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Fourth quarter 2022

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**Hydro**

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Summary of financial and operating results and liquidity

Key financial information

NOK million, except per share data	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Revenue	44,075	46,433	(5)%	52,445	(16)%	207,929	149,654
Earnings before financial items, tax, depreciation and amortization (EBITDA) ²⁾	3,930	12,462	(68)%	9,828	(60)%	39,536	26,050
Adjustments to EBITDA ¹⁾	3,254	(3,451)	>100%	(108)	>100%	128	1,959
Adjusted EBITDA ¹⁾	7,184	9,011	(20)%	9,721	(26)%	39,664	28,010
Adjusted EBITDA							
Hydro Bauxite & Alumina	101	2,426	(96)%	633	(84)%	3,122	5,336
Hydro Aluminium Metal	4,756	4,676	2%	6,463	(26)%	22,963	13,500
Hydro Metal Markets	(91)	284	>(100)%	534	>(100)%	1,673	867
Hydro Extrusions	939	665	41%	1,385	(32)%	7,020	5,695
Hydro Energy	1,542	1,723	(11)%	321	>100%	4,926	3,790
Other and eliminations	(63)	(762)	92%	384	>(100)%	(39)	(1,178)
Adjusted EBITDA ¹⁾	7,184	9,011	(20)%	9,721	(26)%	39,664	28,010
Earnings before financial items and tax (EBIT) ²⁾	1,405	10,086	(86)%	7,670	(82)%	30,715	17,887
Adjusted EBIT ¹⁾	4,946	7,026	(30)%	7,611	(35)%	31,179	20,786
Net income (loss) from continuing operations	158	8,525	(98)%	6,676	(98)%	24,381	13,930
Adjusted net income (loss) from continuing operations ¹⁾	2,371	5,810	(59)%	6,258	(62)%	23,145	14,905
Net income (loss) from discontinued operations ³⁾	36	4	>100%	-	-	36	12
Earnings per share from continuing operations	0.12	3.47	(96)%	3.34	(96)%	11.76	5.92
Adjusted earnings per share from continuing operations ¹⁾	0.99	2.57	(61)%	2.91	(66)%	10.70	6.77
Financial data							
Investments ^{1) 2)}	5,519	3,674	50%	3,924	41%	13,391	8,589
Net cash (debt) ¹⁾	1,310	3,213	(59)%	(3,145)	>100%	1,310	3,213
Adjusted net cash (debt) ¹⁾	(5,989)	(7,019)	15%	(7,806)	23%	(5,989)	(7,019)
Adjusted Return on average Capital Employed (RoaCE) ¹⁾						22.2%	18.6%

¹⁾ Alternative performance measures (APM) 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 fourth quarter 2022

Hydro's adjusted EBITDA for the fourth quarter of 2022 was NOK 7,184 million, compared with NOK 9,011 million for the same quarter last year, resulting in an Adjusted RoaCE of 22 percent for 2022. Lower all-in metal and alumina prices, and higher raw material costs were partly offset by positive currency effects and a gain from the sale of excess power.

Hydro experienced record results for the full year 2022, with an Adjusted EBITDA of NOK 39.7 billion. This is a 42 percent increase from 2021. Higher realized all-in metal and alumina prices, record high results in both Extrusions and Energy, and positive currency effects were 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. The 2022 total recordable injury rate (TRI) was 2.4, which is a strong improvement from 3.3 in 2021, and the lowest TRI level ever reported in Hydro.

The war in Ukraine, energy crisis in Europe and high inflation continues to impact economic growth. Monetary policy tightening, combined with high energy prices and disruptions from China's zero-Covid policy, put downward pressure on global growth in the fourth quarter. Forecasts of GDP growth for 2023 have been adjusted upwards to around 3 percent as inflation concerns ease and macroeconomic environment improves in line with the reopening of the Chinese economy.

Nordic power prices are on average higher in the fourth quarter compared to the same period last year but declined significantly compared to the third quarter of 2022. Significant price area differences in the Nordic region have continued, however they were considerably lower compared to the third quarter. Adjusted EBITDA for Energy decreased compared to the same quarter last year, mainly due to loss on internal fixed price contract, lower production and lower gain on price area differences, partly offset by higher prices.

The average Platts alumina index (PAX) decreased in the fourth quarter of 2022 to USD 317 per mt, compared to USD 338 per mt in the third quarter 2022. Adjusted EBITDA for Bauxite & Alumina decreased significantly compared to the fourth quarter of 2021, mainly driven by lower alumina sales

prices, and higher caustic and energy prices, partly offset by positive currency effects.

The three-month aluminium price increased in the fourth quarter of 2022, starting the quarter at USD 2,162 per mt and ending at USD 2,378 per mt. Uncertainty remains for certain aluminium production facilities as high global energy prices and volatile market conditions continue to put pressure on smelter margins. As a result, many producers in Europe and the US have curtailed parts of their production. For 2022, external sources are estimating a global deficit of primary aluminium of around 0.3 million mt, and a surplus of around 0.1 million mt for 2023.

Hydro is addressing the volatile market landscape, and completed the curtailment of 130 thousand tonnes of primary aluminium production at Hydro Husnes and Hydro Karmøy in response to reduced market demand for aluminium billets in Europe in the fourth quarter. Adjusted EBITDA for Aluminium Metal improved slightly in the fourth quarter of 2022, compared to the fourth quarter of 2021, mainly due to positive contribution from power sales and positive currency effects, partly offset by lower all-in metal prices, lower sales volumes, and higher raw material cost and fixed cost.

European demand for extrusions in the fourth quarter of 2022 is estimated to have decreased 16 percent, compared to the same quarter last year and 9 percent compared to the third quarter of 2022, partly driven by seasonality. North American extrusion demand is estimated to have decreased 8 percent during the fourth quarter of 2022 compared to the same quarter last year and 14 percent (decrease) compared to the third quarter of 2022. CRU estimates that the European and North American demand for extruded products will decrease 18 percent and 5 percent respectively for the first quarter of 2023. Adjusted EBITDA for Extrusions increased in the fourth quarter, compared to the same quarter last year, due to increased results from the recyclers driven by higher sales premiums. This was partly offset by lower sales volumes and higher fixed and variable costs.

Hydro continues to position the company to capture value from growing demand for greener and circular aluminium. Greener aluminium with a lower-carbon footprint is an important enabler for the green transition. The demand for

aluminium towards 2030 in Hydro's main markets is set to grow at around 3 percent per year, and low-carbon aluminium demand is expected to outpace the rest of the market, with a current estimate of 20 percent compound annual growth rate (CAGR) from 2022 to 2030. External consultants expect low-carbon and recycled aluminium will make up a majority of the EU and American market in 2030.

Addressing the growing demand for greener aluminium, Hydro announced a new strategic partnership with Mercedes-Benz in the fourth quarter. In 2023, Hydro will deliver REDUXA 3.0 (defined as below 3.0 kg CO₂ / kg Al from mine to metal) to a range of Mercedes-Benz models, ultimately reducing the material carbon footprint.

Recycling is a key strategic growth area and an important enabler to strengthen Hydro's position in low-carbon aluminium. Hydro is well on track to deliver on the 2020 recycling ambition to double post-consumer scrap by 2025. The announced acquisition of the Polish recycler Alumetal is currently in Phase II with the European Commission. The provisional deadline for a Phase II decision is end of May 2023. At the Capital Markets Day in the fourth quarter, Hydro further increased the recycling EBITDA growth target towards 2025 by NOK 500 million, and an additional NOK 500 million by 2027, through lifting the ambition to recycle PCS by an additional 140 thousand tonnes, requiring an increased capital allocation towards recycling in the range of NOK 2-2.5 billion.

Extrusions is another important growth area and Hydro continues to position itself for future growth through key investments. In the fourth quarter, Hydro announced its acquisition of Hueck building systems and extrusion business. The acquisition will strengthen Hydro's presence in Germany and other European markets, and create a solid platform for further growth of the combined businesses. The transaction is expected to close in late first quarter.

