



Second quarter 2024
July 22, 2024



Financial review

Summary of financial and operating results and liquidity

NOK million, except per share data	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Revenue	50,944	53,630	(5) %	47,545	7 %	98,490	102,164	193,619
Earnings before financial items, tax, depreciation and amortization (EBITDA) ²⁾	6,044	10,249	(41) %	5,511	10 %	11,555	16,643	23,291
Adjustments to EBITDA ¹⁾	(205)	(3,152)	94 %	(100)	>(100) %	(305)	(2,020)	(1,033)
Adjusted EBITDA ¹⁾	5,839	7,098	(18) %	5,411	8 %	11,250	14,623	22,258
Adjusted EBITDA								
Hydro Bauxite & Alumina	1,616	817	98 %	804	>100 %	2,420	1,254	1,828
Hydro Energy	611	854	(28) %	1,152	(47) %	1,763	1,580	3,146
Hydro Aluminium Metal	2,520	3,215	(22) %	1,965	28 %	4,485	7,187	10,502
Hydro Metal Markets	309	334	(7) %	269	15 %	578	1,003	1,533
Hydro Extrusions	1,377	2,013	(32) %	1,437	(4) %	2,814	4,235	6,480
Other and eliminations	(594)	(134)	>(100) %	(216)	>(100) %	(810)	(636)	(1,231)
Adjusted EBITDA ¹⁾	5,839	7,098	(18) %	5,411	8 %	11,250	14,623	22,258
Earnings before financial items and tax (EBIT) ²⁾	3,557	7,939	(55) %	3,066	16 %	6,623	12,172	9,592
Adjusted EBIT ¹⁾	3,353	4,788	(30) %	2,966	13 %	6,319	10,152	12,983
Net income (loss)	1,421	5,056	(72) %	428	>100 %	1,849	6,201	2,804
Adjusted net income (loss) ¹⁾	1,677	3,410	(51) %	1,498	12 %	3,176	6,736	7,835
Earnings per share from continuing operations	1.07	2.56	(58) %	0.47	>100 %	1.54	3.18	1.77
Adjusted earnings per share ¹⁾	0.97	1.77	(45) %	0.93	4 %	1.90	3.47	4.26
Financial data								
Investments ^{1) 2)}	7,305	5,544	32 %	3,150	>100 %	10,454	10,426	25,647
Net debt ¹⁾	(16,243)	(11,294)	(44) %	(13,893)	(17) %	(16,243)	(11,294)	(8,191)
Adjusted net debt ¹⁾	(26,133)	(15,890)	(64) %	(22,488)	(16) %	(26,133)	(15,890)	(18,022)

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

Solid upstream results, mixed markets

Hydro's adjusted EBITDA for the second quarter of 2024 was NOK 5,839 million, down from NOK 7,098 million for the same quarter last year. Lower Extrusions volumes, recycling margins and Energy spot sales, and higher fixed costs negatively impacted results, partly offset by higher alumina prices and lower raw material costs. This resulted in an adjusted RoaCE of 4.4 percent over the last twelve months and free cash flow of NOK 2.8 billion.

In July, Hydro faced a tragic incident highlighting the critical importance of health and safety in all operations and activities. On July 9, a contractor passed away while performing maintenance work at Hydro's joint venture Albras in Brazil.

"I am deeply saddened by this tragic incident which underlines the critical role safety has in everything we do. My deepest condolences go out to the family and the affected colleagues," says Eivind Kallevik, President and CEO of Hydro.

Economic growth forecasts stabilized at relatively low levels during the second quarter, while the economic uncertainty continued to decrease with both headline and core inflation trending downwards, and external sources estimating real GDP growth of around 2.7 percent in 2024. Global primary aluminium demand was up 2 percent year-on-year during the second quarter, driven by a 3 percent increase in China, supporting overall growth in global primary demand of 3 percent year-on-year for 2024. Key uncertainties going forward are inflation stickiness, policy support, Chinese economic growth, the conflicts in Ukraine and the Middle East, and the geopolitical situation.

Positive revenue drivers continued into the second quarter, supporting solid results in Bauxite & Alumina and Aluminium Metal. The Platts Alumina Index (PAX) started the quarter at USD 367 per tonne, gradually increasing to USD 505 per tonne

at the end of the quarter, driven by alumina production curtailments and disruptions in Australia and India, bringing the World ex-China market into balance. The three-month aluminium price ended the quarter at USD 2,524 per tonne.

Downstream, demand in the residential building and construction segments in Europe and North America remains weak, but is expected to improve with lower interest rates and a positive industrial outlook. Low activity in these markets continues to challenge aluminium scrap availability and pressures recycling margins, with several recyclers running on reduced capacity, impacting both Hydro Extrusions and Metal Markets. The automotive extrusion demand has been challenged by lower electrical vehicle sales growth, and weak trailer build rates in the transportation segment adversely affected Hydro Extrusions during the second quarter. CRU revised down their extrusion demand forecasts for the second half of 2024, expecting a slower recovery.

Hydro Extrusions has responded with mitigating measures to handle challenging markets. Current production flexibility and adaptation abilities are utilized to maneuver weak demand, while cost cutting programs and manning reductions are used as means to uphold margins. Managing short-term volatility enables Extrusions to continue positioning for long-term growth with the customers, and two new OEM contracts were added to the portfolio during the second quarter, accumulating contracts worth EUR 3.1-3.3 billion since the beginning of 2023. Hydro Extrusions is positioned to deliver on the 2025 EBITDA target of NOK 8 billion when markets recover, though recent extrusion demand forecasts indicate a delayed realization.

Recycling margins pressured by weak markets underscore the need to diversify the portfolio, and strengthen margins and scrap sourcing. During the second quarter, Hydro decided to invest USD 85 million in a new casting line at the recycler in Henderson, Kentucky, to supply the U.S. automotive market with high-quality recycled automotive components. The project introduces HyForge technology to the U.S., serving the automotive market's need for high-quality forge

stock, and broadening Hydro's product portfolio. Further, the Alusort joint venture completed the HySort installation in the quarter to enable the U.S. plants to sort and use more post-consumer scrap.

Demand for Hydro's low-carbon and recycled aluminium, Hydro CIRCAL, has remained strong despite weak markets. Recyclers, Luce in France and Atessa in Italy, are upgrading to meet rising European demand, and the bicycle company, Brompton, introduced wheel rims made from 100 percent post-consumer aluminium scrap during the quarter. Beyond Europe, greener products are gaining traction in the U.S., and the first sale of Hydro CIRCAL was conducted during the second quarter. These efforts are estimated to strengthen Hydro's recycling margins and resilience, and align with the 2030 recycling targets.

Delivering low-carbon products creates value for Hydro's customers at premium pricing. Leveraging the integrated value chain with traceability from mine to component, Hydro is attracting strategic partnerships with industry leaders like the German sports car manufacturer Porsche AG. The agreement signed in Stuttgart on July 9, opens for Hydro to deliver best-in-class, low-carbon aluminium for Porsche's vehicle production in the years to come, and the scope of the agreement includes both Hydro REDUXA and Hydro CIRCAL. Hydro is well-positioned to capitalize on greener premiums, with the potential for NOK 2 billion in earnings uplift by 2030.

Securing access to renewable power is crucial for growth in low-carbon aluminium. Hydro and Macquarie Asset Management launched their renewable energy partnership on June 24, establishing Hydro Rein as a joint venture where Hydro owns 50.1 percent and Macquarie 49.9 percent of the company.

Results and market development per business area

Adjusted EBITDA for Bauxite & Alumina increased compared to the second quarter of last year, from NOK 817 million to NOK 1,616 million, mainly driven by higher alumina sales prices, lower cost of raw materials, and increased sales volume, partly

offset by increased alumina sourcing costs and increased other fixed and variable costs. PAX started the quarter at USD 367 per tonne, increasing gradually to USD 505 per mt at the end of the quarter.

Adjusted EBITDA for Energy decreased in the second quarter 2024, from NOK 854 million to NOK 611 million, compared to the same period last year. Lower production, prices and gain on price area differences were partly offset by the expiry of a 12-month internal fixed price purchase contract from Aluminium Metal with a significant loss in the same period last year. Average Nordic power prices in the second quarter 2024 ended below the prices from the previous quarter and the same quarter last year. Price area differences between the south and the north of the Nordic market region increased slightly compared to the previous quarter, but were significantly lower than the same quarter last year. The increase compared to the first quarter 2024 was primarily a result of lower prices in the north due to wind power production, hydrology and decreased demand.

Adjusted EBITDA for Aluminium Metal decreased in the second quarter 2024, compared to the second quarter of 2023, from NOK 3,215 million to NOK 2,520 million, mainly due to reduced contribution from power sales, increased alumina and energy cost, and inflation on fixed cost, partly offset by reduced carbon cost. Global primary aluminium consumption was up 2 percent compared to the second quarter of 2023, driven by a 3 percent increase in China. The three-month aluminium price increased throughout the second quarter of 2024, starting the quarter at USD 2,337 per tonne and ending at USD 2,524 per tonne.

Adjusted EBITDA for Metal Markets decreased in the second quarter 2024, compared to the same period last year, from NOK 334 million to NOK 309 million, due to lower results from recyclers and negative currency effects, largely offset by strong results from sourcing and trading activities. Lower results from recyclers are due to reduced sales prices in a weakening market and additional margin pressure in a tightening scrap market, while

Alumetal contributed positively after the acquisition in third quarter 2023.

Adjusted EBITDA for Extrusions decreased in the second quarter 2024, from NOK 2,013 million to NOK 1,377 million, compared to the same quarter last year, mainly driven by lower extrusion sales volumes and decreased margins from recyclers. General inflation pressured fixed and variable costs, partly offset by cost measures. European extrusion demand is estimated to have decreased 14 percent in the second quarter of 2024, compared to the same quarter last year, but increasing 5 percent compared to the first quarter partly driven by seasonality. Automotive extrusion demand has been challenged by lower growth in sales of electric vehicles.

