

Overview

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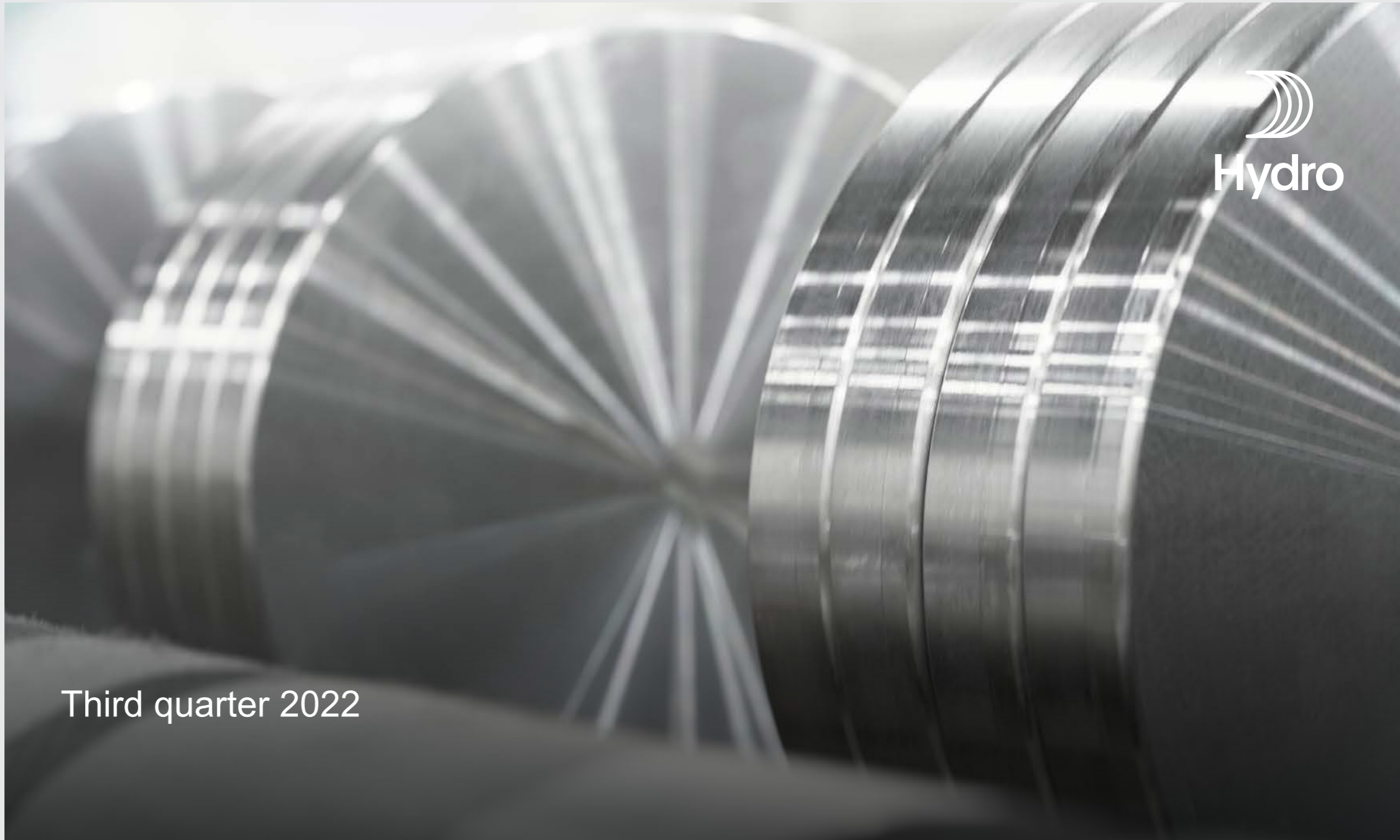
Business areas

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Hydro

Third quarter 2022



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Third quarter 2022

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Summary of financial and operating results and liquidity

Key financial information

NOK million, except per share data	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Revenue	52,445	36,710	43%	64,793	(19)%	163,854	103,221	149,654
Earnings before financial items, tax, depreciation and amortization (EBITDA) ²⁾	9,828	4,610	>100%	17,561	(44)%	35,606	13,588	26,050
Adjustments to EBITDA ¹⁾	(108)	2,608	>(100)%	(5,966)	98%	(3,126)	5,410	1,959
Adjusted EBITDA ¹⁾	9,721	7,219	35%	11,594	(16)%	32,480	18,998	28,010
Adjusted EBITDA								
Hydro Bauxite & Alumina	633	1,055	(40)%	1,117	(43)%	3,021	2,909	5,336
Hydro Aluminium Metal	6,463	4,263	52%	6,977	(7)%	18,206	8,824	13,500
Hydro Metal Markets	534	170	>100%	705	(24)%	1,764	583	867
Hydro Extrusions	1,385	1,457	(5)%	2,365	(41)%	6,080	5,031	5,695
Hydro Energy	321	465	(31)%	824	(61)%	3,384	2,067	3,790
Other and eliminations	384	(192)	>100%	(395)	>100%	24	(416)	(1,178)
Adjusted EBITDA ¹⁾	9,721	7,219	35%	11,594	(16)%	32,480	18,998	28,010
Earnings before financial items and tax (EBIT) ²⁾	7,670	2,533	>100%	15,418	(50)%	29,310	7,801	17,887
Adjusted EBIT ¹⁾	7,611	5,309	43%	9,452	(19)%	26,233	13,759	20,786
Net income (loss) from continuing operations	6,676	1,127	>100%	11,136	(40)%	24,223	5,405	13,930
Adjusted net income (loss) from continuing operations ¹⁾	6,258	3,498	79%	7,731	(19)%	20,774	9,095	14,905
Net income (loss) from discontinued operations ³⁾	-	(19)	100%	-	-	-	8	12
Earnings per share from continuing operations	3.34	0.50	>100%	5.49	(39)%	11.63	2.45	5.92
Adjusted earnings per share from continuing operations ¹⁾	2.91	1.60	82%	3.63	(20)%	9.70	4.20	6.77
Financial data								
Investments ^{1) 2)}	3,924	1,957	>100%	2,291	71%	7,871	4,916	8,589
Net cash (debt) ¹⁾	(3,145)	(1,221)	>(100)%	(1,693)	(86)%	(3,145)	(1,221)	3,213
Adjusted net cash (debt) ¹⁾	(7,806)	(10,520)	26%	(6,260)	(25)%	(7,806)	(10,520)	(7,019)

¹⁾ Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

²⁾ EBIT, EBITDA and investments per segment are specified in [Note 2: Operating segment information](#).

³⁾ Net income (loss) from discontinued operations includes results from Hydro's Rolling business up to divestment on June 1, 2021 and all prior periods.



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Key developments third quarter 2022

Hydro's adjusted EBITDA for the third quarter of 2022 was NOK 9,721 million, compared with NOK 7,219 million for the same quarter last year, resulting in a 12-month rolling Adjusted RoaCE of 27 percent. Higher all-in metal and alumina prices, CO₂ compensation and positive currency effects contributed positively to earnings, but were partly offset by higher fixed and raw material costs upstream.

Health and safety is Hydro's top priority for both employees and the communities where Hydro operates. An injury free environment is the ultimate goal and Hydro is continuously working to avoid incidents. In 2022, Hydro has been steadily improving overall safety performance, reducing total recordable incidents by 20 percent since the end of 2021.

The war in Ukraine, high energy prices, and concerns around inflation and increasing interest rates continue to add uncertainty and impact growth forecasts for 2022 and 2023. External sources have downgraded estimated global economic growth in 2022 to around 2 percent and various key markets are reporting their highest inflation rates for the past 20 years. In the extrusion market, the demand for the industrial, and the building and construction segments have weakened into the third quarter, while growth in automotive demand is improving slightly as supply chain issues are easing. The renewable energy sector is also driving demand for aluminium.

The three-month aluminium price decreased during the third quarter of 2022, as fears of recession, weak global demand in combination with strong production and export growth in China led to pressure on prices.

Uncertainty remains for some high cost aluminium production facilities as high global energy prices are weakening demand and putting pressure on smelter margins. As a result, a number of producers in Europe and the US have curtailed parts of their production, resulting in around 50 percent of European continental aluminium industry currently being curtailed. For 2022, external sources are estimating a global deficit of primary aluminium between 0.4 million mt and 0.7 million mt.

In the third quarter, Nordic power prices increased further to a new record during the quarter due to continued weak

hydrology and exposure to record high continental power prices. In Southwestern Norway (NO₂), the reservoirs were only 53 percent full at the end of September, 30 percentage points below the normal level. Hydrology in NO₂ improved in early October, but reservoir levels are still below normal. The Norwegian transmission system operator, Statnett, still maintains that securing energy in Southern Norway may be a concern during the winter. Continental power prices have increased primarily due to higher gas prices following concerns about energy security for the winter.

In these volatile markets, Hydro continues to address challenges and mitigate risks, while also positioning the company according to the Hydro 2025 strategy. Hydro has a strong starting point, with competitive long-term energy contracts for the majority of the aluminium smelters, and strategic integrated margin aluminium hedges for around 20-25 percent of the portfolio in 2023 and 2024. Amid current challenging markets, Hydro has responded by adjusting capacity to the market demand, and continues its efforts to ensure robustness by focusing on reducing costs and improving operational excellence. Hydro's 2025 improvement program is estimated to deliver on its 2022 target of NOK 7.0 billion, and new improvement initiatives are being identified across the portfolio.

In response to reduced market demand for aluminium billets in Europe, Hydro started a partial curtailment of the Norwegian aluminium smelters, Hydro Husnes and Hydro Karmøy, by 110,000 – 130,000 tonnes of primary aluminium in the third quarter. The curtailment will lead to a reduction in power consumption amounting to a total of around 170-200 MW once curtailment is in full effect expected by end of 2022.

In response to adverse framework conditions and high electricity prices, Hydro also decided to close primary production at its majority owned Slovalco aluminium facility in Slovakia during the third quarter. The casthouse in Slovalco continues its recycling operation, serving customers in the region with 75,000 tonnes of recycled aluminium annually.

While addressing short-term challenges, Hydro has also made progress on the strategy during the quarter, both strengthening its position in low-carbon aluminium and growing in new energy areas. Greener aluminium with a lower

carbon footprint is a key enabler for the green transition, and in the third quarter, Hydro continued to see higher demand for Hydro CIRCAL and Hydro REDUXA. In the quarter, 2022 sales were 45 percent higher year on year, supporting Hydro's ambition to double sales of greener products by 2025. Extrusions remains a key growth area in Hydro's 2025 strategy, and in the third quarter, Hydro made the decision to invest in 12,000 tonnes of additional capacity at its extrusions plant in Rackwitz, Germany.

Progress was also made on greenfield recycling projects in the quarter, supporting the strategic ambition to double recycling of post-consumer scrap by 2025. In the US, Hydro Extrusions decided to invest NOK 500 million to expand recycling capabilities at its Cressona plant in Pennsylvania, including remelt and extrusion billet casting. The project is expected to be fully operational in late 2024, and will expand Cressona's casting capacity by more than 50,000 tonnes. In Europe construction started for the new aluminium recycling plant in Szekesfehervar, Hungary. The new facility will have an annual capacity of 90,000 tonnes and is expected to start production in the first quarter of 2024.

