



Hydro

Third quarter 2023
23. October 2023



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Positioning for
the long-term,
navigating
challenging
markets

Financial review

Summary of financial and operating results and liquidity

NOK million, except per share data	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Revenue	44,702	52,445	(15) %	53,630	(17) %	146,865	163,854	207,929
Earnings before financial items, tax, depreciation and amortization (EBITDA) ²⁾	1,975	9,828	(80) %	10,249	(81) %	18,618	35,606	39,536
Adjustments to EBITDA ¹⁾	1,923	(108)	>100 %	(3,152)	>100 %	(96)	(3,126)	128
Adjusted EBITDA ¹⁾	3,899	9,721	(60) %	7,098	(45) %	18,522	32,480	39,664
Adjusted EBITDA								
Hydro Bauxite & Alumina	93	633	(85) %	817	(89) %	1,347	3,021	3,122
Hydro Aluminium Metal	1,379	6,463	(79) %	3,215	(57) %	8,565	18,206	22,963
Hydro Metal Markets	568	534	6 %	334	70 %	1,571	1,764	1,673
Hydro Extrusions	1,322	1,385	(5) %	2,013	(34) %	5,557	6,080	7,020
Hydro Energy	762	321	>100 %	854	(11) %	2,341	3,384	4,926
Other and eliminations	(225)	384	>(100) %	(134)	(67) %	(860)	24	(39)
Adjusted EBITDA ¹⁾	3,899	9,721	(60) %	7,098	(45) %	18,522	32,480	39,664
Earnings before financial items and tax (EBIT) ²⁾	(323)	7,670	>(100) %	7,939	>(100) %	11,849	29,310	30,715
Adjusted EBIT ¹⁾	1,600	7,611	(79) %	4,788	(67) %	11,752	26,233	31,179
Net income (loss) from continuing operations	(625)	6,676	>(100) %	5,056	>(100) %	5,576	24,223	24,381
Adjusted net income (loss) from continuing operations ¹⁾	345	6,258	(94) %	3,410	(90) %	7,081	20,774	23,145
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	36
Earnings per share from continuing operations	(0.18)	3.34	>(100) %	2.56	>(100) %	3.01	11.63	11.76
Adjusted earnings per share from continuing operations ¹⁾	0.27	2.91	(91) %	1.77	(85) %	3.75	9.70	10.70
Financial data								
Investments ^{1) 2)}	7,594	3,924	94 %	5,544	37 %	18,019	7,871	13,391
Net cash (debt) ¹⁾	(13,843)	(3,145)	>(100) %	(11,294)	(23) %	(13,843)	(3,145)	1,310
Adjusted net cash (debt) ¹⁾	(20,391)	(7,806)	>(100) %	(15,890)	(28) %	(20,391)	(7,806)	(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

Key development Q3 2023

Hydro's adjusted EBITDA for the third quarter of 2023 was NOK 3,899 million, down from NOK 9,721 million for the same quarter last year. This resulted in an adjusted RoaCE of 8.5 percent over the last twelve months. Lower aluminium and alumina sales prices, lower Extrusions and recycling volumes, reduced CO2 compensation, and a provision for a multi-year social donation in Brazil, negatively impacted results, partly offset by lower raw material costs.

In October, Hydro experienced a painful reminder of how important health and safety is in all operations and activities. On October 15, a third party contractor was fatally injured while deconstructing an old transformer in Hydro's joint venture, Qatalum, in Qatar. On October 18, a contractor passed away at Hydro's Alunorte alumina refinery in Brazil while performing a maintenance operation.

In the third quarter of 2023, economic growth faced challenges due to rapid monetary tightening, pressuring household spending and business investments. Demand for primary aluminium continued to decline into the third quarter, while Chinese demand is stronger than expected on strong demand in the renewables and EV segments. Global demand has remained weak for residential building and construction, and industrial segments, while demand for automotive has been more stable. However, in North America, trailer and automotive build rates have slowed, and could be further impacted by the United Auto Workers (UAW) strike.

In these declining markets, Hydro has initiated mitigating measures. Within Hydro Extrusions and recycling, current production flexibility and adaption abilities is utilized to maneuver falling demand, and further curtailments are evaluated considering

market conditions. Hydro continues the strong focus on cash release and working capital reduction with a year-to-date release of more than NOK 4 billion. Hydro's improvement program has progressed significantly during the quarter and commercial ambitions are ahead of the target for 2023. The strategic hedging program is further supporting margins, with 440,000 tonnes currently hedged at an LME of USD 2,500 per tonne in 2024, and 300,000 tonnes hedged at an LME of USD 2,400 per tonne in 2025.

Hydro is on track to deliver on the 2025 strategy. Several steps have been taken since the strategy was launched in 2020, to ensure robustness and resilience. This enables a strong position through short-term challenges, without losing sight on the long-term opportunities. During the third quarter, several important milestones have been met.

On October 24, Hydro signed an agreement with Macquarie Asset Management who will acquire 49.9 percent of Hydro's renewable energy company, Hydro Rein. This transaction marks an important milestone for the execution of Hydro's strategic pillar of growing in new renewable energy, while keeping this capital light. Through this partnership, Hydro and Macquarie will form a joint venture (JV) where Hydro will own 50.1 percent of the company. Macquarie intends to invest equity value of USD 332 million to obtain a 49.9 percent ownership of Hydro Rein. The transaction values Hydro Rein on a debt free basis at USD 333 million, per June 30, 2023. Including the capital provided by Macquarie, no further equity injections from Hydro are planned for, and Hydro Rein has an ambition to be self-funded for growth.

According to its 2025 strategy, Hydro continues to strengthen its position in low-carbon aluminium and to grow in attractive market segments. Hydro Extrusion has inaugurated three new presses in Suzhou, China, Trzcianka, Poland, and Nenzing, Austria. These new facilities strengthen the portfolio of cutting-edge extrusion capacity aimed at

industries like automotive, electric vehicles, and building and construction. The growth strategy of Hydro Extrusions is aimed at expanding with the market, particularly focusing on segments where Hydro has a competitive edge. The expansion of production capacity, in combination with ongoing sustainability efforts, enhances resilience, and contributes to Extrusion NOK 8 billion EBITDA target.

Hydro aims to add 1 million tonnes of new recycling capacity to the portfolio by 2027, primarily in Europe and North America, to meet the growing demand for recycled aluminium. Hydro announced the opening of the HyForge casting line in Rackwitz on September 14, expanding capacity to supply the automotive industry with low-carbon recycled aluminium from post-consumer scrap. This investment directly responds to the automotive sector's increasing need for low-carbon, lightweight aluminium parts. Additionally, the greenfield recycling plant in Cassopolis, Michigan, is progressing as planned. Equipment is currently being commissioned and the first metal is expected to be produced by November. The plant is expected to be in full operation by the second quarter next year after a gradual ramp-up during the first quarter.

On July 7, the share purchase for the Polish recycler Alumetal S.A was settled, resulting in 275,000 additional tonnes of annual recycling capacity, a solid recycling position in Europe, as well as advanced sorting and casting capabilities. During the third quarter, a NOK 200 million investment was announced to modernize and expand the Alumetal recycling plant in Keřy, Poland, expanding the capacity with approximately 30,000 tonnes of foundry alloys for the automotive market. In addition to the Keřy investments, several synergy potentials are identified, with an identified potential EBITDA uplift ranging from EUR 10 to 15 million by 2027.

Despite market volatility and geopolitical turmoil, there is a promising long-term sentiment for aluminium. By 2030, Hydro expects significant growth for aluminium in electric vehicles, energy effective buildings as well as aluminium in infrastructure to support the energy shift. The automotive sector is undergoing a profound transformation as it shifts to electric vehicles. In the extrusions sector, aluminium use per car is rising and new production methods are influencing demand for specialized alloys. Growth in renewable energy is important for decarbonization and self-sufficiency, with growing demand for aluminium in solar applications. In the EU, aluminium demand in the solar sector is projected to increase by 15 to 20 percent annually by 2030. The industry leaders are also increasingly focused on factors beyond material properties, including carbon content, environmental impact and social responsibility.

Hydro has established several strategic global partnerships over the past two years. Today, stakeholders and consumers prioritize low-emissions throughout a product's lifecycle. Hydro collaborates with pioneering automotive companies like Mercedes-Benz, Polestar and Porsche to decarbonize production. Hydro also partners with innovative companies such as Cake, Ernst Schweizer and SunBrush, supplying low-carbon aluminium solutions. This shift towards carbon conscious products is evident in Hydro's order books across various segments.

Demand for low-carbon aluminium is driven not just by customers, but also by supportive regulations. The green transition is gaining momentum due to geopolitical factors, boosting aluminium demand. For instance, the EU's forthcoming Critical Raw Materials Act recognizes aluminium as a strategic raw material, aligning with Hydro's commitment to sustainability. Moreover, the End-of-Life Vehicles Regulation is encouraging car recycling and setting recycled aluminium requirements. In the energy sector, the EU's focus on renewable energy supports the use of aluminium in wind and solar

power construction. However, the EU's Carbon Border Adjustment Mechanism (CBAM) currently has a loophole concerning remelted process scrap, which Hydro opposes, as it contradicts CBAM's intent to support European competitiveness and the green transition. Hydro is advocating for closing this loophole.

Meanwhile in Norway, the 2024 Norwegian national budget proposal, revealed on October 6, surprised with significant changes to industrial and power development conditions. The CO2 Compensation Scheme, designed to safeguard European industrial competitiveness, may see the CO2 price floor rise from 200 to 375 NOK per tonne, impacting Hydro negatively with NOK 1 billion annually. Additionally, a 35 percent resource rent tax on wind power profits is proposed for 2024. This tax could hinder investment in renewable capacity expansion. These changes are being negotiated and await parliamentary approval.

Hydro's sustainability ambitions are key drivers for our future competitive positioning and Hydro is on track to deliver on its commitment to reduce greenhouse gas emissions by 30 percent by 2030. The Alunorte fuel switch project, to replace heavy fuel oil with natural gas, is progressing according to plan. First gas is expected to be delivered by the end of this year and all assets converted to natural gas by the first half of 2024.

