



Fourth quarter 2023  
February 13, 2024



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# Financial review

## Summary of financial and operating results and liquidity

NOK million, except per share data	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
Revenue	46,754	44,075	6 %	44,702	5 %	193,619	207,929
Earnings before financial items, tax, depreciation and amortization (EBITDA) <sup>2)</sup>	4,673	3,930	19 %	1,975	>100 %	23,291	39,536
Adjustments to EBITDA <sup>1)</sup>	(936)	3,254	>(100) %	1,923	>(100) %	(1,033)	128
Adjusted EBITDA <sup>1)</sup>	3,737	7,184	(48) %	3,899	(4) %	22,258	39,664
<b>Adjusted EBITDA</b>							
Hydro Bauxite & Alumina	481	101	>100 %	93	>100 %	1,828	3,122
Hydro Energy	805	1,542	(48) %	762	6 %	3,146	4,926
Hydro Aluminium Metal	1,937	4,756	(59) %	1,379	40 %	10,502	22,963
Hydro Metal Markets	(38)	(91)	58 %	568	>(100) %	1,533	1,673
Hydro Extrusions	923	939	(2) %	1,322	(30) %	6,480	7,020
Other and eliminations	(370)	(63)	>(100) %	(225)	(65) %	(1,231)	(39)
Adjusted EBITDA <sup>1)</sup>	3,737	7,184	(48) %	3,899	(4) %	22,258	39,664
Earnings before financial items and tax (EBIT) <sup>2)</sup>	(2,256)	1,405	>(100) %	(323)	>(100) %	9,592	30,715
Adjusted EBIT <sup>1)</sup>	1,231	4,946	(75) %	1,600	(23) %	12,983	31,179
Net income (loss) from continuing operations	(2,771)	158	>(100) %	(625)	>(100) %	2,804	24,381
Adjusted net income (loss) from continuing operations <sup>1)</sup>	754	2,371	(68) %	345	>100 %	7,835	23,145
Net income (loss) from discontinued operations	-	36	(100) %	-	-	-	36
Earnings per share from continuing operations	(1.26)	0.12	>(100) %	(0.18)	>(100) %	1.77	11.76
Adjusted earnings per share from continuing operations <sup>1)</sup>	0.50	0.99	(49) %	0.27	84 %	4.26	10.70
<b>Financial data</b>							
Investments <sup>1) 2)</sup>	7,628	5,519	38 %	7,594	0 %	25,647	13,391
Net cash (debt) <sup>1)</sup>	(8,191)	1,310	>(100) %	(13,843)	41 %	(8,191)	1,310
Adjusted net cash (debt) <sup>1)</sup>	(18,171)	(5,989)	>(100) %	(20,391)	11 %	(18,171)	(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.

## Key developments

Hydro's adjusted EBITDA for the fourth quarter of 2023 was NOK 3,737 million, down from NOK 7,184 million for the same quarter last year.

Full year 2023 adjusted EBITDA amounted to NOK 22,258 million, compared with NOK 39,664 million in 2022. Lower aluminium and alumina sales prices, lower Extrusions and recycling volumes, higher fixed costs, and lower contributions from sale of power negatively impacted results, partly offset by lower raw material costs, higher Extrusions margins and currency.

All business areas, except Bauxite & Alumina, delivered returns above their cost of capital in challenging markets during 2023. The adjusted RoaCE for 2023 ended at 7.1 percent, heavily influenced by challenging alumina market conditions, as well as high growth and return seeking investments in the year. Over the last 5 years, the adjusted RoacE has been 11 percent, above Hydro's target of 10 percent over the cycle.

Due to expected challenging alumina markets in the short and medium term, as well as long-term power price insecurity for the partly owned Tomago aluminium plant in Australia, Hydro reported a total impairment loss of approximately NOK 4.9 billion in the fourth quarter results. However, during the last couple of months the alumina market has tightened, and PAX price increased on the back of refinery curtailments and concerns around bauxite shipments from Guinea.

In the aluminium market, demand growth for residential building and construction, and industrial segments has continued to remain negative due to macro-economic headwinds, while demand for automotive has been performing better as the share of electric vehicle registrations over total auto registrations has increased. At the same time, lower trailer build rates in North America have started to negatively impact demand in the transport segment. A weakening extrusion ingot market is further putting pressure on product premiums and several remelters are faced with negative margins, consequently.

Hydro responds with mitigating measures to handle short-term market volatility. Within recycling and Hydro Extrusions, current production flexibility and adaption abilities are utilized to maneuver falling demand. Hydro is reducing inventories to release cash, realizing a working capital release of NOK 3 billion in the fourth quarter, and NOK 7 billion cash effective release for the full year of 2023. Hydro's robustness is also strengthened as the improvement program and commercial ambitions are ahead of the target, with an accumulated delivery of NOK 11.6 billion by 2023.

These initiatives and Hydro's solid balance sheet, enable shareholder distributions above previous guidance, as the Board of Directors propose to distribute NOK 7 billion in shareholder distribution, which represents approximately 81.5 percent of the 2023 adjusted net income, as a combination of NOK 2.5 per share of cash dividends, 59 percent of adjusted net income, and NOK 2 billion of share buybacks. The final shareholder distribution for 2023 is subject to approval by the Annual General Meeting (AGM) on May 7, 2024.

During the fourth quarter, an important milestone towards the 2025 strategy was the completion of the USD 1.11 billion transaction for the sale of 30 percent of the Brazilian alumina refinery Hydro Alunorte and Hydro's 5 percent interest in the bauxite producer Mineração Rio do Norte (MRN). With the transaction taking place on December 1, 2023, Hydro will be more balanced in relation to the demand of alumina from the aluminium smelter portfolio. The transactions enable capital reallocation into strategic growth areas, strengthening Hydro's earnings resilience in a rapidly changing global landscape.

Towards 2030, Hydro is stepping up growth investments in Extrusions and recycling, and heightening ambitions in renewable power generation to ensure affordable renewable energy throughout the aluminium value chain at attractive returns. In addition, Hydro remains committed to forcefully executing its decarbonization and technology roadmap, actively contributing to nature conservation and a just transition, and collaboratively shaping the market for greener

aluminium in partnership with customers. During the fourth quarter, several strategic steps have been taken toward delivering on the ambitious 2030 targets.

Achieving a recycling EBITDA of NOK 5-8 billion by 2030 means building, expanding and upgrading recycling facilities. The greenfield recycler Hydro Cassopolis in Michigan, U.S. was officially opened on November 16, aiming to supply aluminium and in particular Hydro CIRCAL, to the automotive and the U.S. market. Further, the investment into another greenfield recycler in Torija, Spain was approved, with an estimated investment of EUR 180 million. The final building decision is expected in the second half of 2024. The two recyclers will in total contribute with an additional 240,000 tonnes annual recycling capacity, including 110,000 tonnes post-consumer scrap capacity (PCS).

By the end of 2023, Hydro has 560 kt post-consumer scrap consumption capacity, achieving the 2025 target of 520-670 kt. As part of this achievement, the recently announced joint venture with Padnos enables more upcycling of 20,000 tonnes annual PCS, by industrializing Hydro's proprietary sorting technology, HySort, bringing this advanced aluminium sorting technology to the U.S. By 2030, Hydro targets an annual PCS capacity between 850-1,200 kt, pending capital availability.

An enabler to produce more low-carbon aluminium is access to renewable power, and several projects to deliver on this agenda have been initiated in recent months. In Energy, Hydro and Lyse have applied for a license for five new hydropower plants in Røldal-Suldal to add an additional gross 800 GWh annual power production and 650 MW output. Hydro Rein is signing a cooperation agreement with Årdal Energi to develop renewable projects in Årdal. The parties will collaborate to identify energy solutions contributing to new green industry in Årdal, as well as strengthen existing industry.

In November, Hydro was notified about a company reorganization of Markbygden Ett AB, where Hydro Energi AS has a long-term power purchase agreement (PPA) since 2017 for an annual baseload of 1.65 TWh. During the fourth quarter,

the external power sourcing volumes in Energy were affected by non-delivered volumes of 0.5 TWh, and a non-delivery of 1.3 TWh in total for 2023. Hydro continues to seek compensation for the non-delivered volumes.

During the fourth quarter, Hydro has made several steps towards carbon reduction goals. Targeting a 30 percent reduction in carbon emissions by 2030, is primarily driven by fuel switching and boiler electrification at the Alunorte alumina refinery, allowing Alunorte to supply one of the lowest-carbon smelter grade Alumina available. The floating storage and regasification unit (FSRU) with natural gas to replace heavy fuel oil at Alunorte is just days away from arriving at the harbor in Barcarena. Despite Hydro's lower ownership share in Alunorte, reducing the impact of these efforts in Hydro's numbers, Hydro is committed to maintain a 30 percent reduction target by 2030, effectively stretching its ambitions, as announced at the Capital Markets Day in November.

The two technology paths to zero, HalZero for new capacity and carbon capture for existing smelters, are progressing according to plan toward industrial scale by 2030. The construction of a new HalZero test facility in Porsgrunn, Norway was officially approved during the fourth quarter. At the 2023 Climate Change Conference in Dubai on December 5, Hydro received recognition for the HalZero technology from the COP28 UAE Presidency as an Energy Transition Changemaker for pioneering the green aluminium transition.

To further strengthen the commitment to decarbonization targets and the green aluminium transition, Hydro joined forces with the world's leading global companies through the First Movers Coalition (FMC) in December. Hydro will take the FMC Aluminium sector commitment via its Extrusions business, committing to at least 10 percent (by volume) of all primary aluminium procured externally annually, being near-zero emissions by 2030. Hydro has also, as one of only two suppliers in the aluminium industry, qualified as an FMC supplier with Hydro REDUXA 3.0.

At COP28, Hydro also announced a strategic partnership with Volvo Group to enable the global transport manufacturer to reach its 2040 target of delivering net-zero vehicles. As partners in the FMC, the two companies further pledged to support each other's journeys towards zero-emission value chains.

Delivering low-carbon products creates value for Hydro's customers and enables premium pricing with bottom line effects for the company. As part of the roadmap towards 2030, Hydro will continue to develop its product offering both within primary and recycled aluminium, and drive down product footprint. As of January 2024, Hydro can deliver Hydro CIRCAL recycled aluminium with a documented carbon footprint of 1.9 kg of CO<sub>2</sub>e per kg aluminium, down from previous 2.3 kg of CO<sub>2</sub>e per kg, through advances in sourcing, sorting and traceability of post-consumer aluminium scrap.