In the second quarter 2022, Hydro announced a tender offer for 100 percent of the shares of the Polish recycler Alumetal S.A. On October 6, 2022, the European Commission decided to open a Phase II review of the proposed acquisition of Alumetal S.A. Hydro remains committed to the transaction and will continue to work closely with the Commission over the coming months on the Phase II review.

Hydro also continues to mature and develop business opportunities in the new energy areas. Hydro Rein continues to develop renewable projects in Brazil to supply Hydro's bauxite and alumina operations with renewable power. Given the uncertain capital markets, alternatives to an initial public offering are being considered to raise the capital required for further growth.

In the battery area, Hydro's acquisition of 30 percent of the shares in sustainable battery materials company, Vianode, closed in the third quarter. Shortly after, Vianode announced an investment of NOK 2 billion in a battery materials plant at Herøya, Norway, targeting production of anode graphite for about 20,000 electric vehicles (EVs) per year by 2024.

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Hydro's sustainability ambitions are key drivers for future competitive positioning. An important enabler to meet the climate ambition to cut own carbon emissions by 30 percent by 2030 and become net zero in terms of Scope 1 and 2 carbon emission by 2050 or earlier, is the decarbonization of the Brazilian alumina refinery Alunorte. The Alunorte fuel switch project to replace heavy fuel oil with natural gas is progressing according to plan and is expected to be finalized by the second half of 2023. In addition to lowering the carbon emissions, the fuel switch project will deliver a significant reduction in raw material costs at current market prices.

Hydro's social ambition to improve the lives and livelihoods where the company operates is progressing. In the third quarter, Hydro Alunorte completed construction and handed over The School of Work and Production of Pará to the municipality of Barcarena. The school will have a capacity of approximately 1,000 students, contributing to education and qualification of the workforce in the communities surrounding Barcarena.

On September 28, as part of the national budget, the Norwegian government proposed an additional resource rent tax and a new high price contribution on hydropower and wind power. The proposed increase in the resource rent tax on hydropower from 37 to 45 percent would apply to Hydro's equity power production and, if enacted, be applicable for the full year 2022. The increase implies an additional resource rent tax for Hydro of approximately NOK 250 - 300 million for 2022. Hydro's understanding is that other proposed changes in taxation of power production would have limited effect on Hydro.

The CO₂ compensation scheme for 2023 was also included in the national budget and applies to Hydro on compensation for both purchased power and equity power volumes used in Hydro's production of aluminium. For the budget year 2023, the government has introduced a floor of NOK 200 per ton CO₂. CO₂ compensation for 2022 is expected to amount to around NOK 2.2 – 2.3 billion, paid retroactively during 2023. In comparison, a CO₂ compensation for 2021 of around NOK 1.7 billion is expected to be distributed in 2022.

Hydro's Board of Directors proposed to pay an additional shareholder distribution for 2021, consisting of an additional cash dividend of NOK 3 billion, corresponding to NOK 1.45 per share, and initiation of a share buyback program of up to NOK 2 billion. The proposal was approved in the

Extraordinary General Meeting on September 20, 2022, and the cash dividend was paid on September 30, 2022.

The share buyback program was initiated on September 23, 2022, and covers purchase of up to 100,000,000 shares with a maximum value of NOK 2,000 million, inclusive of the proportional redemption of shares owned by the Norwegian State. As of October 21, 2022, Hydro has purchased 3,318,000 own shares and owns a total of 19,770,403 shares, corresponding to 0.96 percent of Hydro's share capital.

Key financials

Compared to the second quarter, Hydro's adjusted EBITDA decreased from NOK 11,594 million to NOK 9,721 million in the third quarter 2022. Lower realized all-in metal and alumina prices and seasonally lower sales volumes downstream were partly offset by CO₂ compensation and positive currency effects.

Adjusted EBITDA for the first nine months of 2022, increased compared to the same period last year. Higher realized all-in metal and alumina prices, record high results in Extrusions, and positive currency effects were partly offset by higher fixed and raw material costs upstream.

Net income from continuing operations amounted to NOK 6,676 million in the third quarter. In addition to the factors described above, net income from continuing operations included a net foreign exchange gain of NOK 572 million, a NOK 1,243 million unrealized loss on power and raw material contracts, and a NOK 1,241 million unrealized gain on LME related contracts.

Hydro's net debt¹ increased from NOK 1.7 billion to NOK 3.1 billion at the end of the quarter. Net cash provided by operating activities of NOK 6 billion included a decrease of NOK 0.6 billion in collateral requirements. Net cash used in investment activities, excluding short term investments, amounted to NOK 3.4 billion.

Adjusted net debt increased from NOK 6.3 billion to NOK 7.8 billion, largely driven by an increase in net debt position and decrease in pension assets, partly offset by a decrease in collateral requirements. The collateral requirements amounted to NOK 1.2 billion at the end of the quarter, mainly relating to strategic and operational hedging positions.

¹ Alternative performance measures (APMs) are described in the corresponding section in the back of the report.



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Adjusting items to reported EBIT and net income

In addition to the factors discussed above, reported earnings before financial items and tax (EBIT) and net income include effects that are disclosed in the below table. Adjusting items to EBIT and adjusted net income (loss) are defined and described as part of the APM section in the back of this report.

Adjusting items to EBITDA, EBIT and net income¹⁾

NOK million	Third quarter 2022	Third quarter 2021	Second quarter 2022	First 9 months 2022	First 9 months 2021	Year 2021
Unrealized derivative effects on LME related contracts	(1,241)	3,005	(6,697)	(3,490)	5,832	5,088
Unrealized derivative effects on power and raw material contracts	1,243	(338)	988	814	(340)	(3,083)
Significant rationalization charges and closure costs	-	30	(4)	(2)	309	377
Community contributions Brazil	-	202	-	-	202	217
Transaction related effects	(2)	(254)	(64)	(115)	(300)	(304)
Net foreign exchange (gain) loss	(106)	(35)	(47)	(188)	(62)	(79)
Other effects	(2)	-	(143)	(145)	(232)	(257)
Adjusting items to EBITDA²⁾	(108)	2,608	(5,966)	(3,126)	5,410	1,959
Impairment charges	49	14	-	49	143	426
Depreciation	-	154	-	-	406	513
Adjusting items to EBIT²⁾	(59)	2,776	(5,966)	(3,077)	5,959	2,899
Net foreign exchange (gain)/loss	(572)	622	1,129	(1,836)	(580)	(1,404)
Calculated income tax effect	213	(1,027)	1,432	1,464	(1,688)	(520)
Adjusting items to net income from continuing operations	(418)	2,371	(3,406)	(3,449)	3,690	976
Income (loss) tax rate	18%	30%	21%	21%	30%	24%
Adjusted income (loss) tax rate	17%	30%	17%	19%	30%	25%

¹⁾ Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.

²⁾ The various effects are described in the APM section in the back of the report.

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NOK million, except per share data	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Bauxite production (kmt) ¹⁾	2,814	2,756	2%	2,736	3%	8,188	8,230	10,926
Alumina production (kmt)	1,579	1,579	-	1,536	3%	4,633	4,705	6,305
Realized alumina price (USD/mt) ²⁾	364	284	28%	430	(15)%	395	295	313
Primary aluminium production (kmt)	543	573	(5)%	532	2%	1,615	1,673	2,244
Realized aluminium price LME (USD/mt)	2,497	2,419	3%	3,031	(18)%	2,714	2,204	2,317
Realized USD/NOK exchange rate	9.89	8.64	14%	9.39	5%	9.35	8.52	8.55
Hydro Extrusions sales volumes to external market (kmt)	301	315	(4)%	338	(11)%	986	995	1,296
Power production (GWh)	1,330	1,688	(21)%	1,602	(17)%	5,662	6,919	9,055

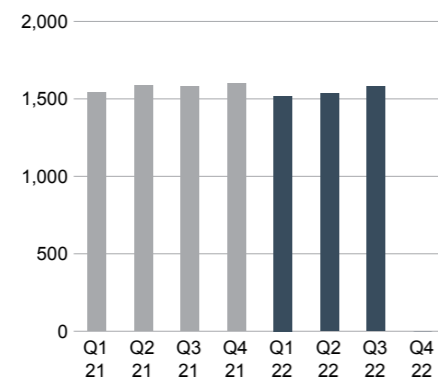
¹⁾ Paragominas production on wet basis.²⁾ Weighted average of own production and third party contracts. The majority of the alumina is sold linked to the alumina index with a one month delay.

Currency rates

	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
USD/NOK Average exchange rate	9.99	8.76	14%	9.44	6%	9.43	8.56	8.60
USD/NOK Period end exchange rate	10.86	8.78	24%	9.96	9%	10.86	8.78	8.82
BRL/NOK Average exchange rate	1.90	1.68	13%	1.92	(1)%	1.84	1.61	1.60
BRL/NOK Period end exchange rate	2.01	1.62	24%	1.91	5%	2.01	1.62	1.58
USD/BRL Average exchange rate	5.25	5.23	-	4.93	6%	5.14	5.33	5.39
USD/BRL Period end exchange rate	5.39	5.41	-	5.22	3%	5.39	5.41	5.57
EUR/NOK Average exchange rate	10.06	10.33	(3)%	10.04	-	10.01	10.23	10.16
EUR/NOK Period end exchange rate	10.58	10.17	4%	10.35	2%	10.58	10.17	9.99