Demand for residential building and construction, and industrial segments have started to stabilize at relatively weak levels. Extrusion demand has been relatively better in Southern Europe, while demand in Germany continues to be weak. North American extrusion demand is estimated to have decreased 5 percent during the second quarter of 2024, compared to the same quarter last year, but increasing 1 percent compared to the first quarter. The transport segment has been particularly weak, driven by lower trailer build rates.

Other key financials

Compared to the first quarter 2024, Hydro's adjusted EBITDA increased from NOK 5,411 million to NOK 5,839 million in the second quarter 2024. Higher realized aluminium and alumina prices combined with higher alumina sales volume were partly offset by increased energy and fixed costs.

Net income (loss) amounted to NOK 1,421 million in the second quarter of 2024. Net income (loss) included a NOK 571 million unrealized derivative loss on LME related contracts, a net foreign exchange gain of NOK 151 million, and a NOK 60 million gain from unrealized derivative power and raw material contracts.

The result also includes the gain on Hydro's reduced ownership share in Hydro Rein with NOK 321 million, reversal of a provision with NOK 164 million, a compensation related to the divested Rolling business with NOK 137 million, and NOK 56 million in rationalization charges and closure costs.

Hydro's net debt increased from NOK 13.9 billion to NOK 16.2 billion during the second quarter of 2024. The net debt increase was mainly driven by a NOK 5.0 billion dividend to shareholders and investments, partly offset by EBITDA contribution.

Adjusted net debt increased from NOK 22.5 billion to NOK 26.1 billion, largely due to the increase in net debt of NOK 2.3 billion, coupled with increased collateral of NOK 0.5 billion and a NOK 0.6 billion increase in other financial liabilities.

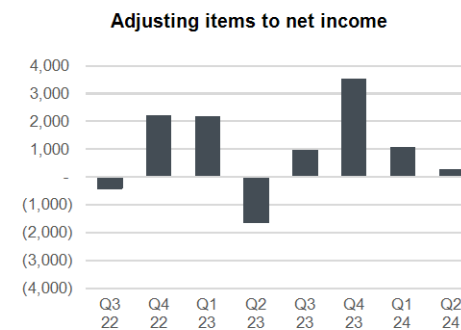
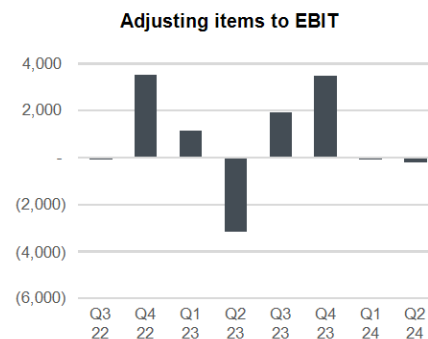
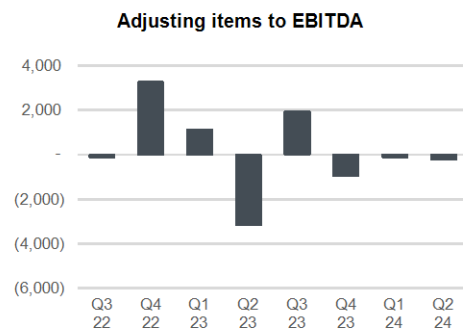
Adjusting items to EBITDA, EBIT and net income¹⁾

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	Second quarter 2024	Second quarter 2023	First quarter 2024	First half 2024	First half 2023	Year 2023
Unrealized derivative effects on LME related contracts	571	(3,010)	50	622	(2,302)	(1,530)
Unrealized derivative effects on power and raw material contracts	(60)	148	(24)	(84)	605	887
Significant rationalization charges and closure costs	56	27	32	89	78	265
Community contributions Brazil	-	25	-	-	25	25
Transaction related effects	(321)	4	(24)	(344)	75	120
Net foreign exchange (gain) loss	(151)	(264)	(135)	(286)	(419)	(883)
Other effects	(301)	(81)	-	(301)	(81)	83
Adjusting items to EBITDA ²⁾	(205)	(3,152)	(100)	(305)	(2,020)	(1,033)
Impairment charges	-	-	-	-	-	4,424
Adjusting items to EBIT ²⁾	(205)	(3,152)	(100)	(305)	(2,020)	3,391
Net foreign exchange (gain)/loss	779	789	1,633	2,412	2,774	2,084
Calculated income tax effect	(317)	716	(463)	(780)	(219)	(445)
Adjusting items to net income	257	(1,646)	1,070	1,327	536	5,031
Income (loss) tax rate	34%	28%	63%	44%	31%	57%
Adjusted income (loss) tax rate	39%	26%	44%	41%	31%	35%

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

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



Market development and outlook

Global macroeconomic developments

The second quarter 2024 has seen growth forecast for the year stabilize at moderate levels and slightly below last year's forecasts. The risk of recession in major economies is now seen as lower than last year as economic uncertainty continues to decrease. Both headline- and core inflation continue to trend downwards despite monthly fluctuations. Economic growth is showing signs of improvements and external sources estimate real GDP growth of around 2.7 percent in 2024. The ECB is gradually moving towards a lower-rate environment with their first rate cut in years announced earlier in June this year. In the US, Fed has postponed its rate cut projection on stronger than expected inflation, yet recent data supports the Fed's view on lower rates in the coming years.

Uncertainty remains surrounding the stickiness of inflation, policy support measures and the strength of Chinese economic growth, the continuing conflict in Ukraine and the Middle East, and the overall geopolitical situation.

Bauxite and alumina

The average Platts alumina index (PAX) in the second quarter of 2024 increased to USD 433 per mt, compared to USD 367 per mt in the first quarter of 2024. PAX started the quarter at USD 367 per mt, increasing gradually to USD 505 per mt at the end of the quarter driven by alumina production curtailments and disruptions in Australia and India, bringing the World ex-China market into balance. Chinese alumina prices also increased in the second quarter of 2024 as alumina production was constrained by domestic bauxite sourcing challenges and increasing demand on the back of smelter capacity re-starts in Yunnan province.

In April and May 2024, China imported 200kt of alumina mainly from Australia and Vietnam; alumina imports decreased 22 percent from the same period last year (255kt). Alumina exports from China to Russia continued, reaching 214kt in April and May of 2024, compared to 129kt in the corresponding period last year.

In April and May 2024, China imported 28 million mt of bauxite, 11 percent higher than the corresponding period a year ago. Imports from Australia and Guinea increased 22 percent and 7 percent compared to the same period last year, respectively, accounting for 96 percent of total imports. Bauxite imports from Brazil continued with a total of 250kt in the period. The average Chinese bauxite import price was USD 66 per mt CIF in April and May 2024, up from USD 61 per mt CIF in the corresponding period last year.

Energy

Average Nordic power prices in the second quarter 2024 ended below prices in the previous quarter and the same quarter last year. Price area differences between the south and the north of the Nordic market region increased slightly compared to the previous quarter and were significantly lower than the same quarter last year. The increase compared to the first quarter 2024 was primarily a result of lower prices in the north due to wind power production, hydrology and decreased demand.

The Nordic hydrological balance ended the quarter at 4.8 TWh below normal, similar to the previous quarter at 5 TWh below normal and around 7 TWh below normal at the end of the same quarter last year. Hydropower reservoirs in Norway were at 69 percent of full capacity at the end of the quarter which is 2.2 percent above normal and is at a higher level than the same quarter last year at 65.5 percent. In Southern Norway (NO2) the reservoirs were 75.4 percent full at the end of the quarter, which is 8.7 percentage above normal.

Primary aluminium

The three-month aluminium price increased throughout the second quarter of 2024, starting the quarter at USD 2,337 per mt and ending at USD 2,524 per mt.

European duty paid standard ingot premiums ended the second quarter at USD 337,5 per mt, up from USD 282,5 per mt at the end of the first quarter due to red sea disruptions. The US Midwest premium increased from USD 424,4 per mt at the beginning of the quarter to USD 428,8 per mt.

Shanghai Futures Exchange (SHFE) prices increased by USD 59 per mt ex. VAT from start of the quarter to the end, ending at USD 2,430 per mt ex VAT. Average for the quarter was up USD 178 per mt ex. VAT compared to the first quarter.

Global primary aluminium consumption was up 2 percent compared to the second quarter of 2023, driven by a 3 percent increase in China.

For 2024 external sources¹ are estimating a global surplus of primary aluminium at around 0.2 million mt.

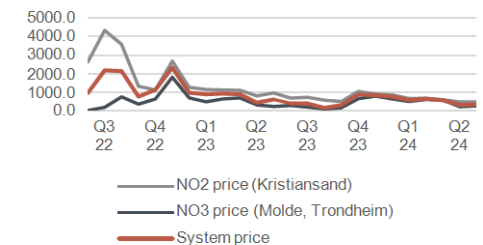
European demand for primary foundry alloys and extrusion ingot was down in the second quarter of 2024 compared to the same quarter last year while consumption of sheet ingot increased slightly in the second quarter 2024 compared to the same period 2023.

Total global stocks at the end of the second quarter of 2024 were estimated to be 9.9 million mt, down 0.4 million mt compared to the first quarter 2024 and up 0.5 million mt compared to the second quarter 2023.

Platts PAX development
USD/mt



Energy spot price
NOK/MWh



¹ CRU

Extruded products

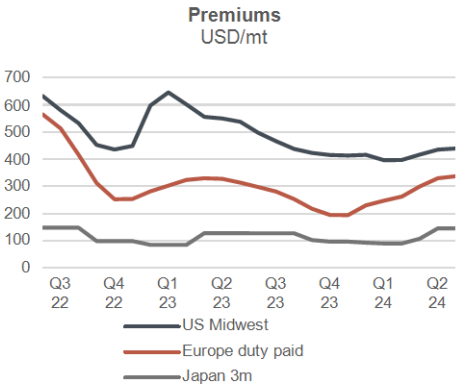
European extrusion demand is estimated to have decreased 14 percent in the second quarter of 2024 compared to the same quarter last year, but increasing 5 percent compared to the first quarter partly driven by seasonality. Automotive extrusion demand has been challenged by lower growth in sales of electric vehicles. Demand for residential building and construction and industrial segments have started to stabilize at relatively weak levels. Extrusion demand has been relatively better in Southern Europe, while demand in Germany continues to be weak.