In order to deliver on Hydro's 2025 strategy, a strong commitment to reduce costs and improved operational excellence within the asset base is critical. Hydro has delivered on the improvement program target for 2022, and at the company's Capital Markets Day, Hydro increased its improvement target for 2025 from the original target of NOK

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8.5 billion to NOK 10 billion by 2025, and NOK 11 billion by 2027. Positive traction for greener products, improved product mix, higher margins and market share growth, support the 2025 commercial ambition of NOK 2.5 billion. Towards 2027, Hydro aims to further increase the commercial ambition by NOK 500 million up towards NOK 3 billion, with NOK 1.4 billion to be delivered in the coming years.

In the fourth quarter, Hydro continued to strengthen its sustainability position by launching new Scope 3 ambitions where the company aims to reduce upstream Scope 3 emissions per tonne aluminium delivered to the market by 30 percent. On total upstream Scope 3 emissions, Hydro aims to reduce emissions by 15 percent by 2030. The new Scope 3, 2030 targets, will mainly be achieved by lowering footprint of purchased metal.

The transition to a lower-carbon society also provides opportunities for Hydro's new energy areas. In the fourth quarter Hydro, Eviny and Zephyr announced a partnership to explore an onshore wind project located in the area between Høyanger and Sunnfjord. The renewable power will be used by existing industry and enable new industrial development in the region. In 2023, Hydro will rehabilitate an additional 100 hectares in its legal reserve, which comprises degraded land not impacted by Hydro operations, and aims to pilot new technology to reutilize bauxite residues in other industries.

In the fourth quarter, Hydro Havrand announced a 5 MW green hydrogen pilot project at Hydro's Høyanger smelter in Norway. Hydro Havrand is maturing the project, which is pending funding support from Enova.

Hydro's renewable energy company, Hydro Rein, is delivering on its portfolio strategy. The EBITDA contribution in 2026 from the four projects currently in construction is estimated to around NOK 400 – 450 million. In the fourth quarter Hydro Rein and Commerz Real entered into an agreement on forming a joint venture to acquire and develop two early phase solar projects in Jylland, Denmark. Construction is expected to commence in 2024, with production starting in early 2026, and the ambition is to grow the portfolio to 1 GW. The process to raise capital for Hydro Rein is still ongoing.

Capex for 2022 was NOK 11.5 billion. Capex for 2023, excluding mergers & acquisitions and Hydro Rein, is estimated to be NOK 13.6 billion. This includes a NOK 2.2 billion carry over from 2022, and NOK 1.7 billion in currency

and inflation effects compared to 2022. For 2024-2026, the guidance is NOK 12.5 billion, reflecting currency and inflation, in addition to strengthened growth ambitions within Recycling and Extrusions. The long-term sustaining capex is estimated at NOK 7.0 billion.

In the fourth quarter, Hydro utilized its sustainable financing framework and EMTN program in the issuance of NOK 3 billion sustainability linked bonds, fixed and floating with 6 year tenor. This was the first sustainability linked bond issues in the Norwegian corporate investment grade market.

In light of Hydro's solid balance sheet and strong financials, the Board of Directors propose to distribute 61.6 percent of 2022 adjusted net income to its shareholders, as a combination of NOK 5.65 per share of cash dividends and NOK 2 billion of share buybacks. The final shareholder distribution for 2022 is subject to approval by the Annual General Meeting on May 10, 2023.

Hydro's existing share buyback program, initiated on September 23, 2022, 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 February 6, 2023, Hydro has purchased 13,494,000 own shares and owns a total of 29,946,403 shares, corresponding to 1.45 percent of Hydro's share capital. The redemption and cancellation of shares held by the Norwegian state is subject for approval by Annual General Meeting on May 10, 2023.

Other Key financials

Compared to the third quarter, Hydro's adjusted EBITDA decreased from NOK 9,721 million to NOK 7,184 million in the fourth quarter 2022. Lower realized all-in metal and alumina prices were partly offset by increased production volumes from Energy. In addition, results for the third quarter 2022 were positively impacted by a revision of prior periods CO₂ compensation.

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

Net income from continuing operations amounted to NOK 158 million in the fourth quarter. In addition to the factors

described above, net income from continuing operations included a net foreign exchange gain of NOK 356 million, a NOK 2,538 million unrealized loss on power and raw material contracts, and a NOK 486 million unrealized loss on LME related contracts.

Income tax expense amounted to NOK 1,519 million for the fourth quarter of 2022, about 91 percent of income before tax. The quarter was mainly impacted by the reassessment of recoverability of deferred tax assets resulting in a net charge of about NOK 1,400 million related to tax losses carried forward.

Hydro's net debt¹ declined from NOK 3.1 billion at the end of the third quarter to a net cash position of NOK 1.3 billion at the end of the fourth quarter. Net cash provided by operating activities of NOK 8.4 billion included an increase of NOK 1.5 billion in collateral requirements. Net cash used in investment activities, excluding short term investments, amounted to NOK 4.2 billion.

Adjusted net debt decreased from NOK 7.8 billion to NOK 6.0 billion, largely driven by turning the third quarter net debt position to a net cash position in fourth quarter, partly offset by increased collateral of 1.3 billion and a decrease in pension assets of 1.2 billion. The collateral requirements amounted to NOK 2.6 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	Fourth quarter 2022	Fourth quarter 2021	Third quarter 2022	Year 2022	Year 2021
Unrealized derivative effects on LME related contracts	486	(744)	(1,241)	(3,003)	5,088
Unrealized derivative effects on power and raw material contracts	2,538	(2,744)	1,243	3,352	(3,083)
Significant rationalization charges and closure costs	155	68	-	152	377
Community contributions Brazil	32	15	-	32	217
Transaction related effects	(4)	(4)	(2)	(119)	(304)
Net foreign exchange (gain) loss	(130)	(17)	(106)	(318)	(79)
Other effects	177	(26)	(2)	32	(257)
Adjusting items to EBITDA²⁾	3,254	(3,451)	(108)	128	1,959
Impairment charges	286	283	49	335	426
Depreciation	-	108	-	-	513
Adjusting items to EBIT²⁾	3,541	(3,060)	(59)	464	2,899
Net foreign exchange (gain)/loss	(356)	(823)	(572)	(2,192)	(1,404)
Calculated income tax effect	(972)	1,168	213	492	(520)
Adjusting items to net income from continuing operations	2,213	(2,715)	(418)	(1,236)	976
Income (loss) tax rate	91%	21%	18%	25%	24%
Adjusted income (loss) tax rate	51%	15%	17%	24%	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	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Bauxite production (kmt) ¹⁾	2,824	2,696	5%	2,814	-	11,012	10,926
Alumina production (kmt)	1,559	1,600	(3)%	1,579	(1)%	6,193	6,305
Realized alumina price (USD/mt) ²⁾	342	393	(13)%	364	(6)%	382	313
Primary aluminium production (kmt)	522	571	(9)%	543	(4)%	2,137	2,244
Realized aluminium price LME (USD/mt)	2,246	2,675	(16)%	2,497	(10)%	2,599	2,317
Realized USD/NOK exchange rate	10.16	8.63	18%	9.89	3%	9.52	8.55
Hydro Extrusions sales volumes to external market (kmt)	265	301	(12)%	301	(12)%	1,251	1,296
Power production (GWh)	2,002	2,136	(6)%	1,330	51%	7,664	9,055

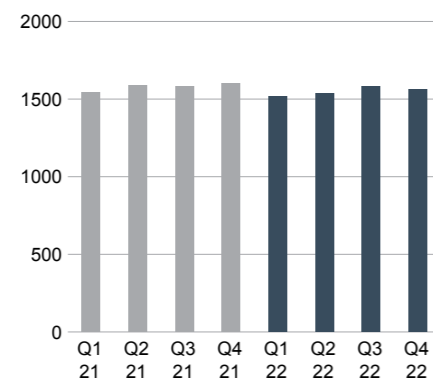
¹⁾ Paragominas production on wet basis.²⁾ Weighted average of own production and third party contracts. The majority of the alumina is sold linked to the alumina index with a one month delay.

