



Third quarter 2021 Investor presentation

October 26, 2021



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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, 2021 improvement target delivered

Hilde Merete Aasheim
Chief Executive Officer

October 26, 2021

Q3 2021 | Adjusted EBITDA NOK 7 219 million



Free cash flow NOK 2 773 million

Adj. RoaCE 12.7%

Strong markets and higher volumes driving record result in Aluminium Metal

Robust operations in Bauxite & Alumina

2021 improvement target achieved

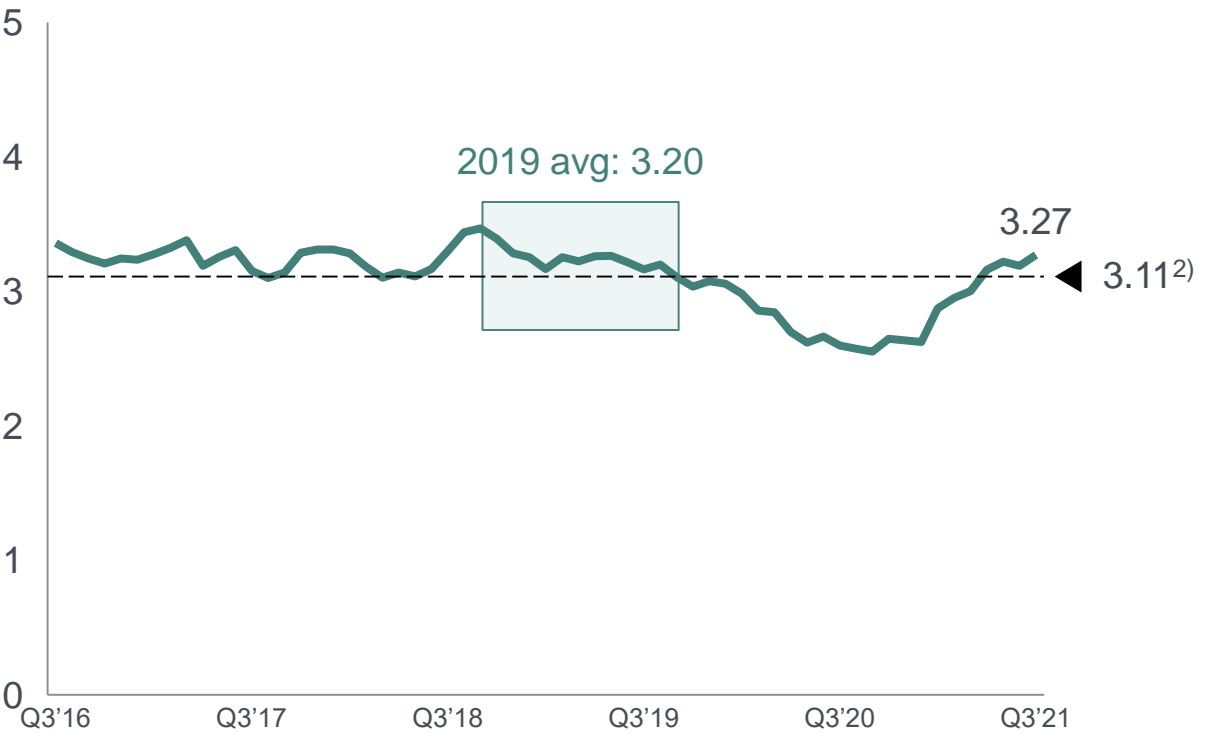
Lower production volumes mitigated by price area differences in Energy

Investments in Recycling and Extrusions supporting Hydro 2025 strategy



Health and safety top priority

TRI¹⁾ per million hours worked
12 months rolling average



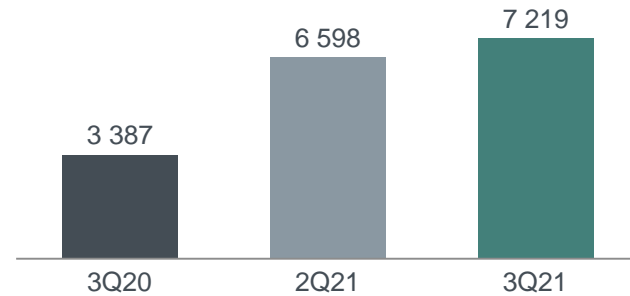
1) Total Recordable Injuries includes own employees and contractors
2) Average over period



