	(2)
Total Yara	(45)	(19)	(61)	(21)	10	(2)	(3)	70	(19)	(9)	(222)	37

See page 35-41 for definitions, explanations and reconciliation of Alternative performance measures (APMs).

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 the 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/(loss) in 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	4Q 2023	4Q 2022	2023	2022
Revenue from contracts with customers	3	3,505	5,437	15,431	23,902
Other income and commodity derivative gain/(loss)	5	77	28	117	150
Revenue and other income		3,582	5,464	15,547	24,051
Raw materials, energy costs and freight expenses		(2,622)	(3,871)	(11,445)	(18,078)
Change in inventories of own products		149	(22)	(650)	725
Payroll and related costs	12	(405)	(346)	(1,399)	(1,284)
Depreciation and amortization	8	(258)	(245)	(1,018)	(964)
Impairment loss	8, 9	(29)	(7)	(220)	(35)
Expected and realized credit loss on trade receivables		(6)	(8)	(9)	(14)
Other operating expenses		(150)	(189)	(495)	(575)
Operating costs and expenses		(3,322)	(4,687)	(15,236)	(20,224)
Operating income		260	777	312	3,827
Share of net income/(loss) in equity-accounted investees		2	3	1	25
Interest income and other financial income		37	33	159	108
Foreign currency exchange gain/(loss)		44	194	(32)	(61)
Interest expense and other financial items		(33)	(54)	(249)	(260)
Income/(loss) before tax		309	953	191	3,639
Income tax expense		(63)	(187)	(136)	(857)
Net income/(loss)		246	766	54	2,782
Net income/(loss) attributable to					
Shareholders of the parent		244	769	48	2,777
Non-controlling interests		2	(3)	6	5
Net income/(loss)		246	766	54	2,782
Basic earnings/(loss) per share [1]		0.96	3.02	0.19	10.90
Weighted average number of shares outstanding	2	254,725,627	254,725,627	254,725,627	254,725,627

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	4Q 2023	4Q 2022	2023	2022
Net income/(loss)		246	766	54	2,782
Other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax					
Currency translation adjustments		103	192	229	(199)
Hedge of net investments		25	59	(22)	(70)
Net other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax		128	251	208	(269)
Other comprehensive income/(loss) that will not be reclassified to statement of income in subsequent periods, net of tax					
Currency translation adjustments [1]		55	46	15	(134)
Net gain/(loss) on equity instruments at fair value through other comprehensive income		(11)	13	(11)	13
Remeasurement gains/(losses) on defined benefit plans	10	(7)	(6)	1	140
Net other comprehensive income/(loss) that will not be reclassified to statement of income in subsequent periods, net of tax		38	54	5	19
Reclassification adjustments of the period		-	-	-	9
Other comprehensive income/(loss), net of tax		166	305	213	(242)
Total comprehensive income/(loss)		412	1,071	268	2,540
Total comprehensive income/(loss) attributable to					
Shareholders of the parent		410	1,075	263	2,538
Non-controlling interests		2	(4)	5	2
Total comprehensive income/(loss)		412	1,071	268	2,540

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	Share Capital 1)	Premium paid-in capital	Currency translation adjust-ments	Other reserves 2)	Retained earnings	Reserve of disposal group held for sale	Attribut-able to share-holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2021	63	(49)	(1,571)	(214)	8,883	(8)	7,104	13	7,116
Net income/(loss)	-	-	-	-	2,777	-	2,777	5	2,782
Other comprehensive income/(loss)	-	-	(330)	(57)	140	8	(239)	(3)	(242)
Total comprehensive income/(loss)	-	-	(330)	(57)	2,917	8	2,538	2	2,540
Dividends distributed	-	-	-	-	(1,055)	-	(1,055)	(1)	(1,056)
Balance at 31 December 2022	63	(49)	(1,901)	(270)	10,745	-	8,587	13	8,600
Net income/(loss)	-	-	-	-	48	-	48	6	54
Other comprehensive income/(loss)	-	-	246	(33)	1	-	214	(1)	213
Total comprehensive income/(loss)	-	-	246	(33)	49	-	263	5	268
Transactions with non-controlling interests	-	-	-	-	-	-	-	2	2
Dividends distributed 3)	-	-	-	-	(1,298)	-	(1,298)	(2)	(1,300)
Balance at 31 December 2023	63	(49)	(1,655)	(304)	9,497		7,552	18	7,570

1) Par value NOK 1.70.
2) Other reserves include fair value reserve of financial assets at FVOCI, hedge of net investments, and cash flow hedges.
3) See Note 2 Shares, dividend, and share buy-back program.

Condensed consolidated interim statement of financial position

USD millions	Notes	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Deferred tax assets	12	522	449
Goodwill	8,9	760	754
Intangible assets other than goodwill	8	135	112
Property, plant and equipment	8,9	7,232	6,970
Right-of-use assets	8	418	403
Associated companies and joint ventures		152	147
Other non-current assets	10	594	526
Total non-current assets		9,814	9,363
Current assets			
Inventories	6	3,058	4,365
Trade receivables		1,634	2,305
Prepaid expenses and other current assets		917	932
Cash and cash equivalents		539	1,010
Non-current assets and disposal group classified as held for sale	4	64	9
Total current assets		6,213	8,620
Total assets		16,027	17,982

Condensed consolidated interim statement of financial position

USD millions, except share information	Notes	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity			
Share capital reduced for treasury shares		63	63
Premium paid-in capital		(49)	(49)
Total paid-in capital		14	14
Other reserves		(1,958)	(2,172)
Retained earnings	10	9,497	10,745
Total equity attributable to shareholders of the parent		7,552	8,587
Non-controlling interests		18	13
Total equity	2	7,570	8,600
Non-current liabilities			
Employee benefits	10	286	293
Deferred tax liabilities		456	473
Interest-bearing debt	7	3,284	3,597
Other non-current liabilities		113	158
Non-current provisions	12	298	231
Non-current lease liabilities		306	292
Total non-current liabilities		4,743	5,043
Current liabilities			
Trade and other current payables		2,049	2,549
Prepayments from customers		368	620
Current tax liabilities		156	288
Current provisions	12	50	92
Other current liabilities		411	460
Interest-bearing debt	7	517	210
Current lease liabilities		123	118
Liabilities associated with non-current assets and disposal group classified as held for sale	4	39	1
Total current liabilities		3,714	4,338
Total equity and liabilities		16,027	17,982
Number of shares outstanding	2	254,725,627	254,725,627

