



Fourth quarter 2021 Investor presentation

February 22, 2022



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Cautionary note

Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Record results in Q4 and 2021

80% shareholder distribution

Pål Kildemo
Chief Financial Officer

February 22, 2022

Q4 2021 | Adjusted EBITDA NOK 9 011 million



Free cash flow NOK 4.7 billion

Adj. RoaCE 18.6%

Continued tight markets across aluminium value chain

Record results upstream and in Hydro Energy

2021 improvement program target exceeded by 25%

2025 strategy execution progressing as planned

80% cash dividend payment on strong financials

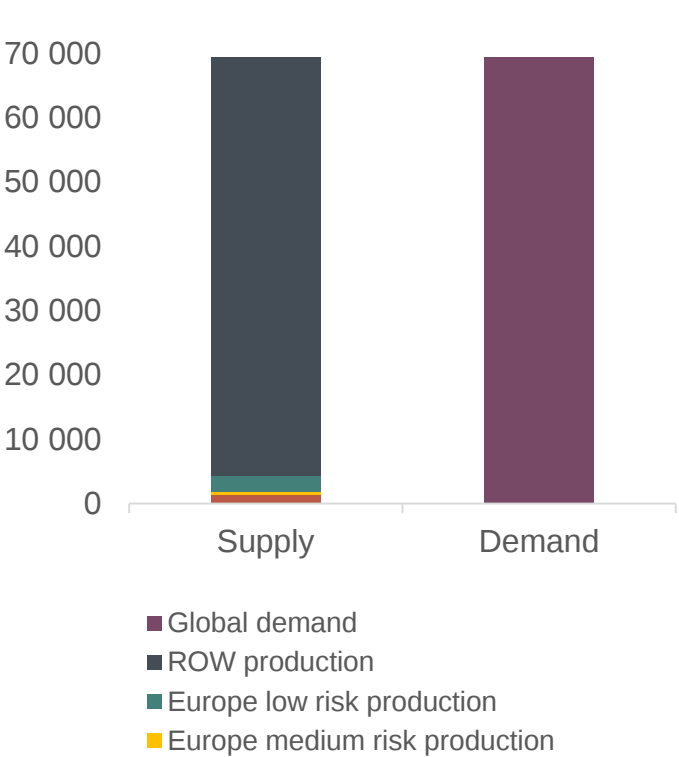


European smelter energy crunch extends global deficit

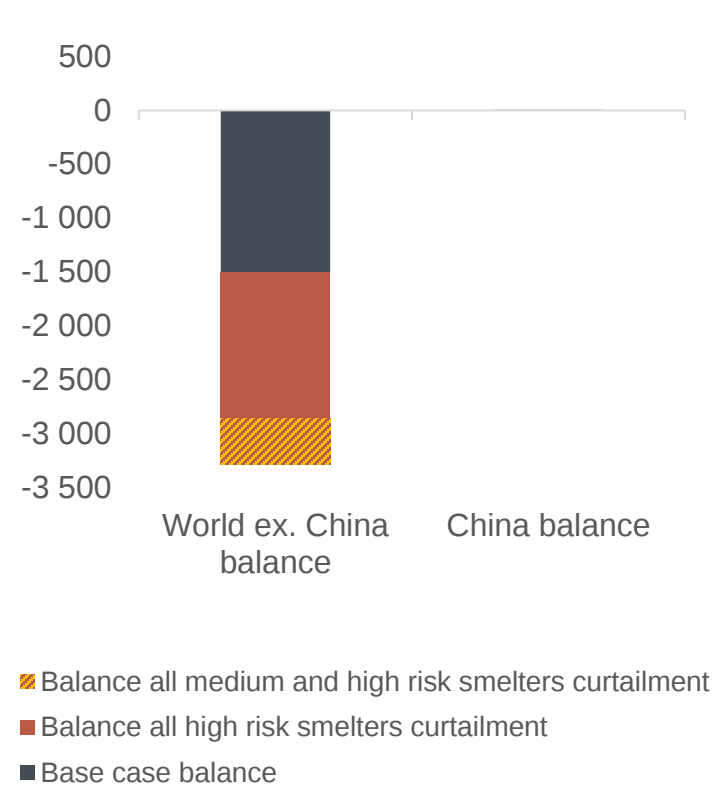


650k tonnes European capacity curtailed, 700k tonnes at high risk

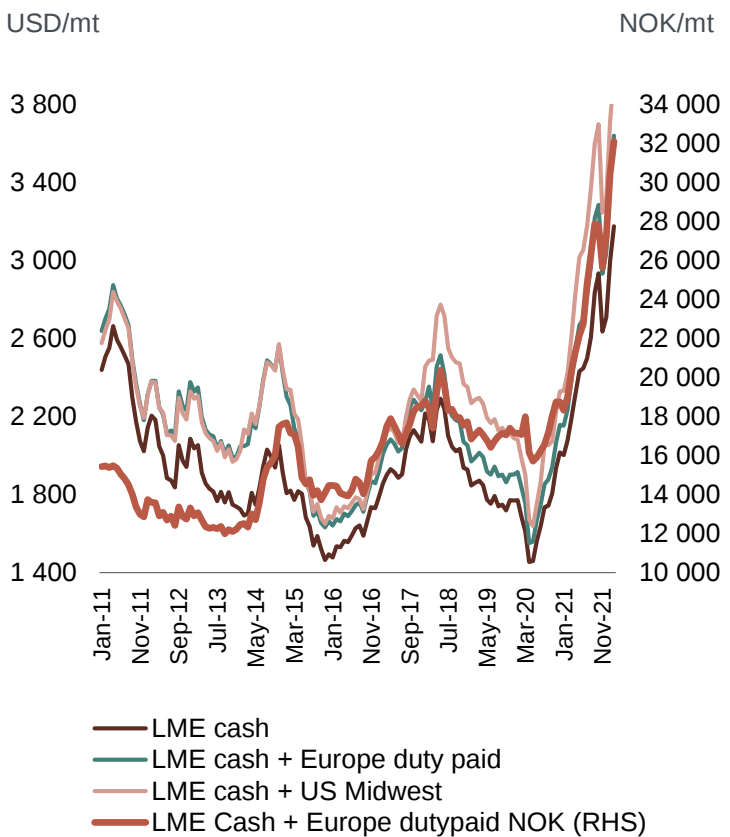
Estimated global primary production and consumption in 2022 ('000t)



Estimated global primary balance in 2022 ('000t)



All-in metal prices



Progress made on executing the 2025 strategy

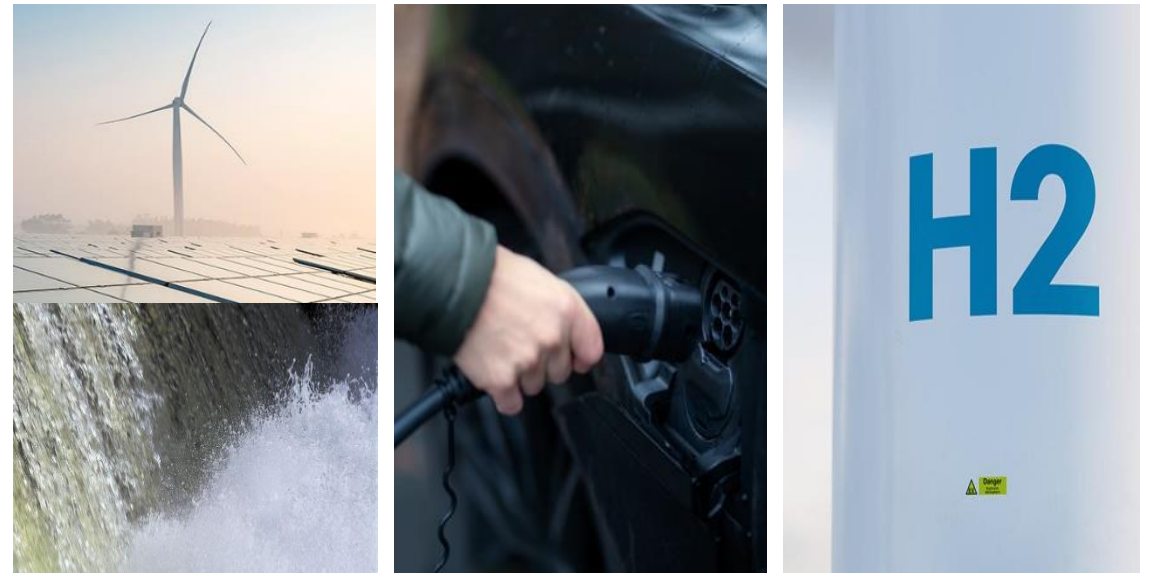


Seizing opportunities where our capabilities match the megatrends

1 Strengthen position in low-carbon aluminium



2 Diversify and grow in new energy

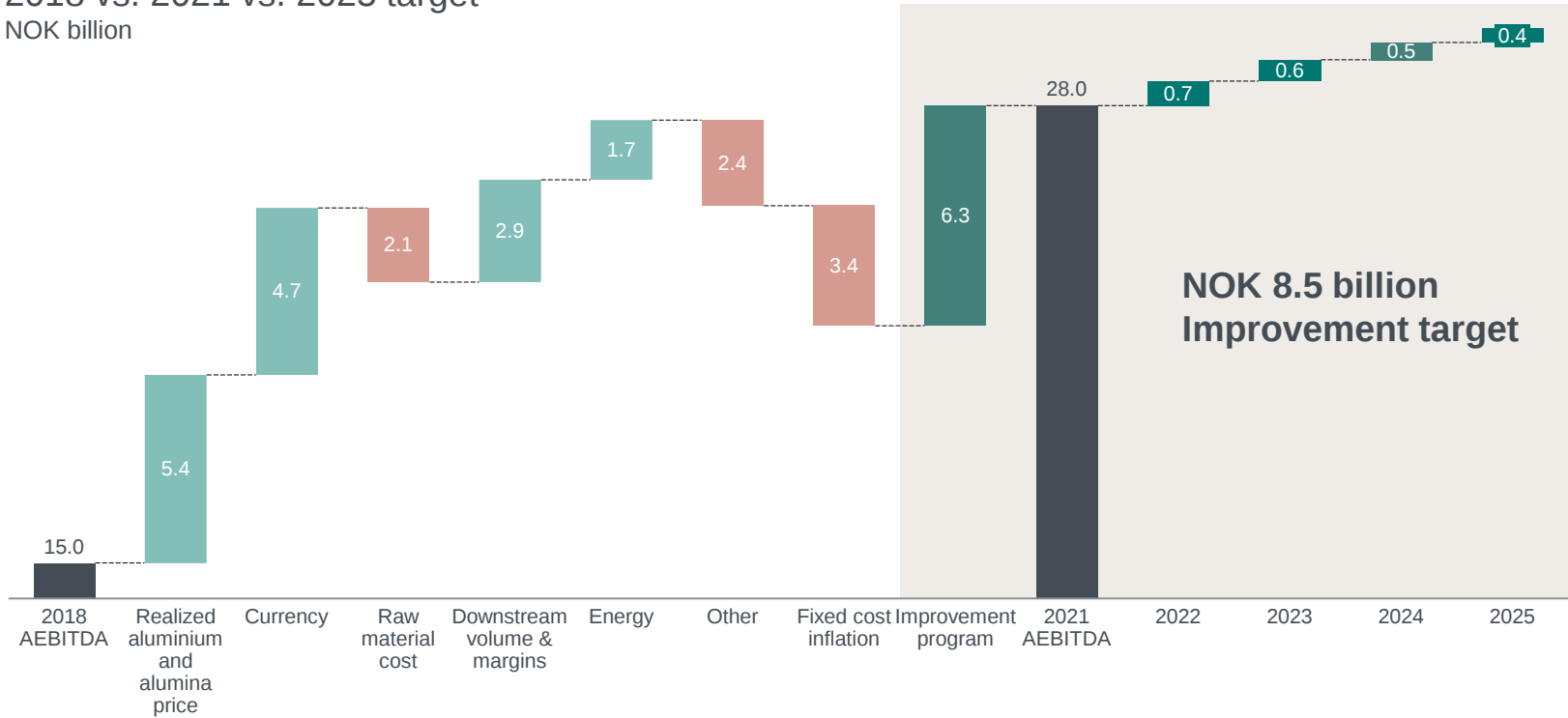


Delivering 25% above improvement program target

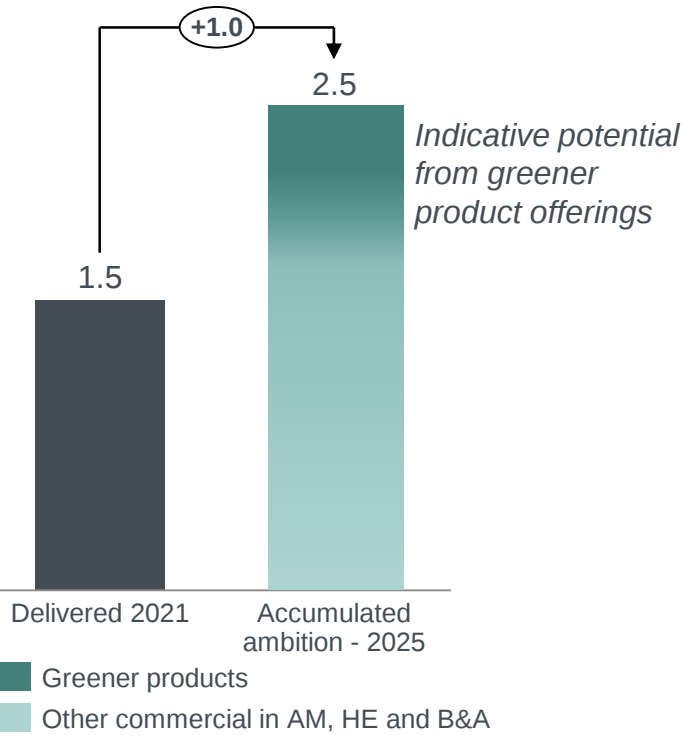


Commercial improvements of NOK 1.5 billion delivered²⁾

Improvement Program
2018 vs. 2021 vs. 2025 target
NOK billion



Commercial ambition 2025²⁾³⁾
NOK billion



1) Calculated as Hydro Group AEBITDA – RP AEBITDA and compared to 2018 AEBITDA
2) Compared to 2018 AEBITDA
3) Gross uplift not including effects of inflation

Helping our customers decarbonize

Strengthen position in low-carbon aluminium



Hydro aluminium to play key part in creating a carbon-neutral car by 2030

- We will soon announce an R&D collaboration with a leading car manufacturer
- Signed Letter of Intent
- Hydro aims to contribute with aluminium expertise and supply with zero-carbon Hydro aluminium



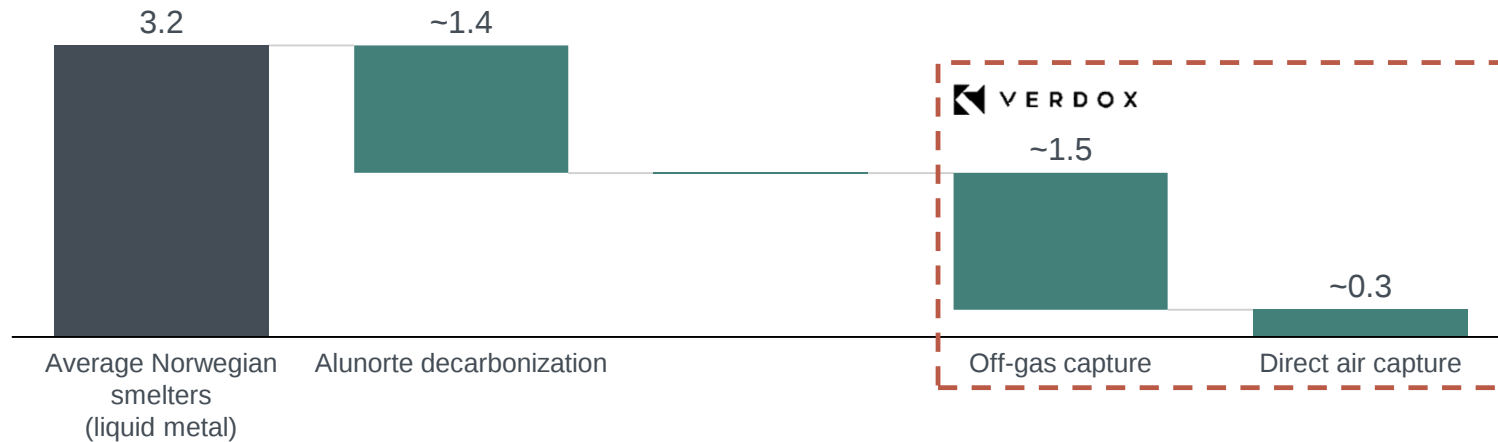
Electrifying the best-selling vehicle in the United States

- Hydro supplying complex aluminium components for new all-electric Ford-150 Lightning, launching this spring
- Aluminium is natural choice for EVs to reduce weight and maintain excellent crash-worthiness
- The seamless aluminium tubing used in the frame of the cab is a result of close collaboration, from development to launch
- Customer demand for F-150 Lightning has been high with nearly 200,000 reservations

Progress on our roadmap to Net-Zero



Strengthen position in low-carbon aluminium



First of three el-boilers started at Alunorte

- World's largest refinery electrification initiative
- Will be powered by renewable energy through long term PPA's in partnership with Hydro REIN
- Financially positive business case that will reduce CO2 emissions by 400k tons annually

Hydro invests in Verdox CCS company

- Aims to deliver cost-efficient Aluminium Carbon Capture Technology and Direct Air Capture technology for piloting starting from 2025
- Hydro has invested USD 20 million and will have a minority ownership position



Solar park to power new press in Poland

- Polish electricity grid mix is dominated by coal
- Will reduce carbon footprint of extrusion process by 80%
- Expected to be in operation Q3 2022

Building new energy growth areas

Diversify and grow in new energy



Hydro Rein



Developing onshore wind projects in Sweden with Eolus

- Stor-Skälsjön project in construction, 260MW onshore wind in SE2 backed by PPA with Hydro Energy
- New deal with Eolus to jointly develop 672 MW onshore wind projects in SE3/SE4, 9 projects in total

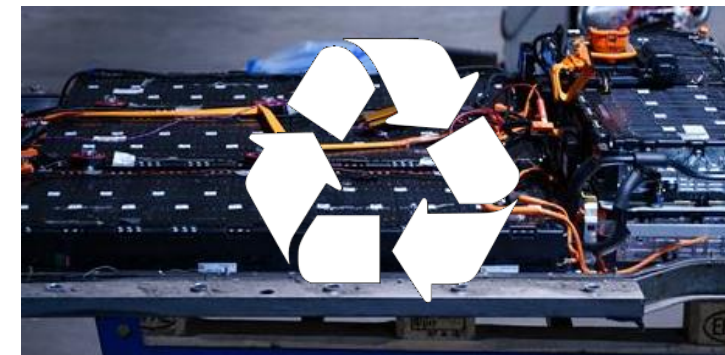
Corvus Energy



Hydro becomes largest shareholder through private placement

- Hydro participated in private placement with NOK 172 million
- New ownership 22.7%
- Strong growth in order intake during Q4 and well positioned for continued global uptake of marine battery systems

Hydrovolt



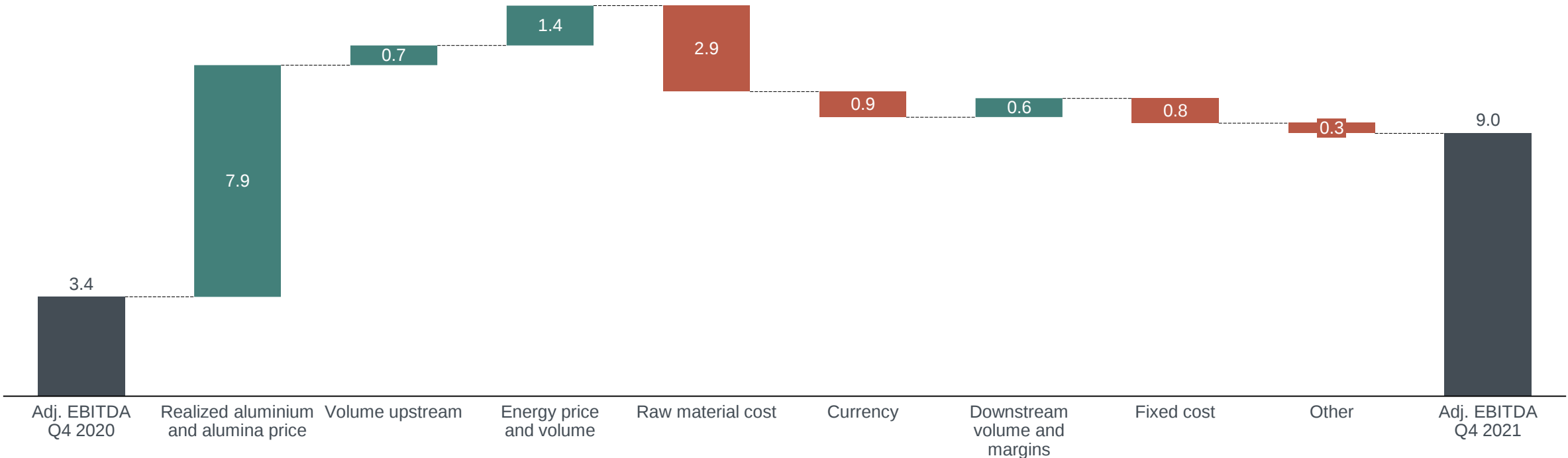
Europe's largest battery recycling plant to start commercial production early Q2

- Hot commissioning started January 2022
- Building order book into 2023/24
- Well positioned for vertical integration and scaling in Europe

Result up on strong markets, partly offset by higher raw material and fixed costs and currency



Q4-2021 vs Q4-2020



Key financials



NOK million	Q4 2021	Q4 2020	Q3 2021	Year 2021	Year 2020
Revenue	46 433	29 823	36 710	149 654	114 291
Reported EBITDA	12 462	8 601	4 610	26 050	18 390
Adjustment to EBITDA	(3 451)	(5 198)	2 608	1 959	(5 284)
Adjusted EBITDA	9 011	3 403	7 219	28 010	13 106
Reported EBIT	10 086	6 824	2 533	17 887	9 356
Adjusted EBIT	7 026	1 678	5 309	20 786	6 040
Financial income (expense)	644	1 248	(913)	510	(4 552)
Reported Income (loss) before tax	10 730	8 072	1 620	18 397	4 804
Income taxes	(2 205)	(846)	(494)	(4 467)	(918)
Reported Net income (loss) from continuing operations	8 525	7 226	1 127	13 930	3 886
Adjusted net income (loss) from continuing operations	5 810	1 089	3 498	14 905	2 848
Earnings per share from continuing operations	3.47	3.40	0.50	5.92	1.99
Adjusted earnings per share from continuing operations	2.57	0.47	1.60	6.77	1.32
Income (loss) from discontinued operations ¹⁾	4	(1 849)	(19)	12	(2 226)

1) Income and expenses in the business to be sold are excluded from such income and expenses in continuing operations and reported separately as Losses for discontinued operations. For further information and a specification of the result in the discontinued operations, see Note 4 Discontinued operations and assets held for sale to the interim financial statements

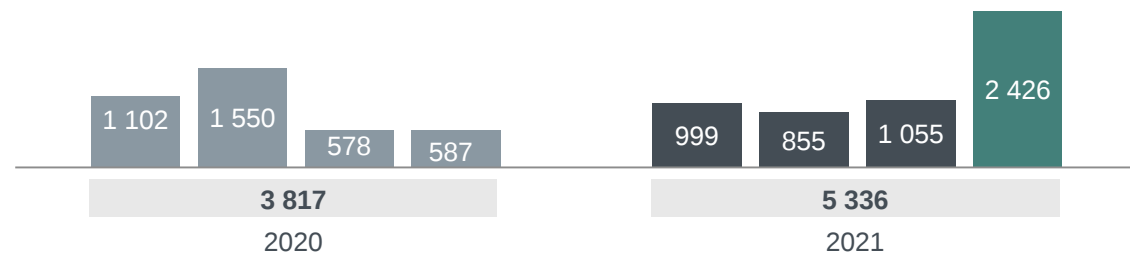
Hydro Bauxite & Alumina

Results up on higher alumina prices and insurance proceeds, partly offset by higher raw material costs

Key figures	Q4 2021	Q4 2020	Q3 2021
Alumina production, kmt	1 600	1 410	1 579
Total alumina sales, kmt	2 655	2 122	2 355
Realized alumina price, USD/mt	393	272	284 ⁴⁾
Implied alumina cost, USD/mt ¹⁾	289	241	233 ⁴⁾
Bauxite production, kmt	2 696	2 556	2 756
Adjusted EBITDA, NOK million	2 426	587	1 055
Adjusted EBIT, NOK million	1 913	116	466
Adjusted RoaCE, % LTM ²⁾	12.0%	5.9%	5.5%

Adjusted EBITDA

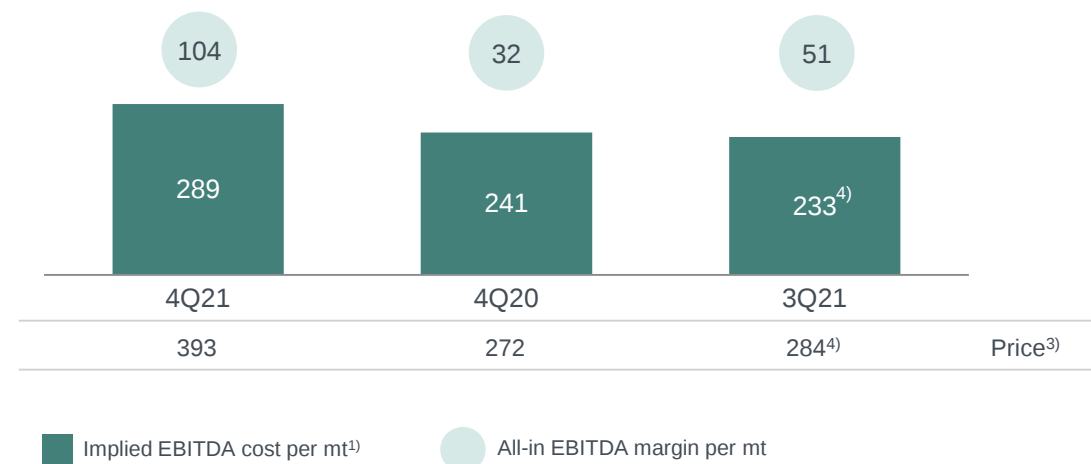
NOK million



- 1) Realized alumina price minus Adjusted EBITDA for B&A, per mt alumina sales
- 2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.
- 3) Realized alumina price
- 4) Restated realized alumina price, adjusting for volume correction

Implied alumina cost and margin

USD/mt¹⁾



Results Q4 21 vs Q4 20

- Higher alumina prices
- Higher raw material costs
- Insurance proceeds of NOK ~500 million relating to decommissioned crane

Outlook Q1 22

- Alunorte production around nameplate capacity
- Higher raw material prices

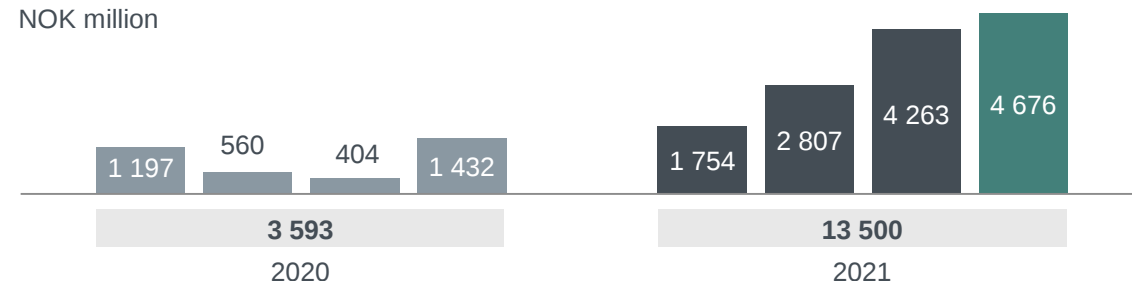
Hydro Aluminium Metal

Record result on higher all-in metal prices and volumes, partly offset by currency effects and higher raw material and fixed costs

Key figures	Q4 2021	Q4 2020	Q3 2021
Primary aluminium production, kmt	571	532	573
Total sales, kmt	572	547	583
Realized LME price, USD/mt ¹⁾	2 675	1 792	2 419
Realized LME price, NOK/mt ¹⁾	23 087	16 364	20 910
Realized premium, USD/mt	565	224	449
Implied all-in primary cost, USD/mt ²⁾	2 175	1 650	1 925
Adjusted EBITDA, NOK million	4 676	1 432	4 263
Adjusted EBITDA including Qatalum 50% pro rata (NOK million)	5 264	1 794	4 797
Adjusted EBIT, NOK million	4 111	844	3 684
Adjusted RoaCE, % LTM ³⁾	28.3%	2.9%	20.3%

Adjusted EBITDA

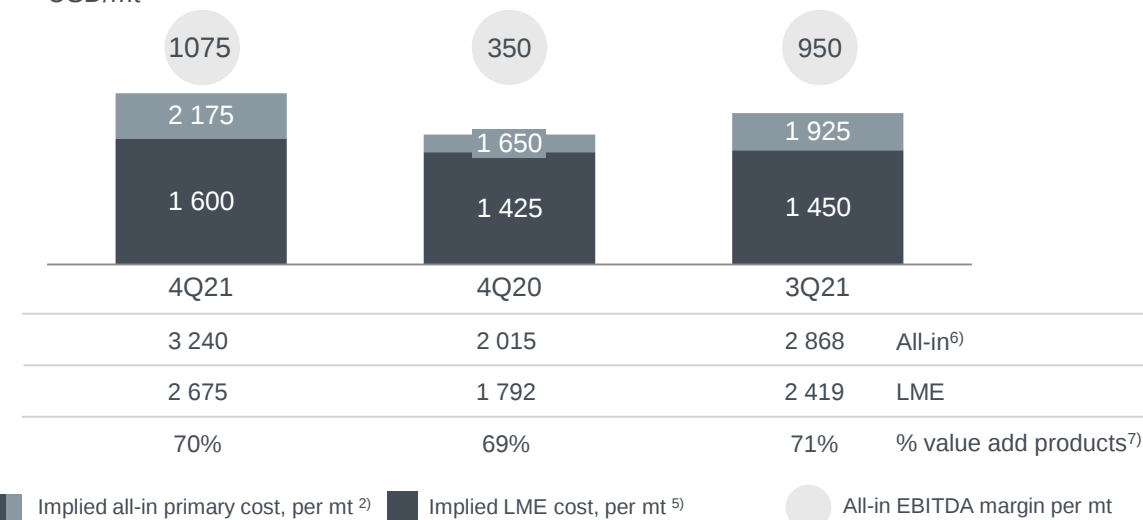
NOK million



- 1) Includes pricing effects from LME strategic hedge program
- 2) Realized all-in aluminium price minus Adjusted EBITDA margin, including Qatalum, per mt aluminium sold
- 3) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.
- 4) Implied primary costs and margin rounded to nearest USD 25

All-in implied primary cost and margin

USD/mt^{1,4)}



Results Q4 21 vs Q4 20

- Higher all-in metal prices and volumes
- Negative realized result from closing parts of Slovalco LME hedge ~NOK 260 million
- Increased raw material and fixed costs (including ~NOK 100 million one-off)
- Negative currency effects

Outlook Q1 22

- ~61% of primary production for Q1 priced at USD 2 594 per mt ⁸⁾
- ~59% of premiums affecting Q4 booked at USD ~881 per mt ⁸⁾
 - Q1 realized premium expected in the range of USD 675-725 per ton
- Higher raw material costs compared to Q4
- Higher CO2 compensation
- Albras expects to restart first pots in early Q2, resuming normal operations in Q4

- 5) Realized LME aluminium price less Adjusted EBITDA margin, incl Qatalum, per mt primary aluminium produced
- 6) Realized LME plus realized premiums, including Qatalum
- 7) % of volumes extrusion ingot, foundry alloy, sheet ingot, wire rod of total sales volumes
- 8) Bookings, also including pricing effects from LME strategic hedging program as per 31.12.2021

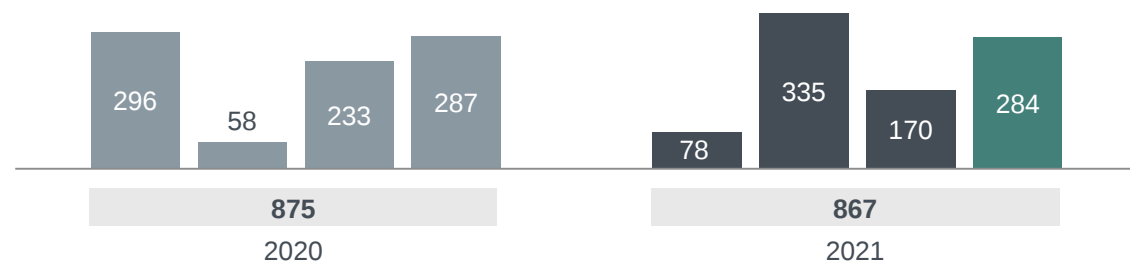
Metal Markets

Results stable on improved results from recyclers and inventory valuation effects, offset by currency and lower results from sourcing and trading

Key figures	Q4 2021	Q4 2020	Q3 2021
Recycling production, kmt	144	140	132
Metal products sales, kmt ¹⁾	681	672	675
Adjusted EBITDA Recycling (NOK million)	290	137	132
Adjusted EBITDA Commercial (NOK million)	(6)	149	38
Adjusted EBITDA Metal Markets (NOK million)	284	287	170
Adjusted EBITDA excl. currency and inventory valuation effects	315	295	212
Adjusted EBIT (NOK million)	245	248	133
Adjusted RoaCE, % LTM ²⁾	23.9%	21.6%	26.7%

Adjusted EBITDA

NOK million



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

2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.

Results Q4 21 vs Q4 20

- Improved results from recyclers
- Positive inventory valuation effects
- Lower results from sourcing and trading activities and currency effects

Outlook Q1 22

- Volatile trading and currency effects
- Stronger recycling results on high premiums

Extrusions volumes up in Q4, market recovery continues

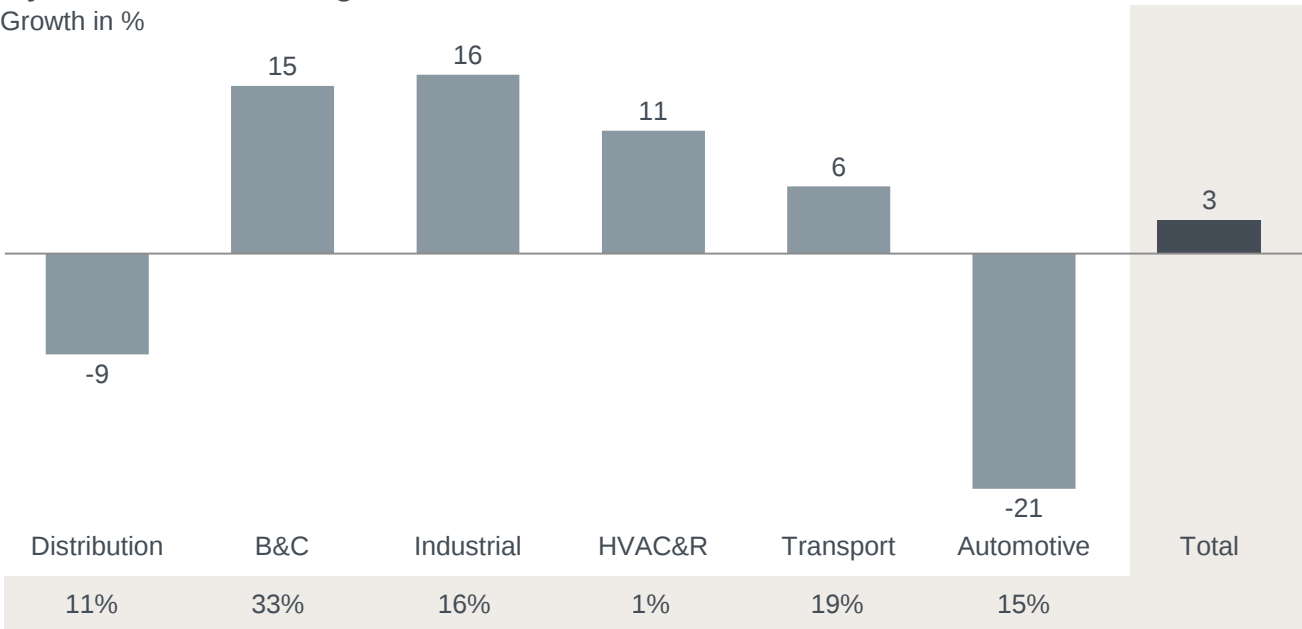


Automotive volumes still impacted by semiconductor shortage and global supply chain issues

Extrusion sales volumes

Q4 2021 vs Q4 2020

Hydro Extrusions segment sales volume
Growth in %

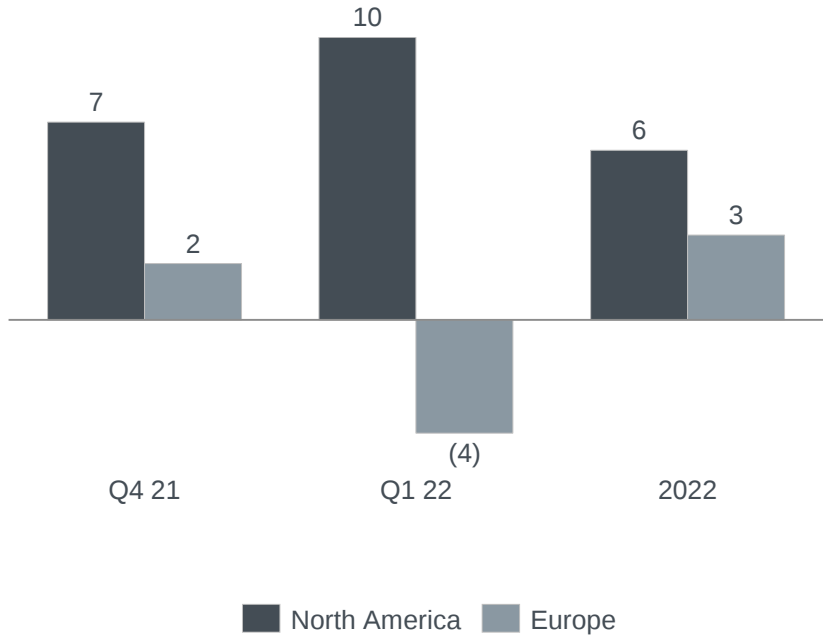


Share of Q4 2021 Hydro Extrusions sales
Source: CRU

External market forecasts

Year over Year

Extrusion market growth per quarter
Growth in %



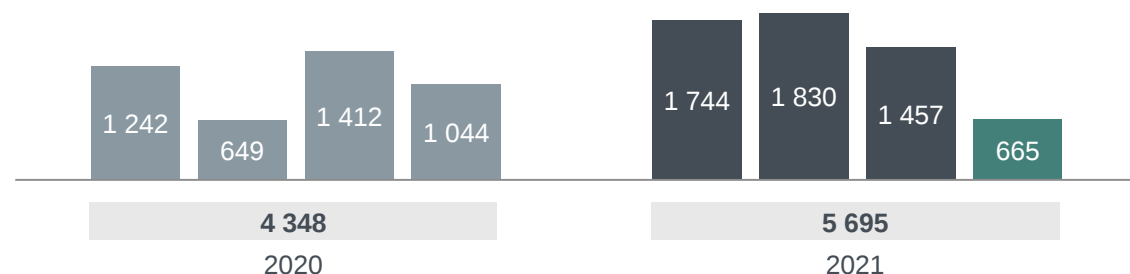
Hydro Extrusions

Lower results mainly due to higher costs and non-recurring scrapping of assets

Key figures	Q4 2021	Q4 2020	Q3 2021
External sales volumes, kmt	301	291	315
Adjusted EBITDA, NOK million	665	1 044	1 457
Adjusted EBIT, NOK million	(122)	511	828
Adjusted RoaCE, % LTM ¹⁾	10.3%	6.2%	12.3%

Adjusted EBITDA

NOK million



1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.



