

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures
(APMs)



First quarter 2023



Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures
(APMs)

First quarter 2023

Overview	3
Market developments and outlook	9
Additional factors impacting Hydro	11
Business areas	12
Finance	18
Tax	18
Interim financial statements	19
Alternative performance measures (APMs)	26



Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Overview

Summary of financial and operating results and liquidity

Key financial information

NOK million, except per share data	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Revenue	48,534	46,616	4%	44,075	10%	207,929
Earnings before financial items, tax, depreciation and amortization (EBITDA) ²⁾	6,393	8,217	(22)%	3,930	63%	39,536
Adjustments to EBITDA ¹⁾	1,132	2,948	(62)%	3,254	(65)%	128
Adjusted EBITDA ¹⁾	7,525	11,165	(33)%	7,184	5%	39,664
Adjusted EBITDA						
Hydro Bauxite & Alumina	437	1,270	(66)%	101	>100%	3,122
Hydro Aluminium Metal	3,972	4,765	(17)%	4,756	(16)%	22,963
Hydro Metal Markets	669	525	27%	(91)	>100%	1,673
Hydro Extrusions	2,223	2,331	(5)%	939	>100%	7,020
Hydro Energy	726	2,239	(68)%	1,542	(53)%	4,926
Other and eliminations	(501)	35	>(100)%	(63)	>(100)%	(39)
Adjusted EBITDA ¹⁾	7,525	11,165	(33)%	7,184	5%	39,664
Earnings before financial items and tax (EBIT) ²⁾	4,233	6,222	(32)%	1,405	>100%	30,715
Adjusted EBIT ¹⁾	5,364	9,170	(42)%	4,946	8%	31,179
Net income (loss) from continuing operations	1,144	6,411	(82)%	158	>100%	24,381
Adjusted net income (loss) from continuing operations ¹⁾	3,326	6,785	(51)%	2,371	40%	23,145
Net income (loss) from discontinued operations ³⁾	-	-	-	36	(100)%	36
Earnings per share from continuing operations	0.62	2.80	(78)%	0.12	>100%	11.76
Adjusted earnings per share from continuing operations ¹⁾	1.70	3.17	(46)%	0.99	71%	10.70
Financial data						
Investments ^{1) 2)}	4,881	1,656	>100%	5,519	(12)%	13,391
Net cash (debt) ¹⁾	(1,749)	5,149	>(100)%	1,310	>(100)%	1,310
Adjusted net cash (debt) ¹⁾	(8,501)	(7,745)	(10)%	(5,989)	(42)%	(5,989)

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.



Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Key developments

Key developments first quarter 2023

Hydro's adjusted EBITDA for the first quarter of 2023 was NOK 7,525 million, down from NOK 11,165 million for the same quarter last year. This resulted in an adjusted RoaCE of 18 percent over the last twelve months. Lower aluminium and alumina sales prices, and higher raw material costs negatively affected results, partly offset by positive currency effects.

On April 27, 2023 Hydro signed an agreement with Glencore, who will acquire 30 percent of the Brazilian alumina refinery Hydro Alunorte and Hydro's 5 percent ownership in the Brazilian bauxite producer Mineracão Rio do Norte (MRN). Glencore will acquire an additional 40 percent stake in MRN which is currently owned by Vale. This 40 percent interest will be acquired by Hydro from Vale and immediately sold to Glencore on a back-to-back basis. After the transactions Hydro will no longer have an ownership position in MRN. The transactions will have a total net enterprise value of USD 1.15 billion which shall be adjusted for debt like items and working capital. Closing is expected in the second half of 2023.

The transaction is an important step to deliver on Hydro's strategy. Proceeds from the transaction will be used for strategic growth areas and for shareholder distribution. Alunorte remains a core strategic asset for Hydro and is a key source of low-carbon alumina supply to our primary aluminium smelters. Hydro will continue to be long alumina, but now more balanced in relation to the demand from our aluminium smelter portfolio.

Health and safety remain Hydro's top priority for both employees and the communities where the company operates. The total recordable injury rate (TRI) continues its positive trend, reaching 2.3 by the end of first quarter.

Hydro continues its strong commitment to reduce costs and improve operational excellence. The improvement program is a key lever to deliver on Hydro's 2025 strategy, and Hydro estimates it will reach its year-end target of NOK 8.4 billion of accumulated improvements.

The global economic growth rate slowed towards the end of 2022 and into the first quarter of 2023, amid continued high energy prices, and as central banks raised interest

rates rapidly to tackle high inflation. External sources forecast global economic growth for 2023 in the range of 2 to 3 percent, reflecting a gradual improvement in the macroeconomic environment.

Global primary aluminium consumption was down 6 percent compared to the very strong first quarter of 2022, driven by a decrease of 17 percent in Europe. For 2023, external sources estimate a global deficit of primary aluminium between 0.1 million mt and 0.8 million mt. High energy prices led to further curtailments of aluminium production facilities in Europe and elevated energy costs continue to pose a risk of further curtailments.

The green transition drives demand for aluminium with an additional 5 million tonnes demand expected until 2050 in Europe, mainly driven by growth in electrical vehicles (EV), electrical grid, and solar. The average content of aluminium per vehicle continues to increase, and expected at around 250-300 kg per car, up from around 150-200 kg in 2020, supported by the growth in EVs.

Hydro's customers across industry sectors such as transportation, construction, packaging and electrical are setting ambitious decarbonization targets. On April 26, 2023 Hydro and Dr. Ing. h.c. F. Porsche AG announced a collaboration to further reduce the carbon footprint of Porsche's car models. Hydro will deliver Porsche's component suppliers with low-carbon and ultimately zero-carbon aluminium. In addition, the two companies will collaborate on an innovative value chain concept for battery materials and battery recycling.

To enable customers' decarbonization journey and grow its margins, Hydro is pursuing three decarbonization paths to further reduce the carbon footprint of aluminium. In the first quarter the company is preparing for first CO₂ capture following the conclusion of successful technology trials in Sunndal together with technology partner Verdox. Additionally, the company is preparing for HalZero testing at scale and constructing a HalZero test facility with support from the Norwegian government via state enterprise Enova.

Recycling is also an important enabler to strengthen Hydro's position in low-carbon aluminium. On April 27, 2023 Hydro

announced its plan to re-launch a tender offer process for the acquisition of 100 percent of the shares of the Polish recycler Alumetal S.A. The tender offer was first launched in April 2022, which later expired during the European Commission's extended merger review, still pending with a provisional decision deadline of May 23, 2023. The tender offer process is for 100 percent of the shares, representing an aggregate equity purchase price of approximately PLN 1,230 million (approximately EUR 267 million).

The proposed acquisition would be a strong strategic fit towards delivering on Hydro's recycling strategy by widening its product offering in the low-carbon and scrap based foundry alloy market. Following the acquisition of Alumetal, Hydro will increase the post-consumer scrap (PCS) usage of approximately ~150 ktpy, well exceeding the company's 2020 ambition to double PCS recycling by 2025, and the ambition to add ~1 million tonnes of recycling capacity by 2027.

Extrusions is an important growth area for Hydro. It has delivered strong earnings improvements over the last eight years, from NOK 1.9 billion in adjusted EBITDA for Sapa in 2014 to NOK 7.0 billion for Hydro Extrusions in 2022, and is well underway to deliver NOK 8.0 billion adjusted EBITDA by 2025. Despite current weaker markets, margins are continuing to improve. In the first quarter, Hydro's acquisition of Hueck building systems and extrusion business closed. The acquisition strengthens Hydro's presence in Germany and other European markets. It is expected to offer clear operational and commercial synergies linked to extrusion, systems and recycling business.