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 8 February 2024

Trond Berger
Trond Berger
Chair

Jannicke Hilland
Jannicke Hilland
Vice chair

John G. Thuestad
John Thuestad
Board member

Rune Bratteberg
Board member

Tove Feld
Board member

Geir O. Sundbø
Geir O. Sundbø
Board member

Eva Safrine Aspvik
Eva Safrine Aspvik
Board member

Ragnhild F. Høimyr
Ragnhild Flesland Høimyr
Board member

Therese Log Bergjord
Board member

Harald Thorstein
Board member

Tina Lawton
Tina Lawton
Board member

Svein Tore Holsether
President and CEO

Condensed consolidated interim statement of cash flows

USD millions	Notes	4Q 2023	4Q 2022	2023	2022
Operating activities					
Income/(loss) before tax		309	953	191	3,639
Adjustments to reconcile income/(loss) before tax to net cash provided by/(used in) operating activities					
Depreciation and amortization	8	258	245	1,018	964
Impairment loss	8,9	29	7	220	35
(Gain)/loss on disposal of non-current assets		(1)	16	(3)	34
Foreign currency exchange (gain)/loss		(44)	(194)	32	61
Finance income and expense		(4)	21	90	153
Income taxes paid		(33)	(238)	(479)	(627)
Interest paid [1]		(131)	(106)	(296)	(236)
Interest received		47	36	174	103
Other		18	111	(88)	70
Working capital changes that provided/(used) cash					
Trade receivables		83	569	687	(299)
Inventories		(190)	358	1,509	(605)
Prepaid expenses and other current assets		55	161	132	(214)
Trade and other payables		(142)	(857)	(452)	(620)
Prepayments from customers		(183)	(21)	(275)	(6)
Other interest-free liabilities		23	(48)	(171)	(63)
Net cash provided by/(used in) operating activities		93	1,012	2,288	2,391
Investing activities					
Purchase of property, plant and equipment		(355)	(284)	(1,139)	(926)
Proceeds from sales of property, plant and equipment		4	5	13	16
Cash flows from losing control of subsidiaries or other businesses		2	3	1	456
Cash flows used in obtaining control of subsidiaries or other businesses		(4)	-	(7)	(29)
Purchase of other non-current assets		(19)	2	(73)	(32)
Proceeds from sales of other non-current assets		4	-	7	6
Net cash provided by/(used in) investing activities		(367)	(273)	(1,197)	(509)
Financing activities					
Loan proceeds [2]	7	63	659	62	613
Principal payments [2]	7	(60)	(591)	(93)	(633)
Payment of lease liabilities	7	(41)	(40)	(168)	(149)
Dividends paid	2	-	(258)	(1,319)	(1,054)
Other cash transfers (to)/from non-controlling interests		-	-	(2)	(1)
Net cash provided by/(used in) financing activities		(38)	(229)	(1,520)	(1,226)
Foreign currency effects on cash and cash equivalents		(3)	(12)	(27)	(42)
Net increase/(decrease) in cash and cash equivalents		(315)	498	(456)	614
Cash and cash equivalents at beginning of period [3]		869	513	1,011	397
Cash and cash equivalents at end of period [3]		555	1,011	555	1,011
Of which cash and cash equivalents in assets held for sale at the end of the period	4	15	-	15	-
Cash and cash equivalents in continuing operations at the end of the period		540	1,011	540	1,011
Bank deposits not available for the use by the Group		92	101	92	101

1) Including interest on lease liabilities.
2) Loan proceeds and principal payments related to short-term borrowings for which maturity is three months or less, are presented net.
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 Integrated Report for 2022. The accounting policies applied are the same as those applied in 2022 and implemented for 2023 as communicated in the annual consolidated financial statements incorporated in Yara's Integrated Report 2022.

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 exchange 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.

Note 1 Judgments, estimates and assumptions

Yara faces risks and uncertainties which require 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 inventory, impairment of assets, tax assets and liabilities, pensions liabilities, and joint arrangements as communicated in the consolidated financial statements as of 31 December 2022, also apply to these interim financial statements as well as the other key factors mentioned related to climate change, price volatility and the war in Ukraine.

As communicated at Yara's Capital Markets Day 2023, the Group will prioritize strategic and value-creating investments in US clean ammonia. These investments are complementary to Yara's European footprint as a majority of Yara assets in Europe are flexible on ammonia source. This creates opportunities for Yara to fuel parts of its European production with imports of low-carbon ammonia at competitive cost, to diversify its energy position through increased exposure to US natural gas markets, and to decarbonize nitrate and NPK production. However, competitive supply from the US to Europe could lead to reduced useful life and/or impairments of production assets in Europe (in particular ammonia production assets) as the technical and business feasibility of increasing future ammonia imports varies from site to site. See note 9 Impairment of non-current assets for more information.

See note 11 for information on geopolitical risk and uncertainties.

Note 2 Shares, dividend, and share buy-back program

The Annual General Meeting on 12 June 2023 approved a dividend for 2022 of NOK 55.00 per share. Total amount payable was NOK 14,010 million. The dividend was paid out with NOK 13,271 million (USD 1,229 million) during second quarter 2023, and NOK 739 million (USD 72 million) during third quarter 2023.

On 12 June 2023 the Annual General Meeting also authorized the Board of Directors to acquire up to 12,736,281 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. Yara has not purchased own shares under the 2023 buy-back program.

Total number of shares outstanding at 31 December 2023 is 254,725,627. Yara has not purchased or cancelled own shares in 2022 or 2023 and does not hold own shares at 31 December 2023.

Note 3 Operating segment information

Yara's operations comprise of the following operating segments:

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

The operating segments presented 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) as the Chief Operating Decision Maker.

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.

The Global Plants & Operational Excellence segment operates Yara's largest, and export-oriented, production plants in Porsgrunn (Norway) and in Sluiskil (the Netherlands) and has a key role in driving operational improvements, competence development and technical project execution across Yara's production system. In addition, the segment includes the global planning and optimization function, the product management function, the direct procurement functions, and the corporate Health, Environment, Safety and Quality (HESQ) function.

The Clean Ammonia segment contains Yara's ammonia sales and logistics activity, which plays a vital role in Yara's production system as it allocates excess volume from producing plants and delivers ammonia to consuming plants in a timely manner to ensure full production capacity utilization. In addition, the segment sources and trades ammonia externally and provides optimized shipping solutions through use of a fleet of owned and time-chartered vessels. The segment is evaluating several new green and blue ammonia projects with the aim to serve growing markets for clean ammonia and add scale to the existing business.

Yara Industrial Solutions mainly provides nitrogen-based solutions and services across a wide range of industries including automotive, construction, waste handling and circular economy, chemicals, mining, and animal feed. The segment performs its activities through four commercial units: Transport Reagents, Mining Applications, Chemical Applications EMEA, and Chemical Applications Americas. These commercial units are backed by six dedicated production plants across Europe, Latin America, Africa and Asia.

USD millions	4Q 2023	4Q 2022	2023	2022
External revenue from contracts with customers				
Europe	780	1,355	3,806	5,729
Americas	1,251	1,740	5,745	8,492
Africa & Asia	641	792	2,535	3,188
Global Plants & Operational Excellence	11	16	46	77
Clean Ammonia	250	493	780	1,946
Industrial Solutions	557	1,021	2,431	4,415
Other and Eliminations	16	19	88	55
Total	3,505	5,437	15,431	23,902
Internal revenue				
Europe	166	250	794	1,390
Americas	149	300	462	1,240
Africa & Asia	117	270	374	976
Global Plants & Operational Excellence	583	846	2,428	4,277
Clean Ammonia	264	636	1,124	2,481
Industrial Solutions	69	131	263	517
Other and Eliminations	(1,348)	(2,433)	(5,445)	(10,883)
Total	-	-	-	-
Total revenue				
Europe	945	1,606	4,600	7,119
Americas	1,400	2,040	6,207	9,732
Africa & Asia	758	1,062	2,909	4,165
Global Plants & Operational Excellence	594	862	2,474	4,354
Clean Ammonia	514	1,129	1,904	4,428
Industrial Solutions	626	1,152	2,694	4,932
Other and Eliminations	(1,332)	(2,414)	(5,356)	(10,828)
Total	3,505	5,437	15,431	23,902
EBITDA [1]				
Europe	45	257	49	1,226
Americas	267	313	834	1,852
Africa & Asia	81	144	188	659
Global Plants & Operational Excellence	71	57	183	396
Clean Ammonia	43	68	101	249
Industrial Solutions	101	139	254	642
Other and Eliminations	(23)	87	101	(65)
Total	586	1,065	1,709	4,959
Investments [2]				
Europe	188	133	423	352
Americas	70	52	167	238
Africa & Asia [3]	37	54	168	15
Global Plants & Operational Excellence	80	103	185	225
Clean Ammonia	10	6	33	22
Industrial Solutions	75	68	171	164
Other and Eliminations	13	10	35	26
Total	472	427	1,182	1,042