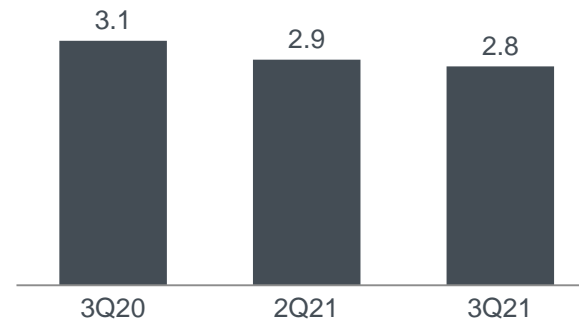
Key performance metrics | Q3 2021



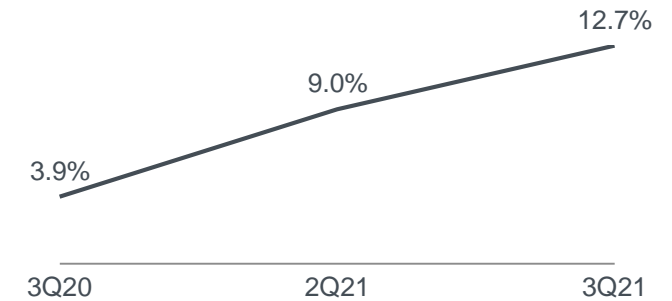
Adjusted EBITDA¹⁾
NOK million



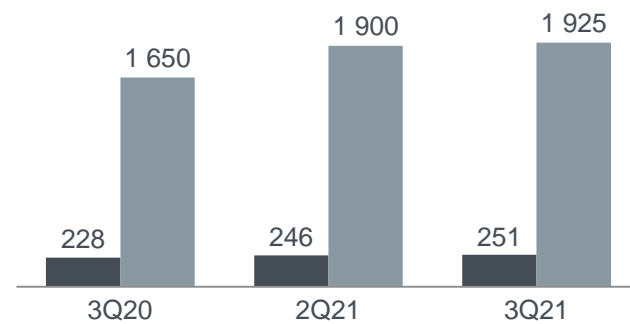
Free cash flow²⁾
NOK billion



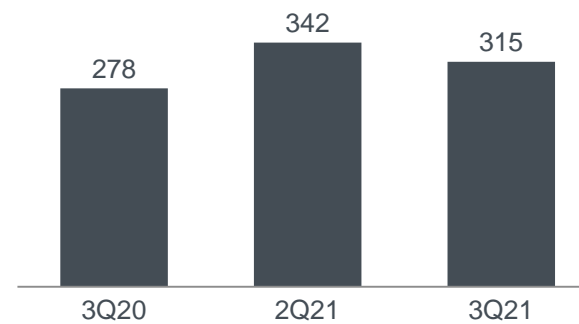
Adjusted RoaCE³⁾
12-month rolling %



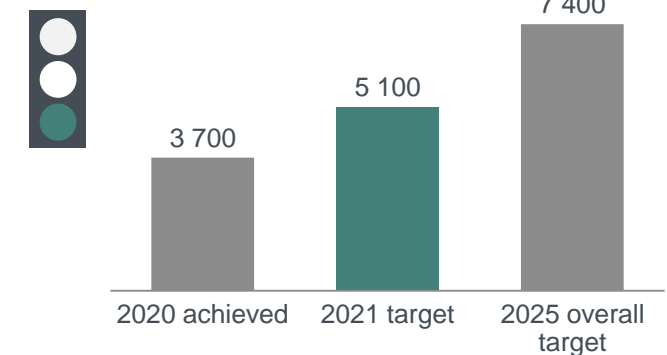
Upstream costs^{4,5)}
USD per tonne



Extrusion volumes
Thousand tonnes



Improvement program status⁶⁾
NOK millions



■ Bauxite & Alumina ■ Aluminium Metal

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) Figures for 2Q20 as reported (not restated). 2Q21: Capital employed excluding Assets held for sale / Liabilities in

disposal groups.
 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

Prices reaching multi-year high on supply constraints



Physical tightness reflected in record high premiums in several markets

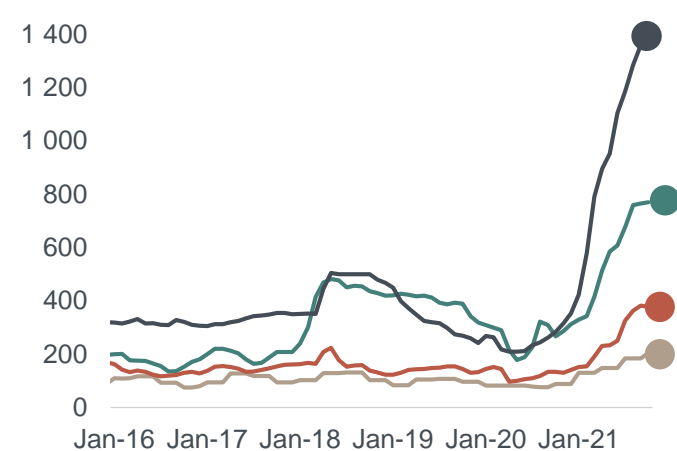
LME 3m

USD/mt



Regional standard ingot premiums

USD/mt



— US Mid West — Japan
— Europe (duty-paid) — Extrusion ingot
● Current spot premium

Key drivers – 2021

- Strong demand in 2021 driven by global recovery and fiscal stimulus
- Constraints on the supply side due to power rationing in China and high energy prices in Europe
- Higher raw material prices and looming shortages raising prices and premiums

Key drivers – long term

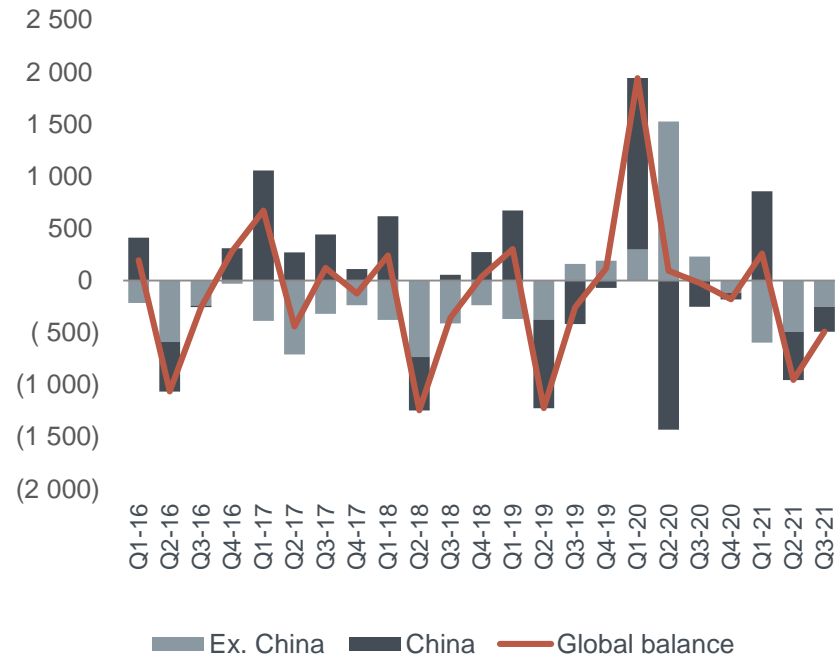
- Increasing investment in renewable energy and electric vehicles lifting aluminium demand going forward