Hydro has continued to execute on its strategy to grow in new energy areas that can decarbonize high emitting industries, including renewable energy production, investment in battery value chains and production of green hydrogen. Hydro Rein is progressing on construction of Stor-Skålsjön, Mendubim, Feijao and Boa Sorte together with the relevant partners. The process to raise capital for Hydro Rein is ongoing.

Batteries continues to develop its portfolio according to plan. Hydrovolt is further increasing volumes, while Vianode's fast-track plant is under construction.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Hydro announced a EUR 5.0 million investment in the Dutch advanced materials company E-magy, a developer of silicon anode materials for future battery generations. The investment strengthens Hydro's portfolio within emerging technologies and anode materials. Furthermore, Hydro strengthened its position in sustainable battery materials in the first quarter through the acquisition of a 12 percent stake in Lithium de France.

Hydro's green hydrogen unit, Hydro Havrand continues to mature the world's first pilot for green hydrogen in aluminium at Høyanger, Norway.

Results and market development per Business Area

First quarter 2023 adjusted EBITDA for Bauxite & Alumina decreased compared to the first quarter of last year, driven mainly by increased prices for caustic, and lower alumina sales prices. The average Platts alumina index (PAX) increased in the first quarter to USD 360 per mt, compared to USD 317 per mt in the fourth quarter 2022.

Adjusted EBITDA for Aluminium Metal decreased in the first quarter of 2023 compared to the first quarter of 2022, mainly due to lower all-in metal prices and higher carbon cost, partly offset by positive currency effects, positive contribution from power sales, and lower energy cost.

On April 17, 2023 Hydro Karmøy and Hydro Årdal went on strike following a breach in mediation between The Confederation of Norwegian Enterprise (NHO), the Confederation of the Vocational Unions (YS) and the Norwegian Labor Union (LO), employees organized in Industri Energi and FLT. The strike ended April 20, 2023 with limited financial consequences for Hydro.

Adjusted EBITDA for Metal Markets increased in the first quarter compared to the same quarter last year due to higher results from sourcing and trading activities and positive currency and inventory valuation effects, partly offset by a decrease in the results from the recyclers, compared to a record strong first quarter 2022.

Adjusted EBITDA for Extrusions was slightly lower in first quarter compared to the same quarter last year. Increased sales margins and positive currency effects were partly compensated by lower sales volumes and decreased results from the recyclers. Inflationary cost pressure remains on fixed and variable costs.

European demand for extrusions in the first quarter of 2023 is estimated to have decreased 18 percent compared to the same quarter last year, but increasing 10 percent compared to the fourth quarter of 2022, driven by seasonality. North American extrusion demand is estimated to have decreased 10 percent during the first quarter of 2023 compared to the same quarter last year, but increasing 9 percent compared to the fourth quarter of 2022.

First quarter 2023 adjusted EBITDA for Energy decreased significantly compared to the same quarter last year, mainly due to significant loss on a 12-month internal fixed price purchase contract from early October 2022, lower gain on price area differences, lower prices, and lower power production, somewhat offset by increased hedging results.

Nordic power prices were on average lower in the first quarter of 2023 compared to the same quarter last year, and significantly lower than the previous quarter. Significant price area differences in the Nordic region have continued through the first quarter, but at a lower level than the previous quarter and significantly lower than the same quarter last year.

Other key financials

Compared to the fourth quarter, Hydro's adjusted EBITDA increased from NOK 7,184 million to NOK 7,525 million in the first quarter 2023. Higher realized aluminium and alumina prices, and positive currency effects were slightly offset by lower sales volumes.

Net income from continuing operations amounted to NOK 1,144 million in the first quarter. In addition to the factors described above, net income from continuing operations included a net foreign exchange gain of NOK 156 million, a NOK 458 million unrealized loss on power and raw material contracts, and a NOK 708 million unrealized loss on LME related contracts.

Hydro's net cash¹ decreased from NOK 1.3 billion at the end of the fourth quarter 2022 to a net debt position of NOK 1.7 billion at the end of the first quarter 2023. Net cash provided by operating activities, excluding release of collateral, amount to NOK 2.9 billion. Net cash used in investment activities, excluding short term investments, amounted to NOK 3.9 billion.

Adjusted net debt increased from NOK 6.0 billion to NOK 8.5 billion, largely due to the increase in net debt, partly offset by reduced collateral of NOK 0.7 billion.

Hydro's existing share buyback program, initiated in September 2022, completed its purchases in the market on March 10, 2023. The redemption and cancellation of shares held by the Norwegian state is subject to approval by the Annual General Meeting on May 10, 2023.

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

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures
(APMs)

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	First quarter 2023	First quarter 2022	Fourth quarter 2022	Year 2022
Unrealized derivative effects on LME related contracts	708	4,448	486	(3,003)
Unrealized derivative effects on power and raw material contracts	458	(1,418)	2,538	3,352
Significant rationalization charges and closure costs	51	2	155	152
Community contributions Brazil	-	-	32	32
Transaction related effects	70	(49)	(4)	(119)
Net foreign exchange (gain) loss	(156)	(36)	(130)	(318)
Other effects	-	-	177	32
Adjusting items to EBITDA²⁾	1,132	2,948	3,254	128
Impairment charges	-	-	286	335
Adjusting items to EBIT²⁾	1,132	2,948	3,541	464
Net foreign exchange (gain)/loss	1,985	(2,392)	(356)	(2,192)
Calculated income tax effect	(935)	(181)	(972)	492
Adjusting items to net income from continuing operations	2,182	374	2,213	(1,236)
Income (loss) tax rate	43%	24%	91%	25%
Adjusted income (loss) tax rate	35%	24%	51%	24%

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.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Key operational information

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Bauxite production (kmt) ¹⁾	2,648	2,638	-	2,824	(6)%	11,012
Alumina production (kmt)	1,550	1,519	2%	1,559	(1)%	6,193
Realized alumina price (USD/mt) ²⁾	367	391	(6)%	342	7%	382
Primary aluminium production (kmt)	499	540	(8)%	522	(4)%	2,137
Realized aluminium price LME (USD/mt)	2,291	2,662	(14)%	2,246	2%	2,599
Realized USD/NOK exchange rate	10.29	8.84	16%	10.16	1%	9.52
Hydro Extrusions sales volumes to external market (kmt)	301	347	(13)%	265	14%	1,251
Power production (GWh)	2,610	2,730	(4)%	2,002	30%	7,664

¹⁾ Paragominas production on wet basis.

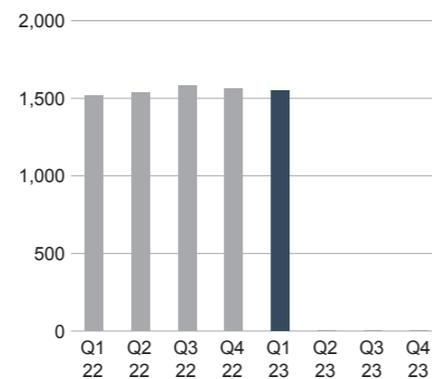
²⁾ Weighted average of own production and third party contracts. The majority of the alumina is sold linked to the alumina index with a one month delay.