Based on the greener premiums Hydro is receiving today and the capacity available in 2030, there is a potential for NOK 2 billion in greener premium earnings uplift as Hydro further develops and offers industry leading products. This potential will depend on a range of factors and how the market develops, but with a current starting point and roadmap towards zero, Hydro is dedicated to creating value for customers, creating value for Hydro, all while driving down CO<sub>2</sub> emissions in a responsible way.

### Results and market development per business area

Fourth quarter adjusted EBITDA for Bauxite & Alumina increased compared to the fourth quarter of 2022, mainly driven by lower raw material prices, partly offset by currency effects, lower bauxite production and fixed costs. PAX traded in a narrow range between USD 326 per mt and USD 339 per mt until the last week of the quarter, when PAX increased driven by higher Chinese alumina prices due to Chinese refinery curtailments and concerns

around bauxite shipments from Guinea following an explosion at the country's main fuel depot in Conakry. PAX ended the quarter at USD 350 per mt. Compared to the fourth quarter of 2022, the average Platts alumina index was USD 16 per mt higher.

Adjusted EBITDA for Energy in the fourth quarter decreased compared to the same period last year. Lower prices, lower gain on price area differences, and lower trading and hedging results were partly offset mainly by higher production and no fourth quarter loss from a 12-month internal fixed price purchase contract from Aluminium Metal. Average Nordic power prices in the fourth quarter 2023 ended significantly below prices in the same quarter last year, but above prices in the previous quarter. Increased prices compared to the previous quarter, can primarily be explained by below normal inflow and wind, as well as seasonally higher demand. Price area differences between the south and the north of the Nordic market region declined compared to the previous quarter, and were significantly lower than the same quarter last year.

Adjusted EBITDA for Aluminium Metal decreased in the fourth quarter of 2023 compared to the fourth quarter of 2022, mainly due to lower all-in metal prices and reduced contribution from power sales, partly offset by reduced raw material cost, adjusted CO<sub>2</sub> compensation and positive currency effects. Global primary aluminium consumption was up 2 percent compared to the fourth quarter of 2022, driven by a 3 percent increase in China. The three-month aluminium price increased throughout the fourth quarter of 2023, starting the quarter at USD 2,321 per mt and ending at USD 2,384 per mt.

Adjusted EBITDA for Metal Markets improved in the fourth quarter 2023 compared to the same quarter last year. Lower results from recyclers due to reduced premiums in a weakening extrusion ingot market were offset by stronger results from

sourcing and trading activities, and positive inventory valuation and currency effects.

Extrusions adjusted EBITDA for the fourth quarter 2023 is slightly lower than the same quarter last year, driven by lower sales volumes, and higher fixed and variable costs, positively offset by increased sales margin and currency effects. European extrusion demand is estimated to have decreased 14 percent in the fourth quarter of 2023 compared to the same quarter last year, but increasing 3 percent compared to the third quarter of 2023, as market demand has started to stabilize, although at moderate levels. Demand growth for residential building and construction, and industrial segments have continued to remain negative due to macro-economic headwinds, while demand for automotive has been performing better as the share of electric vehicle registrations over total auto registrations has increased. North American extrusion demand is estimated to have decreased 9 percent during the fourth quarter of 2023, compared to the same quarter last year, and 7 percent compared to the third quarter of 2023. Demand continues to be weak in the residential building and construction sector, while demand is still positive in the automotive segment. At the same time, lower trailer build rates have started to negatively impact demand in the transport segment.

### Other key financials

Compared to the third quarter, Hydro's adjusted EBITDA decreased from NOK 3,899 million to NOK 3,737 million in the fourth quarter 2023. Lower realized aluminium and alumina prices combined with lower Extrusions and recycling volumes were partly offset by lower raw material costs and positive currency effects.

Full year 2023 adjusted EBITDA amounted to NOK 22,258 million, compared with NOK 39,664 million in 2022. Lower aluminium and alumina sales

prices, lower Extrusions and recycling volumes, higher fixed costs, and lower contributions from sale of power negatively impacted results, partly offset by lower raw material costs, higher Extrusions margins and currency.

Net income (loss) from continuing operations amounted to NOK (2,771) million in the fourth quarter of 2023. Net income (loss) from continuing operations included an impairment loss of NOK 4,421 million, a NOK 1,227 million unrealized derivative gain on LME related contracts, a net foreign exchange gain of NOK 250 million, a NOK 172 million loss from unrealized derivative power and raw material contracts, and NOK 171 million in rationalization charges and closure costs.

Hydro's net debt<sup>1</sup> decreased from NOK 13.8 billion to NOK 8.2 billion during the fourth quarter of 2023. The net debt decrease was mainly driven by proceeds from sale of shares in Alunorte to Glencore, combined with EBITDA contribution and net operating capital release, partly offset by NOK 4.9 billion investments.

Adjusted net debt decreased from NOK 20.4 billion to NOK 18.0 billion, mainly due to the decrease in net debt of NOK 5.7 billion, which was partially offset by an increase in pension liabilities and financial liabilities from the sale of shares in Alunorte to Glencore.

On January 31, 2024, Hydro finalized the open market repurchase of the 2023-2024 buyback program as announced on September 22, 2023. The total program comprises 32,192,623 shares, of which 21,163,019 shares were repurchased in the market at a weighted average price of NOK 62.13. The remaining 11,029,604 shares will be purchased from the Norwegian state, keeping their ownership interest of 34.26 percent unchanged. The 32,192,623 shares will be cancelled following approval by the annual general meeting in May.

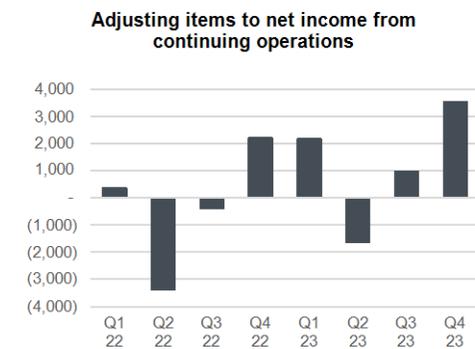
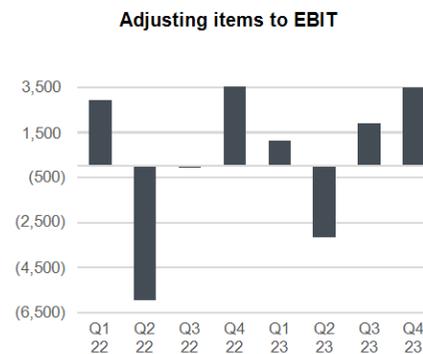
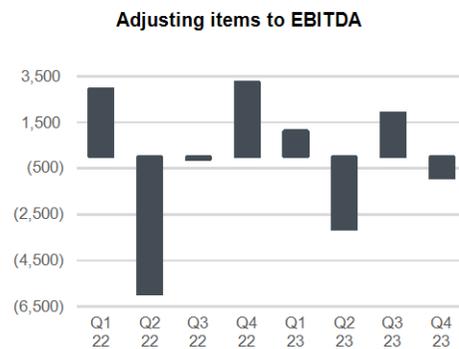
<sup>1</sup> Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

## Adjusting items to EBITDA, EBIT and net income<sup>1)</sup>

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 EBITDA, EBIT and net income (loss) are defined and described as part of the APM section in the back of this report.

NOK million	Fourth quarter 2023	Fourth quarter 2022	Third quarter 2023	Year 2023	Year 2022
Unrealized derivative effects on LME related contracts	(1,227)	486	2,000	(1,530)	(3,003)
Unrealized derivative effects on power and raw material contracts	172	2,538	110	887	3,352
Significant rationalization charges and closure costs	171	155	17	265	152
Community contributions Brazil	-	32	-	25	32
Transaction related effects	35	(4)	10	120	(119)
Net foreign exchange (gain) loss	(250)	(130)	(214)	(883)	(318)
Other effects	164	177	-	83	32
<b>Adjusting items to EBITDA <sup>2)</sup></b>	<b>(936)</b>	<b>3,254</b>	<b>1,923</b>	<b>(1,033)</b>	<b>128</b>
Impairment charges	4,424	286	-	4,424	335
<b>Adjusting items to EBIT <sup>2)</sup></b>	<b>3,487</b>	<b>3,541</b>	<b>1,923</b>	<b>3,391</b>	<b>464</b>
Net foreign exchange (gain)/loss	(152)	(356)	(538)	2,084	(2,192)
Calculated income tax effect	190	(972)	(416)	(445)	492
<b>Adjusting items to net income from continuing operations</b>	<b>3,525</b>	<b>2,213</b>	<b>970</b>	<b>5,031</b>	<b>(1,236)</b>
Income (loss) tax rate	(10)%	91%	>100 %	57%	25%
Adjusted income (loss) tax rate	8%	51%	76%	35%	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.



## Market development and outlook

### Global macroeconomic developments

Global economic growth remained under pressure in the fourth quarter but on the whole proved surprisingly resilient in the face of continued inflationary pressure, the impact of higher interest rates, and subdued growth in China.

Initial estimates are showing fourth quarter real GDP growth around 3 percent in the US and flat in the Eurozone. Inflation continues to fall in both the US and the Eurozone but still above central banks' targets. Based on these developments both the Fed and the ECB have indicated that they will cut rates during 2024 while reiterating that this is dependent on inflation continuing to subside.

For the global economy, external sources estimate slightly weaker GDP growth of around 2 percent in 2024, consistent with the goal to bring inflation under control. Uncertainty remains surrounding the stickiness of inflation, policy support measures and the strength of Chinese economic growth, financial market turbulence, the continuing conflict in Ukraine and the Middle East, and the overall geopolitical situation.

### Bauxite and alumina

The average Platts alumina index (PAX) in the fourth quarter of 2023 decreased to USD 333 per mt, compared to USD 337 per mt in the third quarter 2023.

PAX traded in a narrow range between USD 326 per mt and US 339 per mt until the last week of the quarter when PAX increased driven by higher Chinese alumina prices due to Chinese refinery curtailments and concerns around bauxite shipments from Guinea following an explosion at the country's main fuel depot in Conakry. PAX ended the quarter at USD 350 per mt. Compared to the fourth

quarter of 2022, the average Platts alumina index was USD 16 per mt higher.