Aluminium market in a deficit amid restricted supply

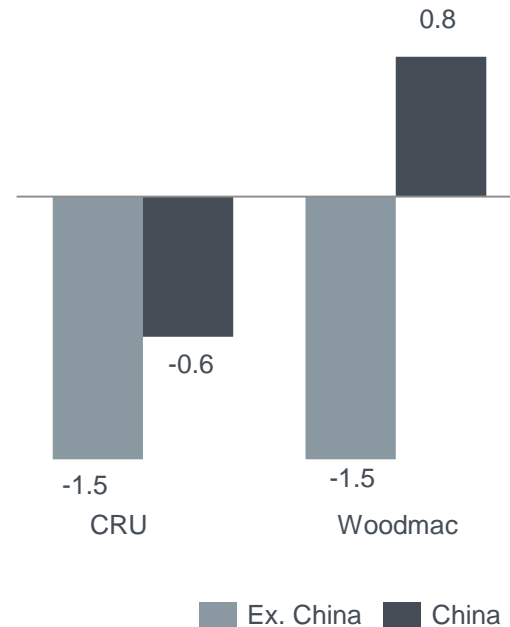


Stock levels trending toward long-run equilibrium

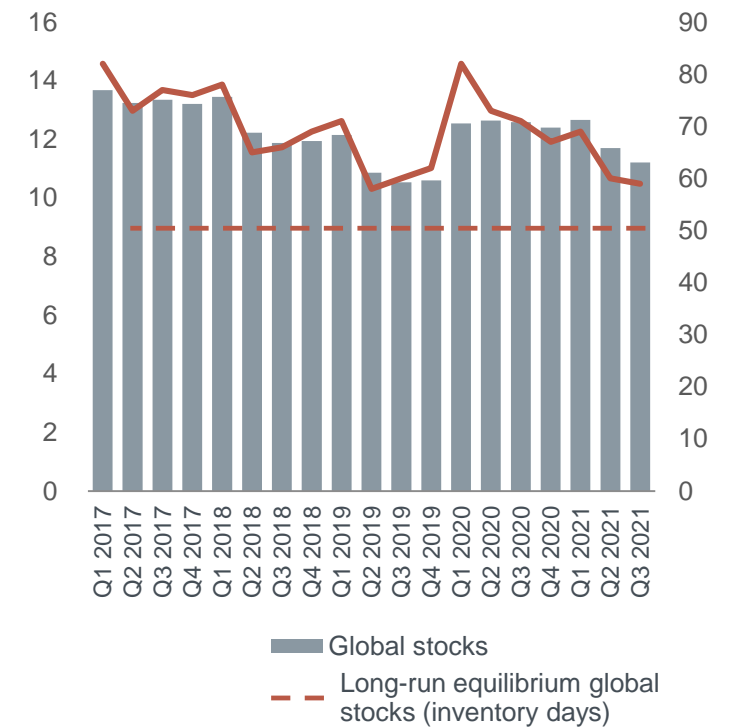
Quarterly market balances, world ex. China and China
Thousand tonnes, primary aluminium



Global balance estimates 2021
Million tonnes, primary aluminium



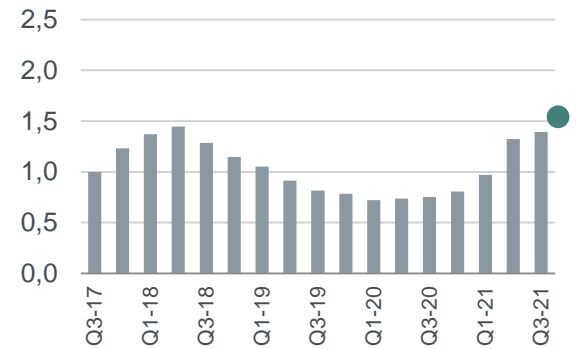
Global inventory estimates
Million tonnes (LHS), inventory days (RHS)



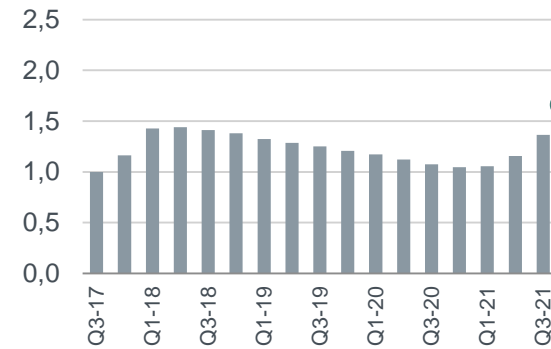
Rising market prices for key raw materials

Supply of alloying materials largely covered for remainder of year

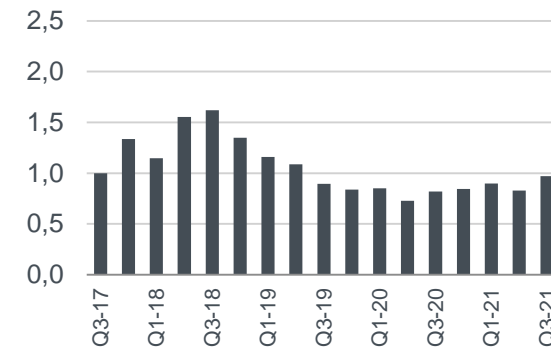
Petroleum coke FOB USG (indexed)



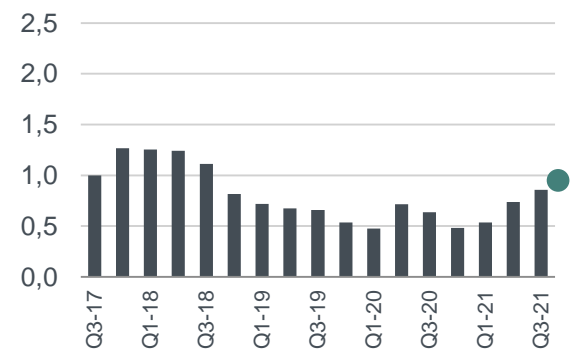
Pitch FOB USG (indexed)



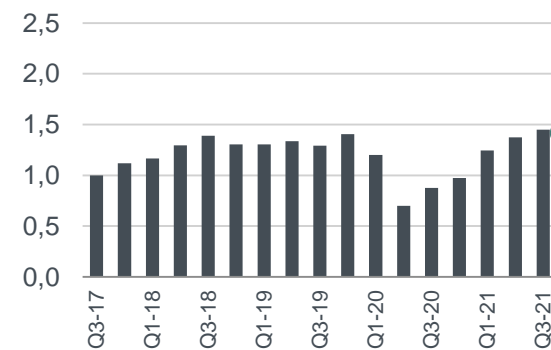
Alumina PAX index (indexed)



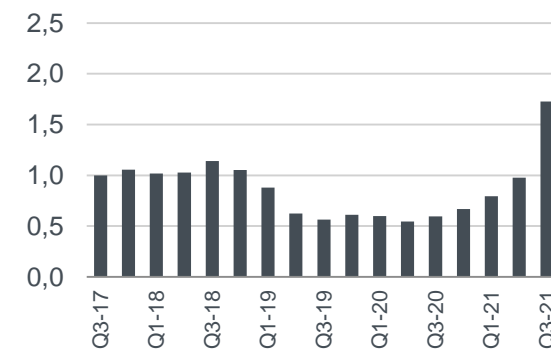
Caustic soda (indexed)



Fuel oil A1 (Indexed)



Steam coal (indexed)