Currency rates

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
USD/NOK Average exchange rate	10.24	8.85	16%	10.19	0%	9.62
USD/NOK Period end exchange rate	10.48	8.75	20%	9.86	6%	9.86
BRL/NOK Average exchange rate	1.97	1.70	16%	1.94	2%	1.86
BRL/NOK Period end exchange rate	2.07	1.83	13%	1.86	11%	1.86
USD/BRL Average exchange rate	5.20	5.23	(1)%	5.26	(1)%	5.17
USD/BRL Period end exchange rate	5.07	4.78	6%	5.29	(4)%	5.29
EUR/NOK Average exchange rate	10.99	9.92	11%	10.39	6%	10.10
EUR/NOK Period end exchange rate	11.39	9.71	17%	10.51	8%	10.51

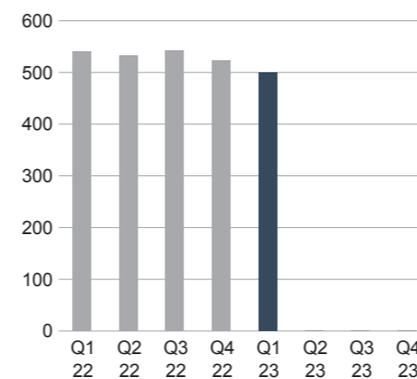
Alumina production

Kmt



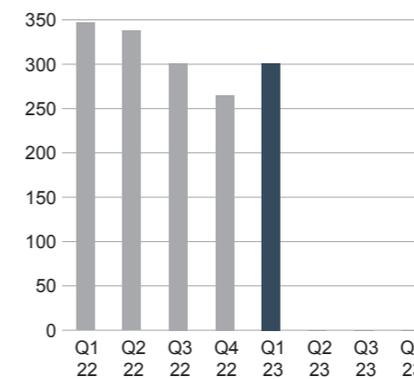
Primary aluminium production

Kmt



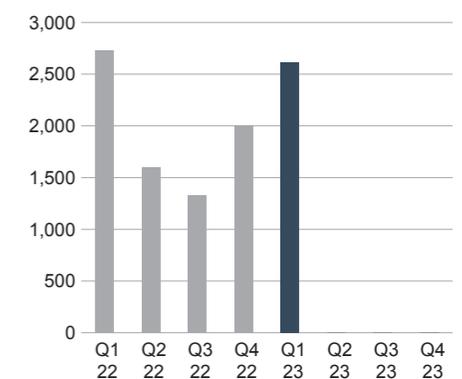
Hydro Extrusions sales

Kmt



Power production

GWh



Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

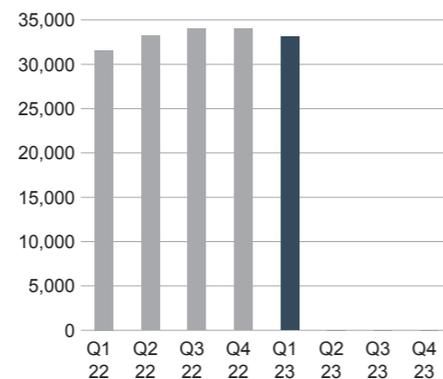
Market statistics¹⁾

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Bauxite and alumina						
Average alumina price - Platts PAX FOB Australia (USD/t)	360	421	(14)%	317	14%	362
China bauxite import price (USD/mt CIF China)	63	56	12%	61	2%	59
Global production of alumina (kmt)	33,113	32,711	1%	34,124	(3)%	134,436
Global production of alumina (ex. China) (kmt)	14,302	14,660	(2)%	14,291	-	57,332
Primary aluminium						
LME cash average (USD/mt)	2,402	3,247	(26)%	2,335	3%	2,706
LME three month average (USD/mt)	2,441	3,240	(25)%	2,355	4%	2,716
Standard ingot premium (EU DP Cash)	303	489	(38)%	273	11%	466
Extrusion ingot premium (EU DP)	536	1,504	(64)%	783	(32)%	1,223
Chinese production of primary aluminium (kmt)	9,902	9,593	3%	10,251	(3)%	40,248
Chinese consumption of primary aluminium (kmt)	9,140	9,423	(3)%	10,545	(13)%	40,635
Global production of primary aluminium (ex. China) (kmt)	7,050	7,118	(1)%	7,239	(3)%	28,822
Global consumption of primary aluminium (ex. China) (kmt)	6,733	7,512	(10)%	6,755	-	28,558
Global production of primary aluminium (kmt)	16,952	16,711	1%	17,491	(3)%	70,189
Global consumption of primary aluminium (kmt)	15,874	16,935	(6)%	17,300	(8)%	69,193
Reported primary aluminium inventories (ex. China) (kmt)	2,195	2,321	(5)%	2,122	3%	2,122
Reported primary aluminium inventories (China) (kmt)	1,681	1,600	5%	1,011	66%	1,011
Extruded products						
Consumption extruded products - Europe (kmt)	833	1,013	(16)%	757	(9)%	3,764
Consumption extruded products - USA & Canada (kmt)	601	667	(8)%	553	(14)%	2,496
Energy						
Average southern Norway spot price (NO2) (NOK/MWh)	1,182	1,504	(21)%	1,719	(31)%	2,128
Average mid Norway spot price (NO3) (NOK/MWh)	612	207	>100%	941	(35)%	428
Average nordic system spot price (NOK/MWh)	934	1,090	(14)%	1,414	(34)%	1,370

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.

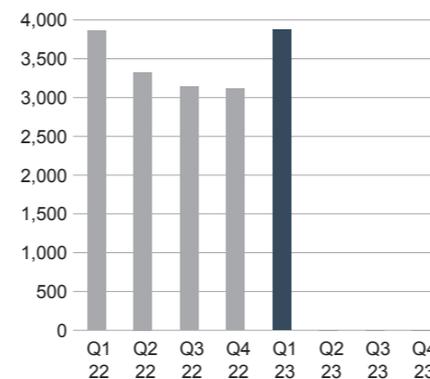
Production of alumina

Global kmt



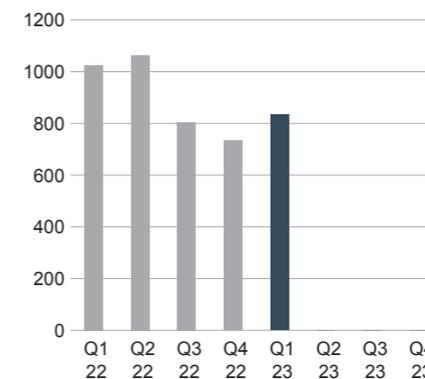
Aluminium inventories

Global kmt



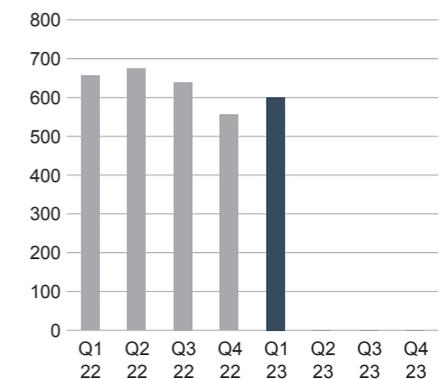
Extruded products Europe

Consumption kmt



Extruded products North America

Consumption kmt



Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Market developments and outlook

Global macroeconomic developments

The pace of global economic growth slowed towards the end of 2022 and into the first quarter of 2023, amid continued high energy prices, and as central banks rise interest rates rapidly to tackle high inflation.

External sources forecast global economic growth for 2023 in the range of 2 to 3 percent, reflecting a gradual improvement in the macroeconomic environment as inflation is expected to ease, and in line with the reopening of the Chinese economy. Uncertainty remains surrounding the pace of fall in inflation, financial market turbulence, the continuing war in Ukraine, and the overall geopolitical situation.