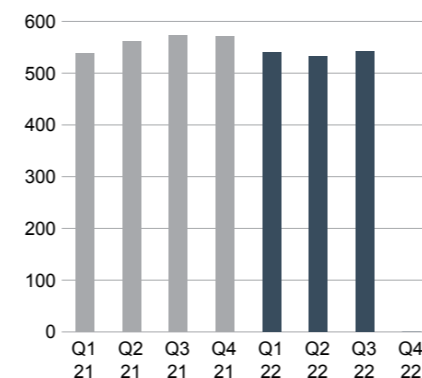
Alumina production

Kmt



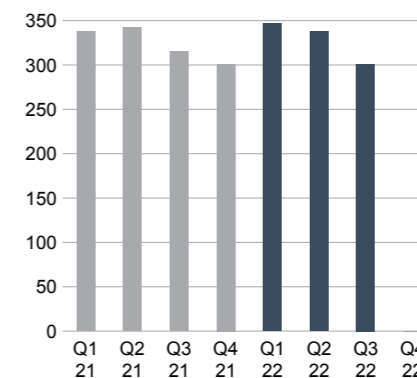
Primary aluminium production

Kmt



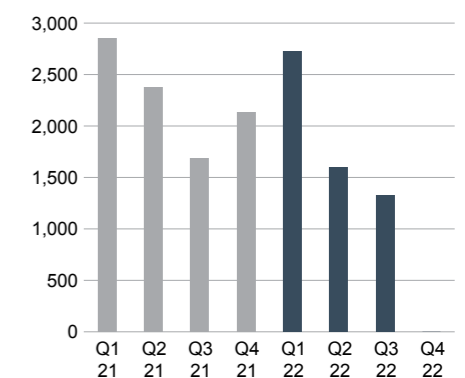
Hydro Extrusions sales

Kmt



Power production

GWh



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Market statistics¹⁾

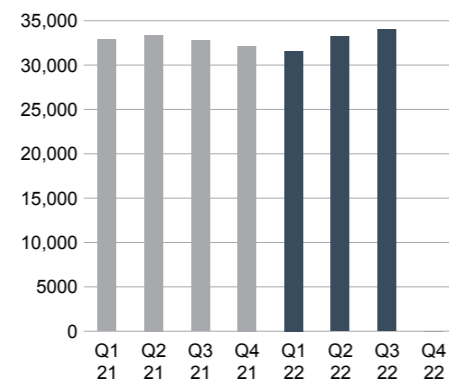
NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Bauxite and alumina								
Average alumina price - Platts PAX FOB Australia (USD/t)	338	327	3%	373	(9)%	377	301	329
China bauxite import price (USD/mt CIF China) ²⁾	60	48	23%	57	5%	57	46	48
Global production of alumina (kmt)	34,009	32,603	4%	33,205	2%	98,922	98,637	131,366
Global production of alumina (ex. China) (kmt)	14,010	14,568	(4)%	14,034	-	42,420	44,298	59,086
Primary aluminium								
LME cash average (USD/mt)	2,356	2,646	21%	2,887	(11)%	2,830	2,378	2,473
LME three month average (USD/mt)	2,359	2,652	21%	2,909	(10)%	2,836	2,387	2,482
Standard ingot premium (EU DP Cash)	498	358	153%	604	24%	530	254	272
Extrusion ingot premium (EU DP)	1,142	1,192	67%	1,472	(2)%	1,370	841	988
Chinese production of primary aluminium (kmt)	10,278	9,661	3%	10,072	4%	29,942	29,017	38,536
Chinese consumption of primary aluminium (kmt)	10,216	10,320	(8)%	10,136	4%	29,775	30,125	40,139
Global production of primary aluminium (ex. China) (kmt)	7,206	7,283	-	7,189	1%	21,535	21,526	28,851
Global consumption of primary aluminium (ex. China) (kmt)	7,000	7,018	3%	7,262	(4)%	21,826	21,357	28,836
Global production of primary aluminium (kmt)	17,484	16,944	2%	17,260	3%	51,477	50,543	67,387
Global consumption of primary aluminium (kmt)	17,216	17,337	(3)%	17,398	1%	51,601	51,483	68,975
Reported primary aluminium inventories (ex. China) (kmt)	1,988	2,864	(34)%	2,049	(8)%	1,988	2,864	2,321
Reported primary aluminium inventories (China) (kmt)	1,153	1,465	(13)%	1,275	(6)%	1,153	1,465	1,600
Extruded products								
Consumption extruded products - Europe (kmt)	805	857	(6)%	1,064	(24)%	2,891	2,896	3,766
Consumption extruded products - USA & Canada (kmt)	640	629	2%	675	(5)%	1,983	1,894	2,496
Energy								
Average southern Norway spot price (NO2) (NOK/MWh)	3,519	807	>100%	1,752	>100%	2,266	591	762
Average mid Norway spot price (NO3) (NOK/MWh)	316	536	(41)%	241	31%	255	418	420
Average nordic system spot price (NOK/MWh)	1,757	704	>100%	1,211	45%	1,355	521	634

¹⁾ Industry statistics have been derived from analyst reports, trade associations and other public sources unless otherwise indicated. These statistics do not have any direct relationship to the reported figures of Norsk Hydro. Amounts presented in prior reports may have been restated based on updated information.

²⁾ The quarterly China bauxite import price is an estimate based on the average of the first 2 months of the quarter.

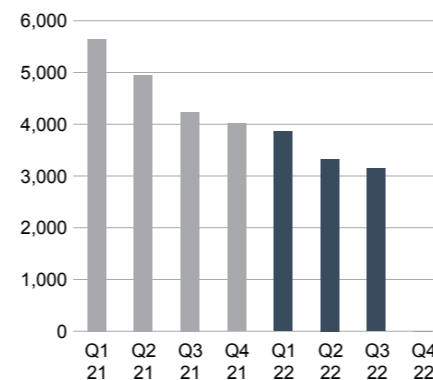
Production of alumina

Global kmt



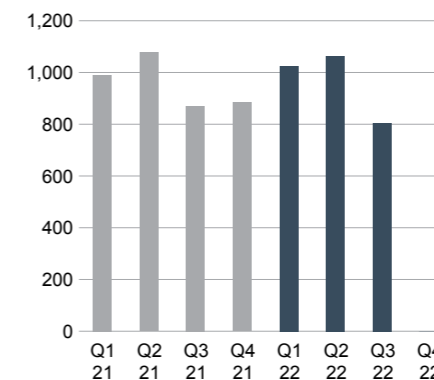
Aluminium inventories

Global kmt



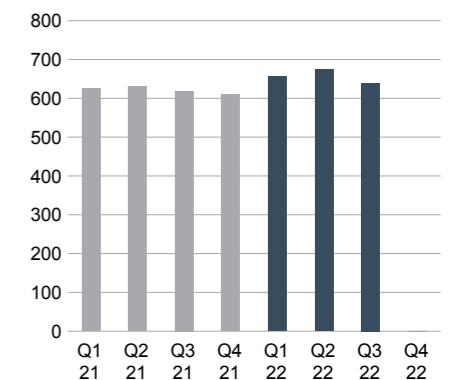
Extruded products Europe

Consumption kmt



Extruded products North America

Consumption kmt



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Global macroeconomic developments

The war in Ukraine, energy crisis in Europe and high inflation have impacted growth forecasts for 2022 and 2023. Various key markets are reporting their highest inflation rates for the past 20 years, and in response the major central banks are increasing interest rates. Monetary policy tightening combined with high energy prices and a slow down in China is impacting the global growth outlook.

External sources have downgraded estimated global economic growth in 2022 to around 2 percent. For Europe, concerns surrounding energy security for the winter are weighing on growth forecasts. The war in Ukraine, high energy prices, and concerns around inflation and increasing interest rates continue to add uncertainty.

Bauxite and alumina

The average Platts alumina index (PAX) decreased in the third quarter of 2022 to USD 338 per mt, compared to USD 373 per mt in the second quarter 2022.

The Platts alumina index (PAX) decreased from USD 361 per mt at the beginning of the quarter to USD 330 per mt in mid-July and stabilized around this price level for most of the remainder of the quarter, reflecting price levels of domestic alumina in China. Compared to the third quarter of 2021, the average Platts alumina index was 3 percent higher.

In July and August combined, China imported 315kt of alumina, mostly from Australia and Indonesia. Alumina exports from China to Russia initiated in the second quarter 2022 continued, reaching a total of 106kt in July and August.

China imported 21 million mt of bauxite in July and August 2022, 19 percent higher than the same period a year ago driven by a 40 percent increase in imports from Guinea. Guinea, Australia and Indonesia accounted for nearly all of China's bauxite imports in the period.

The average Chinese bauxite import price was USD 60 per mt CIF in the first two months of the third quarter of 2022, up from USD 48 per mt CIF in the third quarter 2021 mainly driven by higher oil prices and ocean freight rates.

Primary aluminium

The three-month aluminium price decreased during the third quarter of 2022, starting the quarter at USD 2,444 per mt and ending at USD 2,162 per mt, as fears of recession, weak global demand in combination with strong production and export growth of semis and fabricated products from China led to pressure on prices.

Uncertainty remains for certain aluminium production facilities as high global energy prices and weakening demand put pressure on smelter margins, and as a result many producers in Europe and the US have curtailed parts of their production.

European duty paid standard ingot premiums ended the third quarter at USD 382 per mt, down significantly from USD 582 per mt at the end of the second quarter. The US Midwest premium decreased from USD 688 per mt at the beginning of the quarter to USD 511 per mt at the end of the quarter, as market concern grew over a potential recession and freight rates decreased.

Shanghai Futures Exchange (SHFE) prices decreased by USD 233 per mt ex. VAT from start of the quarter to the end, ending at USD 2,267 per mt ex. VAT. Average for the quarter was down USD 409 per mt ex. VAT compared to the second quarter.

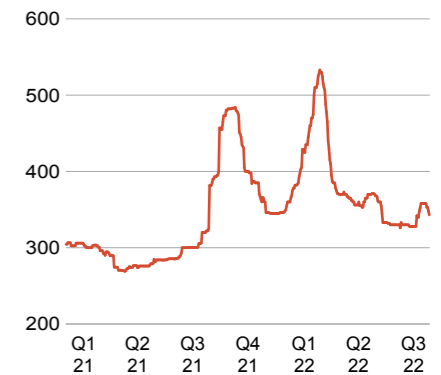
Global primary aluminium consumption was down 1 percent compared to the third quarter of 2021, driven by a decrease of 27 percent in Russia, partly offset by an increase of 4 percent in North America.

For 2022 external sources¹ are estimating a global deficit of primary aluminium between 0.4 million mt and 0.7 million mt.

The European consumption of extrusion ingot and sheet ingot decreased in the third quarter of 2022 compared to the same period 2021. Consumption of primary foundry alloys was stable in this quarter.

Platts PAX development

USD/mt



LME price (3 month aluminium)

USD/mt



¹ CRU and WoodMac.



Hydro

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Total global stocks at the end of the third quarter of 2022 were estimated to be 9.2 million mt, up 0.2 million mt compared to the second quarter and down 0.9 million mt compared to the third quarter 2021.

Extruded products

European demand for extrusions in the third quarter of 2022 is estimated to have decreased 6 percent compared to the same quarter last year and 24 percent compared to the second quarter of 2022, partly due to seasonality. Demand for the industrial and the building & construction segments have weakened into the third quarter while growth in automotive demand is improving slightly as supply-chain issues are easing. The renewable energy sector is also showing solid demand growth.

CRU estimates that the European demand for extruded products will decrease 15 percent in the fourth quarter of 2022 compared to the same quarter last year. Overall, extrusion demand is estimated to decrease by 4 percent in 2022 compared to 2021.

North American extrusion demand is estimated to have increased 2 percent during the third quarter of 2022 compared to the same quarter last year, and decreasing 5 percent compared to the second quarter of 2022. Demand has continued to remain fairly strong across key segments, particularly non-residential building & construction, automotive and transportation, but overall demand is softening into 2023 amid weaker macro-economic development.

CRU estimates that the North American demand for extruded products will be flat in the fourth quarter of 2022 compared to the same quarter last year. Overall, extrusion demand is estimated to increase by 4 percent in 2022 compared to 2021.

Energy

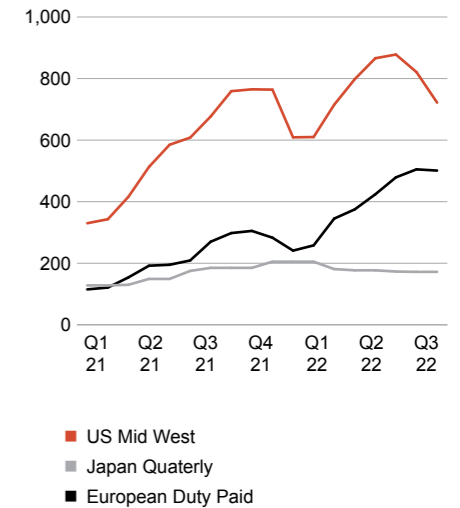
Nordic power prices increased further to a new record in the quarter due to continued weak hydrology and exposure to record high continental power prices. Continental power prices have increased primarily due to higher gas prices following concerns about energy security for the winter. Prices are also impacted by continued low production in French nuclear power plants.