● Indication of current market prices

Alloying metals: Silicon and magnesium

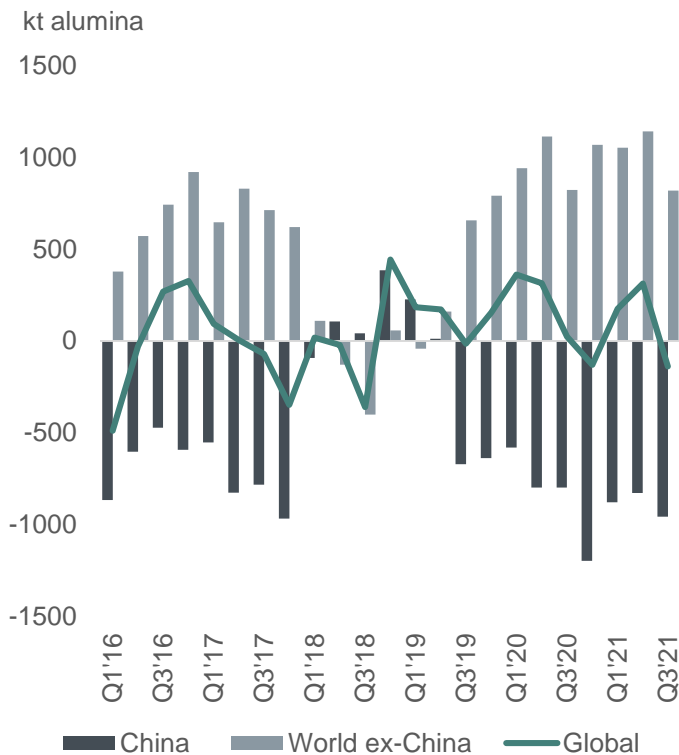
- Production cuts in magnesium and silicon triggering global shortage
- Current inventories and shipments largely covering rest of 2021 and early 2022
- Local teams in China working with long-term magnesium suppliers to ensure 2022 coverage
- More flexibility in silicon with multiple suppliers and locations in Europe

Alumina prices increasing at the end of Q3

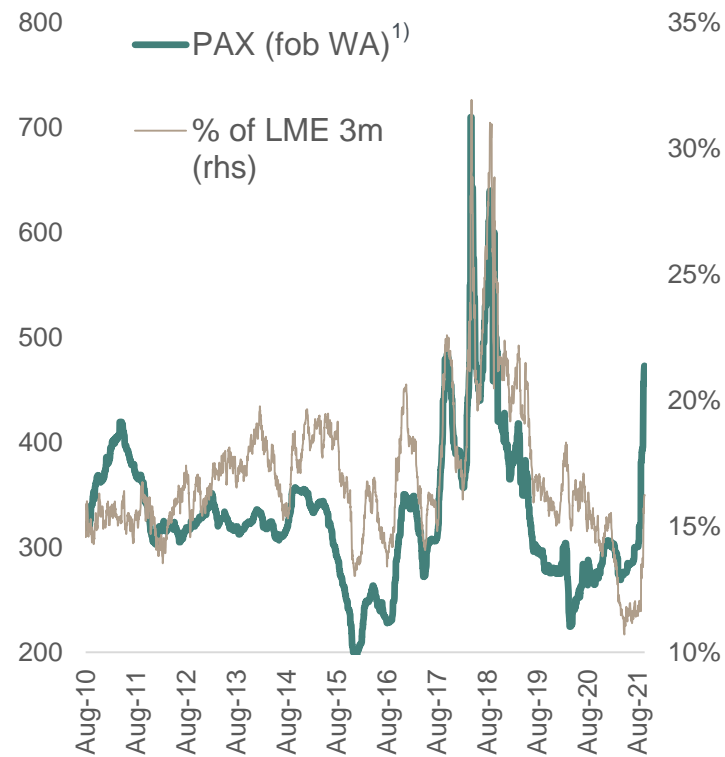


Driven by higher price in China and production disruptions outside China

Quarterly market balances, world ex-China and China



Platts alumina index USD/t



- Chinese alumina prices to all time high on concerns over supply shortages
- Production in China hampered by power supply cuts and weather related disruptions
- Production disruptions in Brazil and Jamaica tightening the ex-China market
- Atlantic alumina market in deficit – expected to continue in Q4

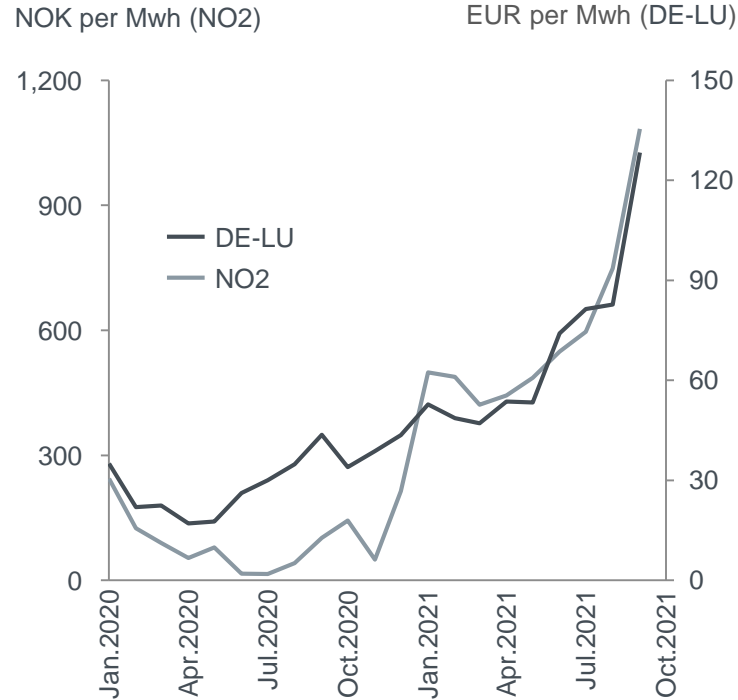
1) Free on board, Western Australia
Source: CRU, Platts