Bauxite and alumina

The average Platts alumina index (PAX) increased in the first quarter 2023 to USD 360 per mt, compared to USD 317 per mt in the fourth quarter 2022.

PAX started the quarter at USD 330 per mt and increased to USD 360 per mt in late January on the back of alumina production curtailment in Australia due to a natural gas supply shortage. PAX remained very stable through the rest of the quarter, ending at USD 362 per mt. Compared to the first quarter of 2022, the average PAX was 14 percent lower.

In the first quarter of 2023, China imported 443kt of alumina from Australia, Indonesia and Vietnam. Alumina exports from China to Russia initiated in the second quarter of 2022 continued, reaching 290kt in the first quarter.

In the first quarter of 2023, China imported 36 million mt of bauxite, 9 percent higher than the same period last year. Imports from Guinea increased 46 percent to 26 million mt while imports from Indonesia declined 72 percent to 2 million mt as the market adjusts to Indonesia's announced bauxite export ban starting in June 2023. Guinea, Australia, and Indonesia accounted for 96 percent of China's bauxite imports in the period.

The average Chinese bauxite import price was USD 63 per mt CIF in the first quarter of 2023, up from USD 56 per mt CIF in the corresponding period last year. The price increase was driven by stronger demand, higher oil prices and increased ocean freight rates.

Primary aluminium

The three-month aluminium price remained stable throughout the first quarter of 2023, starting the quarter at USD 2,378 per mt and ending at USD 2,413 per mt.

High energy prices led to further curtailments of aluminium production facilities in Europe. Elevated energy costs continue to pose a risk of further curtailments.

European duty paid standard ingot premiums ended the first quarter at USD 330 per mt, up from USD 260 per mt at the end of the fourth quarter. The US Midwest premium increased from USD 490 per mt at the beginning of the quarter to USD 556 per mt at the end of the quarter on improving demand.

Shanghai Futures Exchange (SHFE) prices remained stable with a slight increase by USD 10 per mt ex. VAT from start of the quarter to the end, ending at USD 2,323 per mt ex. VAT. Average for the quarter was up USD 90 per mt ex. VAT compared to the fourth quarter 2022.

Global primary aluminium consumption was down 6 percent compared to the very strong first quarter of 2022, driven by a decrease of 17 percent in Europe.

For 2023 external sources¹ are estimating a global deficit of primary aluminium between 0.1 million mt and 0.8 million mt.

The European consumption of extrusion ingot and sheet ingot decreased in the first quarter of 2023 compared to the same period in 2022. Consumption of primary foundry alloys was up in first quarter of 2023 compared to first quarter 2022.

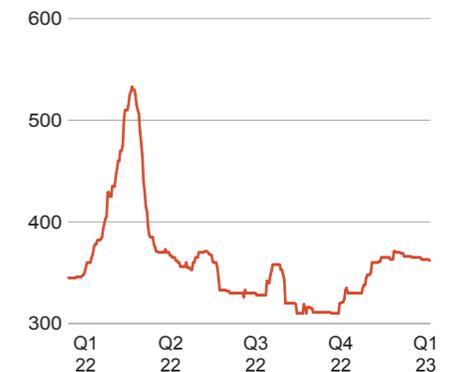
Total global stocks at the end of the first quarter of 2023 were estimated to be 10.4 million mt, up 1.1 million mt compared to the fourth quarter 2022 and up 1.2 million mt compared to the first quarter 2022.

Extruded products

European demand for extrusions in the first quarter of 2023 is estimated to have decreased 18 percent compared to the same quarter last year, but increasing 10 percent compared to the fourth quarter of 2022, driven by seasonality. Demand

Platts PAX development

USD/mt



LME price (3 month aluminium)

USD/mt



¹ CRU and WoodMac.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

for residential building & construction and industrial segments have continued to weaken into the first quarter while growth in automotive demand is gradually improving as supply chain issues are easing. Some sub-segments such as solar is also showing robust growth.

CRU estimates that the European demand for extruded products will decrease 14 percent in the second quarter of 2023 compared to the same quarter last year due to continued softness in building & construction and industrial segments. Overall, extrusion demand is estimated to decrease by 7 percent in 2023 compared to 2022.

North American extrusion demand is estimated to have decreased 10 percent during the first quarter of 2023 compared to the same quarter last year, but increasing 9 percent compared to the fourth quarter of 2022, partly driven by seasonality. Demand is weakening in the building & construction sector as higher interest rates lead to a softer housing market, while the automotive segments is improving as vehicle production is picking up.

CRU estimates that the North American demand for extruded products will decrease 6 percent in the second quarter of 2023 compared to the same quarter last year mainly due to weaker development in building & construction and industrial segments. Overall, extrusion demand is estimated to decrease by 3 percent in 2023 compared to 2022.

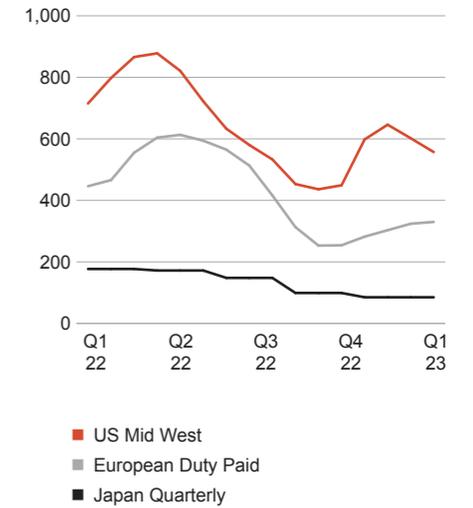
Energy

Nordic power prices were on average lower in the first quarter of 2023 compared to the same quarter last year, and significantly lower than the previous quarter. The decrease was primarily a result of lower continental spot power prices following lower gas and coal prices. In addition, the Nordic hydrology balance improved through the winter, pressuring the Nordic price level.

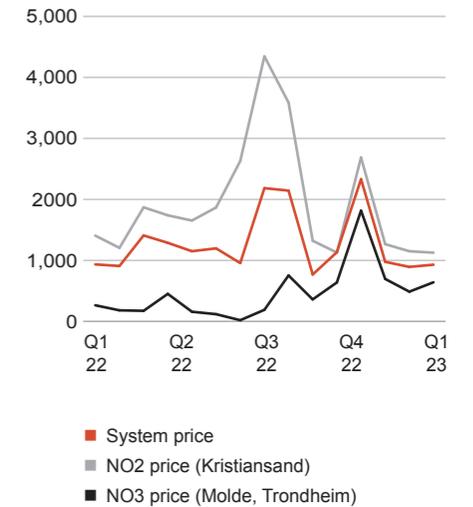
Significant price area differences in the Nordic region have continued through the first quarter but at a lower level than the previous quarter and significantly lower than same quarter last year. This development was mainly driven by lower prices in Southern Norway while prices in the northern part of the Nordic market stabilized as hydrology declined towards normal levels, combined with lower-than-normal wind production.

Hydrology in Norway continued to improve in the quarter and were at close to normal levels at the end of the first quarter. The Nordic hydrological balance ended the quarter around 2 TWh below normal, compared to around 13 TWh below normal at the end of the previous quarter and around 2 TWh above normal at the end of the same quarter last year. Total hydropower reservoirs in Norway were at 34 percent of full capacity at the end of the year, which is 3 percent below the normal level. In Southwestern Norway (NO2) the reservoirs were 38 percent full at the end of quarter, which is 5 percent below the normal level.