1) See section "Alternative performance measures" for definition and relevant reconciliations.
2) Investments comprises additions to property, plant and equipment, intangible assets other than goodwill, associated companies and joint ventures, and equity instruments in the period. The figures presented are capitalized amounts and may deviate from net cash provided by/(used in) investing activities due to timing of cash outflows.
3) Figure includes adjustments to decommissioning assets (4Q 2023: USD 9 million, 4Q 2022: USD 22 million, 2023: USD 10 million, and 2022: USD (45) million).

USD millions	2023	2022
Net operating profit after tax (NOPAT) [1]		
Yara	325	2,981
Europe	(293)	722
Americas	402	1,185
Africa & Asia	58	419
Global Plants & Operational Excellence	(6)	155
Clean Ammonia	30	148
Industrial Solutions	81	396
Invested capital [1]		
Yara [2]	11,346	11,602
Europe	2,837	2,923
Americas	3,609	4,214
Africa & Asia	1,933	2,040
Global Plants & Operational Excellence	1,313	1,081
Clean Ammonia	337	446
Industrial Solutions	1,296	1,385
ROIC [1]		
Yara [2]	2.9 %	25.7 %
Europe	(10.3%)	24.7 %
Americas	11.1 %	28.1 %
Africa & Asia	3.0 %	20.5 %
Global Plants & Operational Excellence	(0.5%)	14.3 %
Clean Ammonia	9.0 %	33.1 %
Industrial Solutions	6.3 %	28.6 %

1) NOPAT, Invested capital and ROIC are calculated on a 12-month rolling average basis. See section "Alternative performance measures" for definitions and relevant reconciliations.

2) A normalized operating cash level of USD 200 million is included in the Invested capital and ROIC calculations for Yara. This is not included in the Invested capital and ROIC calculations at the operating segment level.

Reconciliation of operating income to EBITDA [1)]

USD millions	Operating income	Share of net income/(loss) in equity-accounted investees	Interest income and other financial income	Depreciation and amortization	Impairment loss	EBITDA
4Q 2023						
Europe	(33)	-	1	62	15	45
Americas	168	-	27	69	3	267
Africa & Asia	51	-	2	28	-	81
Global Plants & Operational Excellence	26	-	-	46	-	71
Clean Ammonia	28	-	-	15	-	43
Industrial Solutions	63	1	-	36	1	101
Other and Eliminations	(43)	-	7	3	10	(23)
Total	260	2	37	258	29	586
4Q 2022						
Europe	188	1	1	62	5	257
Americas	226	(2)	25	63	-	313
Africa & Asia	115	-	1	28	-	144
Global Plants & Operational Excellence	9	-	-	47	-	57
Clean Ammonia	52	-	-	14	2	68
Industrial Solutions	106	3	1	30	-	139
Other and Eliminations	81	-	5	1	-	87
Total	777	3	33	245	7	1,065
2023						
Europe	(400)	5	3	249	192	49
Americas	444	3	118	266	4	834
Africa & Asia	72	-	11	104	-	188
Global Plants & Operational Excellence	(10)	-	-	189	3	183
Clean Ammonia	39	-	-	62	-	101
Industrial Solutions	116	(7)	1	142	1	254
Other and Eliminations	51	-	26	5	20	101
Total	312	1	159	1,018	220	1,709
2022						
Europe	953	5	4	251	13	1,226
Americas	1,486	9	91	251	15	1,852
Africa & Asia	550	-	3	104	2	659
Global Plants & Operational Excellence	206	-	-	186	4	396
Clean Ammonia	197	-	-	51	2	249
Industrial Solutions	509	10	3	119	-	642
Other and Eliminations	(74)	-	6	2	-	(65)
Total	3,827	25	108	964	35	4,959

1) See section “Alternative performance measures” for a reconciliation of net income to EBITDA.

Disaggregation of external revenues by nature

USD millions	Fertilizer and chemical products	Freight/ insurance services	Other products and services	Total
4Q 2023				
Europe	737	29	14	780
Americas	1,206	42	2	1,251
Africa & Asia	630	9	2	641
Global Plants & Operational Excellence	2	-	9	11
Clean Ammonia	234	15	-	250
Industrial Solutions	506	39	11	557
Other and Eliminations	-	-	15	16
Total	3,316	134	54	3,505
4Q 2022				
Europe	1,310	30	14	1,355
Americas	1,699	39	2	1,740
Africa & Asia	779	12	1	792
Global Plants & Operational Excellence	1	-	15	16
Clean Ammonia	477	14	2	493
Industrial Solutions	956	49	16	1,021
Other and Eliminations	-	-	19	19
Total	5,222	144	70	5,437
2023				
Europe	3,634	121	51	3,806
Americas	5,555	180	10	5,745
Africa & Asia	2,489	41	5	2,535
Global Plants & Operational Excellence	10	-	37	46
Clean Ammonia	720	58	2	780
Industrial Solutions	2,220	173	38	2,431
Other and Eliminations	5	-	83	88
Total	14,632	573	226	15,431
2022				
Europe	5,547	122	60	5,729
Americas	8,292	171	28	8,492
Africa & Asia	3,126	57	5	3,188
Global Plants & Operational Excellence	28	-	49	77
Clean Ammonia	1,875	64	7	1,946
Industrial Solutions	4,167	189	59	4,415
Other and Eliminations	4	-	51	55
Total	23,039	604	258	23,902

Disaggregation of external revenues by geographical area [1)]

USD millions	Europe	Brazil	Latin America excl. Brazil	North America	Africa	Asia	Total
4Q 2023							
Europe	746	1	8	-	22	3	780
Americas	-	730	224	297	-	-	1,251
Africa & Asia	-	-	-	-	198	443	641
Global Plants & Operational	11	-	-	-	-	-	11
Clean Ammonia	6	43	-	86	-	115	250
Industrial Solutions	309	119	37	31	41	20	557
Other and Eliminations	11	-	-	1	-	4	16
Total	1,082	893	269	415	261	585	3,505
4Q 2022							
Europe	1,318	5	2	-	26	4	1,355
Americas	-	978	347	414	-	-	1,740
Africa & Asia	-	-	-	-	324	468	792
Global Plants & Operational	16	-	-	-	-	-	16
Clean Ammonia	-	118	8	192	-	176	493
Industrial Solutions	641	166	74	29	81	29	1,021
Other and Eliminations	14	-	-	1	-	4	19
Total	1,989	1,268	431	636	431	681	5,437
2023							
Europe	3,663	12	27	9	80	15	3,806
Americas	1	3,093	1,219	1,432	-	-	5,744
Africa & Asia	-	-	-	-	767	1,768	2,535
Global Plants & Operational	46	-	-	-	-	-	46
Clean Ammonia	9	129	-	259	-	383	780
Industrial Solutions	1,380	489	178	108	175	101	2,431
Other and Eliminations	61	-	-	2	-	25	88
Total	5,160	3,723	1,425	1,811	1,022	2,293	15,431
2022							
Europe	5,589	5	22	16	81	16	5,729
Americas	2	4,910	1,607	1,972	-	-	8,492
Africa & Asia	-	-	-	-	1,033	2,155	3,188
Global Plants & Operational	76	-	-	-	-	-	77
Clean Ammonia	-	391	42	818	-	696	1,946
Industrial Solutions	2,732	815	253	164	329	122	4,415
Other and Eliminations	30	-	-	3	-	21	55
Total	8,431	6,120	1,924	2,974	1,443	3,009	23,902