Energy prices rising in Norway and Europe

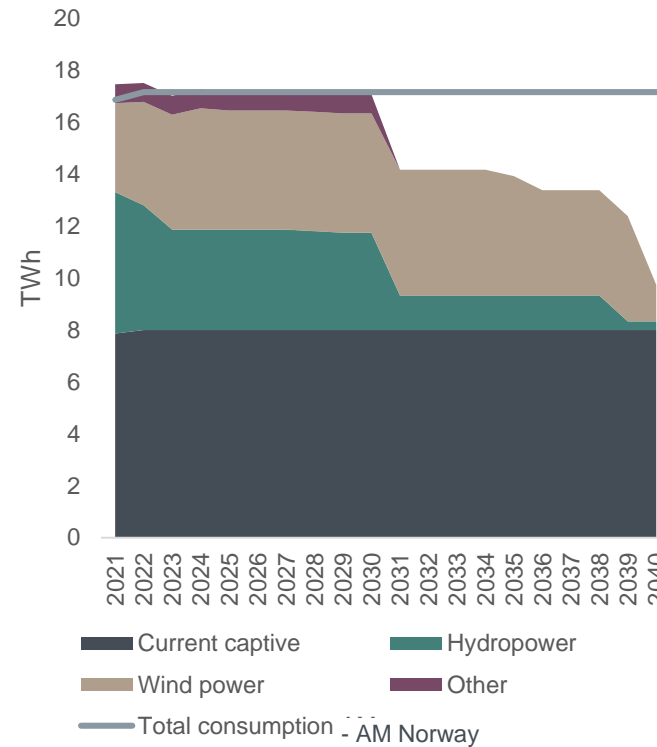


Robust long-term power coverage for majority of smelter portfolio

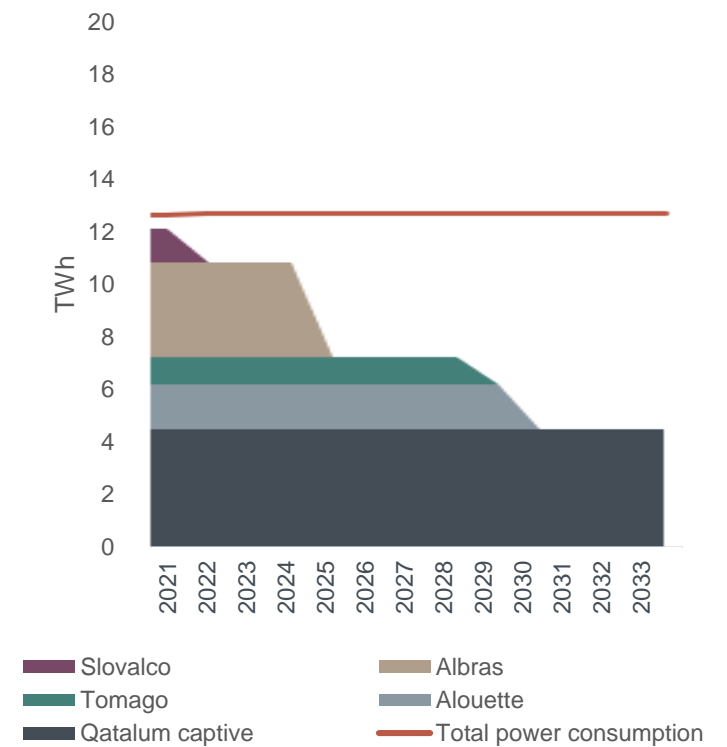
Energy market prices



Sourcing platform for fully-owned smelters, Norway ¹⁾



Sourcing platform for JV smelters ²⁾



1) Net ~8 TWh captive assumed available for smelters
 2) Albras and Slovalco on 100% basis
 Source: Nordpool

Q3 growth exceeding the market in Extrusions



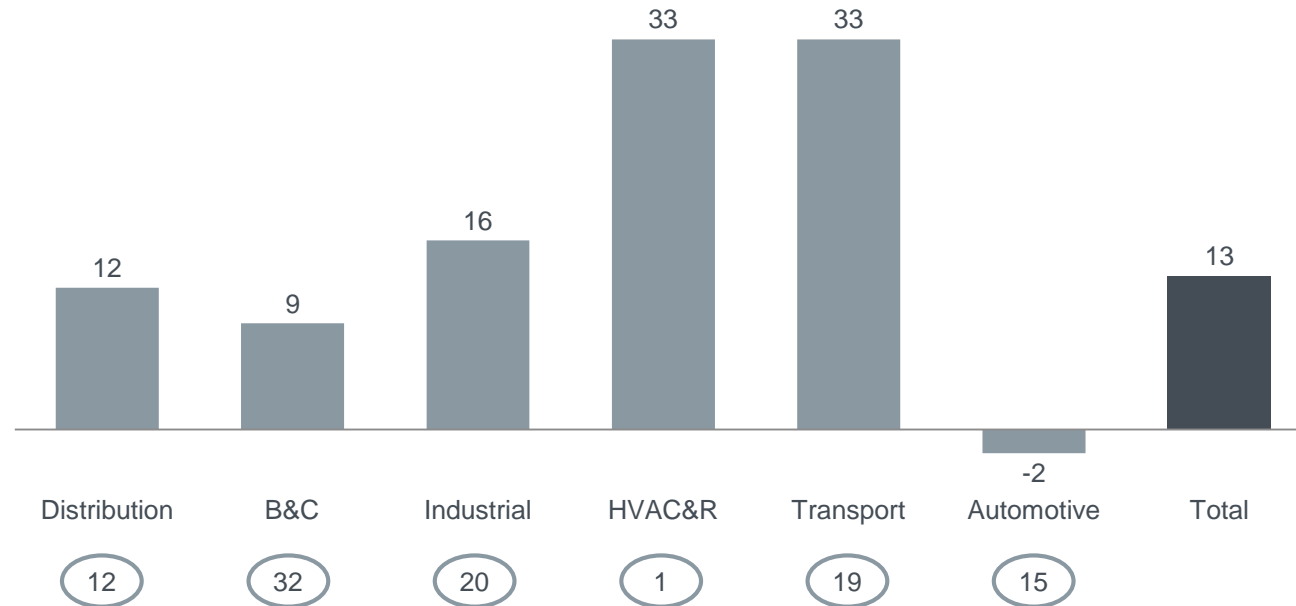
Expect growth in line with market for Q4

Extrusions sales volumes

Q3 2021 vs Q3 2020

Hydro Extrusions segment sales volume

Growth in %



○ Share of Q3 2021 Hydro Extrusions sales

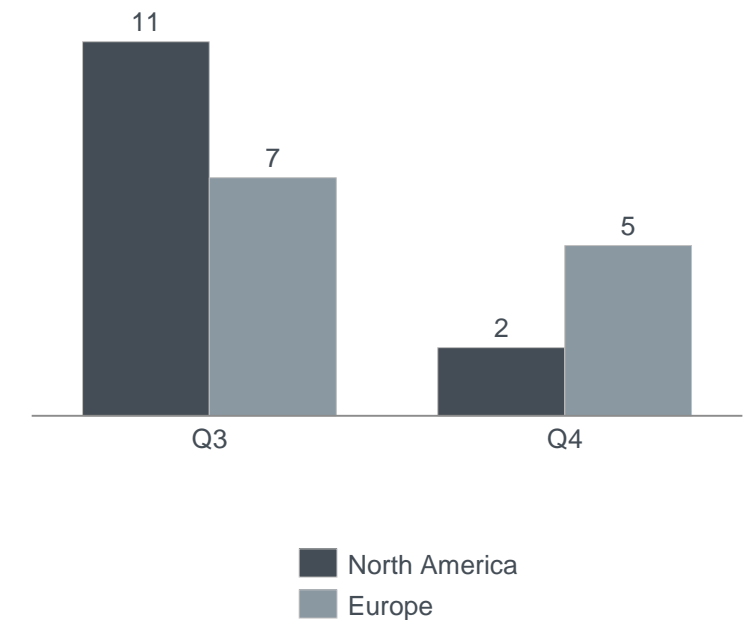
⊗ EBITDA/mt (KNOK)