Greener is more than low-carbon, and Hydro is determined to contribute to economic and social development in the communities where the company operates. The TerPaz program in the state of Pará, Brazil, where Hydro has made a commitment to contribute to build six peace houses, will nurture social inclusion and opportunities in cultural, educational, economic, and human rights areas. TerPaz is an important initiative to reduce lethal violent crimes, and a commitment to donate approximately NOK 500 million for the next three years is recognized during the third quarter to support this agenda.

For shareholders, Hydro initiated a new share buyback program on September 22, 2023. The program covers a purchase of up to 100,000,000 shares with a maximum value of NOK 2,000 million, inclusive of the proportional redemption of shares owned by the Norwegian State. As of October 17, 2023, Hydro has purchased 3,719,484 own shares and owns a total of 18,816,362 shares, corresponding to 0.92 percent of Hydro's share capital.

Results and market development per Business Area

Third quarter 2023 adjusted EBITDA for Bauxite & Alumina decreased compared to the third quarter of last year. Lower alumina sales prices, currency, and the TerPaz peace house expenses were partly offset by lower raw material prices. The average Platts alumina index (PAX) traded in a narrow range between USD 325 per mt and USD 345 per mt throughout the quarter, ending the quarter at USD 338 per mt. In China, alumina prices rose throughout the quarter driven by smelter capacity restarts in the Yunnan province and lower alumina production due to domestic bauxite shortages. Compared to the third quarter of 2022, the average Platts alumina index was stable.

Adjusted EBITDA for Aluminium Metal decreased in the third quarter of 2023 compared to the third quarter of 2022, mainly due to lower all-in metal prices, reduced CO2 compensation, and lower contribution from power sales, partly offset by positive currency effects, and reduced alumina and carbon cost. Global primary aluminium consumption was up 2 percent compared to the third quarter of 2022, driven by a 3 percent increase in China. The three-month aluminium price increased throughout the third quarter of 2023, starting the quarter at USD 2,158 per mt and ending at USD 2,347 per mt.

Adjusted EBITDA for Metal Markets increased in the third quarter compared to the same quarter last year. Strong results from sourcing and trading

activities were partly offset by lower results from recyclers, and negative inventory valuation and currency effects.

Extrusions adjusted EBITDA for the third quarter of 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 demand for extrusions in the third quarter of 2023 is estimated to have decreased 20 percent compared to the same quarter last year and 21 percent compared to the second quarter of 2023, driven by seasonality. Demand for residential building, and construction and industrial segments has remained weak in the third quarter, while demand for automotive has been more stable, supported by increased share of electric vehicle registrations over total auto registrations. The solar segment has been negatively impacted by supply chain bottlenecks and lower installations. North American extrusion demand is estimated to have decreased 17 percent during the third quarter of 2023 compared to the same quarter last year and 6 percent compared to the second quarter of 2023. Demand continues to be weak in residential building, and construction and industrial sectors. In the transport segment, lower trailer build rates have started to negatively impact demand. Automotive build rates have also recently slowed and could be impacted by the UAW strike against the three unionized US automakers.

Adjusted EBITDA for Hydro Energy in the third quarter is higher than the same period last year. Higher production and lower recognized tax cost in Hydro's equity accounted investment company Lyse Kraft DA as a result of the legal restructuring in 2022, were partly offset by lower gain on price area differences, lower prices, and loss on a 12-month internal fixed price purchase contract from Aluminium Metal from early October 2022. Nordic power prices in the third quarter were on average lower than the previous quarter and significantly lower than in the same quarter last year. The lower

prices can primarily be explained by an improved Nordic hydrological balance and declining fuel prices. Price area differences between the south and north of the Nordic market region declined somewhat from the previous quarter and were significantly lower than the same quarter last year.

Other key financials

Compared to the second quarter, Hydro's adjusted EBITDA decreased from NOK 7,098 million to NOK 3,899 million in the third quarter 2023. Lower realized aluminium and alumina prices combined with lower Extrusions and recycling volumes were partly offset by lower raw material costs.

Net loss from continuing operations amounted to NOK 625 million in the third quarter of 2023. In addition to the factors described above, net income from continuing operations included a NOK 2,000 million unrealized derivative loss on LME related contracts, a net foreign exchange gain of NOK 214 million and a NOK 110 million loss from unrealized derivative power and raw material contracts.

Hydro's net debt increased from NOK 11.3 billion to NOK 13.8 billion during the third quarter of 2023. The net debt increase was mainly driven by NOK 7.5 billion investments, partly offset by EBITDA contribution and net operating capital release.

Adjusted net debt increased from NOK 15.9 billion to NOK 20.4 billion, primarily due to the increase in net debt of NOK 2.5 billion and an increase in collateral for hedging contracts and investments commitments.

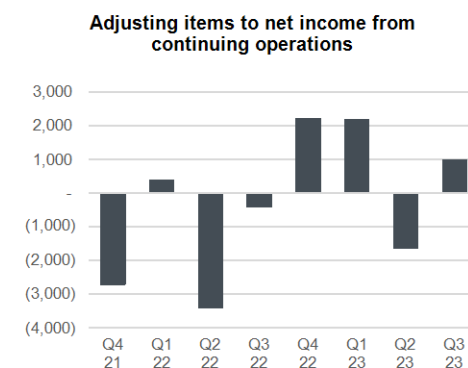
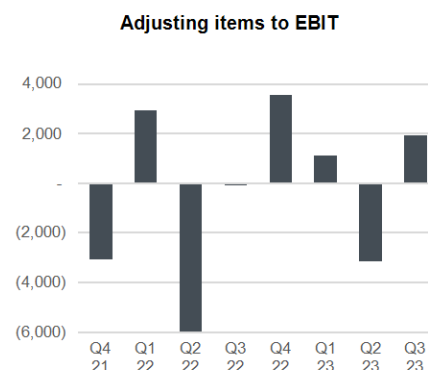
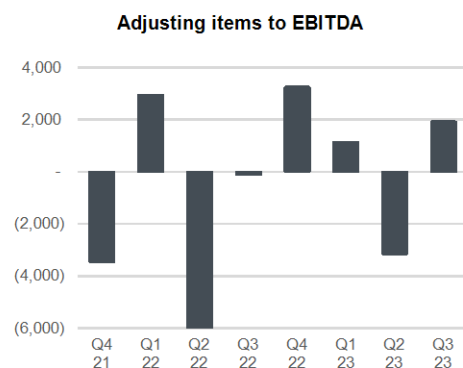
Adjusting items to EBITDA, EBIT and net income¹⁾

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	Third quarter 2023	Third quarter 2022	Second quarter 2023	First 9 months 2023	First 9 months 2022	Year 2022
Unrealized derivative effects on LME related contracts	2,000	(1,241)	(3,010)	(302)	(3,490)	(3,003)
Unrealized derivative effects on power and raw material contracts	110	1,243	148	716	814	3,352
Significant rationalization charges and closure costs	17	-	27	94	(2)	152
Community contributions Brazil	-	-	25	25	-	32
Transaction related effects	10	(2)	4	85	(115)	(119)
Net foreign exchange (gain) loss	(214)	(106)	(264)	(633)	(188)	(318)
Other effects	-	(2)	(81)	(81)	(145)	32
Adjusting items to EBITDA²⁾	1,923	(108)	(3,152)	(96)	(3,126)	128
Impairment charges	-	49	-	-	49	335
Adjusting items to EBIT²⁾	1,923	(59)	(3,152)	(96)	(3,077)	464
Net foreign exchange (gain)/loss	(538)	(572)	789	2,236	(1,836)	(2,192)
Calculated income tax effect	(416)	213	716	(634)	1,464	492
Adjusting items to net income from continuing operations	970	(418)	(1,646)	1,505	(3,449)	(1,236)
Income (loss) tax rate	>100 %	18%	28%	38%	21%	25%
Adjusted income (loss) tax rate	76%	17%	26%	37%	19%	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 developments and outlook

Global macroeconomic developments

Economic growth remained under pressure during the third quarter of 2023 as rapid monetary tightening increasingly weigh on household spending and business investment. Inflation is coming down in both the US and the Eurozone but remains above the central banks' targets. While further hikes cannot be ruled out if inflation persists, both the ECB and the Fed have indicated that the peak rates may have been reached; emphasizing that rates will have to remain higher for longer in order to bring inflation sustainably down.

As the impact of tighter financial conditions gradually translates into the real economy and weigh on consumer demand, economic growth in the US is expected to slow into 2024. GDP growth in the Eurozone is projected to contract in the second half of 2023 before rebounding in 2024 as moderating inflation boosts consumption.

For the global economy, external sources estimate GDP growth of around 2-3 percent in both 2023 and 2024. Uncertainty remains surrounding the stickiness of inflation, policy support measures and the strength of Chinese economic growth, financial market turbulence, the continuing war in Ukraine, and the overall geopolitical situation.

Bauxite and alumina

The average Platts alumina index (PAX) decreased in the third quarter of 2023 to USD 337 per mt, compared to USD 344 per mt in the second quarter 2023.

PAX traded in a narrow range between USD 325 per mt and US 345 per mt throughout the quarter, ending the quarter at USD 337 per mt. In China, alumina prices rose throughout the quarter driven by smelter capacity restarts in

the Yunnan province and lower alumina production due to domestic bauxite shortages. Compared to the third quarter of 2022, the average Platts alumina index was USD 1 per mt lower.

In the third quarter 2023, China imported 572kt of alumina mainly from Indonesia and Australia, 2 percent above the same period last year. Alumina exports from China to Russia continued, reaching 320kt in the third quarter 2023, compared to 187kt in the same period last year.

China imported 35 million mt of bauxite in the third quarter 2023, 17 percent higher than the corresponding period a year ago. Imports from Guinea and Australia increased 43 percent and 11 percent compared to the same period last year, respectively, accounting for 95 percent of total imports. Bauxite imports from Brazil continued with a total of 0.5 million mt in the third quarter. China did not import any bauxite from Brazil in 2022.