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

Note 4 Business initiatives

Yara Clean Ammonia

Yara Clean Ammonia ("YCA") was established as a separate segment and business unit in 2021 to focus on clean ammonia, i.e., green and blue ammonia. It reflects Yara's strategic ambition to enable the hydrogen economy where clean ammonia will play a crucial role within zero-emission shipping fuels, power generation, green fertilizer production and other industrial applications. On Yara Capital Markets Day 26 June 2023, it was announced that a potential IPO of the YCA business will be postponed 1-2 years.

On 31 March 2023, Yara announced the signing of a letter of intent with Enbridge Inc. to jointly develop and construct a world scale low-carbon blue ammonia production facility as equal partners, with a total project investment in the range of USD 2.6-2.9 billion, an expected capacity of 1.2-1.4 million tonnes per annum and with production start-up in 2027/2028. The facility (including autothermal reforming with carbon capture), will be located in Texas, United States.

On 29 June 2023, Yara announced that BASF and YCA are collaborating on a joint study to develop and construct a world-scale low-carbon blue ammonia production facility with carbon capture in the U.S. Gulf coast region. The companies are looking into the feasibility of a plant with a total capacity of 1.2 to 1.4 million tonnes per annum.

Investment in CCS project in Sluiskil, Netherlands

On 20 November 2023, Yara announced that it signed a binding commercial agreement, enabling the first cross-border transportation and storage of CO_2. The CO_2 will be liquefied and shipped by Northern Lights from the Netherlands to permanent storage on the Norwegian continental shelf, 2,600 meters under the seabed. The agreement is expected to reduce annual CO_2-emissions by 800,000 tons from the ammonia production at Yara Sluiskil, corresponding to 0.5% of the total annual emissions (2022) in the Netherlands. The expected capex is approximately EUR 200 million and operations is projected to start in 2026.

Disposal of Yara Dallol B.V.

On 27 January 2023, Yara completed the sale of its ownership interest in the Dallol mining project in Ethiopia. The sale had immaterial impact on Yara's 2023 financial statements.

Disposal group held for sale

The disposal group held for sale as at 31 December 2023 includes assets and liabilities for Yara Marine Technologies AS and Yara Côte d'Ivoire S.A. On 26 January 2024, the divestment of Yara Marine Technologies AS was completed. The disposals are not expected to significantly impact the financial statements for 2024.

Note 5 Specifications

Other income and commodity derivative gain/(loss)

USD millions	4Q 2023	4Q 2022	2023	2022
Sale of white certificates	4	-	7	5
Insurance and other compensations	57	7	74	33
Commodity-based derivatives gain/(loss)	-	18	3	94
Gain on sale of non-current assets	6	-	10	4
Other	9	3	22	14
Total	77	28	117	150

Yara has been awarded government support in Europe of USD 37 million to partly cover extraordinarily high energy costs in 2022 due to the energy crises caused by the Russian war against Ukraine. The support is recognized in the fourth quarter 2023 and included in the line "Insurance and other compensations" in the table above.

This government support refers to non-routine programs which were established for one specific period, related to a prior year. It differs in nature from other energy related support Yara may earn on a regular basis and is not related to current year energy consumption. Due to the specific nature of this support, it is presented as other income, different from energy tax and excise duty refunds which are recognized as a reduction to the related energy expense.

Note 6 Inventories

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Clean Ammonia	Industrial Solutions	Other and Eliminations	Total
31 December 2023								
Finished goods	622	566	365	87	-	123	(67)	1,695
Work in progress	36	1	10	22	-	22	-	90
Raw materials	171	472	17	115	85	73	5	937
Spare parts	104	71	32	77	-	53	-	336
Total	933	1,110	423	300	85	270	(62)	3,058
Write-down, closing balance	(34)	(16)	(4)	(9)	-	(8)	17	(55)
31 December 2022								
Finished goods	989	769	503	123	-	197	(168)	2,413
Work in progress	59	2	8	44	-	50	-	164
Raw materials	223	827	15	184	146	112	(14)	1,494
Spare parts	93	56	29	70	-	46	-	294
Total	1,365	1,654	555	421	146	405	(181)	4,365
Write-down, closing balance	(37)	(61)	(19)	(33)	(4)	(18)	30	(140)

Note 7 Interest-bearing debt and financial instruments at fair value

Specification of interest-bearing debt

USD millions	31 Dec 2023	31 Dec 2022
Non-current liabilities		
Debenture bonds [1]	3,154	3,302
Bank loans	73	242
Other loans	56	53
Total non-current interest-bearing debt	3,284	3,597
Current liabilities		
Current portion of non-current debt	342	54
Credit and overdraft facilities	175	157
Total current interest-bearing debt	517	210
Total interest-bearing debt	3,801	3,808

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

At 31 December 2023, the fair value of the long-term debt, including the current portion, is USD 3,533 million while the carrying value is USD 3,626 million. During the quarter, the deviation between fair value and carrying value decreased by USD 110 million reflecting reduced risk-free interest rates and tighter credit spreads.

There have been no significant changes in Yara's long-term interest-bearing debt profile during the fourth quarter.

Yara's USD 1,100 million long-term revolving credit facilities remain completely undrawn. A further USD 1,170 million is available through unused short-term credit facilities with various banks.

Contractual payments on non-current interest-bearing debt

USD millions	Debenture bonds	Bank Loans	Other loans	Total[1]
2024	153	181	9	342
2025	-	46	10	56
2026	705	28	8	741
2027	91	-	8	99
Thereafter	1,360	-	22	1,381
Total	3,307	254	65	3,626

1) Including current portion.

Reconciliation of liabilities arising from financing activities

			Non-cash changes						
USD millions	31 Dec 2022	Cash flows	Additions and lease modifi-cations	Debt assumed as part of acquisition	Transfer to liabilities associated with assets held for sale	Foreign exchange movement	Amorti-zation[1]	Other	31 Dec 2023
Interest-bearing debt	3,808	(31)	-	3	-	(18)	1	37 [2]	3,801
Lease liabilities	410	(168)	183	-	(3)	8	-	-	429
Total	4,218	(198)	183	3	(3)	(11)	1	37	4,230

1) Amortization of transaction cost

2) Other non-cash changes include USD 19 million increase related to financing of machinery acquired by a contractor which in substance is controlled by Yara. It also includes fair value changes of USD 19 million on interest rate swaps designated as hedging instruments.

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

USD millions	31 Dec 2023	31 Dec 2022
Equity instruments	88	54
Derivatives, net	(117)	(132)
Financial liabilities	(3)	(15)
Financial instruments at fair value in the statement of financial position at end of period	(33)	(92)

USD millions	4Q 2023	4Q 2022	2023	2022
Gains and (losses) from financial instruments at fair value recognized in:				
Consolidated statement of income	66	84	(20)	(15)
Consolidated statement of comprehensive income[1]	23	19	(36)	(76)
Total	89	103	(57)	(91)

1) Amounts are presented before tax.