CRU estimates that the European demand for extruded products will decrease 2 percent in the third quarter of 2024 compared to the same quarter last year. Overall, extrusion demand is estimated to decrease by 8 percent in 2024 compared to 2023.

North American extrusion demand is estimated to have decreased 5 percent during the second quarter of 2024 compared to the same quarter last year, but increasing 1 percent compared to the first quarter. The transport segment has been particularly weak, driven by lower trailer build rates.

Automotive demand is facing headwinds due to weaker sales of electric vehicles. Demand continues to be moderate in the residential building and construction and industrial segments.

CRU estimates that the North American demand for extruded products will increase 3 percent in the third quarter of 2024 compared to the same quarter last year. Overall, extrusion demand is estimated to decrease by 2 percent in 2024 compared to 2023.



Key Operational information

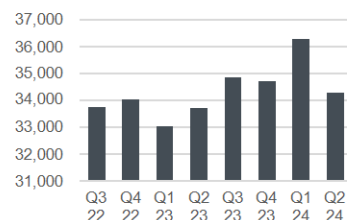
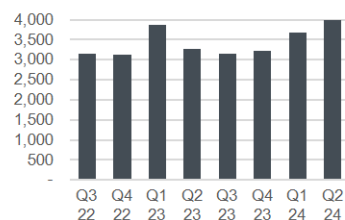
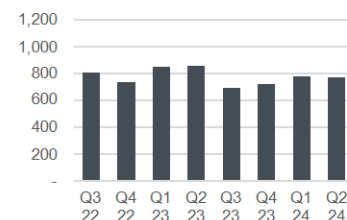
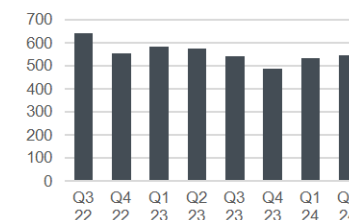
	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Bauxite production (kmt) ¹⁾	2,730	2,630	4 %	2,600	5 %	5,330	5,279	10,897
Alumina production (kmt)	1,492	1,542	(3) %	1,503	(1) %	2,994	3,092	6,185
Realized alumina price (USD/mt) ²⁾	400	373	7 %	366	9 %	384	370	359
Power production (GWh)	1,929	2,431	(21) %	2,843	(32) %	4,772	5,041	9,697
Primary aluminium production (kmt)	507	506	-	505	-	1,011	1,005	2,031
Realized aluminium price LME (USD/mt)	2,377	2,273	5 %	2,248	6 %	2,311	2,289	2,218
Realized USD/NOK exchange rate	10.74	10.74	-	10.50	2 %	10.64	10.52	10.37
Hydro Extrusions sales volumes to external market (kmt)	262	293	(11) %	266	(1) %	529	594	1,090

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

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
USD/NOK Average exchange rate	10.74	10.71	-	10.51	2 %	10.62	10.46	10.56
USD/NOK Period end exchange rate	10.65	10.77	(1) %	10.80	(1) %	10.65	10.77	10.17
BRL/NOK Average exchange rate	2.06	2.17	(5) %	2.12	(3) %	2.09	2.06	2.12
BRL/NOK Period end exchange rate	1.93	2.22	(13) %	2.16	(11) %	1.93	2.22	2.10
USD/BRL Average exchange rate	5.21	4.94	5 %	4.95	5 %	5.08	5.08	5.00
USD/BRL Period end exchange rate	5.50	4.86	13 %	4.99	10 %	5.50	4.86	4.85
EUR/NOK Average exchange rate	11.57	11.66	(1) %	11.41	1 %	11.49	11.31	11.42
EUR/NOK Period end exchange rate	11.40	11.70	(3) %	11.68	(2) %	11.40	11.70	11.24

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

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Market statistics ¹⁾								
Bauxite and alumina								
Average alumina price - Platts PAX FOB Australia (USD/t)	433	344	26 %	367	18 %	400	352	344
China bauxite import price (USD/mt CIF China) ²⁾	66	61	8 %	64	3 %	65	62	61
Global production of alumina (kmt)	34,290	33,857	1 %	34,292	-	68,582	66,672	144,894
Global production of alumina (ex. China) (kmt)	14,091	14,053	-	14,362	(2) %	28,453	28,001	57,146
Energy								
Average southern Norway spot price (NO2) (NOK/MWh)	519	958	(46) %	736	(29) %	628	1,069	904
Average mid Norway spot price (NO3) (NOK/MWh)	354	415	(15) %	588	(40) %	471	513	439
Average Nordic system spot price (NOK/MWh)	408	647	(37) %	667	(39) %	538	790	642
Primary aluminium								
LME cash average (USD/mt)	2,521	2,266	11 %	2,203	14 %	2,362	2,334	2,256
LME three-month average (USD/mt)	2,562	2,286	12 %	2,245	14 %	2,404	2,364	2,290
Standard ingot premium (EU DP Cash)	323	324	-	247	31 %	285	313	277
Extrusion ingot premium (EU DP)	509	513	(1) %	377	35 %	443	524	459
Chinese production of primary aluminium (kmt)	10,556	10,158	4 %	10,492	1 %	21,048	20,157	41,576
Chinese consumption of primary aluminium (kmt)	11,304	10,975	3 %	10,473	8 %	21,777	20,471	42,879
Global production of primary aluminium (ex. China) (kmt)	7,270	7,224	1 %	7,312	(1) %	14,582	14,295	29,111
Global consumption of primary aluminium (ex. China) (kmt)	6,922	6,961	(1) %	6,726	3 %	13,648	13,734	27,216
Global production of primary aluminium (kmt)	17,826	17,382	3 %	17,804	-	35,630	34,452	70,686
Global consumption of primary aluminium (kmt)	18,226	17,936	2 %	17,199	6 %	35,425	34,205	70,095
Reported primary aluminium inventories (ex. China) (kmt)	2,676	2,183	23 %	2,195	22 %	2,195	2,183	2,216
Reported primary aluminium inventories (China) (kmt)	1,327	1,103	20 %	1,475	(10) %	1,475	1,103	1,018
Extruded products								
Consumption extruded products - Europe (kmt)	772	901	(14) %	739	4 %	1,512	1,758	3,162
Consumption extruded products - USA & Canada (kmt)	544	573	(5) %	541	1 %	1,085	1,158	2,205

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 June 30, 2024 amounted to 220 thousand tonnes for the remainder of 2024, 450 thousand tonnes for 2025 and 200 thousand tonnes for 2026. 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 167 million for the remainder of 2024, USD 350 million for 2025 and USD 175 million for 2026.

Aluminium Metal has sold forward 63 percent of its expected primary aluminium production for the third quarter 2024 at an average LME price of USD 2,432 per mt.

External power sourcing volumes were affected by disrupted delivery of volume from a long-term power purchase agreement with Markbygden Ett AB. Non-delivered volumes were 0.3 TWh in the second quarter of 2024 and 2.2 TWh accumulated.

Risk and uncertainties

Hydro is subject to a range of risks and uncertainties which may affect its employees, operations, financial condition and the overall achievement of its business objectives. An evaluation of Hydro's major risks has been performed in the first half of 2024 as part of Hydro's bi-annual enterprise risk management update.

The description of principal risks and uncertainties in the Annual Report 2023 still provides a fair representation of risks and uncertainties which may affect Hydro as we enter the second half of 2024. Safety remains an absolute priority and Hydro is not aware of any significant new or materially changed risks and uncertainties.

Despite Hydro's best efforts, the risk-mitigating initiatives may fail or prove to be inadequate to mitigate all risks. As risks increase, decrease or change and new risks emerge over time, the information contained in this section should be carefully considered by investors.

Related parties

Section 9 of notes to the consolidated financial statement, Related parties and remuneration, in the integrated annual report 2023 provides details of related parties. During the first half of 2024 there have not been any changes to- or transactions with related parties that significantly impact Hydro's financial position or result for the period.



Business area performance

Hydro Bauxite & Alumina financial and operational information

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
EBITDA (NOK million) ¹⁾	1,618	698	>100 %	842	92 %	2,460	958	1,392
Adjusted EBITDA (NOK million) ¹⁾	1,616	817	98 %	804	>100 %	2,420	1,254	1,828
Adjusted EBIT (NOK million) ¹⁾	841	88	>100 %	43	>100 %	884	(133)	(1,013)
Alumina production (kmt)	1,492	1,542	(3) %	1,503	(1) %	2,994	3,092	6,185
Sourced alumina (kmt)	1,231	553	>100 %	1,080	14 %	2,311	1,239	2,840
Total alumina sales (kmt)	2,722	2,153	26 %	2,574	6 %	5,296	4,324	9,040
Realized alumina price (USD/mt) ²⁾	400	373	7 %	366	9 %	384	370	359
Bauxite production (kmt) ³⁾	2,730	2,630	4 %	2,600	5 %	5,330	5,279	10,897
Sourced bauxite (kmt) ⁴⁾	1,134	1,100	3 %	1,200	(6) %	2,334	2,178	5,383

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.

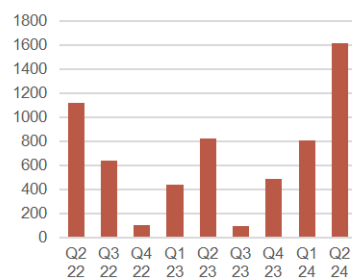
4) External sourcing includes purchases of bauxite produced by MRN.

Adjusted EBITDA for Bauxite & Alumina increased compared to the second quarter of last year mainly driven by and higher alumina sales prices, lower cost of raw materials and increased sales volume, partly offset by increased alumina sourcing costs and increased other fixed- and variable costs.