Prices in the northern part of the Nordic market remained low due to strong hydrology and limited transmission capacity

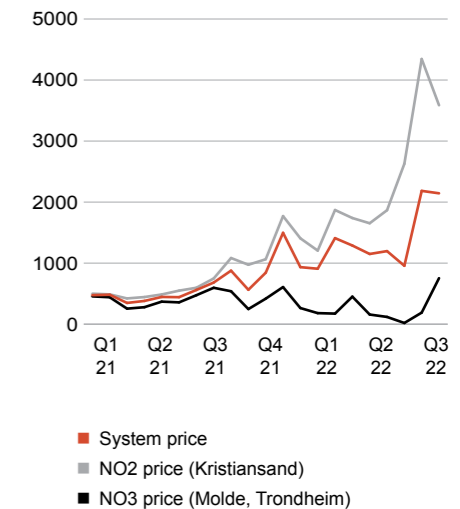
towards the south. Hence, significant price area differences in the Nordic region have continued through the third quarter and are expected to prevail into the fourth quarter.

The Nordic hydrological balance ended the quarter around 10 TWh below normal, compared to around 5 TWh below normal at the end of the previous quarter and 19 TWh below normal at the end of the same quarter last year. Hydropower reservoirs in Norway were at 70 percent of full capacity at the end of the quarter, which is 13 percentage points below the normal level. In Southwestern Norway (NO2) the reservoirs were only 53 percent full at the end of September, 30 percentage points below the normal level. Hydrology in Southern Norway has improved in early October, but reservoir levels are still below normal. The Norwegian transmission system operator, Statnett, still maintains that energy security in Southern Norway may be a concern during the winter.

Premiums
USD/mt



Energy spot price
NOK/MWh



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Additional factors impacting Hydro

The accumulated LME hedge in Hydro as of September 30, 2022 amounted to 83 thousand tonnes for the remainder of 2022, 460 thousand tonnes for 2023 and 350 thousand tonnes for 2024. This has been achieved using both commodity derivatives and currency derivatives. Parts of the raw material exposure is also hedged, using both fixed price physical contracts and financial derivatives.

The total USD/BRL hedge in place at Alunorte and Albras amounts to approximately USD 84 million for the remainder of 2022, USD 330 million 2023 and USD 300 million for 2024.

Aluminium Metal has sold forward around 70 percent of its expected primary aluminium production for the fourth quarter of 2022 at a price level of around USD 2,260 per mt¹.

One of the four production lines at Hydro's part-owned aluminium plant Albras in Brazil was shut down on February 19, 2022, due to an internal power distribution failure. The affected potline produces 110,000 tonnes of liquid aluminium annually. The other three lines at Albras were not affected and are running as normal. The production line is operating close to normal capacity at the end of the third quarter 2022.

¹ Prices are fixed mainly one month prior to production. As a result, and due to the hedging of product inventories, Hydro's realized aluminium prices lag LME spot prices by around 1.5 to 2 months before taking into account the effects of the strategic hedges, which are included in both the realized price and volumes.

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Adjusted EBITDA

Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

Hydro Bauxite & Alumina financial and operational information

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	477	996	(52)%	1,290	(63)%	3,413	2,962	5,306
Adjusted EBITDA	633	1,055	(40)%	1,117	(43)%	3,021	2,909	5,336
Adjusted EBIT	10	466	(98)%	484	(98)%	1,212	1,405	3,318
Alumina production	1,579	1,579	-	1,536	3%	4,633	4,705	6,305
Sourced alumina	764	806	(5)%	758	1%	2,262	2,241	3,006
Total alumina sales	2,344	2,355	-	2,305	2%	6,900	6,973	9,628
Realized alumina price ¹⁾	364	284	28%	430	(15)%	395	295	313
Bauxite production ²⁾	2,814	2,756	2%	2,736	3%	8,188	8,230	10,926
Sourced bauxite ³⁾	1,220	1,472	(17)%	1,674	(27)%	3,751	4,251	5,677

¹⁾ Weighted average of own production and third party contracts. The majority of the alumina is sold linked to the alumina index with a one month delay.

²⁾ Paragominas on wet basis.

³⁾ 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Adjusted EBITDA for Bauxite & Alumina decreased compared to the third quarter of last year. Higher raw material prices were partly offset by higher alumina sales prices.

Compared to the second quarter of 2022 the adjusted EBITDA decreased, lower alumina sales prices were partly offset by positive currency effects

Adjusted EBITDA for the first nine months of 2022 increased compared to the same period in 2021. Higher alumina sales prices were partly offset by higher raw material prices.

Hydro Bauxite
& Alumina



Adjusted EBITDA
Q3 2022

633 MNOK

Q3 2021
1,055 MNOK ↓ (40)%

Q2 2022
1,117 MNOK ↓ (43)%



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Hydro Aluminium Metal financial and operational information¹⁾

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	6,736	1,642	>100%	12,405	(46)%	19,978	3,179	11,440
Adjusted EBITDA	6,463	4,263	52%	6,977	(7)%	18,206	8,824	13,500
Adjusted EBITDA including Qatalum 50% pro rata ²⁾	7,016	4,797	46%	7,706	(9)%	19,983	10,244	15,508
Adjusted EBIT	5,837	3,684	58%	6,349	(8)%	16,370	7,115	11,225
Realized aluminium price LME (USD/mt) ³⁾	2,497	2,419	3%	3,031	(18)%	2,714	2,204	2,317
Realized aluminium price LME (NOK/mt) ³⁾	24,706	20,910	18%	28,461	(13)%	25,386	18,782	19,819
Realized premium above LME (USD/mt) ⁴⁾	801	449	78%	870	(8)%	819	348	400
Realized premium above LME (NOK/mt) ⁴⁾	7,920	3,878	>100%	8,167	(3)%	7,666	2,963	3,420
Realized USD/NOK exchange rate	9.89	8.64	14%	9.39	5%	9.35	8.52	8.55
Primary aluminium production (kmt)	543	573	(5)%	532	2%	1 615	1 673	2 244
Casthouse production (kmt)	547	560	(2)%	542	1%	1 644	1 647	2 214
Total sales (kmt)	533	583	(8)%	581	(8)%	1 714	1 775	2 347

¹⁾ Operating and financial information includes Hydro's proportionate share of underlying income (loss), production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates include equity accounted investments.

²⁾ Adjustment to illustrate Aluminium Metal adjusted EBITDA as if Qatalum were proportionally consolidated, in which Share of the profit (loss) in equity accounted investments is substituted with share of the company's EBITDA.

³⁾ Realized aluminium prices lag the LME price developments by approximately 1.5-2 months. Includes pricing effects from LME strategic hedging program, which are included in both the realized price and volumes.

⁴⁾ Average realized premium above LME for casthouse sales from Aluminium Metal.

Operational and financial information Qatalum (50%)

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Revenue	2,494	1,873	33%	3,007	(17)%	7,816	5,017	7,407
Adjusted EBITDA	893	870	3%	1,354	(34)%	3,126	2,184	3,283
Adjusted EBIT	630	582	8%	1,020	(38)%	2,265	1,366	2,192
Net income (loss)	340	336	1%	625	(46)%	1,349	996	1,507
Adjusted Net income (loss)	340	336	1%	625	(46)%	1,349	764	1,275
Primary aluminium production (kmt)	80	80	1%	79	1%	238	237	317
Casthouse sales (kmt)	76	76	2%	82	4%	237	236	325

On September 28, 2022, the Norwegian government updated the CO₂ compensation scheme in Norway for the period 2021 to 2030. As a result, Hydro has revised its estimate of CO₂ compensation and recognized NOK 1.9 billion in third quarter, where NOK 1.3 billion of this amount relates to revised estimates for 2021 and the first half year of 2022.

Adjusted EBITDA for Aluminium Metal improved in the third quarter of 2022 compared to the third quarter of 2021 mainly due to higher all-in metal prices, CO₂ compensation, positive contribution from power sales and positive currency effects, partly offset by higher raw material and fixed cost.

Compared to the second quarter of 2022, adjusted EBITDA for Aluminum Metal decreased due to lower all-in metal prices, partly offset by lower raw material and fixed cost, CO₂ Compensation, positive currency effects and positive contribution from power sales.

Adjusted EBITDA for the first nine months of 2022 increased compared to the same period in 2021, mainly due to higher all-in metal prices, CO₂ compensation, positive contribution from power sales and positive currency effects, partly offset by higher raw material and fixed cost.

Hydro Aluminium Metal

Adjusted EBITDA
Q3 2022

6,463 MNOK

Q3 2021
4,263 MNOK ↑ 52%Q2 2022
6,977 MNOK ↓ (7)%

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Hydro Metal Markets financial and operational information

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	339	(56)	>100%	1,556	(78)%	2,230	332	872
Adjusted EBITDA Recycling	401	132	>100%	554	(28)%	1,498	353	643
<i>Adjusted EBITDA Commercial</i>	133	38	>100%	151	(12)%	266	231	225
<i>Adjusted EBITDA Metal Markets</i>	534	170	>100%	705	(24)%	1,764	583	867
Currency effects	136	30	>100%	108	26%	217	(7)	(85)
Inventory valuation effects	-	(72)	>100%	163	(100)%	85	(109)	(62)
Adjusted EBITDA excl. currency and inventory valuation effects	398	212	87%	434	(8)%	1,462	699	1,014
Adjusted EBIT	494	133	>100%	666	(26)%	1,648	477	721
Recycling production (kmt)	124	132	(6)%	158	(22)%	433	429	572
Metal products sales excluding ingot trading (kmt) ¹⁾	635	675	(6)%	710	(11)%	2,077	2,152	2,833
<i>Hereof external sales (kmt)</i>	536	573	(6)%	607	(12)%	1,754	1,768	2,342

¹⁾ Includes external and internal sales from primary casthouse operations, recyclers and third party metal sources.

Adjusted EBITDA for Metal Markets increased in the third quarter compared to the same quarter last year due to improved results from the recyclers, positive inventory valuation and currency effects, partly offset by lower results from the sourcing and trading activities.

Compared to the second quarter of 2022, adjusted EBITDA for Metal Markets decreased due to lower results from the recyclers and negative inventory valuation effects, partly offset by increased results from the sourcing and trading activities and positive currency effects.

Adjusted EBITDA for the first nine months of 2022 increased compared to the same period in 2021, mainly due to improved results from the recyclers, positive inventory valuation and currency effects, partly offset by decreased results from the sourcing and trading activities.