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

Note 8 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					
2023					
Balance at 1 January 2023	6,424	546	754	112	403
Additions and lease modifications	560	562	-	42	187
Disposals	(15)	-	-	(1)	-
Transfers	378	(395)	-	13	(6)
Depreciation and amortization	(818)	-	-	(28)	(172)
Impairment loss 1)	(183)	(21)	(11)	(5)	-
Foreign currency exchange gain/(loss)	167	28	17	2	6
Balance at 31 December 2023	6,513	719	760	135	418

1) Includes USD 168 million impairment of Yara's production site in Tertre, Belgium, recognized in second quarter. Refer to note 9 Impairment of non-current assets for further information.

USD millions	PP&E other than AuC	Assets under construction (AuC)	Goodwill	Intangible assets other than goodwill	Right-of-use assets
2022					
Balance at 1 January 2022	6,553	581	789	132	421
Additions and lease modifications 2)	605	391	-	21	156
Disposals	(19)	(25)	-	-	-
Transfers	375	(372)	-	-	-
Depreciation and amortization	(777)	-	-	(34)	(153)
Impairment loss	(32)	(2)	-	-	-
Foreign currency exchange gain/(loss)	(279)	(26)	(35)	(8)	(21)
Balance at 31 December 2022	6,424	546	754	112	403

2) Additions to PP&E other than AuC in 2022 was USD 650 million. The 2022 figure includes a USD 45 million reduction to decommissioning assets, mainly due to an increase in discount rate. Additions to PP&E also included machinery acquired by a contractor, which in substance is controlled by Yara (USD 57 million).

Leases expensed in the period

Leases expensed in the quarter amounts to USD 16 million (2022: USD 14 million) and in 2023 USD 63 million (2022: USD 55 million), and refers to leases with variable payments, leases of low value, or leases of short term.

Note 9 Impairment of non-current assets

Recognized impairment loss

USD millions	4Q 2023	4Q 2022	2023	2022
Asset class				
Goodwill	(1)	-	(11)	-
Other intangible assets	(5)	-	(5)	-
Property, plant and equipment	(23)	(7)	(204)	(35)
Total impairment of non-current assets	(29)	(7)	(220)	(35)

USD millions	4Q 2023	4Q 2022	2023	2022
Segment split				
Europe	(15)	(5)	(192)	(13)
Americas	(3)	-	(4)	(15)
Africa & Asia	-	-	-	(2)
Global Plants & Operational Excellence	-	-	(3)	(4)
Clean Ammonia	-	(2)	-	(2)
Industrial Solutions	(1)	-	(1)	-
Other and Eliminations	(10)	-	(20)	-
Total impairment of non-current assets	(29)	(7)	(220)	(35)

Fourth quarter

Impairment losses recognized in the fourth quarter relate to several assets and cash generating units with immaterial remaining carrying value.

Full year

Impairment losses recognized in the full year 2023 amount to USD 220 million. In addition to the impairments in the fourth quarter described above, Yara recognized a USD 185 million impairment in the second quarter, of which USD 168 million was related to Yara Europe's production site in Tertre, Belgium. The impairment loss was reported in the Europe segment.

The Tertre site is an integrated production unit that produces ammonia, nitric acid and nitrates. The main drivers for the impairment were lower sales price and volume expectations, linked to a challenged sourcing position with limited flexibility to import ammonia. Yara's price forecasts have incorporated estimated impacts of the Inflation Reduction Act (IRA) in the US. The strong competitiveness of IRA-eligible blue ammonia projects in the US is expected to have a negative impact on European ammonia prices, while the introduction of CBAM may provide attractive opportunities for European based nitrates.

On a net basis, this reduced the value-in-use for an integrated site like Tertre, which is exposed to European natural gas and emission cost and currently has limited flexibility to import ammonia. While Yara is planning to invest in significant blue ammonia capacity in the US providing attractive and profitable decarbonization opportunities for Yara's European nitrates position, assets are as described in note 1 to be tested in their current condition. Cash flows associated with future projects like decarbonization initiatives and projects to enable flexible sourcing of ammonia cannot be incorporated in impairment testing until they are committed. Therefore, the value-in-use did not reflect the potential strategic value of production assets in a decarbonized future.

The remaining carrying value of the cash generating unit Tertre after this impairment was USD 138 million. The pre-tax discount rate used in the impairment test was 11.8%. An isolated 1%-point increase in the discount rate would have resulted in USD 12 million additional impairment. An isolated reduction in forecasted fertilizer prices of 10% would have resulted in USD 77 million additional impairment. An isolated increase in the forecasted natural gas cost of 10% points would have resulted in USD 77 million additional impairment.

The impairment of Tertre created deductible temporary differences. These differences were not recognized as deferred tax assets, due to the uncertainty involving their recovery. Unrecognized deferred tax assets related to the impairment were USD 42 million. Yara will continuously reassess this position, and recognition will take place if and when recovery is considered probable.

Note 10 Employee benefits

By the end of the fourth quarter, the defined benefit obligations have been remeasured following full actuarial valuations of all defined benefit plans, using revised financial and demographic assumptions, as well as updated membership data. Plan asset values have also been remeasured to reflect market value at the end of the quarter.

A net remeasurement loss was recognized in the fourth quarter as a decrease in Other non-current assets of USD 5 million, and an increase in Employee Benefits liability of USD 15 million. The negative effect in Other comprehensive income was USD 7 million (after tax) in the fourth quarter. In 2023, remeasurement gains and losses were recognized as a decrease in Other non-current assets of USD 5 million, and an increase in Employee Benefits liability of USD 4 million. The positive effect in Other comprehensive income was USD 1 million (after tax) for the year.

On 21 December 2023 the Trustees of the Yara UK Pension Fund signed a full scheme buy-in transaction. The buy-in asset covers all accrued benefits in the Plan, excluding any additional benefits due to members because of Guaranteed Minimum Pension (GMP) equalization. Following a High Court ruling in October 2018 many pension schemes in the UK including Yara UK Pension Fund, will need to equalize for the effect of Guaranteed Minimum Pensions for men and women. Consequently, benefits may need to be improved for individual members of the pension plan.

These adjustments will be quantified alongside any other data and/or benefits adjustments and included in a subsequent pricing adjustment of the buy-in. A pricing adjustment may reduce or increase the surplus of the plan. Following the buy-in transaction Yara has recognized a pension plan asset and a gain in Other comprehensive income of USD 36 million net of tax, reflecting the value of residual assets remaining in the fund assuming gradual settlement of plan liabilities over time.

The Dutch pension system is currently being reformed. On 1 July 2023, the Future Pensions Act became effective. All Dutch pension schemes must comply with the new legislation no later than 1 January 2028. By this date all defined benefit plans will need to be converted to contribution-based pension schemes. Yara's defined benefit plan in the Netherlands was closed for new entries from 1 August 2014. The plan currently covers 381 active employees, 1,256 retirees, and 315 deferrals. The fair value of plan assets at 31 December 2023, was USD 652 million, while the pension liability was remeasured at USD 545 million. A pension plan asset of USD 106 million has been recognized as, under the current pension scheme, the surplus would become recoverable for Yara at a future date. The terms of the revised defined contribution scheme are yet to be determined. Yara is cooperating with Yara pension fund and employee representatives, to establish a balanced transition. A transition plan will need to be submitted by 1 January 2025. This transitional process will focus on the future pension commitments as well as the current pension entitlements. The impact to Yara's financial statements will depend on the outcome of this process.