The average Chinese bauxite import price was USD 60 per mt CIF in the third quarter of 2023, unchanged from the third quarter of 2022.

Primary aluminium

The three-month aluminium price increased throughout the third quarter of 2023, starting the quarter at USD 2,158 per mt and ending at USD 2,347 per mt.

European duty paid standard ingot premiums ended the third quarter at USD 232 per mt, down from USD 305 per mt at the end of the second quarter.

The US Midwest premium decreased from USD 530 per mt at the beginning of the quarter to USD 428 per mt at the end of the quarter on worsening demand.

Shanghai Futures Exchange (SHFE) prices increased by USD 166 per mt ex. VAT from start of the quarter to the end, ending at USD 2,311 per mt ex VAT. Average for the quarter was down USD 37 per mt ex. VAT compared to the second quarter 2023.

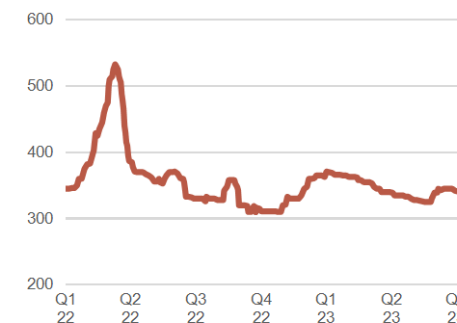
Global primary aluminium consumption was up 2 percent compared to the third quarter of 2022, driven by a 3 percent increase in China.

For 2023 external sources¹ are estimating a global surplus of primary aluminium between 0.3 million mt and 0.7 million mt.

European consumption of primary foundry alloys increased in the third quarter of 2023 compared to the same period 2022. Demand for extrusion ingot and sheet ingot was down in the third quarter of 2023 compared to the same period last year.

Total global stocks at the end of the third quarter of 2023 were estimated to be 9.7 million mt, unchanged compared to the second quarter 2023 and up 0.7 million mt compared to the third quarter 2022.

Platts PAX development
USD/mt



LME price (3 month aluminium)
USD/mt



¹ CRU and WoodMac

Extruded products

European demand for extrusions in the third quarter of 2023 is estimated to have decreased 20 percent compared to the same quarter last year and 21 percent compared to the second quarter of 2023 driven by seasonality. Demand for residential building and construction and industrial segments have remained weak in the third quarter while demand for automotive has been more stable supported by increased share of electric vehicle registrations over total auto registrations. The solar segment has been negatively impacted by supply-chain bottlenecks and lower installations.

CRU estimates that the European demand for extruded products will decrease 11 percent in the fourth quarter of 2023 compared to the same quarter last year due to continued softness in building and construction and industrial segments. Overall, extrusion demand is estimated to decrease by 17 percent in 2023 compared to 2022.

North American extrusion demand is estimated to have decreased 17 percent during the third quarter of 2023 compared to the same quarter last year and 6 percent compared to the second quarter of 2023. Demand continues to be weak in residential building and construction and industrial sectors. In the transport segment, lower trailer build rates have started to negatively impact demand. Automotive build rates have also recently slowed and could be impacted by the UAW strike against the three unionized US automakers.

CRU estimates that the North American demand for extruded products will decrease 6 percent in the fourth quarter of 2023 compared to the same quarter last year mainly due to continued weak development in building and construction and industrial segments. Overall, extrusion demand is estimated to decrease by 13 percent in 2023 compared to 2022.

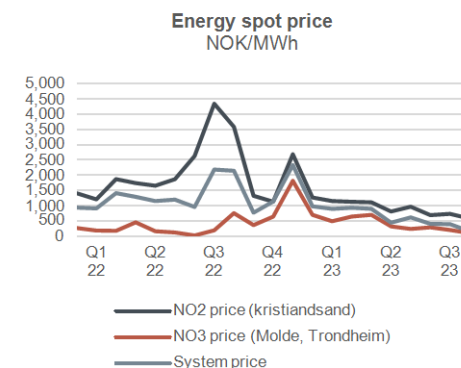
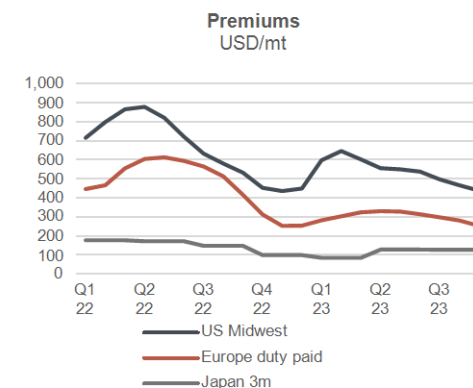
Energy

Nordic power prices in the third quarter were on average lower than the previous quarter and significantly lower than in the same quarter last year. The lower prices can primarily be explained by an improved Nordic hydrological balance and declining fuel prices.

Price area differences between the south and north of the Nordic market region declined somewhat from the previous quarter and were significantly lower than the same quarter last year.

The Nordic hydrological balance ended the quarter at 6 TWh above normal, compared to around 8 TWh below normal at the end of the previous quarter and around 9 TWh below normal at the end of the same quarter last year.

Hydropower reservoirs in Norway were at 85 percent of full capacity at the end of the quarter, which is 2 percentage points above the normal level. In Southwestern Norway (NO2) the reservoirs were 83 percent full at the end of the quarter, which corresponds with the normal level.



Key Operational information

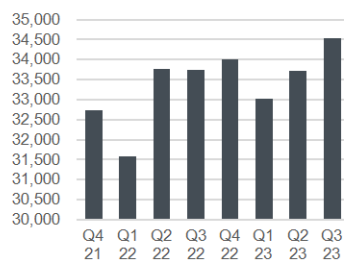
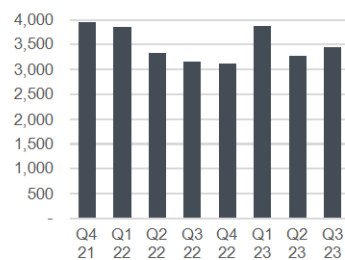
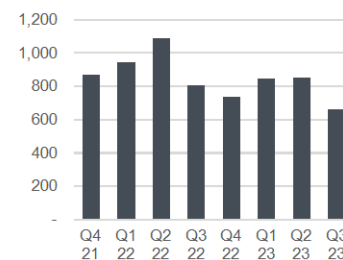
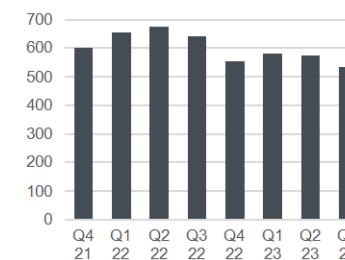
	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Bauxite production (kmt) ¹⁾	2,848	2,814	1 %	2,630	8 %	8,126	8,188	11,012
Alumina production (kmt)	1,522	1,579	(4) %	1,542	(1) %	4,614	4,633	6,193
Realized alumina price (USD/mt) ²⁾	349	364	(4) %	373	(6) %	363	395	382
Primary aluminium production (kmt)	512	543	(6) %	506	1 %	1,517	1,615	2,137
Realized aluminium price LME (USD/mt)	2,146	2,497	(14) %	2,273	(6) %	2,253	2,714	2,599
Realized USD/NOK exchange rate	10.47	9.89	6 %	10.74	(3) %	10.50	9.35	9.52
Hydro Extrusions sales volumes to external market (kmt)	260	301	(14) %	293	(11) %	854	986	1,251
Power production (GWh)	2,216	1,330	67 %	2,431	(9) %	7,257	5,662	7,664

1) Paragominas production on wet basis.

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

Currency rates

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
USD/NOK Average exchange rate	10.48	9.99	5 %	10.71	(2) %	10.47	9.43	9.62
USD/NOK Period end exchange rate	10.62	10.86	(2) %	10.77	(1) %	10.62	10.86	9.86
BRL/NOK Average exchange rate	2.15	1.90	13 %	2.17	(1) %	2.09	1.84	1.86
BRL/NOK Period end exchange rate	2.12	2.01	5 %	2.22	(5) %	2.12	2.01	1.86
USD/BRL Average exchange rate	4.88	5.25	(7) %	4.94	(1) %	5.01	5.14	5.17
USD/BRL Period end exchange rate	5.01	5.39	(7) %	4.86	3 %	5.01	5.39	5.29
EUR/NOK Average exchange rate	11.40	10.06	13 %	11.66	(2) %	11.34	10.01	10.10
EUR/NOK Period end exchange rate	11.25	10.58	6 %	11.70	(4) %	11.25	10.58	10.51

Global kmt production of alumina**Global kmt aluminium inventories****Consumption kmt extruded products Europe****Consumption kmt extruded products North America**

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Market statistics ¹⁾								
Bauxite and alumina								
Average alumina price - Platts PAX FOB Australia (USD/t)	337	338	-	344	(2) %	347	377	362
China bauxite import price (USD/mt CIF China) ²⁾	-	60	(100) %	61	(100) %	-	58	59
Global production of alumina (kmt)	34,535	33,763	2 %	33,870	2 %	101,265	99,921	133,996
Global production of alumina (ex. China) (kmt)	14,303	13,632	5 %	14,080	2 %	42,105	41,981	55,792
Primary aluminium								
LME cash average (USD/mt)	2,160	2,356	(8) %	2,266	(5) %	2,276	2,830	2,706
LME three-month average (USD/mt)	2,204	2,359	(7) %	2,286	(4) %	2,310	2,836	2,716
Standard ingot premium (EU DP Cash)	277	498	(44) %	234	18 %	301	530	466
Extrusion ingot premium (EU DP)	449	1,142	(61) %	513	(12) %	499	1,370	1,223
Chinese production of primary aluminium (kmt)	10,525	10,267	3 %	10,130	4 %	30,600	29,841	40,079
Chinese consumption of primary aluminium (kmt)	10,832	10,530	3 %	10,848	-	30,911	30,107	40,649
Global production of primary aluminium (ex. China) (kmt)	7,315	7,276	1 %	7,223	1 %	21,605	21,543	28,756
Global consumption of primary aluminium (ex. China) (kmt)	6,984	7,014	-	6,976	-	20,747	21,791	28,506
Global production of primary aluminium (kmt)	17,841	17,353	3 %	17,543	2 %	52,204	51,384	68,835
Global consumption of primary aluminium (kmt)	17,816	17,544	2 %	17,824	-	51,658	51,898	69,155
Reported primary aluminium inventories (ex. China) (kmt)	2,229	2,003	11 %	2,050	9 %	2,229	2,003	2,122
Reported primary aluminium inventories (China) (kmt)	1,212	1,011	20 %	1,102	10 %	1,212	1,011	1,684
Extruded products								
Consumption extruded products - Europe (kmt)	664	830	(20) %	839	(21) %	2,372	2,929	3,728
Consumption extruded products - USA & Canada (kmt)	535	645	(17) %	567	(6) %	1,687	1,987	2,538
Energy								
Average southern Norway spot price (NO2) (NOK/MWh)	664	3,519	(81) %	958	(31) %	933	2,266	2,128
Average mid Norway spot price (NO3) (NOK/MWh)	195	316	(38) %	415	(53) %	406	255	428
Average Nordic system spot price (NOK/MWh)	949	1,757	(46) %	647	47 %	631	1,355	1,370

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

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 September 30, 2023 amounted to 115 thousand tonnes for the remainder of 2023, 440 thousand tonnes for 2024, and 300 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 81 million for the remainder of 2023, USD 335 million for 2024 and USD 131 for 2025.