Hydro
Metal MarketsAdjusted EBITDA
Q3 2022

534 MNOK

Q3 2021
170 MNOK ↑ >100%Q2 2022
705 MNOK ↓ (24)%

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Hydro Extrusions financial and operational information

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	1,255	1,495	(16)%	1,824	(31)%	5,937	5,177	5,558
Adjusted EBITDA	1,385	1,457	(5)%	2,365	(41)%	6,080	5,031	5,695
Adjusted EBIT	640	828	(23)%	1,600	(60)%	3,827	3,338	3,217
Sales volumes to external markets (kmt)	301	315	(4)%	338	(11)%	986	995	1,296
Sales volumes to external markets (kmt) - Business units								
Extrusion Europe	119	129	(8)%	144	(18)%	414	419	550
Extrusion North America	134	136	(2)%	141	(5)%	417	414	534
Building Systems	19	20	(4)%	24	(20)%	67	64	85
Precision Tubing	30	30	(1)%	28	6%	88	98	127
Hydro Extrusions	301	315	(4)%	338	(11)%	986	995	1,296

Adjusted EBITDA for the third quarter decreased compared to the same quarter last year. Lower sales volumes, higher fixed and variable costs were partly offset by increased results from the recyclers, driven by increased sales premiums.

Compared to second quarter 2022 the adjusted EBITDA decreased mainly due to seasonally lower volumes and margins.

Adjusted EBITDA for the first nine months of 2022 increased compared to the same period last year. Higher margins and increased results from the recyclers, driven by increased sales premiums, were partly offset by increased variable and fixed costs.

Hydro
ExtrusionsAdjusted EBITDA
Q3 2022

1,385 MNOK

Q3 2021
1,457 MNOK ↓ (5)%Q2 2022
2,365 MNOK ↓ (41)%

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Hydro Energy financial and operational information

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	572	483	19%	840	(32)%	3,883	2,147	3,921
Adjusted EBITDA	321	465	(31)%	824	(61)%	3,384	2,067	3,790
Adjusted EBIT	275	417	(34)%	777	(65)%	3,244	1,922	3,596
Power production (GWh)	1,330	1,688	(21)%	1,602	(17)%	5,662	6,919	9,055
External power sourcing (GWh)	2,782	2,516	11%	2,784	-	8,429	7,515	10,356
Internal contract sales (GWh)	4,666	4,452	5%	4,617	1%	13,615	12,762	17,216
External contract sales (GWh)	150	153	(2)%	202	(26)%	627	612	831
Net spot sales/(purchase) (GWh)	(703)	(401)	(75)%	(433)	(62)%	(150)	1,059	1,364

Adjusted EBITDA for Energy decreased compared to the same quarter last year, mainly due to lower production and higher tax cost in our equity accounted investment company Lyse Kraft, partly offset by an increased gain from price area differences and higher gain from participation in physical balancing markets in Norway.

Compared to the previous quarter the Adjusted EBITDA decreased mainly due to higher tax cost in our equity accounted investment company Lyse Kraft and lower production. The low production resulted in a net spot purchase in the third quarter. This was partly offset by increased gain from price area differences and higher gain from participation in physical balancing markets in Norway.

Adjusted EBITDA for the first nine months of 2022 increased compared to the same period last year, mainly due to increased gain from price area differences, partly offset by the negative impact of significantly lower production, which has resulted in a net spot purchase.

Hydro Energy

Adjusted EBITDA
Q3 2022

321 MNOK

Q3 2021
465 MNOK ↓ (31)%Q2 2022
824 MNOK ↓ (61)%

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Other and eliminations

Financial information

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	449	50	>100%	(354)	>100%	165	(209)	(1,046)
Other	(163)	(68)	>(100)%	(137)	(20)%	(478)	(294)	(520)
Eliminations	548	(124)	>100%	(258)	>100%	502	(122)	(659)
Adjusted EBITDA	384	(192)	>100%	(395)	>100%	24	(416)	(1,178)

Other is mainly comprised of head office costs, and costs related to holding companies as well as earnings from Hydro's industrial insurance company.

Eliminations are comprised mainly of unrealized gains and losses on inventories purchased from group companies which fluctuate with product flows, volumes and margin developments throughout Hydro's value chain.



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Finance

Finance income (expense)

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Interest income	188	44	>100%	114	65%	411	102	194
Dividends received and net gain (loss) on securities	(8)	14	>(100)%	(28)	73%	(60)	57	69
Finance income	181	59	>100%	86	>100%	352	159	263
Interest expense	(269)	(254)	(6)%	(295)	9%	(786)	(710)	(956)
Net foreign exchange gain (loss)	572	(622)	>100%	(1 129)	>100%	1 836	580	1,404
Other, net	12	(95)	>100%	27	(56)%	(22)	(163)	(200)
Finance expense	315	(971)	>100%	(1 397)	>100%	1 027	(293)	248
Finance income (expense), net	496	(913)	>100%	(1 311)	>100%	1 379	(134)	510

For the third quarter, the net foreign exchange gain, mainly unrealized, of NOK 572 million primarily reflects a gain on EUR embedded energy derivatives on the back of the tightened EUR/NOK interest differential. Further, the positive effect of a stronger USD on net USD assets contributed positively.

For the first nine months of 2022, the net foreign exchange gain, mainly unrealized, of NOK 1,836 million primarily reflects a gain from a stronger USD, positively impacting net USD assets.

Tax

Income tax expense amounted to NOK 1,489 million for the third quarter of 2022, or about 18 percent of income before tax. The tax rate mainly reflects a high proportion of income in Norway and recognition of a favorable tax settlement.

Income tax expense amounted to NOK 6,465 million for the first nine months of 2022, or about 21 percent of income before tax. The tax rate mainly reflects a high proportion of income in Norway and recognition of a favorable tax settlement.

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Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Revenue	52,445	36,710	163,854	103,221	149,654
Share of the profit (loss) in equity accounted investments	426	280	1,207	867	1,340
Other income, net	2,036	577	3,355	1,276	2,219
Total revenue and income	54,908	37,567	168,416	105,364	153,212
Raw material and energy expense	34,325	23,701	100,516	64,039	88,843
Employee benefit expense	5,458	4,923	16,955	15,141	20,287
Depreciation and amortization expense	2,136	2,088	6,323	5,727	7,844
Impairment of non-current assets	49	14	49	143	437
Other expenses	5,269	4,308	15,263	12,512	17,914
Total expenses	47,238	35,034	139,106	97,563	135,325
Earnings before financial items and tax (EBIT)	7,670	2,533	29,310	7,801	17,887
Finance income	181	59	352	159	263
Finance expense	315	(971)	1,027	(293)	248
Finance income (expense), net	496	(913)	1,379	(134)	510
Income (loss) before tax	8,166	1,620	30,689	7,667	18,397
Income taxes	(1,489)	(494)	(6,465)	(2,262)	(4,467)
Income (loss) from continuing operations	6,676	1,127	24,223	5,405	13,930
Income (loss) from discontinued operations	-	(19)	-	8	12
Net income (loss)	6,676	1,108	24,223	5,412	13,942
Net income (loss) attributable to non-controlling interests	(175)	99	356	378	1,782
Net income (loss) attributable to Hydro shareholders	6,851	1,009	23,867	5,034	12,160
Basic and diluted earnings per share from continuing operations (in NOK) ^{1) 2)}	3.34	0.50	11.63	2.45	5.92
Basic and diluted earnings per share from discontinued operations (in NOK) ¹⁾	-	(0.01)	-	0	0.01
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK)¹⁾	3.34	0.49	11.63	2.46	5.93
Weighted average number of outstanding shares (million)	2,053	2,051	2,052	2,051	2,051

¹⁾ Basic earnings per share are computed using the weighted average number of ordinary shares outstanding. There were no significant diluting elements.

²⁾ Calculated using Income (loss) from continuing operations less Net income (loss) attributable to non-controlling interests. There are no non-controlling interests in Income from discontinued operations.

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

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Condensed consolidated statements of comprehensive income (unaudited)

NOK million, except per share data	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Net income (loss)	6,676	1,108	24,223	5,412	13,942
Other comprehensive income					
Items that will not be reclassified to income statement:					
Remeasurement postemployment benefits, net of tax	(447)	208	1,776	2,120	2,376
Unrealized gain (loss) on securities, net of tax	61	(42)	215	268	(115)
Total	(386)	166	1,991	2,387	2,262
Items that will be reclassified to income statement:					
Currency translation differences, net of tax	4 737	(1,360)	11,974	(852)	(1,377)
Currency translation differences, net of tax, subsidiaries sold	-	(24)	7	(578)	(578)
Cash flow hedges, net of tax	59	(480)	530	(288)	(375)
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	-	-	-	(137)	(137)
Total	4,797	(1,864)	12,511	(1,854)	(2,466)
Other comprehensive income	4,411	(1,698)	14 502	533	(204)
Total comprehensive income	11,087	(590)	38,726	5,946	13,738
Total comprehensive income attributable to non-controlling interests	279	(217)	1,648	254	1,564
Total comprehensive income attributable to Hydro shareholders	10,808	(373)	37,077	5,691	12,174

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

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Condensed balance sheets (unaudited)

NOK million, except per share data	September 30 2022	September 30 2021	December 31 2021
Assets			
Cash and cash equivalents	25,852	18,792	22,923
Short-term investments	2,511	7,020	6,763
Trade and other receivables	28,442	19,869	20,579
Inventories	31,394	18,966	21,791
Other current financial assets	4,887	854	3,656
Total current assets	93,086	65,501	75,713
Property, plant and equipment	62,369	54,642	54,605
Intangible assets	9,810	8,852	8,725
Investments accounted for using the equity method	22,613	17,661	17,942
Prepaid pension	9,352	8,268	8,894
Other non-current assets	9,598	10,010	8,633
Total non-current assets	113,743	99,433	98,799
Total assets	206,829	164,934	174,512
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	11,085	4,186	6,428
Trade and other payables	26,703	20,219	22,710
Other current liabilities	11,653	7,058	10,430
Total current liabilities	49,441	31,463	39,569
Long-term debt	20,790	25,495	21,989
Provisions	5,779	4,270	4,772
Pension liabilities	8,064	9,489	9,621
Deferred tax liabilities	5,178	4,560	3,665
Other non-current liabilities	4,481	8,701	6,516
Total non-current liabilities	44,292	52,516	46,563
Total liabilities	93,733	83,979	86,132
Equity attributable to Hydro shareholders	107,129	77,535	84,064
Non-controlling interests	5,967	3,421	4,316
Total equity	113,096	80,956	88,380
Total liabilities and equity	206,829	164,934	174,512
Total number of outstanding shares (million)	2,052	2,051	2,051

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

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Condensed consolidated statements of cash flows (unaudited)

NOK million, except per share data	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Operating activities					
Net income (loss)	6 676	1 108	24 223	5 412	13 942
Loss (income) from discontinued operations	-	19	-	(8)	(12)
Depreciation, amortization and impairment	2 185	2 102	6 373	5 870	8 281
Other adjustments	(2 843)	(3 589)	(9 614)	(9 017)	(11 531)
Net cash provided by (used in) continuing operating activities	6 018	(360)	20 982	2 257	10 680
Investing activities					
Purchases of property, plant and equipment	(2 542)	(1 300)	(5 914)	(3 686)	(6 020)
Purchases of other long-term investments	(931)	(87)	(1 310)	(410)	(911)
Purchases of short-term investments	(750)	(1 000)	(1 250)	(2 000)	(3 000)
Proceeds from long-term investing activities	63	911	647	733	747
Proceeds from sales of short-term investments	-	-	1 500	3 500	4 500
Net cash used in continuing investing activities	(4 160)	(1 476)	(6 327)	(1 863)	(4 684)
Financing activities					
Loan proceeds	2 582	1 785	3 414	4 072	4 293
Loan repayments	(1 023)	(1 376)	(2 831)	(4 090)	(5 781)
Net increase (decrease) in other short-term debt	188	(17)	(10)	(206)	(107)
Repurchases of shares	(30)	-	(30)	-	-
Proceeds from shares issued	11	14	37	37	51
Dividends paid	(2 976)	-	(14 060)	(2 564)	(2 822)
Net cash provided by (used in) continuing financing activities	(1 248)	406	(13 480)	(2 751)	(4 366)
Foreign currency effects on cash	736	(202)	1 808	(143)	5
Net cash provided by (used in) discontinued operations	(1)	277	(54)	3 654	3 650
Net increase (decrease) in cash and cash equivalents	1 345	(1 355)	2 929	1 154	5 285
Cash and cash equivalents at beginning of period	24 507	20 147	22 923	17 638	17 638
Cash and cash equivalents at end of period	25 852	18 792	25 852	18 792	22 923