Currency rates

	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
USD/NOK Average exchange rate	10.19	8.72	17%	9.99	2%	9.62	8.60
USD/NOK Period end exchange rate	9.86	8.82	12%	10.86	(9)%	9.86	8.82
BRL/NOK Average exchange rate	1.94	1.56	24%	1.90	2%	1.86	1.60
BRL/NOK Period end exchange rate	1.86	1.58	18%	2.01	(7)%	1.86	1.58
USD/BRL Average exchange rate	5.26	5.58	(6)%	5.25	-	5.17	5.39
USD/BRL Period end exchange rate	5.29	5.57	(5)%	5.39	(2)%	5.29	5.57
EUR/NOK Average exchange rate	10.39	9.97	4%	10.06	3%	10.10	10.16
EUR/NOK Period end exchange rate	10.51	9.99	5%	10.58	(1)%	10.51	9.99

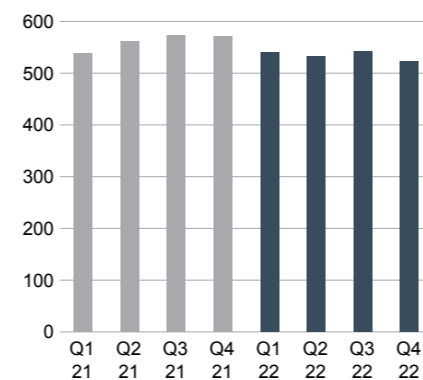
Alumina production

Kmt



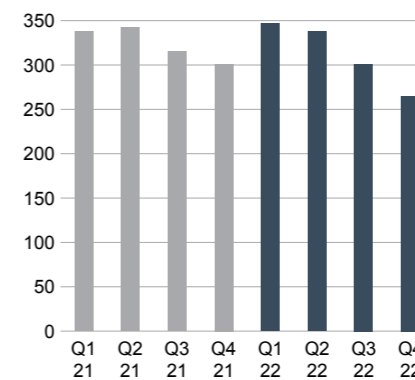
Primary aluminium production

Kmt



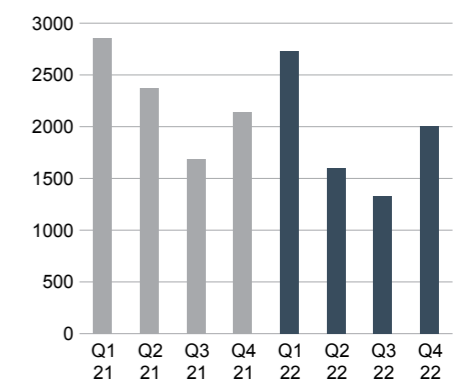
Hydro Extrusions sales

Kmt



Power production

GWh



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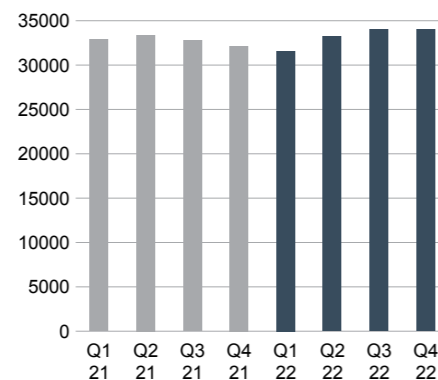
Alternative performance
measures (APM)Market statistics¹⁾

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Bauxite and alumina							
Average alumina price - Platts PAX FOB Australia (USD/t)	317	412	(23)%	338	(6)%	362	329
China bauxite import price (USD/mt CIF China)	61	52	18%	60	2%	59	48
Global production of alumina (kmt)	34,017	32,733	4%	33,737	1%	133,685	131,381
Global production of alumina (ex. China) (kmt)	14,219	14,788	(4)%	14,068	1%	57,263	59,086
Primary aluminium							
LME cash average (USD/mt)	2,335	2,760	(15)%	2,356	(1)%	2,706	2,473
LME three month average (USD/mt)	2,355	2,766	(15)%	2,359	-	2,716	2,482
Standard ingot premium (EU DP Cash)	273	326	(16)%	498	(45)%	466	272
Extrusion ingot premium (EU DP)	783	1,428	(45)%	1,142	(31)%	1,241	988
Chinese production of primary aluminium (kmt)	10,121	9,517	6%	10,300	(2)%	40,085	38,534
Chinese consumption of primary aluminium (kmt)	10,201	10,012	2%	10,514	(3)%	40,273	40,136
Global production of primary aluminium (ex. China) (kmt)	7,202	7,325	(2)%	7,299	(1)%	28,821	28,851
Global consumption of primary aluminium (ex. China) (kmt)	7,047	7,473	(6)%	7,051	-	28,956	28,831
Global production of primary aluminium (kmt)	17,322	16,843	3%	17,599	(2)%	68,907	67,385
Global consumption of primary aluminium (kmt)	17,247	17,485	(1)%	17,565	(2)%	69,229	68,968
Reported primary aluminium inventories (ex. China) (kmt)	2,105	2,565	(18)%	2,003	5%	2,105	2,565
Reported primary aluminium inventories (China) (kmt)	1,011	1,391	(27)%	1,153	(12)%	1,011	1,391
Extruded products							
Consumption extruded products - Europe (kmt)	734	871	(16)%	806	(9)%	3,638	3,764
Consumption extruded products - USA & Canada (kmt)	555	601	(8)%	647	(14)%	2,545	2,496
Energy							
Average southern Norway spot price (NO2) (NOK/MWh)	1,719	1,271	35%	3,519	(51)%	2,128	762
Average mid Norway spot price (NO3) (NOK/MWh)	941	424	>100%	316	>100%	428	420
Average nordic system spot price (NOK/MWh)	1,414	969	46%	1,757	(20)%	1,370	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.

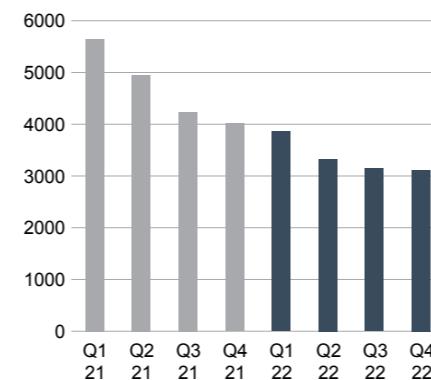
Production of alumina

Global kmt



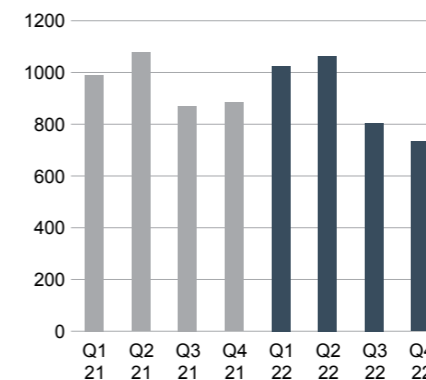
Aluminium inventories

Global kmt



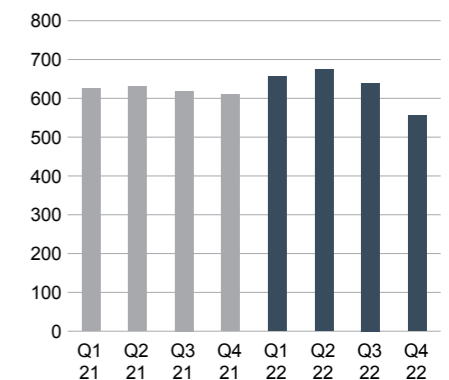
Extruded products Europe

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 continues to impact economic growth. Monetary policy tightening combined with high energy prices and disruptions from China's zero-Covid policy put downward pressure on global growth and external sources have downgraded estimated global economic growth in 2022 to around 3 percent.

Forecasts of GDP growth for 2023 have been adjusted upwards to around 3 percent as inflation concerns ease and macroeconomic environment improves in line with the reopening of the Chinese economy. Uncertainty remains surrounding the pace of the fall in inflation, the continuing war in Ukraine, and the overall geopolitical situation.

Bauxite and alumina

The average Platts alumina index (PAX) decreased in the fourth quarter of 2022 to USD 317 per mt, compared to USD 338 per mt in the third quarter 2022.