Premiums
USD/mt



Energy spot price
NOK/MWh



[Overview](#)[Market developments and outlook](#)[Additional factors impacting Hydro](#)[Business areas](#)[Finance](#)[Tax](#)[Interim financial statements](#)[Alternative performance measures \(APMs\)](#)

Additional factors impacting Hydro

The accumulated LME hedge in Hydro as of March 31, 2023 amounted to 345 thousand tonnes for 2023, 440 thousand tonnes for 2024, and 200 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 247 million for 2023 and USD 335 million for 2024.

Aluminium Metal has sold forward 69 percent of its expected primary aluminium production for the second quarter at an average LME price of USD 2,287 per mt.

In Energy, external power sourcing volumes were affected by disrupted delivery of volume from a long-term power purchase agreement in the northern part of the Nord Pool area. The non-delivered volume were 0.3 TWh in the quarter.

Moody's Investors Service has March 13, 2023 changed the outlook for Norsk Hydro ASA's rating to positive from stable. Concurrently, Moody's has affirmed the Baa3 long-term issuer rating, the Baa3 Baseline Credit Assessment (BCA) and the Baa3 rating of the EUR 500 million and EUR 300 million senior unsecured Bonds due 2025 and 2029, respectively.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Business areas

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

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	260	1,647	(84)%	(446)	>100%	2,967
Adjusted EBITDA (NOK million)	437	1,270	(66)%	101	>100%	3,122
Adjusted EBIT (NOK million)	(221)	718	>(100)%	(586)	62%	626
Alumina production (kmt)	1,550	1,519	2%	1,559	(1)%	6,193
Sourced alumina (kmt)	686	741	(7)%	593	16%	2,856
Total alumina sales (kmt)	2,171	2,251	(4)%	2,220	(2)%	9,121
Realized alumina price (USD/mt) ¹⁾	367	391	(6)%	342	7%	382
Bauxite production (kmt) ²⁾	2,648	2,638	-	2,824	(6)%	11,012
Sourced bauxite (kmt) ³⁾	1,078	856	26%	1,861	(42)%	5,611

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.

First quarter 2023 adjusted EBITDA for Bauxite & Alumina decreased compared to the first quarter of last year, driven mainly by increased prices for caustic, and lower alumina sales prices.

Compared to the fourth quarter of 2022 the adjusted EBITDA increased, driven mainly by higher alumina sales prices and decreased energy prices.

Hydro Bauxite & Alumina



Adjusted EBITDA
Q1 2023

437 MNOK

Q1 2022
1,270 MNOK ↓ (66)%

Q4 2022
101 MNOK ↑ >100%



Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Hydro Aluminium Metal financial and operational information¹⁾

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	3,239	836	>100%	2,888	12%	22,866
Adjusted EBITDA (NOK million)	3,972	4,765	(17)%	4,756	(16)%	22,963
Adjusted EBITDA including Qatalum 50% pro rata (NOK million) ²⁾	4,445	5,261	(16)%	5,256	(15)%	25,241
Adjusted EBIT (NOK million)	3,328	4,183	(20)%	4,097	(19)%	20,467
Realized aluminium price LME (USD/mt) ³⁾	2,291	2,662	(14)%	2,246	2%	2,599
Realized aluminium price LME (NOK/mt) ³⁾	23,566	23,542	-	22,813	3%	24,739
Realized premium above LME (USD/mt) ⁴⁾	503	786	(36)%	577	(13)%	756
Realized premium above LME (NOK/mt) ⁴⁾	5,169	6,954	(26)%	5,857	(12)%	7,197
Realized USD/NOK exchange rate	10.29	8.84	16%	10.16	1%	9.52
Primary aluminium production (kmt)	499	540	(8)%	522	(4)%	2,137
Casthouse production (kmt)	513	555	(8)%	522	(2)%	2,166
Total sales (kmt)	559	600	(7)%	542	3%	2,256

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.

Qatalum financial and operational information (50%)

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Revenue (NOK million)	2,069	2,315	(11)%	2,702	(23)%	10,518
Adjusted EBITDA (NOK million)	627	879	(29)%	700	(10)%	3,826
Adjusted EBIT (NOK million)	320	615	(48)%	352	(9)%	2,617
Net income (loss) (NOK million)	154	383	(60)%	200	(23)%	1,548
Adjusted Net income (loss) (NOK million)	154	383	(60)%	200	(23)%	1,548
Primary aluminium production (kmt)	79	79	1%	81	(2)%	319
Casthouse sales (kmt)	75	79	(6)%	98	(24)%	334

Adjusted EBITDA for Aluminium Metal decreased in the first quarter of 2023 compared to the first quarter of 2022 mainly due to lower all-in metal prices and higher carbon cost, partly offset by positive currency effects, positive contribution from power sales, and lower energy cost.

Compared to the fourth quarter of 2022, adjusted EBITDA for Aluminium Metal decreased due to reduced positive contribution from power sales and inventory valuation effects, partly offset by higher CO₂ compensation and lower fixed cost.

Hydro
Aluminium MetalAdjusted EBITDA
Q1 2023

3,972 MNOK

Q1 2022
4,765 MNOK ↓ (17)%Q4 2022
4,756 MNOK ↓ (16)%

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Hydro Metal Markets financial and operational information

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	586	335	75%	(449)	>100%	1,780
<i>Adjusted EBITDA Recycling (NOK million)</i>	284	544	(48)%	342	(17)%	1,841
<i>Adjusted EBITDA Commercial (NOK million)</i>	385	(19)	>100%	(434)	>100%	(168)
Adjusted EBITDA Metal Markets (NOK million)	669	525	27%	(91)	>100%	1,673
Currency effects (NOK million)	77	(27)	>100%	(252)	>100%	(35)
Inventory valuation effects (NOK million)	1	(79)	>100%	-	>100%	85
Adjusted EBITDA excl. currency and inventory valuation effects (NOK million)	592	630	(6)%	160	>100%	1,623
Adjusted EBIT (NOK million)	628	487	29%	(134)	>100%	1,514
Recycling production (kmt)	132	151	(13)%	115	15%	548
Metal products sales excluding ingot trading (kmt) ¹⁾	674	731	(8)%	614	10%	2,691
<i>Hereof external sales (kmt)</i>	566	610	(7)%	530	7%	2,284

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

Adjusted EBITDA for Metal Markets increased in the first quarter compared to the same quarter last year due to higher results from sourcing and trading activities and positive currency and inventory valuation effects, partly offset by a decrease in the results from the recyclers, compared to a record strong first quarter 2022.

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

Hydro
Metal MarketsAdjusted EBITDA
Q1 2023

669 MNOK

Q1 2022
525 MNOK ↑ 27%Q4 2022
(91) MNOK ↑ >100%

Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Hydro Extrusions financial and operational information

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	2,165	2,858	(24)%	1,045	>100%	6,982
Adjusted EBITDA (NOK million)	2,223	2,331	(5)%	939	>100%	7,020
Adjusted EBIT (NOK million)	1,485	1,587	(6)%	168	>100%	3,995
Sales volumes to external markets (kmt)	301	347	(13)%	265	14%	1,251
Sales volumes to external markets (kmt) – Business units						
Extrusion Europe	124	151	(18)%	106	17%	520
Extrusion North America	126	142	(11)%	112	13%	529
Building Systems	19	24	(18)%	18	7%	85
Precision Tubing	31	31	2%	28	10%	117
Hydro Extrusions	301	347	(13)%	265	14%	1,251

Extrusions adjusted EBITDA for the first quarter is slightly lower than the same quarter last year, driven by lower sales volumes and decreased results from recyclers, positively offset by increased sales margin and currency effects.