In the fourth quarter of 2023, China imported 495kt of alumina mainly from Australia and Indonesia; alumina imports decreased 13 percent from the same period last year. Alumina exports from China to Russia continued, reaching 310kt in the fourth quarter 2023, compared to 184kt in the same period last year.

In the fourth quarter 2023, China imported 35 million mt of bauxite, 13 percent higher than the corresponding period a year ago. Imports from Guinea and Australia increased 30 percent and 14 percent compared to the same period last year, respectively, accounting for 96 percent of total imports. Bauxite imports from Brazil continued with a total of 224kt in the fourth quarter 2023. China did not import any bauxite from Brazil in 2022.

The average Chinese bauxite import price was USD 62 per mt CIF in the fourth quarter of 2023, compared to USD 61 per mt CIF in the fourth quarter of 2022, mostly driven by higher Australian import prices.

### Energy

Average Nordic power prices in the fourth quarter 2023 ended significantly below prices in the same quarter last year but above prices in the previous quarter. Increased prices compared to the previous quarter can primarily be explained by below normal inflow and wind as well as seasonally higher demand. Price area differences between the south and the north of the Nordic market region declined compared to the previous quarter and were significantly lower than the same quarter last year. In the fourth quarter below normal renewable power production strengthened northern prices relatively more than in the south.

The Nordic hydrological balance ended the quarter at 6,5 TWh below normal, compared to around 6 TWh above normal at the end of the previous quarter and around 13 TWh below normal at the end of the same quarter last year.

Hydropower reservoirs in Norway were at 62,8 percent of full capacity at the end of the quarter, which is 5 percentage points below the normal level. In Southwestern Norway (NO2) the reservoirs were 68,7 percent full at the end of the quarter, which is 5 percent below normal.

### Primary aluminium

The three-month aluminium price increased throughout the fourth quarter of 2023, starting the quarter at USD 2,321 per mt and ending at USD 2,384 per mt.

European duty paid standard ingot premiums ended the fourth quarter at USD 187,5 per mt, down from USD 232,5 per mt at the end of the third quarter.

The US Midwest premium decreased from USD 427,7 per mt at the beginning of the quarter to USD 414,5 per mt at the end of the quarter on worsening demand.

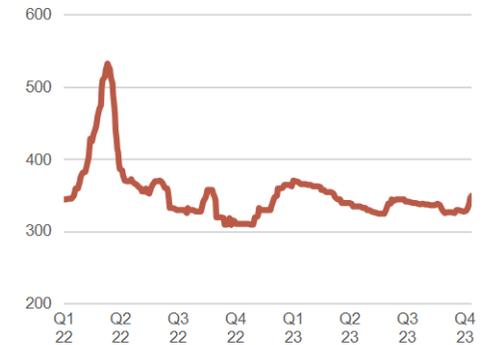
Shanghai Futures Exchange (SHFE) prices increased by USD 73 per mt ex. VAT from start of the quarter to the end, ending at USD 2,384 per mt ex VAT. Average for the quarter was also up USD 51 per mt ex. VAT compared to the third quarter 2023.

Global primary aluminium consumption was up 2 percent compared to the fourth quarter of 2022, driven by a 3 percent increase in China.

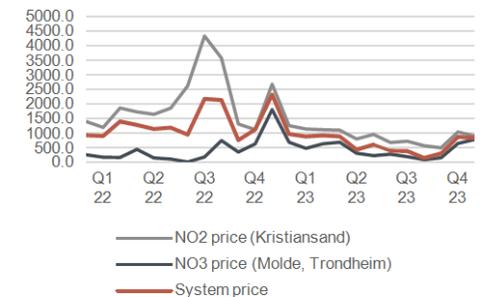
For 2023 external sources<sup>2</sup> are estimating a global surplus of primary aluminium between 0.4 million mt and 1.3 million mt.

European consumption of primary foundry alloys increased in Q4 2023 compared to the same period 2022. Demand for extrusion ingot

Platts PAX development  
USD/mt



Energy spot price  
NOK/MWh



<sup>2</sup> CRU and HARBOR

and sheet ingot was down in the fourth quarter of 2023 year over year.

Total global stocks at the end of the fourth quarter of 2023 were estimated to be 9.5 million mt, up 0.2 million mt compared to the third quarter 2023 and up 0.4 million mt compared to the fourth quarter 2022.

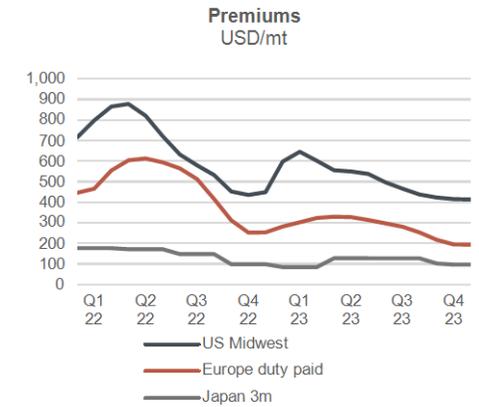
### Extruded products

European extrusion demand is estimated to have decreased 14 percent in the fourth quarter of 2023 compared to the same quarter last year, but increasing 3 percent compared to the third quarter of 2023 as market demand have started to stabilize, although at moderate levels. Demand growth for residential building and construction and industrial segments have continued to remain negative due to macro-economic headwinds, while demand for automotive has been performing better as the share of electric vehicle registrations over total auto registrations has increased.

CRU estimates that the European demand for extruded products will decrease 10 percent in the first quarter of 2024 compared to the same quarter last year due to continued softness in building and construction, and moderating automotive demand. Overall, extrusion demand is estimated to have decreased by 17 percent in 2023 compared to 2022.

North American extrusion demand is estimated to have decreased 9 percent during the fourth quarter of 2023 compared to the same quarter last year and 7 percent compared to the third quarter of 2023. Demand continues to be weak in the residential building and construction sector, while demand is still positive in the automotive segment. At the same time, lower trailer build rates have started to negatively impact demand in the transport segment.

CRU estimates that the North American demand for extruded products will decrease 10 percent in the first quarter of 2024 compared to the same quarter last year mainly due to continued weak development in building and construction, and the transport segment. Overall, extrusion demand is estimated to have decreased by 13 percent in 2023 compared to 2022.



**Key Operational information**

	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
Bauxite production (kmt) <sup>1)</sup>	2,771	2,824	(2) %	2,848	(3) %	10,897	11,012
Alumina production (kmt)	1,571	1,559	1 %	1,522	3 %	6,185	6,193
Realized alumina price (USD/mt) <sup>2)</sup>	349	342	2 %	349	-	359	382
Power production (GWh)	2,440	2,002	22 %	2,216	10 %	9,697	7,664
Primary aluminium production (kmt)	514	522	(2) %	512	-	2,031	2,137
Realized aluminium price LME (USD/mt)	2,129	2,246	(5) %	2,146	(1) %	2,218	2,599
Realized USD/NOK exchange rate	10.87	10.16	7 %	10.47	4 %	10.37	9.52
Hydro Extrusions sales volumes to external market (kmt)	236	265	(11) %	260	(9) %	1,090	1,251

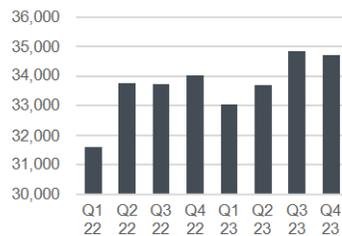
1) Paragominas production on wet basis.

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.

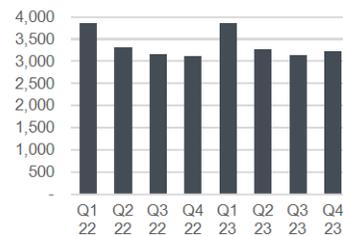
**Currency rates**

	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
USD/NOK Average exchange rate	10.85	10.19	6 %	10.48	4 %	10.56	9.62
USD/NOK Period end exchange rate	10.17	9.86	3 %	10.62	(4) %	10.17	9.86
BRL/NOK Average exchange rate	2.19	1.94	13 %	2.15	2 %	2.12	1.86
BRL/NOK Period end exchange rate	2.10	1.86	13 %	2.12	(1) %	2.10	1.86
USD/BRL Average exchange rate	4.96	5.26	(6) %	4.88	2 %	5.00	5.17
USD/BRL Period end exchange rate	4.85	5.29	(8) %	5.01	(3) %	4.85	5.29
EUR/NOK Average exchange rate	11.66	10.39	12 %	11.40	2 %	11.42	10.10
EUR/NOK Period end exchange rate	11.24	10.51	7 %	11.25	-	11.24	10.51

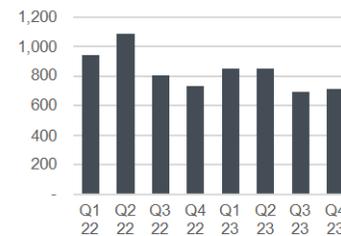
**Global kmt production of alumina**



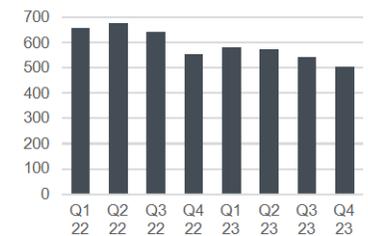
**Global kmt primary aluminium inventories**