Results Q4 21 vs Q4 20

- Higher fixed and variable costs
- Negative effects from non-recurring scrapping of assets (NOK ~330 million)
- Higher sales volumes
- Divestment of extrusion plant in Kuppam, India completed

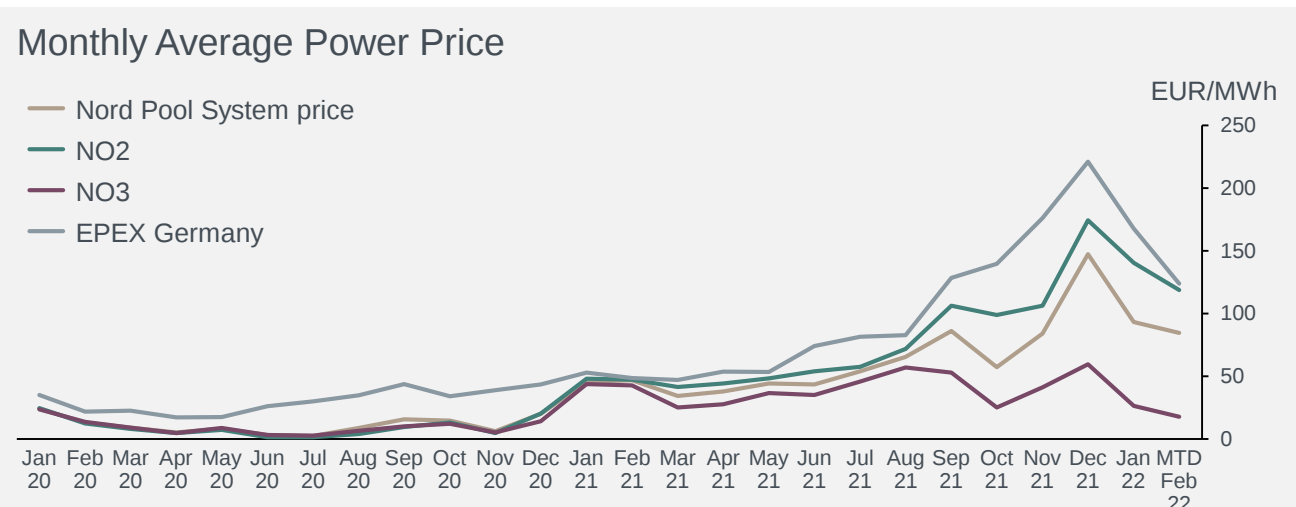
Outlook Q1 22

- Higher net added value
- Short term margin pressure amid increasing inflation
- Supply-chain volatility and labor shortage in North America
- Uncertainty due to Omicron and high and volatile energy prices

Soaring energy prices

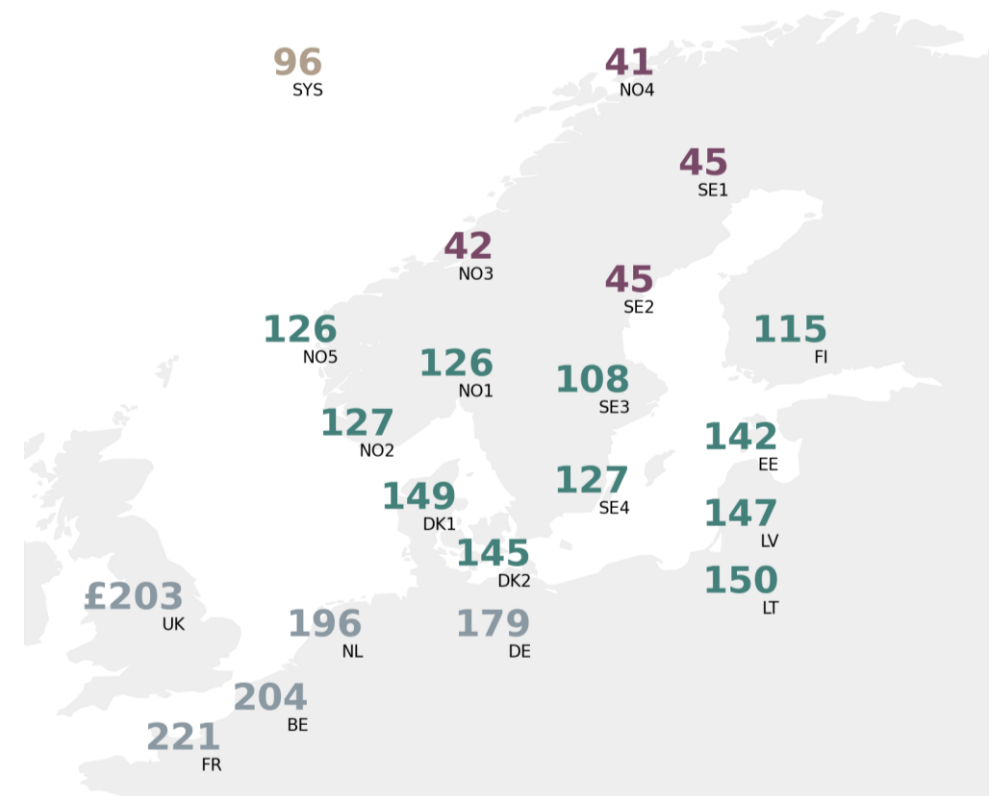
High demand and tight supply for gas and coal, while carbon prices tested new highs

- European power prices reached extreme levels due to the high gas, coal and carbon prices
- Nordic power prices were also significantly higher in Q4 compared to Q3 and last year, driven by high continental power prices in combination with colder than normal weather conditions
- Price area differences in the Nordic region have continued in Q4 and have prevailed into early 2022



Source: Nordpool, EEX

Q4 2021 average power prices
EUR/MWh



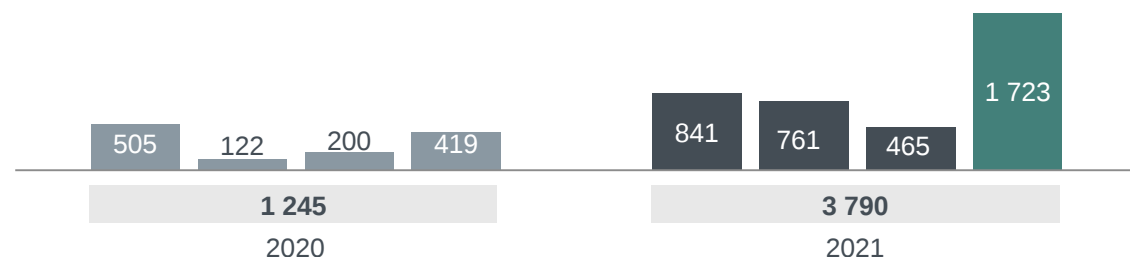
Hydro Energy

Results up on higher prices, area price differences, and changed contract portfolio, partly offset by lower production

Key figures	Q4 2021	Q4 2020	Q3 2021
Power production, GWh	2 136	3 396	1 688
Net spot sales, GWh	305	1 595	(401)
Southwest Norway spot price (NO2), NOK/MWh	1 271	137	807
Adjusted EBITDA, NOK million	1 723	419	465
Adjusted EBIT, NOK million	1 674	352	417
Adjusted RoaCE, % LTM ^{1),2)}	25.4%	8.7%	11.3%

Adjusted EBITDA

NOK million



1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less tax/ Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.

2) 80% tax rate applied for 2019 and 2020, 40% tax rate applied in 2021

3) 01.1.2022 – 19.02.2022

Results Q4 21 vs Q4 20

- Significantly higher power prices
- Gain from large price area differences
- Changed power contract portfolio
- Lower production

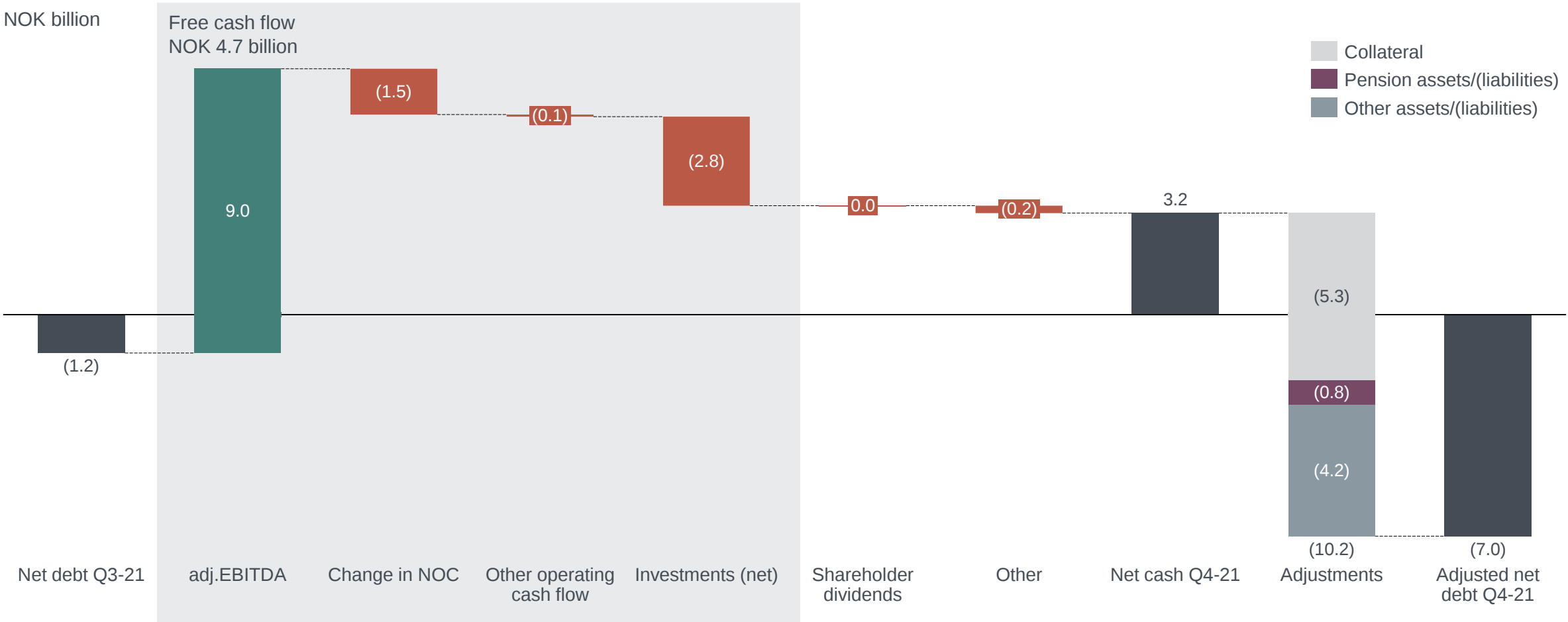
Outlook Q1 22

- Volume and price uncertainty, with continuing price area differences
- Normalizing hydrological balance in the Nordics
- 30-40% lower north-south area price exposure than in 2021
- Average NO2 spot price 1 325 NOK/MWh in February³⁾

Net debt turned to net cash in Q4



Continued record earnings, slightly offset by further build in NOC and investments



Note on free cash flow: Excludes hedging collateral (LT/ST restricted cash) and net purchases of money market funds
Note on NOC: BAs: Change in book value excl currency translation. "Other": Account differences (e.g., ST income tax receivables, long-term VAT accounts), agio & portfolio effects
Note on investments: BAs: Investments adjusted for lease and ARO. "Other": Changes in prepayments/payables, reversal of capitalized interest, divestments
Note on Other: "Other": Unrealized gains (losses) on STI, lease additions
Note on Collateral: Includes collateral for short-term and long-term liabilities, mainly related to strategic hedges and the operational hedging activity

Significant improvement in financial position in 2021



Strong EBITDA and Rolling transaction partly offset by price driven NOC build and investments

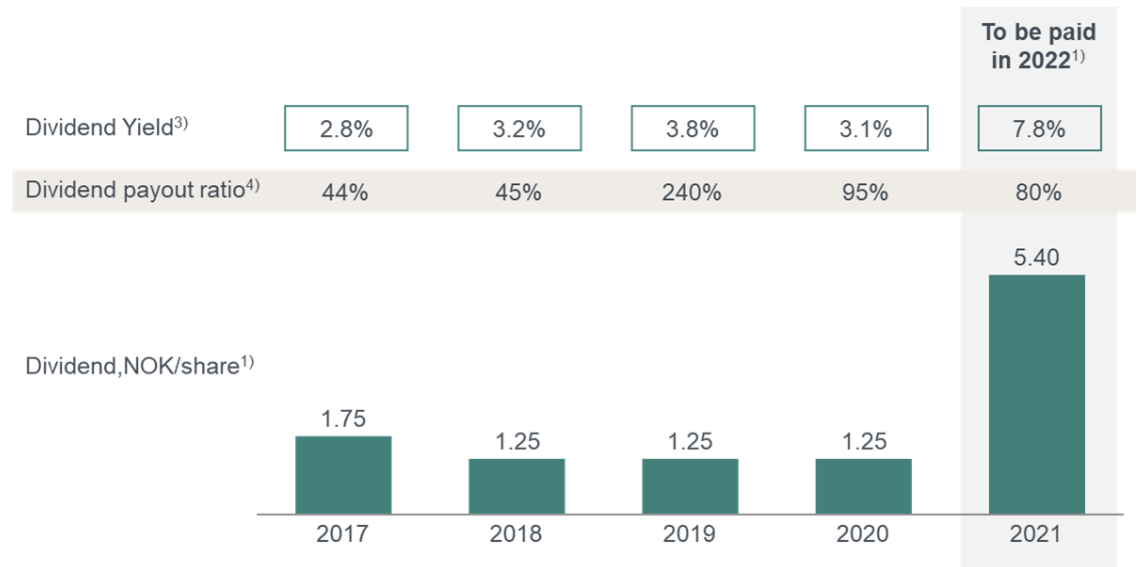


Proposing dividend of NOK 5.4¹⁾ per share for 2021



Represents payout of ~NOK 11.1 billion

- Strong cash generation and robust balance sheet enables significant increase in dividend payment
- 80 % cash dividend payment
 - 50% ordinary dividend
 - 30% extraordinary dividend
- Average five-year payout ratio²⁾ of ~71%
- Payment conditional upon AGM approval in May



1) Pending approval from the AGM on May 10th, 2022

2) Average dividend per share divided by average adjusted earnings per share from continuing operations for last five years.

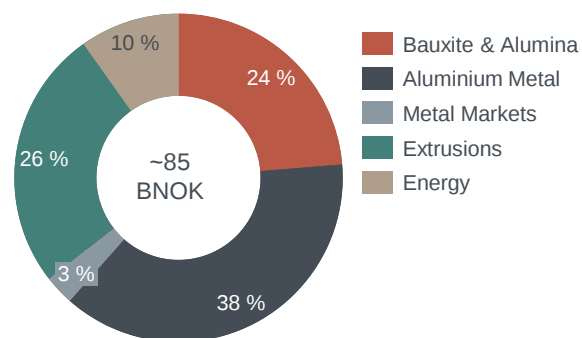
3) Based on share price at year end

4) Average dividend per share divided by average adjusted earnings per share from continuing operations

Source: Nasdaq IR Insight

Capital return dashboard 2021

Capital employed¹⁾



Capital returns
adj. RoaCE

18.6%²⁾

10% target over the cycle

Balance sheet
adj. ND/EBITDA

0.4³⁾

adj. ND/EBITDA < 2x
target over the cycle

Free cash flow
2021

10.5 BNOK⁴⁾

Improvements

7.8 BNOK realized by
end-2021

Improvement Program NOK 6.3 billion
Commercial ambitions NOK 1.5 billion

Net operating capital

8.6 BNOK cash build
2021

NOK 7-7.5 billion driven by price/fx

Capex

6.9 BNOK spent
2021

2021 frame of ~8.6 BNOK

Proposed dividend

2021 Dividend
NOK 5.4 per share⁵⁾

3.4 NOK/share ordinary dividend
2.0 NOK/share extraordinary dividend

1) Graph excludes (3.2) BNOK in capital employed in Other & Eliminations

2) Adj.RoaCE calculated as adjusted EBIT last 4 quarters less underlying tax expense adjusted for 30% tax on financial items / average capital employed last 4 quarters. Capital employed Q1 2021 excluding assets held for sale and liabilities in disposal groups.

3) Average adjusted net debt last 4 quarters / total adjusted EBITDA last 4 quarters.

4) Free cash flow – operating cash flow excl. collateral and net purchases of money market funds, less investing cash flow excl. sales/purchases of short-term investments

5) Pending approval from the AGM on May 10th, 2022



Hydro

Industries that matter



Market

Macro trends and favorable properties drive aluminium demand

Hydro's strategic direction aims to realize full potential of aluminium's strong qualities and versatility



Aluminium

- ✓ Lightness and strength
- ✓ Durability and formability
- ✓ Corrosion resistance
- ✓ Conductivity
- ✓ Recyclability
- ✗ Energy-intensity



Steel

- ✓ Strength and durability
- ✓ Recyclability
- ✓ Price
- ✗ Weight
- ✗ Corrosion
- ✗ Energy-intensity



Copper

- ✓ Conductivity
- ✓ Corrosion resistance
- ✓ Recyclability
- ✗ Price
- ✗ Weight
- ✗ Energy-intensity



Composites

- ✓ Lightness
- ✓ Strength
- ✗ Price
- ✗ Recyclability
- ✗ Climate footprint
- ✗ Energy-intensity



PVC

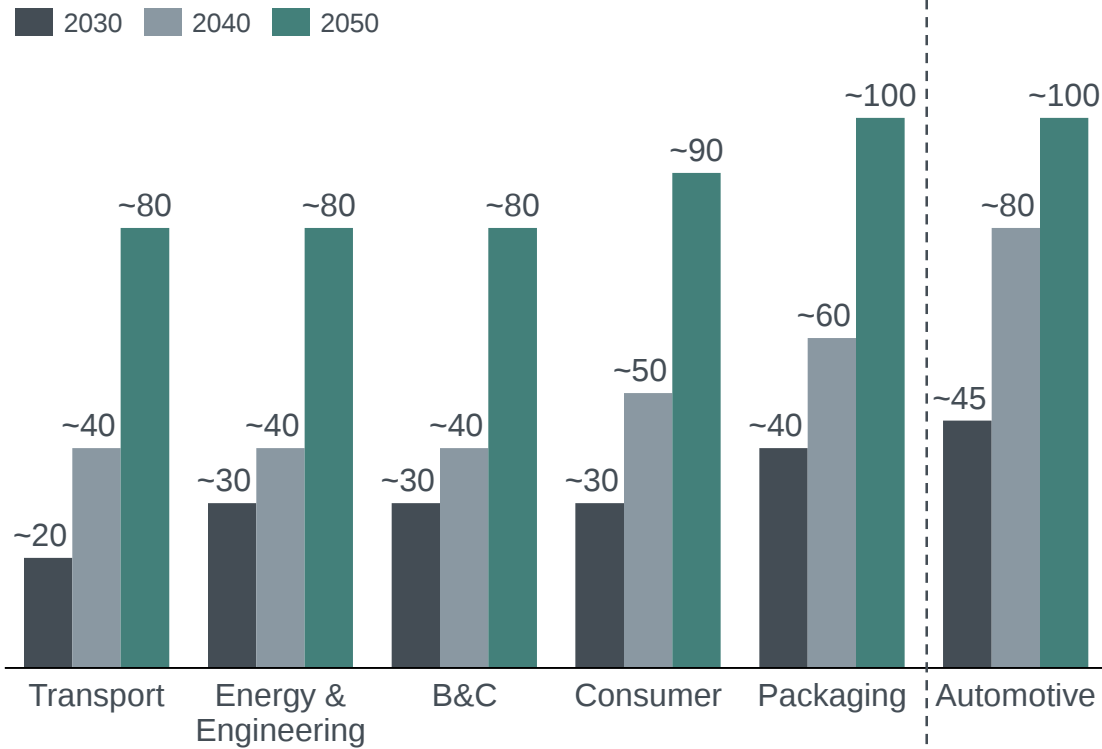
- ✓ Lightness and formability
- ✓ Corrosion resistance
- ✓ Price
- ✗ Climate footprint
- ✗ Recyclability
- ✗ Durability

Expecting strong demand for greener aluminium



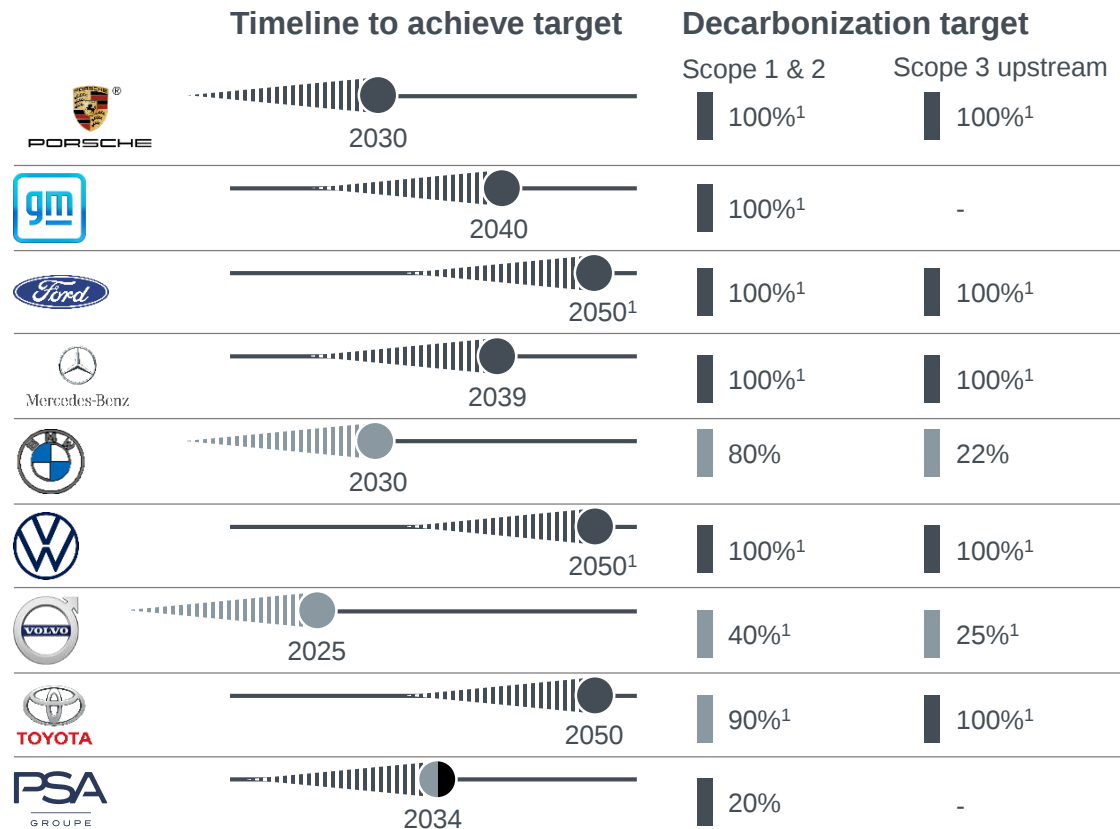
Ambitious abatement targets driving demand in all sectors but especially Automotive OEMs

Share of greener¹⁾ aluminium demand per segment
% greener of total aluminium demand



1) Greener aluminium includes "near zero" tCO₂/t, <2 tCO₂/t and 50%+ PCS-aluminium
Source: McKinsey market analysis (high level estimate)

OEMs are pushing for ever more ambitious lifecycle decarbonization targets

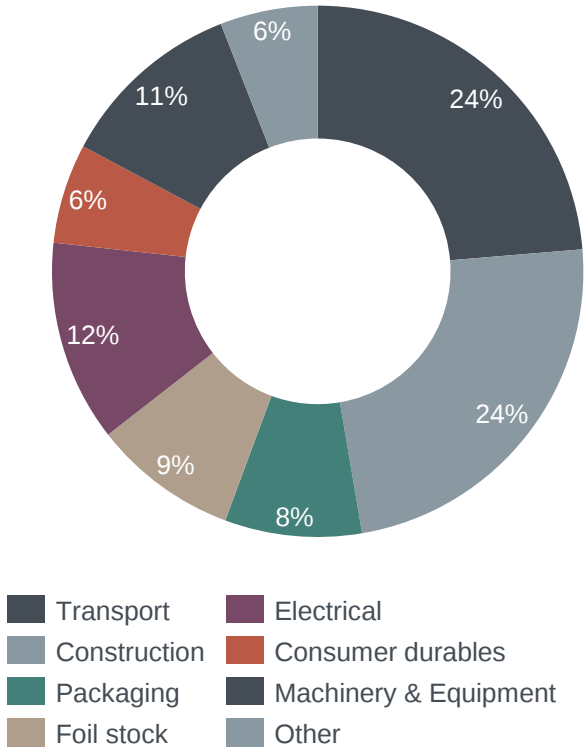


Transport & construction key semis demand segments

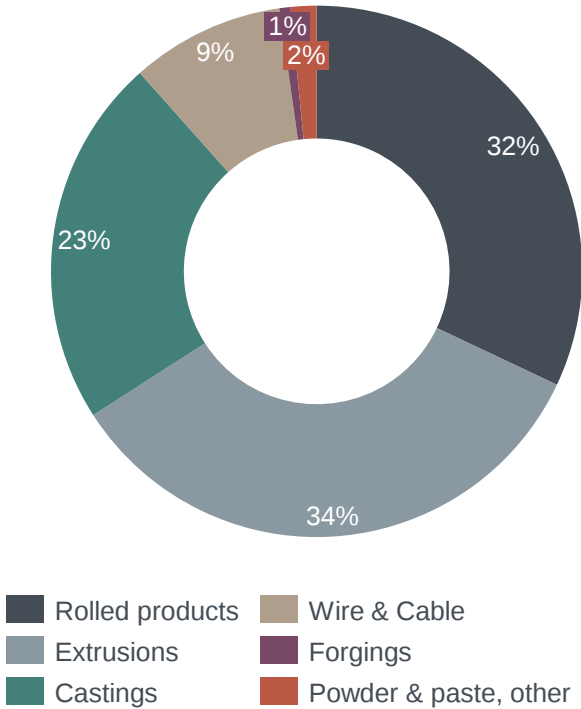


Global semis demand 2021: ~93 million tonnes

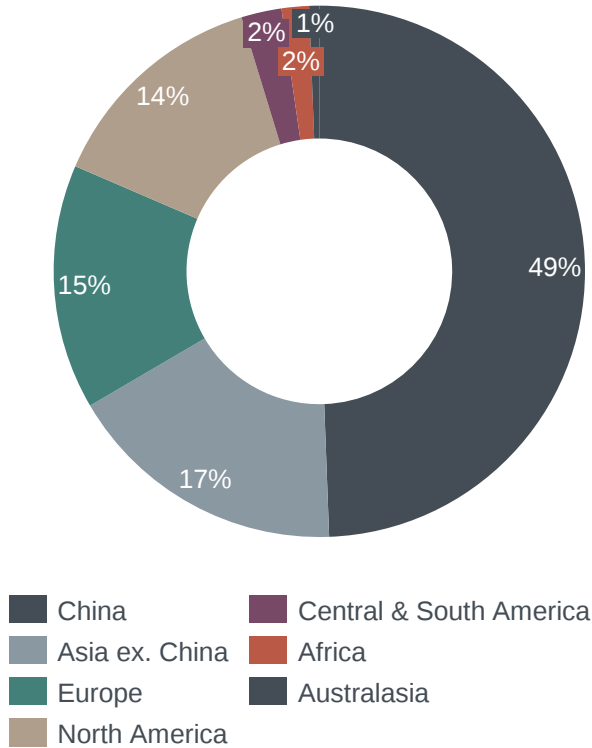
Per segment



Per product form

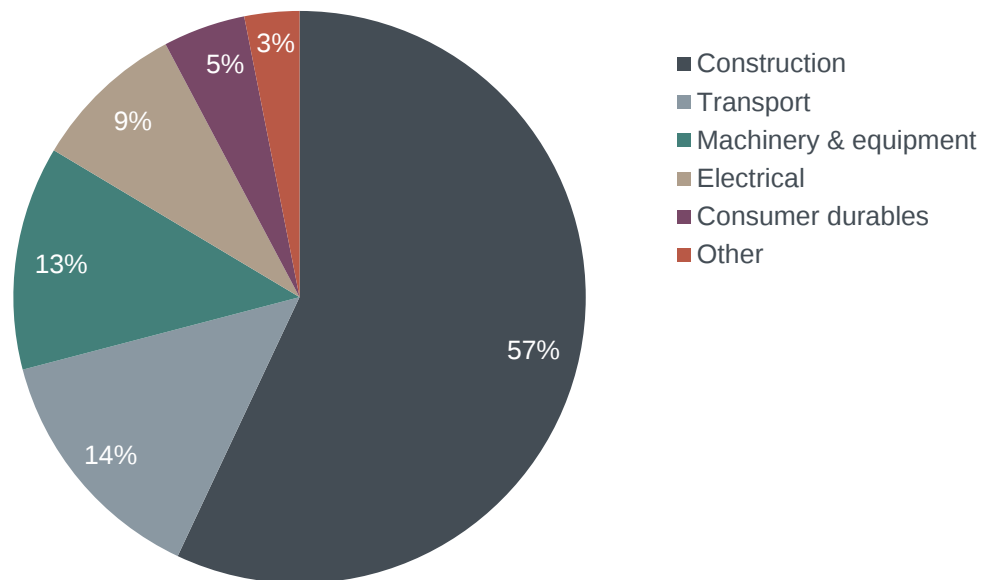


Per region



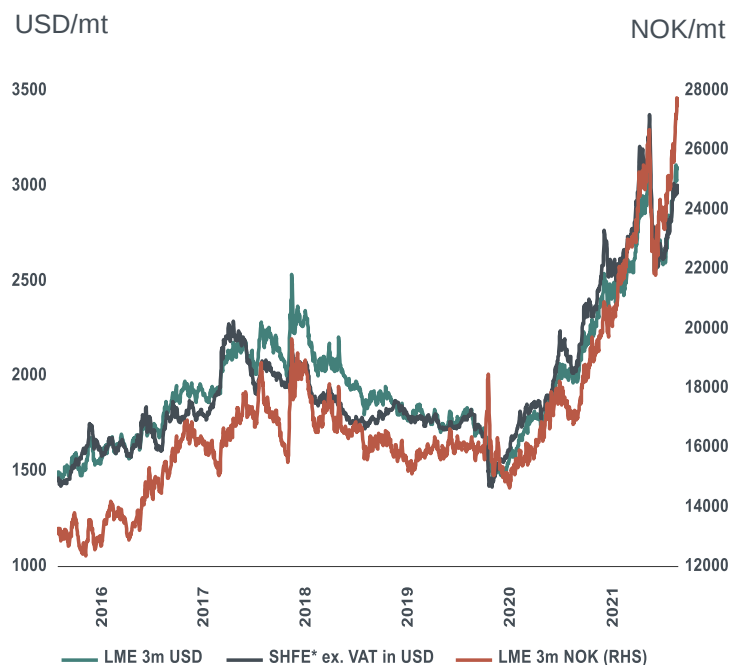
Segment composition in extruded

Global segment composition, extrusions
(2021)

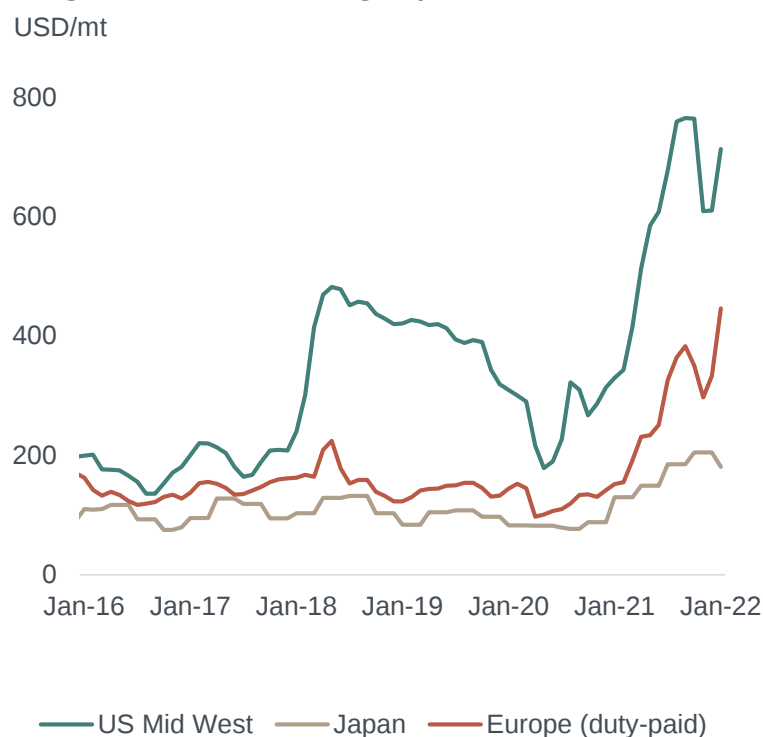


Revenue drivers through 2021

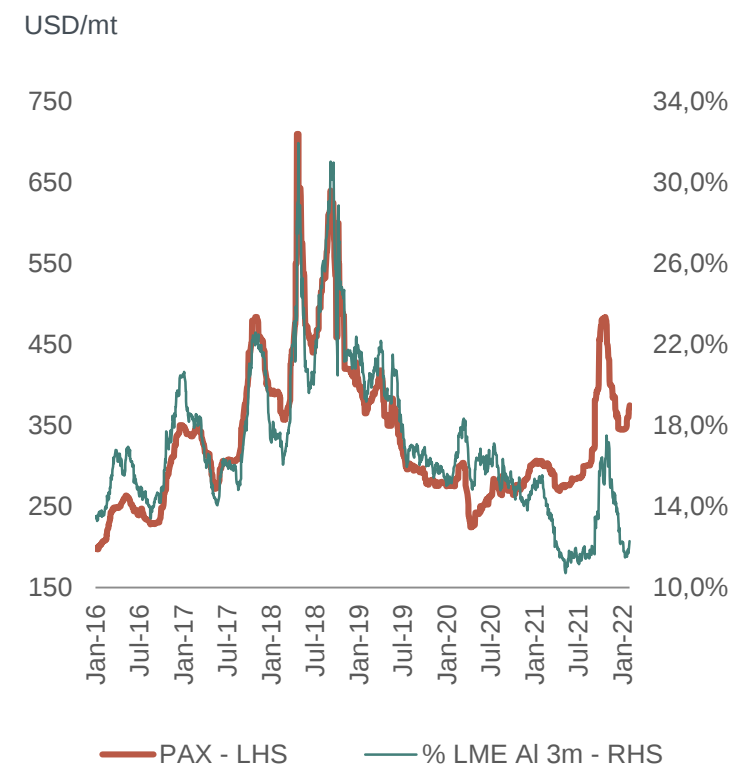
LME and SHFE aluminium prices



Regional standard ingot premiums



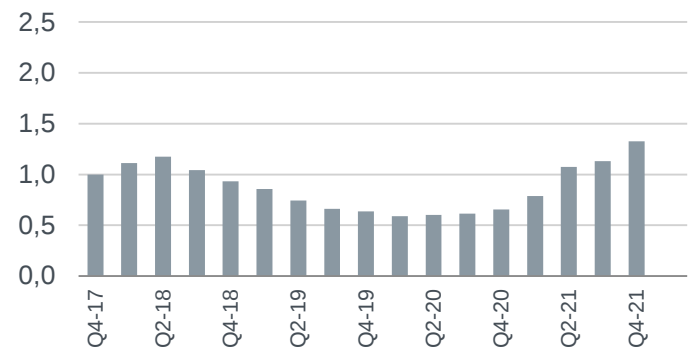
Platts alumina index (PAX)



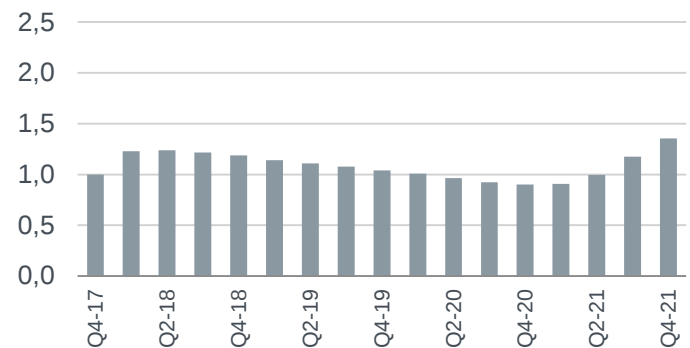
Market raw material costs in Q4



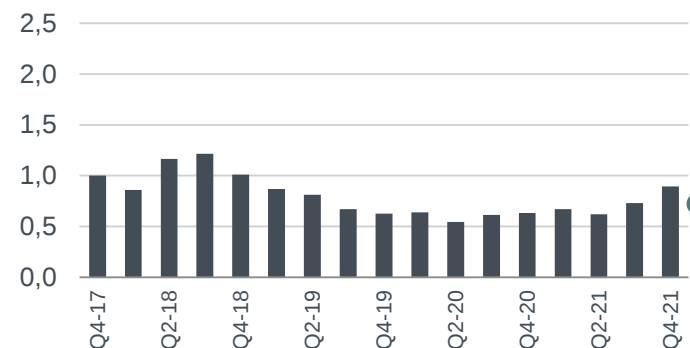
Petroleum coke FOB USG (indexed)