Compared to fourth quarter of 2022 adjusted EBITDA for Extrusions increased due to seasonally higher sales volumes and stronger sales margins.

Hydro
ExtrusionsAdjusted EBITDA
Q1 2023

2,223 MNOK

Q1 2022
2,331 MNOK ↓ (5)%Q4 2022
939 MNOK ↑ >100%

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Hydro Energy financial and operational information

	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA) (NOK million)	515	2,471	(79)%	926	(44)%	4,810
Adjusted EBITDA (NOK million)	726	2,239	(68)%	1,542	(53)%	4,926
Adjusted EBIT (NOK million)	677	2,192	(69)%	1,493	(55)%	4,737
Power production (GWh)	2,610	2,730	(4)%	2,002	30%	7,664
External power sourcing (GWh) ¹⁾	2,542	2,863	(11)%	3,139	(19)%	11,568
Internal contract sales (GWh)	4,089	4,332	(6)%	4,415	(7)%	18,030
External contract sales (GWh)	246	275	(11)%	214	15%	841
Net spot sales/(purchase) (GWh)	817	986	(17)%	511	60%	361

¹⁾ Volume affected by disrupted delivery of volume from a long-term power purchase agreement in the northern part of the Nord Pool area. The non-delivered volume were 0.3 TWh in the quarter.

First quarter 2023 adjusted EBITDA for Energy decreased significantly compared to the same quarter last year, mainly due to significant loss on a 12-month internal fixed price purchase contract from early October 2022, lower gain on price area differences, lower prices and lower power production, somewhat offset by increased hedging results.

Compared to the previous quarter, the first quarter 2023 adjusted EBITDA decreased significantly as a result of increased loss on an internal fixed price purchase contract, lower gain on price area differences and lower prices, partly offset by increased production and increased hedging results.

Hydro Energy

Adjusted EBITDA
Q1 2023

726 MNOK

Q1 2022
2,239 MNOK ↓ (68)%Q4 2022
1,542 MNOK ↓ (53)%

Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Other and eliminations

Financial information

NOK million	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA)	(371)	71	>(100)%	(34)	>(100)%	132
Other	(322)	(178)	(81)%	(338)	5%	(817)
Eliminations	(179)	213	>(100)%	276	>(100)%	778
Adjusted EBITDA	(501)	35	>(100)%	(63)	>(100)%	(39)

Other is mainly comprised of head office costs, and costs related to holding companies, earnings from Hydro's industrial insurance company as well as realized currency effects of hedge volumes from the strategic hedge program.

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.



Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Finance

Finance income (expense)

NOK million	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
External interest income	310	109	>100%	241	29%	652
Net gain (loss) on securities	35	(24)	>(100)%	27	28%	(33)
Interest and other finance income	344	85	>100%	268	29%	619
Foreign currency exchange gain (loss)	(1,985)	2,392	>(100)%	356	>(100)%	2,192
Interest expense	(476)	(222)	>(100)%	(304)	(57)%	(1,090)
Other financial income (expense), net	(95)	(62)	(54)%	(49)	(95)%	(71)
Interest and other finance expense	(571)	(284)	>(100)%	(353)	(62)%	(1,161)
Finance income (expense), net	2,212	2,193	>(100)%	271	>(100)%	1,649

For the first quarter, the net foreign exchange loss, mainly unrealized, of NOK 1,985 million primarily reflects a loss from a weaker NOK versus EUR affecting EUR embedded energy derivatives and other liabilities denominated in EUR, partly offset by a gain from a stronger USD vs NOK, positively impacting net USD assets.

Tax

Income tax expense amounted to NOK 877 million for the first quarter of 2023, about 43 percent of income before tax. The quarter was mainly impacted by a high power surtax, and losses in areas where deferred tax assets are not recognized.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	First quarter 2023	First quarter 2022	Year 2022
Revenue	48,534	46,616	207,929
Share of the profit (loss) in equity accounted investments	95	377	1,337
Other income, net	1,357	443	4,406
Total revenue and income	49,986	47,436	213,672
Raw material and energy expense	31,295	29,160	129,373
Employee benefit expense	6,416	5,521	22,886
Depreciation and amortization expense	2,189	2,020	8,593
Impairment of non-current assets	(3)	-	336
Other expenses	5,856	4,514	21,769
Total expenses	45,753	41,214	182,957
Earnings before financial items and tax (EBIT)	4,233	6,222	30,715
Interest and other finance income	344	85	619
Foreign currency exchange gain (loss)	(1,985)	2,392	2,192
Interest and other finance expense	(571)	(284)	(1,161)
Finance income (expense), net	(2,212)	2,193	1,649
Income (loss) before tax	2,021	8,416	32,365
Income taxes	(877)	(2,005)	(7,984)
Income (loss) from continuing operations	1,144	6,411	24,381
Income (loss) from discontinued operations	-	-	36
Net income (loss)	1,144	6,411	24,417
Net income (loss) attributable to non-controlling interests	(121)	671	263
Net income (loss) attributable to Hydro shareholders	1,265	5,739	24,154
Basic and diluted earnings per share from continuing operations (in NOK) ^{1) 2)}	0.62	2.80	11.76
Basic and diluted earnings per share from discontinued operations (in NOK) ¹⁾	-	-	0.02
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK)¹⁾	0.62	2.80	11.78
Weighted average number of outstanding shares (million)	2,038	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).

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures
(APMs)

Condensed consolidated statements of comprehensive income (unaudited)

NOK million	First quarter 2023	First quarter 2022	Year 2022
Net income (loss)	1,144	6,411	24,417
Other comprehensive income			
Items that will not be reclassified to income statement:			
Remeasurement postemployment benefits, net of tax	255	1,587	784
Unrealized gain (loss) on securities, net of tax	(13)	190	40
Total	241	1,777	824
Items that will be reclassified to income statement:			
Currency translation differences, net of tax	5,401	2,094	8,428
Currency translation differences, net of tax, subsidiaries sold	(6)	7	(4)
Cash flow hedges, net of tax	208	837	624
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	20	-	6
Total	5,623	2,939	9,054
Other comprehensive income	5,865	4,715	9,878
Total comprehensive income	7,009	11,126	34,295
Total comprehensive income attributable to non-controlling interests	274	1,284	1,252
Total comprehensive income attributable to Hydro shareholders	6,735	9,841	33,043

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

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Condensed balance sheets (unaudited)

NOK million, except number of shares	March 31 2023	March 31 2022	December 31 2022
Assets			
Cash and cash equivalents	30,873	21,161	29,805
Short-term investments	2,696	8,588	4,173
Trade and other receivables	28,350	25,955	23,988
Inventories	30,216	25,237	30,035
Other current financial assets	1,302	4,719	1,127
Total current assets	93,438	85,660	89,128
Property, plant and equipment	67,827	56,599	62,656
Intangible assets	9,839	8,986	9,280
Investments accounted for using the equity method	22,566	18,257	21,222
Prepaid pension	9,040	9,837	8,573
Other non-current assets	8,684	12,398	7,759
Total non-current assets	117,956	106,077	109,490
Total assets	211,395	191,737	198,618
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	5,899	7,072	6,746
Trade and other payables	25,702	25,130	24,374
Other current liabilities	10,741	12,536	11,688
Total current liabilities	42,342	44,738	42,807
Long-term debt	29,615	21,073	26,029
Provisions	5,692	5,164	5,289
Pension liabilities	8,669	8,409	8,252
Deferred tax liabilities	5,289	5,281	4,796
Other non-current liabilities	5,429	7,564	3,648
Total non-current liabilities	54,693	47,490	48,013
Total liabilities	97,035	92,229	90,820
Equity attributable to Hydro shareholders	108,582	93,906	102,455
Non-controlling interests	5,777	5,603	5,343
Total equity	114,359	99,509	107,798
Total liabilities and equity	211,395	191,737	198,618
Total number of outstanding shares (million)	2,034	2,051	2,042