**Consumption kmt extruded products Europe**



**Consumption kmt extruded products North America**



	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
<b>Market statistics <sup>1)</sup></b>							
<b>Bauxite and alumina</b>							
Average alumina price - Platts PAX FOB Australia (USD/t)	333	317	5 %	337	(1) %	343	362
China bauxite import price (USD/mt CIF China) <sup>2)</sup>	62	61	2 %	60	3 %	61	58
Global production of alumina (kmt)	34,717	34,085	2 %	34,854	-	136,350	133,995
Global production of alumina (ex. China) (kmt)	14,481	14,191	2 %	14,396	1 %	56,777	56,806
<b>Energy</b>							
Average southern Norway spot price (NO2) (NOK/MWh)	818	1,719	(52) %	664	23 %	904	2,128
Average mid Norway spot price (NO3) (NOK/MWh)	535	941	(43) %	195	>100 %	439	428
Average Nordic system spot price (NOK/MWh)	515	1,414	(64) %	949	(46) %	642	1,370
<b>Primary aluminium</b>							
LME cash average (USD/mt)	2,196	2,335	(6) %	2,356	(7) %	2,256	2,706
LME three-month average (USD/mt)	2,229	2,355	(5) %	2,359	(6) %	2,290	2,716
Standard ingot premium (EU DP Cash)	202	273	(26) %	498	(59) %	277	466
Extrusion ingot premium (EU DP)	338	783	(57) %	1,142	(70) %	459	1,223
Chinese production of primary aluminium (kmt)	10,507	10,237	3 %	10,661	(1) %	41,236	40,077
Chinese consumption of primary aluminium (kmt)	10,863	10,560	3 %	11,144	(3) %	42,389	40,746
Global production of primary aluminium (ex. China) (kmt)	7,345	7,214	2 %	7,387	(1) %	29,022	28,757
Global consumption of primary aluminium (ex. China) (kmt)	6,723	6,705	-	6,988	(4) %	27,466	28,504
Global production of primary aluminium (kmt)	17,852	17,450	2 %	18,048	(1) %	70,258	68,835
Global consumption of primary aluminium (kmt)	17,587	17,264	2 %	18,133	(3) %	69,855	69,250
Reported primary aluminium inventories (ex. China) (kmt)	2,264	2,122	7 %	2,123	7 %	2,264	2,122
Reported primary aluminium inventories (China) (kmt)	960	1,011	(5) %	1,017	(6) %	960	1,011
<b>Extruded products</b>							
Consumption extruded products - Europe (kmt)	713	831	(14) %	692	3 %	3,125	3,768
Consumption extruded products - USA & Canada (kmt)	504	551	(9) %	542	(7) %	2,209	2,538

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

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

## Additional factors impacting Hydro

The accumulated LME hedge in Hydro as of December 31, 2023 amounted to 440 thousand tonnes for 2024, and 320 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 335 million for 2024, USD 267 million for 2025 and USD 170 million for 2026.

Aluminium Metal has sold forward 67 percent of its expected primary aluminium production for the first quarter 2024 at an average LME price of USD 2,255 per mt.



# Business area performance

## Hydro Bauxite & Alumina financial and operational information

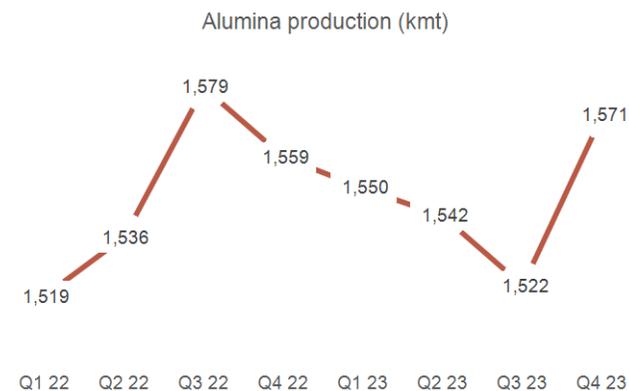
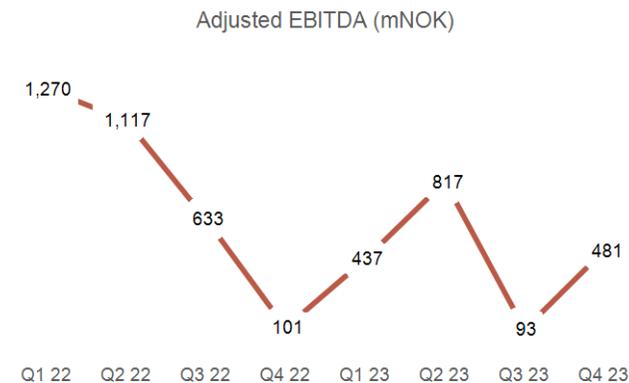
	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
EBITDA (NOK million) <sup>1)</sup>	300	(446)	>100 %	134	>100 %	1,392	2,967
Adjusted EBITDA (NOK million) <sup>1)</sup>	481	101	>100 %	93	>100 %	1,828	3,122
Adjusted EBIT (NOK million) <sup>1)</sup>	(269)	(586)	54 %	(610)	56 %	(1,013)	626
Alumina production (kmt)	1,571	1,559	1 %	1,522	3 %	6,185	6,193
Sourced alumina (kmt)	909	593	53 %	692	31 %	2,840	2,856
Total alumina sales (kmt)	2,487	2,220	12 %	2,229	12 %	9,040	9,121
Realized alumina price (USD/mt) <sup>2)</sup>	349	342	2 %	349	-	359	382
Bauxite production (kmt) <sup>3)</sup>	2,771	2,824	(2) %	2,848	(3) %	10,897	11,012
Sourced bauxite (kmt) <sup>4)</sup>	2,001	1,861	8 %	1,204	66 %	5,383	5,611

- 1) Alternative performance measures (APMs) are described in the corresponding section in the back of the report.
- 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.
- 3) Paragominas on wet basis.
- 4) 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Adjusted EBITDA for Bauxite & Alumina increased compared to the fourth quarter of 2022 mainly driven by lower raw material prices, partly offset by currency effects, lower bauxite production and fixed costs.

Compared to the third quarter of 2023 the adjusted EBITDA increased mainly driven by lower raw material prices, positive currency effects and no fourth quarter peace house expenses, slightly offset by weaker alumina margins.

Adjusted EBITDA for the full year 2023 decreased compared to 2022 mainly due to lower alumina sales price and negative currency effects, partly offset by decreased raw material prices.



## Hydro Energy financial and operating information

	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
(EBITDA) (NOK million) <sup>1)</sup>	684	926	(26) %	726	(6) %	2,602	4,810
Adjusted EBITDA (NOK million) <sup>1)</sup>	805	1,542	(48) %	762	6 %	3,146	4,926
Adjusted EBIT (NOK million) <sup>1)</sup>	755	1,493	(49) %	712	6 %	2,950	4,737
Power production (GWh)	2,440	2,002	22 %	2,216	10 %	9,697	7,664
External power sourcing (GWh)	2,476	3,139	(21) %	2,346	6 %	9,594	11,568
Internal contract sales (GWh)	4,550	4,415	3 %	4,361	4 %	17,127	18,030
External contract sales (GWh)	264	214	23 %	177	49 %	888	841
Net spot sales/(purchase) (GWh)	101	511	(80) %	24	>100 %	1,275	361

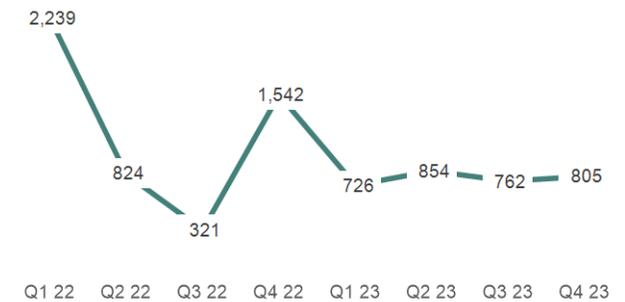
<sup>1)</sup> Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

Adjusted EBITDA for Energy in the fourth quarter decreased compared to the same period last year. Lower prices, lower gain on price area differences and lower trading and hedging results were partly offset mainly by higher production and no fourth quarter loss from a 12-month internal fixed price purchase contract from Aluminium Metal.

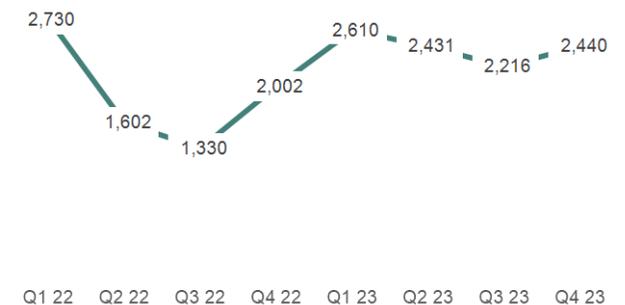
Compared to the previous quarter, adjusted EBITDA increased slightly. Higher production and prices and no fourth quarter loss from the 12-month internal fixed price purchase contract were largely offset by lower gain on price area differences and lower commercial energy results.

Compared to the previous year adjusted EBITDA decreased significantly, mainly due to loss from a 12-month internal fixed price purchase contract from Aluminium Metal, significantly lower prices and lower gain from price area differences, partly offset by significantly higher production and lower recognized tax cost in Hydro's equity accounted investment company Lyse Kraft DA as a result of a legal restructuring in 2022.

Adjusted EBITDA



Power production (GWh)