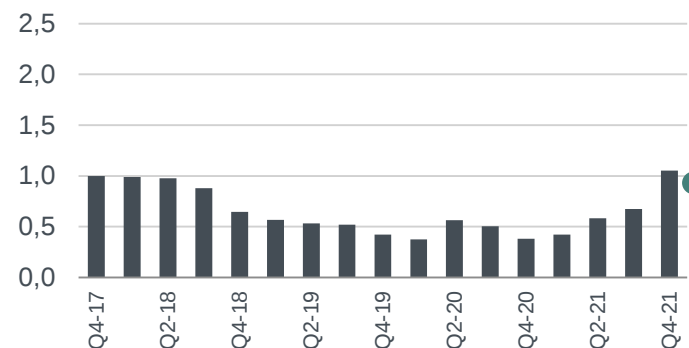
Pitch FOB USG (indexed)



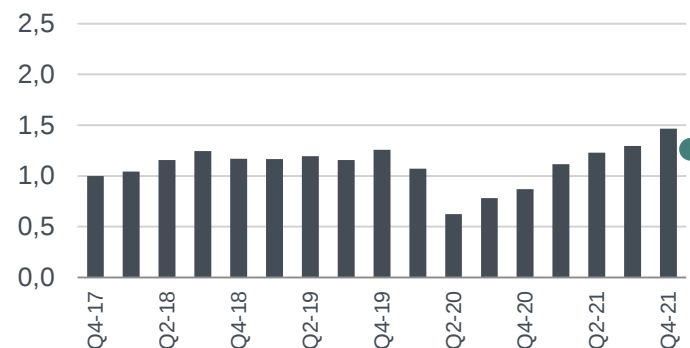
Alumina PAX index (indexed)



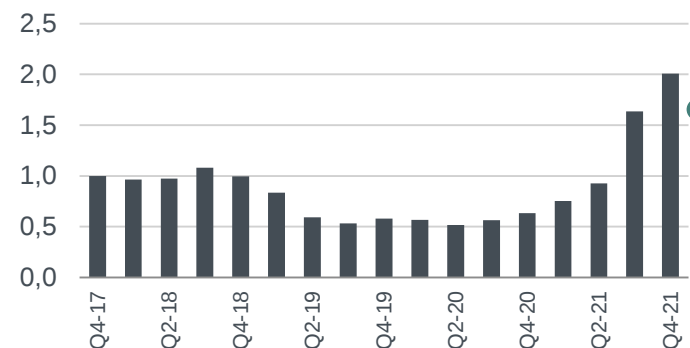
Caustic soda (indexed)



Fuel oil A1 (Indexed)



Steam coal (indexed)



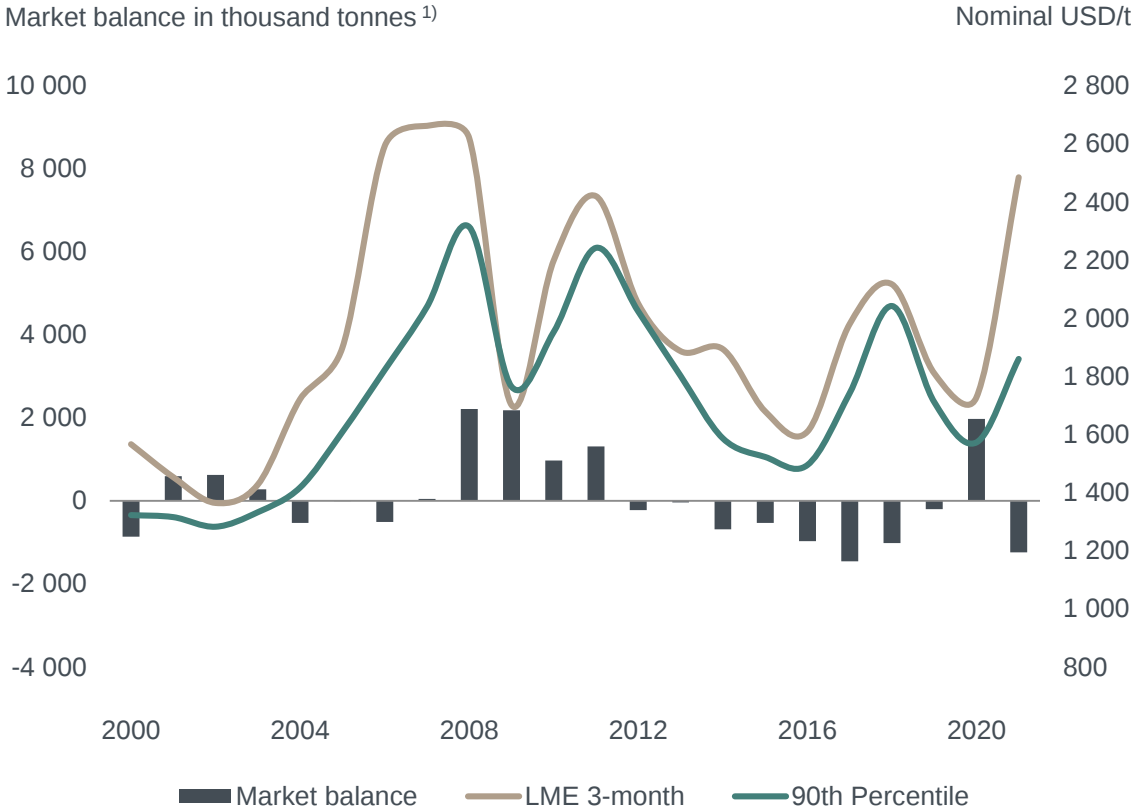
● Indication of current market prices

Large spread between LME and 90th percentile smelters in 2021

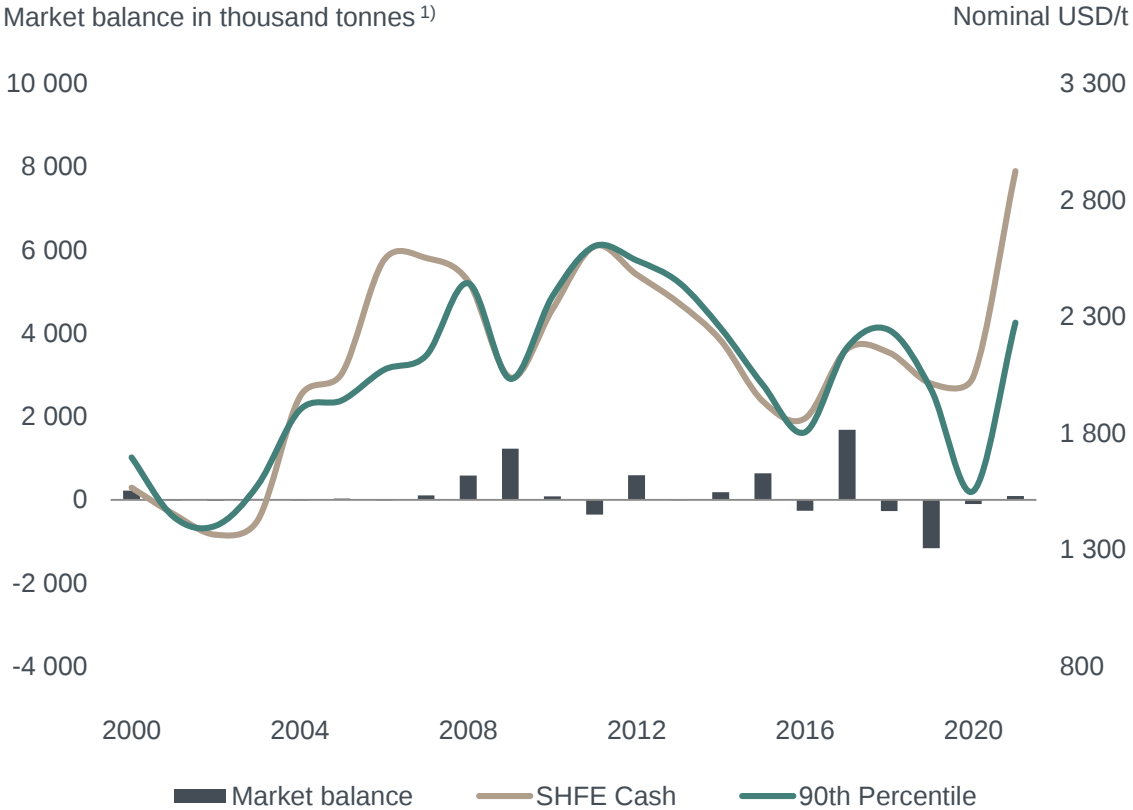


Primary metal market

World ex-China



China



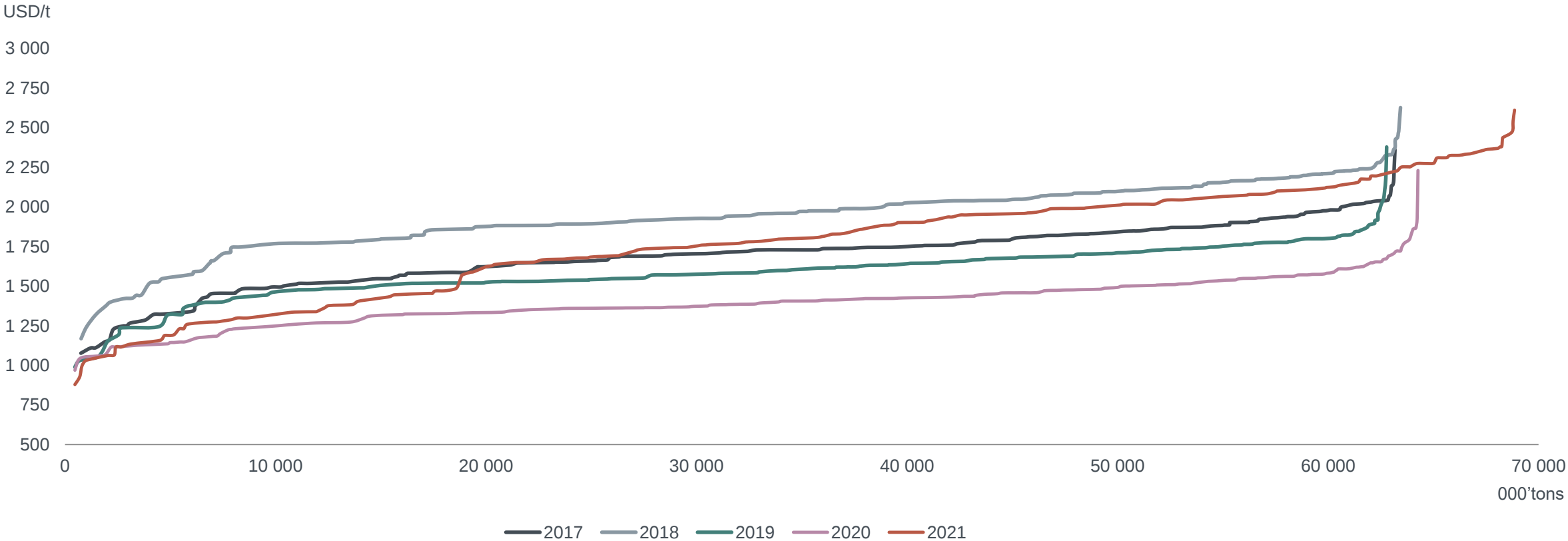
Source: CRU, Hydro Analysis
1) Primary production less primary demand

Global cost curve increases in 2021 on recovering raw material and energy prices



Primary metal market

CRU BOC curve by smelter



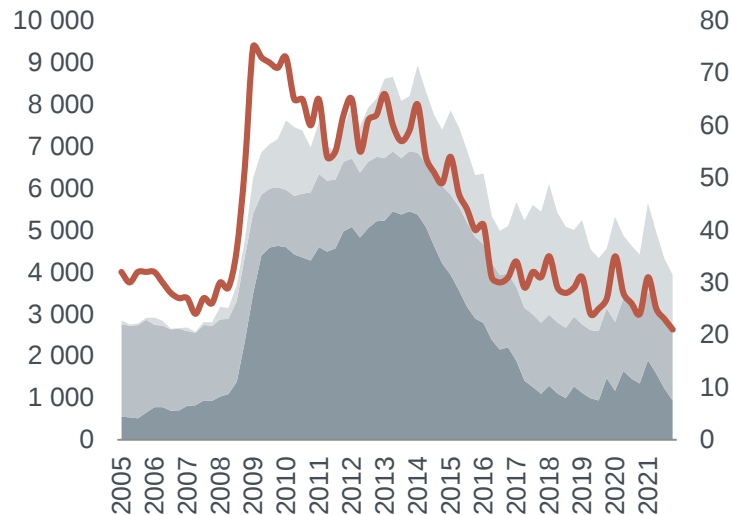
Total global inventory days down in Q4 2021 on supply disruptions

Primary metal market



Global reported stocks and inventory days

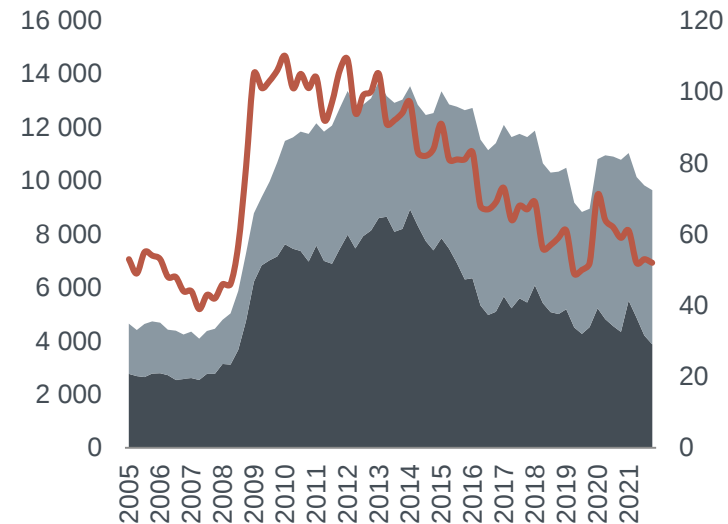
Thousand tonnes Inventory days



Reported China
Other reported ROW
LME stocks
Global reported inventory days

Total global stocks and inventory days

Thousand tonnes Inventory days



Global estimated unreported
Global reported
Global total inventory days

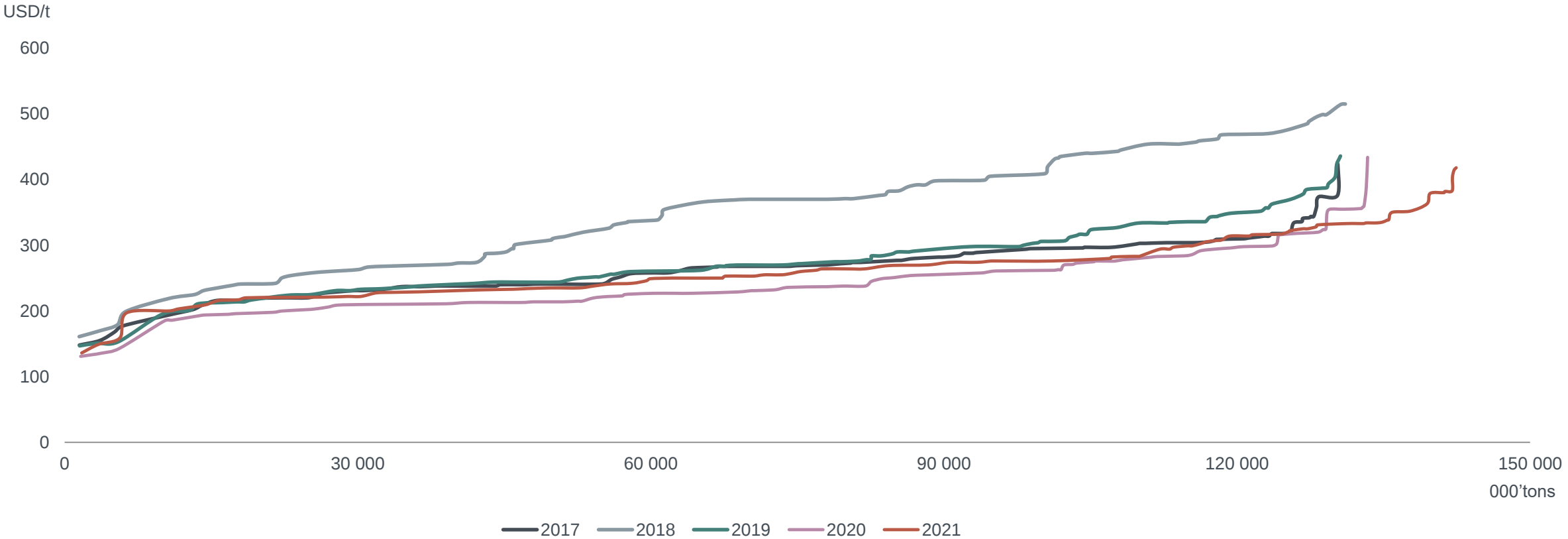
- Total stocks decreased in 2021 after peaking in 2020
 - Stocks in World ex China down over the last quarters on strong demand and primary imports into China
 - China stocks also down in 2021 due to supply disruptions
- LME stocks decreased continuously during the fourth quarter of 2021, approaches lowest level since 2006
- High uncertainty regarding absolute level of unreported volumes

Global cost curve increases in 2021 on higher energy & raw material prices



Alumina market

CRU BOC curve by refinery

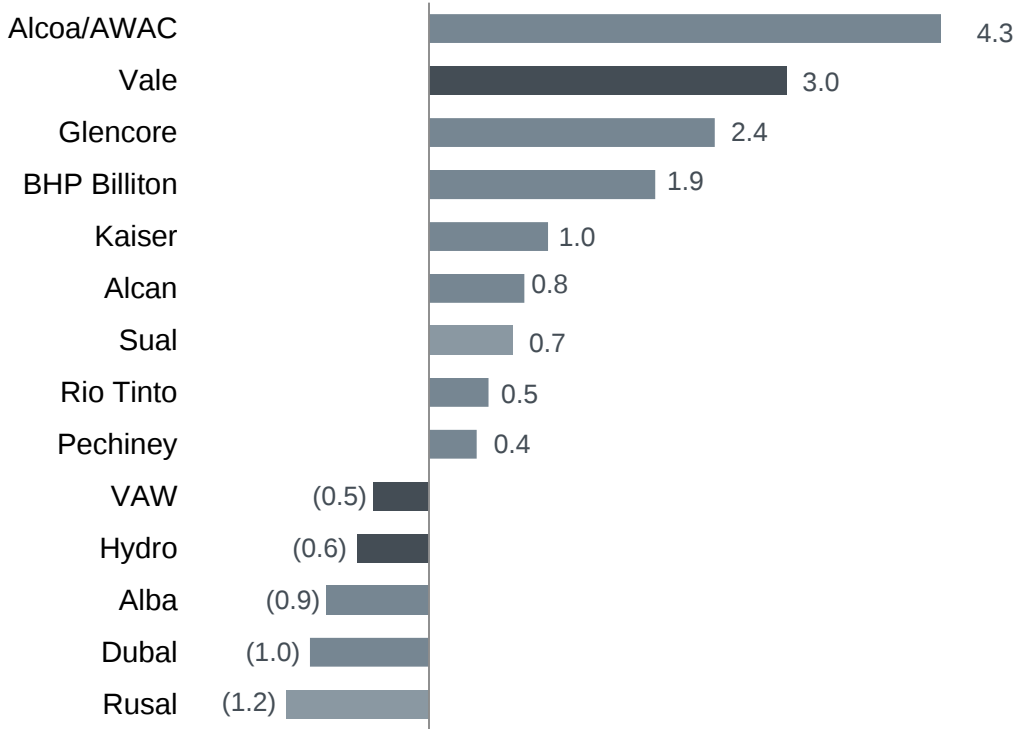


Alumina market consolidating, becoming more integrated

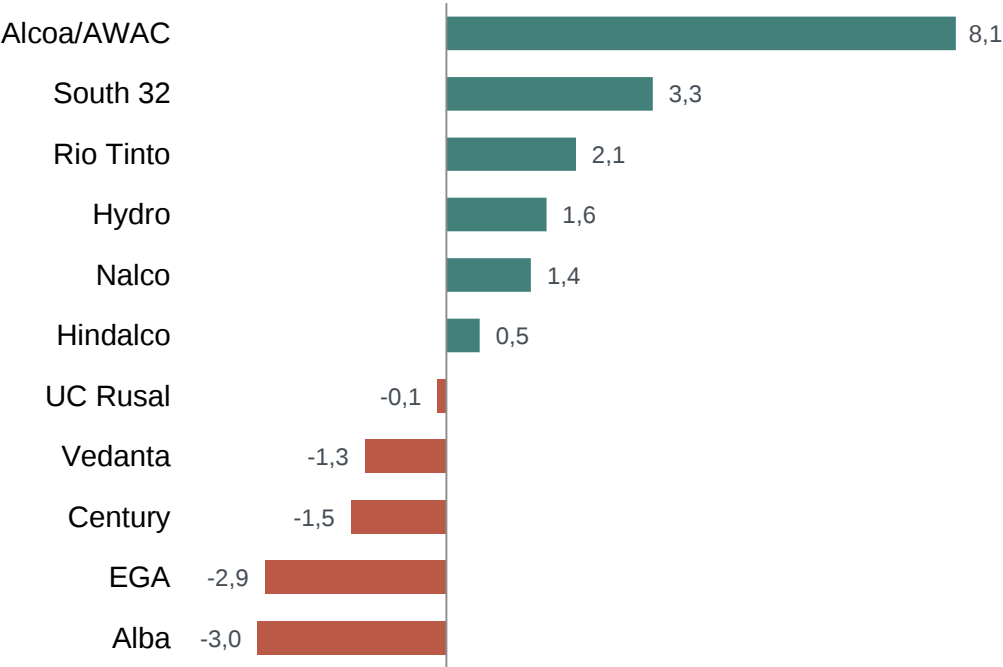


Estimated net equity alumina position, in million tonnes

Year 2000



Year 2021

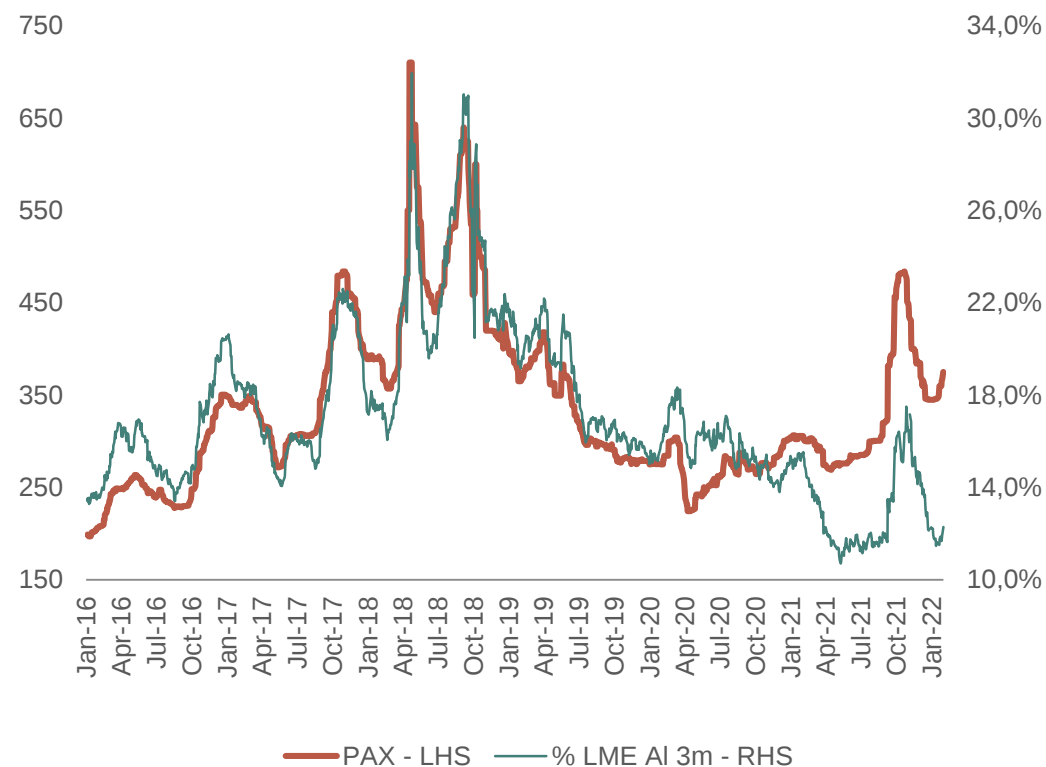


Source: CRU, Hydro
Assuming Alunorte at full production

Alumina prices stable; China alumina imports continue at high levels

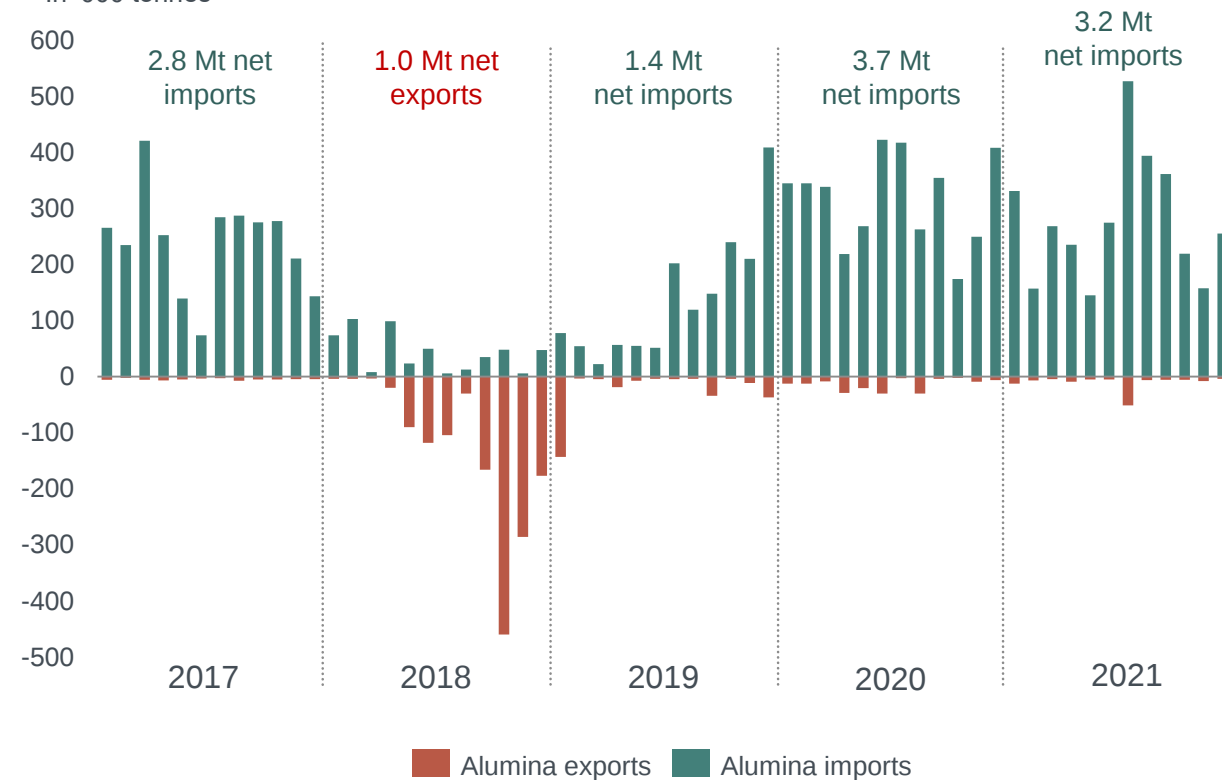
Platts alumina index (PAX)

USD/mt



Monthly Chinese alumina trade balance (kt)

In '000 tonnes

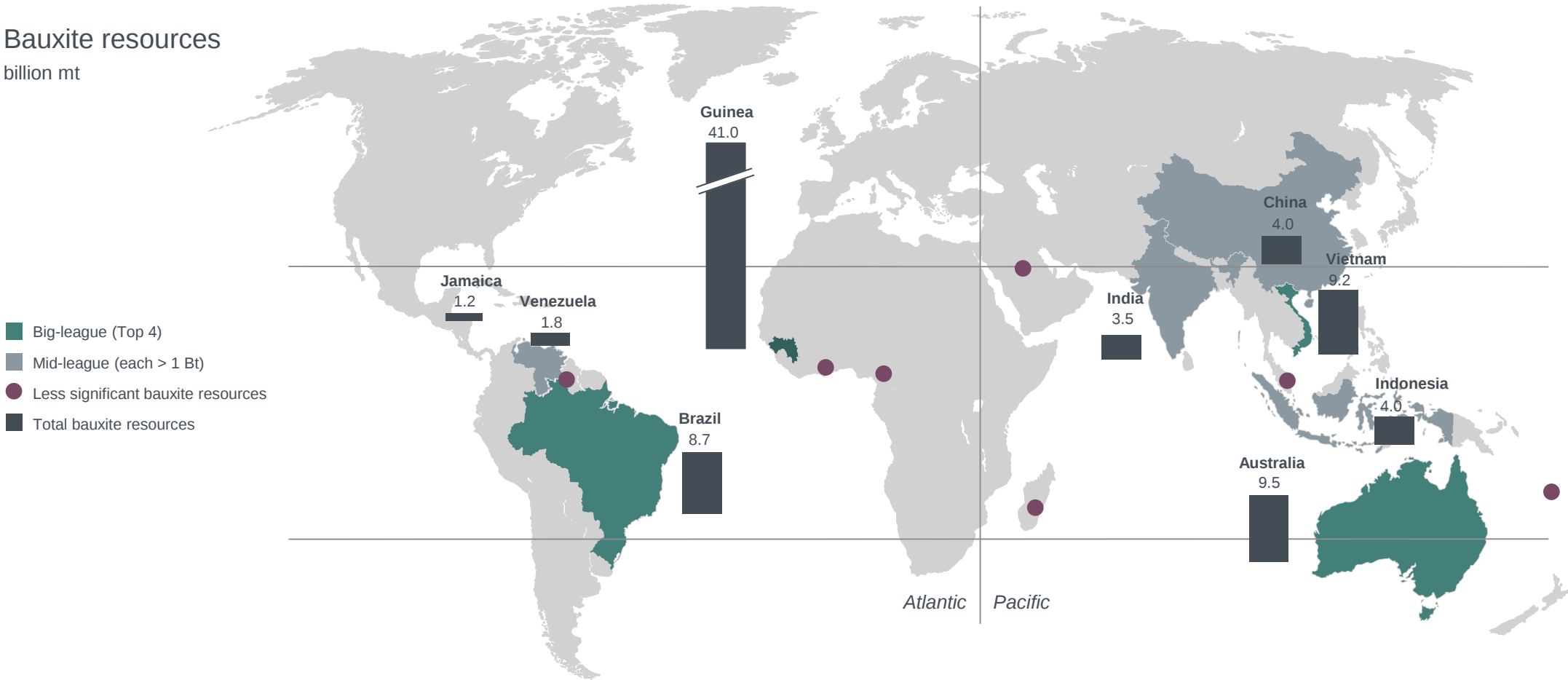


Large and concentrated bauxite resources



Guinea stands out as a long-term source

Bauxite resources
billion mt



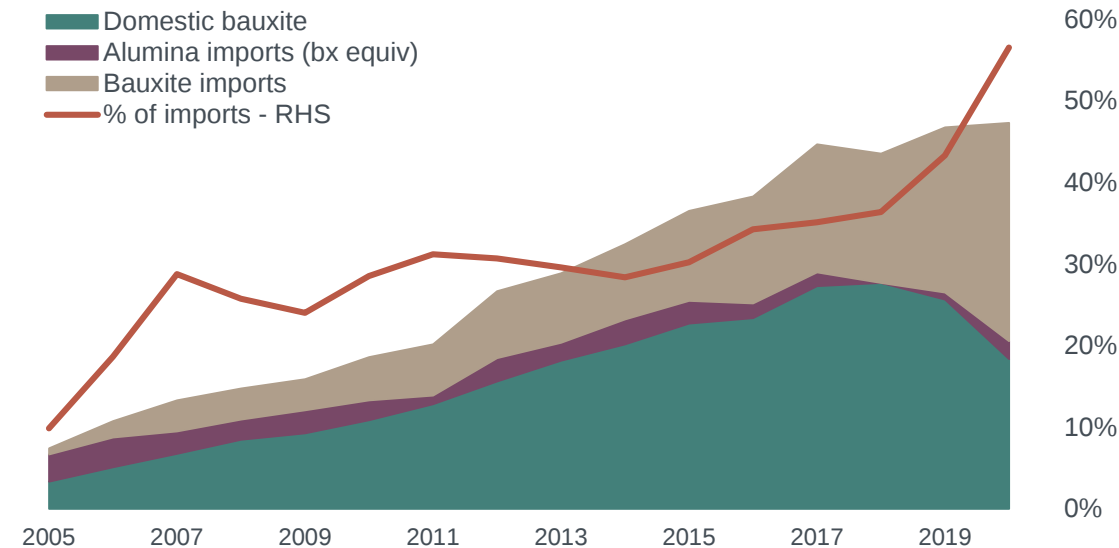
Source: Hydro analysis, CM Group

China increasingly reliant on bauxite imports



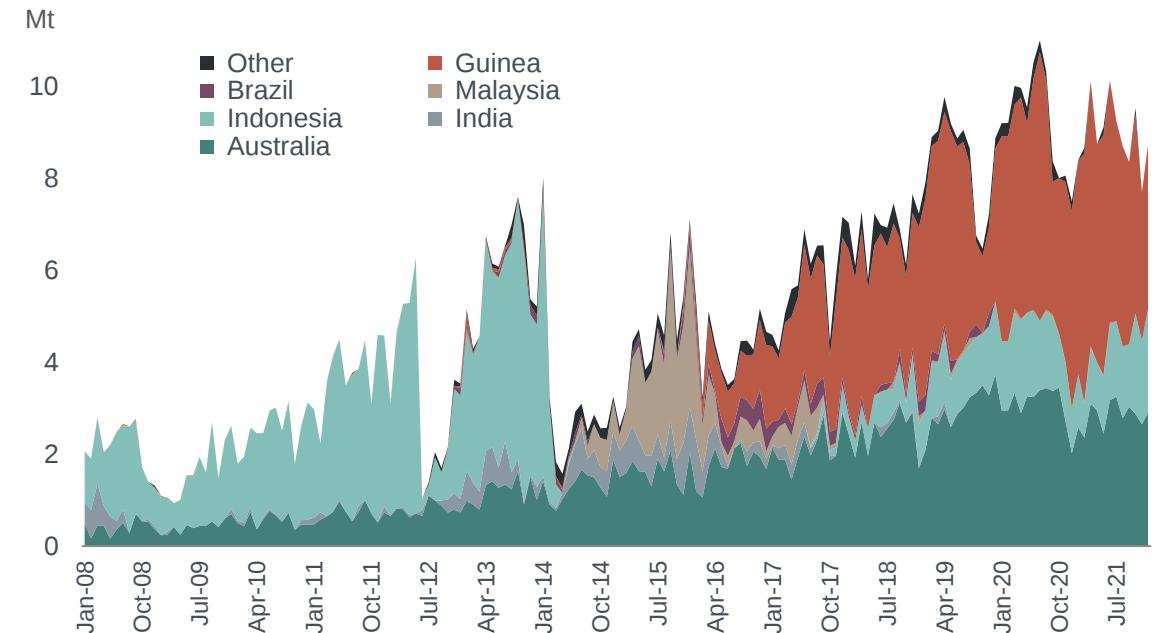
Guinea bauxite increasingly satisfying Chinese demand

Growing need for bauxite imports amid domestic depletion



- Decreasing Chinese bauxite availability and increasing costs triggering more bauxite imports
 - Chinese bauxite quality deteriorating
 - Domestic bauxite supply risk increasing

Monthly Chinese bauxite imports by origin



- Guinea bauxite production has increased significantly
 - Atlantic-sourced seaborne bauxite continues to grow, adding freight exposure



Sustainability

Investor presentation, October 26, 2021

Sustainability: the basis for future position and profitability

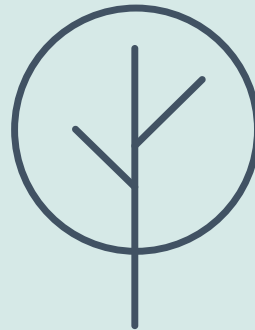


Climate



Net zero products, net zero company, net zero society

Environment



Protect biodiversity and reduce our environmental footprint

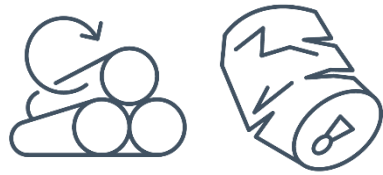
Society



Improve the lives and livelihoods wherever we operate

Climate: Solutions for eliminating emissions from our products, our operations and society

Net Zero Products



Deliver zero carbon aluminium products and solutions to customers

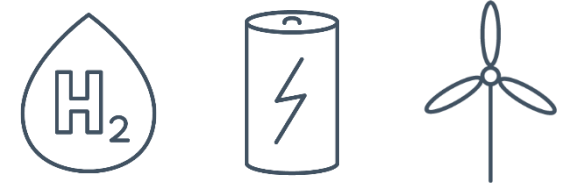
Circular and primary pathways

Net Zero Hydro



Remove emissions from own operations

Net Zero Society



Reduce and avoid emissions in society through climate-friendly solutions

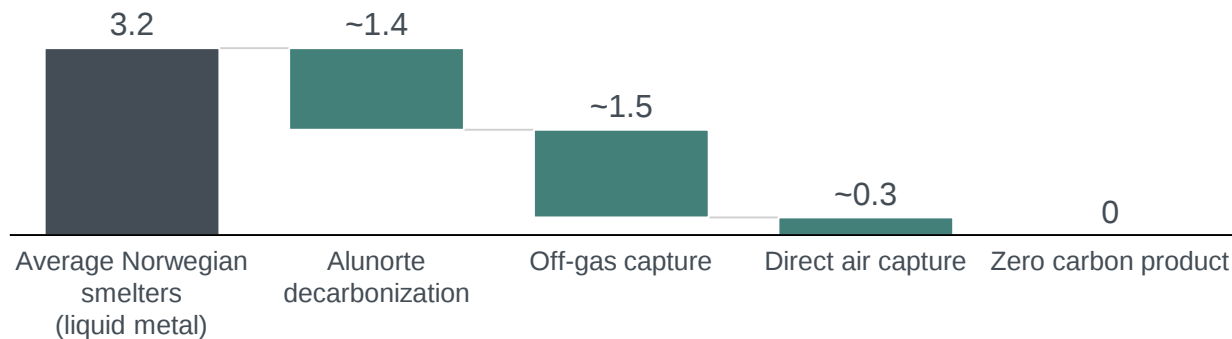
Renewables – energy storage – green hydrogen