The Platts alumina index (PAX) was stable around USD 315 per mt from the beginning of the quarter until early December, reflecting price levels of domestic alumina in China. PAX increased to USD 330 per mt at the end of the quarter driven by higher Chinese domestic alumina prices as refineries in China curtailed some capacity. Compared to the fourth quarter of 2021, the average Platts alumina index was 23 percent lower. Alumina prices have continued increasing during January 2023 due to a production curtailment in Australia, and is currently trading around USD 360 per mt.

In the fourth quarter, China imported 571kt of alumina, mostly from Australia and Indonesia. Alumina exports from China to Russia initiated in the second quarter 2022 continued, reaching a total of 184kt in the fourth quarter.

China imported 31 million mt of bauxite in the fourth quarter 2022, 19 percent higher than the same period a year ago driven by a 61 percent increase in imports from Guinea. Imports from Indonesia have declined 45 percent as the market adjusts to Indonesia's announced bauxite export ban starting in June 2023. Guinea, Australia, and Indonesia accounted for 98 percent of China's bauxite imports in the period.

The average Chinese bauxite import price was USD 61 per mt CIF in the fourth quarter of 2022, up from USD 52 per mt CIF in the fourth quarter 2021 mainly driven by higher oil prices and ocean freight rates.

Primary aluminium

The three-month aluminium price increased in the fourth quarter of 2022, starting the quarter at USD 2,162 per mt and ending at USD 2,378 per mt. The end of China's zero covid policy and re-opening of the economy led to higher demand expectations going forward into the new year. During January prices continued to increase trading around USD 2,600 per mt.

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

European duty paid standard ingot premiums ended the fourth quarter at USD 260 per mt, down from USD 382 per mt at the end of the third quarter. The US Midwest premium remained fairly stable decreasing from USD 511 per mt at the beginning of the quarter to USD 490 per mt at the end of the quarter. During January European duty paid and US Midwest premiums increased trading around USD 290 per mt and USD 660 per mt respectively supported by increasing demand.

Shanghai Futures Exchange (SHFE) prices increased by USD 109 per mt ex. VAT during the quarter, ending at USD 2,376 per mt ex. VAT. Average for the quarter was down USD 50 per mt ex. VAT compared to the third quarter.

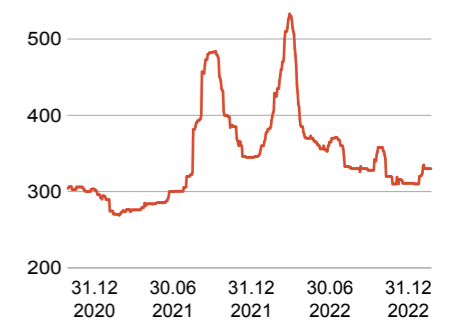
Global primary aluminium consumption was down 1 percent compared to the fourth quarter of 2021, driven by a decrease of 9 percent in Europe, partly offset by an increase of 2 percent in China.

For 2022 external sources¹ are estimating a global deficit of primary aluminium of around 0.3 million mt, and a surplus of around 0.1 million mt for 2023.

The European consumption of extrusion ingot and sheet

Platts PAX development

USD/mt



LME price (3 month aluminium)

USD/mt



¹ CRU and WoodMac.

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ingot decreased in the fourth quarter of 2022 compared to the same period 2021 while consumption of primary foundry alloys increased the same period due to increased automotive demand.

Total global stocks at the end of the fourth quarter of 2022 were estimated to be 9.1 million mt, down 0.1 million mt compared to the third quarter and down 0.6 million mt compared to the fourth quarter 2021.

Extruded products

European demand for extrusions in the fourth quarter of 2022 is estimated to have decreased 16 percent compared to the same quarter last year and 9 percent compared to the third quarter of 2022, partly driven by seasonality. Demand for the industrial and the building & construction segments have continued to weaken into the fourth quarter while growth in automotive demand is improving as supply-chain issues are easing. Some sub-segments such as renewables is also showing robust growth.

Overall, extrusion demand is estimated to have decreased by 3 percent in 2022 compared to 2021. CRU estimates that the European demand for extruded products will decrease 18 percent in the first quarter of 2023 compared to the same quarter last year mainly driven by a weaker macro environment.

North American extrusion demand is estimated to have decreased 8 percent during the fourth quarter of 2022 compared to the same quarter last year, and decreasing 14 percent compared to the third quarter of 2022. Demand is moderating in the building & construction sector amid softening housing market indicators, while the automotive segments is improving as vehicle production is picking up.

Overall, extrusion demand is estimated to have increased by 2 percent in 2022 compared to 2021. CRU estimates that the North American demand for extruded products will decrease 5 percent in the first quarter of 2023 compared to the same quarter last year.

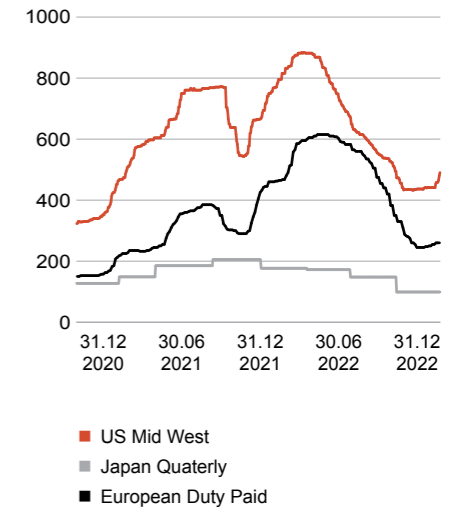
Energy

Nordic power prices are on average higher in the fourth quarter compared to the same period last year but declined significantly compared to the third quarter of 2022. The decrease in power prices was due to increased water inflow, warm and windy weather, and lower continental power prices.

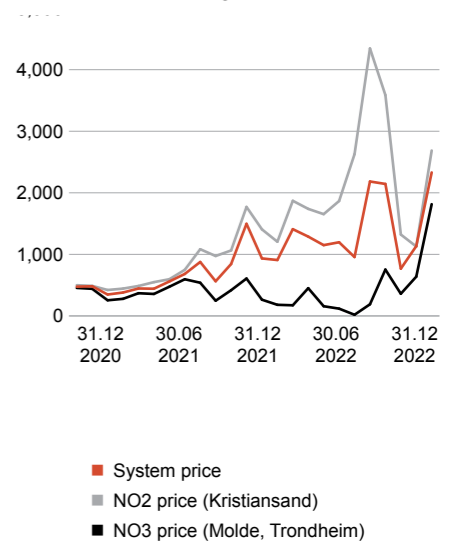
Significant price area differences in the Nordic region have continued through the fourth quarter however were considerably lower compared to the third quarter. This development was driven mainly by lower prices in Southern Norway but also higher prices in the Northern part of the Nordic market due to more normal hydrological conditions.

The Nordic hydrological balance ended the quarter around 13 TWh below normal, compared to around 11 TWh below normal at the end of the previous quarter and 17 TWh below normal at the end of the same quarter last year. Hydrology in Norway improved in the fourth quarter, but reservoir levels are still below normal. Total hydropower reservoirs were at 65 percent of full capacity at the end of the year, which is 3 percentage points below the normal level. In Southwestern Norway (NO2) the reservoirs were 63 percent full at the end of December, 10 percentage points below the normal level. The Norwegian transmission system operator, Statnett, no longer consider the energy security in Southern Norway as 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 December 31, 2022 amounted to 460 thousand tonnes for 2023, 440 thousand tonnes for 2024, and 100 thousand tonnes for 2025. 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 330 million for 2023 and USD 335 million for 2024.

Aluminium Metal has sold forward around 75 percent of its expected primary aluminium production for the first quarter of 2023 at a price level of around USD 2,240 per mt¹.