Aluminium Metal has sold forward 60 percent of its expected primary aluminium production for the fourth quarter at an average LME price of USD 2,176 per mt.

In Energy, external power sourcing volumes were affected by disrupted delivery of volume from a long-term power purchase agreement in the northern part of the Nord Pool area. Non-delivered volumes were 0.2 TWh in the third quarter of 2023 and 0.8 TWh year to date.



Business area performance

Hydro Bauxite & Alumina financial and operational information

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
EBITDA (NOK million) ¹⁾	134	477	(72) %	698	(81) %	1,092	3,413	2,967
Adjusted EBITDA (NOK million) ¹⁾	93	633	(85) %	817	(89) %	1,347	3,021	3,122
Adjusted EBIT (NOK million) ¹⁾	(610)	10	>(100) %	88	>(100) %	(744)	1,212	626
Alumina production (kmt)	1,522	1,579	(4) %	1,542	(1) %	4,614	4,633	6,193
Sourced alumina (kmt)	692	764	(9) %	553	25 %	1,931	2,262	2,856
Total alumina sales (kmt)	2,229	2,344	(5) %	2,153	4 %	6,553	6,900	9,121
Realized alumina price (USD/mt) ²⁾	349	364	(4) %	373	(6) %	363	395	382
Bauxite production (kmt) ³⁾	2,848	2,814	1 %	2,630	8 %	8,126	8,188	11,012
Sourced bauxite (kmt) ⁴⁾	1,204	1,220	(1) %	1,100	9 %	3,381	3,751	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.

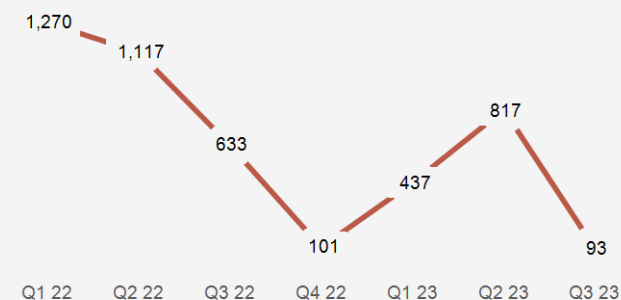
4) 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Adjusted EBITDA for Bauxite & Alumina decreased compared to the third quarter of last year. Lower alumina sales prices, currency effect and TerPaz peace house expenses were partly offset by lower raw material prices.

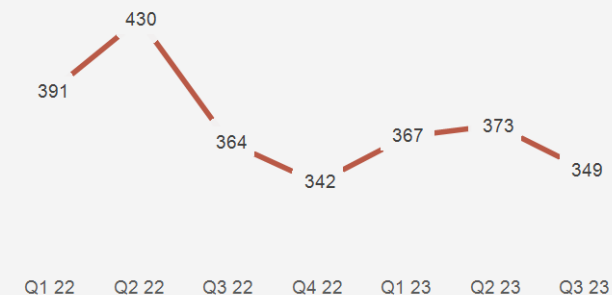
Compared to the second quarter of 2023 the adjusted EBITDA decreased due to lower alumina sales prices and TerPaz peace house expenses which were partly offset by lower raw material prices.

Adjusted EBITDA for the first nine months of 2023 decreased compared to the same period in 2022 mainly driven by lower alumina sales prices.

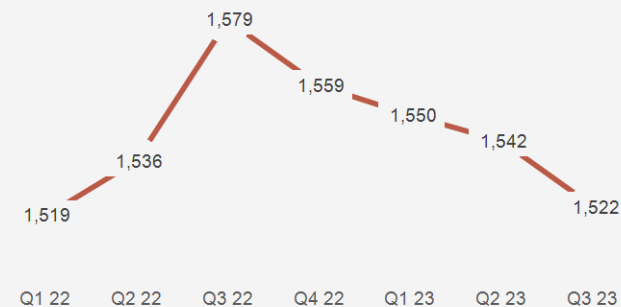
Adjusted EBITDA (mNOK)



Realized alumina price (USD/mt)



Alumina production (kmt)



Hydro Aluminium Metal financial and operational information¹

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
EBITDA (NOK million) ²⁾	(69)	6,736	>(100) %	6,270	>(100) %	9,439	19,978	22,866
Adjusted EBITDA (NOK million) ²⁾	1,379	6,463	(79) %	3,215	(57) %	8,565	18,206	22,963
Adjusted EBITDA including Qatalum 50% pro rata (NOK million) ¹⁾³⁾	1,896	7,016	(73) %	3,761	(50) %	10,101	19,983	25,241
Adjusted EBIT (NOK million) ²⁾	727	5,837	(88) %	2,550	(71) %	6,605	16,370	20,467
Realized aluminium price LME (USD/mt) ⁴⁾	2,146	2,497	(14) %	2,273	(6) %	2,253	2,714	2,599
Realized aluminium price LME (NOK/mt) ⁴⁾	22,456	24,706	(9) %	24,417	(8) %	23,654	25,386	24,739
Realized premium above LME (USD/mt) ⁵⁾	432	801	(46) %	456	(5) %	463	819	756
Realized premium above LME (NOK/mt) ⁵⁾	4,521	7,920	(43) %	4,894	(8) %	4,866	7,666	7,197
Realized USD/NOK exchange rate	10.47	9.89	6 %	10.74	(3) %	10.50	9.35	9.52
Primary aluminium production (kmt)	512	543	(6) %	506	1 %	1,517	1,615	2,137
Casthouse production (kmt)	523	547	(4) %	519	1 %	1,555	1,644	2,166
Total sales (kmt)	539	533	1 %	577	(7) %	1,675	1,714	2,256

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

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

3) 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.

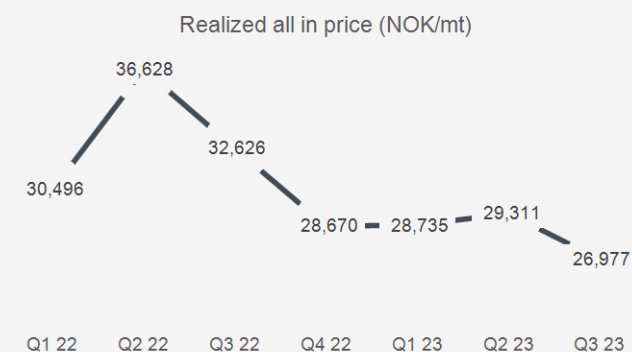
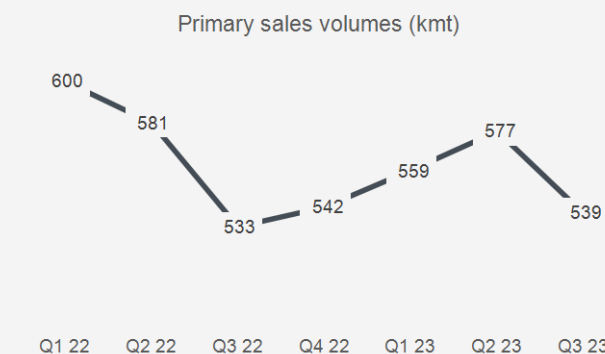
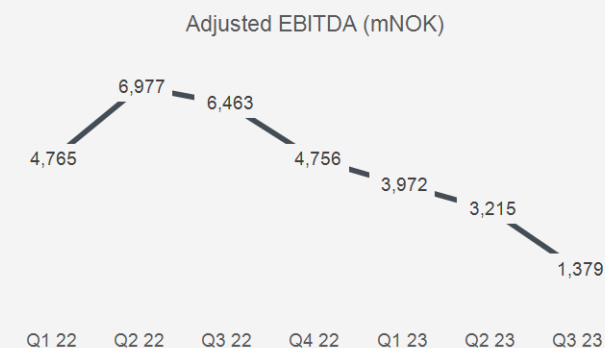
4) Realized aluminium prices lag the LME price developments by approximately 1.5 - 2 months. Includes pricing effects from LME strategic hedging program, which are included in both the realized price and volumes.

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

Adjusted EBITDA for Aluminium Metal decreased in the third quarter of 2023 compared to the third quarter of 2022 mainly due to lower all-in metal prices, reduced CO₂ compensation and lower contribution from power sales, partly offset by positive currency effects and reduced alumina and carbon cost.

Compared to the second quarter of 2023, adjusted EBITDA for Aluminium Metal decreased due to lower all-in metal prices, reduced CO₂ compensation and lower contribution from power sales, partly offset by reduced raw material cost.

Adjusted EBITDA for the first nine months of 2023 decreased compared to the same period in 2022, mainly due to lower all-in metal prices, increased carbon cost and fixed cost, partly offset by positive contribution from power sales, positive currency effects and lower alumina cost.