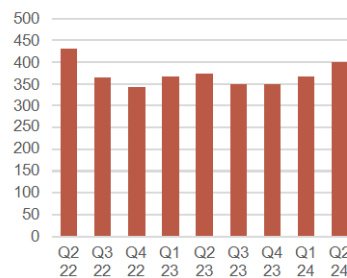
Compared to the first quarter of 2024 the adjusted EBITDA increased mainly driven by higher sales volume, higher alumina sales price and decreased raw material prices, partly offset by increased alumina sourcing costs and higher consumption of raw materials.

Adjusted EBITDA for the first half year of 2024 increased compared to the same period in 2023, mainly driven by higher alumina sales price and reduced raw material costs partly offset by increased alumina sourcing costs.

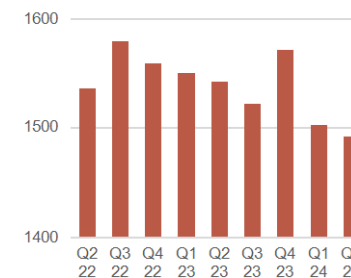
Adjusted EBITDA (mNOK)



Realized alumina price (USD/mt)



Alumina production (kmt)



Hydro Energy financial and operating information

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
(EBITDA) (NOK million) ¹⁾	1,246	677	84 %	1,096	14 %	2,342	1,192	2,602
Adjusted EBITDA (NOK million) ¹⁾	611	854	(28) %	1,152	(47) %	1,763	1,580	3,146
Adjusted EBIT (NOK million) ¹⁾	545	805	(32) %	1,103	(51) %	1,648	1,482	2,950
Power production (GWh)	1,929	2,431	(21) %	2,843	(32) %	4,772	5,041	9,697
External power sourcing (GWh)	2,660	2,230	19 %	2,756	(3) %	5,416	4,772	9,594
Internal contract sales (GWh)	4,414	4,127	7 %	4,471	(1) %	8,885	8,216	17,127
External contract sales (GWh)	321	201	60 %	284	13 %	605	447	888
Net spot sales/(purchase) (GWh)	(146)	333	>(100) %	844	>(100) %	698	1,150	1,275

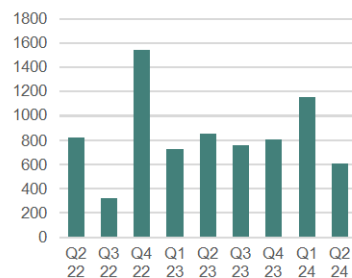
1) Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

Adjusted EBITDA for Energy in the second quarter decreased compared to the same period last year. Lower production, prices and gain on price area differences were partly offset by the expiry of a 12-month internal fixed price purchase contract from Aluminium Metal with a significant loss in the same period last year.

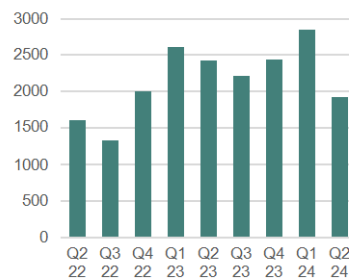
Compared to the previous quarter, adjusted EBITDA decreased mainly due to seasonally lower production and lower prices.

Adjusted EBITDA for the first half of 2024 increased compared to the same period last year mainly due to the expiry of a 12-month internal fixed price purchase contract from Aluminium Metal with a significant loss in the same period last year, partly offset by lower production, lower prices and lower gain on price area differences.

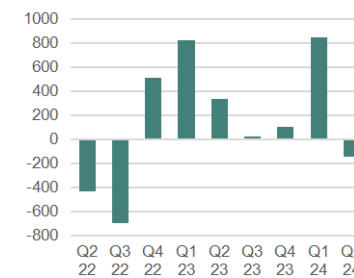
Adjusted EBITDA



Power production (GWh)



Net spot sales



Hydro Aluminium Metal financial and operational information¹

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
EBITDA (NOK million) ²⁾	1,646	6,270	(74) %	2,035	(19) %	3,680	9,509	12,386
Adjusted EBITDA (NOK million) ²⁾	2,520	3,215	(22) %	1,965	28 %	4,485	7,187	10,502
Adjusted EBITDA including Qatalum 50% pro rata (NOK million) ¹⁾³⁾	3,050	3,761	(19) %	2,470	23 %	5,519	8,206	12,589
Adjusted EBIT (NOK million) ²⁾	1,834	2,550	(28) %	1,306	40 %	3,141	5,878	7,869
Realized aluminium price LME (USD/mt) ⁴⁾	2,377	2,273	5 %	2,248	6 %	2,311	2,289	2,218
Realized aluminium price LME (NOK/mt) ⁴⁾	25,526	24,417	5 %	23,609	8 %	24,588	24,079	22,995
Realized premium above LME (USD/mt) ⁵⁾	365	456	(20) %	358	2 %	360	479	435
Realized premium above LME (NOK/mt) ⁵⁾	3,919	4,894	(20) %	3,758	4 %	3,828	5,034	4,511
Realized USD/NOK exchange rate	10.74	10.74	-	10.50	2 %	10.64	10.52	10.37
Primary aluminium production (kmt)	507	506	-	505	-	1,011	1,005	2,031
Casthouse production (kmt)	519	519	-	519	-	1,038	1,032	2,067
Total sales (kmt)	584	577	1 %	540	8 %	1,124	1,136	2,217

- 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 adjusted 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.

Qatalum financial information (50 percent)

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Revenue (NOK million)	2,508	2,495	1 %	1,858	35 %	4,366	4,564	9,164
Adjusted EBITDA (NOK million) ¹⁾	815	807	1 %	636	28 %	1,451	1,434	2,812
Adjusted EBIT (NOK million) ¹⁾	499	494	1 %	298	67 %	797	815	1,500
Net income (loss) (NOK million)	285	261	9 %	132	>100 %	417	415	725
Adjusted Net income (loss) (NOK million) ¹⁾	285	261	9 %	132	>100 %	417	415	725
Primary aluminium production (kmt)	81	80	1 %	81	-	162	159	322
Casthouse sales (kmt)	92	84	10 %	72	28 %	164	159	330

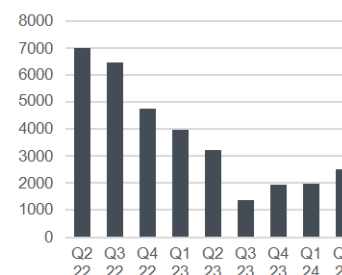
- 1) Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

Adjusted EBITDA for Aluminium Metal decreased in the second quarter of 2024 compared to the second quarter of 2023 mainly due to reduced contribution from power sales, increased alumina and energy cost and inflation on fixed cost, partly offset by reduced carbon cost.

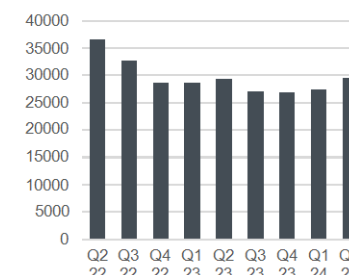
Compared to the first quarter of 2024, adjusted EBITDA for Aluminium Metal increased mainly due to higher all-in metal prices, increased sales volume and positive currency effects, partly offset by increased alumina and energy cost.

Adjusted EBITDA for the first half of 2024 decreased compared to the same period in 2023 mainly due to lower all-in metal prices, reduced contribution from power sales, increased alumina and energy cost and inflation on fixed cost, partly offset by reduced carbon cost.

Adjusted EBITDA (mNOK)



Realized all in price (NOK/mt)



Hydro Metal Markets financial and operating information

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
EBITDA (NOK million) ¹⁾	570	476	20 %	267	>100 %	837	1,062	1,198
Adjusted EBITDA Recycling (NOK million) ¹⁾	41	299	(86) %	58	(29) %	98	583	916
Adjusted EBITDA Commercial (NOK million) ¹⁾	268	35	>100 %	211	27 %	480	420	617
Adjusted EBITDA Metal Markets (NOK million) ¹⁾	309	334	(7) %	269	15 %	578	1,003	1,533
Currency effects (NOK million)	(50)	69	>(100) %	43	>(100) %	(7)	146	165
Inventory valuation effects (NOK million)	2	-	>100 %	1	57 %	3	1	(19)
Adjusted EBITDA excl. currency and inventory valuation effects (NOK million) ¹⁾	357	265	35 %	224	59 %	582	856	1,387
Adjusted EBIT (NOK million) ¹⁾	146	290	(50) %	68	>100 %	214	917	1,170
Recycling production (kmt)	202	146	38 %	179	13 %	381	278	620
Metal products sales excluding ingot trading (kmt) ²⁾	682	691	(1) %	622	10 %	1,305	1,365	2,662
Hereof external sales (kmt)	589	590	-	540	9 %	1,129	1,156	2,290

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

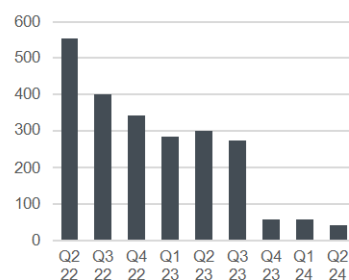
2) Includes external and internal sales from primary casthouse operations, recyclers and third party metal sources.

Adjusted EBITDA for Metal Markets decreased in the second quarter compared to the same period last year due to lower results from recyclers and negative currency effects, largely offset by strong results from sourcing and trading activities. Lower results from recyclers are due to reduced sales prices in a weakening market and additional margin pressure in a tightening scrap market, while Alumetal contributed positively after the acquisition in third quarter 2023.

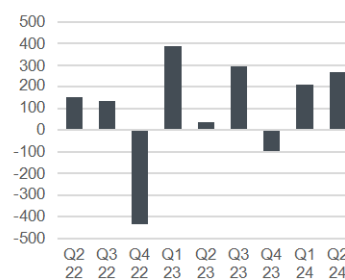
Compared to the first quarter of 2024, adjusted EBITDA for Metal Markets increased due to positive results from sourcing and trading activities, partly offset by negative currency effects.