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	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	(446)	2,344	>(100)%	477	>(100)%	2,967	5,306
Adjusted EBITDA (NOK million)	101	2,426	(96)%	633	(84)%	3,122	5,336
Adjusted EBIT (NOK million)	(586)	1,913	>(100)%	10	>(100)%	626	3,318
Alumina production (kmt)	1,559	1,600	(3)%	1,579	(1)%	6,193	6,305
Sourced alumina (kmt)	593	765	(22)%	764	(22)%	2,856	3,006
Total alumina sales (kmt)	2,220	2,655	(16)%	2,344	(5)%	9,121	9,628
Realized alumina price (USD/mt) ¹⁾	342	393	(13)%	364	(6)%	382	313
Bauxite production (kmt) ²⁾	2,824	2,696	5%	2,814	-	11,012	10,926
Sourced bauxite (kmt) ³⁾	1,861	1,427	30%	1,220	52%	5,611	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 significantly compared to the fourth quarter of 2021 mainly driven by lower alumina sales prices and higher caustic and energy prices, partly offset by positive currency effects. In addition, the fourth quarter 2021 results included insurance compensation of NOK 498 million related to the decommissioned crane.

Compared to the third quarter of 2022 the adjusted EBITDA decreased mainly driven by lower alumina sales prices and higher raw material costs.

Adjusted EBITDA for the full year 2022 decreased compared to 2021 mainly due to higher caustic and energy prices, partly offset by increased alumina sales prices.

Hydro Bauxite
& Alumina



Adjusted EBITDA
Q4 2022

101 MNOK

Q4 2021
2,426 MNOK ↓ (96)%

Q3 2022
633 MNOK ↓ (84)%



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Hydro Aluminium Metal financial and operational information¹⁾

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	2,888	8,260	(65)%	6,736	(57)%	22,866	11,440
Adjusted EBITDA (NOK million)	4,756	4,676	2%	6,463	(26)%	22,963	13,500
Adjusted EBITDA including Qatalum 50% pro rata (NOK million) ²⁾	5,256	5,264	-	7,016	(25)%	25,240	15,508
Adjusted EBIT (NOK million)	4,097	4,111	-	5,837	(30)%	20,467	11,225
Realized aluminium price LME (USD/mt) ³⁾	2,246	2,675	(16)%	2,497	(10)%	2,599	2,317
Realized aluminium price LME (NOK/mt) ³⁾	22,813	23,087	(1)%	24,706	(8)%	24,739	19,819
Realized premium above LME (USD/mt) ⁴⁾	577	565	2%	801	(28)%	756	400
Realized premium above LME (NOK/mt) ⁴⁾	5,857	4,873	20%	7,920	(26)%	7,197	3,420
Realized USD/NOK exchange rate	10.16	8.63	18%	9.89	3%	9.52	8.55
Primary aluminium production (kmt)	522	571	(9)%	543	(4)%	2,137	2,244
Casthouse production (kmt)	522	568	(8)%	547	(5)%	2,166	2,214
Total sales (kmt)	542	572	(5)%	533	2%	2,256	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	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Revenue (NOK million)	2,702	2,390	13%	2,494	8%	10,518	7,407
Adjusted EBITDA (NOK million)	700	1,099	(36)%	893	(22)%	3,826	3,283
Adjusted EBIT (NOK million)	352	825	(57)%	630	(44)%	2,617	2,192
Net income (loss) (NOK million)	200	511	(61)%	340	(41)%	1,548	1,507
Adjusted Net income (loss) (NOK million)	200	511	(61)%	340	(41)%	1,548	1,275
Primary aluminium production (kmt)	81	80	-	80	1%	319	317
Casthouse sales (kmt)	98	88	11%	76	29%	334	325

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

Compared to the third quarter of 2022, adjusted EBITDA for Aluminium Metal decreased due to lower all-in metal prices, higher fixed cost, partly offset by positive contribution from power sales. In addition, results for the third quarter 2022 were positively impacted by NOK 1.3 billion related to a revision of prior periods CO₂ compensation.

Adjusted EBITDA for the full year 2022 increased compared to 2021. Higher all-in metal prices, positive currency effects, positive contribution from power sales and higher CO₂ compensation were partly offset by increased raw material cost and higher fixed cost.

Hydro Aluminium Metal



Adjusted EBITDA
Q4 2022

4,756 MNOK

Q4 2021
4,676 MNOK ↑ 2%

Q3 2022
6,463 MNOK ↓ (26)%

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Hydro Metal Markets financial and operational information

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	(449)	540	>(100)%	339	>(100)%	1,780	872
Adjusted EBITDA Recycling (NOK million)	342	290	18%	401	(15)%	1,841	643
Adjusted EBITDA Commercial (NOK million)	(434)	(6)	>(100)%	133	>(100)%	(168)	225
Adjusted EBITDA Metal Markets (NOK million)	(91)	284	>(100)%	534	>(100)%	1,673	867
Currency effects	(252)	(78)	>(100)%	136	>(100)%	(35)	(85)
Inventory valuation effects	-	47	(99)%	-	>100%	85	(62)
Adjusted EBITDA excl. currency and inventory valuation effects	160	315	(49)%	398	(60)%	1,623	1,014
Adjusted EBIT (NOK million)	(134)	245	>(100)%	494	>(100)%	1,514	721
Recycling production (kmt)	115	144	(20)%	124	(8)%	548	572
Metal products sales excluding ingot trading (kmt) ¹⁾	614	681	(10)%	635	(3)%	2,691	2,833
Hereof external sales (kmt)	530	574	(8)%	536	(1)%	2,284	2,342

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

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

Compared to the third quarter of 2022, adjusted EBITDA for Metal Markets decreased due to negative currency effects, decreased results from the sourcing and trading activities, and lower results from the recyclers.

Adjusted EBITDA for the full year 2022 increased compared to 2021. Improved results from the recyclers, positive inventory valuation and currency effects were partly offset by decreased results from the sourcing and trading activities.

Hydro
Metal MarketsAdjusted EBITDA
Q4 2022

(91) MNOK

Q4 2021
284 MNOK ↓ >(100)%Q3 2022
534 MNOK ↓ (100)%

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Hydro Extrusions financial and operational information

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	1,045	381	>100%	1,255	(17)%	6,982	5,558
Adjusted EBITDA (NOK million)	939	665	41%	1,385	(32)%	7,020	5,695
Adjusted EBIT (NOK million)	168	(122)	>100%	640	(74)%	3,995	3,217
Sales volumes to external markets (kmt)	265	301	(12)%	301	(12)%	1,251	1,296
Sales volumes to external markets (kmt) - Business units							
Extrusion Europe	106	130	(19)%	119	(11)%	520	550
Extrusion North America	112	120	(7)%	134	(16)%	529	534
Building Systems	18	22	(16)%	19	(6)%	85	85
Precision Tubing	28	29	(3)%	30	(5)%	117	127
Hydro Extrusions	265	301	(12)%	301	(12)%	1,251	1,296

Adjusted EBITDA for the fourth quarter increased compared to the same quarter last year. Increased results from the recyclers, driven by increased sales premiums were partly offset by lower sales volumes, and higher fixed and variable costs. In addition, results for the fourth quarter 2021 results were negatively impacted by non-recurring cost of NOK 332 million costs related to the scrapping of assets.

Compared to third quarter 2022 the adjusted EBITDA decreased due to seasonally lower sales volumes, higher fixed and variable costs and reduced demand.

Adjusted EBITDA for the full year of 2022 increased compared to 2021. Higher margins and increased results from the recyclers, driven by increased sales premiums, were partly offset by increased variable and fixed costs.

Hydro
Extrusions



Adjusted EBITDA
Q4 2022

939 MNOK

Q4 2021
665 MNOK ↑ 41%

Q3 2022
1,385 MNOK ↓ (32)%



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Hydro Energy financial and operational information

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	926	1,774	(48)%	572	62%	4,810	3,921
Adjusted EBITDA (NOK million)	1,542	1,723	(11)%	321	>100%	4,926	3,790
Adjusted EBIT (NOK million)	1,493	1,674	(11)%	275	>100%	4,737	3,596
Power production (GWh)	2,002	2,136	(6)%	1,330	51%	7,664	9,055
External power sourcing (GWh)	3,139	2,841	10%	2,782	13%	11,568	10,356
Internal contract sales (GWh)	4,415	4,454	(1)%	4,666	(5)%	18,030	17,216
External contract sales (GWh)	214	219	(2)%	150	43%	841	831
Net spot sales/(purchase) (GWh)	511	305	67%	(703)	>100%	361	1,364

Adjusted EBITDA for Energy decreased compared to the same quarter last year, mainly due to loss on a 12-month internal fixed price contract entered in early October, lower production and lower gain on price area differences, partly offset by higher prices.