Primary path: HalZero and CCS

Technologies ready for pilot phase

Carbon capture and storage decarbonizing existing smelters

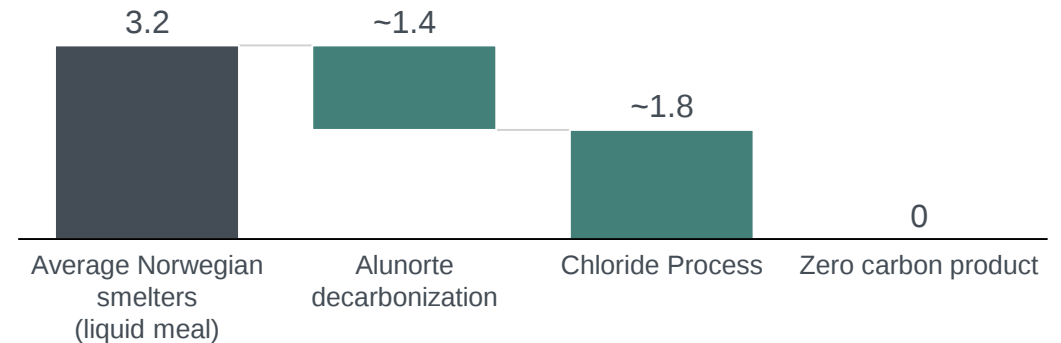
Tonnes CO₂e / tonne aluminium, scope 1 and 2 emissions, liquid metal



- Can reduce electrolysis emissions by 100% through a combination of off-gas capture and direct air capture
- Suited for decarbonization and securing value of existing smelters
- Access to infrastructure (transport and storage)
- Public/private partnership for industrialization

HalZero chloride process technology for decarbonizing greenfield developments

Tonnes CO₂e / tonne aluminium, scope 1 and 2 emissions, liquid metal



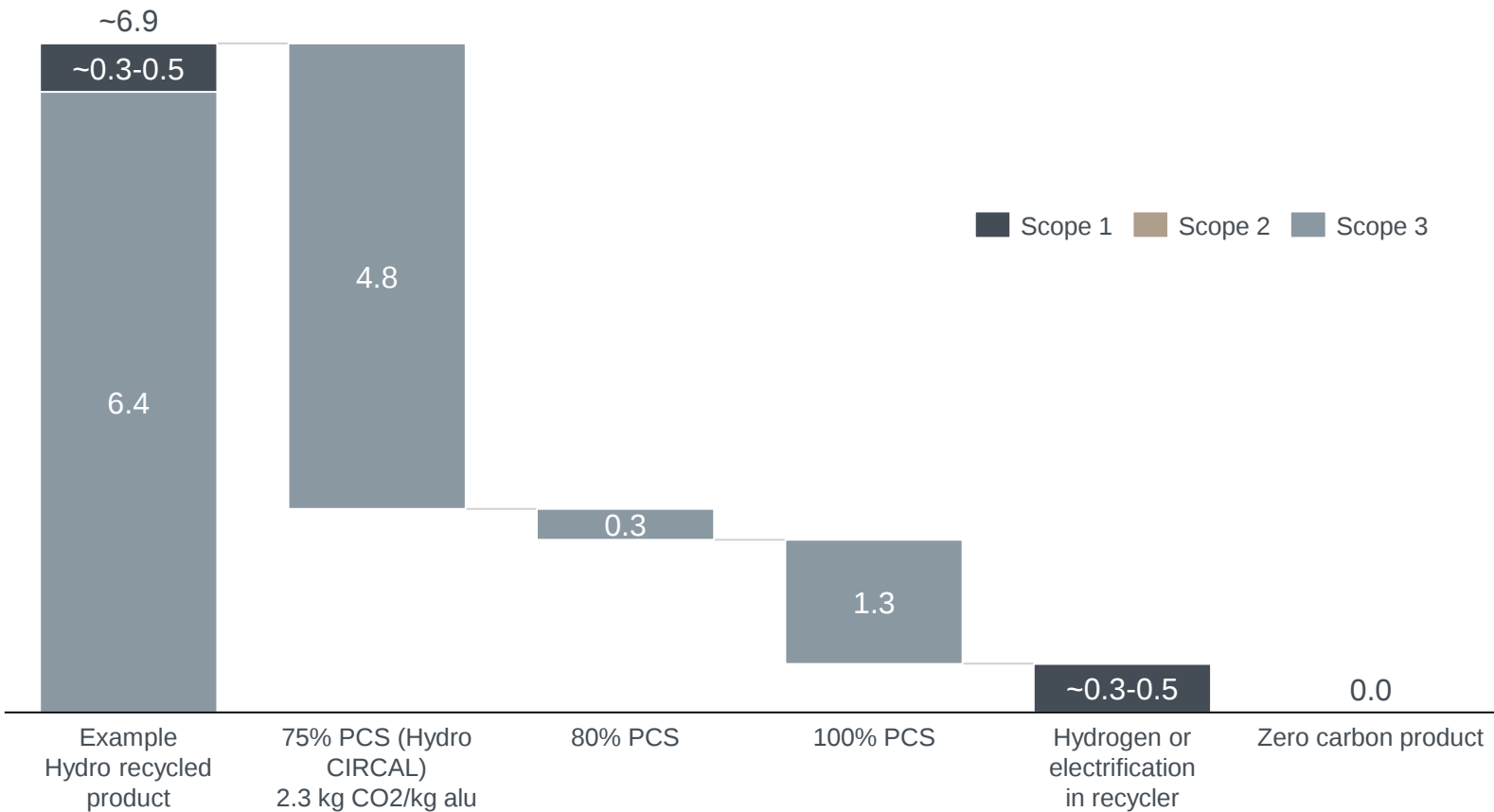
- Full decarbonization of smelting process
- Eliminating emissions for both electrolysis and anode baking
- Relevant application for new capacity post 2030
- Public/private partnership for industrialization

Circular path producing near zero volumes by 2022



Post Consumer Scrap (PCS): scaling up volumes in line with market demand

PCS Decarbonization
Tonnes CO₂e / tonne aluminium

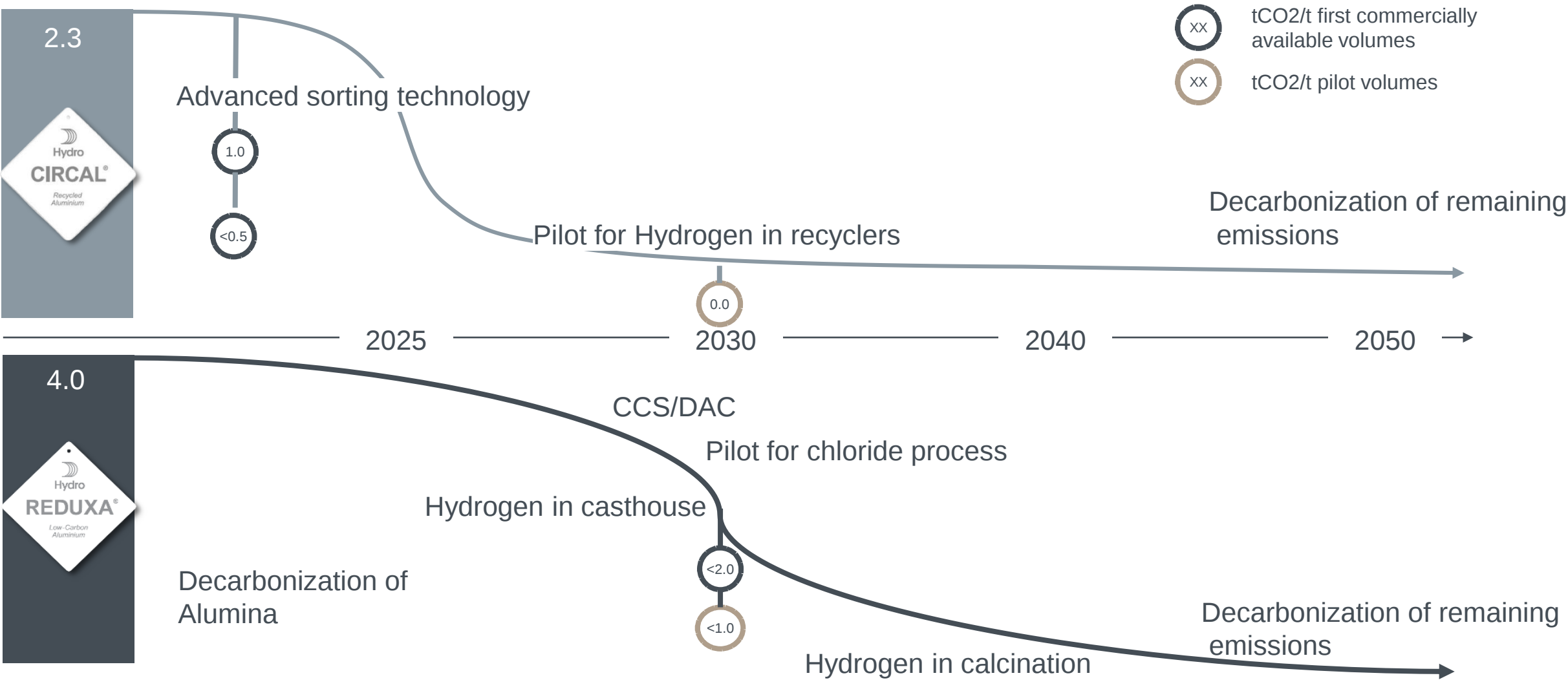


- Going deeper in the scrap pile to lift profitability
 - Laser-based sorting (LIBS)
 - Screw extruder
- Recycling friendly alloys
- Renewable fuel for scrap melting
- Scrap sourcing
- Customer collaboration

Net zero products: Market-paced approach



Capitalize on market demand through circularity while decarbonizing primary value chain

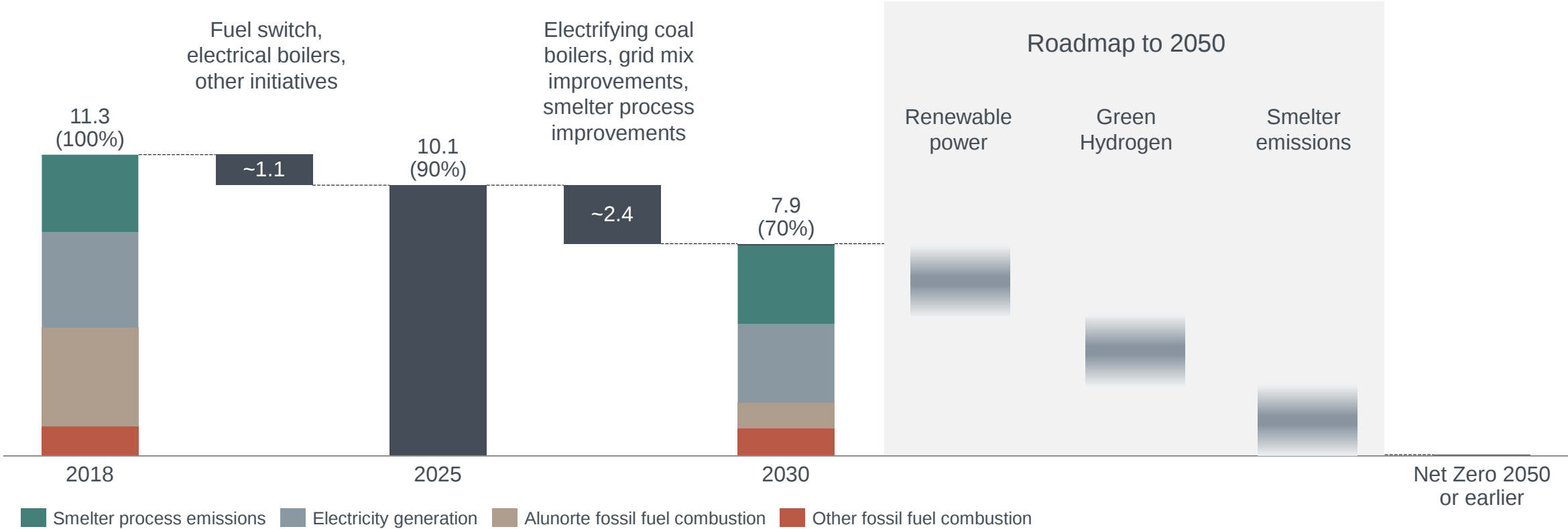


Net zero Hydro: The roadmap



On track to achieve 30% carbon emissions reduction by 2030 and net zero by 2050 or earlier

GHG emissions – ownership equity
Million tonnes CO2 (% of 2018 baseline emissions)



Well positioned to deliver on our climate ambition



Hydro's unique position to capture commercial value from decarbonization

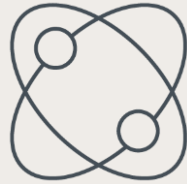


Circular solutions

Fastest way to near-zero carbon products at scale

Profitable growth – Recycling RoACE above Hydro average

EBITDA uplift



Technology leadership

PCS technology ready for industrialization

Solutions to remove process emissions ready for piloting



Customer collaboration

Leading position in high growth market segments

Shaping demand for greener products

Co-developing lower carbon and circular solutions with customers



Partnerships and funding

Strong track record of partnering

Credibility to seek public funding and partner for industrialization

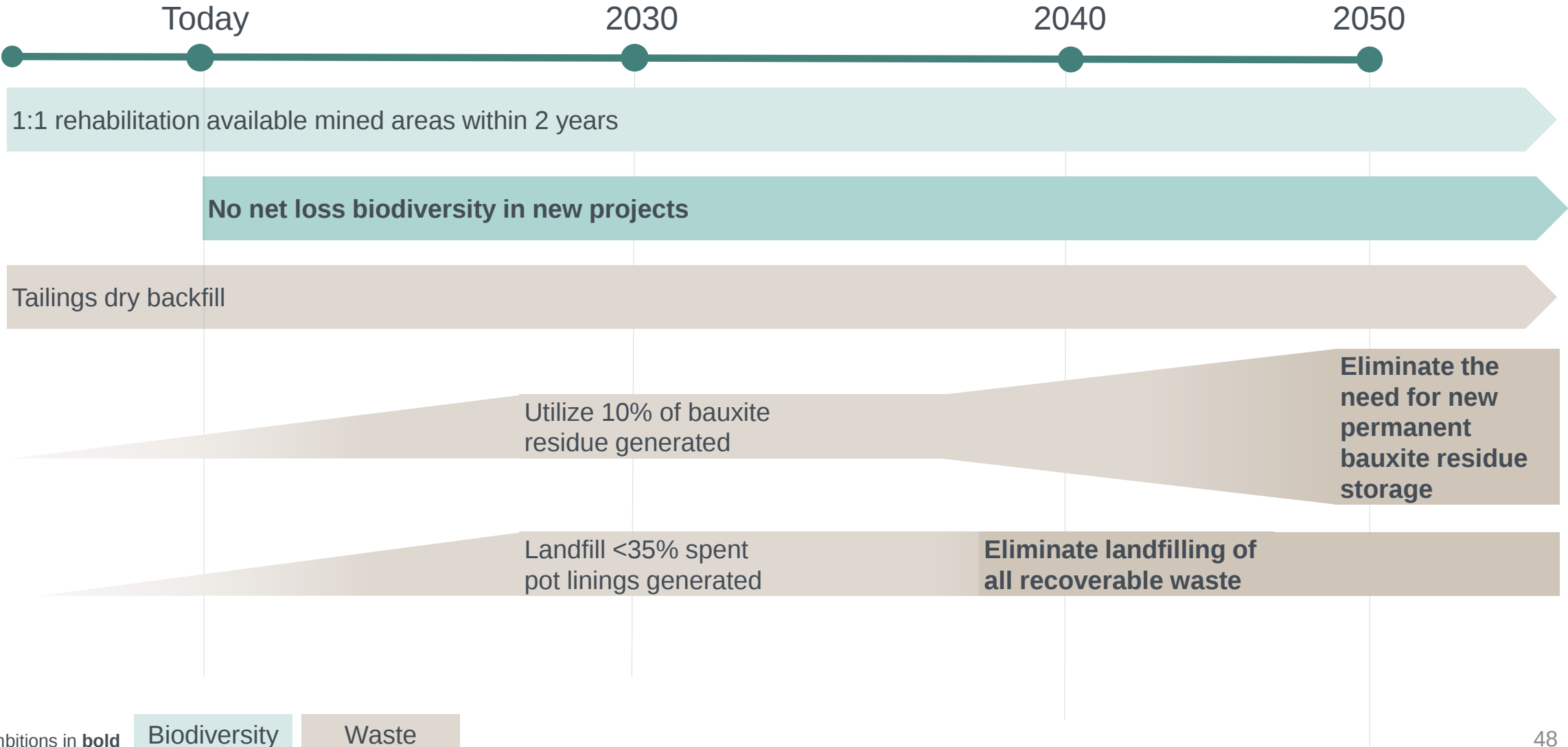
Green finance



Policy and regulations

Create a global level playing field – Incentivize electrification and decarbonization of industries and markets

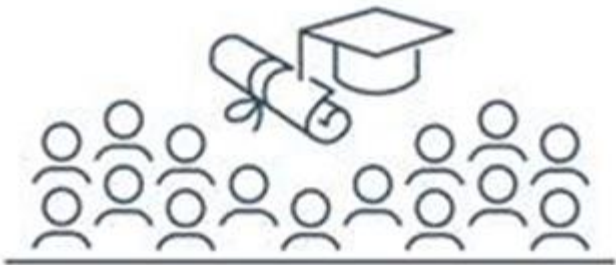
Environment: Protect biodiversity and eliminate waste



Social: Improve lives and livelihoods wherever we operate



Invest in education



Equip people with essential skills for future economy



Empower 500,000 people with education and skills development by 2030

Support just transition

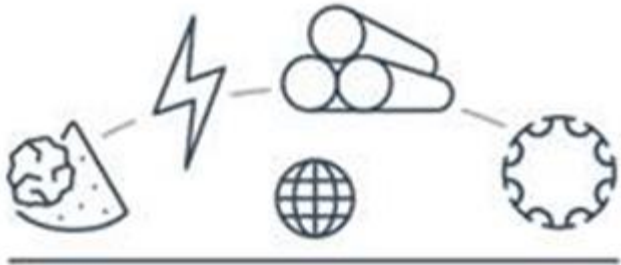


Contribute to economic and social development in communities where we operate



Business-specific targets

Responsible supply chain



Ensure transparency and responsible business practices in our supply chains



Transparency and traceability of key sustainability data for our products



Business overview

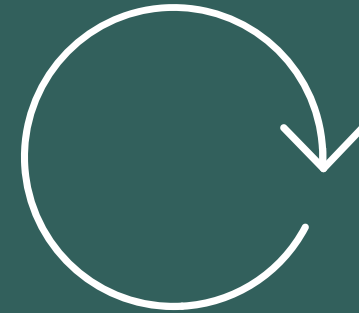


Hydro – Group



Profitability

ROACE > 10%

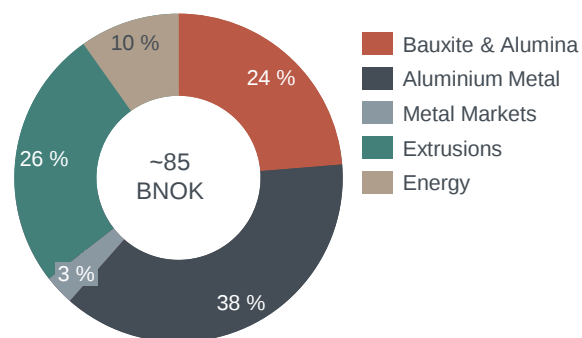


Sustainability

CO₂ - 30%

Capital return dashboard 2021

Capital employed¹⁾



Capital returns
adj. RoaCE

18.6%²⁾

10% target over the cycle

Balance sheet
adj. ND/EBITDA

0.4³⁾

adj. ND/EBITDA < 2x
target over the cycle

Free cash flow
2021

10.5 BNOK⁴⁾

Improvements

7.8 BNOK realized by
end-2021

Improvement Program NOK 6.3 billion
Commercial ambitions NOK 1.5 billion

Net operating capital

8.6 BNOK cash build
2021

NOK 7-7.5 billion driven by price/fx

Capex

6.9 BNOK spent
2021

2021 frame of ~8.6 BNOK

Proposed dividend

2021 Dividend
NOK 5.4 per share⁵⁾

3.4 NOK/share ordinary dividend
2.0 NOK/share extraordinary dividend

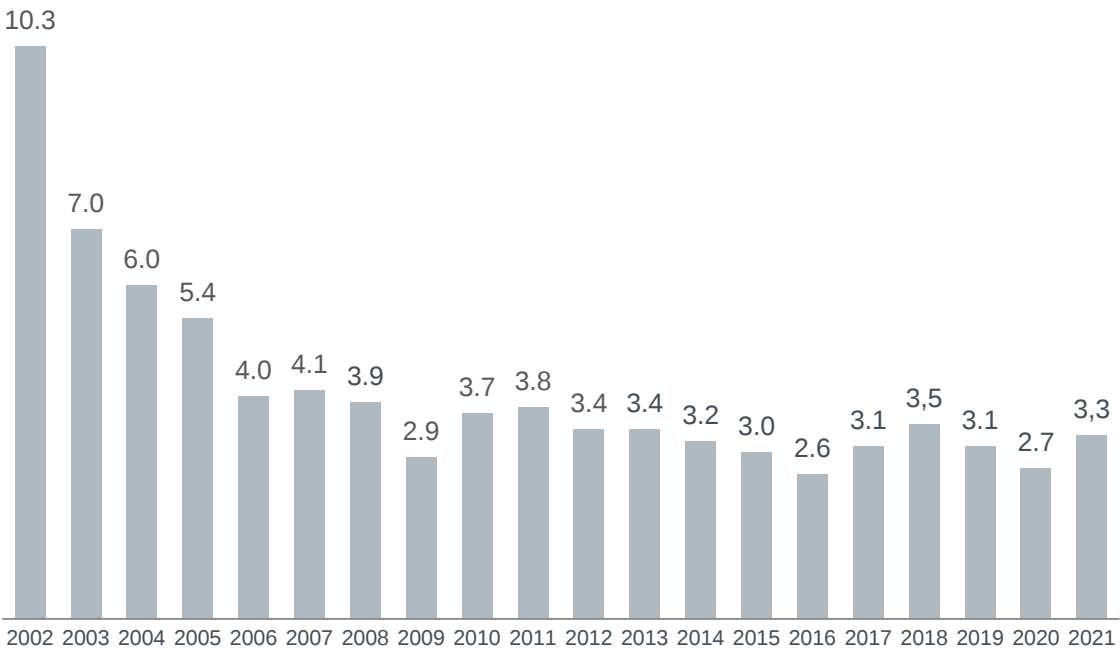
- 1) Graph excludes (3.2) BNOK in capital employed in Other & Eliminations
- 2) Adj.RoaCE calculated as adjusted EBIT last 4 quarters less underlying tax expense adjusted for 30% tax on financial items / average capital employed last 4 quarters. Capital employed Q1 2021 excluding assets held for sale and liabilities in disposal groups.
- 3) Average adjusted net debt last 4 quarters / total adjusted EBITDA last 4 quarters.
- 4) Free cash flow – operating cash flow excl. collateral and net purchases of money market funds, less investing cash flow excl. sales/purchases of short-term investments
- 5) Pending approval from the AGM on May 10th, 2022

Safe and responsible operations is a top priority



Leadership in HSE, CSR and compliance as a license to operate

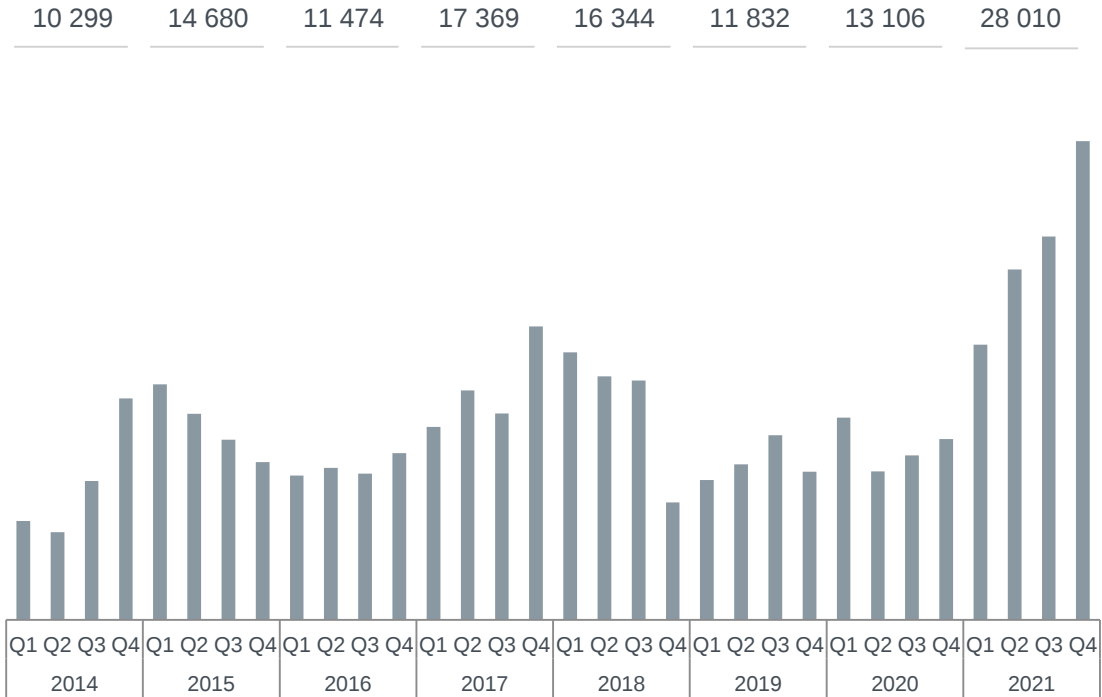
TRI Rate¹⁾



1) Total recordable incidents (TRI) rate defined as cases per 1 million hours worked, for own employees

Hydro: a resource rich global aluminium company

Hydro adjusted EBITDA quarterly, NOK billion¹⁾



1) Amounts are as disclosed for the individual years reflecting the accounting policies applied for those years and Hydro's definition of APMs applied for the relevant years.
2) 2021 excluding Hydro Rolling (2014-2020 as reported)
3) As per Feb 21, 2022



- Based in Norway, involved in activities in 40 countries
- Operating revenues²⁾
 - 2021: NOK 150 billion
 - 2020: NOK 138 billion
 - 2019: NOK 150 billion
- ~31 000 employees
- Current market capitalization
 - ~NOK 161 billion / USD ~18 billion³⁾

The aluminium value chain

World class assets, high-end products and leading market positions

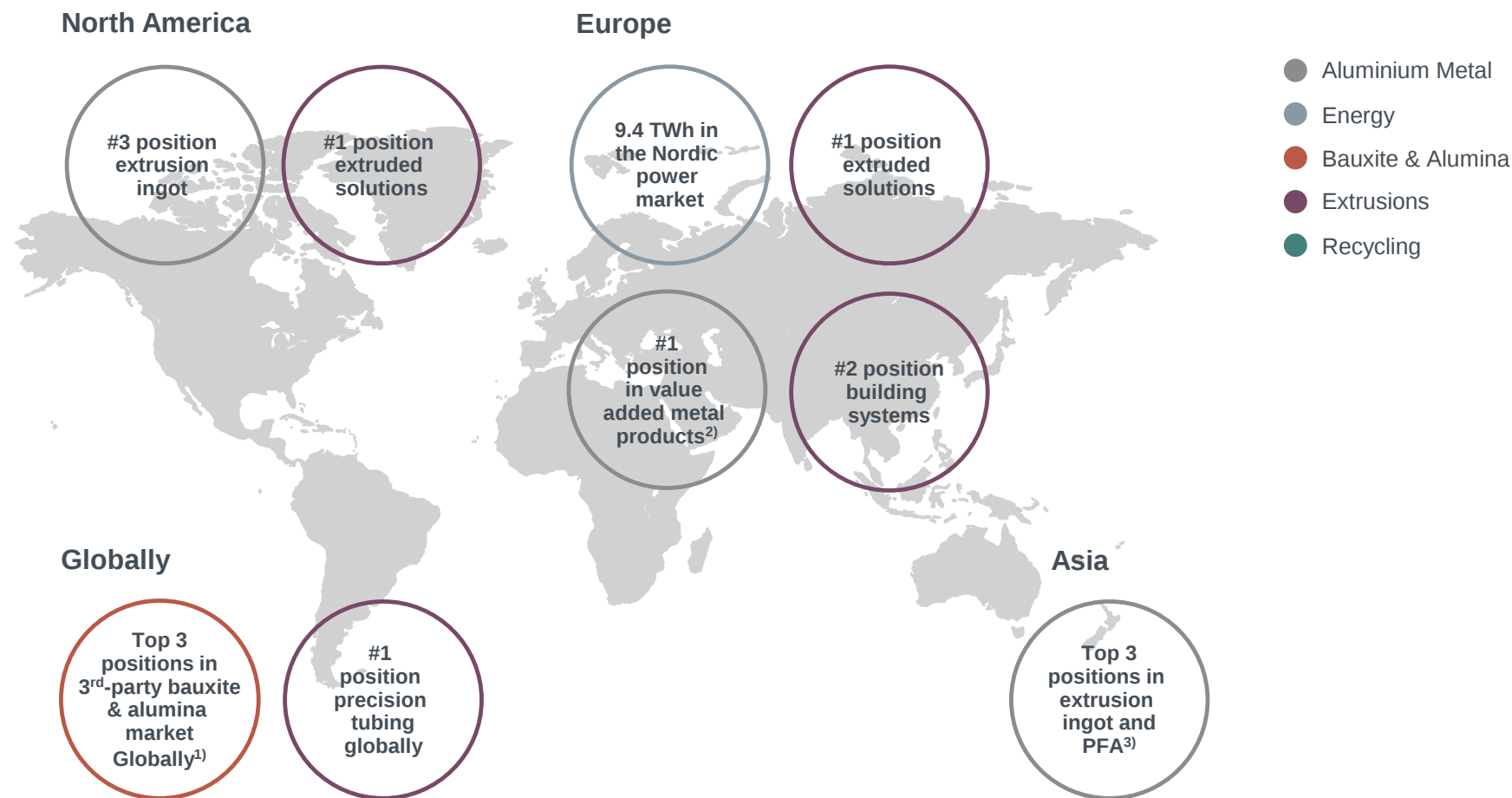


Strong global presence throughout the aluminium value chain

Built on market understanding, customer closeness and competence

The complete aluminium company

- High-quality bauxite and alumina production in Brazil
- Primary production in Norway, Germany, Qatar, Slovakia, Brazil, Canada, Australia
- 9.4 TWh captive hydropower production
- World leader in aluminium extruded profiles
- Remelting in the US, European recycling network
- Unparalleled technology and R&D organization



1) Outside China

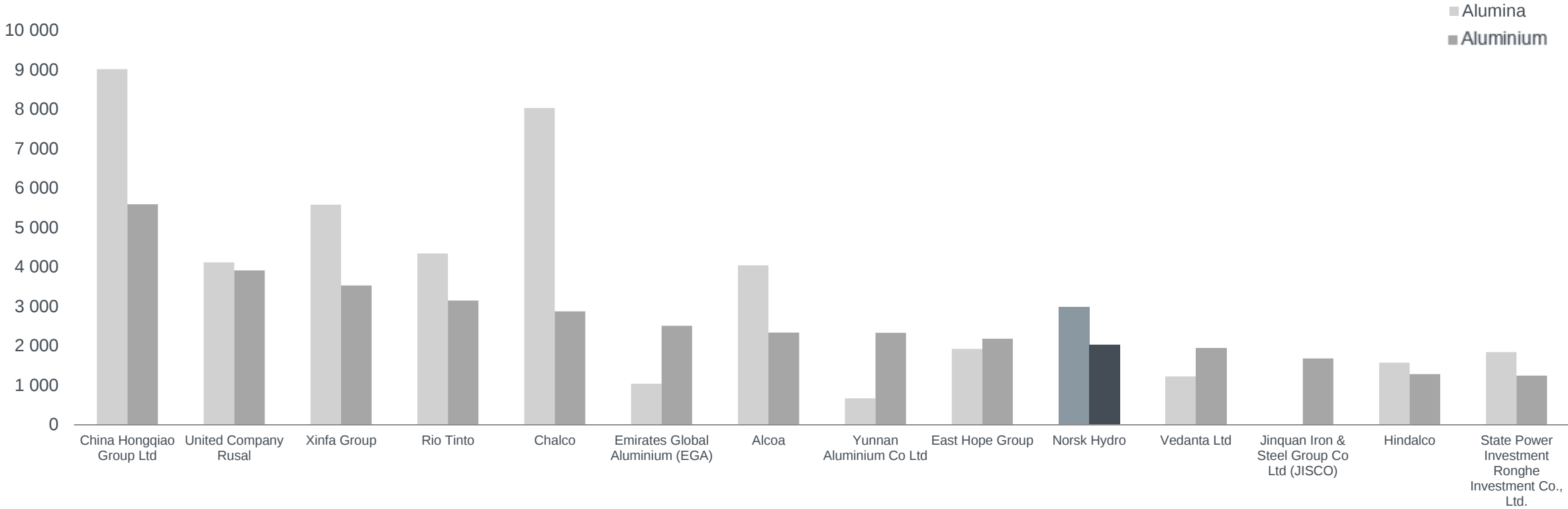
2) Extrusion ingot, sheet ingot, primary foundry alloys and wire rod

3) Primary Foundry Alloys

Hydro - the fifth largest aluminium producer outside China



Equity production in 2021 in aluminium equivalents, thousand tonnes



Source: CRU
Hydro with Alunorte at 6.3 million mt
Ala to Al conversion factor: 1.925

Progress made on the 2025 strategy

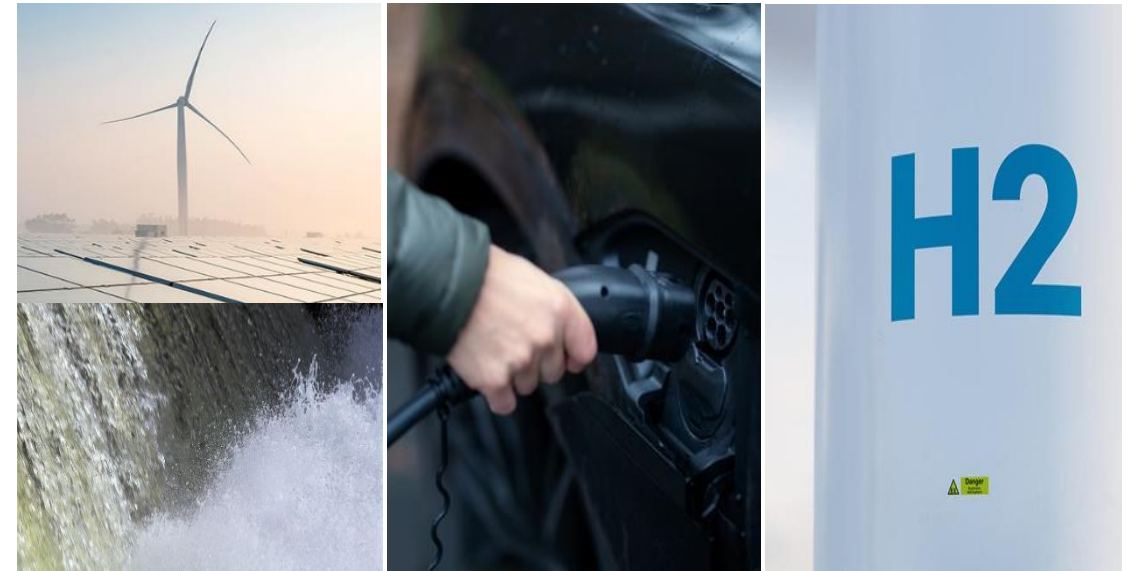
Seizing opportunities where our capabilities match the megatrends



1 Strengthen position in low-carbon aluminium



2 Diversify and grow in new energy



Strengthen position in low-carbon aluminium



Improvement program, commercial ambition and recycling investments key strategic levers

Cost-competitive asset base



- Safety and operational excellence
- 1st quartile cost positions upstream
- Continuous improvement and optimization of portfolio

Commercial uplift



- New products, including greener brands
- Market share in attractive segments
- Margin expansion in customer projects
- Substitution potential

Recycling growth



- Double post-consumer scrap use by 2025
- Develop recycling value chain from sourcing to products and customers
- Strong market position across value chain



Profitability & Sustainability

Hydro Energy aims to be the renewable energy leader enabling decarbonization of industry



1 With renewables, energy efficiency and electrification we can tackle 70% of global emissions

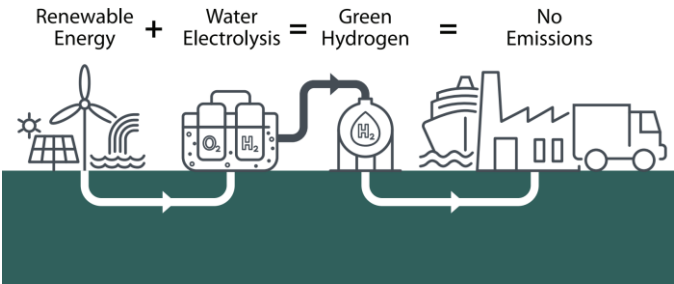
World-class energy competence center



Batteries



2 Green hydrogen to address 30% from 'hard to abate' sectors



The renewable energy leader enabling the decarbonization and energy transition for industries

Capital allocated according to strategic modes



Strategic modes reflect global megatrends and high-return opportunities

**Safe, compliant and efficient operations
– The Hydro Way**



Businesses	 B&A	 Aluminium Metal	 Recycling	 Energy	 Extrusions
Strategic mode	Sustain and improve	Sustain and improve	Selective growth	Selective growth	Selective growth
Towards 2025	Reduce risk, improve sustainability footprint, improve on cost position	Robust and greener, increase product flexibility, improve cost position	Substantial shift in conversion of post-consumer scrap	Grow in batteries and renewables	Platform strategy executed, selective growth

Additional volumes on BRL/USD hedge in the quarter



Aluminium hedges of 100-460 kt/yr 2022-24 in place

- 2022: 460 kt hedged at a price of ~2200 USD/t, of which 30 kt done in Jan/Feb.
- 2023: 460 kt hedged at a price of ~2200 USD/t
- 2024: 100 kt hedged at a price of ~2500 USD/t, of which 80 kt done in Jan/Feb.
- Pricing mainly in NOK, with USD hedges converted to NOK via USDNOK derivatives
- Corresponding raw material exposure partially secured using financial derivatives or physical contracts

B&A and AM BRL/USD Hedge

- USD 1109 million sold forward for 2021-2024
 - USD 269 million 2021 at rate 5.45
 - USD 339 million 2022 at rate 5.53
 - USD 330 million 2023 at rate 6.03
 - USD 171 million 2024 at rate 6.60
- Aim to reduce volatility and uncertainty in Alunorte and Albras cash flows, as well as support robust cost curve positions

Utilizing Hydro's hedging policy to deliver on strategic ambitions

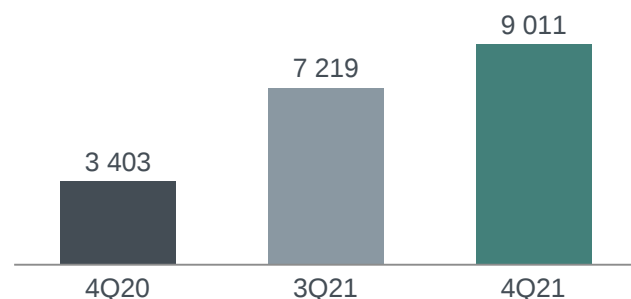
- Flexibility to hedge in certain cases
 - Support strong cost position
 - Strong margins in historical perspective, e.g., supporting RoaCE target
 - Larger investments



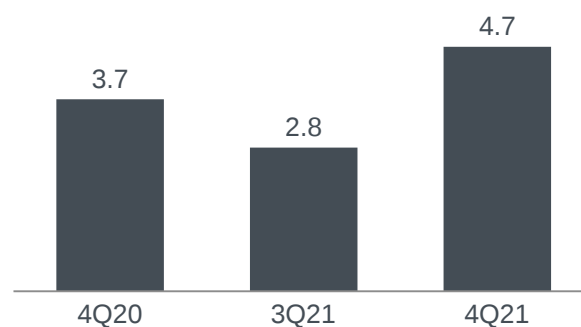
Key performance metrics | Q4 2021



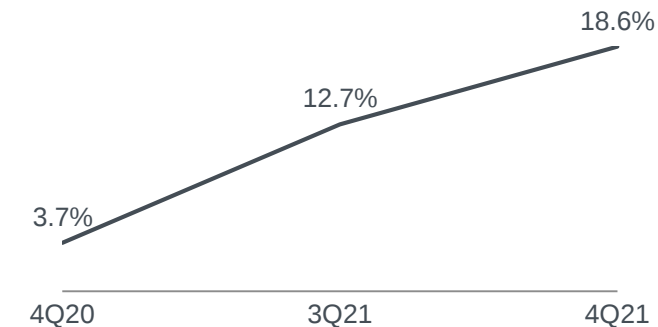
Adjusted EBITDA¹⁾
NOK million



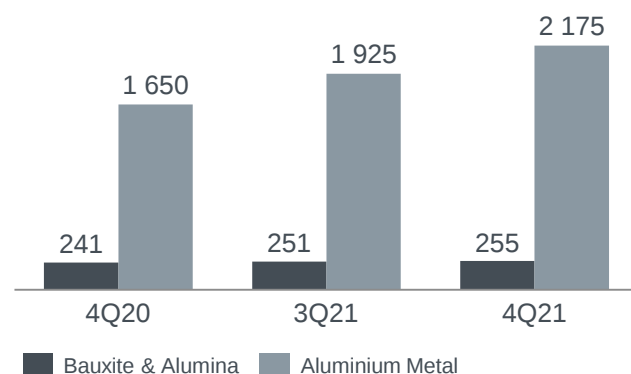
Free cash flow²⁾
NOK billion



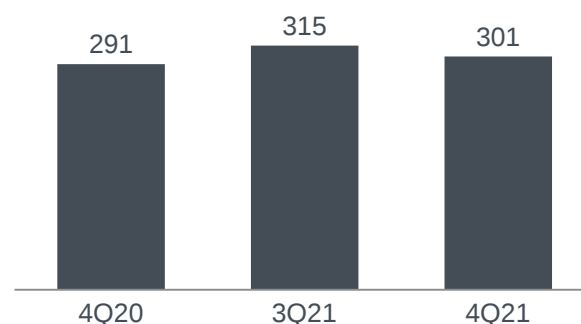
Adjusted RoaCE³⁾
12-month rolling %



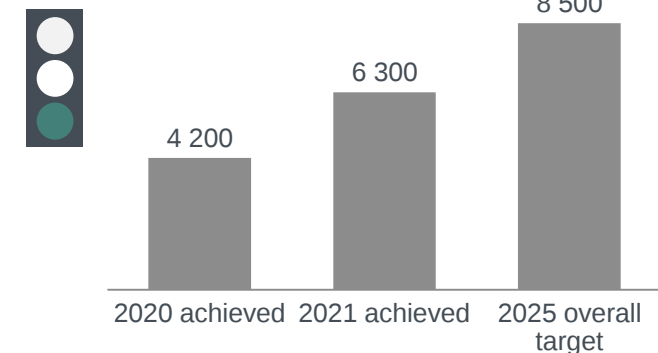
Upstream costs^{4,5)}
USD per tonne



Extrusion volumes
Thousand tonnes



Improvement program status⁶⁾
NOK millions



1) 2020 restated as adjusted EBITDA

2) Free cash flow is defined as net cash provided by (used in) operating activities of continuing operations, adjusted for changes in collateral and net purchases of money market funds, plus net cash provided by (used in) investing activities of continuing operations, adjusted for purchases of / proceeds from sales of short-term investments (2020: restated cash flow statement)

3) RoaCE 2020 includes Rolling.

4) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales

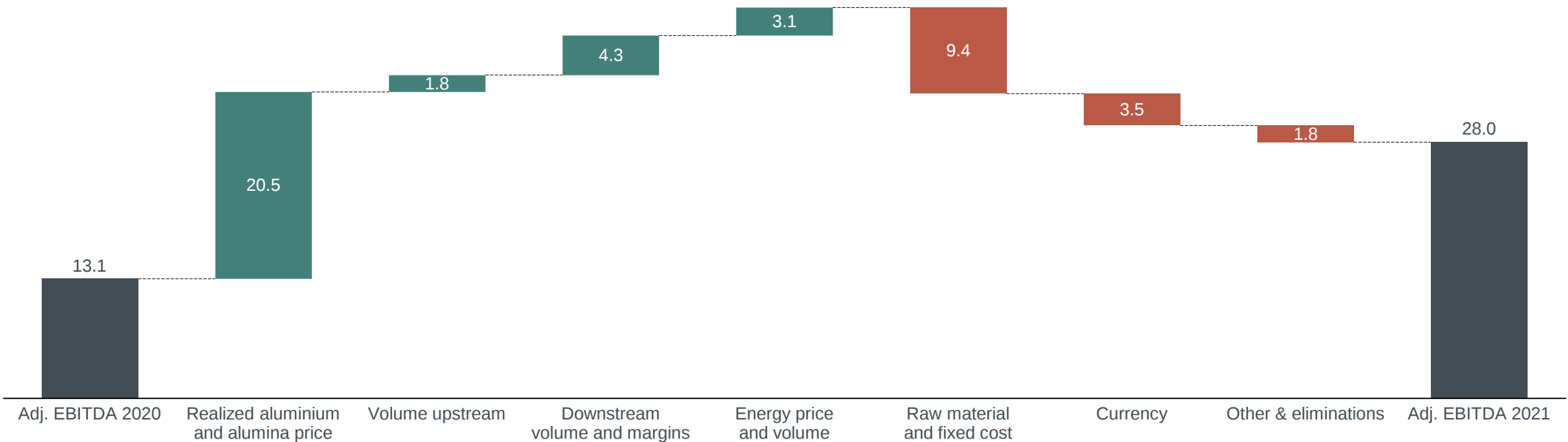
5) Realized all-in aluminium price (incl. strategic hedge program) less underlying EBITDA margin, incl Qatalum, per mt aluminium sold. Implied primary cost and margin rounded to nearest USD 25

6) Improvement program target and progress excluding Hydro Rolling

Result up on higher prices and volumes, partly offset by



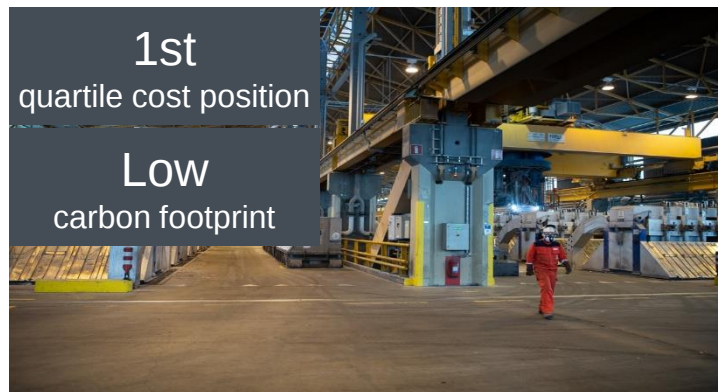
FY 2021 vs. FY 2020



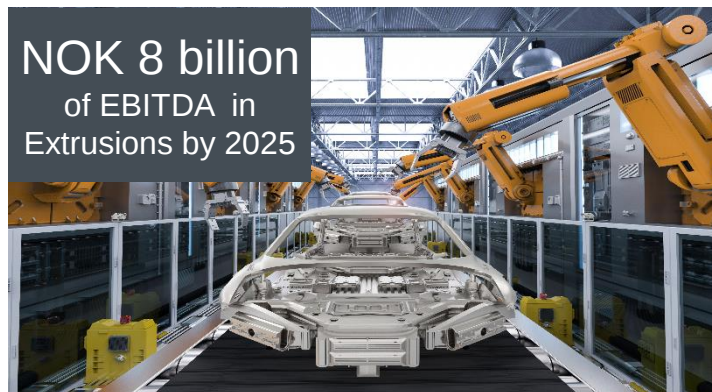
Why invest in Hydro?



Attractive asset base



Strong market position



Leadership in greener aluminium



Profitable growth journey



Strong balance sheet and shareholder focus



Sustainability position



1) Investment grade

2) In addition to 1:1 rehabilitation available mined areas within 2 years



Bauxite & Alumina

Bauxite and alumina cluster in Para, Brazil



MRN bauxite mine



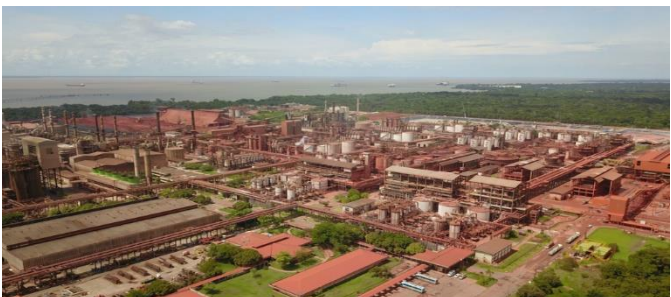
- Top 3 bauxite mine in the world
- 5% ownership
- Volume off-take agreement for Vale's 40% stake
- 2020 production 12.9 mill tonnes

Paragominas bauxite mine



- 100% ownership
- Nameplate capacity of 9.9 million tonnes
- 2017 production 11.4 million tonnes
- 2018 production 6.2 million tonnes*
- 2019 production 7.4 million tonnes*
- 2020 production 8.6 million tonnes
- Long-life resource

Alunorte alumina refinery



- 92% ownership
- World's largest alumina refinery outside China
- Nameplate capacity of 6.3 million tonnes
- 2017 production 6.4 million tonnes
- 2018 production 3.7 million tonnes*
- 2019 production 4.5 million tonnes*
- 2020 production 5.5 million tonnes
- Bauxite supplied from Paragominas and MRN
- World-class conversion cost position
- Utilizing state-of-the-art press filter technology to process bauxite residue
- Enhancing plant robustness to prepare for extreme weather events

**Bauxite
licenses**

**Refining and
mining competencies**

**External
supply contracts**

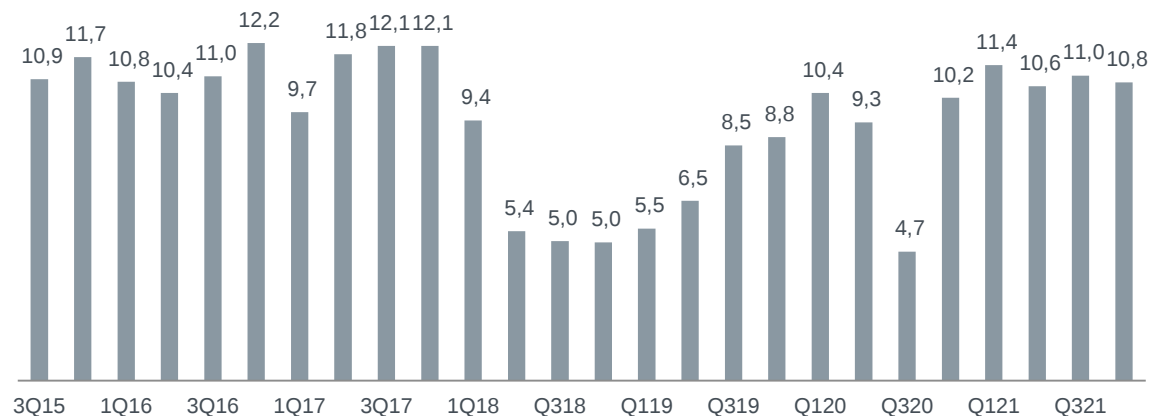
**Sales contract
portfolio**

* Alunorte and Paragominas produced at 50% capacity from March 2018 to May 2019 due to a 50% production embargo on the Alunorte refinery. The production embargo was lifted in May 2019.

Improved production after extended pipeline maintenance in Q3 2020

Bauxite production in Paragominas

Annualized million tonnes

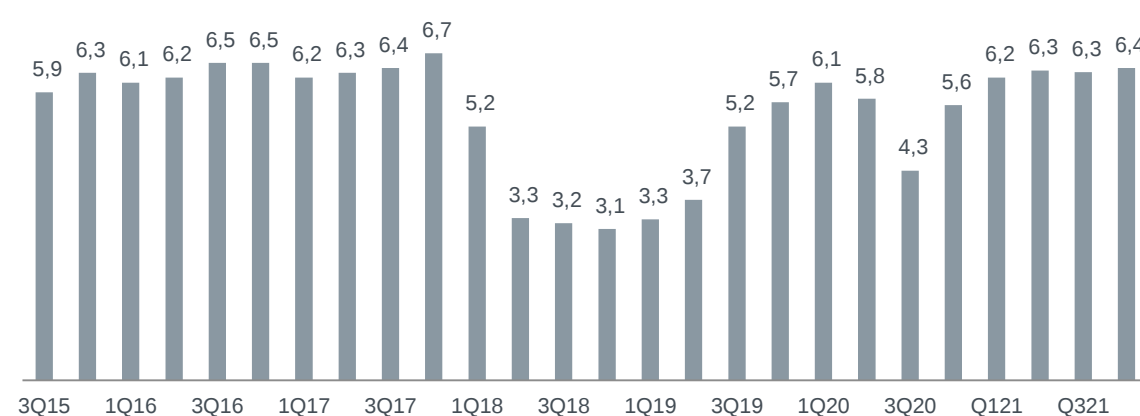


Paragominas bauxite mine

- Production affected by Alunorte embargo from March 2018 – May 2019
- Production affected by extended pipeline maintenance from August to October 2020

Alumina production at Alunorte

Annualized million tonnes



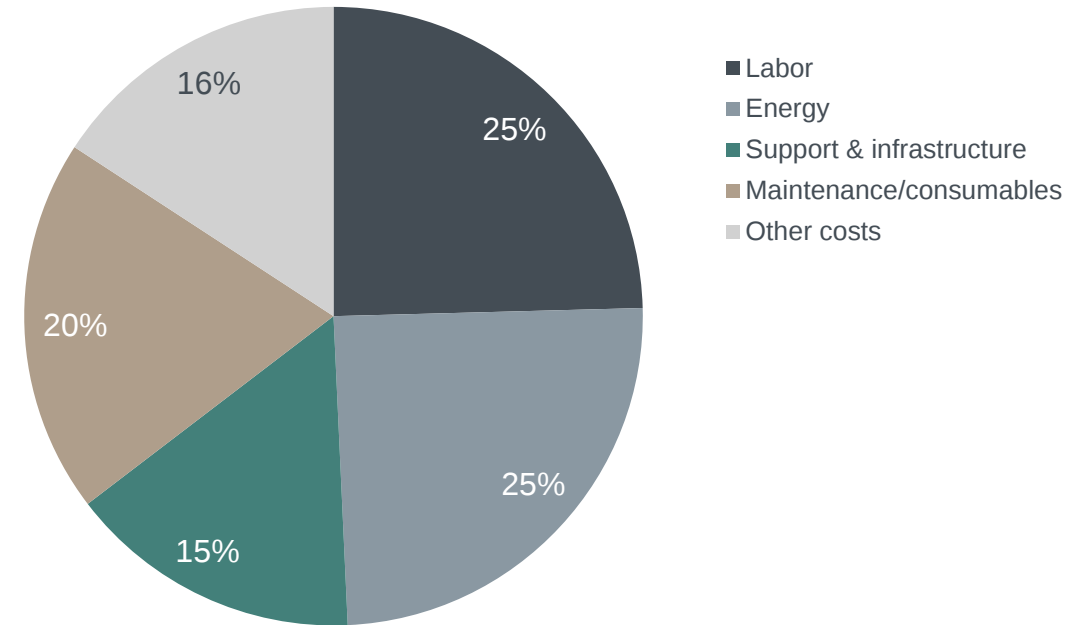
Alunorte alumina refinery

- Production affected by 50% Alunorte embargo from March 2018 – May 2019
- Production affected by extended pipeline maintenance from August to October 2020

Bauxite operational mining costs in Paragominas

- Energy cost - Power and fuel
- Large fixed cost base
- Labor cost
 - Influenced by Brazilian wage level
- Maintenance and consumables
 - Mainly influenced by Brazilian inflation

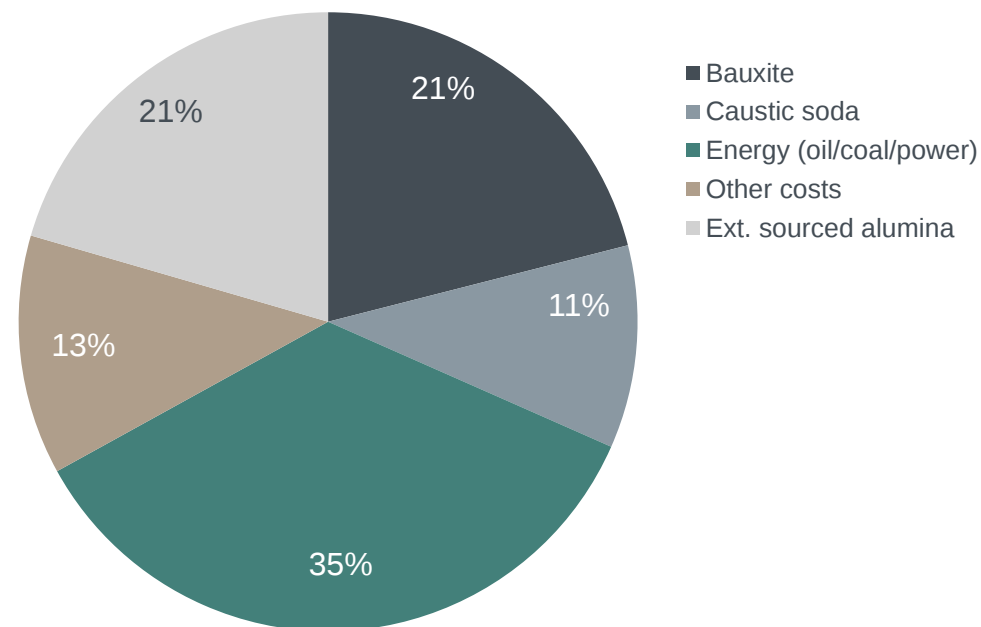
Indicative Paragominas bauxite mining costs



Favorable integrated alumina cost position

- Implied alumina cost 2021 - USD 249 per mt¹⁾
 - Alunorte, Paragominas and external alumina sourcing for resale
- Bauxite
 - Internal bauxite from Paragominas at cost, sourced bauxite from MRN
 - External bauxite sales
- Energy
 - Energy mix of heavy fuel oil, coal and electric power
- Caustic soda
 - Competitive caustic soda consumption due to bauxite quality
 - Competitive caustic soda sourcing contracts
- Other costs
 - Maintenance, labor and services

Indicative implied alumina cost composition



1) Realized alumina price minus Adjusted EBITDA for B&A, per mt alumina sales

Strong commercial organization maximizing the value of B&A assets

External alumina sourcing

- 2.0-2.5 million mt of external alumina sourced annually
- Long term off-take agreement with Rio Tinto
 - ~900 000 mt annually from Yarwun refinery
- Short and medium-term contracts
 - To balance and optimize position geographically
 - Various pricing mechanisms
 - Older contracts linked to LME
 - New medium to long term contracts mostly index
 - Fixed USD per mt for spot contracts on index

Long positions in bauxite and alumina

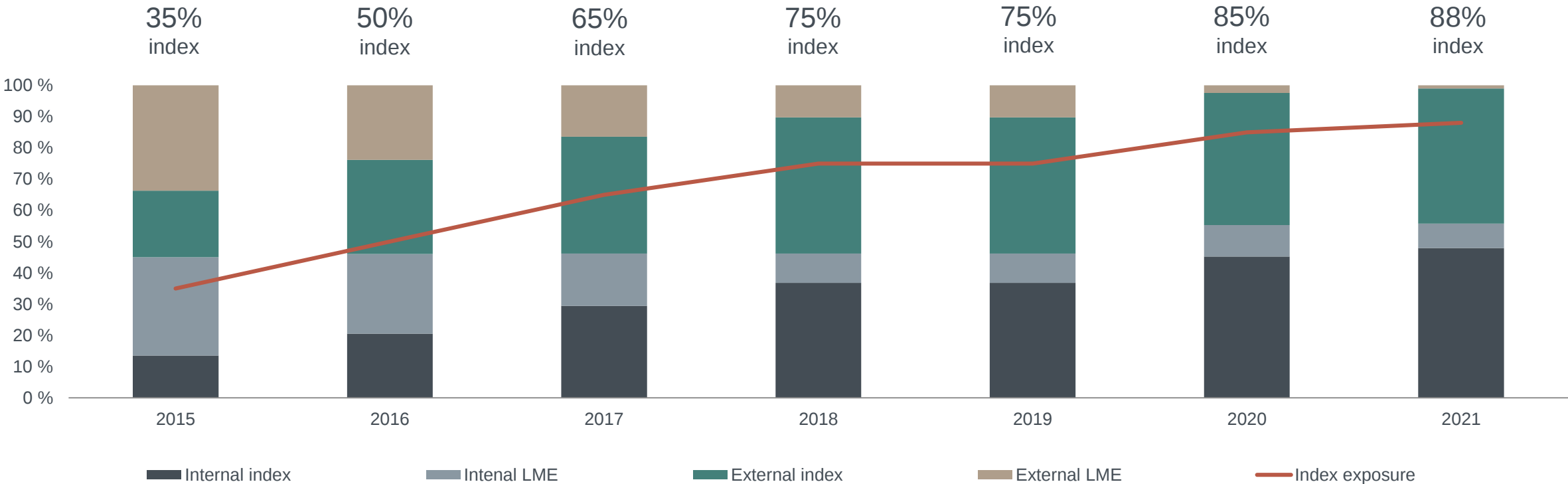
- Pricing should reflect bauxite and alumina market fundamentals
- Selling surplus MRN bauxite externally
 - Premium for high bauxite product quality
 - Majority sold to customers in the Atlantic basin
 - Mostly term contracts based on % of PAX and/or fixed USD/mt element
- Selling 3-4 million mt/yr of alumina externally
 - Index pricing and short to medium-term contracts
 - New contracts: 100% sold on index, except Hydrate and short-term contracts, normal terms 1-5 years
 - Legacy LME-linked contracts: priced at ~14% of LME 3M

Shift of alumina sales to index-based pricing continues at full speed



Index pricing the new norm for the industry

Sales exposure to index and short term pricing¹⁾

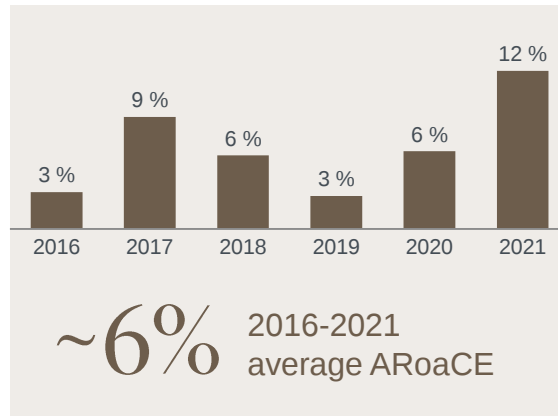
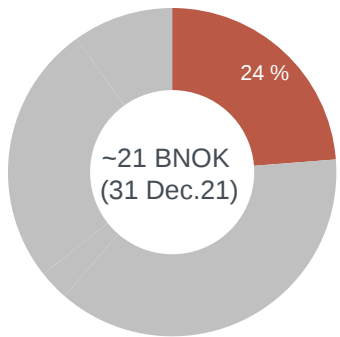


1) Rounded figures. Indicating volumes available for index pricing. Includes minority sales priced at % of LME with floor. Based on annual sourced volumes of around 2.5 mill t, assuming normal production at Alunorte.

Capital return dashboard for Bauxite & Alumina

Returns below the cost of capital reflecting challenging markets, embargo and operational issues during the early years

Capital employed in B&A



ARoaCE > CoC

10-11%

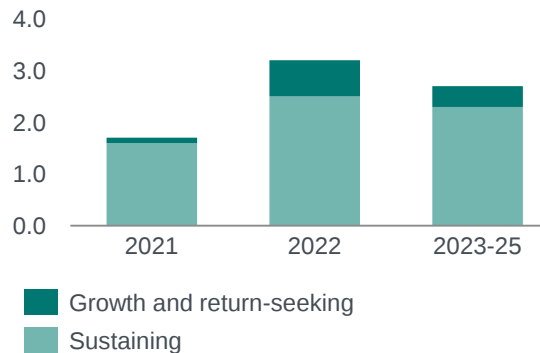
Nominal long-term
cost of capital

3.0 + 0.2
BNOK

on EBITDA by 2025 in
improvement potential

Fuel switch
project improving
Alunorte's
competitiveness and
sustainability

Capex, BNOK



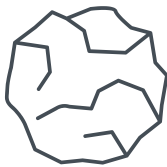
Sustain and
improve
Strategic theme



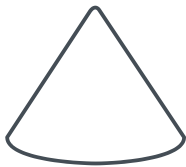
Energy

Energy is a key differentiator in the aluminium industry

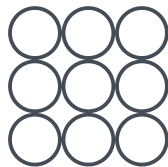
Center of energy excellence in Hydro



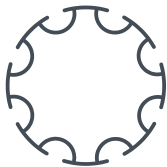
Bauxite



Alumina



Primary



Extrusion

Energy cost ¹⁾

~25%

~35%

~35%

~8%

~50%

Energy business area's contribution to Hydro

- Power sourcing

- Power sourcing
- Fuel switch project (LNG)
- Energy mix long term, renewables, storage

- Power sourcing and production
- Gas sourcing

- Power sourcing
- Gas sourcing

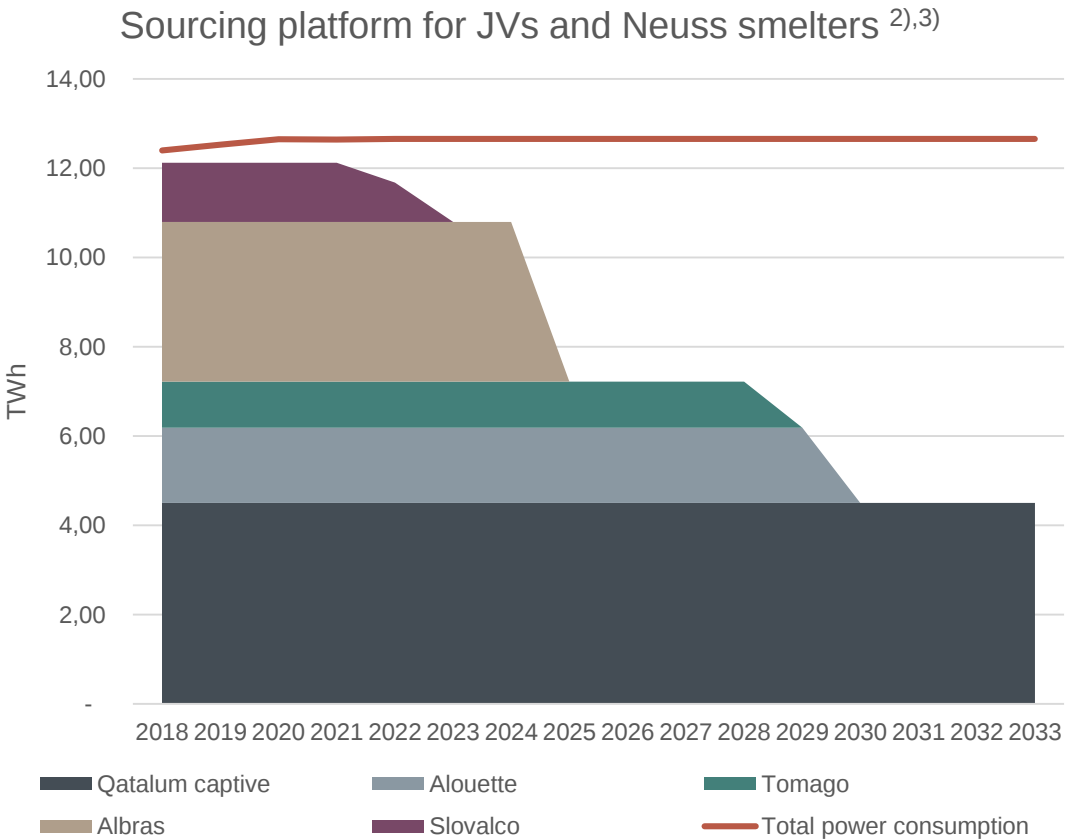
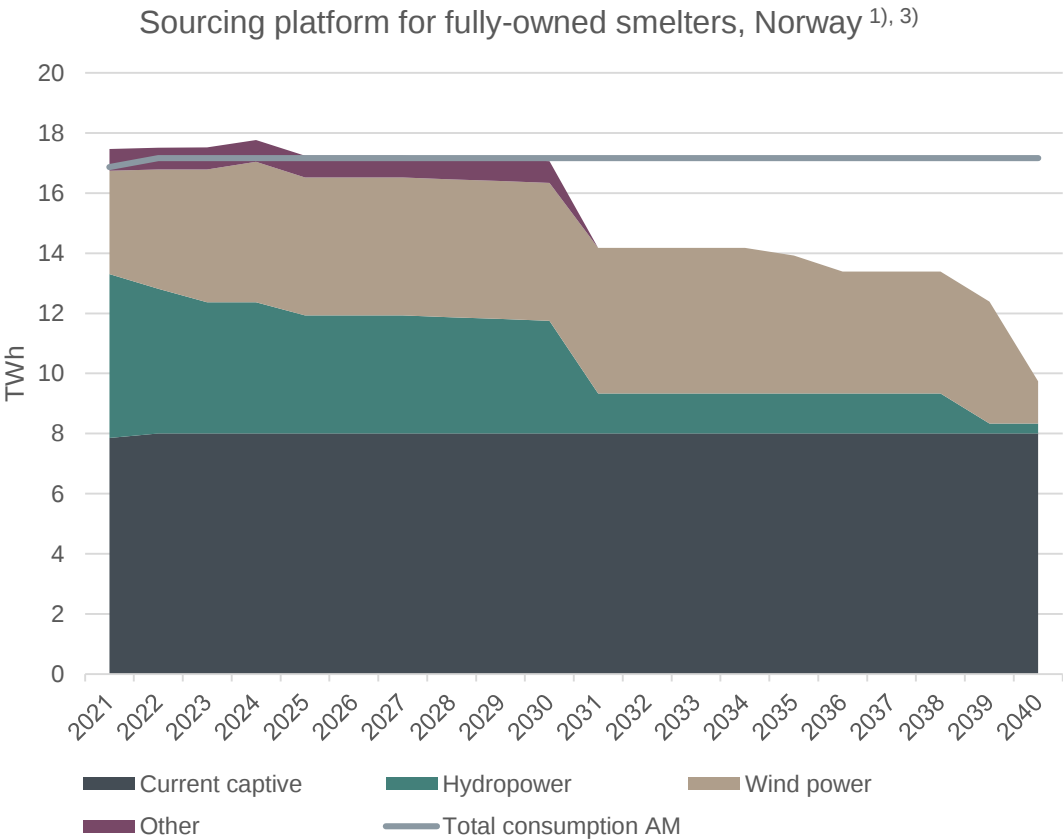
Market understanding. Framework advocacy. «Greener» support & energy efficiency support. Security of supply

1) Share of Business Operating Cash Cost

Securing long-term competitive power sourcing for smelters



Unique combination of hydro and wind power



1) Net ~8 TWh captive assumed available for smelters
2) Hydro Share: Qatalum captive(50%), Alouette(20%), Tomago (12.4%), Albras(51%), Slovalco(55%)
3) Adjusted for sale of rolled products

Overview of Hydro's hydropower portfolio

Lower captive volume and higher operator volume post transaction

Before the RSK transaction

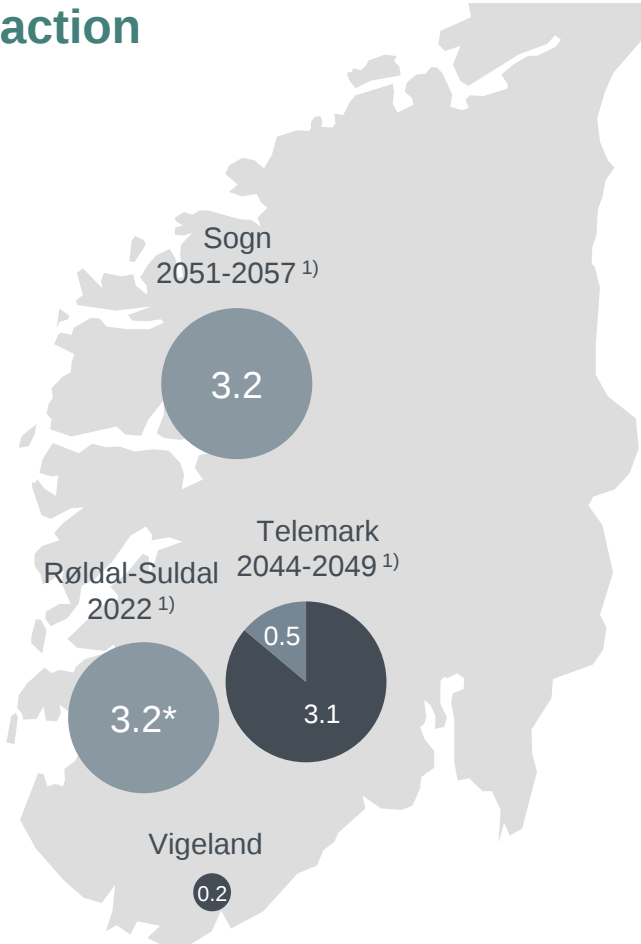
Normal annual production,
Equity share

10.2 TWh

Operator hydropower

10.5 TWh

- No reversion
- Subject to reversion
- Bubble size = production in TWh



After the RSK transaction

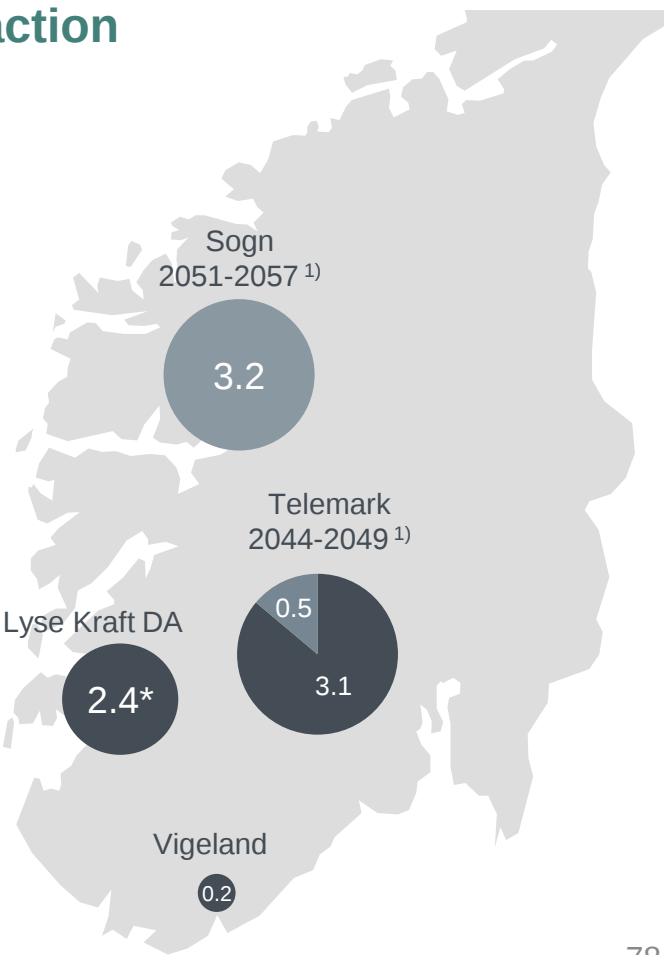
Normal annual production,
Equity share

9.4 TWh

Operator hydropower

13.0 TWh

- No reversion
- Subject to reversion
- Bubble size = production in TWh



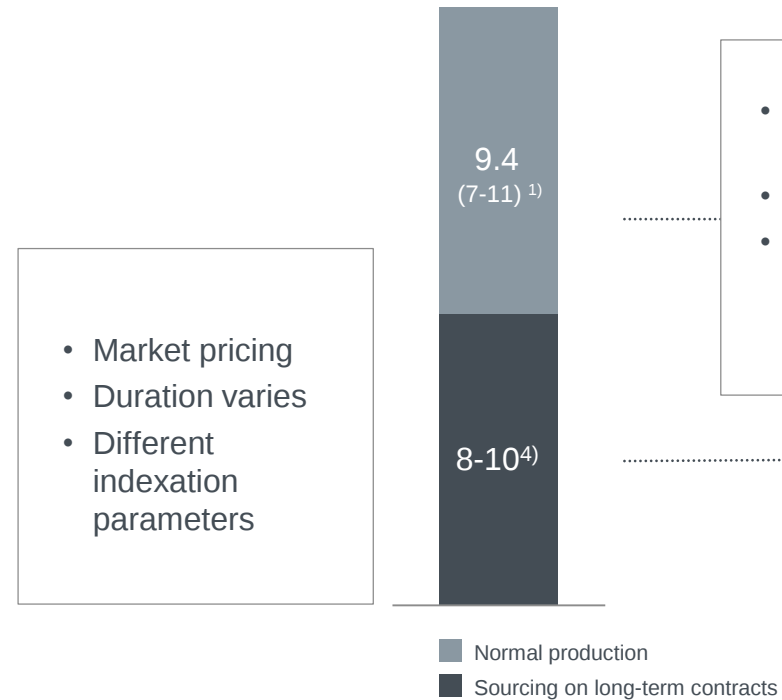
1) Reversion year
* Production figures for RSK and Lyse Kraft DA are based on a historical average reference as assumed in the transaction. Figures for Sogn and Telemark reflect estimated middle production