Net spot sales



## Hydro Aluminium Metal financial and operational information<sup>1</sup>

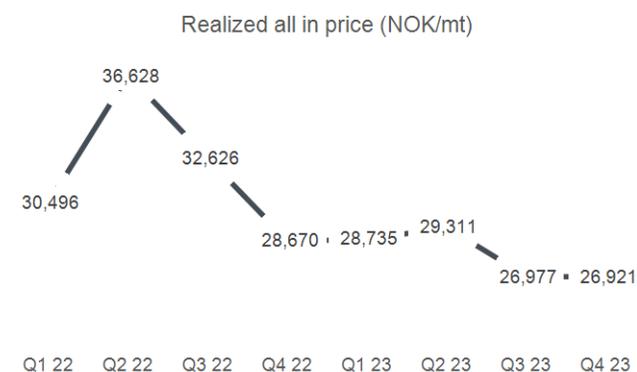
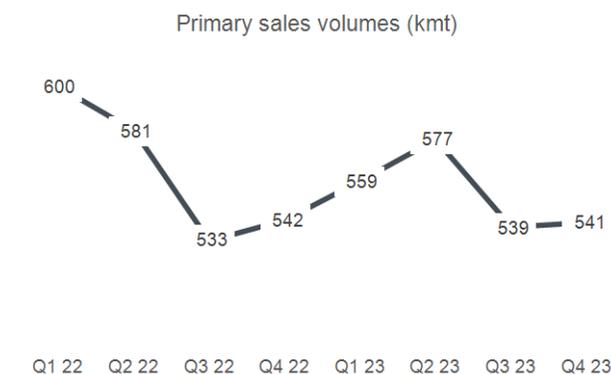
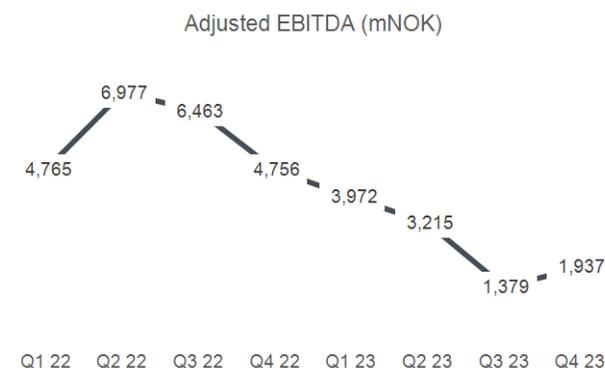
	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
EBITDA (NOK million) <sup>2)</sup>	2,946	2,888	2 %	(69)	>100 %	12,386	22,866
Adjusted EBITDA (NOK million) <sup>2)</sup>	1,937	4,756	(59) %	1,379	40 %	10,502	22,963
Adjusted EBITDA including Qatalum 50% pro rata (NOK million) <sup>1)3)</sup>	2,487	5,256	(53) %	1,896	31 %	12,589	25,241
Adjusted EBIT (NOK million) <sup>2)</sup>	1,264	4,097	(69) %	727	74 %	7,869	20,467
Realized aluminium price LME (USD/mt) <sup>4)</sup>	2,129	2,246	(5) %	2,146	(1) %	2,218	2,599
Realized aluminium price LME (NOK/mt) <sup>4)</sup>	23,143	22,813	1 %	22,456	3 %	22,995	24,739
Realized premium above LME (USD/mt) <sup>5)</sup>	348	577	(40) %	432	(20) %	435	756
Realized premium above LME (NOK/mt) <sup>5)</sup>	3,778	5,857	(36) %	4,521	(16) %	4,511	7,197
Realized USD/NOK exchange rate	10.87	10.16	7 %	10.47	4 %	10.37	9.52
Primary aluminium production (kmt)	514	522	(2) %	512	-	2,031	2,137
Casthouse production (kmt)	512	522	(2) %	523	(2) %	2,067	2,166
Total sales (kmt)	541	542	-	539	-	2,217	2,256

- 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.
- Alternative performance measures (APMs) are described in the corresponding section in the back of the report.
- 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.
- 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.
- Average realized premium above LME for casthouse sales from Aluminium Metal.

Adjusted EBITDA for Aluminium Metal decreased in the fourth quarter of 2023 compared to the fourth quarter of 2022 mainly due to lower all-in metal prices and reduced contribution from power sales, partly offset by reduced raw material cost, adjusted CO<sub>2</sub> compensation and positive currency effects.

Compared to the third quarter of 2023, adjusted EBITDA for Aluminium Metal increased due to lower raw material cost, increased CO<sub>2</sub> compensation and positive currency effects, partly offset by lower all-in metal prices and seasonally higher fixed cost.

Adjusted EBITDA for the full year 2023 decreased compared to 2022, mainly due to lower all-in metal prices, reduced contribution from power sales, inflationary effects on fixed cost, partly offset by positive currency effects and reduced alumina and energy cost.



## Qatalum financial information (50 percent)

	<b>Fourth quarter 2023</b>	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	<b>Year 2023</b>	Year 2022
Revenue (NOK million) <sup>1)</sup>	2,163	2,702	(20) %	2,437	(11) %	9,164	10,518
Adjusted EBITDA (NOK million) <sup>1)</sup>	682	700	(3) %	696	(2) %	2,812	3,826
Adjusted EBIT (NOK million) <sup>1)</sup>	302	352	(14) %	384	(21) %	1,500	2,617
Net income (loss) (NOK million)	131	200	(35) %	179	(27) %	725	1,548
Adjusted Net income (loss) (NOK million) <sup>1)</sup>	131	200	(35) %	179	(27) %	725	1,548
Primary aluminium production (kmt)	82	81	1 %	82	-	322	319
Casthouse sales (kmt)	80	98	(18) %	91	(12) %	330	334

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

## Hydro Metal Markets financial and operating information

	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
EBITDA (NOK million) <sup>1)</sup>	51	(449)	>100 %	85	(40) %	1,198	1,780
Adjusted EBITDA Recycling (NOK million) <sup>1)</sup>	58	342	(83) %	274	(79) %	916	1,841
Adjusted EBITDA Commercial (NOK million) <sup>1)</sup>	(97)	(434)	78 %	294	>(100) %	617	(168)
Adjusted EBITDA Metal Markets (NOK million) <sup>1)</sup>	(38)	(91)	58 %	568	>(100) %	1,533	1,673
Currency effects (NOK million)	(34)	(252)	86 %	54	>(100) %	165	(35)
Inventory valuation effects (NOK million)	32	-	>100 %	(52)	>100 %	(19)	85
Adjusted EBITDA excl. currency and inventory valuation effects (NOK million) <sup>1)</sup>	(36)	160	>(100) %	566	>(100) %	1,387	1,623
Adjusted EBIT (NOK million) <sup>1)</sup>	(229)	(134)	(71) %	482	>(100) %	1,170	1,514
Recycling production (kmt)	166	115	44 %	176	(6) %	620	548
Metal products sales excluding ingot trading (kmt) <sup>2)</sup>	645	614	5 %	652	(1) %	2,662	2,691
Hereof external sales (kmt)	567	530	7 %	567	-	2,290	2,284

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

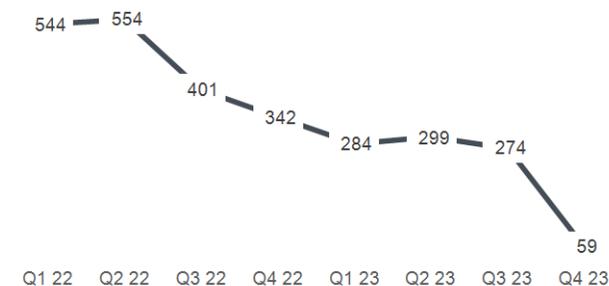
2) Includes external and internal sales from primary casthouse operations, recyclers and third party metal sources.

Adjusted EBITDA for Metal Markets improved in the fourth quarter 2023 compared to the same quarter last year. Lower results from recyclers due to reduced premiums in a weakening extrusion ingot market were offset by stronger results from sourcing and trading activities and positive inventory valuation and currency effects.

Compared to the third quarter of 2023, adjusted EBITDA for Metal Markets decreased due to lower results from recyclers and sourcing- and trading activities. Results from recyclers decreased due to lower premiums and volumes in a weakening extrusion ingot market.

Adjusted EBITDA for the full year 2023 decreased compared to the same period in 2022. Results from the recyclers decreased compared to record strong results in 2022. Premiums and volumes decreased in a weakening extrusion ingot market, while scrap price reduction was comparatively lower throughout the year. Lower recycling results were partly offset by increased results from sourcing and trading activities.

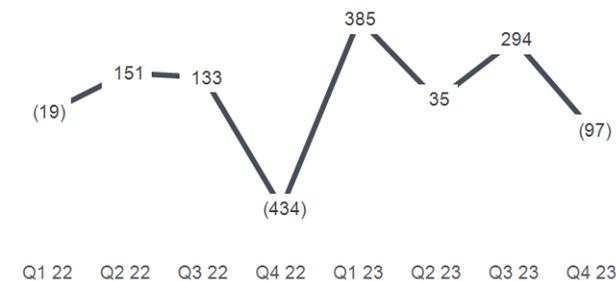
Recycling adjusted EBITDA



Recycling production (kmt)



Commercial adjusted EBITDA



## Hydro Extrusion financial and operational information

	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
EBITDA (NOK million)	888	1,045	(15) %	1,194	(26) %	6,359	6,982
Adjusted EBITDA (NOK million) <sup>1)</sup>	923	939	(2) %	1,322	(30) %	6,480	7,020
Adjusted EBIT (NOK million) <sup>1)</sup>	90	168	(46) %	548	(84) %	3,351	3,995
Sales volumes to external markets (kmt)	236	265	(11) %	260	(9) %	1,090	1,251

### Sales volumes to external markets (kmt) - Business units

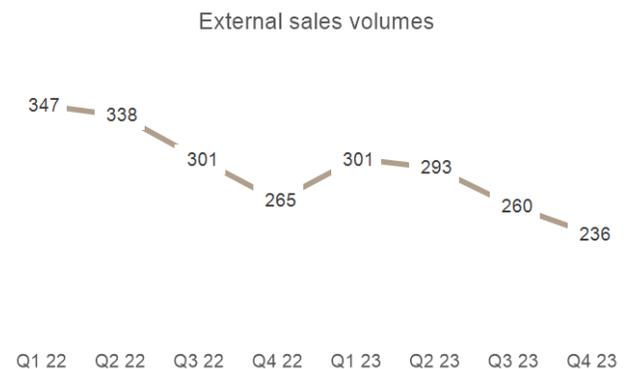
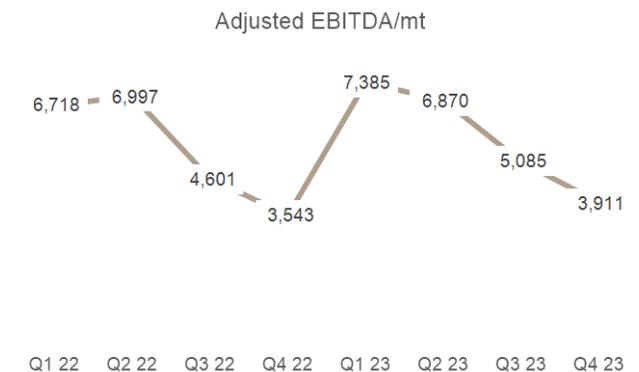
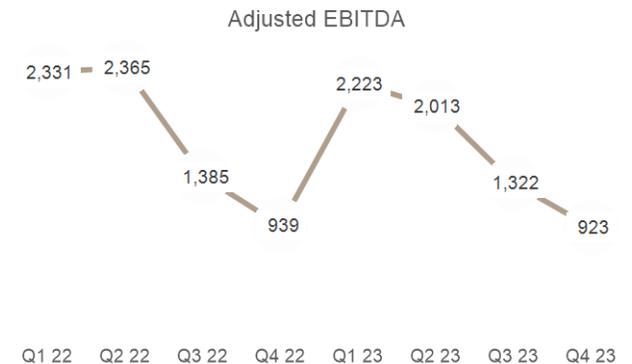
Extrusion Europe	92	106	(13) %	99	(7) %	436	520
Extrusion North America	95	112	(15) %	113	(15) %	455	529
Building Systems	19	18	3 %	17	9 %	75	85
Precision Tubing	29	28	4 %	31	(6) %	124	117
Hydro Extrusions	236	265	(11) %	260	(9) %	1,090	1,251

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

Extrusions adjusted EBITDA for the fourth quarter 2023 is slightly lower than the same quarter last year, driven by lower sales volumes and higher fixed and variable costs, positively offset by increased sales margin and currency effects.