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

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Condensed consolidated statements of changes in equity (unaudited)

NOK million	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other components of equity	Equity attributable to Hydro shareholders	Non-controlling interests	Total equity
December 31, 2020	2 272	29 106	(662)	52 028	(8 464)	74 279	3 165	77 444
Changes in equity for 2021								
Treasury shares issued to employees		50	78			129		129
Capital contributions in subsidiaries							2	2
Items not reclassified to income statement in subsidiaries sold				(1 635)	1 635			
Dividends				(2 564)		(2 564)		(2 564)
Total comprehensive income for the period				5 034	657	5 691	254	5 946
September 30, 2021	2 272	29 156	(584)	52 863	(6 173)	77 535	3 421	80 956
December 31, 2021	2 272	29 156	(584)	60 112	(6 892)	84 064	4 316	88 380
Changes in equity for 2022								
Treasury shares issued to employees		61	36			97		97
Treasury shares acquired			(49)			(49)		(49)
Dividends				(14 060)		(14 060)	3	(14 057)
Total comprehensive income for the period				23 867	13 210	37 077	1 648	38 726
September 30, 2022	2 272	29 217	(598)	69 919	6 319	107 129	5 967	113 096

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

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Notes to the condensed consolidated financial statements

Note 1 Accounting policies

All reported figures in the financial statements are based on International Financial Reporting Standards (IFRS). Hydro's accounting principles are presented in Hydro's Financial Statements - 2021.

The interim accounts are presented in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with Hydro's Financial Statements - 2021 that are a part of Hydro's Annual Report - 2021.

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2 Operating segment information

Hydro identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Hydro to identify its segments according to the organization and reporting structure used by management. See Hydro's Financial statements - 2021 note 1.4 Operating and geographic segment information for a description of Hydro's management model and segments, including a description of Hydro's segment measures and accounting principles used for segment reporting.

The following tables include information about Hydro's operating segments, including a reconciliation of EBITDA to EBIT for Hydro's operating segments.

NOK million	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Total revenue					
Hydro Bauxite & Alumina	8 652	6 984	25 965	18 986	27 699
Hydro Aluminium Metal	16 678	9 964	52 355	28 384	42 548
Hydro Metal Markets	22 374	16 447	72 746	45 346	65 061
Hydro Extrusions	22 620	17 984	71 358	51 788	70 296
Hydro Energy	2 854	2 116	9 577	6 671	10 149
Other and eliminations	(20 733)	(16 784)	(68 147)	(47 954)	(66 099)
Total	52 445	36 710	163 854	103 221	149 654
External revenue					
Hydro Bauxite & Alumina	5 641	4 533	16 557	11 617	17 088
Hydro Aluminium Metal	4 327	310	10 449	1 693	5 373
Hydro Metal Markets	18 796	13 831	61 689	37 172	54 165
Hydro Extrusions	22 585	17 829	71 011	51 378	69 883
Hydro Energy	1 082	204	4 142	1 477	3 257
Other and eliminations	15	4	5	(116)	(113)
Total	52 445	36 710	163 854	103 221	149 654

NOK million	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Internal revenue					
Hydro Bauxite & Alumina	3 011	2 452	9 408	7 369	10 610
Hydro Aluminium Metal	12 352	9 654	41 906	26 691	37 175
Hydro Metal Markets	3 578	2 616	11 057	8 174	10 896
Hydro Extrusions	36	154	346	410	413
Hydro Energy	1 772	1 912	5 435	5 194	6 891
Other and eliminations	(20 748)	(16 788)	(68 151)	(47 838)	(65 986)
Total	-	-	-	-	-
Share of the profit (loss) in equity accounted investments					
Hydro Bauxite & Alumina	-	-	-	-	-
Hydro Aluminium Metal	340	336	1 349	996	1 509
Hydro Metal Markets	-	-	-	-	-
Hydro Extrusions	-	-	-	-	-
Hydro Energy	(32)	(25)	(99)	(79)	(104)
Other and eliminations	118	(31)	(43)	(50)	(65)
Total	426	280	1 207	867	1 340
Depreciation, amortization and impairment					
Hydro Bauxite & Alumina	624	589	1 809	1 504	2 018
Hydro Aluminium Metal	698	756	1 953	2 186	3 158
Hydro Metal Markets	39	37	117	108	149
Hydro Extrusions	748	645	2 261	1 845	2 649
Hydro Energy	47	48	141	145	194
Other and eliminations	28	27	91	82	113
Total	2 185	2 102	6 373	5 870	8 281
Earnings before financial items and tax (EBIT)¹⁾					
Hydro Bauxite & Alumina	(147)	407	1 604	1 458	3 288
Hydro Aluminium Metal	6 061	909	18 092	1 064	8 376
Hydro Metal Markets	300	(93)	2 113	225	725
Hydro Extrusions	510	852	3 683	3 342	2 929
Hydro Energy	526	435	3 743	2 002	3 727
Other and eliminations	420	23	75	(291)	(1 158)
Total	7 670	2 533	29 310	7 801	17 887

¹⁾ Total segment EBIT is the same as Hydro group's total EBIT. Financial income and expense are not allocated to the segments. There are no reconciling items between segment EBIT to Hydro EBIT. Therefore, a separate reconciliation table is not presented.

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NOK million	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)					
Hydro Bauxite & Alumina	477	996	3 413	2 962	5 306
Hydro Aluminium Metal	6 736	1 642	19 978	3 179	11 440
Hydro Metal Markets	339	(56)	2 230	332	872
Hydro Extrusions	1 255	1 495	5 937	5 177	5 558
Hydro Energy	572	483	3 883	2 147	3 921
Other and eliminations	449	50	165	(209)	(1 046)
Total	9 828	4 610	35 606	13 588	26 050
Investments¹⁾					
Hydro Bauxite & Alumina	1 016	838	1 986	1 419	2 338
Hydro Aluminium Metal	813	604	2 301	1 997	3 479
Hydro Metal Markets	189	61	516	109	214
Hydro Extrusions	974	350	1 748	943	1 763
Hydro Energy	923	86	1 249	401	692
Other and eliminations	10	18	70	46	104
Total	3 924	1 957	7 871	4 916	8 589

¹⁾ Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations. Investments in entities reported as assets held for sale are excluded.

NOK million	EBIT	Depreciation, amortization and impairment	Investment grants	EBITDA
EBIT - EBITDA Second quarter 2022				
Hydro Bauxite & Alumina	(147)	624	-	477
Hydro Aluminium Metal	6,061	698	(22)	6,736
Hydro Metal Markets	300	39	-	339
Hydro Extrusions	510	748	(3)	1,255
Hydro Energy	526	47	(1)	572
Other and eliminations	420	28	-	449
Total	7,670	2,185	(27)	9,828

NOK million	EBIT	Depreciation, amortization and impairment	Investment grants	EBITDA
EBIT - EBITDA First half 2022				
Hydro Bauxite & Alumina	1 604	1 809	-	3 413
Hydro Aluminium Metal	18 092	1 953	(67)	19 978
Hydro Metal Markets	2 113	117	-	2 230
Hydro Extrusions	3 683	2 261	(8)	5 937
Hydro Energy	3 743	141	(1)	3 883
Other and eliminations	75	91	-	165
Total	29 310	6 373	(77)	35 606



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Note 3 Discontinued operations and assets held for sale

Hydro entered into an agreement to sell Hydro Rolling to KPS Capital Partners on March 5, 2021. The transaction was completed on June 1, 2021. The sold business comprises the Hydro Rolling segment, and related pension liabilities and certain support functions reported as part of Other activities. The transaction was subject to approval in the EU and certain other jurisdictions. The assets and liabilities in the Rolling business were reported as Assets held for sale and Liabilities in disposal groups as of the beginning of March 2021 until completion of the transaction. The results of operations in the divested businesses are reported separately under the caption Discontinued operations for all reported periods. The gain on sale of the business was also reported in this line item. No interest expense related to loans has been allocated to discontinued operations. Cash flows from discontinued operations are presented separately.

Sales from Hydro to the discontinued operations mainly represent aluminium sheet ingot and liquid aluminium as well as alumina and power delivered from Hydro's continued business to the rolling operations, priced with reference to observable market prices. These elements of cost are included in the result from discontinued operations as such costs are required to achieve the sales reported for the discontinued operations. Most of the supply arrangements has continued under the same or similar terms according to the sales contract for the business. Further, Hydro has charged the discontinued business for certain shared services and other expenses incurred jointly, which remains charged to the discontinued operations, while shared administration costs and other corporate charges are not included in the discontinued operations. Depreciations stopped at reclassification to held for sale, i.e. early March, as required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Depreciation expenses in the business held for sale has amounted to about NOK 90 million each month.

An impairment loss of NOK 850 million was recognized in the first quarter of 2021. The asset group was written down to its estimated fair value less cost of disposal, primarily as a result of positive results in the interim period and positive remeasurement effects for pension liabilities following the increased discount rates. As the transaction price was determined when the contract was entered into in March, results and value changes were for the risk of the acquirer. Direct costs related to the sales effort, completion of the transaction and separation of the business were charged to discontinued operations. The gain on the sale was recognized with NOK 79 million including recycling of an accumulated currency gain of NOK 554 million. Certain debt and receivable positions were settled during the following periods in 2021 and 2022. The final consideration is subject to certain potential adjustments, mainly related to transfer taxes for which Hydro has assumed the responsibility.

Summary of financial data for discontinued operations

NOK million	Third quarter 2022	Third quarter 2021	First 9 months 2022	First 9 months 2021	Year 2021
Revenue	-	-	-	11 637	11 637
Depreciation, amortization and impairment	-	-	-	178	178
Other expenses	-	-	-	10 330	10 330
Earnings before financial items and tax	-	-	-	1 149	1 149
Financial income (expense), net	-	-	-	40	40
Income (loss) before tax	-	-	-	1 189	1 189
Income tax expense	-	-	-	407	407
Income (loss) from discontinued operations	-	-	-	783	783
Impairment of discontinued operations	-	-	-	850	850
Gain on disposal (net of tax)	-	(19)	-	75	79
Gain (loss) from discontinued operations	-	(19)	-	8	12
Net cash provided by (used in) operating activities	-	-	-	(902)	(902)
Net cash provided by (used in) investing activities	(1)	277	(54)	4 567	4 563
Net cash used in financing activities	-	-	-	(13)	(13)
Foreign currency effects on cash	-	-	-	2	2
Net cash provided by (used in) discontinued operations	(1)	277	(54)	3 654	3 650



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Note 4 Dividend and share buy-back program

Hydro's Board of Directors proposed an additional dividend of NOK 1.45 per share to be paid based on the annual accounts for 2021. The dividend was approved by the Extraordinary General Meeting on September 20, 2022, and paid on September 30. The dividend paid amounted to NOK 2,976 million.