Qatalum financial information (50%)

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Revenue (NOK million) ¹⁾	2,437	2,494	(2) %	2,495	(3) %	7,001	7,816	10,518
Adjusted EBITDA (NOK million) ¹⁾	696	893	(22) %	807	(18) %	2,130	3,126	3,826
Adjusted EBIT (NOK million) ¹⁾	384	630	(39) %	494	(34) %	1,198	2,265	2,617
Net income (loss) (NOK million)	179	340	(47) %	261	(53) %	594	1,349	1,548
Adjusted Net income (loss) (NOK million) ¹⁾	179	340	(47) %	261	(53) %	594	1,349	1,548
Primary aluminium production (kmt)	82	80	2 %	80	2 %	241	238	319
Casthouse sales (kmt)	91	76	20 %	84	9 %	250	237	334

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



Hydro Metal Markets financial and operating information

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
EBITDA (NOK million) ¹⁾	85	339	(75) %	476	(82) %	1,147	2,230	1,780
Adjusted EBITDA Recycling (NOK million) ¹⁾	274	401	(32) %	299	(8) %	858	1,498	1,841
Adjusted EBITDA Commercial (NOK million) ¹⁾	294	133	>100 %	35	>100 %	714	266	(168)
Adjusted EBITDA Metal Markets (NOK million) ¹⁾	568	534	6 %	334	70 %	1,571	1,764	1,673
Currency effects (NOK million)	54	136	(61) %	69	(23) %	200	217	(35)
Inventory valuation effects (NOK million)	(52)	-	>(100) %	-	>(100) %	(51)	85	85
Adjusted EBITDA excl. currency and inventory valuation effects (NOK million) ¹⁾	566	398	42 %	265	>100 %	1,422	1,462	1,623
Adjusted EBIT (NOK million) ¹⁾	482	494	(3) %	290	66 %	1,399	1,648	1,514
Recycling production (kmt)	176	124	42 %	146	21 %	454	433	548
Metal products sales excluding ingot trading (kmt) ²⁾	652	635	3 %	691	(6) %	2,017	2,077	2,691
Hereof external sales (kmt)	567	536	6 %	590	(4) %	1,723	1,754	2,284

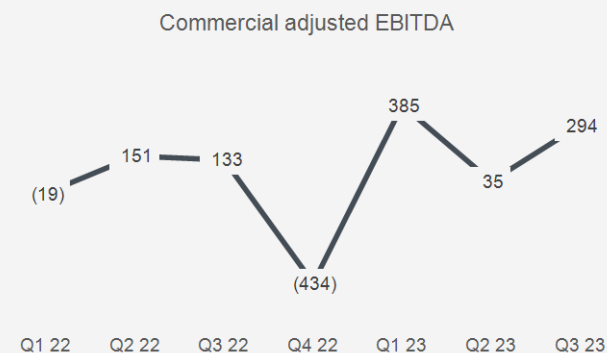
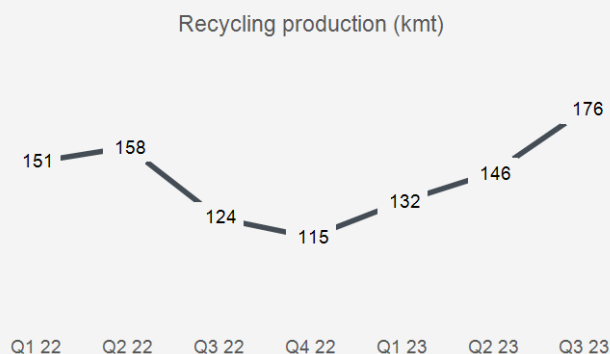
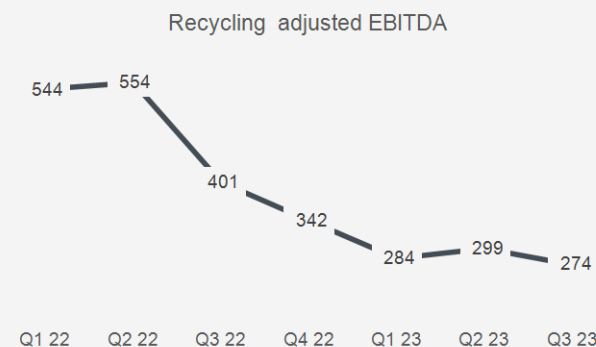
1) Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

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

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

Compared to the second quarter of 2023, adjusted EBITDA for Metal Markets increased mainly due to stronger results from the sourcing and trading activities.

Adjusted EBITDA for the first nine months of 2023 decreased compared to the same period in 2022. Results from the recyclers decreased compared to record strong results in 2022. This was partly offset by increased results from the sourcing and trading activities.



Hydro Extrusion financial and operational information

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
EBITDA (NOK million)	1,194	1,255	(5) %	2,111	(43) %	5,471	5,937	6,982
Adjusted EBITDA (NOK million) ¹⁾	1,322	1,385	(5) %	2,013	(34) %	5,557	6,080	7,020
Adjusted EBIT (NOK million) ¹⁾	548	640	(14) %	1,228	(55) %	3,261	3,827	3,995
Sales volumes to external markets (kmt)	260	301	(14) %	293	(11) %	854	986	1,251

Sales volumes to external markets (kmt) - Business units

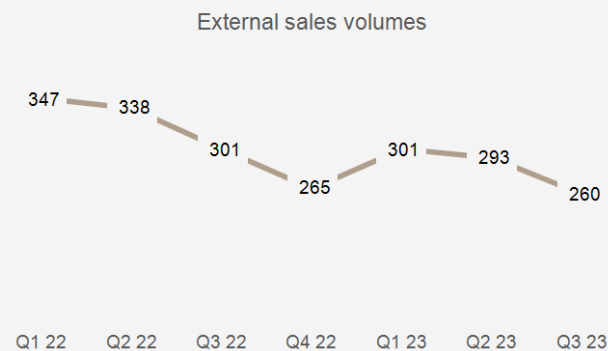
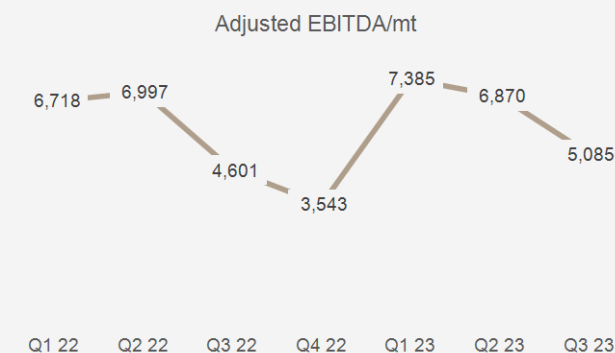
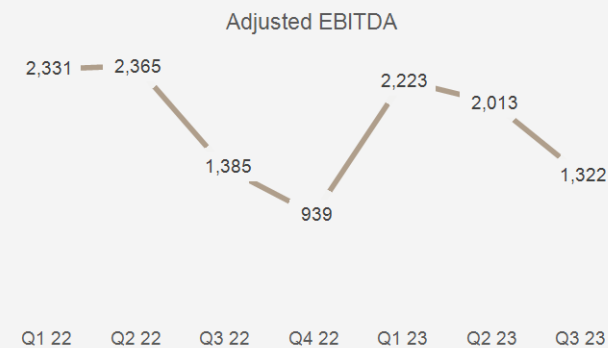
Extrusion Europe	99	119	(17) %	121	(18) %	344	414	520
Extrusion North America	113	134	(16) %	121	(6) %	360	417	529
Building Systems	17	19	(11) %	19	(11) %	56	67	85
Precision Tubing	31	30	5 %	32	(3) %	94	88	117
Hydro Extrusions	260	301	(14) %	293	(11) %	854	986	1,251

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

Extrusions adjusted EBITDA for the third quarter of 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 second quarter of 2023 adjusted EBITDA for Extrusions decreased mainly due to lower sales volumes, partly compensated for by lower fixed costs. Margins are stable compared to the second quarter.

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



Hydro Energy financial and operating information

	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
(EBITDA) (NOK million) ¹⁾	726	572	27 %	677	7 %	1,918	3,883	4,810
Adjusted EBITDA (NOK million) ¹⁾	762	321	>100 %	854	(11) %	2,341	3,384	4,926
Adjusted EBIT (NOK million) ¹⁾	712	275	>100 %	805	(11) %	2,195	3,244	4,737
Power production (GWh)	2,216	1,330	67 %	2,431	(9) %	7,257	5,662	7,664
External power sourcing (GWh)	2,346	2,782	(16) %	2,230	5 %	7,118	8,429	11,568
Internal contract sales (GWh)	4,361	4,666	(7) %	4,127	6 %	12,577	13,615	18,030
External contract sales (GWh)	177	150	18 %	201	(12) %	624	627	841
Net spot sales/(purchase) (GWh)	24	(703)	>100 %	333	(93) %	1,174	(150)	361

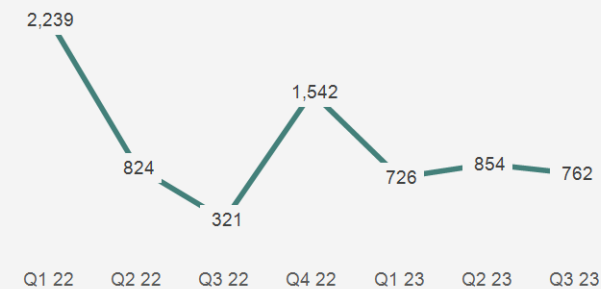
¹⁾ Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

Adjusted EBITDA for Hydro Energy in the third quarter is higher than the same period last year. Higher production and lower recognized tax cost in Hydro's equity accounted investment company Lyse Kraft DA as a result of the legal restructuring in 2022 were partly offset by lower gain on price area differences, lower prices, and loss on a 12-month internal fixed price purchase contract from Aluminium Metal from early October 2022.