Compared to third quarter of 2023 adjusted EBITDA for Extrusions decreased due to lower sales volumes and higher variable costs, partly compensated for by strong sales margins.

Adjusted EBITDA for the full year 2023 decreased compared to the same period last year. Lower sales volumes and increased variable and fixed costs were offset by higher margins and positive currency effects.



## Other and eliminations financial information

NOK million	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA)	(197)	(34)	>(100) %	(95)	>(100) %	(645)	132
Other	(347)	(338)	(2) %	(291)	(19) %	(1,228)	(817)
Eliminations	(24)	276	>(100) %	66	>(100) %	(3)	778
Adjusted EBITDA <sup>1)</sup>	(370)	(63)	>(100) %	(225)	(65) %	(1,231)	(39)

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

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.

## Finance

NOK million	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
Interest income	263	241	9 %	378	(30) %	1,267	652
Net gain (loss) on securities	(6)	27	>(100) %	(1)	>(100) %	35	(33)
Interest and other finance income	257	268	(4) %	377	(32) %	1,302	619
Foreign currency exchange gain (loss)	152	356	(57) %	538	(72) %	(2,084)	2,192
Interest expense	(593)	(304)	(95) %	(509)	(17) %	(2,054)	(1,090)
Other financial income (expense), net	(75)	(49)	(53) %	(29)	>(100) %	(210)	(71)
Interest and other finance expense	(668)	(353)	(89) %	(537)	(24) %	(2,264)	(1,161)
Finance income (expense), net	(259)	271	>(100) %	378	>(100) %	(3,046)	1,649

For the fourth quarter, the net foreign exchange gain of NOK 152 million primarily reflects a gain from a stronger BRL vs USD, positively impacting USD borrowing in Brazilian entities.

For the full year 2023, the net foreign exchange loss of NOK 2,084 million primarily reflects a loss from a weaker NOK versus EUR affecting EUR embedded currency contracts and other liabilities denominated in EUR, partly offset by a gain from a stronger BRL vs USD, positively impacting USD borrowing in Brazilian entities.

## Tax

Income tax expense amounted to NOK 256 million for the fourth quarter of 2023, which exceeds the period's income before tax. The quarter was mainly impacted by power surtax, goodwill impairment not impacting tax expenses, and losses in areas where deferred tax assets are not recognized.

Income tax expense amounted to NOK 3,742 million for 2023, about 57 percent of income before tax. The year was mainly impacted by power surtax, goodwill impairment, and losses in areas where deferred tax assets are not recognized, somewhat offset by a high proportion of income in Norway, which has a lower tax rate than the Group's average effective tax rate.

# Interim financial statements

## Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Fourth quarter 2023	Fourth quarter 2022	Year 2023	Year 2022
Revenue	46,754	44,075	193,619	207,929
Share of the profit (loss) in equity accounted investments	46	131	492	1,337
Other income, net	1,272	1,051	4,152	4,406
<b>Total revenue and income</b>	<b>48,072</b>	<b>45,256</b>	<b>198,263</b>	<b>213,672</b>
Raw material and energy expense	29,633	28,857	123,538	129,373
Employee benefit expense	6,673	5,931	25,931	22,886
Depreciation and amortization expense	2,539	2,270	9,394	8,593
Impairment of non-current assets	4,424	286	4,421	336
Other expenses	7,061	6,507	25,387	21,769
<b>Total expenses</b>	<b>50,328</b>	<b>43,851</b>	<b>188,671</b>	<b>182,957</b>
<b>Earnings before financial items and tax (EBIT)</b>	<b>(2,256)</b>	<b>1,405</b>	<b>9,592</b>	<b>30,715</b>
Interest and other finance income	257	268	1,302	619
Foreign currency exchange gain (loss)	152	356	(2,084)	2,192
Interest and other finance expense	(668)	(353)	(2,264)	(1,161)
<b>Finance income (expense), net</b>	<b>(259)</b>	<b>271</b>	<b>(3,046)</b>	<b>1,649</b>
Income (loss) before tax	(2,516)	1,676	6,546	32,365
<b>Income taxes</b>	<b>(256)</b>	<b>(1,519)</b>	<b>(3,742)</b>	<b>(7,984)</b>
Income (loss) from continuing operations	(2,771)	158	2,804	24,381
Income (loss) from discontinued operations	-	36	-	36
<b>Net income (loss)</b>	<b>(2,771)</b>	<b>194</b>	<b>2,804</b>	<b>24,417</b>
Net income (loss) attributable to non-controlling interests	(235)	(93)	(778)	263
Net income (loss) attributable to Hydro shareholders	(2,537)	287	3,583	24,154
Basic and diluted earnings per share from continuing operations (in NOK) <sup>1) 2)</sup>	(1.26)	0.12	1.77	11.76
Basic and diluted earnings per share from discontinued operations (in NOK) <sup>1)</sup>	-	0.02	-	0.02
<b>Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) <sup>1)</sup></b>	<b>(1.26)</b>	<b>0.14</b>	<b>1.77</b>	<b>11.78</b>
Weighted average number of outstanding shares (million)	2,017	2,047	2,029	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).

## Condensed consolidated statements of comprehensive income (unaudited)

NOK million	Fourth quarter 2023	Fourth quarter 2022	Year 2023	Year 2022
Net income (loss)	(2,771)	194	2,804	24,417
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to income statement:</i>				
Remeasurement postemployment benefits, net of tax	(1,291)	(992)	(805)	784
Unrealized gain (loss) on securities, net of tax	(74)	(176)	(135)	40
<b>Total</b>	<b>(1,365)</b>	<b>(1,167)</b>	<b>(940)</b>	<b>824</b>
<i>Items that will be reclassified to income statement:</i>				
Currency translation differences, net of tax	(2,028)	(3,546)	5,138	8,428
Currency translation differences, net of tax, divestment of foreign operation	1	(11)	(4)	(4)
Cash flow hedges, net of tax	53	94	272	624
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	(14)	6	(3)	6
<b>Total</b>	<b>(1,987)</b>	<b>(3,457)</b>	<b>5,403</b>	<b>9,054</b>
<b>Other comprehensive income</b>	<b>(3,352)</b>	<b>(4,624)</b>	<b>4,463</b>	<b>9,878</b>
<b>Total comprehensive income</b>	<b>(6,124)</b>	<b>(4,431)</b>	<b>7,267</b>	<b>34,295</b>
Total comprehensive income attributable to non-controlling interests	(382)	(396)	(311)	1,252
Total comprehensive income attributable to Hydro shareholders	(5,741)	(4,034)	7,578	33,043

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

## Condensed balance sheets (unaudited)

NOK million, except number of shares	December 31 2023	December 31 2022
<b>Assets</b>		
Cash and cash equivalents	24,618	29,805
Short-term investments	2,641	4,173
Trade and other receivables	25,404	23,988
Inventories	25,449	30,035
Other current financial assets	1,900	1,127
<b>Total current assets</b>	<b>80,012</b>	<b>89,128</b>
Assets held for sale	3,685	-
Property, plant and equipment	74,981	62,656
Intangible assets	8,447	9,280
Investments accounted for using the equity method	21,228	21,222
Prepaid pension	8,664	8,573
Other non-current assets	9,444	7,759
<b>Total non-current assets</b>	<b>122,764</b>	<b>109,490</b>
<b>Total assets</b>	<b>206,462</b>	<b>198,618</b>

NOK million, except number of shares	December 31 2023	December 31 2022
<b>Liabilities and equity</b>		
Bank loans and other interest-bearing short-term debt	7,111	6,746
Trade and other payables	26,232	24,374
Other current liabilities	10,549	11,688
<b>Total current liabilities</b>	<b>43,892</b>	<b>42,807</b>
Liabilities in disposal group	141	-
Long-term debt	28,978	26,029
Provisions	5,867	5,289
Pension liabilities	9,222	8,252
Deferred tax liabilities	4,717	4,796
Other non-current liabilities	6,462	3,648
<b>Total non-current liabilities</b>	<b>55,245</b>	<b>48,013</b>
<b>Total liabilities</b>	<b>99,279</b>	<b>90,820</b>
Equity attributable to Hydro shareholders	100,579	102,455
Non-controlling interests	6,604	5,343
<b>Total equity</b>	<b>107,182</b>	<b>107,798</b>
<b>Total liabilities and equity</b>	<b>206,462</b>	<b>198,618</b>
Total number of outstanding shares (million)	2,012	2,042

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

## Condensed consolidated statements of cash flows (unaudited)

NOK million	Fourth quarter 2023	Fourth quarter 2022	Year 2023	Year 2022
<b>Operating activities</b>				
Net income (loss)	(2,771)	194	2,804	24,417
Loss (income) from discontinued operations	-	(36)	-	(36)
Depreciation, amortization and impairment	6,962	2,556	13,815	8,929
Other adjustments	(873)	5,697	5,601	(3,917)
Net cash provided by continuing operating activities	3,318	8,411	22,220	29,393
<b>Investing activities</b>				
Purchases of property, plant and equipment	(4,329)	(3,690)	(13,638)	(9,604)
Purchases of other long-term investments	(645)	(661)	(7,535)	(1,971)
Purchases of short-term investments	(519)	-	(659)	(1,250)
Proceeds from long-term investing activities	133	117	320	764
Proceeds from sales of short-term investments	-	-	753	1,500
Net cash used in continuing investing activities	(5,360)	(4,234)	(20,759)	(10,561)
<b>Financing activities</b>				
Loan proceeds	2,552	5,549	9,242	8,963
Loan repayments	(1,597)	(4,327)	(9,750)	(7,158)
Net decrease in other short-term debt	(129)	(231)	(393)	(241)
Repurchases of shares	(857)	(631)	(2,157)	(661)
Proceeds from shares issued	171	11	568	48
Dividends paid	-	(119)	(12,574)	(14,179)
Other cash transfers from (to) non-controlling interests	8,364	(19)	8,364	(19)
Net cash provided by (used in) continuing financing activities	8,504	233	(6,700)	(13,247)
Foreign currency effects on cash	(761)	(455)	240	1,353
Net cash used in discontinued operations	-	(2)	-	(56)
Net increase (decrease) in cash and cash equivalents	5,701	3,953	(4,999)	6,882
Cash and cash equivalents reclassified to Assets held for sale	(188)	-	(188)	-
<b>Cash and cash equivalents at beginning of period</b>	<b>19,105</b>	<b>25,852</b>	<b>29,805</b>	<b>22,923</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,618</b>	<b>29,805</b>	<b>24,618</b>	<b>29,805</b>