External market forecasts

2021 vs 2020

Extrusion market growth per quarter

Growth in %



Progress on Hydro 2025 strategy in Q3

Seizing opportunities where our capabilities match the megatrends



1 Strengthen position in low-carbon aluminium



2 Diversify and grow in new energy



Profitability & Sustainability

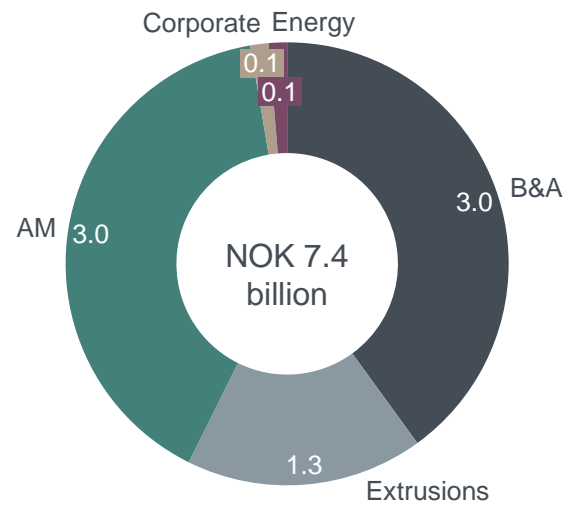
Improvement target for 2021 reached

Good progress toward commercial 2021 ambition

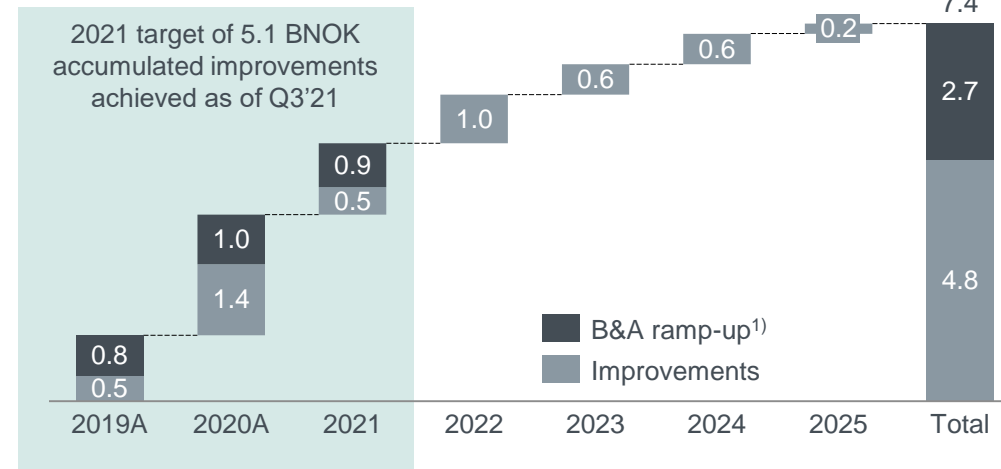


Improvement program

2025 accumulated improvement
NOK billion

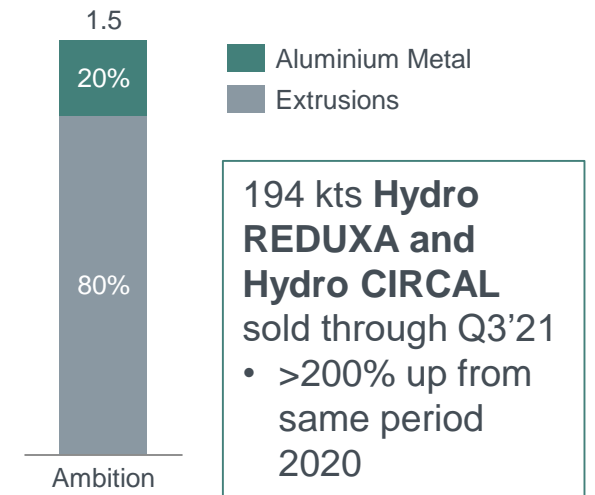


2025 accumulated improvement potential by year
NOK billion



Commercial ambition

Additional NOK 1.5 billion in market and customer growth opportunities by 2025



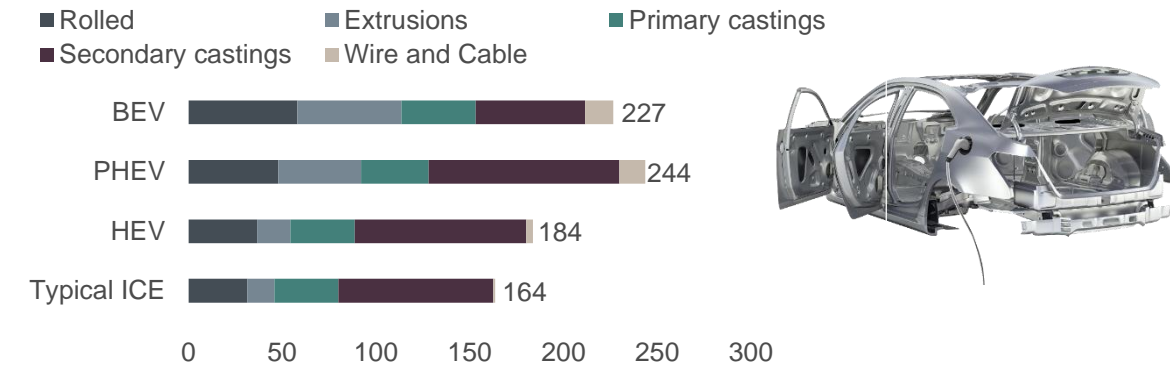
1) Alunorte and Paragominas ramp-up to full nameplate capacity

Hydro well positioned to capture longer-term demand for aluminium in automotive



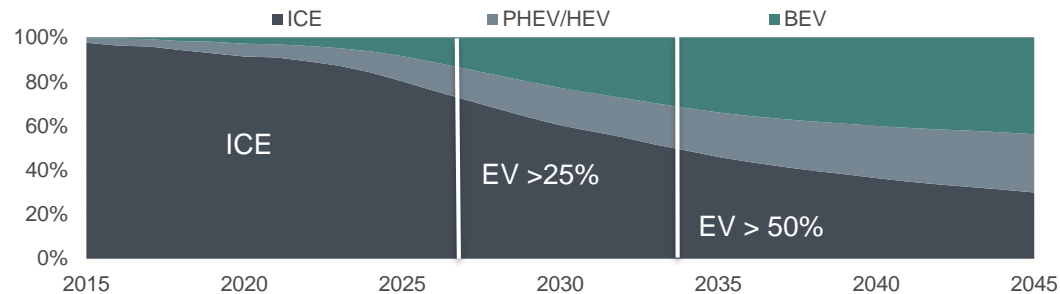
Aluminium intensity of vehicle types¹⁾

Kg per unit



EV vs. ICE

Percentage of total lightweight vehicle sales globally (%)