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

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Condensed consolidated statements of cash flows (unaudited)

NOK million	First quarter 2023	First quarter 2022	Year 2022
Operating activities			
Net income (loss)	1,144	6,411	24,417
Loss (income) from discontinued operations	-	-	(36)
Depreciation, amortization and impairment	2,186	2,020	8,929
Other adjustments	374	(8,533)	(3,917)
Net cash provided by (used in) continuing operating activities	3,704	(102)	29,393
Investing activities			
Purchases of property, plant and equipment	(2,633)	(1,309)	(9,604)
Purchases of other long-term investments	(1,274)	(223)	(1,971)
Purchases of short-term investments	-	(500)	(1,250)
Proceeds from long-term investing activities	44	347	764
Proceeds from sales of short-term investments	750	-	1,500
Net cash used in continuing investing activities	(3,113)	(1,685)	(10,561)
Financing activities			
Loan proceeds	1,812	733	8,963
Loan repayments	(1,751)	(695)	(7,158)
Net decrease in other short-term debt	(4)	(202)	(241)
Repurchases of shares	(634)	-	(661)
Proceeds from shares issued	192	13	48
Dividends paid	-	-	(14,179)
Other cash transfers to non-controlling interests	-	-	(19)
Net cash used in continuing financing activities	(385)	(151)	(13,247)
Foreign currency effects on cash	862	261	1,353
Net cash used in discontinued operations	-	(85)	(56)
Net increase (decrease) in cash and cash equivalents	1,068	(1,762)	6,882
Cash and cash equivalents at beginning of period	29,805	22,923	22,923
Cash and cash equivalents at end of period	30,873	21,161	29,805

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

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

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, 2021	2,272	29,156	(584)	60,112	(6,892)	84,064	4,316	88,380
Changes in equity for 2022								
Dividends	-	-	-	-	-	-	3	3
Total comprehensive income for the period	-	-	-	5,739	4,102	9,841	1,284	11,126
March 31, 2022	2,272	29,156	(584)	65,851	(2,789)	93,906	5,603	99,509
December 31, 2022	2,272	29,217	(1,229)	70,360	1,835	102,455	5,343	107,798
Changes in equity for 2023								
Treasury shares issued to employees	-	3	2	-	-	6	-	6
Treasury shares acquired	-	-	(634)	-	-	(634)	-	(634)
Capital contribution in subsidiaries	-	-	-	(140)	160	21	161	181
Disposal of equity securities at fair value through other comprehensive income	-	-	-	(41)	41	-	-	-
Total comprehensive income for the period	-	-	-	1,265	5,470	6,735	274	7,009
March 31, 2023	2,272	29,221	(1,861)	71,444	7,507	108,582	5,777	114,359

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

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

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 - 2022.

The interim financial statements 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 - 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	First quarter 2023	First quarter 2022	Year 2022
Total revenue			
Hydro Bauxite & Alumina	8,320	7,901	33,951
Hydro Aluminium Metal	15,236	11,094	65,483
Hydro Metal Markets	20,873	22,674	90,968
Hydro Extrusions	22,717	23,468	91,176
Hydro Energy	3,452	4,268	12,614
Other and eliminations	(22,065)	(22,788)	(86,264)
Total	48,534	46,616	207,929
External revenue			
Hydro Bauxite & Alumina	5,289	5,052	21,649
Hydro Aluminium Metal	1,528	(2,518)	13,087
Hydro Metal Markets	17,308	18,472	76,821
Hydro Extrusions	22,765	23,199	90,892
Hydro Energy	1,634	2,415	5,467
Other and eliminations	10	(5)	13
Total	48,534	46,616	207,929

NOK million	First quarter 2023	First quarter 2022	Year 2022
Internal revenue			
Hydro Bauxite & Alumina	3,031	2,848	12,303
Hydro Aluminium Metal	13,709	13,611	52,396
Hydro Metal Markets	3,565	4,201	14,147
Hydro Extrusions	(48)	269	284
Hydro Energy	1,818	1,853	7,148
Other and eliminations	(22,075)	(22,783)	(86,278)
Total	-	-	-
Share of the profit (loss) in equity accounted investments			
Hydro Bauxite & Alumina	-	-	-
Hydro Aluminium Metal	154	383	1,549
Hydro Metal Markets	-	-	-
Hydro Extrusions	-	-	-
Hydro Energy	(67)	(28)	(180)
Other and eliminations	8	22	(32)
Total	95	377	1,337
Depreciation, amortization and impairment			
Hydro Bauxite & Alumina	659	553	2,496
Hydro Aluminium Metal	666	605	2,664
Hydro Metal Markets	42	38	161
Hydro Extrusions	741	746	3,297
Hydro Energy	48	47	190
Other and eliminations	31	32	121
Total	2,186	2,020	8,929
Earnings before financial items and tax (EBIT)¹⁾			
Hydro Bauxite & Alumina	(399)	1,094	471
Hydro Aluminium Metal	2,595	254	20,292
Hydro Metal Markets	544	297	1,621
Hydro Extrusions	1,427	2,114	3,699
Hydro Energy	466	2,424	4,621
Other and eliminations	(402)	39	11
Total	4,233	6,222	30,715

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.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

NOK million	First quarter 2023	First quarter 2022	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA)			
Hydro Bauxite & Alumina	260	1,647	2,967
Hydro Aluminium Metal	3,239	836	22,866
Hydro Metal Markets	586	335	1,780
Hydro Extrusions	2,165	2,858	6,982
Hydro Energy	515	2,471	4,810
Other and eliminations	(371)	71	132
Total	6,393	8,217	39,536
Investments¹⁾			
Hydro Bauxite & Alumina	1,920	335	3,799
Hydro Aluminium Metal	835	645	3,387
Hydro Metal Markets	359	130	969
Hydro Extrusions ²⁾	979	292	3,223
Hydro Energy	755	199	1,920
Other and eliminations	34	56	92
Total	4,881	1,656	13,391

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.

²⁾ Amount includes acquisition of Hueck impacting investments in the amount of NOK 395 million in first quarter 2023.

NOK million	EBIT	Depreciation, amortization and impairment	Investment grants	EBITDA
EBIT - EBITDA First quarter 2023				
Hydro Bauxite & Alumina	(399)	659	-	260
Hydro Aluminium Metal	2,595	666	(22)	3,239
Hydro Metal Markets	544	42	-	586
Hydro Extrusions	1,427	741	(3)	2,165
Hydro Energy	466	48	-	515
Other and eliminations	(402)	31	-	(371)
Total	4,233	2,186	(25)	6,393

Note 3 Share buy-back program

Hydro's Extraordinary General Meeting on September 20, 2022, approved a share buy-back program where the Board of Directors was granted power of attorney 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 March 31, a total of 18,268,564 shares were bought back under this program at a total cost of NOK 1.315 million. The cancellation of these shares and the redemption of shares held by the Norwegian state is subject for approval by Annual General Meeting on May 10, 2023.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Alternative performance measures (APMs)

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 percent 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 as well as acquisition costs.
- 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.