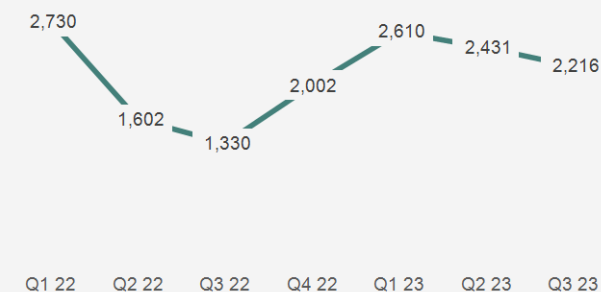
Compared to the previous quarter Adjusted EBITDA decreased mainly due to lower production, lower prices and lower price area differences partly offset by decreased loss on the 12-month internal fixed price purchase contract from Aluminium Metal.

Adjusted EBITDA for the first nine months of 2023 decreased significantly compared to the same period last year, mainly due to loss on the 12-month internal fixed price purchase contract from Aluminium Metal. The net impact of other changes were relatively minor, with increased production, increased hedging results and lower recognized tax cost in our equity accounted investment company Lyse Kraft DA largely offset by lower gain from price area differences and lower revenues from reserve markets.

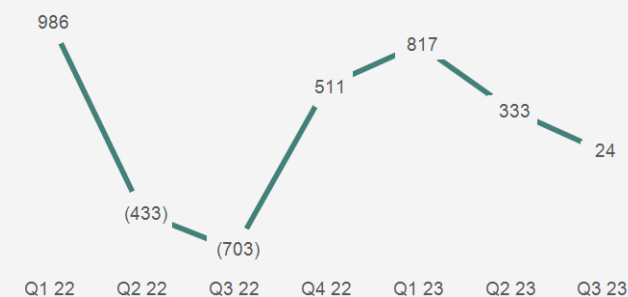
Adjusted EBITDA



Power production (GWh)



Net spot sales



Other and eliminations financial information

NOK million	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA)	(95)	449	>(100) %	17	>(100) %	(449)	165	132
Other	(291)	(163)	(78) %	(268)	(9) %	(881)	(478)	(817)
Eliminations	66	548	(88) %	134	(50) %	21	502	778
Adjusted EBITDA ¹⁾	(225)	384	>(100) %	(134)	(67) %	(860)	24	(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	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Interest income	378	188	>100 %	316	20 %	1,004	411	652
Net gain (loss) on securities	(1)	(8)	90 %	7	>(100) %	41	(60)	(33)
Interest and other finance income	377	181	>100 %	324	17 %	1,045	352	619
Foreign currency exchange gain (loss)	538	572	(6) %	(789)	>100 %	(2,236)	1,836	2,192
Interest expense	(509)	(269)	(89) %	(477)	(7) %	(1,461)	(786)	(1,090)
Other financial income (expense), net	(29)	12	>(100) %	(11)	>(100) %	(135)	(22)	(71)
Interest and other finance expense	(537)	(257)	>(100) %	(488)	(10) %	(1,596)	(809)	(1,161)
Finance income (expense), net	378	496	(24) %	(953)	>100 %	(2,787)	1,379	1,649

For the third quarter, the net foreign exchange gain of NOK 538 million primarily reflects a gain from a stronger NOK versus EUR affecting EUR embedded energy contracts and other liabilities denominated in EUR, partly offset by a loss from a weaker BRL vs USD, negatively impacting USD borrowing in Brazilian entities.

For the first nine months of 2023, the net foreign exchange loss of NOK 2,236 million primarily reflects a loss from a weaker NOK versus EUR affecting EUR embedded energy 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 680 million for the third quarter of 2023, which exceeds the period's income before tax. The quarter was mainly impacted by power surtax and losses in areas where deferred tax assets are not recognized.

Income tax expense amounted to NOK 3,486 million for the first nine months of 2023, about 38 percent of income before tax. The period was mainly impacted by power surtax and losses in areas where deferred tax assets are not recognized, somewhat offset by a high proportion of income in Norway.

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Third quarter 2023	Third quarter 2022	First 9 months 2023	First 9 months 2022	Year 2022
Revenue	44,702	52,445	146,865	163,854	207,929
Share of the profit (loss) in equity accounted investments	171	426	446	1,207	1,337
Other income, net	348	2,036	2,879	3,355	4,406
Total revenue and income	45,220	54,908	150,191	168,416	213,672
Raw material and energy expense	30,501	34,325	93,905	100,516	129,373
Employee benefit expense	6,238	5,458	19,259	16,955	22,886
Depreciation and amortization expense	2,327	2,136	6,856	6,323	8,593
Impairment of non-current assets	-	49	(3)	49	336
Other expenses	6,478	5,269	18,326	15,263	21,769
Total expenses	45,544	47,238	138,342	139,106	182,957
Earnings before financial items and tax (EBIT)	(323)	7,670	11,849	29,310	30,715
Interest and other finance income	377	181	1,045	352	619
Foreign currency exchange gain (loss)	538	572	(2,236)	1,836	2,192
Interest and other finance expense	(537)	(257)	(1,596)	(809)	(1,161)
Finance income (expense), net	378	496	(2,787)	1,379	1,649
Income (loss) before tax	55	8,166	9,062	30,689	32,365
Income taxes	(680)	(1,489)	(3,486)	(6,465)	(7,984)
Income (loss) from continuing operations	(625)	6,676	5,576	24,223	24,381
Income (loss) from discontinued operations	-	-	-	-	36
Net income (loss)	(625)	6,676	5,576	24,223	24,417
Net income (loss) attributable to non-controlling interests	(267)	(175)	(543)	356	263
Net income (loss) attributable to Hydro shareholders	(358)	6,851	6,119	23,867	24,154
Basic and diluted earnings per share from continuing operations (in NOK) ^{1) 2)}	(0.18)	3.34	3.01	11.63	11.76
Basic and diluted earnings per share from discontinued operations (in NOK) ¹⁾	-	-	-	-	0.02
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) ¹⁾	(0.18)	3.34	3.01	11.63	11.78
Weighted average number of outstanding shares (million)	2,026	2,053	2,033	2,052	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	Third quarter 2023	Third quarter 2022	First 9 months 2023	First 9 months 2022	Year 2022
Net income (loss)	(625)	6,676	5,576	24,223	24,417
Other comprehensive income					
Items that will not be reclassified to income statement:					
Remeasurement postemployment benefits, net of tax	(730)	(447)	486	1,776	784
Unrealized gain (loss) on securities, net of tax	(1)	61	(61)	215	40
Total	(731)	(386)	426	1,991	824
Items that will be reclassified to income statement:					
Currency translation differences, net of tax	(2,576)	4,737	7,166	11,974	8,428
Currency translation differences, net of tax, subsidiaries sold	-	-	(5)	7	(4)
Cash flow hedges, net of tax	(275)	59	219	530	624
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	(11)	-	10	-	6
Total	(2,861)	4,797	7,390	12,511	9,054
Other comprehensive income	(3,592)	4,411	7,815	14,502	9,878
Total comprehensive income	(4,217)	11,087	13,391	38,726	34,295
Total comprehensive income attributable to non-controlling interests	(489)	279	71	1,648	1,252
Total comprehensive income attributable to Hydro shareholders	(3,728)	10,808	13,320	37,077	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	September 30 2023	September 30 2022	December 31 2022
Assets			
Cash and cash equivalents	19,105	25,852	29,805
Short-term investments	2,101	2,511	4,173
Trade and other receivables	26,387	28,442	23,988
Inventories	27,648	31,394	30,035
Other current financial assets	1,726	4,887	1,127
Total current assets	76,967	93,086	89,128
Property, plant and equipment	74,367	62,369	62,656
Intangible assets	10,823	9,810	9,280
Investments accounted for using the equity method	24,633	22,613	21,222
Prepaid pension	9,335	9,352	8,573
Other non-current assets	9,135	9,598	7,759
Total non-current assets	128,294	113,743	109,490
Total assets	205,260	206,829	198,618

NOK million, except number of shares	September 30 2023	September 30 2022	December 31 2022
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	5,764	11,085	6,746
Trade and other payables	24,860	26,703	24,374
Other current liabilities	11,093	11,653	11,688
Total current liabilities	41,718	49,441	42,807
Long-term debt	29,944	20,790	26,029
Provisions	5,897	5,779	5,289
Pension liabilities	8,475	8,064	8,252
Deferred tax liabilities	6,153	5,178	4,796
Other non-current liabilities	5,325	4,481	3,648
Total non-current liabilities	55,794	44,292	48,013
Total liabilities	97,512	93,733	90,820
Equity attributable to Hydro shareholders	103,062	107,129	102,455
Non-controlling interests	4,686	5,967	5,343
Total equity	107,749	113,096	107,798
Total liabilities and equity	205,260	206,829	198,618
Total number of outstanding shares (million)	2,025	2,052	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	Third quarter 2023	Third quarter 2022	First 9 months 2023	First 9 months 2022	Year 2022
Operating activities					
Net income (loss)	(625)	6,676	5,576	24,223	24,417
Loss (income) from discontinued operations	-	-	-	-	(36)
Depreciation, amortization and impairment	2,327	2,185	6,853	6,373	8,929
Other adjustments	3,386	(2,843)	6,473	(9,614)	(3,917)
Net cash provided by continuing operating activities	5,088	6,018	18,902	20,982	29,393
Investing activities					
Purchases of property, plant and equipment	(3,200)	(2,542)	(9,309)	(5,914)	(9,604)
Purchases of other long-term investments	(4,326)	(931)	(6,890)	(1,310)	(1,971)
Purchases of short-term investments	(65)	(750)	(140)	(1,250)	(1,250)
Proceeds from long-term investing activities	55	63	187	647	764
Proceeds from sales of short-term investments	3	-	753	1,500	1,500
Net cash used in continuing investing activities	(7,533)	(4,160)	(15,399)	(6,327)	(10,561)
Financing activities					
Loan proceeds	2,987	2,582	6,690	3,414	8,963
Loan repayments	(2,655)	(1,023)	(8,153)	(2,831)	(7,158)
Net increase (decrease) in other short-term debt	(310)	188	(264)	(10)	(241)
Repurchases of shares	(666)	(30)	(1,300)	(30)	(661)
Proceeds from shares issued	192	11	397	37	48
Dividends paid	-	(2,976)	(12,574)	(14,060)	(14,179)
Other cash transfers to non-controlling interests	-	-	-	-	(19)
Net cash used in continuing financing activities	(452)	(1,248)	(15,204)	(13,480)	(13,247)
Foreign currency effects on cash	(451)	736	1,001	1,808	1,353
Net cash used in discontinued operations	-	(1)	-	(54)	(56)
Net increase (decrease) in cash and cash equivalents	(3,348)	1,345	(10,700)	2,929	6,882
Cash and cash equivalents at beginning of period	22,453	24,507	29,805	22,923	22,923
Cash and cash equivalents at end of period	19,105	25,852	19,105	25,852	29,805