1) BEV = Battery electric vehicle, PHEV = Plug-in hybrid electric vehicle, HEV = Hybrid electric vehicle; ICE = Internal combustion engine
Source: CRU

Key investments in Extrusions and Aluminium Metal to strengthen automotive and transport market positions



Suzhou, China



Cressona, USA



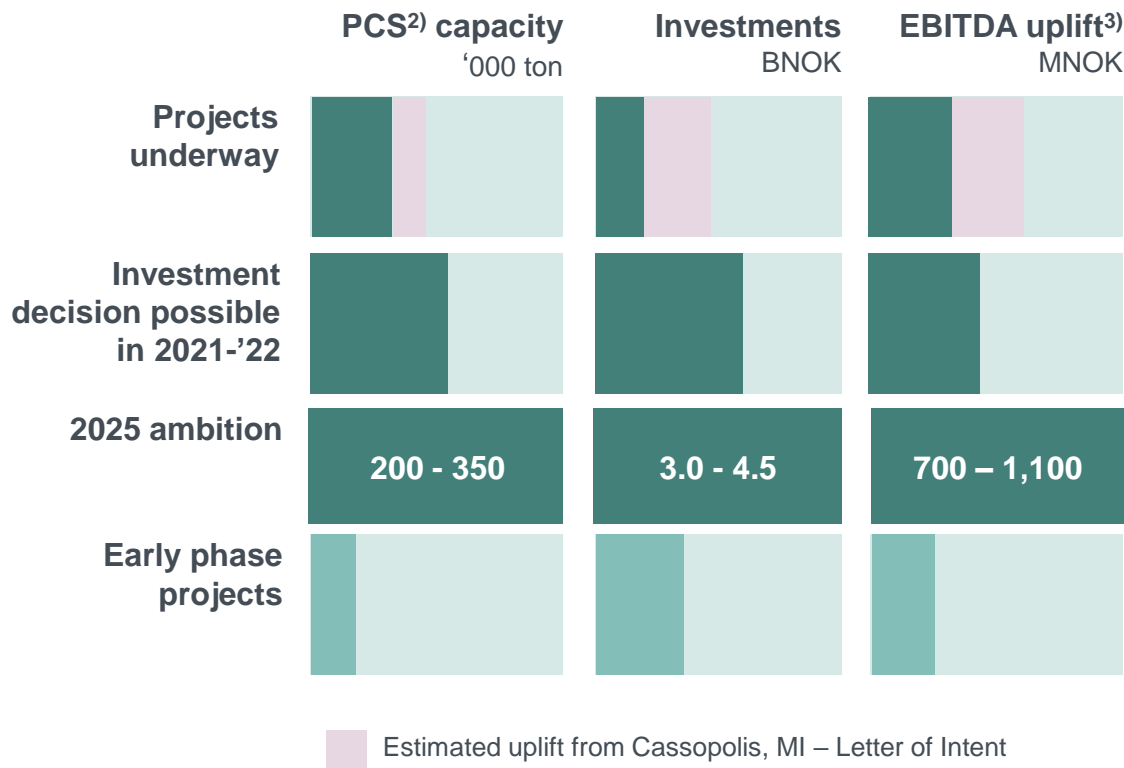
Rackwitz, Germany

Utilizing Hydro REDUXA to produce aluminium wheels with a record low carbon footprint



Additional post-consumer scrap recycling capacity of ~75kt announced so far in 2021

Increasing total casthouse production by ~215 kts¹⁾



~25 kts in PCS intake announced in Extrusions



~50 kts in PCS intake announced in Aluminium Metal



- 1) Remelt and recycling capacity of which parts of the input is post-consumer scrap (PCS). PCS, pre-consumer scrap, internal process scrap, alloys and ingots makes up the total. Part of the PCS is targeted to come from increased use in existing casthouses at our primary smelters without adding additional R&R capacity.
- 2) Post-consumer scrap (PCS): scrap from products that have been in use, e.g., cars, buildings reaching end of life.
- 3) Recycling is an integrated part of the BAs' value creation and is reported as part of the BAs' total financial results. EBITDA uplift also driven by e.g., utilizing pre-consumed low-priced, complex scrap types. Pre-consumer scrap: internal or customer's/external process scrap.

Sustainability agenda progressing in all areas



Climate

Progress towards ambition to cut CO₂ emissions by 30% by 2030 – positive developments on fuel switch project at our refinery, Alunorte



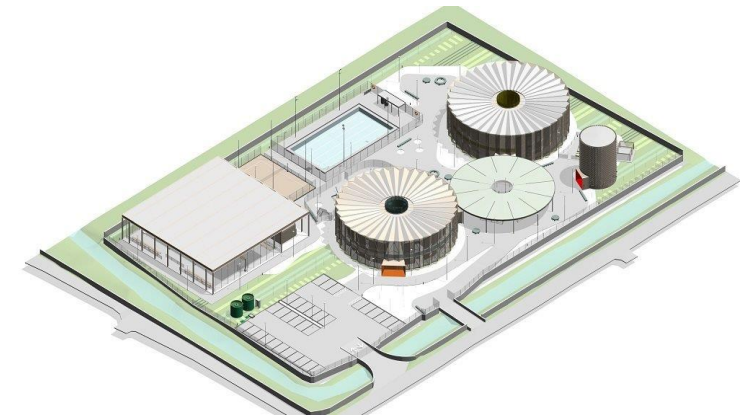
Environment

Positive indicators of rehabilitation at Paragominas. New initiatives assessing bauxite residue utilization in other products/markets



Social responsibility

BRL 160 million (NOK ~240 million) dedicated to developing three new community centers in Pará state, Brazil



Move towards net zero emissions 2050



Rehabilitation of available mined areas within 2 yrs¹⁾

1:1

Utilization of annual bauxite residue generated

10% by 2030

Improving dialogues through community meetings in Para



1) The Paragominas rehabilitation target is a rolling target – all available mined areas (i.e. those mined areas not occupied by long-term infrastructure) rehabilitated within 2 hydrological seasons from release (i.e. once mining is completed)

Progressing within new energy areas of Hydro 2025 strategy

REIN | Hydro

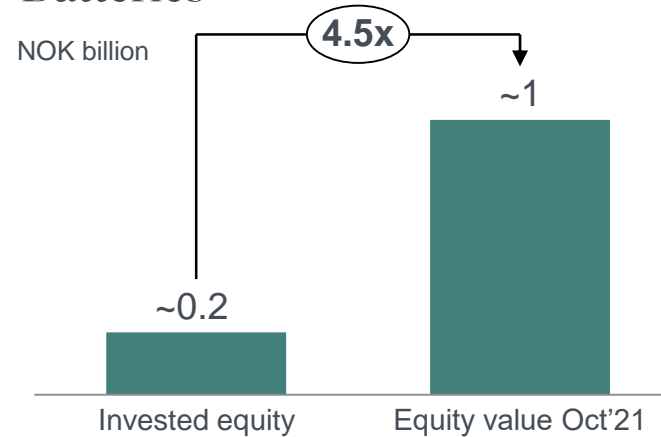
Hydro REIN and Eolus sign agreement to acquire wind project

Hydro's dedicated company for renewables development, Hydro REIN, has together with Swedish wind power developer Eolus agreed to acquire the licensed wind power project Stor-Skålsjön from Enercon GmbH.