Adjusted EBITDA for the first six months of 2024 decreased compared to the same period in 2023 due to lower results from recyclers and negative currency effects, partly offset by increased results from sourcing and trading activities. Lower results from recyclers were impacted by weakening market, while Alumetal contributed positively.

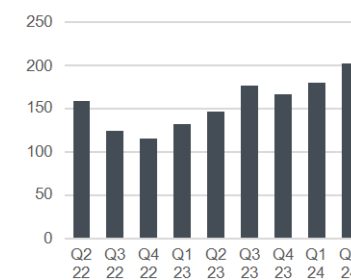
Recycling adjusted EBITDA



Commercial adjusted EBITDA



Recycling production (kmt)



Hydro Extrusion financial and operational information

	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
EBITDA (NOK million)	1,477	2,111	(30) %	1,436	3 %	2,913	4,276	6,359
Adjusted EBITDA (NOK million) ¹⁾	1,377	2,013	(32) %	1,437	(4) %	2,814	4,235	6,480
Adjusted EBIT (NOK million) ¹⁾	609	1,228	(50) %	690	(12) %	1,299	2,712	3,351
Sales volumes to external markets (kmt)	262	293	(11) %	266	(1) %	529	594	1,090

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

Extrusion Europe	105	121	(14) %	108	(3) %	212	245	436
Extrusion North America	106	121	(12) %	108	(2) %	215	247	455
Building Systems	20	19	3 %	19	4 %	39	39	75
Precision Tubing	31	32	(3) %	31	1 %	62	63	124
Hydro Extrusions	262	293	(11) %	266	(1) %	529	594	1,090

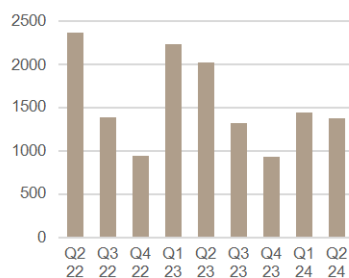
¹⁾ Alternative performance measures (APMs) are described in the corresponding section in the back of the report.

Adjusted EBITDA for Extrusions decreased in the second quarter 2024 compared to the same quarter last year, mainly driven by lower extrusion sales volumes and decreased margins from recyclers. General inflation pressured fixed and variable costs, partly offset by cost measures.

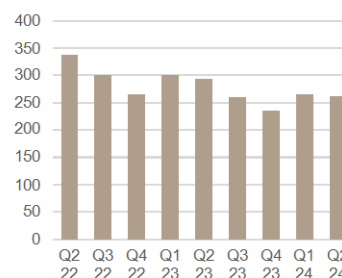
Compared to first quarter of 2024 adjusted EBITDA for Extrusions decreased due to seasonally lower sales volumes and higher costs, partly compensated by higher sales margins.

Compared to first half of 2024 adjusted EBITDA for Extrusions decreased due to lower sales volumes and higher costs, partly offset by higher sales margins.

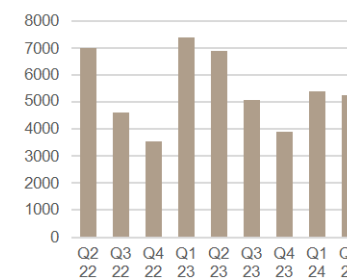
Adjusted EBITDA



External sales volumes



Adjusted EBITDA/mt



Other and eliminations financial information

NOK million	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Earnings before financial items, tax, depreciation and amortization (EBITDA) ¹⁾	(513)	17	>(100) %	(164)	>(100) %	(678)	(354)	(645)
Other	(314)	(268)	(17) %	(219)	(43) %	(533)	(590)	(1,228)
Eliminations	(279)	134	>(100) %	3	>(100) %	(277)	(45)	(3)
Adjusted EBITDA ¹⁾	(594)	(134)	>(100) %	(216)	>(100) %	(810)	(636)	(1,231)

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	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Interest income	304	316	(4) %	426	(29) %	730	626	1,267
Net gain (loss) on securities	12	7	65 %	36	(67) %	48	42	35
Interest and other finance income	316	324	(2) %	463	(32) %	778	668	1,302
Foreign currency exchange gain (loss)	(779)	(789)	1 %	(1,633)	52 %	(2,412)	(2,774)	(2,084)
Interest expense	(795)	(477)	(67) %	(597)	(33) %	(1,392)	(953)	(2,054)
Other financial income (expense), net	(140)	(11)	>(100) %	(151)	8 %	(291)	(106)	(210)
Interest and other finance expense	(935)	(488)	(92) %	(748)	(25) %	(1,683)	(1,059)	(2,264)
Finance income (expense), net	(1,398)	(953)	(47) %	(1,919)	27 %	(3,316)	(3,165)	(3,046)

For the second quarter, the net foreign exchange loss of NOK 779 million primarily reflects a loss from a weaker BRL vs USD, negatively impacting USD borrowing in Brazilian entities partly offset by a gain from a stronger NOK versus EUR affecting EUR embedded energy contracts and other liabilities denominated in EUR.

For the first six months of 2024, the net foreign exchange loss of NOK 2,124 million primarily reflects a loss from a weaker BRL vs USD, negatively impacting USD borrowing in Brazilian entities.

Tax

Income tax expense amounted to NOK 739 million for the second quarter of 2024, about 34 percent of income before tax. The quarter was mainly impacted by a high power surtax and losses in areas where deferred tax assets are not recognized.

Income tax expense amounted to NOK 1,458 million for the first half of 2024, about 44 percent of income before tax. The first half of 2024 was mainly impacted by a high power surtax and losses in areas where deferred tax assets are not recognized.

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Second quarter 2024	Second quarter 2023	First half 2024	First half 2023	Year 2023
Revenue	50,944	53,630	98,490	102,164	193,619
Share of the profit (loss) in equity accounted investments	113	181	158	276	492
Other income, net	1,392	1,175	2,392	2,531	4,152
Total revenue and income	52,449	54,985	101,040	104,971	198,263
Raw material and energy expense	33,410	32,109	63,435	63,404	123,538
Employee benefit expense	6,819	6,604	13,567	13,021	25,931
Depreciation and amortization expense	2,498	2,340	4,970	4,529	9,394
Impairment of non-current assets	17	-	17	(3)	4,421
Other expenses	6,148	5,992	12,427	11,848	25,387
Total expenses	48,892	47,046	94,416	92,799	188,671
Earnings before financial items and tax (EBIT)	3,557	7,939	6,623	12,172	9,592
Interest and other finance income	316	324	778	668	1,302
Foreign currency exchange gain (loss)	(779)	(789)	(2,412)	(2,774)	(2,084)
Interest and other finance expense	(935)	(488)	(1,683)	(1,059)	(2,264)
Finance income (expense), net	(1,398)	(953)	(3,316)	(3,165)	(3,046)
Income (loss) before tax	2,160	6,986	3,307	9,007	6,546
Income taxes	(739)	(1,930)	(1,458)	(2,806)	(3,742)
Net income (loss)	1,421	5,056	1,849	6,201	2,804
Net income (loss) attributable to non-controlling interests	(723)	(156)	(1,236)	(277)	(778)
Net income (loss) attributable to Hydro shareholders	2,144	5,212	3,085	6,477	3,583
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) ¹⁾	1.07	2.56	1.54	3.18	1.77
Weighted average number of outstanding shares (million)	2,005	2,035	2,006	2,037	2,029

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

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

Condensed consolidated statements of comprehensive income (unaudited)

NOK million	Second quarter 2024	Second quarter 2023	First half 2024	First half 2023	Year 2023
Net income (loss)	1,421	5,056	1,849	6,201	2,804
Other comprehensive income					
Items that will not be reclassified to income statement:					
Remeasurement postemployment benefits, net of tax	(28)	962	836	1,216	(805)
Unrealized gain (loss) on securities, net of tax	30	(47)	42	(60)	(135)
Total	2	915	878	1,156	(940)
Items that will be reclassified to income statement:					
Currency translation differences, net of tax	(3,680)	4,341	227	9,741	5,138
Currency translation differences, net of tax, divestment of foreign operation	(36)	-	(51)	(5)	(4)
Cash flow hedges, net of tax	(619)	286	(802)	494	272
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	(4)	1	(9)	21	(3)
Total	(4,339)	4,628	(634)	10,251	5,403
Other comprehensive income	(4,337)	5,543	244	11,407	4,463
Total comprehensive income	(2,916)	10,599	2,093	17,608	7,267
Total comprehensive income attributable to non-controlling interests	(1,480)	287	(1,825)	560	(311)
Total comprehensive income attributable to Hydro shareholders	(1,437)	10,312	3,918	17,047	7,578

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

Condensed balance sheets (unaudited)

NOK million, except number of shares	June 30 2024	June 30 2023	December 31 2023
Assets			
Cash and cash equivalents	18,886	22,453	24,618
Short-term investments	3,760	1,158	2,641
Trade and other receivables	28,689	27,561	25,404
Inventories	25,208	28,808	25,449
Other current financial assets	952	2,722	1,900
Total current assets	77,494	82,702	80,012
Assets held for sale	-	-	3,685
Property, plant and equipment	74,448	72,985	74,981
Intangible assets	8,365	10,215	8,447
Investments accounted for using the equity method	24,871	24,277	21,228
Prepaid pension	9,518	9,981	8,664
Other non-current assets	10,516	8,346	9,444
Total non-current assets	127,719	125,804	122,764
Total assets	205,213	208,506	206,462

NOK million, except number of shares	June 30 2024	June 30 2023	December 31 2023
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	16,249	5,271	7,111
Trade and other payables	26,336	25,529	26,232
Other current liabilities	8,561	9,593	10,549
Total current liabilities	51,147	40,393	43,892
Liabilities in disposal group	-	-	141
Long-term debt	22,867	29,756	28,978
Provisions	6,164	6,243	5,867
Pension liabilities	9,027	8,388	9,222
Deferred tax liabilities	5,272	6,197	4,717
Other non-current liabilities	6,894	5,687	6,462
Total non-current liabilities	50,224	56,271	55,245
Total liabilities	101,371	96,665	99,279
Equity attributable to Hydro shareholders	98,448	106,873	100,579
Non-controlling interests	5,394	4,968	6,604
Total equity	103,842	111,841	107,182
Total liabilities and equity	205,213	208,506	206,462
Total number of outstanding shares (million)	1,995	2,026	2,012