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

## 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 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
<b>Changes in equity for 2022</b>								
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
<b>Changes in equity for 2023</b>								
Treasury shares issued to employees	-	66	45	-	-	111	-	111
Treasury shares acquired	-	-	(1,512)	-	-	(1,512)	-	(1,512)
Cancellation treasury shares	(20)	-	1,315	(1,295)	-	-	-	-
Redeemed shares	(10)	-	-	(637)	-	(648)	-	(648)
Dividends	-	-	-	(11,501)	-	(11,501)	(1,073)	(12,574)
Capital contribution in subsidiaries	-	-	-	(131)	147	15	503	519
Sale of shares in subsidiary to non-controlling shareholder	-	-	-	1,787	2,293	4,080	2,141	6,221
Disposal of equity securities at fair value through other comprehensive income	-	-	-	(1,288)	1,288	-	-	-
Total comprehensive income for the period	-	-	-	3,583	3,996	7,578	(311)	7,267
December 31, 2023	2,241	29,283	(1,381)	60,877	9,559	100,579	6,604	107,182

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

# 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 2023 Financial Statements. The condensed consolidated interim financial information should be read in conjunction with Hydro's 2023 Financial Statements, which are a part of Hydro's Integrated Annual Report 2023.

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 2023 Financial statements 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 2023	Fourth quarter 2022	Year 2023	Year 2022
<b>Total revenue</b>				
Hydro Bauxite & Alumina	9,948	7,986	35,521	33,951
Hydro Energy	2,644	3,037	11,557	12,614
Hydro Aluminium Metal	13,562	13,129	58,375	65,483
Hydro Metal Markets	18,629	18,222	81,314	90,968
Hydro Extrusions	18,178	19,819	82,645	91,176
Other and eliminations	(16,208)	(18,118)	(75,794)	(86,264)
<b>Total</b>	<b>46,754</b>	<b>44,075</b>	<b>193,619</b>	<b>207,929</b>
<b>External revenue</b>				
Hydro Bauxite & Alumina	6,807	5,091	23,069	21,649
Hydro Energy	1,058	1,324	4,564	5,467
Hydro Aluminium Metal	3,936	2,638	12,649	13,087
Hydro Metal Markets	16,829	15,132	70,690	76,821
Hydro Extrusions	18,122	19,881	82,635	90,892
Other and eliminations	3	9	13	13
<b>Total</b>	<b>46,754</b>	<b>44,075</b>	<b>193,619</b>	<b>207,929</b>

NOK million	Fourth quarter 2023	Fourth quarter 2022	Year 2023	Year 2022
<b>Internal revenue</b>				
Hydro Bauxite & Alumina	3,141	2,895	12,452	12,303
Hydro Energy	1,586	1,713	6,993	7,148
Hydro Aluminium Metal	9,626	10,491	45,726	52,396
Hydro Metal Markets	1,801	3,091	10,625	14,147
Hydro Extrusions	56	(62)	10	284
Other and eliminations	(16,211)	(18,126)	(75,806)	(86,278)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Share of the profit (loss) in equity accounted investments</b>				
Hydro Bauxite & Alumina	-	-	-	-
Hydro Energy	(110)	(81)	(293)	(180)
Hydro Aluminium Metal	135	200	733	1,549
Hydro Metal Markets	-	-	-	-
Hydro Extrusions	3	-	5	-
Other and eliminations	17	12	47	(32)
<b>Total</b>	<b>46</b>	<b>131</b>	<b>492</b>	<b>1,337</b>
<b>Depreciation, amortization and impairment</b>				
Hydro Bauxite & Alumina	4,523	687	6,614	2,496
Hydro Energy	50	48	196	190
Hydro Aluminium Metal	1,326	711	3,353	2,664
Hydro Metal Markets	194	44	368	161
Hydro Extrusions	859	1,036	3,171	3,297
Other and eliminations	10	30	113	121
<b>Total</b>	<b>6,962</b>	<b>2,556</b>	<b>13,815</b>	<b>8,929</b>
<b>Earnings before financial items and tax (EBIT) <sup>1)</sup></b>				
Hydro Bauxite & Alumina	(4,223)	(1,133)	(5,222)	471
Hydro Energy	634	878	2,406	4,621
Hydro Aluminium Metal	1,646	2,200	9,125	20,292
Hydro Metal Markets	(139)	(492)	835	1,621
Hydro Extrusions	33	16	3,206	3,699
Other and eliminations	(206)	(63)	(758)	11
<b>Total</b>	<b>(2,256)</b>	<b>1,405</b>	<b>9,592</b>	<b>30,715</b>

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.

NOK million	Fourth quarter 2023	Fourth quarter 2022	Year 2023	Year 2022
<b>Earnings before financial items, tax, depreciation and amortization (EBITDA)</b>				
Hydro Bauxite & Alumina	300	(446)	1,392	2,967
Hydro Energy	684	926	2,602	4,810
Hydro Aluminium Metal	2,946	2,888	12,386	22,866
Hydro Metal Markets	51	(449)	1,198	1,780
Hydro Extrusions	888	1,045	6,359	6,982
Other and eliminations	(197)	(34)	(645)	132
<b>Total</b>	<b>4,673</b>	<b>3,930</b>	<b>23,291</b>	<b>39,536</b>
<b>Investments <sup>1)</sup></b>				
Hydro Bauxite & Alumina	2,655	1,813	8,345	3,799
Hydro Energy	683	671	3,351	1,920
Hydro Aluminium Metal	1,347	1,086	4,413	3,387
Hydro Metal Markets <sup>2)</sup>	486	453	4,451	969
Hydro Extrusions <sup>3)</sup>	2,473	1,475	5,011	3,223
Other and eliminations	(16)	22	78	92
<b>Total</b>	<b>7,628</b>	<b>5,519</b>	<b>25,647</b>	<b>13,391</b>

- 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 Alumental impacting investments in the amount of NOK 2,932 million in third quarter 2023.  
3) Amount includes acquisition of Hueck impacting investments in the amount of NOK 345 million in the first nine months in 2023.

NOK million	EBIT	Depr., amor. and impairment	Investment grants	EBITDA
<b>EBIT - EBITDA Fourth quarter 2023</b>				
Hydro Bauxite & Alumina	(4,223)	4,523	-	300
Hydro Energy	634	50	-	684
Hydro Aluminium Metal	1,646	1,326	(26)	2,946
Hydro Metal Markets	(139)	194	(4)	51
Hydro Extrusions	33	859	(4)	888
Other and eliminations	(206)	10	-	(197)
<b>Total</b>	<b>(2,256)</b>	<b>6,962</b>	<b>(33)</b>	<b>4,673</b>

NOK million	EBIT	Depr., amor. and impairment	Investment grants	EBITDA
<b>EBIT - EBITDA 2023</b>				
Hydro Bauxite & Alumina	(5,222)	6,614	-	1,392
Hydro Energy	2,406	196	-	2,602
Hydro Aluminium Metal	9,125	3,353	(93)	12,386
Hydro Metal Markets	835	368	(5)	1,198
Hydro Extrusions	3,206	3,171	(19)	6,359
Other and eliminations	(758)	113	-	(645)
<b>Total</b>	<b>9,592</b>	<b>13,815</b>	<b>(116)</b>	<b>23,291</b>

## 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% 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 changes in 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 changes in 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. Changes in 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. Certain related agreements made later have also been adjusted for. Contributions made as part of Hydro's social programs in areas where we

operate, including individual large donations announced and provided for as a single events, are considered closely related to the operations and therefore included in adjusted results.

- *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 divestment of businesses and individual assets, the net remeasurement (gains) losses relating to previously owned shares in acquired business, 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 in significant associates such as 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