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
Changes in equity for 2022								
Treasury shares issued to employees	-	61	36	-	-	97	-	97
Treasury shares acquired	-	-	(49)	-	-	(49)	-	(49)
Dividends	-	-	-	(14,060)	-	(14,060)	3	(14,057)
Total comprehensive income for the period	-	-	-	23,867	13,210	37,077	1,648	38,726
September 30, 2022	2,272	29,217	(598)	69,919	6,319	107,129	5,967	113,096
December 31, 2022	2,272	29,217	(1,229)	70,360	1,835	102,455	5,343	107,798
Changes in equity for 2023								
Treasury shares issued to employees	-	66	45	-	-	111	-	111
Treasury shares acquired	-	-	(689)	-	-	(689)	-	(689)
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	345	360
Disposal of equity securities at fair value through other comprehensive income	-	-	-	(39)	39	-	-	-
Total comprehensive income for the period	-	-	-	6,119	7,200	13,320	71	13,391
September 30, 2023	2,241	29,283	(558)	62,875	9,221	103,062	4,686	107,749

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 Financial Statements - 2022.

The interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with Hydro's Financial Statements - 2022 that are a part of Hydro's Annual Report - 2022.

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

Note 2: Operating segment information

Hydro identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Hydro to identify its segments according to the organization and reporting structure used by management. See Hydro's Financial statements -2022 note 1.4 *Operating and geographic segment information* for a description of Hydro's management model and segments, including a description of Hydro's segment measures and accounting principles used for segment reporting.

The following tables include information about Hydro's operating segments.

NOK million	Third quarter 2023	Third quarter 2022	First 9 months 2023	First 9 months 2022	Year 2022
Total revenue					
Hydro Bauxite & Alumina	8,423	8,652	25,573	25,965	33,951
Hydro Aluminium Metal	11,366	16,678	44,813	52,355	65,483
Hydro Metal Markets	19,329	22,374	62,685	72,746	90,968
Hydro Extrusions	19,142	22,620	64,467	71,358	91,176
Hydro Energy	3,299	2,854	8,913	9,577	12,614
Other and eliminations	(16,856)	(20,733)	(59,586)	(68,147)	(86,264)
Total	44,702	52,445	146,865	163,854	207,929
External revenue					
Hydro Bauxite & Alumina	5,404	5,641	16,263	16,557	21,649
Hydro Aluminium Metal	1,741	4,327	8,713	10,449	13,087
Hydro Metal Markets	16,716	18,796	53,861	61,689	76,821
Hydro Extrusions	19,221	22,585	64,513	71,011	90,892
Hydro Energy	1,616	1,082	3,506	4,142	5,467
Other and eliminations	3	15	10	5	13
Total	44,702	52,445	146,865	163,854	207,929

NOK million	Third quarter 2023	Third quarter 2022	First 9 months 2023	First 9 months 2022	Year 2022
Internal revenue					
Hydro Bauxite & Alumina	3,019	3,011	9,310	9,408	12,303
Hydro Aluminium Metal	9,624	12,352	36,100	41,906	52,396
Hydro Metal Markets	2,612	3,578	8,824	11,057	14,147
Hydro Extrusions	(80)	36	(47)	346	284
Hydro Energy	1,683	1,772	5,407	5,435	7,148
Other and eliminations	(16,860)	(20,748)	(59,595)	(68,151)	(86,278)
Total	-	-	-	-	-
Share of the profit (loss) in equity accounted investments					
Hydro Bauxite & Alumina	-	-	-	-	-
Hydro Aluminium Metal	179	340	598	1,349	1,549
Hydro Metal Markets	-	-	-	-	-
Hydro Extrusions	1	-	2	-	-
Hydro Energy	(57)	(32)	(183)	(99)	(180)
Other and eliminations	47	118	30	(43)	(32)
Total	171	426	446	1,207	1,337
Depreciation, amortization and impairment					
Hydro Bauxite & Alumina	703	624	2,090	1,809	2,496
Hydro Aluminium Metal	674	698	2,027	1,953	2,664
Hydro Metal Markets	87	39	174	117	161
Hydro Extrusions	779	748	2,312	2,261	3,297
Hydro Energy	49	47	147	141	190
Other and eliminations	34	28	103	91	121
Total	2,327	2,185	6,853	6,373	8,929
Earnings before financial items and tax (EBIT) ¹⁾					
Hydro Bauxite & Alumina	(570)	(147)	(999)	1,604	471
Hydro Aluminium Metal	(721)	6,061	7,479	18,092	20,292
Hydro Metal Markets	(1)	300	975	2,113	1,621
Hydro Extrusions	420	510	3,174	3,683	3,699
Hydro Energy	677	526	1,771	3,743	4,621
Other and eliminations	(128)	420	(552)	75	11
Total	(323)	7,670	11,849	29,310	30,715

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

NOK million	Third quarter 2023	Third quarter 2022	First 9 months 2023	First 9 months 2022	Year 2022
Earnings before financial items, tax, depreciation and amortization (EBITDA)					
Hydro Bauxite & Alumina	134	477	1,092	3,413	2,967
Hydro Aluminium Metal	(69)	6,736	9,439	19,978	22,866
Hydro Metal Markets	85	339	1,147	2,230	1,780
Hydro Extrusions	1,194	1,255	5,471	5,937	6,982
Hydro Energy	726	572	1,918	3,883	4,810
Other and eliminations	(95)	449	(449)	165	132
Total	1,975	9,828	18,618	35,606	39,536
Investments ¹⁾					
Hydro Bauxite & Alumina	1,722	1,016	5,690	1,986	3,799
Hydro Aluminium Metal	1,177	813	3,066	2,301	3,387
Hydro Metal Markets ²⁾	3,321	189	3,965	516	969
Hydro Extrusions ³⁾	754	974	2,538	1,748	3,223
Hydro Energy	588	923	2,667	1,249	1,920
Other and eliminations	32	10	93	70	92
Total	7,594	3,924	18,019	7,871	13,391

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations.

2) Amount includes acquisition of Alumetal 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
EBIT - EBITDA Third quarter 2023				
Hydro Bauxite & Alumina	(570)	703	-	134
Hydro Aluminium Metal	(721)	674	(22)	(69)
Hydro Metal Markets	(1)	87	(1)	85
Hydro Extrusions	420	779	(5)	1,194
Hydro Energy	677	49	-	726
Other and eliminations	(128)	34	-	(95)
Total	(323)	2,327	(29)	1,975

NOK million	EBIT	Depr., amor. and impairment	Investment grants	EBITDA
EBIT - EBITDA First 9 months 2023				
Hydro Bauxite & Alumina	(999)	2,090	-	1,092
Hydro Aluminium Metal	7,479	2,027	(67)	9,439
Hydro Metal Markets	975	174	(1)	1,147
Hydro Extrusions	3,174	2,312	(15)	5,471
Hydro Energy	1,771	147	-	1,918
Other and eliminations	(552)	103	-	(449)
Total	11,849	6,853	(83)	18,618

Note 3: Share buy-back program

Hydro's Extraordinary General Meeting on September 20, 2022, approved a share buy-back program where the Board of Directors was granted power of attorney to acquire shares in Norsk Hydro ASA with the intention to cancel the shares. In total, the Board of Directors could purchase up to 100 million shares, including redemption of shares held by the Ministry of Trade, Industry and Fisheries, retaining the relative ownership share of the Ministry at 34.26 percent. A total of 18,268,564 shares were bought back under this program at a total cost of NOK 1,315 million. The cancellation of these shares, the redemption of shares held by the Ministry of Trade, Industry and Fisheries, and closure of the program was approved by Annual General Meeting on May 10, 2023. On June 30, all shares acquired under this program were cancelled. In addition, 9,521,091 shares representing the Ministry of Trade, Industry and Fisheries relative ownership were redeemed in the amount of NOK 648 million and cancelled.

On May 10, 2023, Hydro's General Meeting granted the Board of Directors authorization for a similar program to acquire shares in Norsk Hydro ASA with the intention to cancel the shares. In total, the Board of Directors can purchase up to 100 million shares, including redemption of shares held by the Ministry of Trade, Industry and Fisheries, retaining the relative ownership share of the Ministry at 34.26 percent. As of September 30, a total of 833,322 shares had been acquired under this program.

Note 4: Significant judgement

In addition to the significant estimates and judgment described in the 2022 financial statements and summarized in note 1.1 Reporting entity, basis of presentation and significant accounting policy, the following specific issues of a judgmental nature is important for this set of interim financial statements.

CO₂ compensation in Norway

Hydro is entitled to apply for compensation for indirect costs associated with CO₂ emittance. The compensation scheme in Norway for the period 2021 to 2030 represents a firm structure governed by a regulation for the entire period and certain amounts approved in the annual state budgets for the years of payment. The amount accrued during 2023 is based on Hydro's estimate for compensation level, which for the first half of 2023 was equal to the approved level for 2022, indicated to apply also for future years. The proposed state budget for 2024 included a significantly lower compensation amount per ton indirect CO₂ emissions, resulting in a reduction of the recognized estimated CO₂ compensation with NOK 507 million for the first half of 2023, of which NOK 422 million impacts EBIT in the first half, while NOK 85 million impacted the cost of inventory as of the end of June. The amount was recognized in the third quarter of 2023.