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

Condensed consolidated statements of cash flows (unaudited)

NOK million	Second quarter 2024	Second quarter 2023	First half 2024	First half 2023	Year 2023
Operating activities					
Net income (loss)	1,421	5,056	1,849	6,201	2,804
Depreciation, amortization and impairment	2,515	2,340	4,987	4,526	13,815
Other adjustments	242	2,714	(2,738)	3,087	5,601
Net cash provided by operating activities	4,178	10,110	4,098	13,814	22,220
Investing activities					
Purchases of property, plant and equipment	(3,240)	(3,476)	(6,318)	(6,109)	(13,638)
Purchases of other long-term investments	(419)	(1,290)	(1,067)	(2,564)	(7,535)
Purchases of short-term investments	(492)	(75)	(3,012)	(75)	(659)
Proceeds from long-term investing activities	1,840	88	1,913	132	320
Proceeds from sales of short-term investments	2,602	-	3,122	750	753
Net cash provided by (used in) investing activities	291	(4,753)	(5,362)	(7,866)	(20,759)
Financing activities					
Loan proceeds	1,121	1,891	4,018	3,703	9,242
Loan repayments	(812)	(3,747)	(2,197)	(5,498)	(9,750)
Net increase (decrease) in other short-term debt	(3)	50	(997)	46	(393)
Repurchases of shares	(681)	-	(1,123)	(634)	(2,157)
Proceeds from shares issued	639	13	651	205	568
Dividends paid	(5,015)	(12,574)	(5,015)	(12,574)	(12,574)
Other cash transfers from non-controlling interests	-	-	-	-	8,364
Net cash used in financing activities	(4,751)	(14,367)	(4,663)	(14,752)	(6,700)
Foreign currency effects on cash	(306)	590	346	1,452	240
Net decrease in cash and cash equivalents	(588)	(8,420)	(5,581)	(7,352)	(4,999)
Cash and cash equivalents reclassified to Assets held for sale	(148)	-	(151)	-	(188)
Cash and cash equivalents at beginning of period	19,622	30,873	24,618	29,805	29,805
Cash and cash equivalents at end of period	18,886	22,453	18,886	22,453	24,618

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, 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	-	-	(1,512)	-	-	(1,512)	-	(1,512)
Cancellation treasury shares	(20)	-	1,315	(1,295)	-	-	-	-
Redeemed shares	(10)	-	-	(637)	-	(648)	-	(648)
Dividends	-	-	-	(11,501)	-	(11,501)	(1,073)	(12,574)
Capital contribution in subsidiaries	-	-	-	(131)	147	15	503	519
Sale of shares in subsidiary to non-controlling shareholder	-	-	-	1,787	2,293	4,080	2,141	6,221
Disposal of equity securities at fair value through other comprehensive income	-	-	-	(1,288)	1,288	-	-	-
Total comprehensive income for the period	-	-	-	3,583	3,996	7,578	(311)	7,267
December 31, 2023	2,241	29,283	(1,381)	60,877	9,559	100,579	6,604	107,182
Changes in equity for 2024								
Treasury shares issued to employees	-	37	34	-	-	70	-	70
Treasury shares acquired	-	-	(442)	-	-	(442)	-	(442)
Cancellation treasury shares	(23)	-	1,320	(1,297)	-	-	-	-
Redeemed shares	(12)	-	-	(669)	-	(681)	-	(681)
Dividends	-	-	-	(5,015)	-	(5,015)	-	(5,015)
Acquisition of non-controlling interest	-	-	-	7	12	19	(19)	-
Capital contribution in subsidiaries	-	-	-	-	-	-	633	633
Subsidiaries sold, items not reclassified to income statement and non-controlling interests	-	-	-	(1)	1	-	2	2
Total comprehensive income for the period	-	-	-	3,085	833	3,918	(1,825)	2,093
June 30, 2024	2,206	29,319	(469)	56,986	10,406	98,448	5,395	103,843

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

Notes to the condensed consolidated financial statements

Note 1: Accounting policies

All reported figures in the financial statements are based on International Financial Reporting Standards (IFRS). Hydro's accounting principles are presented in Hydro's 2023 Financial Statements.

The 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 2023 Financial Statements, which are a part of Hydro's Integrated Annual Report 2023.

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

Note 2: Operating segment information

Hydro identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Hydro to identify its segments according to the organization and reporting structure used by management. See Hydro's 2023 Financial statements note 1.4 "Operating and geographic segment information" for a description of Hydro's management model and segments, including a description of Hydro's segment measures and accounting principles used for segment reporting.

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

NOK million	Second quarter 2024	Second quarter 2023	First half 2024	First half 2023	Year 2023
Total revenue					
Hydro Bauxite & Alumina	11,905	8,830	22,105	17,150	35,521
Hydro Energy	2,561	2,162	5,444	5,614	11,557
Hydro Aluminium Metal	13,867	18,211	27,038	33,447	58,375
Hydro Metal Markets	21,472	22,483	40,148	43,357	81,314
Hydro Extrusions	19,707	22,608	39,013	45,325	82,645
Other and eliminations	(18,568)	(20,664)	(35,258)	(42,729)	(75,794)
Total	50,944	53,630	98,490	102,164	193,619
External revenue					
Hydro Bauxite & Alumina	8,307	5,570	15,270	10,859	23,069
Hydro Energy	857	257	2,075	1,890	4,564
Hydro Aluminium Metal	3,456	5,444	7,056	6,971	12,649
Hydro Metal Markets	18,591	19,837	35,091	37,145	70,690
Hydro Extrusions	19,729	22,527	38,990	45,292	82,635
Other and eliminations	4	(4)	7	6	13
Total	50,944	53,630	98,490	102,164	193,619

NOK million	Second quarter 2024	Second quarter 2023	First half 2024	First half 2023	Year 2023
Internal revenue					
Hydro Bauxite & Alumina	3,597	3,260	6,835	6,291	12,452
Hydro Energy	1,704	1,905	3,369	3,724	6,993
Hydro Aluminium Metal	10,411	12,767	19,981	26,476	45,726
Hydro Metal Markets	2,880	2,647	5,057	6,212	10,625
Hydro Extrusions	(22)	81	22	33	10
Other and eliminations	(18,571)	(20,660)	(35,265)	(42,736)	(75,806)
Total	-	-	-	-	-
Share of the profit (loss) in equity accounted investments					
Hydro Bauxite & Alumina	-	-	-	-	-
Hydro Energy	(128)	(59)	(233)	(126)	(293)
Hydro Aluminium Metal	275	264	402	418	733
Hydro Metal Markets	-	-	-	-	-
Hydro Extrusions	-	1	-	1	5
Other and eliminations	(35)	(25)	(10)	(17)	47
Total	113	181	158	276	492
Depreciation, amortization and impairment					
Hydro Bauxite & Alumina	775	729	1,536	1,387	6,614
Hydro Energy	66	49	115	97	196
Hydro Aluminium Metal	708	687	1,390	1,353	3,353
Hydro Metal Markets	165	45	366	87	368
Hydro Extrusions	772	792	1,522	1,532	3,171
Other and eliminations	29	38	57	69	113
Total	2,515	2,340	4,987	4,526	13,815
Earnings before financial items and tax (EBIT) ¹⁾					
Hydro Bauxite & Alumina	844	(30)	925	(429)	(5,222)
Hydro Energy	1,180	628	2,227	1,095	2,406
Hydro Aluminium Metal	960	5,605	2,336	8,200	9,125
Hydro Metal Markets	407	432	472	976	835
Hydro Extrusions	709	1,326	1,398	2,753	3,206
Other and eliminations	(542)	(21)	(735)	(423)	(758)
Total	3,557	7,939	6,623	12,172	9,592

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	Second quarter 2024	Second quarter 2023	First half 2024	First half 2023	Year 2023
Earnings before financial items, tax, depreciation and amortization (EBITDA)					
Hydro Bauxite & Alumina	1,618	698	2,460	958	1,392
Hydro Energy	1,246	677	2,342	1,192	2,602
Hydro Aluminium Metal	1,646	6,270	3,680	9,509	12,386
Hydro Metal Markets	570	476	837	1,062	1,198
Hydro Extrusions	1,477	2,111	2,913	4,276	6,359
Other and eliminations	(513)	17	(678)	(354)	(645)
Total	6,044	10,249	11,555	16,643	23,291
Investments ¹⁾					
Hydro Bauxite & Alumina	1,184	2,048	2,467	3,968	8,345
Hydro Energy ²⁾	3,826	1,325	4,209	2,079	3,351
Hydro Aluminium Metal	1,144	1,054	1,935	1,889	4,413
Hydro Metal Markets ³⁾	317	284	450	644	4,451
Hydro Extrusions ⁴⁾	809	805	1,353	1,784	5,011
Other and eliminations	24	28	41	61	78
Total	7,305	5,544	10,454	10,426	25,647

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 the non-cash contribution of businesses to the newly formed joint venture Rein by NOK 3,353 million in second quarter 2024.

3) Amount includes acquisition of Alumental impacting investments in the amount of NOK 2,932 million in third quarter 2023.

4) Amount includes acquisition of Hueck impacting investments in the amount of NOK 345 million in the first quarter 2023.