Note 11 Effects of price volatility and the geopolitical situation

The situations in Ukraine, Middle East and the Red Sea represent significant geopolitical risk and uncertainties. Future financial effects to Yara of these situations are highly uncertain and cannot be reliably estimated, due to the inherent uncertainty. However, it is likely that future financial effects will depend on the impact of these situations on market prices and on trade and sourcing patterns. Yara monitors the situations closely and adapts to market conditions as appropriate.

Import restrictions, as well as several rounds of new sanctions, have been presented by the EU, UK, US and other countries following Russia's invasion of Ukraine. This has restricted, and will likely continue to restrict, trade with Russian and Belarus counterparties, both due to sanctions imposed on entities and individuals, and due to banking and logistical challenges.

Yara has historically sourced phosphate, potash and ammonia from Russia, and purchased significant volumes of natural gas for its production in Europe. Yara has stopped all sourcing from suppliers which are prohibited by sanctions in certain jurisdictions, and is utilizing its global sourcing, production and distribution capabilities with the objective to keep supplying customers and secure continuity in food supply chains.

To cater for the reduced volumes of ammonia from Russian producers, Yara has replaced these volumes by sourcing ammonia from other producers.

In the fourth quarter, Yara adapted to market conditions by curtailing 0.13 million tonnes ammonia (11% of the Group's European capacity) and 0.45 million tonnes of finished fertilizer (11% of the Group's European capacity). The curtailments are frequently adjusted according to market conditions.

For phosphates and potash Yara has increased sourcing from existing suppliers outside of Russia/Belarus and entered into contracts with new suppliers, which has secured supplies to Yara's production system. There has been no material impact on Yara's production volumes so far due to a lack of raw materials. There can be no assurance, however, that Yara will be able to continue to do so in the future, whether on commercially acceptable terms or within a reasonable amount of time, and, as a result, there could be a reduction in volumes sourced by Yara.

Accounts payables to companies linked to Russian sanctioned individuals amount to USD 230 million at 31 December 2023. The amount is adjusted based on foreign currency rates at the balance sheet date. These payables are related to goods received before sanctions were implemented and are presented on the line "Trade and other current payables" in the statement of financial position. All were overdue at 31 December 2023. Future settlements are dependent on the development in sanction regulations, so the timing of cash outflow is uncertain.

Yara has received contractual demands from suppliers that are linked to Russian sanctioned individuals, see note 12 Provision and contingencies.

Note 12 Provisions and contingencies

Restructuring provision

In fourth quarter 2023, Yara France informed employee unions, employees and other stakeholders about its intention to transform the Montoir site from today's chemical production of fertilizer into a blending and distribution fertilizer unit. The project to transform the activities in Montoir is expected to lead to 139 positions being made redundant. The information and consultation process with the employee unions are ongoing and are expected to continue until at least second quarter 2024. A restructuring provision of USD 41 million was recognized in fourth quarter 2023. The Montoir site is reported in the Europe segment.

Sanctions

Yara has certain long term supply agreements where sourcing has, to date, been stopped or terminated as a result of the political and economic import restrictions and sanctions imposed against Russia and certain Russian entities and individuals. Yara, together with its advisors, is constantly reviewing the scope of the sanctions to ensure that the Group operates in accordance with relevant government regulation and contractual commitments. As the sanction regulations are complex and the assessments of the related impact on each business partner depend on several judgements, there is uncertainty when drawing conclusions. The suppliers' assessments of the sanction regulation and the related impact on contractual commitments may therefore differ from Yara's conclusions, which could subject Yara to potential claims.

Yara has received contractual demands from suppliers that are linked to Russian sanctioned individuals. For each of these demands, Yara has considered if it is probable that they will require outflow of resources. Based on available information and legal advice, Yara has not made material provisions for these demands. It is not possible to provide a reliable estimate of the potential exposure at this time as these demands are not detailed with amounts and have not been sufficiently stipulated.

Tax

Several subsidiaries are engaged in legal and administrative proceedings related to various disputed tax matters. There are no material changes to the tax related contingencies that were disclosed in the annual integrated report for 2022 except those explained below.

Transfer pricing audit of Yara International ASA

On 25 October 2023, Yara announced that it had received a draft tax reassessment from the Norwegian Tax Authorities (NTA) related to a transfer pricing audit for the years 2015, 2016 and 2017. Yara is currently preparing its response. The position of the NTA is to increase the Yara International ASA tax results by approximately USD 650 million in total for the years 2015 to 2017, which would increase tax cost by an estimated USD 170 million. When applying the same principles for the years up to and including 2023, the total tax cost would increase by an additional USD 230 million. Although Yara disagrees with the draft reassessment and still considers its transfer pricing to be in line with applicable tax legislation, it is recognized that transfer pricing is a complex tax area that involves a level of discretion. When calculating the related accounting provision, Yara has reflected the uncertainty by probability-weighting amounts in a range of outcomes that are considered possible. The total provision in relation to the transfer price audit is USD 17 million at year-end 2023, and this amount covers all years from 2015 to 2023.

Recognition of a prior year tax deduction

In fourth quarter 2023, it was determined that a previously unrecognized tax deduction related to a divestment in year 2020 can be recognized at year-end 2023. This reduced the tax cost in fourth quarter 2023 by USD 41 million. Yara previously did not consider it probable that the tax deduction would be accepted by the relevant tax authority. After engaging with the tax authority during 2023 and after obtaining external legal advice, the tax deduction is now considered to be probable. This uncertain position was included in the amount disclosed under the heading "Uncertain tax treatments" in note 5.6 to the 2022 financial statements.

Note 13 Post balance sheet date events

Disposal of Yara Marine Technologies AS

Yara Marine Technologies AS was divested on 26 January 2024. The assets and liabilities are classified as held for sale as at 31 December 2023. The divestment is not expected to have material impact on the financial statements for 2024.

Dividends

The Board will propose to the Annual General Meeting a dividend of NOK 5 per share for 2023.

Quarterly historical information

EBITDA

USD millions	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Europe	45	93	(86)	(3)	257	306	321	342
Americas	267	162	158	248	313	386	638	515
Africa & Asia	81	30	6	70	144	198	211	107
Global Plants & Operational Excellence	71	59	21	32	57	(95)	240	194
Clean Ammonia	43	7	19	33	68	66	52	63
Industrial Solutions	101	56	31	65	139	139	171	192
Other and Eliminations	(23)	(10)	89	45	87	57	(117)	(92)
Total	586	397	237	489	1,065	1,057	1,514	1,323

Results

USD millions, except share information	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Revenue and other income	3,582	3,862	3,943	4,161	5,464	6,222	6,453	5,912
Operating income	260	103	(250)	199	777	787	1,223	1,039
EBITDA	586	397	237	489	1,065	1,057	1,514	1,323
Net income/(loss) attributable to shareholders of the parent	244	-	(300)	104	769	400	664	944
Basic earnings/(loss) per share	0.96	0.00	(1.18)	0.41	3.02	1.57	2.61	3.71

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. On a quarterly basis, the following APMs are used and reported:

- Operating income
- EBITDA
- EBITDA excluding special items
- Return on invested capital (ROIC)
- Premium generated
- Fixed cost in core business
- Net operating capital (days)
- Net interest-bearing debt
- Net debt / equity ratio
- Net debt / EBITDA excluding special items ratio
- Basic earnings/(loss) per share excluding foreign currency exchange gain/(loss) 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 understanding the Group's financial performance. It provides performance information covering all activities which normally are considered as "operating". Share of net income/(loss) in equity-accounted investees is 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/(loss) in equity-accounted investees, and 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 reflect the underlying performance in the reported period, adjusting for items which are not primarily related to the period in which they are recognized. 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. See section "Special items" on page 8 for details on special items.