Market pricing principle applied to internal contracts

Based on external price references

Sourcing side

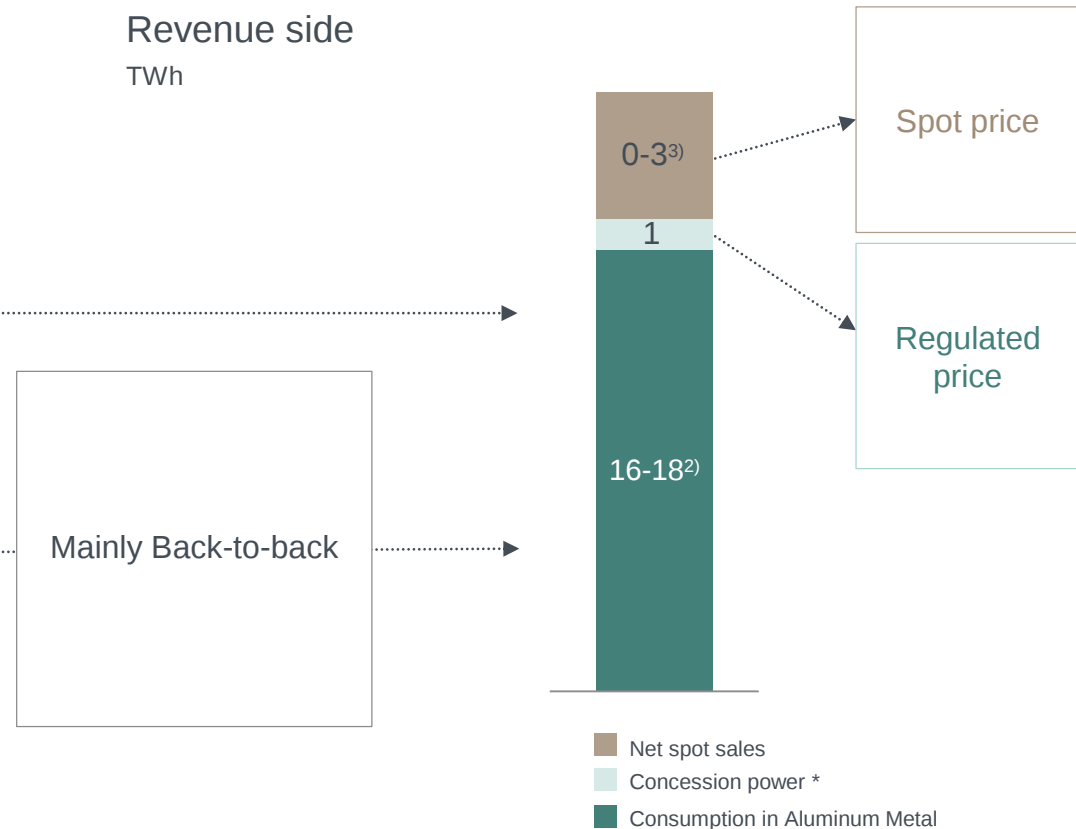
TWh



- Long-term contract
- Market pricing
- Fixed annual pricing adjustments

Revenue side

TWh



Norway post 2020

1) Depending on the precipitation level, hydropower production may vary from 7 TWh in a dry year to 11 TWh in a wet year

2) Consumption in AM at current production levels and at full installed capacity

3) Net spot sales vary depending on the power production level and internal consumption in AM

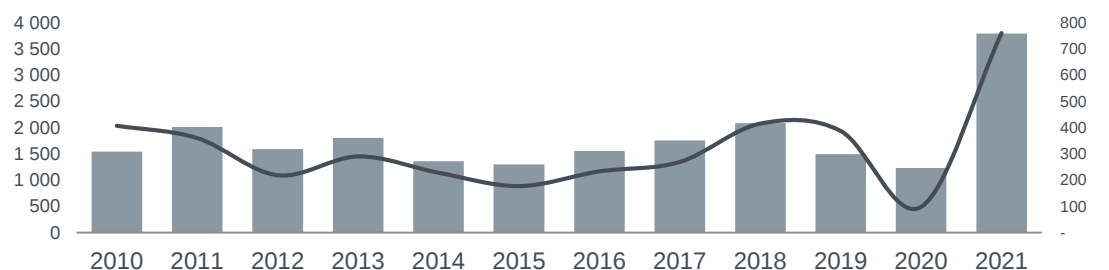
4) Depending on status of sourcing

Energy earnings drivers

Adjusted EBITDA and NO2 spot price

NOK million

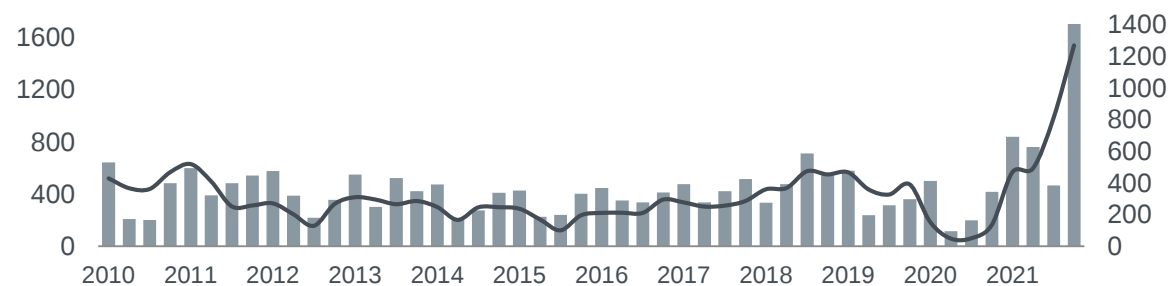
NOK/MWh



Adjusted EBITDA and NO2 spot price

NOK million

NOK/MWh

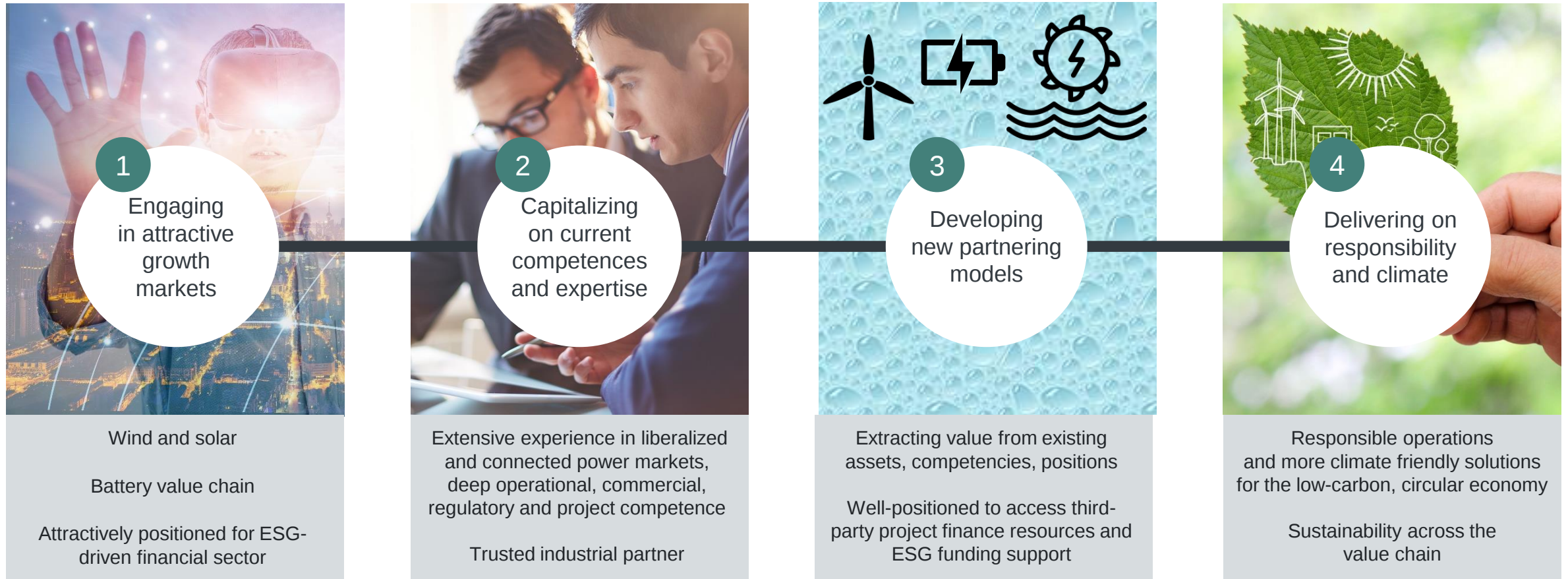


■ Adjusted EBITDA — Spot price

- Production and market prices strongly linked to hydrological conditions
- Lift in annual EBITDA contribution from 2021
 - Positive impact from expiry of legacy supply contract from 2021
 - 8 TWh internal contract for power sales to Aluminium Metal in Norway effective from 2021-30
- Seasonal market variations in demand and supply. Gains or losses may occur from delink between area prices arising due to transmission capacity limitations in the Nordic area
- Power portfolio optimized versus market
- Stable and competitive cost base:
 - Mainly fixed costs
 - Volume-related transmission costs

Building complementary businesses, creating value

A platform for growth, scaling and new ideas



Growing and diversifying our portfolio where capabilities match trends: Renewable Growth



- Capturing existing value in Hydro's power demand and industrial footprint
 - Approx. 10 TWh repowering required by 2025
 - 100+ sites globally
- Leveraging Hydro's unique position in value chain
 - Power sourcing and trading, source optimization
 - Asset operations (hydro, wind)
 - Project management; commercial expertise
 - Industrial energy management
- Solidifying position in high growth renewables industry
- Supporting Hydro's low carbon and sustainability agenda

Hydro well placed for growth in battery industry



Battery industry

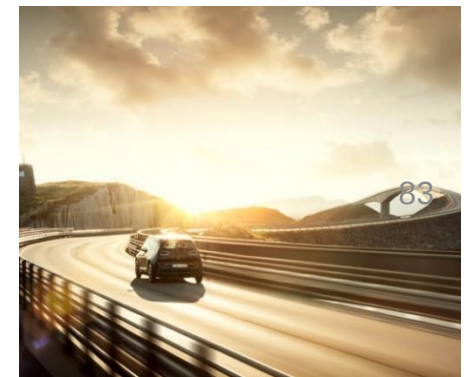
Batteries are needed for electrification and decarbonization

Industrial and political push for a European sustainable battery value chain

Long value chain with optimization of high-value materials

Partnerships needed to succeed

Industry driven by automotive OEM customers



115 years of solving global challenges by industrial development based on green energy

Strong European operational footprint and focus on sustainability

Industrial experience from integrated value chain

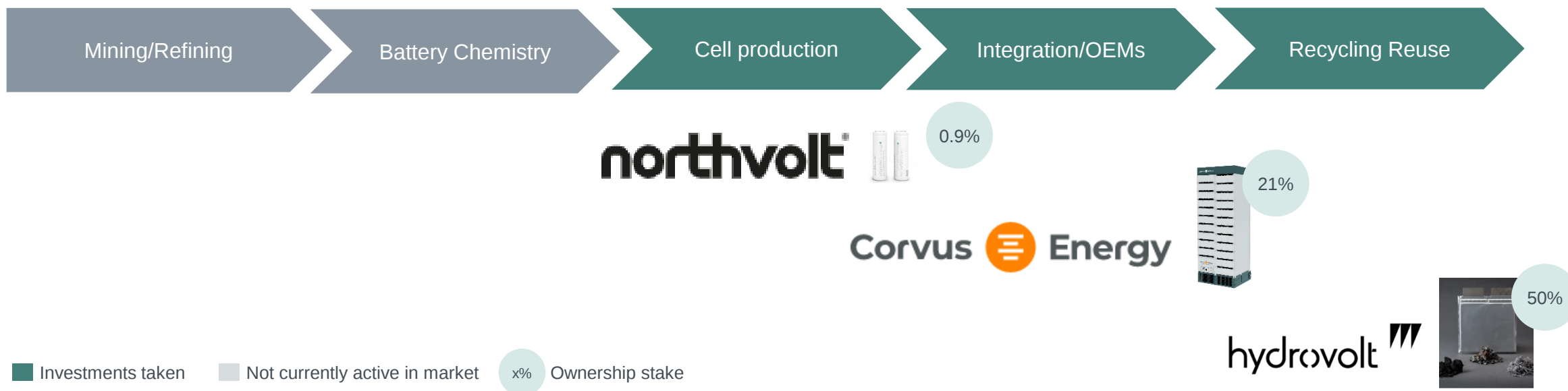
Experienced and trusted partner in Europe and Norway

Experienced solutions provider for automotive OEMs with multiple touch-points relevant for battery sector

Strategy of stepwise engagement in the battery value chain, leveraging Hydro's strengths



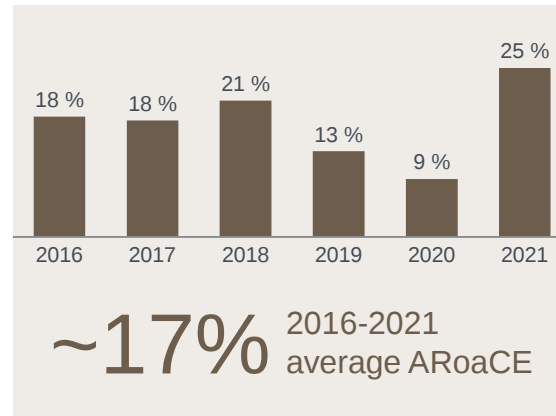
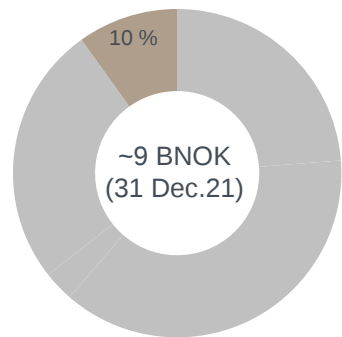
- Aim: to build a new sustainable and profitable business that will diversify and strengthen Hydro's overall portfolio
- New business unit "Hydro Batteries" to perform active industrial ownership of current assets and develop new opportunities
- Expanding battery footprint with selective positions and partnerships across value chain
- Successful strategic investments already made with strong pipeline of opportunities



Capital return dashboard for Energy

Returns above the cost of capital reflecting the depreciated asset base

Capital employed in Energy



ARoACE > CoC

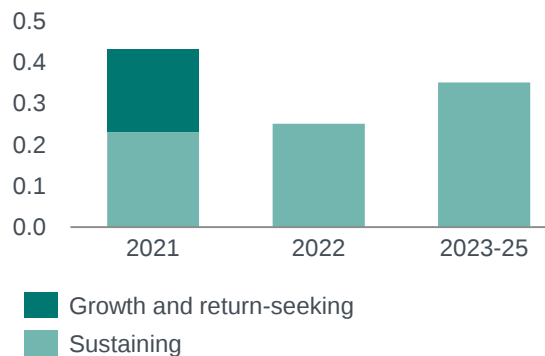
6-7%

Nominal long-term
cost of capital

Lower realized unit
costs over time
following Lyse Kraft
DA transaction
synergies

Potential listing of
REIN and Havrand

Capex, BNOK



Selective
growth
Strategic theme

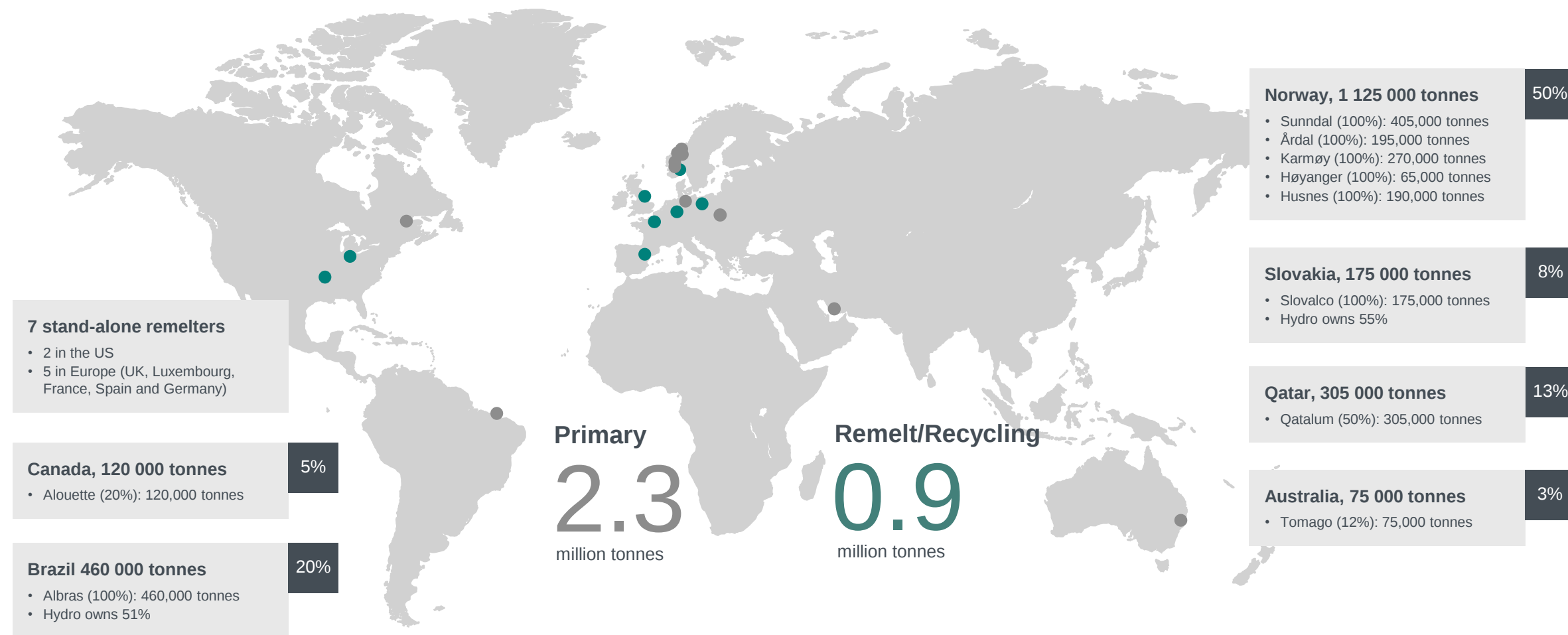


Aluminium Metal

World-wide primary aluminium production network



Aluminium Metal and Metal Markets



2.3 million mt is consolidated capacity. Slovalco and Albras are fully consolidated, Tomago and Alouette are proportionally consolidated and Qatalum is equity accounted. Neuss, which is a part of Rolling, is not included. 0.9 million mt includes stand-alone remelters, recycling facilities and additional casthouse capacity at primary plants.

Unlocking new improvements through Industry 4.0 initiatives

40 ongoing projects



Robotics & Automation projects



Trusted Data Layer Casthouse



Soft Sensor incl. Trusted Data Layer



Mobile Maintenance Worker



Trusted Data Layer Carbon + Analytics workbench improvements



Bring Your Own Device

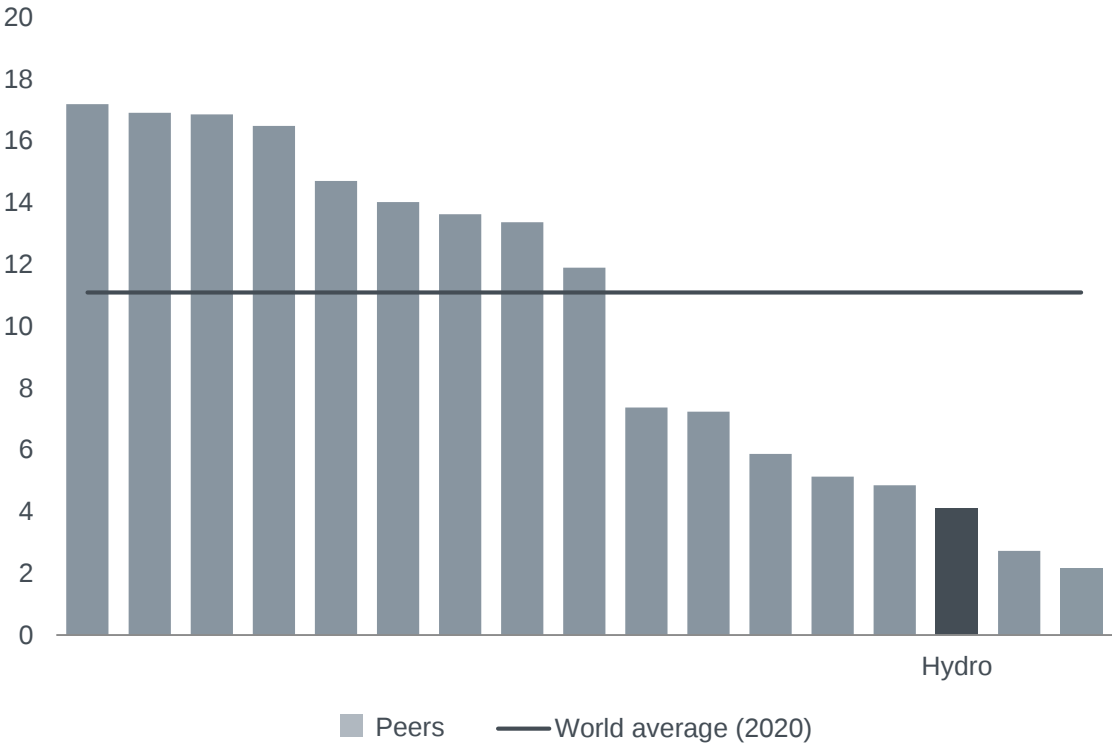
Digital Foundation including Cyber Security

Organization Foundation including Aluminium Metal Digital Academy

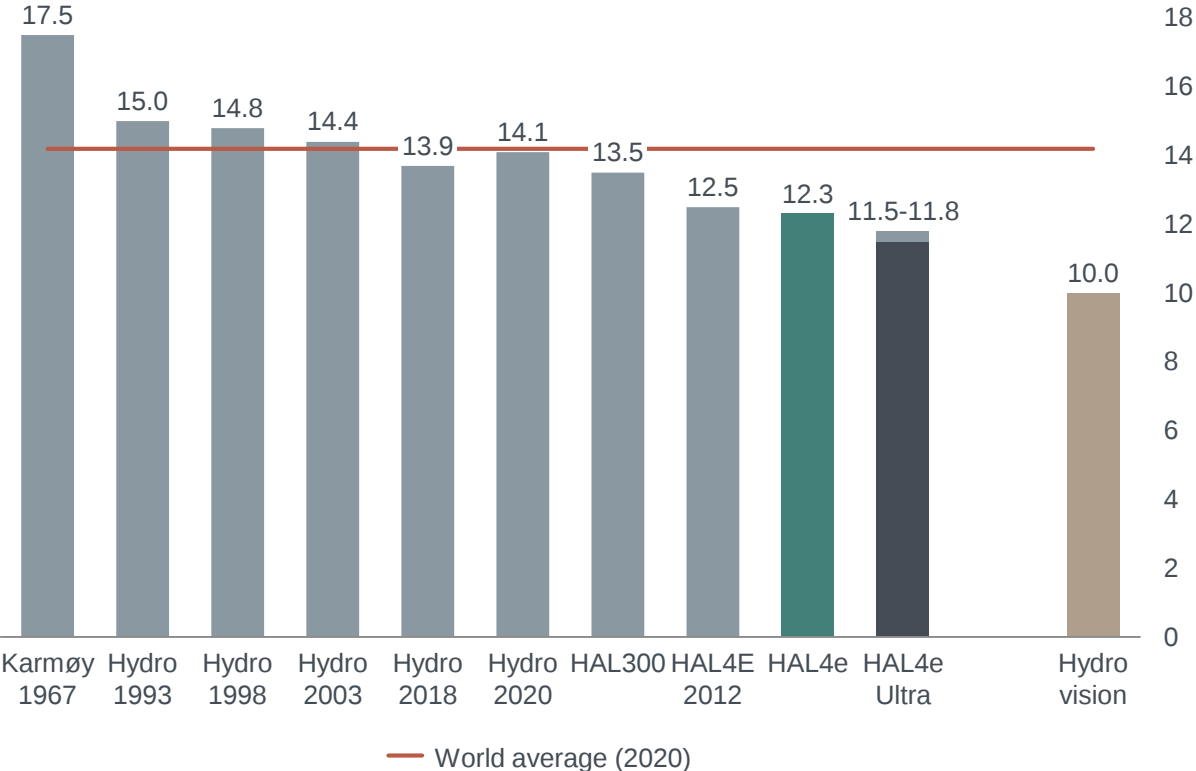
Low carbon footprint due to renewable energy base and industry lowest energy consumption



Total emissions, in tonne CO2/t al



Energy consumption in Hydro smelters¹⁾, kwh/kg al

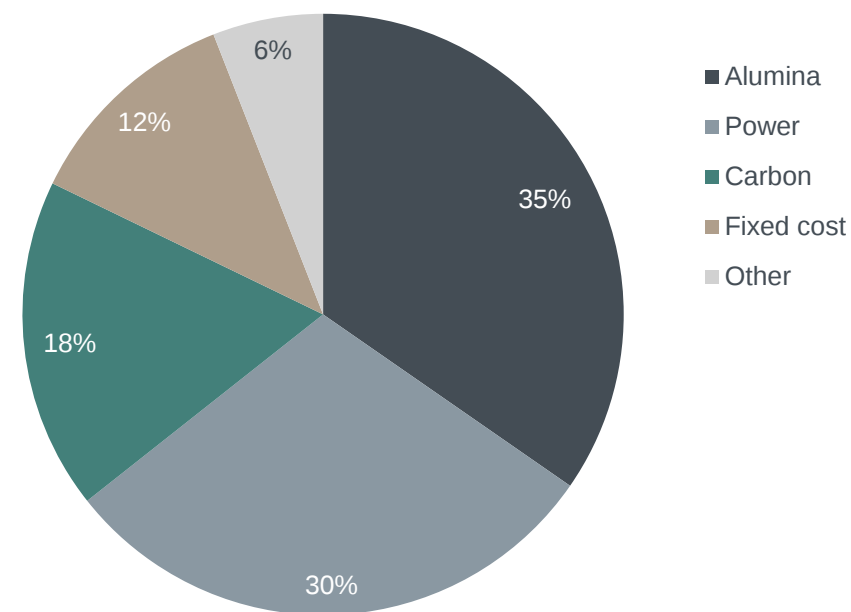


Source: CRU and Hydro analysis
1) Hydro's consolidated share

Competitive primary aluminium cash cost

- Primary aluminium cash cost 2021
 - All-in implied primary aluminium cash cost¹⁾ USD 1 950 per mt
 - LME implied primary aluminium cash cost²⁾ USD 1 500 per mt
- Alumina
 - Purchases based on alumina index ~85%
 - Purchased based on LME link ~15% (only for Qatalum)
- Power
 - Long-term contracts
 - 2/3 of power need from renewable power
 - Contracts with a mix of indexations; inflation, LME, coal, fixed
- Carbon
 - 2-3 year contracts for petroleum coke and pitch, quarterly pricing
- Fixed costs
 - Maintenance, labor, services and other
- Other
 - Other direct costs and relining

Liquid aluminium cash cost 2021 ³⁾



1) Realized LME aluminium price (incl.strategic hedges) plus premiums minus adjusted EBITDA margin, including Qatalum, per mt primary aluminium sold

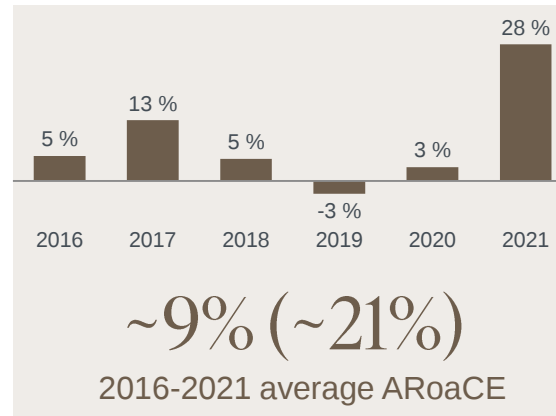
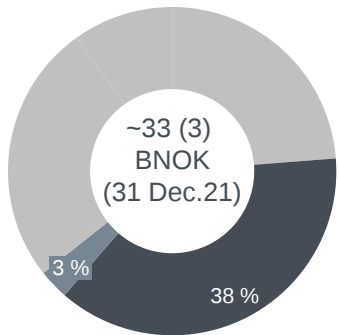
2) Realized LME aluminium price (incl.strategic hedges) minus adjusted EBITDA margin, including Qatalum, per mt primary aluminium produced

3) Pie chart based on cost of producing liquid aluminium, not directly comparable to the LME or All-in implied primary aluminium cash cost

Capital return dashboard for Aluminium Metal & Metal Markets

Investments in recycling capacity to support growth

Capital employed in AM (MM)



ARoACE > CoC

10%-11%
(7-8%)

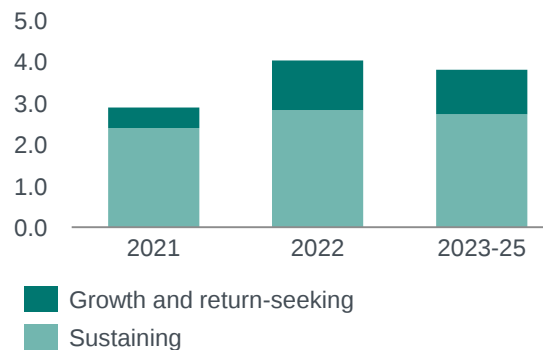
Nominal long-term
cost of capital

3.0 + 0.2
BNOK

on EBITDA by 2025 in
improvement potential and
commercial ambitions

Investments in
recycling capacity to
support growth

Capex, BNOK



Sustain and
improve¹⁾
Strategic theme

1) Creep and recycling with high profitability



Metal Markets

Strong position in value-added casthouse products

- Capitalizing on value-added casthouse products portfolio
- Extensive multi-sourcing system including fully- and part-owned primary casthouses and stand-alone remelters
- Flexible sourcing system enabling rapid and cost effective volume adjustments
- Value creation from margin management based on commercial expertise and risk management competence
- Strong market positions in Europe, US and Asia

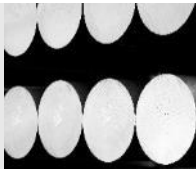


Casthouse production

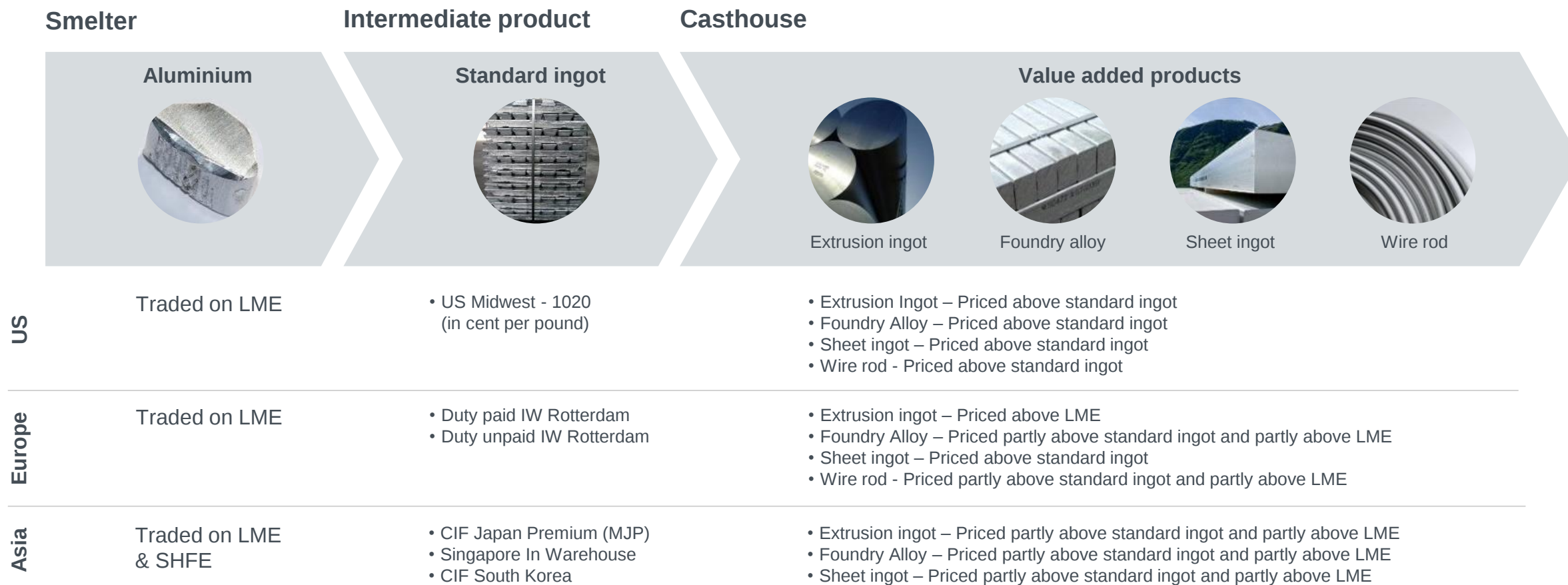
Primary production

Remelting & recycling

Commercial agreements

Extrusion ingot 1.4 million mt		Leading global position Unique primary and recycling capacity network
Foundry alloys 0.5 million mt		Leading global position Strong capabilities in all automotive segments
Sheet ingot 0.2 million mt		Leading European position Well positioned to capture automotive growth
Wire rod 0.1 million mt		Leading European position Market attractively supported by copper substitution
Standard ingot 0.4 million mt		Leading global position Global flow optimization through key positions

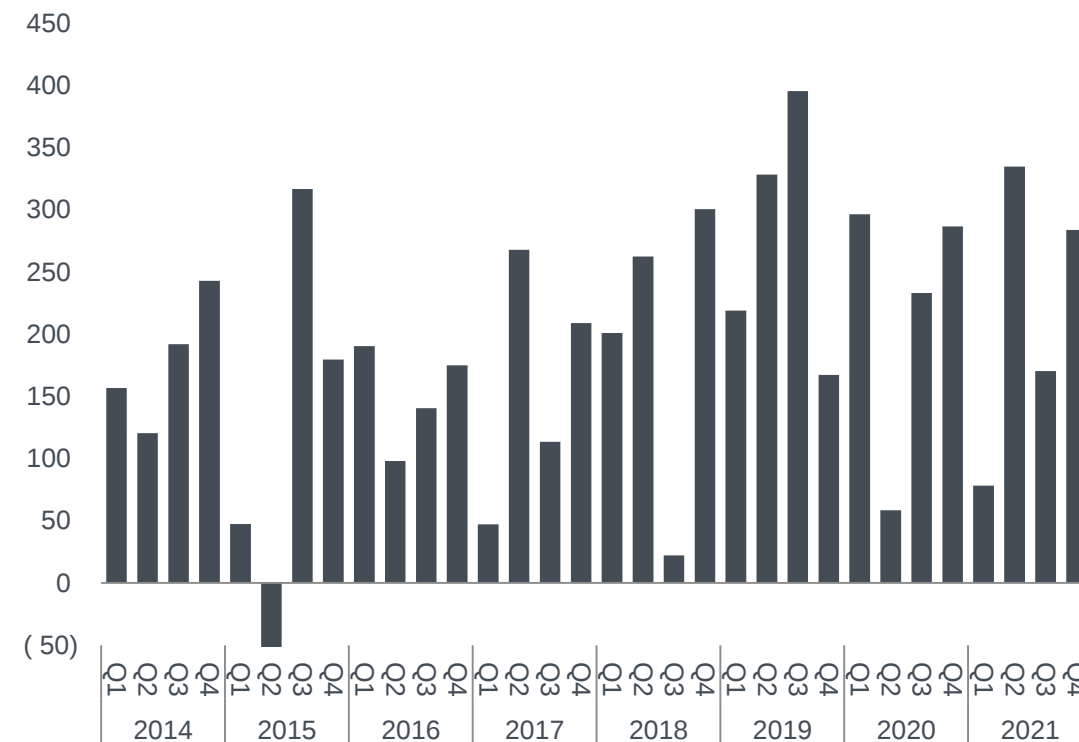
Pricing of value-added products



Metal Markets earnings drivers

- Remelters
 - Revenue impact – volume and product premiums above LME
 - Cost impact
 - Scrap and standard ingot premiums above LME
 - Raw material mix
 - Freight cost – proximity to market
 - Energy consumption and prices
- Other main businesses
 - Physical and LME trading
 - Third-party products
- Results influenced by currency fluctuations and inventory valuation effects
- Adjusted EBIT ex. currency and inventory valuation effects at around 500 MNOK per year

Adjusted EBITDA excluding currency effects and inventory valuation effect, NOK million¹⁾



1) Amounts are as disclosed for the individual years reflecting the accounting policies applied for those years and Hydro's definition of APMs applied for the relevant years.