Hydro's Board of Directors also proposed a share buy-back program. The Extraordinary General Meeting on September 20, 2022, approved the power of attorney to the Board of Directors to acquire shares in Norsk Hydro ASA with the intention to cancel the shares. In total, the Board of Directors can purchase up to 100 million shares, including redemption of shares held by the Ministry of Trade, Industry and Fisheries, retaining the relative ownership share of the Ministry at 34.26 percent. As of September 30, a total of 865,000 shares were bought back under this program at a total cost of NOK 49 million.

Note 5 Significant judgment

In addition to the significant estimates and judgment described in the 2021 financial statements and summarized in note 1.1 Reporting entity, basis of presentation and significant accounting policies, the following specific issues of a judgment nature is important for this set of interim financial statements.

CO₂ compensation regime in Norway

Hydro is entitled to apply for compensation for indirect costs associated with CO₂ emittance. The compensation scheme in Norway for the period 2021 to 2030 has been formed and implemented during the period from early 2021. The updated regulations were approved by the relevant authorities during the third quarter of 2022. Based on the elements approved, Hydro has updated the estimates for compensation for aluminium produced and sold in 2021 and the first nine months of 2022. The amounts recognized are based on the firm regulation and the amounts proposed in the state budget for 2022 as an amendment to cover changes in the final regulation, and in the proposed budget for 2023. Hydro has recognized CO₂ compensation with NOK 1,684 million for 2021, of which NOK 963 million recognized in the third quarter of 2022 based on new information. NOK 1,463 million is recognized for 2022. In total, NOK 1,909 million was recognized in the third quarter, of which NOK 1,361 million related to prior periods. None of the compensation of NOK 3,148 million recognized has been finally granted or received. If the Government's budget proposal is amended by the Parliament, adjustments to recognized amounts and compensation for the fourth quarter would be required.

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Alternative performance measures, i.e. financial performance measures not within the applicable financial reporting framework, are used by Hydro to provide supplemental information, by adjusting for items that, in Hydro's view, does not give an indication of the periodic operating results or cash flows of Hydro, or should be assessed in a different context than its classification according to its nature. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Hydro's experience that these are frequently used by analysts, investors and other parties. Management also uses these measures internally to drive performance in terms of long-term target setting and as basis for performance related pay. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over the years and across the company where relevant. Operational measures such as, but not limited to, volumes, prices per mt, production costs and improvement programs are not defined as financial APMs. To provide a better understanding of the company's underlying financial performance for the relevant period, Hydro focuses on adjusted EBITDA in the discussions on periodic adjusted financial and operating results and liquidity from the business areas and the group, while adjusting effects excluded to EBITDA, EBIT and net income (loss) are discussed separately. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Hydro's financial APMs

- EBIT: Income (loss) before tax, financial income and expense.
- Adjusted EBIT: EBIT +/- identified adjusting items to EBIT as described below.
- EBITDA: EBIT + depreciation, amortization and impairments, net of investment grants.
- Adjusted EBITDA: EBITDA +/- identified adjusting items to EBITDA as described below.
- Adjusted net income (loss) from continuing operations: Net income (loss) from continuing operations +/- adjusting items to net income (loss) as described below.
- Adjusted earnings per share from continuing operations: Adjusted net income (loss) from continuing operations attributable to Hydro shareholders divided by weighted average number of outstanding shares (ref.: the interim financial statements).
- Investments: Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations for continuing operations.
- Net cash (debt): Short- and long-term interest-bearing debt and Hydro's liquidity positions
- Adjusted net cash (debt): Net cash (debt) adjusted for liquidity positions regarded unavailable for servicing debt, pension obligation and other obligations which are considered debt-like in nature.
- Adjusted RoaCE is defined as Adjusted Earnings after tax for the prior 12 months divided by average Capital employed for the four most recent quarters. Adjusted Earnings after tax is defined as adjusted EBIT less Adjusted income tax expense. Since RoaCE represents the return to the capital providers before dividend and interest payments, adjusted income tax expense excludes the tax effects of items reported as Finance income (expense), net and the tax effect of adjusting items. Capital employed is defined as Shareholders' Equity, including non-controlling interest plus long-term and short-term interest-bearing debt less Cash and cash equivalents and Short-term investments.
- Aluminium Metal specific adjustment to EBITDA:
 - Qatalum 50% pro rata represent an adjustment to illustrate Hydro's share of EBITDA in Qatalum rather than Hydro's share of net income in Qatalum. The adjustment reflects the relevant elements of Qatalum's results as included in Hydro's income statement.
- Metal Markets specific adjustments to EBITDA:
 - Currency effects include the effects of changes in currency rates on sales and purchase contracts denominated in foreign currencies (mainly US dollar and Euro for our European operations) and the effects of changes in currency rates on the fair valuation of derivative contracts (including LME futures) and inventories mainly translated into Norwegian kroner. Hydro manages its external currency exposure on a consolidated basis in order to take advantage of offsetting positions.
 - Inventory valuation effects comprise hedging gains and losses relating to inventories. Increasing LME prices result in unrealized hedging losses, while the offsetting gains on physical inventories are not recognized until realized. In period of declining prices, unrealized hedging gains are offset by write-downs of physical inventories.

Adjusting items to EBITDA, EBIT, net income (loss) and earnings per share

Hydro has defined two categories of items which are adjusted to results in all business areas, equity accounted investments and at group level. One category is the timing effects, which are unrealized changes to the market value of certain derivatives. When realized, effects of changes in the market values since the inception are included in adjusted EBITDA and adjusted EBIT. Changes in the market value of trading portfolios are included in adjusted results. The other category includes material items which are not regarded as part of underlying business performance for the period,

such as major rationalization charges and closure costs, effects of disposals of businesses and operating assets, major impairments of property, plant and equipment, as well as other major effects of a special nature, and realized effects of currency derivatives entered into for risk management purposes. Materiality is defined as items with a value above NOK 20 million. All adjusting items to results are reflecting a reversal of transactions or other effects recognized in the financial statements for the current period. Part-owned entities have implemented similar adjustments.

- Unrealized derivative effects on LME related contracts include unrealized gains and losses on contracts measured at market value, which are used for operational hedging purposes related to future expected sales and purchase transactions, both fixed-price customer and supplier contracts and transactions at not yet determined market prices. Also includes elimination of changes in fair value of certain internal physical aluminium contracts.
- Unrealized derivative effects on power and raw material contracts include unrealized gains and losses on embedded derivatives in raw material and power contracts for Hydro's own use and in physical and financial power contracts used for managing price risks and volume changes. Unrealized derivative effects on certain power contracts in a business model with the combined aim to manage hydrological risk in own power production, differences in power needs in existing and new business activities in Hydro as well as supporting development of new renewable energy projects are also adjusted for. Adjustments also comprise elimination of changes in fair value of embedded derivatives within certain internal power contracts.
- Significant rationalization charges and closure costs include costs related to specifically defined major projects, and not considered to reflect periodic performance in the individual plants or operations. Such costs involve termination benefits, dismantling of installations and buildings, clean-up activities that exceed legal liabilities, etc. Costs related to regular and continuous improvement initiatives are included in adjusted results.
- Significant community contributions Brazil refers to the provision recognized in relation to Alunorte's TAC and TC agreements with the Government of Pará and Ministério Público made in September 2018, including later cost adjustments and certain similar agreements.
- Other effects include insurance proceeds covering asset damage, legal settlements, etc. Insurance proceeds covering lost income or expenses incurred in the same or a prior period are included in adjusted results.
- Pension includes recognition of pension plan amendments and related curtailments and settlements.
- Transaction related effects reflect the (gains) losses on divested of businesses and individual assets, the net remeasurement (gains) losses relating to previously owned shares in acquired business as well as inventory valuation expense related to acquisitions.
- Adjusting items in equity accounted investments reflects Hydro's share of items excluded from adjusted net income Qatalum and are based on Hydro's definitions, including both timing effects and material items not regarded as part of underlying business performance for the period.
- Impairment charges (PP&E, intangible assets and equity accounted investments) relate to significant write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value. Gains from reversal of impairment charges are also adjusted for.
- Realized foreign exchange gain (loss) on risk management instruments represents such items as foreign currency derivatives entered into and managed to mitigate currency risk in the production margin, i.e. the difference between sales price for products such as aluminium or alumina versus the cost of raw materials and energy used in production. Realized embedded currency derivatives in certain power contracts in Norway denominated in Euro are also adjusted for. Such currency effects are included in currency gains and losses in finance expense in the income statement, and included in adjusted EBITDA and adjusted EBIT.
- Net foreign exchange (gain) loss: Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payable, funding and deposits, embedded currency derivatives and forward currency contracts purchasing and selling currencies that hedge net future cash flows from operations, sales contracts and operating capital, with the exceptions of the realized foreign currency exchange gain (loss) on risk management instruments mentioned above.
- Calculated income tax effect: In order to present adjusted net income from continuing operations on a basis comparable with our adjusted operating performance, the adjusted income taxes include adjustments for the expected taxable effects on adjusting items to income before tax.
- Other adjustments to net income from continuing operations include other major financial and tax related effects not regarded as part of the business performance of the period.



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Adjusting items to EBITDA and EBIT per operating segment and for other and eliminations¹⁾

NOK million	Third quarter 2022	Third quarter 2021	Second quarter 2022	First 9 months 2022	First 9 months 2021	Year 2021
Unrealized derivative effects on raw material contracts	157	(143)	(173)	(393)	(254)	(141)
Community contributions Brazil ²⁾	-	202	-	-	202	217
Other effects ³⁾	-	-	-	-	-	(46)
Hydro Bauxite & Alumina	157	59	(173)	(393)	(52)	30
Unrealized derivative effects on LME related contracts	(1 538)	2 764	(6 374)	(3 197)	5 760	4 912
Unrealized derivative effects on power contracts ⁴⁾	1 291	(122)	1 056	1 581	16	(2 763)
Significant rationalization charges and closure costs ⁵⁾	-	13	(18)	(18)	197	263
Net foreign exchange (gain)/loss ⁶⁾	(26)	(35)	(23)	(68)	(97)	(120)
Other effects ^{7) 8)}	-	-	(69)	(69)	(232)	(232)
Hydro Aluminium Metal	(273)	2 621	(5 428)	(1 772)	5 645	2 060
Unrealized derivative effects on LME related contracts	195	226	(850)	(466)	251	42
Other effects ⁹⁾	-	-	-	-	-	(46)
Hydro Metal Markets	195	226	(850)	(466)	251	(4)
Unrealized derivative effects on LME related contracts	84	20	543	185	(184)	122
Unrealized derivative effects on power contracts	50	(52)	58	70	(52)	(72)
Significant rationalization charges and closure costs ¹⁰⁾	-	17	13	15	112	114
(Gains)/losses on divestments ¹¹⁾	(2)	(23)	1	(50)	(23)	(27)
Other effects ¹²⁾	(2)	-	(74)	(76)	-	-
Hydro Extrusions	130	(38)	541	144	(147)	137
Unrealized derivative effects on power contracts	(254)	(22)	46	(444)	(50)	(107)
(Gains)/losses on divestments ¹³⁾	-	-	(65)	(65)	(45)	(45)
Net foreign exchange (gain)/loss ⁶⁾	3	5	2	10	15	21
Hydro Energy	(251)	(18)	(16)	(499)	(80)	(131)
Unrealized derivative effects on LME related contracts ¹⁴⁾	19	(6)	(15)	(11)	4	13
(Gains)/losses on divestments ¹⁵⁾	-	(231)	-	-	(231)	(231)
Net foreign exchange (gain)/loss ⁶⁾	(83)	(5)	(26)	(130)	20	20
Other effects ¹⁶⁾	-	-	-	-	-	66
Other and eliminations	(65)	(242)	(41)	(141)	(207)	(132)
Adjusting items to EBITDA	(108)	2 608	(5 966)	(3 126)	5 410	1 959
Impairment charges						
Hydro Aluminium Metal ¹⁷⁾	49	-	-	49	-	276
Hydro Extrusions ¹⁸⁾	-	14	-	-	143	150
Depreciation ¹⁹⁾	-	154	-	-	406	513
Adjusting items to EBIT	(59)	2 776	(5 966)	(3 077)	5 959	2 899

¹⁾ Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.