Compared to the previous quarter, the Adjusted EBITDA increased as a result of higher production and lower tax cost in the equity accounted investment company Lyse Kraft, partly offset by lower gain on price area differences and loss on an internal fixed price contract.

Adjusted EBITDA for the full year of 2022 increased compared to 2021, mainly driven by an increased gain from price area differences, partly offset by significantly lower production and a higher tax cost in the equity accounted investment company Lyse Kraft.

Hydro
EnergyAdjusted EBITDA
Q4 2022

1,542 MNOK

Q4 2021
1,723 MNOK ↓ (11)%Q3 2022
321 MNOK ↑ 100%

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Other and eliminations

Financial information

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)	(34)	(837)	96%	449	>(100)%	132	(1,046)
Other	(338)	(226)	(50)%	(163)	>(100)%	(817)	(520)
Eliminations	276	(537)	>100%	548	(50)%	778	(659)
Adjusted EBITDA	(63)	(762)	92%	384	>(100)%	(39)	(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	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Interest income	241	92	>100%	188	28%	652	194
Dividends received and net gain (loss) on securities	27	12	>100%	(8)	>100%	(33)	69
Interest and other finance income	268	104	>100%	181	48%	619	263
Foreign currency exchange gain (loss)	356	823	(57)%	572	(38)%	2,192	1,404
Interest expense	(304)	(246)	(23)%	(269)	(13)%	(1,090)	(956)
Other, net	(49)	(37)	(34)%	12	>(100)%	(71)	(200)
Interest and other finance expense	(353)	(283)	(25)%	(257)	(37)%	(1,161)	(1,156)
Finance income (expense), net	271	644	(58)%	496	(45)%	1,649	510

For the fourth quarter, the net foreign exchange gain, mainly unrealized, of NOK 356 million primarily reflects a gain on EUR embedded energy derivatives on the back of the tightened EUR/NOK interest differential.

For the full year 2022, the net foreign exchange gain, mainly unrealized, of NOK 2,192 million primarily reflects a gain on EUR embedded energy derivatives and a gain from a stronger USD, positively impacting net USD assets.

Tax

Income tax expense amounted to NOK 1,519 million for the fourth quarter of 2022, about 91 percent of income before tax. The quarter was mainly impacted by the reassessment of recoverability of deferred tax assets resulting in a net charge of about NOK 1,400 million related to tax losses carried forward. The tax expense also includes positive effects of the legal restructuring of the associate Lyse Kraft DA, resulting in lower power surtax of about NOK 550 million.

Income tax expense amounted to NOK 7,984 million for 2022, about 25 percent of income before tax.

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Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Revenue	44,075	46,433	207,929	149,654
Share of the profit (loss) in equity accounted investments	131	473	1,337	1,340
Other income, net	1,051	942	4,406	2,219
Total revenue and income	45,256	47,848	213,672	153,212
Raw material and energy expense	28,857	24,804	129,373	88,843
Employee benefit expense	5,931	5,145	22,886	20,287
Depreciation and amortization expense	2,270	2,117	8,593	7,844
Impairment of non-current assets	286	294	336	437
Other expenses	6,507	5,402	21,769	17,914
Total expenses	43,851	37,762	182,957	135,325
Earnings before financial items and tax (EBIT)	1,405	10,086	30,715	17,887
Interest and other finance income	268	104	619	263
Foreign currency exchange gain (loss)	356	823	2,192	1,404
Interest and other finance expense	(353)	(283)	(1,161)	(1,156)
Finance income (expense), net	271	644	1,649	510
Income (loss) before tax	1,676	10,730	32,365	18,397
Income taxes	(1,519)	(2,205)	(7,984)	(4,467)
Income (loss) from continuing operations	158	8,525	24,381	13,930
Income (loss) from discontinued operations	36	4	36	12
Net income (loss)	194	8,529	24,417	13,942
Net income (loss) attributable to non-controlling interests	(93)	1,404	263	1,782
Net income (loss) attributable to Hydro shareholders	287	7,125	24,154	12,160
Basic and diluted earnings per share from continuing operations (in NOK) ^{1) 2)}	0.12	3.47	11.76	5.92
Basic and diluted earnings per share from discontinued operations (in NOK) ¹⁾	0.02	0	0.02	0.01
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK)¹⁾	0.14	3.47	11.78	5.93
Weighted average number of outstanding shares (million)	2,047	2,051	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

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	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Net income (loss)	194	8,529	24,417	13,942
Other comprehensive income				
Items that will not be reclassified to income statement:				
Remeasurement postemployment benefits, net of tax	(992)	257	784	2,376
Unrealized gain (loss) on securities, net of tax	(176)	(382)	40	(115)
Total	(1,167)	(126)	824	2,262
Items that will be reclassified to income statement:				
Currency translation differences, net of tax	(3,546)	(524)	8,428	(1,377)
Currency translation differences, net of tax, subsidiaries sold	(11)		(4)	(578)
Cash flow hedges, net of tax	94	(87)	624	(375)
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	6	0	6	(137)
Total	(3,457)	(611)	9,054	(2,466)
Other comprehensive income	(4,624)	(737)	9,878	(204)
Total comprehensive income	(4,431)	7,792	34,295	13,738
Total comprehensive income attributable to non-controlling interests	(396)	1,310	1,252	1,564
Total comprehensive income attributable to Hydro shareholders	(4,034)	6,484	33,043	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	December 31 2022	December 31 2021
Assets		
Cash and cash equivalents	29,805	22,923
Short-term investments	4,173	6,763
Trade and other receivables	23,988	20,579
Inventories	30,035	21,791
Other current financial assets	1,127	3,656
Total current assets	89,128	75,713
Property, plant and equipment	62,656	54,605
Intangible assets	9,280	8,725
Investments accounted for using the equity method	21,222	17,942
Prepaid pension	8,573	8,894
Other non-current assets	7,759	8,633
Total non-current assets	109,490	98,799
Total assets	198,618	174,512
Liabilities and equity		
Bank loans and other interest-bearing short-term debt	6,746	6,428
Trade and other payables	24,374	22,710
Other current liabilities	11,688	10,430
Total current liabilities	42,807	39,569
Long-term debt	26,029	21,989
Provisions	5,289	4,772
Pension liabilities	8,252	9,621
Deferred tax liabilities	4,796	3,665
Other non-current liabilities	3,648	6,516
Total non-current liabilities	48,013	46,563
Total liabilities	90,820	86,132
Equity attributable to Hydro shareholders	102,455	84,064
Non-controlling interests	5,343	4,316
Total equity	107,798	88,380
Total liabilities and equity	198,618	174,512
Total number of outstanding shares (million)	2,042	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	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Operating activities				
Net income (loss)	194	8,529	24,417	13,942
Loss (income) from discontinued operations	(36)	(4)	(36)	(12)
Depreciation, amortization and impairment	2,556	2,411	8,929	8,281
Other adjustments	5,697	(2,513)	(3,917)	(11,531)
Net cash provided by continuing operating activities	8,411	8,423	29,393	10,680
Investing activities				
Purchases of property, plant and equipment	(3,690)	(2,334)	(9,604)	(6,020)
Purchases of other long-term investments	(661)	(501)	(1,971)	(911)
Purchases of short-term investments	-	(1,000)	(1,250)	(3,000)
Proceeds from long-term investing activities	117	14	764	747
Proceeds from sales of short-term investments	-	1,000	1,500	4,500
Net cash used in continuing investing activities	(4,234)	(2,821)	(10,561)	(4,684)
Financing activities				
Loan proceeds	5,549	221	8,963	4,293
Loan repayments	(4,327)	(1,691)	(7,158)	(5,781)
Net increase (decrease) in other short-term debt	(231)	99	(241)	(107)
Repurchases of shares	(631)	-	(661)	-
Proceeds from shares issued	11	14	48	51
Dividends paid	(119)	(258)	(14,179)	(2,822)
Other cash transfers to non-controlling interests	(19)	-	(19)	-
Net cash provided by (used in) continuing financing activities	233	(1,615)	(13,247)	(4,366)
Foreign currency effects on cash	(455)	148	1,353	5
Net cash provided by (used in) discontinued operations	(2)	(4)	(56)	3,650
Net increase in cash and cash equivalents	3,953	4,131	6,882	5,285
Cash and cash equivalents at beginning of period	25,852	18,792	22,923	17,638
Cash and cash equivalents at end of period	29,805	22,923	29,805	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
Items not reclassified to income statement in subsidiaries sold				(1,635)	1,635	-		-
Dividends				(2,564)		(2,564)	(368)	(2,932)
Acquisition of Non-controlling interest				123	(76)	47	(47)	-
Capital contribution in subsidiaries						-	2	2
Total comprehensive income for the period				12,160	14	12,174	1,564	13,738
December 31, 2021	2,272	29,156	(584)	60,112	(6,892)	84,065	4,316	88,380
Changes in equity for 2022								
Treasury shares issued to employees		61	36			97		97
Treasury shares acquired			(681)			(681)		(681)
Dividends				(14,060)		(14,060)	(215)	(14,275)
Acquisition of Non-controlling interest				154	(163)	(9)	9	-
Capital repayment in subsidiaries							(19)	(19)
Total comprehensive income for the period				24,154	8,889	33,043	1,252	34,295
December 31, 2022	2,272	29,217	(1,229)	70,360	1,835	102,455	5,343	107,798