NOK million	EBIT	Depr., amor. and impairment	Investment grants	EBITDA
EBIT - EBITDA Second quarter 2024				
Hydro Bauxite & Alumina	844	775	-	1,618
Hydro Energy	1,180	66	-	1,246
Hydro Aluminium Metal	960	708	(23)	1,646
Hydro Metal Markets	407	165	(1)	570
Hydro Extrusions	709	772	(4)	1,477
Other and eliminations	(542)	29	-	(513)
Total	3,557	2,515	(28)	6,044

NOK million	EBIT	Depr., amor. and impairment	Investment grants	EBITDA
EBIT - EBITDA First half 2024				
Hydro Bauxite & Alumina	925	1,536	-	2,460
Hydro Energy	2,227	115	-	2,342
Hydro Aluminium Metal	2,336	1,390	(46)	3,680
Hydro Metal Markets	472	366	(2)	837
Hydro Extrusions	1,398	1,522	(8)	2,913
Other and eliminations	(735)	57	-	(678)
Total	6,623	4,987	(55)	11,555

Note 3: Assets held for sale

In October 2023, Hydro entered into an agreement with Macquarie Asset Management to sell 49.9 percent of Hydro's renewable energy company, Hydro Rein. Hydro will own 50.1 percent of the company, and Rein has been established as a joint venture based on the governance structure. Closing of the transaction took place on June 24, 2024. The gross value of Hydro's ownership interest has been valued at NOK 3.8 billion, resulting in a gross gain of NOK 570 million. According to Hydro's accounting policy, the relative share of ownership retained by Hydro is eliminated as an unrealized gain. The recognized gain is thus NOK 321 million, including recycling of currency translation effects previously recognized in Other Comprehensive Income of NOK 36 million. The gain is included in Other Income, net, and is included in Hydro Energy. Loans from Hydro to Rein of NOK 1.8 billion was repaid as part of the transaction.

Note 4: Share buy-back program

On May 10, 2023, Hydro's Annual General Meeting 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 21,163,019 shares were bought back under this program at a total cost, including transaction costs, of NOK 1,320 million. The cancellation of these shares, the redemption of shares held by the Norwegian state, and closure of the program was approved by the Annual General Meeting on May 7, 2024. On June 25, all shares acquired under this program were cancelled. In addition, 11,029,604 shares representing the Ministry of Trade, Industry and Fisheries' relative ownership were redeemed in the amount of NOK 681 million and cancelled.

On May 7, 2024, 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. The authorization applies until Jun 30, 2025. 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 June 30, no shares had been acquired under this program.

Assets held for sale

NOK million	Jun 30, 2024	December 31, 2023
Current assets	-	263
Investments accounted for using the equity method	-	3,089
Other non-current assets	-	333
Assets held for sale	-	3,685
Liabilities in disposal group	-	(141)
Other components of equity associated with assets held for sale	-	28

Note 5: Significant judgement

In addition to the significant estimates and judgment described in the 2023 financial statements and summarized in note 1.1 Reporting entity, basis of presentation, significant accounting estimates and judgment, 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 2024 to 2030 is undergoing changes not yet implemented in the regulatory framework. The main changes compared to the regulation governing the period 2021 to 2023 are a cap on the total cost for the government and a requirement to spend the equivalent of 40 percent of the grant for purposes aimed at reducing CO₂ emission and/or improving energy efficiency. Complying with the additional condition can be achieved over multiple years, not exceeding 2034, however, detailed regulation is currently in process.

Hydro has recognized an amount of expected CO₂ compensation related to production in the Norwegian aluminium plants based on Hydro's estimate for compensation level, and assuming that Hydro's planned projects to reduce CO₂ emissions and increase energy efficiency will be in compliance with the requirements. Hydro has recognized an amount of NOK 1,580 million for the first half of 2024.

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*: Adjusted net income (loss) 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.

- *Net debt*: Short- and long-term interest-bearing debt and Hydro's liquidity positions.
- *Adjusted net debt*: Net debt adjusted for liquidity positions regarded unavailable for servicing debt, pension obligation and other obligations which are considered debt-like in nature.
- *Adjusted RoaCE* is defined as adjusted earnings after tax for the prior 12 months divided by average capital employed for the four most recent quarters. Adjusted earnings after tax is defined as adjusted EBIT less adjusted income tax expense. Since RoaCE represents the return to the capital providers before dividend and interest payments, adjusted income tax expense excludes the tax effects of items reported as finance income (expense), net and the tax effect of adjusting items.
- *Capital employed* is defined as Shareholders' Equity, including non-controlling interest plus long-term and short-term interest-bearing debt less cash and cash equivalents and short-term investments

Aluminium Metal specific adjustment to EBITDA

- *Qatalum 50% pro rata* represent an adjustment to illustrate Hydro's share of EBITDA in Qatalum rather than Hydro's share of net income in Qatalum. The adjustment reflects the relevant elements of Qatalum's results as included in Hydro's income statement.

Metal Markets specific adjustments to EBITDA

- *Currency effects* include the effects of changes in currency rates on sales and purchase contracts denominated in foreign currencies (mainly US dollar and Euro for our European operations) and the effects of changes in currency rates on the fair valuation of derivative contracts (including LME futures) and inventories mainly translated into Norwegian kroner. Hydro manages its external currency exposure on a consolidated basis in order to take advantage of offsetting positions.
- *Inventory valuation effects* comprise hedging gains and losses relating to inventories. Increasing LME prices result in unrealized hedging losses, while the offsetting gains on physical inventories are not recognized until realized. In period of declining prices, unrealized hedging gains are offset by write-downs of physical inventories.

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

Hydro has defined two categories of items which are adjusted to results in all business areas, equity accounted investments and at group level. One category is the timing effects, which are unrealized changes to the market value of certain derivatives. When realized, effects of changes in the market values since the inception are included in adjusted EBITDA and adjusted EBIT. Changes in the market value of trading portfolios are included in adjusted results. The other category includes material items which are not regarded as part of underlying business performance for the period, such as major rationalization charges and closure costs, effects of disposals of businesses and operating assets, major impairments of property, plant and equipment, as well as other major effects of a special nature, and realized effects of currency derivatives entered into for risk management purposes. Materiality is defined as items with a value above NOK 20 million. All adjusting items to results are reflecting a reversal of transactions or other effects recognized in the financial statements for the current period. Part-owned entities have implemented similar adjustments.

- *Unrealized derivative effects on LME related contracts* include changes in unrealized gains and losses on contracts measured at market value, which are used for operational hedging purposes related to future expected sales and purchase transactions, both fixed-price customer and supplier contracts and transactions at not yet determined market prices. Also includes elimination of changes in fair value of certain internal physical aluminium contracts.
- *Unrealized derivative effects on power and raw material contracts* include changes in unrealized gains and losses on embedded derivatives in raw material and power contracts for Hydro's own use and in physical and financial power contracts used for managing price risks and volume changes. Changes in unrealized derivative effects on certain power contracts in a business model with the combined aim to manage hydrological risk in own power production, differences in power needs in existing and new business activities in Hydro as well as supporting development of new renewable energy projects are also adjusted for. Adjustments also comprise elimination of changes in fair value of embedded derivatives within certain internal power contracts.
- *Significant rationalization charges and closure costs* include costs related to specifically defined major projects, and not considered to reflect periodic performance in the individual plants or operations. Such costs involve termination benefits, dismantling of installations and buildings, clean-up activities that exceed legal liabilities, etc. Costs related to regular and continuous improvement initiatives are included in adjusted results.
- *Significant community contributions Brazil* refers to the provision recognized in relation to Alunorte's TAC and TC agreements with the Government of Pará and Ministério Público made in September 2018, including later cost adjustments. Certain related agreements made later have also been adjusted for. Contributions made as part of Hydro's social programs in areas where we operate, including individual large donations announced and provided for as a single events, are considered closely related to the operations and therefore included in adjusted results.
- *Other effects* include insurance proceeds covering asset damage, legal settlements, etc. Insurance proceeds covering lost income or expenses incurred in the same or a prior period are included in adjusted results.
- *Pension* includes recognition of pension plan amendments and related curtailments and settlements.
- *Transaction related effects* reflect the (gains) losses on divestment of businesses and individual assets, the net remeasurement (gains) losses relating to previously owned shares in acquired business, inventory valuation expense related to acquisitions as well as acquisition costs.

- *Adjusting items in equity accounted investments* reflects Hydro's share of items excluded from adjusted net income in significant associates such as Qatalum, and are based on Hydro's definitions, including both timing effects and material items not regarded as part of underlying business performance for the period.
- *Impairment charges (PP&E, intangible assets and equity accounted investments)* relate to significant write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value. Gains from reversal of impairment charges are also adjusted for.
- *Realized foreign exchange gain (loss) on risk management instruments* represents such items as foreign currency derivatives entered into and managed to mitigate currency risk in the production margin, i.e. the difference between sales price for products such as aluminium or alumina versus the cost of raw materials and energy used in production. Realized embedded currency derivatives in certain power contracts in Norway denominated in Euro are also adjusted for. Such currency effects are included in currency gains and losses in finance expense in the income statement, and included in adjusted EBITDA and adjusted EBIT.
- *Net foreign exchange (gain) loss*: Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payable, funding and deposits, embedded currency derivatives and forward currency contracts purchasing and selling currencies that hedge net future cash flows from operations, sales contracts and operating capital, with the exceptions of the realized foreign currency exchange gain (loss) on risk management instruments mentioned above.
- *Calculated income tax effect*: In order to present adjusted net income from continuing operations on a basis comparable with our adjusted operating performance, the adjusted income taxes include adjustments for the expected taxable effects on adjusting items to income before tax.
- *Other adjustments to net income from continuing operations* include other major financial and tax related effects not regarded as part of the business performance of the period.