Hydro

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

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

NOK million	First quarter 2023	First quarter 2022	Fourth quarter 2022	Year 2022
Unrealized derivative effects on raw material contracts	177	(376)	353	(40)
Community contributions Brazil ²⁾	-	-	32	32
Other effects ³⁾	-	-	162	162
Hydro Bauxite & Alumina	177	(376)	547	155
Unrealized derivative effects on LME related contracts	709	4,715	207	(2,990)
Unrealized derivative effects on power contracts ⁴⁾	62	(766)	1,638	3,218
Significant rationalization charges and closure costs ⁵⁾	-	-	64	46
Net foreign exchange (gain)/loss ⁶⁾	(37)	(19)	(40)	(108)
Other effects ⁷⁾	-	-	-	(69)
Hydro Aluminium Metal	733	3,929	1,868	97
Unrealized derivative effects on LME related contracts	34	190	358	(107)
Transaction related effects ⁸⁾	50	-	-	-
Hydro Metal Markets	84	190	358	(107)
Unrealized derivative effects on LME related contracts	(19)	(442)	(126)	59
Unrealized derivative effects on power contracts	5	(39)	(67)	3
Significant rationalization charges and closure costs ⁹⁾	51	2	91	106
(Gains)/losses on divestments and other transaction related effects ¹⁰⁾	20	(49)	(4)	(54)
Other effects ¹¹⁾	-	-	-	(76)
Hydro Extrusions	57	(527)	(106)	38
Unrealized derivative effects on power contracts	214	(236)	615	170
(Gains)/losses on divestments ¹²⁾	-	-	-	(65)
Net foreign exchange (gain)/loss ⁶⁾	(3)	4	1	11
Hydro Energy	211	(232)	616	116
Unrealized derivative effects on LME related contracts ¹³⁾	(15)	(15)	47	36
Net foreign exchange (gain)/loss ⁶⁾	(115)	(21)	(91)	(221)
Other effects ¹⁴⁾	-	-	15	15
Other and eliminations	(131)	(36)	(29)	(170)
Adjusting items to EBITDA	1,132	2,948	3,254	128
Impairment charges				
Hydro Aluminium Metal ¹⁵⁾	-	-	28	77
Hydro Extrusions ¹⁶⁾	-	-	258	258
Adjusting items to EBIT	1,132	2,948	3,541	464

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.

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 were included for 2022.

⁵⁾ Rationalization and closure costs in Hydro Aluminium Metal in fourth quarter 2022 related to curtailment cost in the Svalco smelter, and reduction in second quarter 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 effect in Hydro Aluminium Metal in 2022 relates to insurance compensation for the power outage in Albras in the first quarter of 2022.

⁸⁾ Includes costs related to a possible acquisition.

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, as well as acquisition costs.

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.

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

¹⁴⁾ Other effects in 2022 relates to environmental provision for closed sites in Germany.

¹⁵⁾ Impairment charges in Hydro Aluminium Metal in 2022 reflect write downs related to the Svalco smelter.

¹⁶⁾ Impairment charges in 2022 in Hydro Extrusions include impairments of various individual sites and assets.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

Adjusted EBITDA

NOK million	First quarter 2023	First quarter 2022	Fourth quarter 2022	Year 2022
EBIT	4,233	6,222	1,405	30,715
Depreciation, amortization and impairment	2,186	2,020	2,556	8,929
Investment grants	(25)	(25)	(31)	(108)
EBITDA	6,393	8,217	3,930	39,536
Adjusting items to EBITDA	1,132	2,948	3,254	128
Adjusted EBITDA	7,525	11,165	7,184	39,664

Adjusted earnings per share from continuing operations

NOK million, except number of shares	First quarter 2023	First quarter 2022	Change prior year quarter	Fourth quarter 2022	Change prior quarter	Year 2022
Net income (loss) from continuing operations	1,144	6,411	(82)%	158	>100%	24,381
Adjusting items to net income (loss) from continuing operations ¹⁾	2,182	374	>100%	2,213	(1)%	(1,236)
Adjusted net income (loss) from continuing operations	3,326	6,785	(51)%	2,371	40%	23,145
Adjusted net income attributable to non-controlling interests from continuing operations	(140)	283	>(100)%	339	>(100)%	1,205
Adjusted net income from continuing operations attributable to Hydro shareholders	3,466	6,502	(47)%	2,032	71%	21,941
Number of shares (million)	2,038	2,051	(1)%	2,047	-	2,051
Adjusted earnings per share from continuing operations	1.70	3.17	(46)%	0.99	71%	10.70

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	March 31 2023	December 31 2022	Change prior quarter	March 31 2022	December 31 2021	Change prior year quarter
Cash and cash equivalents	30,873	29,805	1,068	21,161	22,923	(1 762)
Short-term investments ¹⁾	2,696	4,173	(1,477)	8,588	6,763	1 825
Short-term debt	(5,899)	(6,746)	847	(7,072)	(6,428)	(644)
Long-term debt	(29,615)	(26,029)	(3,586)	(21,073)	(21,989)	916
Collateral for long-term liabilities	195	106	89	3,545	1,945	1 600
Net cash (debt)	(1,749)	1,310	(3,059)	5,149	(3,213)	1 936
Collateral for short-term and long-term liabilities ²⁾	(1,892)	(2,563)	671	(9,653)	(5,304)	(4 349)
Cash and cash equivalent and short-term investment in captive insurance company ³⁾	(1,073)	(1,000)	(73)	(1,050)	(1,059)	9
Net pension asset (obligation) at fair value, net of expected income tax benefit ⁴⁾	(116)	(270)	154	993	(774)	1 767
Short- and long-term provisions net of expected income tax benefit, and other liabilities ⁵⁾	(3,671)	(3,466)	(205)	(3,183)	(3,096)	(87)
Adjusted net cash (debt)	(8,501)	(5,989)	2,513	(7,745)	(7,019)	(726)

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 487 million and NOK 591 million for March 2023 and December 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.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

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

NOK million	First quarter 2023	Fourth quarter 2022	Third quarter 2022 ¹⁾	Second quarter 2022 ¹⁾	Twelve months ending March 31 2023	Year 2022
Adjusted EBIT	5,364	4,946	7,611	9,452	27,373	31,179
Adjusted Income tax expense ²⁾	(1,880)	(2,516)	(1,299)	(1,593)	(7,288)	(7,654)
Adjusted EBIT after tax	3,485	2,430	6,312	7,858	20,085	23,525

NOK million	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Current assets in continuing operations ³⁾	59,869	55,149	64,723	65,122	55,912
Property, plant and equipment	67,827	62,656	62,369	58,920	56,599
Other non-current assets ⁴⁾	49,935	46,728	51,007	46,876	45,932
Current liabilities in continuing operations ⁵⁾	(36,443)	(36,061)	(38,356)	(39,880)	(37,666)
Non-current liabilities ⁵⁾	(25,079)	(21,984)	(23,502)	(24,309)	(26,418)
Capital Employed	116,108	106,488	116,241	106,728	94,360

	First quarter 2023	2022
Adjusted Return on average Capital Employed (RoACE), last twelve months⁶⁾	18.0%	22.2%

¹⁾ Adjusted EBIT for the second and third quarter of 2022 are reconciled in the third quarter report for 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.

⁶⁾ Average Capital Employed measured over the last 4 quarters to reflect the return for the full year.

Overview

Market developments and outlook

Additional factors impacting Hydro

Business areas

Finance

Tax

Interim financial statements

Alternative performance measures (APMs)

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⁾

2023

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 website.



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.

Design by BOLT.as