Hydro Extrusions

Extrusions – #1 in the global aluminium extrusion industry

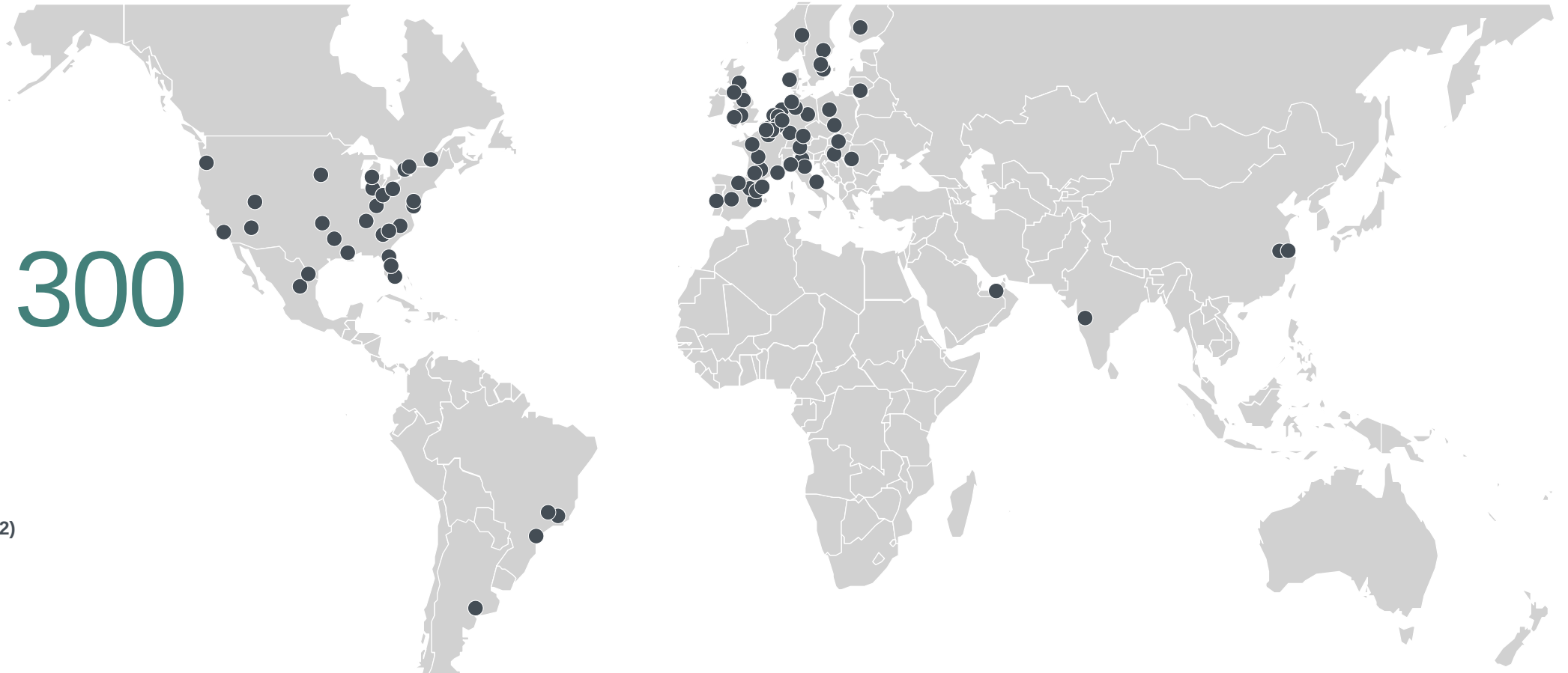


Present in

~35
countries

~ 21 300
people ¹⁾

1.3
Million mt sales²⁾



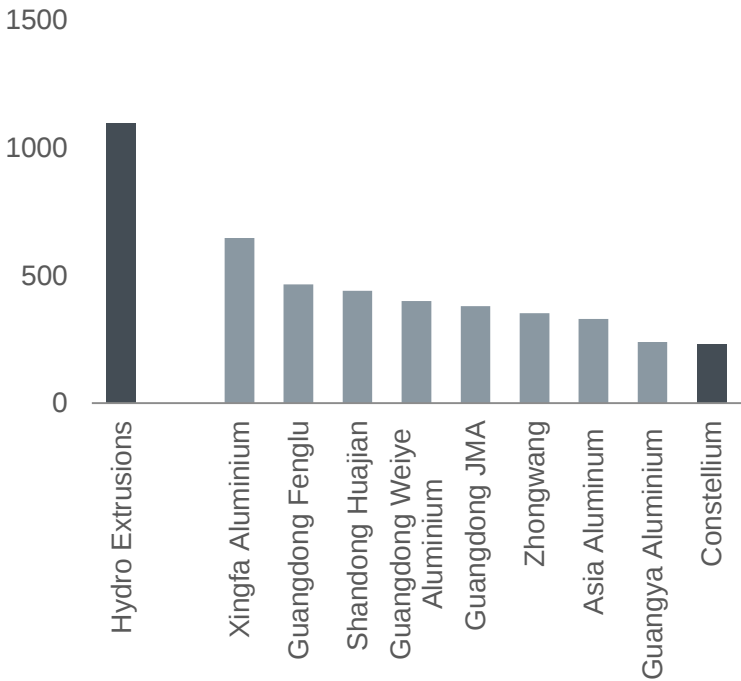
1) Permanent employees as of end-2021
2) Total sales in 2021

Extrusions with unrivalled position as largest extruder globally with a strong and diversified segment footprint



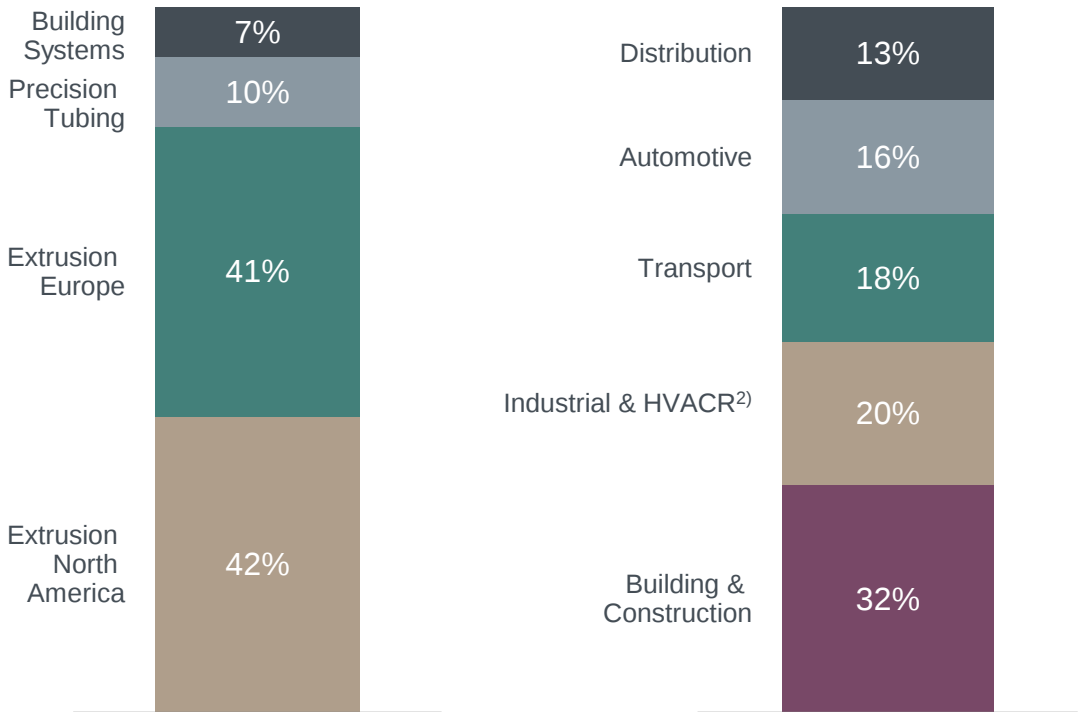
Unrivalled position as #1 extrusions provider globally

Extrusion sales volume (2020), tonnes (000s)



Four distinct Business Units, all with strong segment presence

Total volume 2020: 1.1 million tonnes¹⁾



1) Total volume estimate in 2021: ~1.3 million tonnes 2) HVACR: Heat, ventilation, air condition & refrigeration
Source: Company filings, CRU

Organized in four business units to maximize synergies across units



19,800 highly competent people across the world, total turnover of BNOK 55

Extrusion Europe



- Market leader focusing on value-added products
- 18% market share
- 35 locations, 8,500 people

Revenue	EBITDA
BNOK 20.8	BNOK 1.5

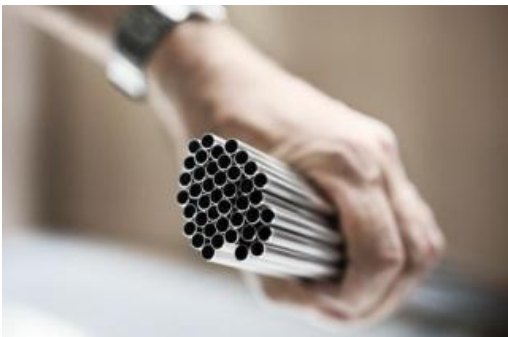
Extrusion North America



- Uniquely positioned as the only coast-to-coast supplier
- 21% market share
- 21 locations, 5,500 people

Revenue	EBITDA
BNOK 20.8	BNOK 1.7

Precision Tubing



- Technology leader in selected market niches
- 35% market share globally
- 16 locations, 2,700 people

Revenue	EBITDA
BNOK 5.4	BNOK 0.6

Building Systems

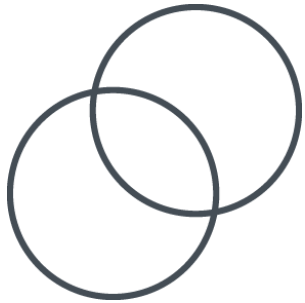


- Leading European player with multi-brand portfolio
- 20% market share in Europe
- Presence in 29 countries, 3,000 people

Revenue	EBITDA
BNOK 8.4	BNOK 0.8

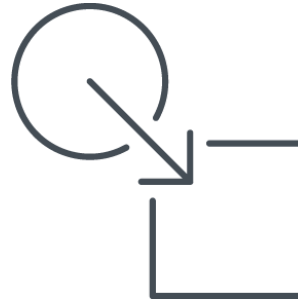
Successful value-over-volume strategy

Targeting the high-tech, high-competence segments of extrusion



Simplify and collaborate

Simplification drive to increase focus, reduce complexity and cost



Deliver value-added to our customers at a reasonable cost

Higher share of value-added solutions to customers through commercial excellence and innovation



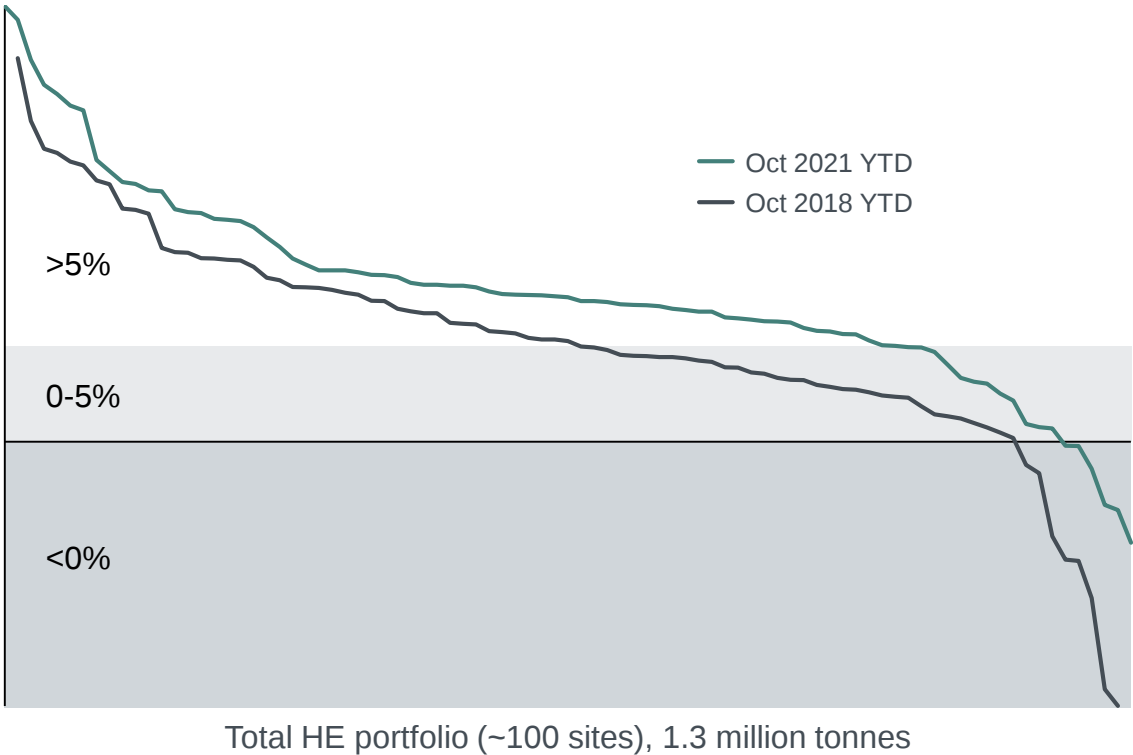
Grow to lift margins and profitability

Lifting margins and creating more customer value through selective growth

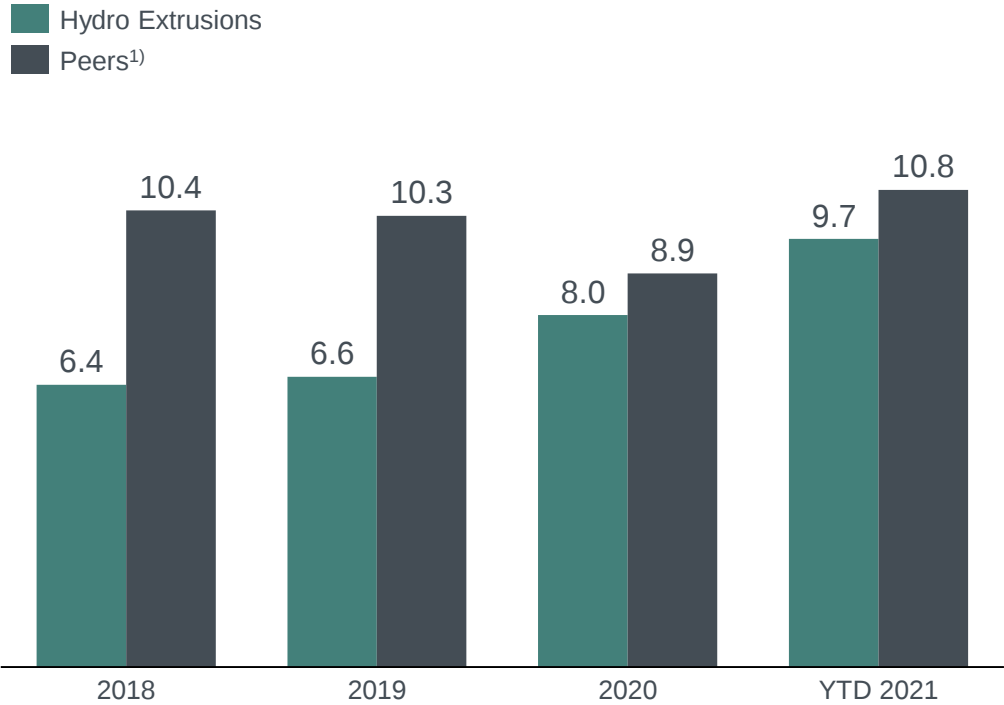
In Extrusions, improvements and restructuring have increased profitability, closing gap to peers



Hydro Extrusions
EBITDA-margin per unit in Hydro Extrusion (%)



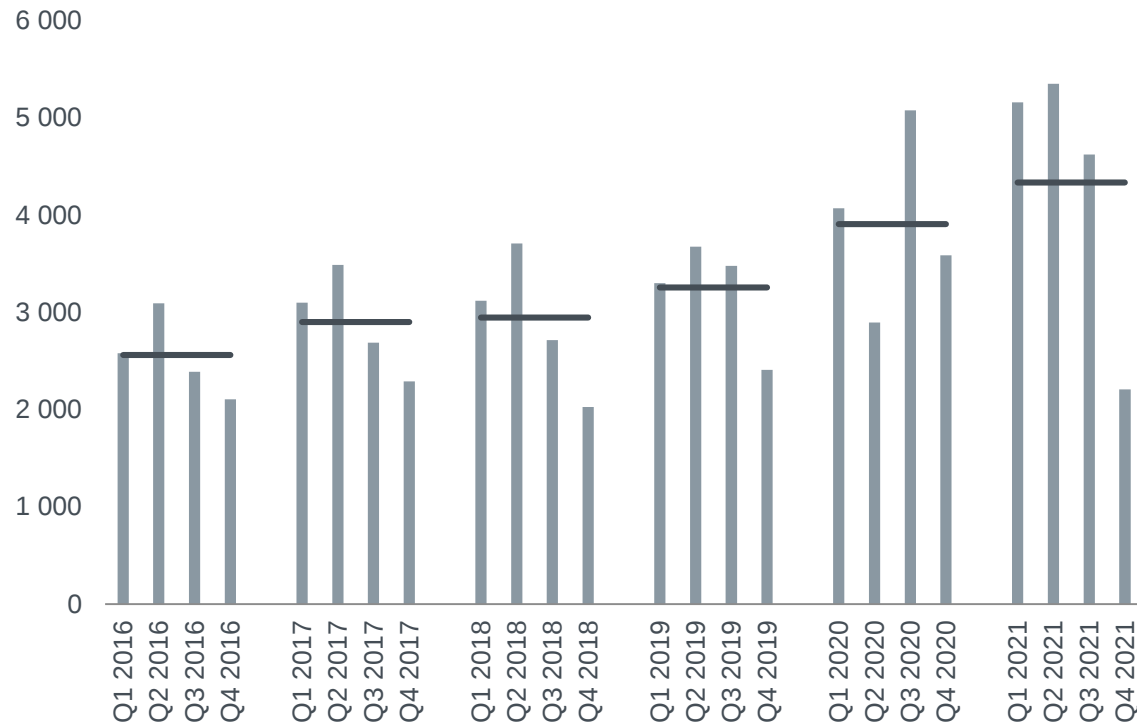
Hydro Extrusions and peers
Annual reported EBITDA margins (%)



1) Non-weighted average EBITDA-margin of Constellium AS&I, Bonnell, and Profilgruppen
Source: Company filings

Extrusions earnings drivers

Adjusted EBITDA per tonne¹⁾, NOK

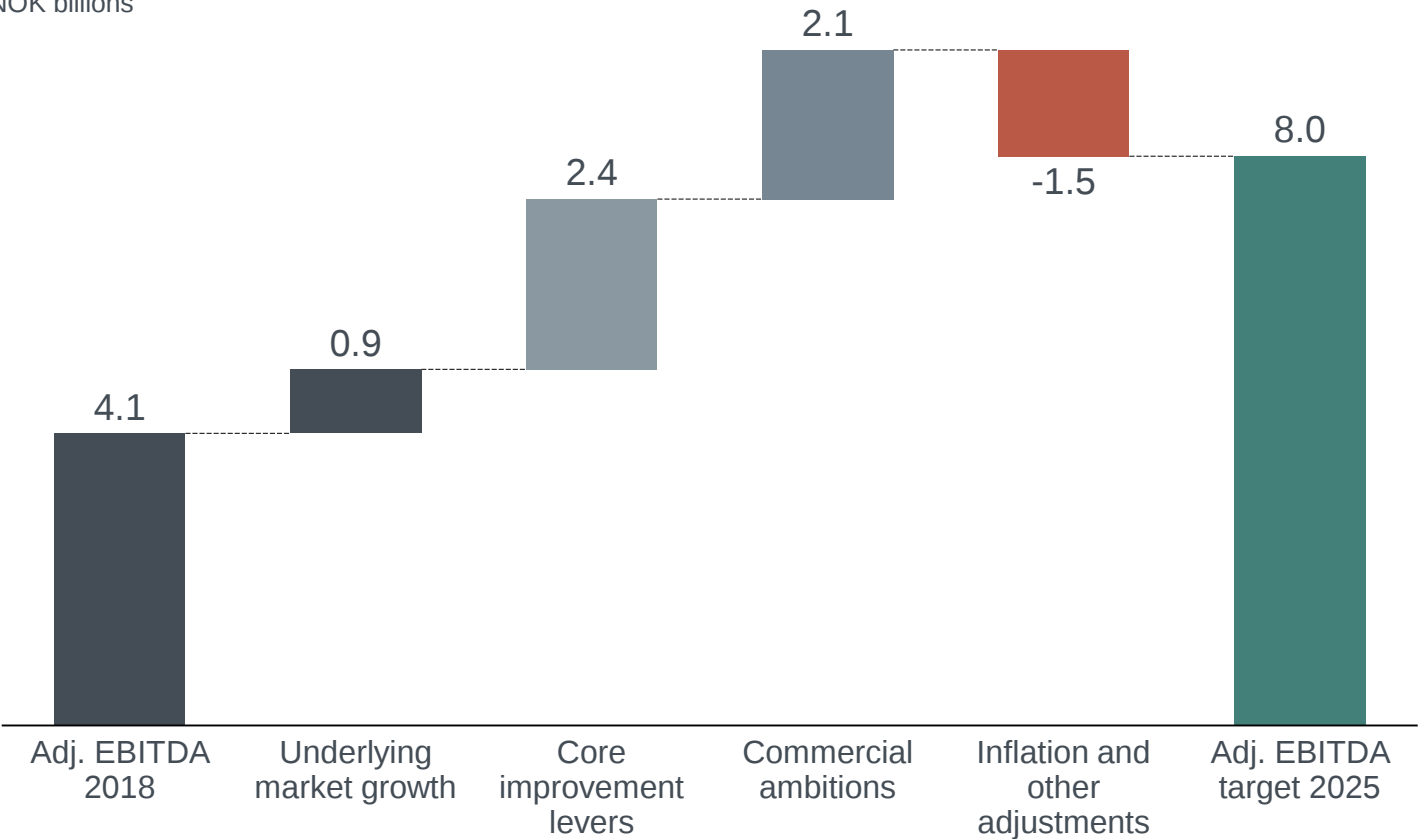


- Contract structure
 - Margin business based on conversion price
 - LME element passed on to customers
 - Mostly short-term contract, typically ranging from spot to 12 months, few longer term contracts with floating price or hedging in place
- High share of variable costs – high level of flexibility
- Annual seasonality driven by maintenance and customer activity
 - Stronger Q1 and Q2, weaker Q3 and Q4
- Strong focus on increasing value add to customers
- Preferred supplier market position in high-end products

Further improvements and growth agenda providing attractive uplift toward 2025



Extrusions EBITDA
NOK billions



Key improvement levers towards 2025

Underlying market growth

- Capitalize on underlying growth in extrusion demand in key regions and segments

Dedicated cost reduction programs

- Procurement
- SG&A cost
- Restructuring
- Operational improvements through our way of working, Extrusion Business System (EBS)

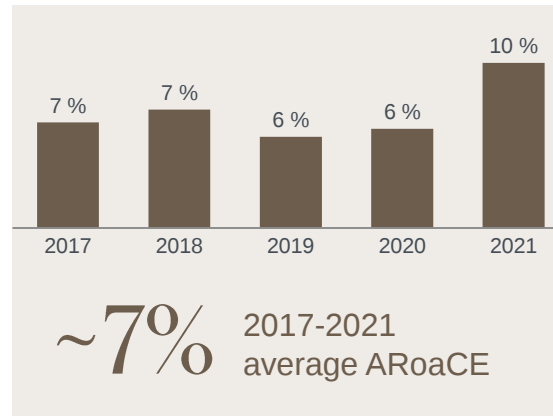
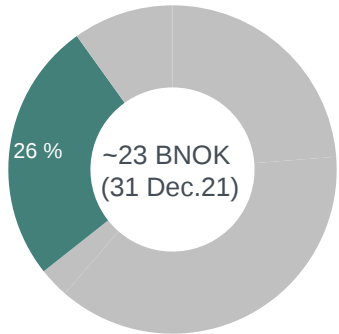
Commercial ambitions

- Market share growth
- Margin uplift through commercial excellence and dedicated segment focus
- Stronger market positions through greener products offering

Capital return dashboard for Extrusions

Returns in line with the cost of capital reflecting leading market positions in high value segments and portfolio optimization

Capital employed in Extrusions



ARoACE > CoC

7-8%

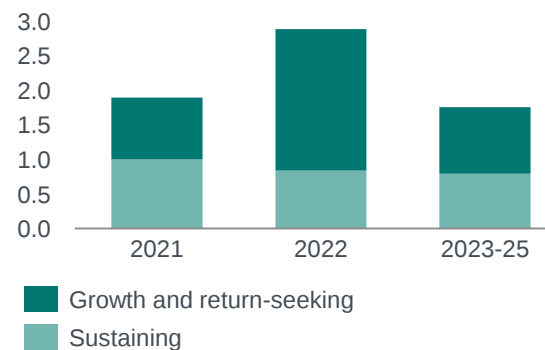
Nominal long-term
cost of capital

2.4 + 2.1
BNOK

on EBITDA by 2025 in
improvement potential and
commercial ambitions

Investments in new
presses and recycling
projects to support growth

Capex, BNOK

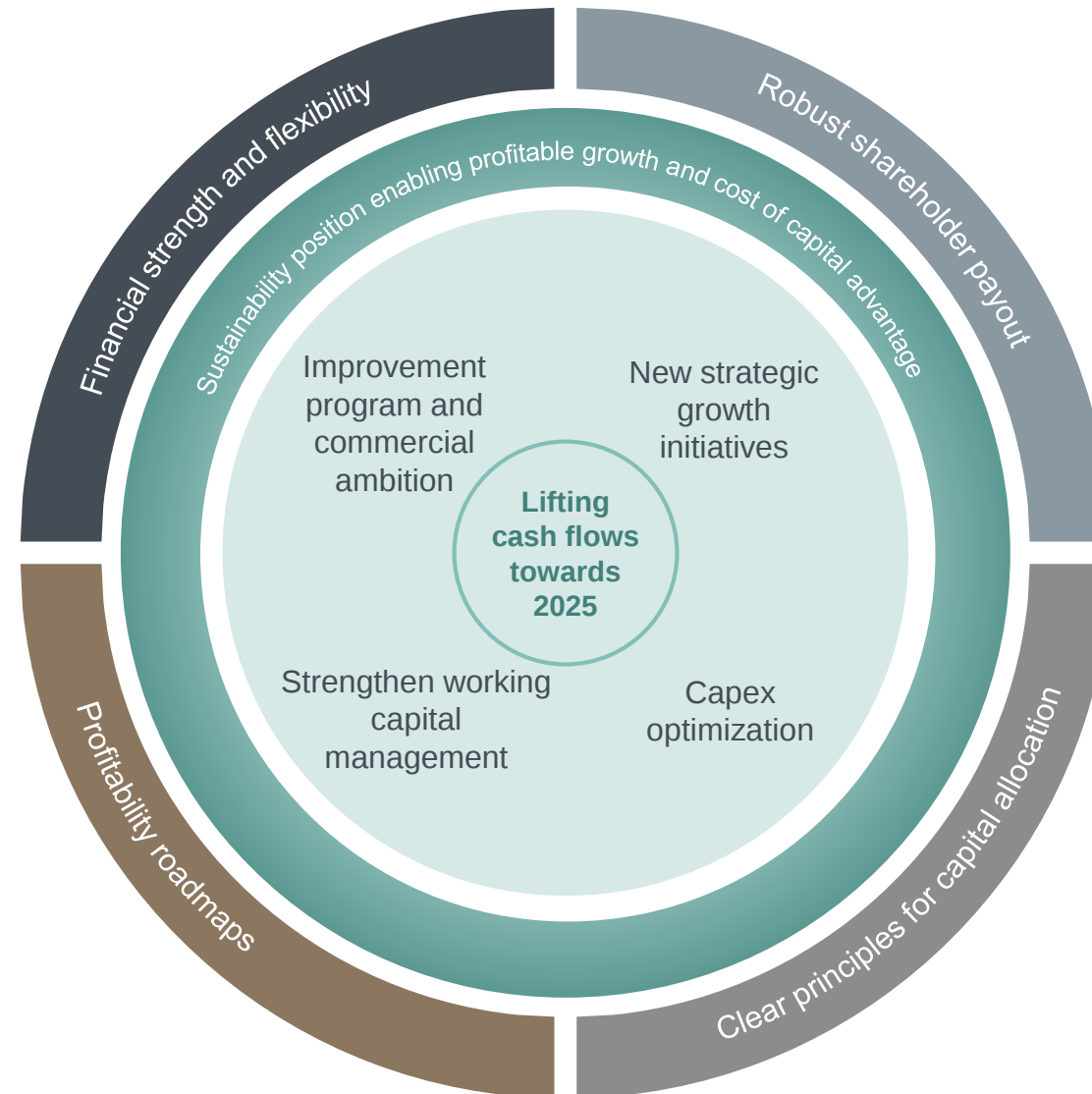


Selective
growth
Strategic theme



Additional information

Solid framework for lifting returns and cash flow



Clear principles for capital allocation



Shareholder and financial policy

- Aiming for competitive shareholder returns and dividend yield compared to alternative investments in peers
- Dividend policy
 - Average ordinary payout ratio: 50% of adjusted net income over the cycle
 - 1.25 NOK/share to be considered as a floor
 - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
 - Five-year average ordinary pay-out ratio 2016-2020 of ~65%
- Maintain investment-grade credit rating
 - Currently: BBB stable (S&P) & Baa3 stable (Moody's)
 - Competitive access to capital is important for Hydro's business model (counterparty risk and partnerships)
- Financial ratio target over the business cycle
 - Adjusted net debt to adjusted EBITDA < 2x

Hedging policy

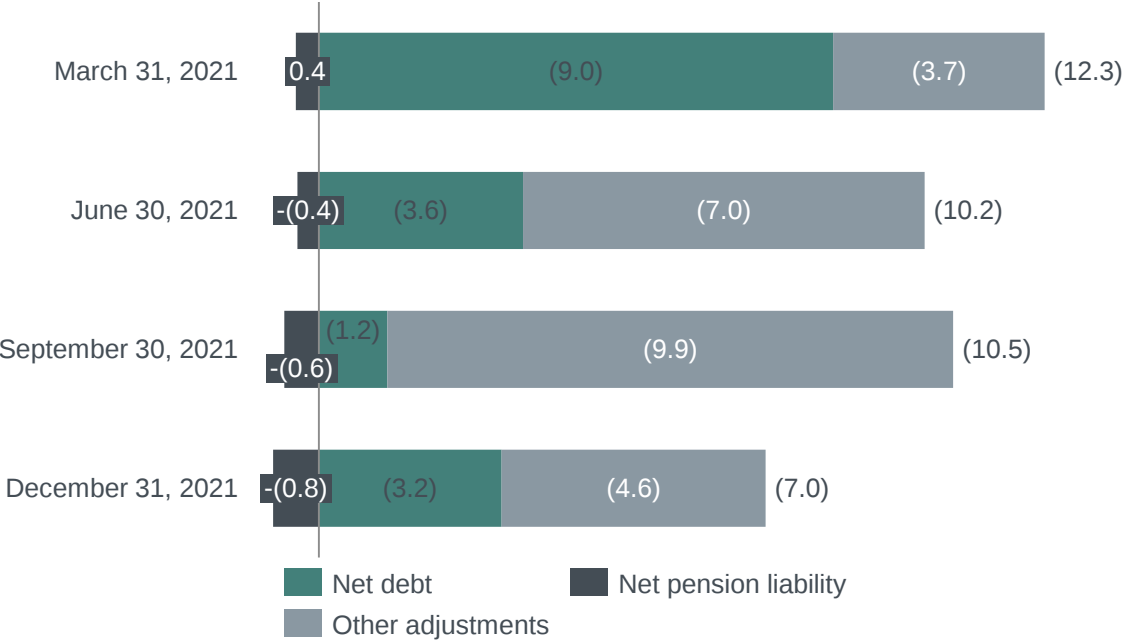


- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to different markets and cycles
- Bauxite & Alumina
 - Currency exposure, mainly USD and BRL
 - Exposed to LME and Platts alumina index prices
- Aluminium Metal
 - Operational LME hedging - one-month forward sales
 - Currency exposure, mainly USD, NOK and BRL
- Metal Markets Operational LME and currency hedging to secure margin
- Flexibility to hedge LME or currency in certain cases

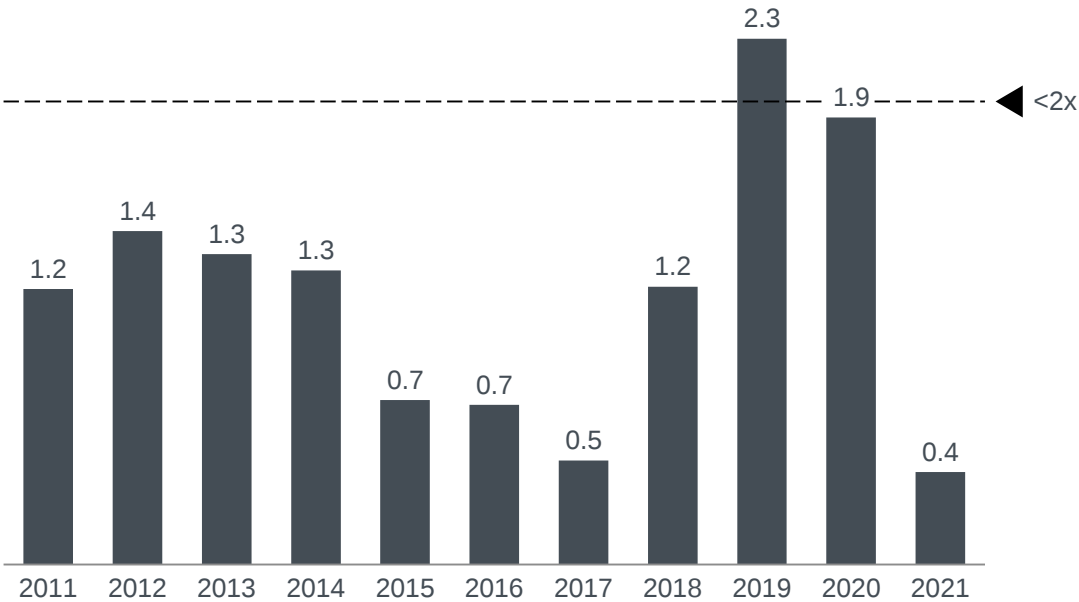
Maintaining a solid balance sheet and investment-grade credit rating



Adjusted net debt
BNOK



Adjusted net debt to adjusted EBITDA¹⁾

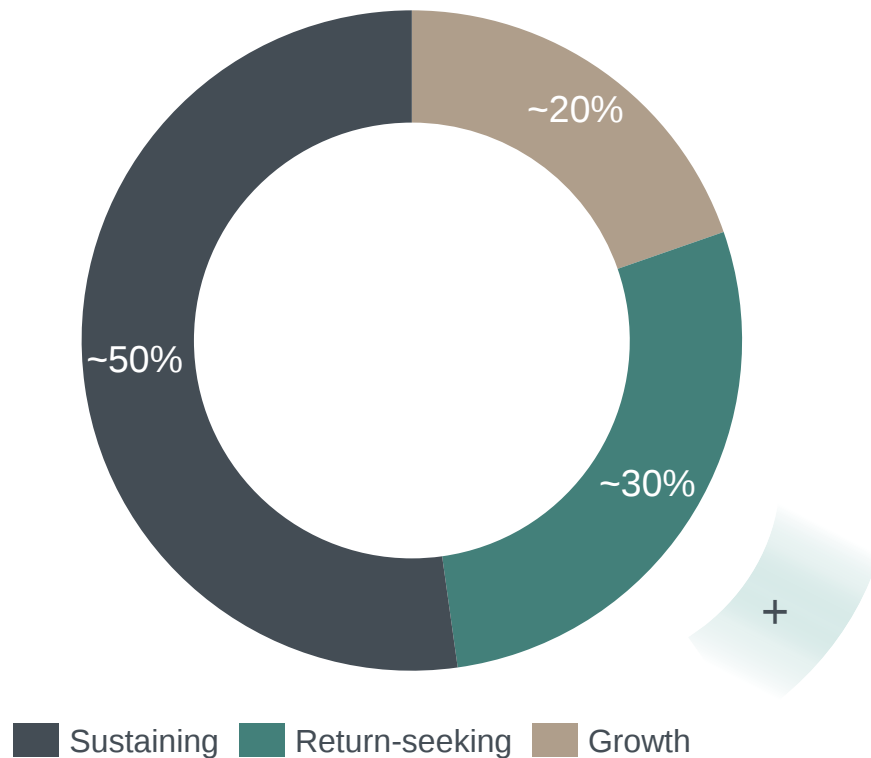


1) Based on four quarter average adjusted net debt. 2011-2013: Based on Adjusted net debt at year-end

Investments based on strategic priorities

~50% of capex 2022-25 is related to return seeking and growth capex

2022-25e CAPEX outlook
NOK billion



Growth & Return-seeking

- Capacity investments in Extrusions with new presses in USA, Europe and China
- Recycling investments including greenfield investments in Michigan (USA) and Hungary, capacity increases in Sweden, Spain and Germany
- Investments in batteries
- Alunorte Fuel Switch project
- CO2 reduction technology in AM

Sustaining investments

- Opening of the new M5 mine in Paragominas
- Maintenance of the bauxite pipeline between Paragominas and Alunorte
- Operational robustness investments at Alunorte (incl. water management)
- Lifetime extension of the SU3 line at Sunndal

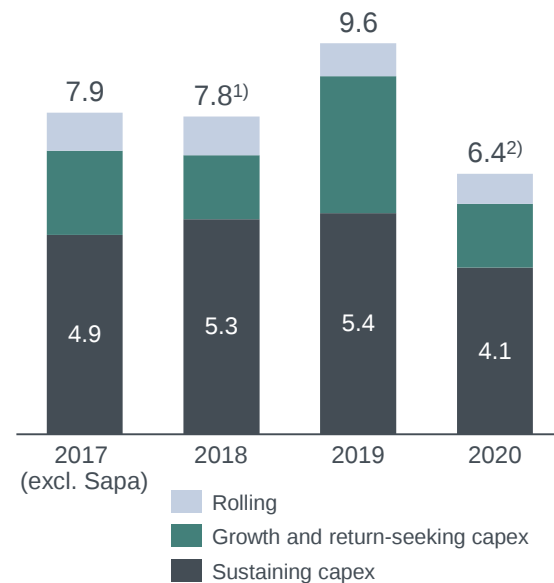
REIN & Havrand

- Not included in CAPEX guidance
- Limited Hydro cash spend; investments based on external equity injection in respective companies
- Debt financing using special purpose vehicles (SPVs)