Adjusting items to EBITDA and EBIT per operating segment and for Other and eliminations ¹⁾

NOK million	Second quarter 2024	Second quarter 2023	First quarter 2024	First half 2024	First half 2023	Year 2023
Unrealized derivative effects on LME related contracts	8	-	3	10	-	-
Unrealized derivative effects on raw material contracts	(10)	94	(41)	(51)	271	412
Community contributions Brazil ²⁾	-	25	-	-	25	25
Hydro Bauxite & Alumina	(2)	118	(38)	(40)	296	437
Unrealized derivative effects on power contracts	(147)	184	61	(86)	397	401
(Gains)/losses on divestments ³⁾	(321)	-	-	(321)	-	-
Net foreign exchange (gain)/loss ⁴⁾	(4)	(7)	(5)	(9)	(10)	(20)
Other effects ⁵⁾	(164)	-	-	(164)	-	164
Hydro Energy	(635)	177	56	(579)	388	544
Unrealized derivative effects on LME related contracts	862	(2,836)	39	901	(2,127)	(1,667)
Unrealized derivative effects on power contracts	94	(106)	(31)	63	(44)	103
Net foreign exchange (gain)/loss ⁴⁾	(81)	(114)	(78)	(159)	(152)	(320)
Hydro Aluminium Metal	874	(3,055)	(69)	805	(2,322)	(1,884)
Unrealized derivative effects on LME related contracts	(124)	(146)	2	(121)	(113)	215
Transaction related effects ⁶⁾	-	4	-	-	54	120
Other effects ⁷⁾	(137)	-	-	(137)	-	-
Hydro Metal Markets	(261)	(142)	2	(259)	(58)	335
Unrealized derivative effects on LME related contracts	(159)	6	(9)	(168)	(13)	(34)
Unrealized derivative effects on power contracts	3	(24)	(13)	(10)	(19)	(28)
Significant rationalization charges and closure costs ⁸⁾	56	27	32	89	78	265
(Gains)/losses on divestments and other transaction related effects ⁹⁾	-	-	(9)	(9)	20	25
Other effects ¹⁰⁾	-	(107)	-	-	(107)	(107)
Hydro Extrusions	(100)	(98)	1	(99)	(41)	121
Unrealized derivative effects on LME related contracts ¹¹⁾	(15)	(35)	15	-	(50)	(43)
(Gains)/losses on divestments	-	-	(14)	(14)	-	(25)
Net foreign exchange (gain)/loss ⁴⁾	(65)	(143)	(52)	(118)	(258)	(543)
Other effects ¹²⁾	-	26	-	-	26	26
Other and eliminations	(80)	(151)	(52)	(132)	(282)	(585)
Adjusting items to EBITDA	(205)	(3,152)	(100)	(305)	(2,020)	(1,033)
Impairment charges						
Hydro Bauxite & Alumina ¹³⁾	-	-	-	-	-	3,773
Hydro Aluminium Metal ¹⁴⁾	-	-	-	-	-	628
Hydro Extrusions ¹⁵⁾	-	-	-	-	-	23
Adjusting items to EBIT	(205)	(3,152)	(100)	(305)	(2,020)	3,391

- 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) Gain on divestment of Hydro Rein, which from June 24, 2024 is a joint venture.
- 4) Realized currency gains and losses from risk management contracts and embedded currency derivatives in physical power and raw material prices.
- 5) Other effects in Energy includes a provision for potential project-related costs in relation to regulatory compliance in Q4 2023, reversed in Q2 2024.
- 6) Transaction effects in Metal Markets includes acquisition costs related to Alumetal and realization of revalued inventory in the third quarter 2023 with lower margin.
- 7) Other effects in Metal Markets includes a reimbursement of duty paid related to the divested Rolling activity
- 8) Significant rationalization and closure costs include provisions for costs related to reduction of overcapacity, closures and environmental clean-up activities in Hydro Extrusions.
- 9) Divestments of Hydro Extrusions plants, including adjustments of sales price, as well as acquisition costs.
- 10) Other effects in Hydro Extrusions relates to a tax related dispute concluded in 2023 for cost incurred prior to Hydro's acquisition of the business affected.
- 11) Unrealized derivative effects on LME related contracts result from elimination of changes in the valuation of certain internal aluminium contracts.
- 12) Other effects relates to environmental provision for closed sites in Norway.
- 13) Impairment charges in Hydro Bauxite & Alumina in 2023 relates to impairment of goodwill and property, plant and equipment in the operating plants.
- 14) Impairment charges in Hydro Aluminium Metal in 2023 reflects write down of Hydro's ownership interest in the Tomago smelter in Australia.
- 15) Impairment charges in 2023 in Hydro Extrusions include impairments of various individual sites and assets.

Adjusted EBITDA

NOK million	Second quarter 2024	Second quarter 2023	First quarter 2024	First half 2024	First half 2023	Year 2023
EBIT	3,557	7,939	3,066	6,623	12,172	9,592
Depreciation, amortization and impairment	2,515	2,340	2,472	4,987	4,526	13,815
Investment grants	(28)	(30)	(27)	(55)	(55)	(116)
EBITDA	6,044	10,249	5,511	11,555	16,643	23,291
Adjusting items to EBITDA	(205)	(3,152)	(100)	(305)	(2,020)	(1,033)
Adjusted EBITDA	5,839	7,098	5,411	11,250	14,623	22,258

Adjusted earnings per share

NOK million	Second quarter 2024	Second quarter 2023	Change prior year quarter	First quarter 2024	Change prior quarter	First half 2024	First half 2023	Year 2023
Net income (loss)	1,421	5,056	(72) %	428	>100 %	1,849	6,201	2,804
Adjusting items to net income (loss) ¹⁾	257	(1,646)	>100 %	1,070	(76) %	1,327	536	5,031
Adjusted net income (loss)	1,677	3,410	(51) %	1,498	12 %	3,176	6,736	7,835
Adjusted net income attributable to non-controlling interests	(269)	(187)	(44) %	(373)	28 %	(642)	(326)	(799)
Adjusted net income attributable to Hydro shareholders	1,946	3,597	(46) %	1,871	4 %	3,818	7,063	8,634
Number of shares	2,005	2,035	(1) %	2,006	-	2,006	2,037	2,029
Adjusted earnings per share	0.97	1.77	(45) %	0.93	4 %	1.90	3.47	4.26

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 debt

NOK million	June 30 2024	March 31 2024	Change prior quarter	June 30 2023	March 31 2023	Change prior year quarter
Cash and cash equivalents	18,886	19,622	(736)	22,453	30,873	(8,421)
Short-term investments ¹⁾	3,760	4,968	(1,208)	1,158	2,696	(1,538)
Short-term debt	(16,249)	(8,169)	(8,081)	(5,271)	(5,899)	629
Long-term debt	(22,867)	(30,996)	8,130	(29,756)	(29,615)	(141)
Collateral for long-term liabilities	228	682	(454)	122	195	(73)
Net debt	(16,243)	(13,893)	(2,349)	(11,294)	(1,749)	(9,545)
Collateral for short-term and long-term liabilities ²⁾	(2,410)	(1,911)	(499)	(209)	(1,892)	1,683
Cash and cash equiv. and short-term investm. in captive insurance company ³⁾	(1,221)	(1,233)	12	(1,090)	(1,073)	(17)
Net pension asset (obligation) at fair value, net of expected income tax benefit ⁴⁾	(69)	32	(101)	828	(116)	944
Short- and long-term provisions net of expected income tax benefit, and other liabilities ⁵⁾	(6,191)	(5,641)	(550)	(4,125)	(3,671)	(454)
Adjusted net debt in assets held for sale and liabilities in disposal groups ⁶⁾	-	158	(158)	-	-	-
Adjusted net debt	(26,133)	(22,488)	(3,646)	(15,890)	(8,501)	(7,389)

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 559 million and NOK 566 million for June 2024 and March 2024, respectively.

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

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

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

NOK million	Second quarter 2024	First quarter 2024	Fourth quarter 2023	Third quarter 2023	Second quarter 2023	Twelve months ending June 30, 2024	Twelve months ending March 31, 2024	Year 2023
Adjusted EBIT ¹⁾	3,353	2,966	1,231	1,600	4,788	9,150	10,585	12,983
Adjusted Income tax expense ²⁾	(1,242)	(1,268)	(190)	(1,143)	(1,263)	(3,843)	(3,864)	(4,475)
Adjusted EBIT after tax	2,111	1,698	1,042	457	3,525	5,307	6,721	8,508

NOK million	June 30 2024	March 31 2024	December 31 2023	September 30 2023	June 30 2023	March 31 2023
Current assets in continuing operations ³⁾	54,849	55,609	52,753	55,761	59,091	59,869
Property, plant and equipment	74,448	77,334	74,981	74,367	72,985	67,827
Other non-current assets ⁴⁾	53,042	50,787	47,145	53,266	52,697	49,935
Current liabilities excluding liabilities in disposal groups ⁵⁾	(34,898)	(34,599)	(36,781)	(35,954)	(35,123)	(36,443)
Non-current liabilities ⁵⁾	(27,357)	(27,490)	(26,267)	(25,850)	(26,516)	(25,079)
Adjusted for Assets held for sale ⁶⁾	-	4,131	3,685	-	-	-
Adjusted for Liabilities in disposal group ⁶⁾	-	(129)	(141)	-	-	-
Capital Employed	120,085	125,642	115,374	121,591	123,135	116,108

	Second quarter, 2024	First quarter, 2024	Year 2023
Adjusted Return on average Capital Employed (RoaCE), last twelve months ⁷⁾	4.4 %	5.5 %	7.1 %

1) Adjusted EBIT for third quarter 2023 and fourth quarter 2023 are reconciled in the fourth quarter report for 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 for liabilities.

5) Excluding interest-bearing debt.

6) Adjusted to include assets and liabilities in Hydro Rein.

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

Responsibility statement from the Board and the President and CEO

We confirm to the best of our knowledge that the condensed set of financial statements for the period January 1 to June 30, 2024 has been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the Hydro Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, July 22 2024



Rune Bjerke
Chair



Kristin Fejerskov Kragseth
Deputy chair



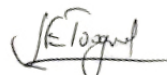
Philip Graham New
Board member



Espen Gundersen
Board member



Arve Baade
Board member



Jane Toogood
Board member



Peter Kukielski
Board member



Bjørn Petter Moxnes
Board member



Thorleif Sand
Board member



Margunn Sundve
Board member



Marianne Wiinholt
Board member



Eivind Kallevik
President and CEO

Additional information

Financial calendar

2024	
October 24	Third quarter results
2025	
February 14	2024 Annual Report / Fourth quarter results
April 29	First 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.