## Adjusting items to EBITDA and EBIT per operating segment and for Other and eliminations <sup>1)</sup>

NOK million	Fourth quarter 2023	Fourth quarter 2022	Third quarter 2023	Year 2023	Year 2022
Unrealized derivative effects on raw material contracts	182	353	(41)	412	(40)
Community contributions Brazil <sup>2)</sup>	-	32	-	25	32
Other effects <sup>3)</sup>	-	162	-	-	162
<b>Hydro Bauxite &amp; Alumina</b>	<b>182</b>	<b>547</b>	<b>(41)</b>	<b>437</b>	<b>155</b>
Unrealized derivative effects on power contracts	(37)	615	41	401	170
(Gains)/losses on divestments <sup>4)</sup>	-	-	-	-	(65)
Net foreign exchange (gain)/loss <sup>5)</sup>	(6)	1	(5)	(20)	11
Other effects <sup>6)</sup>	164	-	-	164	-
<b>Hydro Energy</b>	<b>120</b>	<b>616</b>	<b>36</b>	<b>544</b>	<b>116</b>
Unrealized derivative effects on LME related contracts	(954)	207	1,414	(1,667)	(2,990)
Unrealized derivative effects on power contracts <sup>7)</sup>	33	1,638	113	103	3,218
Significant rationalization charges and closure costs <sup>8)</sup>	-	64	-	-	46
Net foreign exchange (gain)/loss <sup>5)</sup>	(89)	(40)	(79)	(320)	(108)
Other effects <sup>9)</sup>	-	-	-	-	(69)
<b>Hydro Aluminium Metal</b>	<b>(1,010)</b>	<b>1,868</b>	<b>1,448</b>	<b>(1,884)</b>	<b>97</b>
Unrealized derivative effects on LME related contracts	(121)	358	448	215	(107)
Transaction related effects <sup>10)</sup>	31	-	35	120	-
<b>Hydro Metal Markets</b>	<b>(90)</b>	<b>358</b>	<b>483</b>	<b>335</b>	<b>(107)</b>
Unrealized derivative effects on LME related contracts	(134)	(126)	113	(34)	59
Unrealized derivative effects on power contracts	(6)	(67)	(2)	(28)	3
Significant rationalization charges and closure costs <sup>11)</sup>	171	91	17	265	106
(Gains)/losses on divestments and other transaction related effects <sup>12)</sup>	4	(4)	1	25	(54)
Other effects <sup>13)</sup>	-	-	-	(107)	(76)
<b>Hydro Extrusions</b>	<b>35</b>	<b>(106)</b>	<b>128</b>	<b>121</b>	<b>38</b>
Unrealized derivative effects on LME related contracts <sup>14)</sup>	(18)	47	25	(43)	36
(Gains)/losses on divestments	-	-	(25)	(25)	-
Net foreign exchange (gain)/loss <sup>5)</sup>	(155)	(91)	(130)	(543)	(221)
Other effects <sup>15)</sup>	-	15	-	26	15
<b>Other and eliminations</b>	<b>(174)</b>	<b>(29)</b>	<b>(130)</b>	<b>(585)</b>	<b>(170)</b>
<b>Adjusting items to EBITDA</b>	<b>(936)</b>	<b>3,254</b>	<b>1,923</b>	<b>(1,033)</b>	<b>128</b>
<b>Impairment charges</b>					
Hydro Bauxite & Alumina <sup>16)</sup>	3,773	-	-	3,773	-
Hydro Aluminium Metal <sup>17)</sup>	628	28	-	628	77
Hydro Extrusions <sup>18)</sup>	23	258	-	23	258
<b>Adjusting items to EBIT</b>	<b>3,487</b>	<b>3,541</b>	<b>1,923</b>	<b>3,391</b>	<b>464</b>

- 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 some similar agreements not considered parts of normal operations.
- 3) Other effects in Hydro Bauxite & Alumina in 2022 includes derecognized engineering cost related to a project on hold.
- 4) 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.
- 5) Realized currency gains and losses from risk management contracts and embedded currency derivatives in physical power and raw material prices.
- 6) Other effects in Energy includes a provision for potential project-related costs in relation to regulatory compliance.
- 7) 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 contracts in the same contract portfolio at fair value. The effects of consuming power under contracts recognized at fair value were included for 2022.
- 8) Rationalization and closure costs in Hydro Aluminium Metal in fourth quarter 2022 related to curtailment cost in the Slovalco smelter, and reduction in 2022 related to Aluchemie.
- 9) Other effect in Hydro Aluminium Metal in 2022 relates to insurance compensation for the power outage in Albras in the first quarter of 2022.
- 10) Transaction effects in Metal Markets includes acquisition costs related to Alumetal and realization of revalued inventory in the third quarter 2023 with lower margin.
- 11) Significant rationalization and closure costs include provisions for costs related to reduction of overcapacity, closures and environmental clean-up activities in Hydro Extrusions.
- 12) Divestments of Hydro Extrusions plants, including adjustments of sales price, as well as acquisition costs.
- 13) Other effects in Hydro Extrusions relates to a tax related dispute concluded in 2023 and insurance compensation in 2022, both for cost incurred prior to Hydro's acquisition of the business affected.
- 14) Unrealized derivative effects on LME related contracts result from elimination of changes in the valuation of certain internal aluminium contracts.
- 15) Other effects relates to environmental provision for closed sites in Norway and Germany.
- 16) Impairment charges in Hydro Bauxite & Alumina in fourth quarter 2023 relates to impairment of goodwill and property, plant and equipment in the operating plants.
- 17) Impairment charges in Hydro Aluminium Metal in 2023 reflects write down of Hydro's ownership interest in the Tomago smelter in Australia, while the charge in 2022 reflect write downs related to the Slovalco smelter.
- 18) Impairment charges in 2023 and 2022 in Hydro Extrusions include impairments of various individual sites and assets.

## Adjusted EBITDA

NOK million	Fourth quarter 2023	Fourth quarter 2022	Third quarter 2023	Year 2023	Year 2022
EBIT	(2,256)	1,405	(323)	9,592	30,715
Depreciation, amortization and impairment	6,962	2,556	2,327	13,815	8,929
Investment grants	(33)	(31)	(29)	(116)	(108)
<b>EBITDA</b>	<b>4,673</b>	<b>3,930</b>	<b>1,975</b>	<b>23,291</b>	<b>39,536</b>
Adjusting items to EBITDA	(936)	3,254	1,923	(1,033)	128
<b>Adjusted EBITDA</b>	<b>3,737</b>	<b>7,184</b>	<b>3,899</b>	<b>22,258</b>	<b>39,664</b>

## Adjusted earnings per share from continuing operations

NOK million	Fourth quarter 2023	Fourth quarter 2022	Change prior year quarter	Third quarter 2023	Change prior quarter	Year 2023	Year 2022
Net income (loss) from continuing operations	(2,771)	158	>(100) %	(625)	>(100) %	2,804	24,381
Adjusting items to net income (loss) from continuing operations <sup>1)</sup>	3,525	2,213	59 %	970	>100 %	5,031	(1,236)
<b>Adjusted net income (loss) from continuing operations</b>	<b>754</b>	<b>2,371</b>	<b>(68) %</b>	<b>345</b>	<b>&gt;100 %</b>	<b>7,835</b>	<b>23,145</b>
Adjusted net income attributable to non-controlling interests from continuing operations	(263)	339	>(100) %	(210)	(25) %	(799)	1,205
Adjusted net income from continuing operations attributable to Hydro shareholders	1,017	2,032	(50) %	554	83 %	8,634	21,941
Number of shares	2,017	2,047	(1) %	2,026	-	2,029	2,051
<b>Adjusted earnings per share from continuing operations</b>	<b>0.50</b>	<b>0.99</b>	<b>(49) %</b>	<b>0.27</b>	<b>84 %</b>	<b>4.26</b>	<b>10.70</b>

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	Fourth quarter 2023	Third quarter 2023	Change prior quarter	Fourth quarter 2022	Third quarter 2022	Change prior year quarter
Cash and cash equivalents	24,618	19,105	5,513	29,805	25,852	3,953
Short-term investments <sup>1)</sup>	2,641	2,101	540	4,173	2,511	1,663
Short-term debt	(7,111)	(5,764)	(1,347)	(6,746)	(11,085)	4,339
Long-term debt	(28,978)	(29,944)	966	(26,029)	(20,790)	(5,239)
Collateral for long-term liabilities	638	660	(22)	106	367	(261)
<b>Net cash (debt)</b>	<b>(8,191)</b>	<b>(13,843)</b>	<b>5,651</b>	<b>1,310</b>	<b>(3,145)</b>	<b>4,454</b>
Collateral for short-term and long-term liabilities <sup>2)</sup>	(1,610)	(1,642)	32	(2,563)	(1,243)	(1,319)
Cash and cash equiv. and short-term investm. in captive insurance company <sup>3)</sup>	(1,142)	(1,107)	(36)	(1,000)	(995)	(4)
Net pension asset (obligation) at fair value, net of expected income tax benefit <sup>4)</sup>	(884)	333	(1,216)	(270)	959	(1,228)
Short- and long-term provisions net of expected income tax benefit, and other liabilities <sup>5)</sup>	(6,344)	(4,133)	(2,211)	(3,466)	(3,381)	(85)
Adjusted net cash (debt) in assets held for sale and liabilities in disposal groups <sup>6)</sup>	149	-	149	-	-	-
<b>Adjusted net cash (debt)</b>	<b>(18,022)</b>	<b>(20,391)</b>	<b>2,369</b>	<b>(5,989)</b>	<b>(7,806)</b>	<b>1,817</b>

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 325 million and NOK 527 million for December 2023 and September 2023, 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.

6) Adjustment to include Adjusted net cash (debt) related to Hydro Rein

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

EBIT after tax NOK million	Reported		Adjusted	
	2023	2022	2023	2022
EBIT	9,592	30,715	12,983	31,179
Adjusted Income tax expense <sup>1)</sup>	(4,656)	(7,489)	(4,475)	(7,654)
<b>EBIT after tax</b>	<b>4,937</b>	<b>23,226</b>	<b>8,508</b>	<b>23,525</b>

### Capital Employed

NOK million	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	2023	2023	2023	2023	2022	2022	2022	2022
Current assets in continuing operations <sup>2)</sup>	52,753	55,761	59,091	59,869	55,149	64,723	65,122	55,912
Property, plant and equipment	74,981	74,367	72,985	67,827	62,656	62,369	58,920	56,599
Other non-current assets <sup>3)</sup>	47,145	53,266	52,697	49,935	46,728	51,007	46,876	45,932
Current liabilities in continuing operations <sup>4)</sup>	(36,781)	(35,954)	(35,123)	(36,443)	(36,061)	(38,356)	(39,880)	(37,666)
Other non-current assets <sup>3)</sup>	(26,267)	(25,850)	(26,516)	(25,079)	(21,984)	(23,502)	(24,309)	(26,418)
Adjusted for Assets held for sale <sup>5)</sup>	3,685							
Adjusted for Liabilities in disposal group <sup>6)</sup>	(141)							
<b>Capital Employed</b>	<b>115,374</b>	<b>121,591</b>	<b>123,135</b>	<b>116,108</b>	<b>106,488</b>	<b>116,241</b>	<b>106,728</b>	<b>94,360</b>

Return on average Capital Employed (RoaCE) <sup>6)</sup>	Reported		Adjusted	
	2023	2022	2023	2022
	4.1 %	21.9 %	7.1 %	22.2 %

- 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) Adjusted to include assets and liabilities in Hydro Rein.
- 6) Average Capital Employed measured over the last 4 quarters to reflect the return for the full year.

# Additional information

## Financial calendar

### 2024

February 14	Integrated annual report
February 14	Fourth quarter results
April 24	First quarter results
July 23	Second quarter results
October 24	Third quarter results

Hydro reserves the right to revise these dates.

## 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.