Annual capex guidance of BNOK ~10 for 2023- 2025

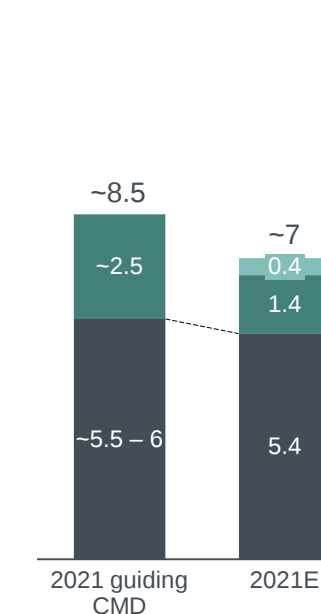
Inorganic growth in line with strategic modes could come in addition

Historical capex
NOK Billion

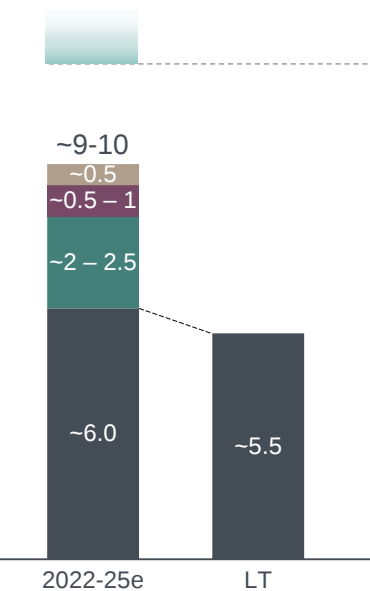


Capex 2021E and guidance
NOK Billion

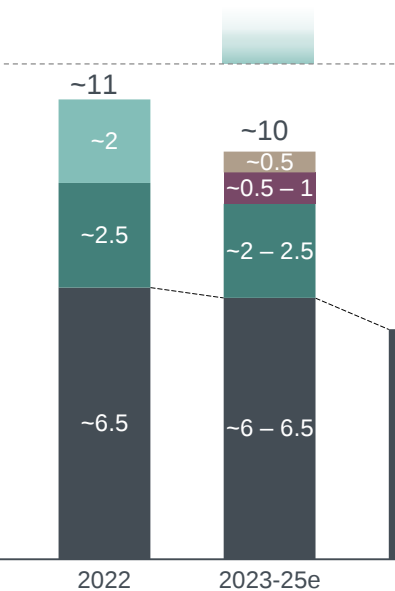
Current guiding 2021



Current guiding 2022-25



Updated guiding 2022-25



REIN & Havrand

Growth
Batteries
Recycling
Return-seeking
Sustaining

Capex including Extrusions

Growth and return-seeking capex guidance 2022-25 avg only includes capex necessary for delivering on targeted improvement ambitions and commercial initiatives

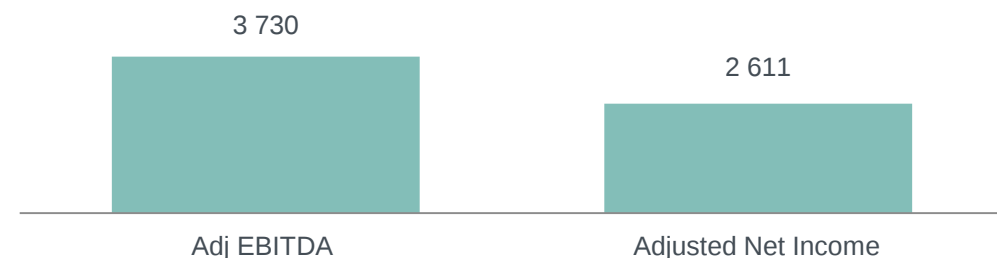
1) Excluding the Pis/Cofins adjustments in Brazil in 2018. Including the adjustment, 2018 capex amounted to BNOK 7.0

2) Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)

Significant exposure to commodity and currency fluctuations

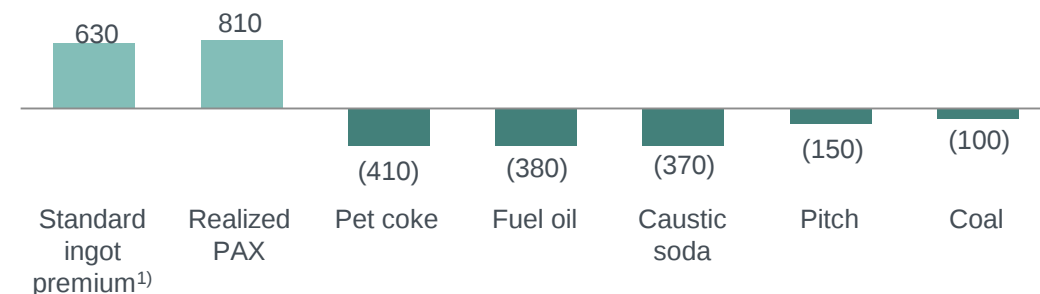
Aluminium price sensitivity +10%

NOK million



Other commodity prices, sensitivity +10%

NOK million



1) Europe duty paid

Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
Adj. EBITDA	4 260	(520)	(240)

One-off reevaluation effect:

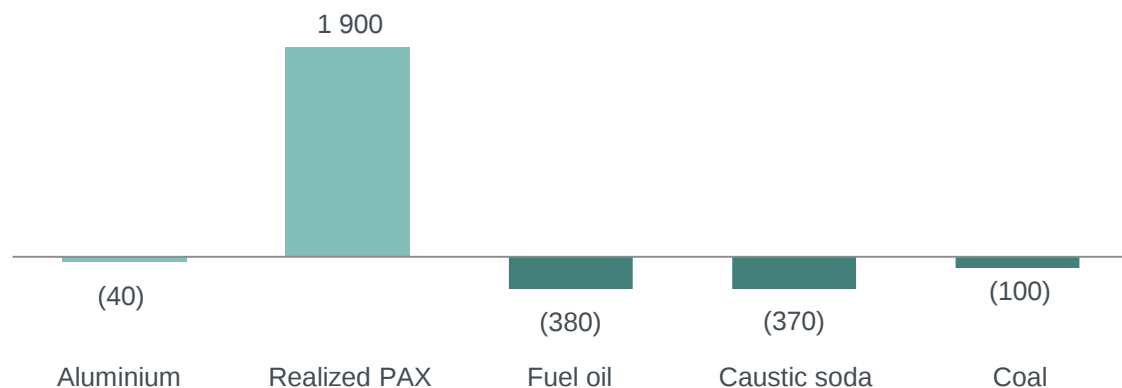
Financial items	(270)	640	(4 360)
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- Annual adjusted sensitivities based on normal annual business volumes. LME USD 2704 per mt, standard ingot premium 325 USD/mt, PAX 415 USD/mt, fuel oil USD 815 per mt, petroleum coke USD 530 per mt, pitch 850 EUR/t, caustic soda USD 675 per mt, coal USD 170 per mt, USD/NOK 8.63, BRL/NOK 1.56, EUR/NOK 9.97
- Aluminium price sensitivity is net of aluminium price indexed costs and excluding unrealized effects related to operational hedging
- BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated
- Excludes effects of priced contracts in currencies different from adjusted currency exposure (transaction exposure)
- Currency sensitivity on financial items includes effects from intercompany positions
- 2022 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as UEBITDA sensitivity after 30% tax
- Sensitivities include strategic hedges for 2022 (350kt aluminium)

Bauxite & Alumina sensitivities

Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
Adj. EBITDA	790	(380)	-

Revenue impact

- Realized alumina price lags PAX by one month

Cost impact

Bauxite

- ~2.45 tonnes bauxite per tonne alumina
- Pricing partly LME-linked

Caustic soda

- ~0.1 tonnes per tonne alumina
- Prices based on IHS Chemical, pricing mainly monthly per shipment

Energy

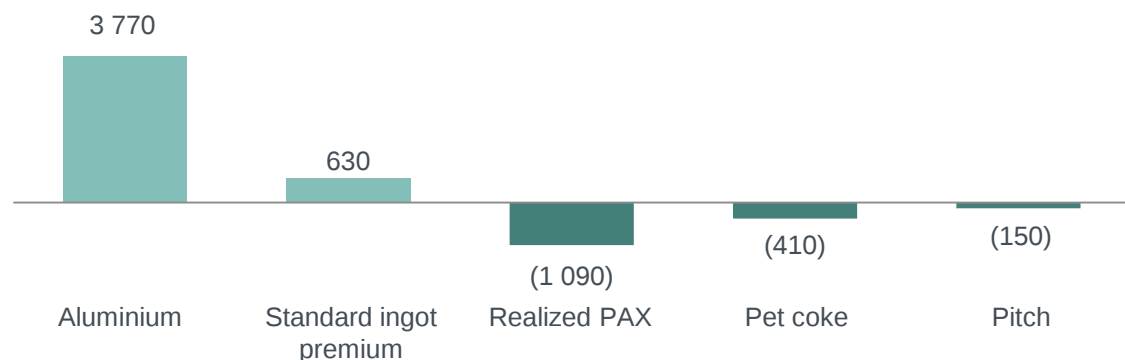
- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

Alumimum Metal sensitivities



Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
Adj. EBITDA	3 410	(140)	(800)

Revenue impact

- Realized price lags LME spot by ~1-2 months
- Realized premium lags market premium by ~2-3 months

Cost impact

Alumina

- ~1.9 tonnes per tonne aluminium
- ~ 2-3 months lag
- Mainly priced on Platts index

Carbon

- ~0.40 tonnes petroleum coke per tonne aluminium, Pace Jacobs Consultancy, 2-3 year volume contracts, quarterly or half yearly pricing
- ~0.08 tonnes pitch per tonne aluminium, CRU, 2-3 year volume contracts, quarterly pricing

Power

- 14.0 MWh per tonne aluminium
- Long-term power contracts with indexations

Adjusting items to EBITDA, EBIT and net income - 2021

NOK million (+=loss/)=gain)		Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021
Unrealized derivative effects on raw material contracts	Hydro Bauxite & Alumina	(27)	(84)	(143)	113	(141)
Community contributions Brazil	Hydro Bauxite & Alumina	-	-	202	15	217
Other effects	Hydro Bauxite & Alumina	-	-	-	(46)	(46)
Total impact	Hydro Bauxite & Alumina	(27)	(84)	59	82	30
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	1 256	1 740	2 764	(849)	4 912
Unrealized effects on power contracts	Hydro Aluminium Metal	34	104	(122)	(2 779)	(2 763)
Significant rationalization charges and closure costs	Hydro Aluminium Metal	-	184	13	66	263
Net foreign exchange (gain)/loss	Hydro Aluminium Metal	(35)	(26)	(35)	(23)	(120)
Other effects	Hydro Aluminium Metal	-	(232)	-	-	(232)
Total impact	Hydro Aluminium Metal	1 254	1 770	2 621	(3 585)	2 060
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	24	1	226	(210)	42
Other effects	Hydro Metal Markets	-	-	-	(46)	(46)
Total impact	Hydro Metal Markets	24	1	226	(256)	(4)
Unrealized derivative effects on LME related contracts	Hydro Extrusions	(98)	(106)	20	306	122
Unrealized derivative effects on power contracts	Hydro Extrusions	-	-	(52)	(20)	(72)
Significant rationalization charges and closure costs	Hydro Extrusions	-	95	17	2	114
Transaction related effects	Hydro Extrusions	-	-	(23)	(4)	(27)
Total impact	Hydro Extrusions	(98)	(10)	(38)	283	137
Unrealized derivative effects on power contracts	Hydro Energy	(19)	(9)	(22)	(57)	(107)
(Gains) / losses on divestments	Hydro Energy	(45)	-	-	-	(45)
Net foreign exchange (gain)/loss	Hydro Energy	4	6	5	6	21
Total impact	Hydro Energy	(59)	(3)	(18)	(51)	(131)
Unrealized derivative effects on LME related contracts	Other and eliminations	1	10	(6)	9	13
(Gains) / losses on divestments	Other and eliminations	-	-	(231)	-	(231)
Net foreign exchange (gain)/loss	Other and eliminations	9	16	(5)	-	20
Other effects	Other and eliminations	-	-	-	66	66
Total impact	Other and eliminations	10	25	(242)	74	(132)
Adjusting items to EBITDA	Hydro	1 103	1 698	2 608	(3 451)	1 959
Impairment charges	Hydro Aluminium Metal	-	-	-	276	276
Impairment charges	Hydro Extrusions	122	7	14	7	150
Depreciation	Hydro Aluminium Metal	101	151	154	108	513
Adjusting items to EBIT	Hydro	1 326	1 857	2 776	(3 060)	2 899
Net foreign exchange (gain)/loss	Hydro	(653)	(550)	622	(823)	(1 404)
Adjusting items to income (loss) before tax	Hydro	673	1 307	3 398	(3 883)	1 495
Calculated income tax effect	Hydro	(106)	(555)	(1 027)	1 168	(520)
Adjusting items to net income (loss)	Hydro	567	752	2 371	(2 715)	976

Adjusting items to EBITDA, EBIT and net income - 2020

NOK million (+=loss/)=gain)		Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020
Unrealized derivative effects on raw material contracts	Hydro Bauxite & Alumina	-	-	-	5	5
Community contributions Brazil	Hydro Bauxite & Alumina	129	-	-	-	129
Total impact	Hydro Bauxite & Alumina	129	-	-	5	134
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	(64)	200	(198)	(99)	(160)
Unrealized effects on power contracts	Hydro Aluminium Metal	(147)	48	165	153	218
Other effects	Hydro Aluminium Metal	-	(12)	(30)	(90)	(131)
Total impact	Hydro Aluminium Metal	(211)	236	(63)	(36)	(74)
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	(224)	340	(187)	32	(38)
Total impact	Hydro Metal Markets	(224)	340	(187)	32	(38)
Unrealized derivative effects on LME related contracts	Hydro Extrusions	114	13	(201)	(57)	(129)
Significant rationalization charges and closure costs	Hydro Extrusions	4	134	(20)	70	187
Transaction related effects	Hydro Extrusions	(57)	6	-	14	(37)
Other effects	Hydro Extrusions	-	-	-	102	102
Total impact	Hydro Extrusions	61	154	(220)	129	123
Unrealized derivative effects on power contracts	Hydro Energy	(17)	33	14	(5)	25
(Gains) / losses on divestments	Hydro Energy	-	-	-	(5 308)	(5 308)
Total impact	Hydro Energy	(17)	33	14	(5 313)	(5 283)
Unrealized derivative effects on power contracts	Other and eliminations	(19)	(19)	(19)	(19)	(76)
Unrealized derivative effects on LME related contracts	Other and eliminations	(16)	18	(7)	(2)	(8)
(Gains) / losses on divestments	Other and eliminations	-	-	(65)	3	(62)
Other effects	Other and eliminations	-	-	(4)	4	-
Total impact	Other and eliminations	(35)	(1)	(95)	(15)	(146)
Adjusting items to EBITDA	Hydro	(297)	762	(551)	(5 198)	(5 284)
Impairment charges	Hydro Aluminium Metal	-	504	-	-	504
Impairment charges	Hydro Extrusions	12	1 483	77	52	1 625
Impairment charges	Other and eliminations	-	(161)	-	-	(161)
Adjusting items to EBIT	Hydro	(285)	2 588	(474)	(5 146)	(3 316)
Net foreign exchange (gain)/loss	Hydro	4 184	(563)	1 528	(1 349)	3 800
Other finance (income) expense	Hydro	-	-	-	(128)	(128)
Adjusting items to income (loss) before tax	Hydro	3 899	2 025	1 054	(6 624)	355
Calculated income tax effect	Hydro	(1 322)	(221)	(336)	486	(1 393)
Adjusting items to net income (loss)	Hydro	2 577	1 805	718	(6 138)	(1 038)

Operating segment information



Adjusted EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	535	1 047	108	116	556	383	466	1 913	1 806	3 318
Hydro Aluminium Metal	573	(37)	(156)	844	1 185	2 246	3 684	4 111	1 225	11 225
Hydro Metal Markets	261	21	198	248	43	301	133	245	728	721
Hydro Extrusions	702	89	894	511	1 244	1 266	828	(122)	2 196	3 217
Hydro Energy	437	53	132	352	792	713	417	1 674	974	3 596
Other and Eliminations	(565)	(173)	242	(393)	(261)	(17)	(219)	(793)	(889)	(1 291)
Total	1 943	1 000	1 419	1 678	3 559	4 891	5 309	7 026	6 040	20 786

Adjusted EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	1 102	1 550	578	587	999	855	1 055	2 426	3 817	5 336
Hydro Aluminium Metal	1 197	560	404	1 432	1 754	2 807	4 263	4 676	3 593	13 500
Hydro Metal Markets	296	58	233	287	78	335	170	284	875	867
Hydro Extrusions	1 242	649	1 412	1 044	1 744	1 830	1 457	665	4 348	5 695
Hydro Energy	505	122	200	419	841	761	465	1 723	1 245	3 790
Other and Eliminations	(532)	(144)	272	(366)	(234)	10	(192)	(762)	(771)	(1 178)
Total	3 810	2 794	3 100	3 403	5 182	6 598	7 219	9 011	13 106	28 010

Operating segment information



EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	406	1 047	108	111	583	467	407	1 830	1 672	3 288
Hydro Aluminium Metal	784	(777)	(93)	880	(171)	325	909	7 311	794	8 376
Hydro Metal Markets	485	(319)	385	216	19	299	(93)	500	766	725
Hydro Extrusions	628	(1 548)	1 038	331	1 220	1 269	852	(412)	449	2 929
Hydro Energy	454	20	118	5 665	851	716	435	1 724	6 258	3 727
Other and Eliminations	(530)	(11)	337	(379)	(271)	(43)	23	(868)	(582)	(1 158)
Total	2 228	(1 588)	1 893	6 824	2 233	3 034	2 533	10 086	9 356	17 887

EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	973	1 550	578	582	1 026	940	996	2 344	3 683	5 306
Hydro Aluminium Metal	1 408	324	467	1 468	500	1 037	1 642	8 260	3 667	11 440
Hydro Metal Markets	521	(282)	420	254	55	333	(56)	540	913	872
Hydro Extrusions	1 181	496	1 633	915	1 842	1 840	1 495	381	4 225	5 558
Hydro Energy	523	88	186	5 732	900	764	483	1 774	6 529	3 921
Other and Eliminations	(497)	(144)	367	(351)	(244)	(15)	50	(837)	(625)	(1 046)
Total	4 107	2 032	3 651	8 601	4 079	4 899	4 610	12 462	18 390	26 050

Operating segment information



Total revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	6 029	6 173	5 334	5 503	6 026	5 976	6 984	8 713	23 039	27 699
Hydro Aluminium Metal	9 753	7 720	8 228	8 702	8 953	9 467	9 964	14 164	34 404	42 548
Hydro Metal Markets	12 912	10 485	11 290	12 178	13 624	15 275	16 447	19 715	46 865	65 061
Hydro Extrusions	15 140	11 593	13 372	14 390	16 334	17 470	17 984	18 509	54 496	70 296
Hydro Energy	2 115	1 423	1 539	1 890	2 343	2 213	2 116	3 477	6 967	10 149
Other and Eliminations	(14 340)	(12 051)	(12 247)	(12 842)	(15 327)	(15 843)	(16 784)	(18 146)	(51 479)	(66 099)
Total	31 609	25 343	27 516	29 823	31 951	34 559	36 710	46 433	114 291	149 654

External revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	3 249	3 792	3 167	3 173	3 546	3 538	4 533	5 471	13 381	17 088
Hydro Aluminium Metal	1 968	1 393	1 632	2 046	762	621	310	3 681	7 039	5 373
Hydro Metal Markets	10 353	8 510	9 242	9 788	10 789	12 552	13 831	16 993	37 893	54 165
Hydro Extrusions	15 215	11 581	13 344	14 401	16 203	17 346	17 829	18 505	54 542	69 883
Hydro Energy	633	47	137	443	787	486	204	1 780	1 261	3 257
Other and Eliminations	191	20	(7)	(29)	(136)	16	4	2	175	(113)
Total	31 609	25 343	27 516	29 823	31 951	34 559	36 710	46 433	114 291	149 654

Operating segment information

Internal revenue



NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	2 780	2 380	2 168	2 330	2 479	2 438	2 452	3 242	9 658	10 610
Hydro Aluminium Metal	7 785	6 328	6 596	6 656	8 191	8 846	9 654	10 484	27 365	37 175
Hydro Metal Markets	2 559	1 975	2 047	2 390	2 835	2 723	2 616	2 722	8 972	10 896
Hydro Extrusions	(76)	12	28	(11)	131	125	154	3	(47)	413
Hydro Energy	1 482	1 376	1 402	1 447	1 556	1 727	1 912	1 697	5 706	6 891
Other and Eliminations	(14 530)	(12 070)	(12 241)	(12 813)	(15 191)	(15 858)	(16 788)	(18 148)	(51 654)	(65 986)
Total	-	-	-	-	-	-	-	-	-	-

Share of profit /(loss) in equity accounted investments

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-
Hydro Aluminium Metal	40	26	6	185	147	513	336	513	256	1 509
Hydro Metal Markets	-	-	-	-	-	-	-	-	-	-
Hydro Extrusions	-	-	-	-	-	-	-	-	-	-
Hydro Energy	(12)	(5)	(16)	(6)	(23)	(32)	(25)	(25)	(39)	(104)
Other and Eliminations	(31)	28	34	(24)	1	(20)	(31)	(15)	7	(65)
Total	(4)	48	24	155	125	462	280	473	223	1 340

Operating segment information

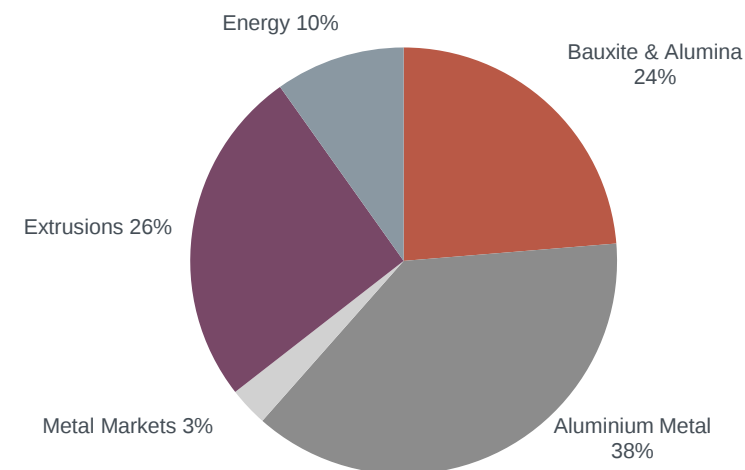
Return on average capital employed ¹⁾ (RoCE)



	Reported RoCE							Adjusted RoCE						
	2021	2020	2019	2018	2017	2016	2015	2021	2020	2019	2018	2017	2016	2015
Hydro Bauxite & Alumina	11.9%	5.4%	1.9%	4.6%	8.5%	2.7%	5.3%	12.0%	5.9%	2.5%	6.0%	8.5%	2.8%	5.3%
Hydro Aluminium Metal	21.6%	1.9%	(3.9%)	5.6%	11.8%	5.2%	10.7%	28.3%	2.9%	(2.6%)	4.7%	12.6%	5.2%	11.0%
Hydro Metal Markets	24.0%	22.8%	20.7%	25.1%	18.6%	19.6%	5.4%	23.9%	21.6%	27.3%	19.4%	20.9%	15.9%	11.4%
Hydro Extrusions ²⁾	9.4%	1.3%	3.8%	5.3%	13.4%			10.3%	6.2%	5.7%	7.2%	6.6%		
Hydro Energy ³⁾	26.5%	249.5%	13.4%	18.8%	17.5%	18.1%	17.2%	25.4%	8.7%	12.9%	18.8%	17.5%	18.1%	17.3%
Hydro Group	16.3%	5.4%	(0.9%)	6.0%	11.2%	6.5%	7.5%	18.6%	3.7%	1.3%	6.6%	9.6%	5.1%	9.2%

Capital employed – upstream focus

NOK million	Dec 31, 2021
Hydro Bauxite & Alumina	20 945
Hydro Aluminium Metal	33 412
Hydro Metal Markets	2 617
Hydro Extrusions	22 704
Hydro Energy	8 686
Other and Eliminations	(3 198)
Total	85 167



Graph excludes BNOK (3.2) in capital employed in Other and Eliminations

1) RoCE at business area level is calculated using 25% tax rate (30% tax rate applied for years prior to 2017). For Hydro Energy, 80% tax rate is used for 2020 and 2019, 70% tax rate is used for 2018, 65% for 2017, 60% for 2016 and 55% for 2015.

2) Hydro Extrusions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated from Q4 2017

3) Hydro Energy reported RoCE for 2020 higher than previous years due to the Lyse transaction

Operating segment information



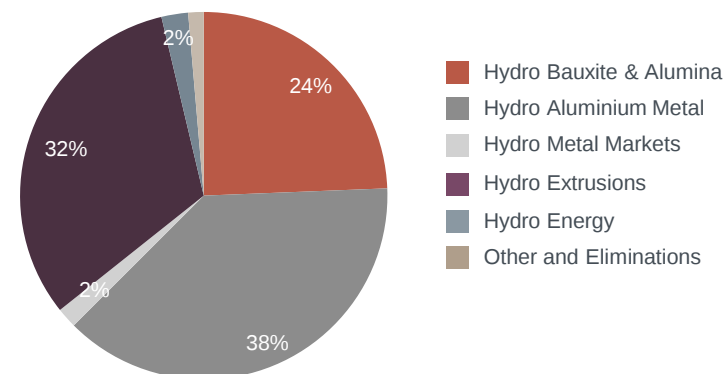
Depreciation, amortization and impairment

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Bauxite & Alumina	567	503	470	472	443	472	589	514	2 011	2 018
Hydro Aluminium Metal	655	1 130	589	618	694	736	756	972	2 992	3 158
Hydro Metal Markets	36	37	35	40	36	35	37	41	149	149
Hydro Extrusions	554	2 046	597	587	628	573	645	804	3 785	2 649
Hydro Energy	65	65	64	66	49	48	48	49	260	194
Other and Eliminations	32	(133)	30	27	27	28	27	31	(43)	113
Total	1 909	3 649	1 786	1 810	1 876	1 892	2 102	2 411	9 153	8 281

Indicative depreciation currency exposure by business area

Percent	USD	EUR	BRL	NOK & Other
Hydro Bauxite & Alumina			100%	
Hydro Aluminium Metal	20%	20%	10%	50%
Hydro Metal Markets	30%	55%		15%
Hydro Extrusions	35%	40%		25%
Hydro Energy				100%
Other and Eliminations	5%	30%	5%	60%

Depreciation by business area 2021, 8.3 BNOK



Income statements



NOK million	Q4 2021	Q4 2020	Q3 2021	Year 2021	Year 2020
Revenue	46 433	29 823	36 710	149 654	114 291
Share of the profit (loss) in equity accounted investments	473	155	280	1 340	223
Other income, net	942	5 683	577	2 219	7 414
Total revenue and income	47 848	35 661	37 567	153 212	121 928
Raw material and energy expense	24 804	17 875	23 701	88 843	68 953
Employee benefit expense	5 145	4 796	4 923	20 287	19 123
Depreciation and amortization expense	2 117	1 747	2 088	7 844	7 175
Impairment of non-current assets	294	63	14	437	1 979
Other expenses	5 402	4 356	4 308	17 914	15 343
Earnings before financial items and tax (EBIT)	10 086	6 824	2 533	17 887	9 356
Finance income	104	101	59	263	290
Finance expense	541	1 148	(971)	248	(4 842)
Income (loss) before tax	10 730	8 072	1 620	18 397	4 804
Income taxes	(2 205)	(846)	(494)	(4 467)	(918)
Income (loss) from continuing operations	8 525	7 226	1 127	13 930	3 886
Income (loss) from discontinued operations	4	(1 849)	(19)	12	(2 226)
Net income (loss)	8 529	5 377	1 108	13 942	1 660
Net income (loss) attributable to non-controlling interests	1 404	252	99	1 782	(185)
Net income (loss) attributable to Hydro shareholders	7 125	5 125	1 009	12 160	1 845
Earnings per share from continuing operations	3.47	3.40	0.50	5.92	1.99
Earnings per share from discontinued operations	(0.00)	(0.90)	(0.01)	0.01	(1.09)
Earnings per share attributable to Hydro shareholders	3.47	2.50	0.49	5.93	0.90

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Income (loss) from continuing operations	(1 743)	(1 487)	(111)	7 226	1 880	2 397	1 127	8 525	3 886	13 930
Net income (loss)	(2 025)	(1 471)	(221)	5 377	1 500	2 805	1 108	8 529	1 660	13 942
Adjusted net income (loss) from continuing operations	834	318	607	1 089	2 448	3 150	3 498	5 810	2 848	14 905
Earnings per share from continuing operations	(0.75)	(0.62)	(0.05)	3.40	0.89	1.06	0.50	3.47	1.99	5.92
Earnings per share attributable to Hydro shareholders	(0.88)	(0.61)	(0.11)	2.50	0.70	1.26	0.49	3.47	0.90	5.93
Adjusted earnings per share from continuing operations	0.39	0.17	0.28	0.47	1.15	1.45	1.60	2.57	1.32	6.77

Balance sheet



NOK million	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Cash and cash equivalents	22 923	18 792	20 147	15 011	17 638	17 495	15 385	12 160
Short-term investments	6 763	7 020	3 607	4 348	4 091	5 399	5 110	1 641
Trade and other receivables	20 579	19 869	19 838	16 795	18 364	20 268	18 916	24 539
Inventories	21 791	18 966	16 454	14 316	19 492	19 288	20 382	22 464
Other current financial assets	3 656	854	659	328	470	553	687	1 119
Assets held for sale	-	-	-	17 069	-	-	-	-
Property, plant and equipment	54 605	54 642	56 353	53 890	64 245	68 657	70 478	77 909
Intangible assets	8 725	8 852	9 174	8 796	9 357	9 903	10 262	12 649
Investments accounted for using the equity method	17 942	17 661	17 426	17 227	17 288	12 048	12 619	13 845
Prepaid pension	8 894	8 268	7 976	7 812	7 064	5 959	5 603	5 242
Other non-current assets	8 633	10 010	8 793	6 634	6 398	6 295	6 704	7 663
Total assets	174 512	164 934	160 427	162 228	164 408	165 865	166 145	179 232
Bank loans and other interest-bearing short-term debt	6 428	4 186	4 183	4 701	4 748	6 915	7 094	7 728
Trade and other payables	22 710	20 219	20 302	17 462	18 948	17 865	16 693	21 558
Other current liabilities	10 430	7 058	5 191	4 036	5 352	3 660	3 721	4 771
Liabilities included in disposal group	-	-	-	12 266	-	-	-	-
Long-term debt	21 989	25 495	24 562	23 658	24 811	25 873	26 595	21 290
Provisions	4 772	4 270	4 475	4 132	5 605	6 144	6 283	6 892
Pension liabilities	9 621	9 489	9 550	9 341	19 167	19 679	18 933	19 893
Deferred tax liabilities	3 665	4 560	4 343	3 535	3 059	2 620	2 562	2 838
Other non-current liabilities	6 516	8 701	6 276	5 393	5 273	6 215	5 401	7 089
Equity attributable to Hydro shareholders	84 064	77 535	77 908	74 745	74 279	73 833	75 633	83 213
Non-controlling interests	4 316	3 421	3 637	2 958	3 165	3 062	3 230	3 959
Total liabilities and equity	174 512	164 934	160 427	162 228	164 408	165 865	166 145	179 232

Operational data



Hydro Bauxite & Alumina	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Alumina production (kmt)	1 531	1 442	1 074	1 410	1 540	1 586	1 579	1 600	5 457	6 305
Sourced alumina (kmt)	664	667	940	783	698	737	806	765	3 053	3 006
Total alumina sales (kmt)	2 140	2 243	1 990	2 122	2 269	2 349	2 355	2 655	8 495	9 628
Realized alumina price (USD) ¹⁾	278	261	260	272	287	287	284	393	268	313
Implied alumina cost (USD) ²⁾	226	192	228	241	235	244	233	289	221	249
Bauxite production (kmt) ³⁾	2 585	2 332	1 167	2 556	2 813	2 660	2 756	2 696	8 640	10 926
Sourced bauxite (kmt) ⁴⁾	1 514	1 315	2 051	1 351	1 103	1 676	1 472	1 427	6 231	5 677
Adjusted EBITDA margin ¹¹⁾	18.3%	25.1%	10.8%	10.7%	16.6%	14.3%	15.1%	27.8%	16.6%	19.3%

Hydro Aluminium Metal ⁵⁾	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Realized aluminium price LME, USD/mt	1 758	1 579	1 596	1 792	1 994	2 210	2 419	2 675	1 685	2 317
Realized aluminium price LME, NOK/mt ⁷⁾	16 658	15 689	14 712	16 364	17 008	18 528	20 910	23 087	15 870	19 819
Realized premium above LME, USD/mt ⁶⁾	234	212	211	224	264	332	449	565	220	400
Realized premium above LME, NOK/mt ⁶⁾⁷⁾	2 212	2 106	1 946	2 042	2 253	2 780	3 878	4 873	2 077	3 420
Realized NOK/USD exchange rate ⁷⁾	9.47	9.93	9.22	9.13	8.53	8.38	8.64	8.63	9.42	8.55
Implied primary cost (USD) ⁸⁾	1 450	1 400	1 450	1 425	1 500	1 525	1 450	1 600	1 425	1 500
Implied all-in primary cost (USD) ⁹⁾	1 700	1 600	1 650	1 650	1 825	1 900	1 925	2 175	1 650	1 950
Hydro Aluminium Metal production, kmt	528	509	522	532	539	561	573	571	2 091	2 244
Casthouse production, kmt	504	478	508	523	534	553	560	568	2 013	2 214
Total sales, kmt ¹⁰⁾	577	510	548	547	599	594	583	572	2 182	2 347
Adjusted EBITDA margin ¹¹⁾	12.3%	7.2%	4.9%	16.4%	19.6%	29.6%	42.8%	33.0%	10.4%	31.7%

1) Weighted average of own production and third party contracts, excluding hedge results. The majority of the alumina is sold linked to either the LME prices or alumina index with a one month delay. Sourced alumina volumes have been re-calculated, with Q1 2018 being adjusted accordingly

2) Implied alumina cost (based on EBITDA and sales volume) replaces previous apparent alumina cash cost

3) Paragominas production, on wet basis

4) 40 percent MRN offtake from Vale and 5 percent Hydro share on wet basis

5) Operating and financial information includes Hydro's proportionate share of production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments

6) Average realized premium above LME for casthouse sales from Hydro Aluminium Metal

7) Including strategic hedges /hedge accounting applied

8) Realized LME price minus Adjusted EBITDA margin (incl. Qatalum) per mt primary aluminium produced. Includes net earnings from primary casthouses

9) Realized all-in price minus Adjusted EBITDA margin (incl. Qatalum) per mt primary aluminium sold. Includes net earnings from primary casthouses

10) Total sales replaces previous casthouse sales due to change of definition

11) Adjusted EBITDA divided by total revenues

Operational data



Hydro Metal Markets	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Remelt production (1 000 mt)	137	88	124	140	143	154	132	144	488	572
Third-party sales (1 000 mt)	79	85	85	77	77	78	72	85	326	311
Hydro Metal Markets sales excl. ingot trading (1 000 mt) ¹⁾	675	606	668	672	742	735	675	681	2 621	2 833
Hereof external sales excl. ingot trading (1 000 mt)	554	459	526	549	588	607	573	574	2 088	2 342
External revenue (NOK million)	10 353	8 510	9 242	9 788	10 789	12 552	13 831	16 993	37 893	54 165

Hydro Extrusions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Hydro Extrusions external shipments (1 000 mt)	305	224	278	291	338	342	315	301	1 099	1 296
Hydro Extrusions – Pro-forma adjusted EBIT per mt, NOK	2 301	398	3 214	1 755	3 680	3 706	2 629	(404)	1 999	2 482
Adjusted EBITDA margin ²⁾	8.2%	5.6%	10.6%	7.2%	10.7%	10.5%	8.1%	3.6%	8.0%	8.1%

Hydro Energy	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2020	Year 2021
Power production, GWh	2 868	2 097	3 161	3 396	2 857	2 374	1 688	2 136	11 522	9 055
Net spot sales, GWh	1 169	444	1 401	1 595	1 126	334	(401)	305	4 609	1 364
Nordic spot electricity price, NOK/MWh	158	62	95	148	435	423	704	969	116	634
Southern Norway spot electricity price (NO2), NOK/MWh	154	50	52	137	469	493	807	1 271	98	762
Adjusted EBITDA margin ²⁾	23.9%	8.5%	13.0%	22.2%	35.9%	34.4%	22.0%	49.5%	17.9%	37.5%

1) Includes external and internal sales from primary casthouse operations, remelters and third party Metal sources

2) Adjusted EBITDA divided by total revenues

Hydro Extrusions, information by business area



Precision Tubing	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021
Volume (kmt)	29	17	28	33	108	35	33	30	29	127
Operating revenues (NOKm)	1 487	931	1 360	1 583	5 361	1 718	1 742	1 715	1 822	6 997
Adjusted EBITDA (NOKm)	118	139	167	178	602	210	173	184	56	622
Adjusted EBIT (NOKm)	57	74	113	115	359	157	103	115	(38)	337

Building Systems	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021
Volume (kmt)	19	17	19	20	74	21	22	20	22	85
Operating revenues (NOKm)	2 199	1 991	2 032	2 211	8 432	2 315	2 434	2 268	2 448	9 465
Adjusted EBITDA (NOKm)	156	206	260	171	792	245	299	212	161	918
Adjusted EBIT (NOKm)	52	101	155	63	371	149	196	108	44	497

Other and eliminations	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021
Adjusted EBITDA (NOKm)	(79)	(48)	(58)	(71)	(256)	(73)	(27)	(71)	(91)	(262)
Adjusted EBIT (NOKm)	(82)	(52)	(61)	(74)	(269)	(77)	(31)	(74)	(95)	(276)

Extrusion Europe	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021
Volume (kmt)	127	94	113	118	451	144	147	129	130	550
Operating revenues (NOKm)	5 804	4 440	5 068	5 531	20 843	6 529	6 916	6 827	7 527	27 799
Adjusted EBITDA (NOKm)	436	142	478	466	1 523	705	716	563	471	2 456
Adjusted EBIT (NOKm)	228	(75)	283	266	703	501	502	318	203	1 525

Extrusion North America	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021
Volume (kmt)	130	96	119	121	465	137	140	136	120	534
Operating revenues (NOKm)	5 885	4 554	5 067	5 288	20 794	5 904	6 501	7 319	7 002	26 726
Adjusted EBITDA (NOKm)	599	220	563	310	1 691	663	689	562	67	1 980
Adjusted EBIT (NOKm)	435	49	402	151	1 036	518	517	355	(238)	1 152

Next event

First quarter results May 3, 2022

For more information see
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Hydro

Industries that matter