²⁾ Community agreements includes provisions for the TAC and TC agreements with the Government of Pará and Ministério Público made in September 2018, including later adjustments for changes in cost estimates, and similar agreements.

³⁾ Other effects in Hydro Bauxite & Alumina in 2021 includes insurance compensation for property damage at Alunorte.

⁴⁾ Unrealized derivative effects on power contracts includes the effect of settling some such contracts in Svalco net through selling power in 2021 and thereby meeting the requirement for recognizing contract in the same contract portfolio at fair value. The effects of consuming power under contracts recognized at fair value are included for 2022.

⁵⁾ Rationalization and closure costs in Hydro Aluminium Metal in 2021, and the cost reduction in 2022 related to Aluchemie.

⁶⁾ Realized currency gains and losses from risk management contracts and embedded currency derivatives in physical power and raw material prices.

⁷⁾ Other effects in Hydro Aluminium Metal in 2021 excludes the recognized deferred tax asset in Qatalum after the end of the tax holiday period.

⁸⁾ Other effect in Hydro Aluminium Metal in the second quarter of 2022 relates to insurance compensation for the power outage in Albras in the first quarter of 2022.

⁹⁾ Other effects in Metal Markets in 2021 includes a compensation received.

¹⁰⁾ Significant rationalization and closure costs include provisions for costs related to reduction of overcapacity, closures and environmental clean-up activities in Hydro Extrusions.

¹¹⁾ Divestments of Hydro Extrusions plants.

¹²⁾ Other effects in Hydro Extrusions relates to Insurance compensation for cost incurred prior to Hydro's acquisition of the business affected.

¹³⁾ Divestment gain in Hydro Energy in 2022 relates to the partial sale of a project company involved with a wind power project in Sweden, held by Hydro REIN. Divestment gain in Hydro Energy in 2021 relates to the lower level of influence in Kyoto Group, which is now traded at the multilateral trading facility Euronext Growth Market, Oslo, for which equity accounting has ended.

¹⁴⁾ Unrealized derivative effects LME related contracts result from elimination of changes in the valuation of certain internal aluminium contracts.

¹⁵⁾ Reversal of gain of sales of property in Germany in 2021.

¹⁶⁾ Other effects in 2021 include an environmental provision of NOK 66 million related to closed sites in Germany.

¹⁷⁾ Impairment charges in Hydro Aluminium Metal in Q3 2022 and 2021 reflect write downs related to the Svalco smelter.

¹⁸⁾ Impairment charges include impairments of various assets, including goodwill, in Hydro Extrusions.

¹⁹⁾ Excess depreciation in 2021 related to the anode producer Aluchemie which was closed in 2021.

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Adjusted EBITDA

NOK million	Third quarter 2022	Third quarter 2021	Second quarter 2022	First 9 months 2022	First 9 months 2021	Year 2021
EBIT	7 670	2 533	15 418	29 310	7 801	17 887
Depreciation, amortization and impairment	2 185	2 102	2 168	6 373	5 870	8 281
Investment grants	(27)	(25)	(25)	(77)	(82)	(117)
EBITDA	9 828	4 610	17 561	35 606	13 588	26 050
Adjusting items to EBITDA	(108)	2 608	(5 966)	(3 126)	5 410	1 959
Adjusted EBITDA	9 721	7 219	11 594	32 480	18 998	28 010

Adjusted earnings per share from continuing operations

NOK million	Third quarter 2022	Third quarter 2021	Change prior year quarter	Second quarter 2022	Change prior quarter	First 9 months 2022	First 9 months 2021	Year 2021
Net income (loss) from continuing operations	6 676	1 127	>100%	11 136	(40)%	24 223	5 405	13 930
Adjusting items to net income (loss) from continuing operations ¹⁾	(418)	2 371	>(100)%	(3 406)	88%	(3 449)	3 690	976
Adjusted net income (loss) from continuing operations	6 258	3 498	79%	7 731	(19)%	20 774	9 095	14 905
Adjusted net income attributable to non-controlling interests from continuing operations	295	212	39%	288	2%	866	482	1 017
Adjusted net income from continuing operations attributable to Hydro shareholders	5 964	3 285	82%	7 443	(20)%	19 908	8 613	13 888
Number of shares	2 053	2 051	-	2 052	-	2 052	2 051	2 051
Adjusted earnings per share from continuing operations	2.91	1.60	81%	3.63	(20)%	9.70	4.20	6.77

¹⁾ Adjusting items to net income (loss) consist of the Adjusting items to EBIT specified on the previous page and Hydro's realized and unrealized foreign exchange gains and losses. These items are net of calculated tax effects, for most items based on a 30 percent standardized tax rate.

Adjusted net cash (debt)

NOK million	September 30, 2022	June 30, 2022	Change prior quarter	September 30, 2021	June 30, 2021	Change prior year quarter
Cash and cash equivalents	25 852	24 507	1 345	18 792	20 147	(1 355)
Short-term investments ¹⁾	2 511	1 882	629	7 020	3 607	3 413
Short-term debt	(11 085)	(7 796)	(3 289)	(4 186)	(4 183)	(3)
Long-term debt	(20 790)	(21 054)	264	(25 495)	(24 562)	(933)
Collateral for long-term liabilities	367	767	(401)	2 647	1 417	1 230
Net cash (debt)	(3 145)	(1 693)	(1 452)	(1 221)	(3 574)	2 353
Reversal of collateral for short-term and long-term liabilities ²⁾	(1 243)	(1 718)	475	(6 305)	(3 156)	(3 149)
Cash and cash equivalent and short-term investment in captive insurance company ³⁾	(995)	(1 020)	25	(1 072)	(1 059)	(13)
Net pension asset (obligation) at fair value, net of expected income tax benefit ⁴⁾	959	1 446	(487)	648	373	275
Short- and long-term provisions net of expected income tax benefit, and other liabilities ⁵⁾	(3 381)	(3 274)	(107)	(2 570)	(2 815)	245
Adjusted net cash (debt)	(7 806)	(6 260)	(1 546)	(10 520)	(10 231)	(289)

¹⁾ Hydro's policy is that the maximum maturity for cash deposits is 12 months. Cash flows relating to bank time deposits with original maturities beyond three months are classified as investing activities and included in short-term investments on the balance sheet.

²⁾ Collateral provided as cash, mainly related to strategic and operational hedging activities.

³⁾ Cash and cash equivalents and short-term investments in Hydro's captive insurance company Industriforsikring AS are assumed to not be available to service or repay future Hydro debt, and are therefore excluded from the measure Adjusted net debt.

⁴⁾ The expected income tax liability related to the pension liability is NOK 330 million and NOK 486 million for September 2022 and June 2022, respectively.

⁵⁾ Consists of Hydro's short and long-term provisions related to asset retirement obligations, net of an expected tax benefit estimated at 30 percent, and other non-current financial liabilities.



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Adjusted Return on average Capital Employed (RoCE), last twelve months

Hydro uses adjusted RoCE to measure the performance for the group, both in absolute terms and comparatively from period to period. Management views this measure as providing additional understanding of the rate of return on investments over time in each of its capital intensive businesses and in the operating results of its business segments. Adjusted RoCE is calculated as a rolling twelve-months' average, using Adjusted EBIT after tax for the current quarter and the previous three quarters, and capital employed at the end of the current quarter and the three previous quarters.

NOK million	Third quarter 2022	Second quarter 2022	First quarter 2022 ¹⁾	Fourth quarter 2021 ¹⁾	Third quarter 2021	Twelve months ending September 30, 2022	Twelve months ending June 30, 2022	Year 2021
Adjusted EBIT	7 611	9 452	9 170	7 026	5 309	33 259	30 957	20 786
Adjusted Income tax expense ²⁾	(1 299)	(1 593)	(2 246)	(1 091)	(1 608)	(6 229)	(6 538)	(5 255)
Adjusted EBIT after tax	6 312	7 858	6 924	5 936	3 701	27 030	24 419	15 531

NOK million	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Current assets in continuing operations ³⁾	64 723	65 122	55 912	46 027	39 689	36 952	31 439
Property, plant and equipment	62 369	58 920	56 599	54 605	54 642	56 353	53 890
Other non-current assets ⁴⁾	51 007	46 876	45 932	42 250	42 144	41 951	39 749
Current liabilities in continuing operations ⁵⁾	(38 356)	(39 880)	(37 666)	(33 140)	(27 277)	(25 494)	(21 498)
Non-current liabilities ⁵⁾	(23 502)	(24 309)	(26 418)	(24 574)	(27 020)	(24 643)	(22 402)
Capital Employed	116 241	106 728	94 360	85 167	82 177	85 119	81 178

	Third quarter 2022	Second quarter 2022	Year 2021
Adjusted Return on average Capital Employed (RoCE), last twelve months	26.9 %	26.5 %	18.6 %

¹⁾ Adjusted EBIT for the fourth quarter of 2021 is reconciled in the fourth quarter report of 2021. First quarter of 2022 is reconciled in the first quarter report of 2022.

²⁾ Adjusted Income tax expense is based on reported and adjusted tax expense adjusted for tax on financial items.

³⁾ Excluding cash and cash equivalents and short-term investments.

⁴⁾ Excluding long-term collateral related to strategic and operational hedging activities.

⁵⁾ Excluding interest-bearing debt.

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Cautionary note

Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial calendar¹⁾

2022

December 15 Capital markets day

2023

February 14 Annual report including fourth quarter results

April 28 First quarter results

July 21 Second quarter results

October 24 Third quarter results

¹⁾ Hydro reserves the right to revise these dates.

See [updated calendar](#) on Hydro website.

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Norsk Hydro ASA
NO-0240 Oslo
Norway

T +47 22 53 81 00
www.hydro.com

Hydro is a leading industrial company committed to a sustainable future. Our purpose is to create more viable societies by developing natural resources into products and solutions in innovative and efficient ways.

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