Reconciliation of operating income to EBITDA excluding effect of special items

USD millions		4Q 2023	4Q 2022	2023	2022
Operating income		260	777	312	3,827
Share of net income/(loss) in equity-accounted investees		2	3	1	25
Interest income and other financial income		37	33	159	108
Depreciation and amortization		258	245	1,018	964
Impairment loss		29	7	220	35
Earnings before interest, tax, depreciation, and amortization (EBITDA)		586	1,065	1,709	4,959
Special items included in EBITDA [1]		10	(2)	(3)	70
EBITDA, excluding special items	A	576	1,067	1,712	4,889

1) See section "Special items" on page 8 for details on special items.

Special items included in EBITDA per operating segment

USD millions	4Q 2023	4Q 2022	2023	2022
Europe	(36)	(1)	(48)	(11)
Americas	11	(6)	11	(26)
Africa & Asia	-	20	-	106
Global Plants & Operational Excellence	13	(2)	13	(2)
Clean Ammonia	-	-	-	(1)
Industrial Solutions	28	(11)	28	6
Other and Eliminations	(6)	(2)	(6)	(2)
Total special items included in EBITDA [1]	10	(2)	(3)	70

1) See section "Special items" on page 8 for details on special items.

EBITDA per operating segment, excluding special items

USD millions		4Q 2023	4Q 2022	2023	2022
Europe		81	258	97	1,237
Americas		256	319	823	1,878
Africa & Asia		81	124	188	554
Global Plants & Operational Excellence		59	59	170	398
Clean Ammonia		43	68	101	251
Industrial Solutions		73	151	225	636
Other and Eliminations		(17)	89	107	(63)
EBITDA, excluding special items [1]	A	576	1,067	1,712	4,889

1) See section "Special items" on page 8 for details on special items.

Reconciliation of net income/(loss) to EBITDA

USD millions	4Q 2023	4Q 2022	2023	2022
Net income/(loss)	246	766	54	2,782
Income tax expense	63	187	136	857
Interest expense and other financial items	33	54	249	260
Foreign currency exchange (gain)/loss	(44)	(194)	32	61
Depreciation and amortization	258	245	1,018	964
Impairment loss	29	7	220	35
EBITDA	586	1,065	1,709	4,959

Return on invested capital (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 and a quarterly annualized basis. NOPAT is defined as operating income adding back amortization and impairment of intangible assets other than goodwill, as well as adding interest income from external customers and net income/(loss) from equity-accounted investees, reduced with a tax cost calculated based on a 25% flat rate.

Average invested capital is defined as total current assets excluding cash and cash equivalents and adding a normalized cash level of USD 200 million, reduced for total current liabilities excluding current interest-bearing debt and current portion of non-current debt, and adding property, plant and equipment, right-of-use assets, goodwill and associated companies and joint ventures. 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		4Q 2023	4Q 2022	2023	2022
Operating income		260	777	312	3,827
Amortization and impairment of intangible assets other than goodwill		13	8	33	33
Interest income from external customers		18	20	87	81
Calculated tax cost (25% flat rate) on items above		(73)	(201)	(108)	(985)
Share of net income/(loss) in equity-accounted investees		2	3	1	25
Net operating profit after tax (NOPAT)	B	220	606	325	2,981
Annualized NOPAT	C=Bx4	880	2,426		
12-month rolling NOPAT	C			325	2,981

Reconciliation of net income/(loss) to net operating profit after tax

USD millions		4Q 2023	4Q 2022	2023	2022
Net income/(loss)		246	766	54	2,782
Amortization and impairment of intangible assets other than goodwill		13	8	33	33
Interest income from external customers		18	20	87	81
Interest income and other financial income		(37)	(33)	(159)	(108)
Interest expense and other financial items		33	54	249	260
Foreign currency exchange (gain)/loss		(44)	(194)	32	61
Income tax expense, added back		63	187	136	857
Calculated tax cost (25% flat rate)		(73)	(201)	(108)	(985)
Net operating profit after tax (NOPAT)	B	220	606	325	2,981
Annualized NOPAT	C=Bx4	880	2,426		
12-month rolling NOPAT	C			325	2,981

Reconciliation of invested capital and ROIC calculation

		3-months average		12-months average	
USD millions		4Q 2023	4Q 2022	2023	2022
Total current assets, as reported		6,213	8,620	6,213	8,620
Cash and cash equivalents, as reported		(539)	(1,010)	(539)	(1,010)
Normalized level of operating cash		200	200	200	200
Total current liabilities, as reported		(3,714)	(4,338)	(3,714)	(4,338)
Current interest-bearing debt, as reported		517	210	517	210
Current lease liabilities, as reported		123	118	123	118
Property, plant and equipment, as reported		7,232	6,970	7,232	6,970
Right-of-use assets, as reported		418	403	418	403
Goodwill, as reported		760	754	760	754
Associated companies and joint ventures		136	143	136	143
Adjustment for 3-months/12-months average		(512)	(201)	-	(468)
Invested capital	D	10,835	11,869	11,346	11,602
Return on invested capital (ROIC) [1]	E=C/D	8.1 %	20.4 %	2.9 %	25.7 %

1) Quarterly numbers annualized.

Premium generated

Yara reports the measure Premium generated to provide information on its commercial performance for selected Premium Products, reflecting Yara's ability to grow premium offerings and to generate a positive price premium compared with alternative commodity products.

The brief definition of Premium generated is total tonnage of delivered Premium NPKs and straight Nitrate fertilizers, multiplied by their associated price premiums. NPK premium is defined as Yara's average realized price for Premium NPKs benchmarked against a comparable and theoretically calculated blend of global nitrogen (N), phosphorus (P) and potassium (K) prices, adjusted for variable bagging costs and logistical costs.

The blend model is calculated based on market references for the main nutrients. Following the Russian war on Ukraine, the Urea Prilled FOB Black Sea reference, which was used to reflect the N-component within the blend model for the NPK premium benchmark calculation, has become illiquid. Hence, Yara has performed a comprehensive revision of the market references. As a result, the now illiquid Urea Prilled FOB Black Sea reference was from third quarter 2023 substituted by the Urea Granular Arab Gulf (excl. US).

This reference is considered the best alternative to reflect the N-component globally. In addition, the MOP reference (reflecting the K-element) has been changed from the MOP Standard FOB Vancouver to MOP Granular FOB Vancouver. The rationale is that the latter reference better reflects the product characteristics which would typically be used in a blend. The revision of the market references is also reflected in the comparison figures for 2022. The other references used within the blend model remain unchanged, i.e., DAP FOB North Africa (for the P-element), and SOP FOB West Europe (for the K-element). These commodity prices are derived from external publications. Costs for content of secondary and micronutrients in Yara deliveries are deducted for comparability.