Hydro recognized a positive estimate adjustment in the third quarter of 2022 resulting from increased CO₂ compensation in the proposed state budget, representing a positive estimate change NOK 1,361 million related to 2021 and the first half of 2022.

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 business area and Other and eliminations¹⁾

NOK million	Third quarter 2023	Third quarter 2022	Second quarter 2023	First 9 months 2023	First 9 months 2022	Year 2022
Unrealized derivative effects on raw material contracts	(41)	157	94	230	(393)	(40)
Community contributions Brazil ²⁾	-	-	25	25	-	32
Other effects ³⁾	-	-	-	-	-	162
Hydro Bauxite & Alumina	(41)	157	118	255	(393)	155
Unrealized derivative effects on LME related contracts	1,414	(1,538)	(2,836)	(713)	(3,197)	(2,990)
Unrealized derivative effects on power contracts ⁴⁾	113	1,291	(106)	69	1,581	3,218
Significant rationalization charges and closure costs ⁵⁾	-	-	-	-	(18)	46
Net foreign exchange (gain)/loss ⁶⁾	(79)	(26)	(114)	(231)	(68)	(108)
Other effects ⁷⁾	-	-	-	-	(69)	(69)
Hydro Aluminium Metal	1,448	(273)	(3,055)	(874)	(1,772)	97
Unrealized derivative effects on LME related contracts	448	195	(146)	335	(466)	(107)
Transaction related effects ⁸⁾	35	-	4	89	-	-
Hydro Metal Markets	483	195	(142)	424	(466)	(107)
Unrealized derivative effects on LME related contracts	113	84	6	100	185	59
Unrealized derivative effects on power contracts	(2)	50	(24)	(22)	70	3
Significant rationalization charges and closure costs ⁹⁾	17	-	27	94	15	106
(Gains)/losses on divestments and other transaction related effects ¹⁰⁾	1	(2)	-	21	(50)	(54)
Other effects ¹¹⁾	-	(2)	(107)	(107)	(76)	(76)
Hydro Extrusions	128	130	(98)	87	144	38
Unrealized derivative effects on power contracts	41	(254)	184	438	(444)	170
(Gains)/losses on divestments ¹²⁾	-	-	-	-	(65)	(65)
Net foreign exchange (gain)/loss ⁶⁾	(5)	3	(7)	(14)	10	11
Hydro Energy	36	(251)	177	423	(499)	116
Unrealized derivative effects on LME related contracts ¹³⁾	25	19	(35)	(25)	(11)	36
(Gains)/losses on divestments	(25)	-	-	(25)	-	-
Net foreign exchange (gain)/loss ⁶⁾	(130)	(83)	(143)	(388)	(130)	(221)
Other effects ¹⁴⁾	-	-	26	26	-	15
Other and eliminations	(130)	(65)	(151)	(412)	(141)	(170)
Adjusting items to EBITDA	1,923	(108)	(3,152)	(96)	(3,126)	128
Impairment charges						
Hydro Aluminium Metal ¹⁵⁾	-	49	-	-	49	77
Hydro Extrusions ¹⁶⁾	-	-	-	-	-	258
Adjusting items to EBIT	1,923	(59)	(3,152)	(96)	(3,077)	464

- 1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.
- 2) Community agreements includes provisions for the TAC and TC agreements with the Government of Pará and Ministério Público made in September 2018, including later adjustments for changes in cost estimates, and 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) 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.
- 5) Rationalization and closure costs in Hydro Aluminium Metal in fourth quarter 2022 related to curtailment cost in the Slovalco smelter, and reduction in second quarter 2022 related to Aluchemie.
- 6) Realized currency gains and losses from risk management contracts and embedded currency derivatives in physical power and raw material prices.
- 7) Other effect in Hydro Aluminium Metal in 2022 relates to insurance compensation for the power outage in Albras in the first quarter of 2022.
- 8) Transaction effects in Metal Markets includes acquisition costs related to Alumental and realization of revalued inventory in the third quarter 2023 with lower margin.
- 9) Significant rationalization and closure costs include provisions for costs related to reduction of overcapacity, closures and environmental clean-up activities in Hydro Extrusions.
- 10) Divestments of Hydro Extrusions plants, including adjustments of sales price, as well as acquisition costs.
- 11) Other effects in Hydro Extrusions relates to 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.
- 12) Divestment gain in Hydro Energy in 2022 relates to the partial sale of a project company involved with a wind power project in Sweden, held by Hydro Rein.
- 13) Unrealized derivative effects on LME related contracts result from elimination of changes in the valuation of certain internal aluminium contracts.
- 14) Other effects relates to environmental provision for closed sites in Norway and Germany.
- 15) Impairment charges in Hydro Aluminium Metal in 2022 reflect write downs related to the Slovalco smelter.
- 16) Impairment charges in 2022 in Hydro Extrusions include impairments of various individual sites and assets.

Adjusted EBITDA

NOK million	Third quarter 2023	Third quarter 2022	Second quarter 2023	First 9 months 2023	First 9 months 2022	Year 2022
EBIT	(323)	7,670	7,939	11,849	29,310	30,715
Depreciation, amortization and impairment	2,327	2,185	2,340	6,853	6,373	8,929
Investment grants	(29)	(27)	(30)	(83)	(77)	(108)
EBITDA	1,975	9,828	10,249	18,618	35,606	39,536
Adjusting items to EBITDA	1,923	(108)	(3,152)	(96)	(3,126)	128
Adjusted EBITDA	3,899	9,721	7,098	18,522	32,480	39,664

Adjusted earnings per share from continuing operations

NOK million	Third quarter 2023	Third quarter 2022	Change prior year quarter	Second quarter 2023	Change prior quarter	First 9 months 2023	First 9 months 2022	Year 2022
Net income (loss) from continuing operations	(625)	6,676	>(100) %	5,056	>(100) %	5,576	24,223	24,381
Adjusting items to net income (loss) from continuing operations ¹⁾	970	(418)	>100 %	(1,646)	>100 %	1,505	(3,449)	(1,236)
Adjusted net income (loss) from continuing operations	345	6,258	(94) %	3,410	(90) %	7,081	20,774	23,145
Adjusted net income attributable to non-controlling interests from continuing operations	(210)	295	>(100) %	(187)	(12) %	(536)	866	1,205
Adjusted net income from continuing operations attributable to Hydro shareholders	554	5,964	(91) %	3,597	(85) %	7,617	19,908	21,941
Number of shares	2,026	2,053	(1) %	2,035	-	2,033	2,052	2,051
Adjusted earnings per share from continuing operations	0.27	2.91	(91) %	1.77	(85) %	3.75	9.70	10.70

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

Adjusted net cash (debt)

NOK million	Sep 30 2023	Jun 30 2023	Change prior quarter	Sep 30 2022	Jun 30 2022	Change prior year quarter
Cash and cash equivalents	19,105	22,453	(3,347)	25,852	24,507	1,345
Short-term investments ¹⁾	2,101	1,158	943	2,511	1,882	629
Short-term debt	(5,764)	(5,271)	(494)	(11,085)	(7,796)	(3,289)
Long-term debt	(29,944)	(29,756)	(188)	(20,790)	(21,054)	264
Collateral for long-term liabilities	660	122	538	367	767	(401)
Net cash (debt)	(13,843)	(11,294)	(2,549)	(3,145)	(1,693)	(1,452)
Collateral for short-term and long-term liabilities ²⁾	(1,642)	(209)	(1,433)	(1,243)	(1,718)	475
Cash and cash equiv. and short-term investm. in captive insurance company ³⁾	(1,107)	(1,090)	(17)	(995)	(1,020)	25
Net pension asset (obligation) at fair value, net of expected income tax benefit ⁴⁾	333	828	(495)	959	1,446	(487)
Short- and long-term provisions net of expected income tax benefit, and other liabilities ⁵⁾	(4,133)	(4,125)	(7)	(3,381)	(3,274)	(107)
Adjusted net cash (debt)	(20,391)	(15,890)	(4,501)	(7,806)	(6,260)	(1,546)

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

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

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

4) The expected income tax liability related to the pension liability is NOK 487 million and NOK 591 million for September 2023 and June 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.

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

NOK million	Third quarter 2023	Second quarter 2023	First quarter 2023 ¹⁾	Fourth quarter 2022 ¹⁾	Third quarter 2022	Twelve months ending Sep 30 2023	Twelve months ending June 30 2023	Year 2022
Adjusted EBIT	1,600	4,788	5,364	4,946	7,611	16,698	22,709	31,179
Adjusted Income tax expense ²⁾	(1,143)	(1,263)	(1,880)	(2,516)	(1,299)	(6,801)	(6,957)	(7,654)
Adjusted EBIT after tax	457	3,525	3,485	2,430	6,312	9,897	15,752	23,525

NOK million	September 30 2023	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Current assets in continuing operations ³⁾	55,761	59,091	59,869	55,149	64,723	65,122	55,912
Property, plant and equipment	74,367	72,985	67,827	62,656	62,369	58,920	56,599
Other non-current assets ⁴⁾	53,266	52,697	49,935	46,728	51,007	46,876	45,932
Current liabilities in continuing operations ⁵⁾	(35,954)	(35,123)	(36,443)	(36,061)	(38,356)	(39,880)	(37,666)
Non-current liabilities ⁵⁾	(25,850)	(26,516)	(25,079)	(21,984)	(23,502)	(24,309)	(26,418)
Capital Employed	121,591	123,135	116,108	106,488	116,241	106,728	94,360

	Third quarter 2023	Second quarter 2023	Year 2022
Adjusted Return on average Capital Employed (RoCE), last twelve months ⁶⁾	8.5 %	13.6 %	22.2 %

1) Adjusted EBIT for the fourth quarter of 2022 is reconciled in the fourth quarter report of 2022. Adjusted EBIT for the first quarter of 2023 is reconciled in the first quarter report of 2023.

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

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

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

5) Excluding interest-bearing debt.

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

Additional information

Financial calendar

2023

October 24	Third quarter results
November 29 - 30	Capital markets day

2024

February 14	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.