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

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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 - 2022.

The condensed consolidated interim financial information should be read in conjunction with Hydro's Financial Statements - 2022 that are a part of Hydro's Annual Report - 2022.

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 - 2022 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.

NOK million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Total revenue				
Hydro Bauxite & Alumina	7,986	8,713	33,951	27,699
Hydro Aluminium Metal	13,129	14,164	65,483	42,548
Hydro Metal Markets	18,222	19,715	90,968	65,061
Hydro Extrusions	19,819	18,509	91,176	70,296
Hydro Energy	3,037	3,477	12,614	10,149
Other and eliminations	(18,118)	(18,146)	(86,264)	(66,099)
Total	44,075	46,433	207,929	149,654
External revenue				
Hydro Bauxite & Alumina	5,091	5,471	21,649	17,088
Hydro Aluminium Metal	2,638	3,681	13,087	5,373
Hydro Metal Markets	15,132	16,993	76,821	54,165
Hydro Extrusions	19,881	18,505	90,892	69,883
Hydro Energy	1,324	1,780	5,467	3,257
Other and eliminations	9	2	13	(113)
Total	44,075	46,433	207,929	149,654

NOK million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Internal revenue				
Hydro Bauxite & Alumina	2,895	3,242	12,303	10,610
Hydro Aluminium Metal	10,491	10,484	52,396	37,175
Hydro Metal Markets	3,091	2,722	14,147	10,896
Hydro Extrusions	(62)	3	284	413
Hydro Energy	1,713	1,697	7,148	6,891
Other and eliminations	(18,126)	(18,148)	(86,278)	(65,986)
Total	-	-	-	-
Share of the profit (loss) in equity accounted investments				
Hydro Bauxite & Alumina	-	-	-	-
Hydro Aluminium Metal	200	513	1,549	1,509
Hydro Metal Markets	-	-	-	-
Hydro Extrusions	-	-	-	-
Hydro Energy	(81)	(25)	(180)	(104)
Other and eliminations	12	(15)	(32)	(65)
Total	131	473	1,337	1,340
Depreciation, amortization and impairment				
Hydro Bauxite & Alumina	687	514	2,496	2,018
Hydro Aluminium Metal	711	972	2,664	3,158
Hydro Metal Markets	44	41	161	149
Hydro Extrusions	1,036	804	3,297	2,649
Hydro Energy	48	49	190	194
Other and eliminations	30	31	121	113
Total	2,556	2,411	8,929	8,281
Earnings before financial items and tax (EBIT)¹⁾				
Hydro Bauxite & Alumina	(1,133)	1,830	471	3,288
Hydro Aluminium Metal	2,200	7,311	20,292	8,376
Hydro Metal Markets	(492)	500	1,621	725
Hydro Extrusions	16	(412)	3,699	2,929
Hydro Energy	878	1,724	4,621	3,727
Other and eliminations	(63)	(868)	11	(1,158)
Total	1,405	10,086	30,715	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	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Earnings before financial items, tax, depreciation and amortization (EBITDA)				
Hydro Bauxite & Alumina	(446)	2,344	2,967	5,306
Hydro Aluminium Metal	2,888	8,260	22,866	11,440
Hydro Metal Markets	(449)	540	1,780	872
Hydro Extrusions	1,045	381	6,982	5,558
Hydro Energy	926	1,774	4,810	3,921
Other and eliminations	(34)	(837)	132	(1,046)
Total	3,930	12,462	39,536	26,050
Investments¹⁾				
Hydro Bauxite & Alumina	1,813	918	3,799	2,338
Hydro Aluminium Metal	1,086	1,482	3,387	3,479
Hydro Metal Markets	453	105	969	214
Hydro Extrusions	1,475	820	3,223	1,763
Hydro Energy	671	291	1,920	692
Other and eliminations	22	57	92	104
Total	5,519	3,674	13,391	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 Fourth quarter 2022				
Hydro Bauxite & Alumina	(1,133)	687	-	(446)
Hydro Aluminium Metal	2,200	711	(24)	2,888
Hydro Metal Markets	(492)	44	(2)	(449)
Hydro Extrusions	16	1,036	(6)	1,045
Hydro Energy	878	48	-	926
Other and eliminations	(63)	30	-	(34)
Total	1,405	2,556	(31)	3,930

NOK million	EBIT	Depreciation, amortization and impairment	Investment grants	EBITDA
EBIT - EBITDA 2022				
Hydro Bauxite & Alumina	471	2,496	-	2,967
Hydro Aluminium Metal	20,292	2,664	(91)	22,866
Hydro Metal Markets	1,621	161	(2)	1,780
Hydro Extrusions	3,699	3,297	(14)	6,982
Hydro Energy	4,621	190	(1)	4,810
Other and eliminations	11	121	-	132
Total	30,715	8,929	(108)	39,536



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Alternative performance measures (APM)

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	Fourth quarter 2022	Fourth quarter 2021	Third quarter 2022	Year 2022	Year 2021
Unrealized derivative effects on raw material contracts	353	113	157	(40)	(141)
Community contributions Brazil ²⁾	32	15	-	32	217
Other effects ³⁾	162	(46)	-	162	(46)
Hydro Bauxite & Alumina	547	82	157	155	30
Unrealized derivative effects on LME related contracts	207	(849)	(1,538)	(2,990)	4,912
Unrealized derivative effects on power contracts ⁴⁾	1,638	(2,779)	1,291	3,218	(2,763)
Significant rationalization charges and closure costs ⁵⁾	64	66	-	46	263
Net foreign exchange (gain)/loss ⁶⁾	(40)	(23)	(26)	(108)	(120)
Other effects ⁷⁾	-	-	-	(69)	(232)
Hydro Aluminium Metal	1,868	(3,585)	(273)	97	2,060
Unrealized derivative effects on LME related contracts	358	(210)	195	(107)	42
Other effects ⁸⁾	-	(46)	-	-	(46)
Hydro Metal Markets	358	(256)	195	(107)	(4)
Unrealized derivative effects on LME related contracts	(126)	306	84	59	122
Unrealized derivative effects on power contracts	(67)	(20)	50	3	(72)
Significant rationalization charges and closure costs ⁹⁾	91	2	-	106	114
(Gains)/losses on divestments ¹⁰⁾	(4)	(4)	(2)	(54)	(27)
Other effects ¹¹⁾	-	-	(2)	(76)	-
Hydro Extrusions	(106)	283	130	38	137
Unrealized derivative effects on power contracts	615	(57)	(254)	170	(107)
(Gains)/losses on divestments ¹²⁾	-	-	-	(65)	(45)
Net foreign exchange (gain)/loss ⁶⁾	1	6	3	11	21
Hydro Energy	616	(51)	(251)	116	(131)
Unrealized derivative effects on LME related contracts ¹³⁾	47	9	19	36	13
(Gains)/losses on divestments ¹⁴⁾	-	-	-	-	(231)
Net foreign exchange (gain)/loss ⁶⁾	(91)	0	(83)	(221)	20
Other effects ¹⁵⁾	15	66	-	15	66
Other and eliminations	(29)	74	(65)	(170)	(132)
Adjusting items to EBITDA	3,254	(3,451)	(108)	128	1,959
Impairment charges					
Hydro Aluminium Metal ¹⁶⁾	28	276	49	77	276
Hydro Extrusions ¹⁷⁾	258	7	-	258	150
Depreciation ¹⁸⁾	-	108	-	-	513
Adjusting items to EBIT	3,541	(3,060)	(59)	464	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 2022 includes derecognized engineering cost related to a project on hold. 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 Slovalco 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 second quarter 2022 related to Aluchemie. Cost in fourth quarter 2022 related to curtailment cost in the Slovalco smelter.