The Nitrate premium is defined as Yara's average sales price for straight nitrates versus the comparable value of urea. Comparability is achieved through adjusting the measures for relevant freight components and nitrogen content, such that both are represented in a theoretical delivered CIF bulk Germany value of CAN 27%. The urea reference applied is Urea Granular FOB Egypt, and the measure is adjusted for sulfur content. The measurement includes estimates and simplified assumptions; however, it is considered to be of sufficient accuracy to assess the premium development over time.

Reconciliation of Premium generated

USD millions		2023	2022 Restated [1]
Revenues [2] from premium NPKs and straight nitrates		5,719	8,032
Adjustments to revenues [3]		(552)	(677)
Adjusted revenues as basis for premium generated	F	5,167	7,355
Benchmark revenue for premium generated [4]	G	3,290	5,760
Calculated premium generated	H=F–G	1,877	1,594

1) The comparison figures for 2022 are changed following a revision of the market references applied.
2) IFRS revenues, ref. Yara Integrated Report 2022 page 151, note 2.1 Revenue from contracts with customers.
3) Adjustments for logistical and bagging costs, incoterms, sulfur content, and homogenization of nutrient content (for nitrates).
4) Value of commodity fertilizers adjusted by nutrient content, secondary and micronutrients in NPK, cost of coloring and incoterms. The commodity prices are derived from the external publications Fertecon, Fertilizer Week, Profercy, The Market and FMB.

Yara Improvement Program (YIP)

Yara has a corporate program to drive and coordinate existing and new improvement initiatives, the Yara Improvement Program. The program distinguishes between three defined pillars: a) higher production returns and lower variable costs, b) leaner cost base, and c) smarter working capital management. Yara reports operational metrics on underlying value drivers to provide information on project performance to management, which Yara also considers to be relevant for external stakeholders. YIP target is set for 2025. The operational metrics are reported on a rolling 12-months basis and include

- production volume (kt),
- fixed cost in core business (USD millions), and
- net operating capital (days).

From second quarter 2023, Yara's scorecard was simplified. The metric energy efficiency (Gj/T) was removed from YIP as it was assessed to be partially overlapping with another key performance indicator included in Yara's scorecard, the greenhouse gas (GHG) emissions intensity (t CO2e/tN). The fixed cost in core business and the net operating capital measures represent financial Alternative performance measures and are defined below.

Fixed cost in core business 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) as well as items which relate to portfolio and structural changes. Previously, the reported number was total fixed cost for Yara. With effect from second quarter 2023, Yara changed the definition of this KPI to exclude five portfolio units. These units are Yara Clean Ammonia, Agoro, Varda, Yara Marine Technology and Yara Growth Ventures. The KPI is renamed "Fixed cost in core business" to reflect this change. The rationale for this change is to better reflect Yara's ambition to beat inflation in core business in the current inflationary environment.

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 in core business

USD millions	2023	2022
Operating costs and expenses	15,236	20,224
Variable part of Raw materials, energy costs and freight expenses	(11,399)	(16,762)
Variable part of Other operating expenses	(25)	(64)
Depreciation and amortization	(1,018)	(964)
Impairment loss	(220)	(35)
Special items within fixed cost	(61)	(21)
Adjustment for portfolio units	(162)	(127)
Fixed cost in core business	2,351	2,252

Reconciliation of Net operating capital days

USD millions, except when days are indicated		2023	2022
Trade receivables, as reported		1,634	2,305
Adjustment for VAT payables		(110)	(164)
Adjustment for 12-months average		256	257
Adjusted trade receivables (12-months average)	I	1,780	2,398
Revenue from contracts with customers		15,431	23,902
Net interest income from external customers		81	78
Total revenue and interest income from customers	J	15,511	23,979
Credit days	K=(I/J)*365	42	36
Inventories, as reported		3,058	4,365
Adjustment for 12-months average		441	219
Inventories (12-months average)	L	3,499	4,584
Raw materials, energy costs and freight expenses		11,445	18,078
Change in inventories of own products		650	(725)
Fixed product costs and freight expenses external customers		(1,536)	(1,606)
Product variable costs	M	10,558	15,747
Inventory days	N=(L/M)*365	121	106
Trade and other current payables, as reported		2,049	2,549
Adjustment for other payables		(142)	(214)
Adjustment for payables related to investments		(202)	(221)
Adjustment for 12-months average		182	733
Trade payables (12-months average)	O	1,886	2,846
Operating costs and expenses		15,236	20,224
Depreciation and amortization		(1,018)	(964)
Impairment loss		(220)	(35)
Other non-supplier related costs		(2,107)	(733)
Operating costs and expenses, adjusted	P	11,891	18,493
Payable days	Q=(O/P)*365	58	56
Net operating capital days	R=K+N-Q	105	87

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 with reference 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 current and non-current 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 Dec 2023	31 Dec 2022
Cash and cash equivalents		539	1,010
Other liquid assets		1	1
Current interest-bearing debt		(517)	(210)
Current lease liabilities		(123)	(118)
Non-current interest-bearing debt		(3,284)	(3,597)
Non-current lease liabilities		(306)	(292)
Net interest-bearing debt	S	(3,690)	(3,206)

Net debt / equity ratio

USD millions, except for ratio		31 Dec 2023	31 Dec 2022
Net interest-bearing debt	S	(3,690)	(3,206)
Total equity	T	(7,570)	(8,600)
Net debt / equity ratio	U=S/T	0.49	0.37

Net debt / EBITDA excluding special items ratio

USD millions, except for ratio		31 Dec 2023	31 Dec 2022
Net interest-bearing debt	S	(3,690)	(3,206)
EBITDA, excluding special items (last 12 months)	A	1,712	4,889
Net debt / EBITDA excluding special items ratio	V=(S)/A	2.16	0.66

Basic earnings/(loss) per share excluding foreign currency exchange gain/(loss) and special items

Basic earnings/(loss) per share (EPS) excluding foreign currency exchange gain/(loss) and special items is an adjusted EPS measure which reflects 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 represents net income/(loss) after non-controlling interests, excluding foreign currency exchange gain/(loss) and special items after tax, divided by average number of shares outstanding in the period. The tax effect on foreign currency exchange gain/(loss) and special items is calculated based on relevant statutory tax rate for simplicity.

Earnings/(loss) per share

USD millions, except earnings per share and number of shares		4Q 2023	4Q 2022	2023	2022
Weighted average number of shares outstanding	W	254,725,627	254,725,627	254,725,627	254,725,627
Net income/(loss) attributable to shareholders of the parent	X	244	769	48	2,777
Foreign currency exchange gain/(loss)	Y	44	194	(32)	(61)
Tax effect on foreign currency exchange gain/(loss)	Z	(8)	(48)	10	25
Non-controlling interest's share of foreign currency exchange (gain)/loss, net after tax	AA	-	(2)	(2)	(3)
Special items within income before tax [1]	AB	(19)	(9)	(222)	37
Tax effect on special items	AC	3	2	9	(22)
Special items within income before tax, net after tax	AD=AB+AC	(17)	(6)	(213)	15
Net income/(loss) excluding foreign currency exchange gain/(loss) and special items	AE=X–Y–Z+AA–AD	224	627	282	2,797
Basic earnings/(loss) per share	AF=X/W	0.96	3.02	0.19	10.90
Basic earnings/(loss) per share excluding foreign currency exchange gain/(loss) and special items	AG=AE/W	0.88	2.46	1.11	10.98

1) See section "Special items" on page 8 for details on special items.

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