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

⁷⁾ Other effect in Hydro Aluminium Metal in 2022 relates to insurance compensation for the power outage in Albras in the first quarter of 2022. 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 effects in Metal Markets in 2021 includes a compensation received

⁹⁾ Significant rationalization and closure costs include provisions for costs related to reduction of overcapacity, closures and environmental clean-up activities in Hydro Extrusions.

¹⁰⁾ Divestments of Hydro Extrusions plants, including adjustments of sales price.

¹¹⁾ Other effects in Hydro Extrusions relates to Insurance compensation for cost incurred prior to Hydro's acquisition of the business affected.

¹²⁾ 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.

¹³⁾ Unrealized derivative effects LME related contracts result from elimination of changes in the valuation of certain internal aluminium contracts.

¹⁴⁾ Reversal of gain of sales of property in Germany in 2021.

¹⁵⁾ Other effects in 2022 and 2021 relates to environmental provision for closed sites in Germany.

¹⁶⁾ Impairment charges in Hydro Aluminium Metal in 2022 and 2021 reflect write downs related to the Slovalco smelter.

¹⁷⁾ Impairment charges in 2022 and 2021 in Hydro Extrusions include impairments of various individual sites and assets.

¹⁸⁾ Excess depreciation in 2021 related to the anode producer Aluchemie which was closed at the end of 2021.



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Adjusted EBITDA

NOK million	Fourth quarter 2022	Fourth quarter 2021	Third quarter 2022	Year 2022	Year 2021
EBIT	1,405	10,086	7,670	30,715	17,887
Depreciation, amortization and impairment	2,556	2,411	2,185	8,929	8,281
Investment grants	(31)	(35)	(27)	(108)	(117)
EBITDA	3,930	12,462	9,828	39,536	26,050
Adjusting items to EBITDA	3,254	(3,451)	(108)	128	1,959
Adjusted EBITDA	7,184	9,011	9,721	39,664	28,010

Adjusted earnings per share from continuing operations

NOK million	Fourth quarter 2022	Fourth quarter 2021	Change prior year quarter	Third quarter 2022	Change prior quarter	Year 2022	Year 2021
Net income (loss) from continuing operations	158	8,525	(98)%	6,676	(98)%	24,381	13,930
Adjusting items to net income (loss) from continuing operations ¹⁾	2,213	(2,715)	>100%	(418)	>100%	(1,236)	976
Adjusted net income (loss) from continuing operations	2,371	5,810	(59)%	6,258	(62)%	23,145	14,905
Adjusted net income attributable to non-controlling interests from continuing operations	339	535	(37)%	295	15%	1,205	1,017
Adjusted net income from continuing operations attributable to Hydro shareholders	2,032	5,276	(61)%	5,964	(66)%	21,941	13,888
Number of shares	2,047	2,051	-	2,053	-	2,051	2,051
Adjusted earnings per share from continuing operations	0.99	2.57	(61)%	2.91	(66)%	10.70	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	December 31, 2022	September 30, 2022	Change prior quarter	December 31, 2021	September 30, 2021	Change prior year quarter
Cash and cash equivalents	29,805	25,852	3,953	22,923	18,792	4,131
Short-term investments ¹⁾	4,173	2,511	1,663	6,763	7,020	(257)
Short-term debt	(6,746)	(11,085)	4,339	(6,428)	(4,186)	(2,242)
Long-term debt	(26,029)	(20,790)	(5,239)	(21,989)	(25,495)	3,506
Collateral for long-term liabilities	106	367	(261)	1,945	2,647	(703)
Net cash (debt)	1,310	(3,145)	4,454	3,213	(1,221)	4,435
Collateral for short-term and long-term liabilities ²⁾	(2,563)	(1,243)	(1,319)	(5,304)	(6,305)	1,001
Cash and cash equiv. and short-term investm. in captive insurance company ³⁾	(1,000)	(995)	(4)	(1,059)	(1,072)	13
Net pension asset (obligation) at fair value, net of expected income tax benefit ⁴⁾	(270)	959	(1,228)	(774)	648	(1,422)
Short- and long-term provisions net of expected income tax benefit, and other liabilities ⁵⁾	(3,466)	(3,381)	(85)	(3,096)	(2,570)	(526)
Adjusted net cash (debt)	(5,989)	(7,806)	1,817	(7,019)	(10,520)	3,501

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 -591 million and NOK -330 million for December 2022 and September 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 (RoACE)

Hydro uses adjusted RoACE to measure the performance for the group as a whole and within its operating segments, 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. RoACE is calculated as adjusted EBIT after tax divided by average Capital employed for the respective period. The definition of capital employed was amended during 2021 to be consistent with the amended definition of Net cash (debt), and excludes long-term collateral.

Capital employed for 2021 excludes Assets held for sale and Liabilities in disposal groups, as results from the divested Hydro Rolling business is separately reported as Income (loss) from discontinued operations.

NOK million	Reported 2022	2021	Adjusted 2022	2021
EBIT	30,715	17,887	31,179	20,786
Adjusted Income tax expense ¹⁾	(7,489)	(4,314)	(7,654)	(5,255)
EBIT after tax	23,226	13,572	23,525	15,531

NOK million	December 31, 2022	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 ²⁾	55,149	64,723	65,122	55,912	46,027	39,689	36,952	31,439
Property, plant and equipment	62,656	62,369	58,920	56,599	54,605	54,642	56,353	53,890
Other non-current assets ³⁾	46,728	51,007	46,876	45,932	42,250	42,144	41,951	39,749
Current liabilities in continuing operations ⁴⁾	(36,061)	(38,356)	(39,880)	(37,666)	(33,140)	(27,277)	(25,494)	(21,498)
Non-current liabilities ⁴⁾	(21,984)	(23,502)	(24,309)	(26,418)	(24,574)	(27,020)	(24,643)	(22,402)
Capital Employed	106,488	116,241	106,728	94,360	85,167	82,177	85,119	81,178

	Reported 2022	Reported 2021	Adjusted 2022	Adjusted 2021
Return on average Capital Employed (RoACE)⁵⁾	21.9%	16.3%	22.2%	18.6%

¹⁾ Adjusted Income tax expense is based on reported and adjusted tax expense adjusted for tax on financial items.

²⁾ Excluding cash and cash equivalents and short-term investments.

³⁾ Excluding long-term collateral related to strategic and operational hedging activities.

⁴⁾ Excluding interest-bearing debt.

⁵⁾ Average Capital Employed measured over the last 4 quarters to reflect the return for the full year.

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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 calendar 2023¹⁾

April 28	First quarter results
May 10	Annual General Meeting
July 21	Second quarter results
October 24	Third quarter results

¹⁾ Hydro reserves the right to revise these dates.

See updated calendar on [Hydro.com](https://www.hydro.com).

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