- Maturing profitable projects in Nordic and Brazil
- Investment decision in 260MW wind power project Stor-Skalsjön in Q4
- Capital raise planned 2022

Batteries



- Uplift driven by early investments in Northvolt and Corvus
- Hydrovolt ramped up for operations end of year, fully booked 2022
- Continuing to explore opportunities in selected parts of the battery value chain

HAVRAND | Hydro



- Maturing profitable pipeline of projects with focus on Norway and Europe
- Build partnerships throughout value chain to realize larger projects faster
- Working with industrial customers on fuel switch solutions and supply hydrogen to industry, maritime and transport sector



Lifting profitability,
driving sustainability

Priorities

1. Health and safety first
2. Ensure robust operations across portfolio
3. Grow volumes and margins in strong markets
4. Deliver improvements and commercial ambitions
5. Execute Hydro 2025 strategy
 - Strengthen position in low-carbon aluminium
 - Expand and diversify in new energy



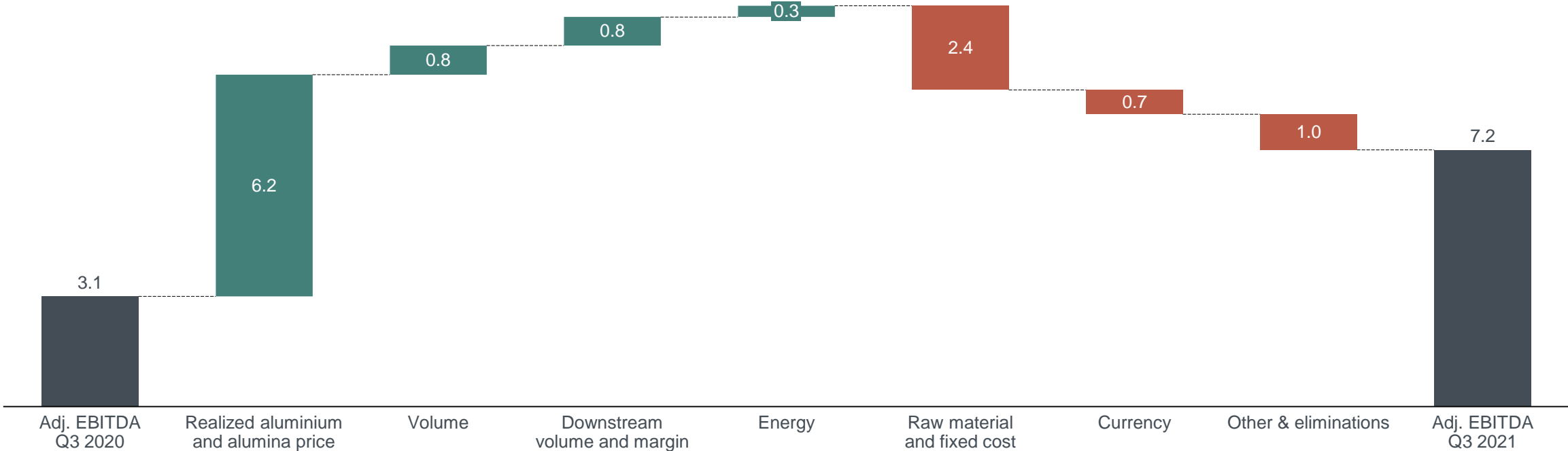
Financial update

Pål Kildemo,
Executive Vice President and CFO

Result up on improved prices, volume and margins, partly offset by raw material cost and negative currency effects



Q3 2021 vs. Q3 2020
NOK billion



Key financials



NOK million	Q3 2021	Q3 2020	Q2 2021	Year 2020
Revenue	36 710	27 516	34 559	114,291
Reported EBITDA	4 610	3 651	4 899	18 390
Adjustment to EBITDA	2 608	(551)	1 698	(5 284)
Adjusted EBITDA	7 219	3 100	6 598	13 106
Reported EBIT	2 533	1 893	3 034	9 356
Adjusted EBIT	5 309	1 419	4 891	6 040
Financial income (expense)	(913)	(1 761)	355	(4 552)
Reported Income (loss) before tax	1 620	132	3 389	4 804
Income taxes	(494)	(242)	(992)	(918)
Reported Net income (loss) from continuing operations	1 127	(111)	2 397	3 886
Adjusted net income (loss) from continuing operations	3 498	607	3 150	2 848
Earnings per share from continuing operations	0.50	(0.05)	1.06	1.99
Adjusted earnings per share from continuing operations	1.60	0.28	1.45	1.32
Income (loss) from discontinued operations ¹⁾	(19)	(111)	407	(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

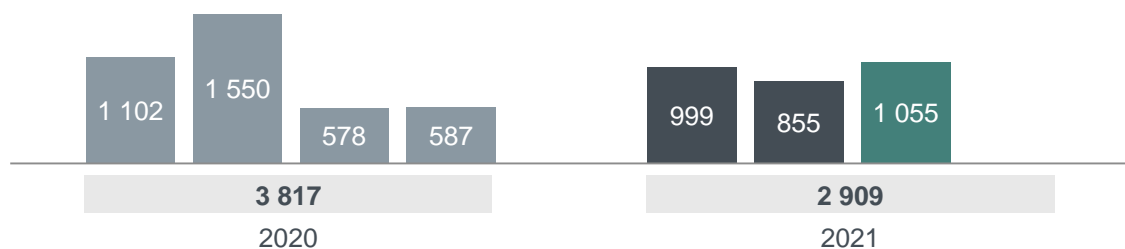
Hydro Bauxite & Alumina

Results up on higher prices and volumes, partly offset by higher raw material costs

Key figures	Q3 2021	Q3 2020	Q2 2021
Alumina production, kmt	1 579	1 074	1 586
Total alumina sales, kmt	2 355	1 990	2 349
Realized alumina price, USD/mt	302	260	289
Implied alumina cost, USD/mt ¹⁾	251	228	246
Bauxite production, kmt	2 756	1 167	2 660
Adjusted EBITDA, NOK million	1 055	578	855
Adjusted EBIT, NOK million	466	108	383
Adjusted RoaCE, % LTM ²⁾	5.5%	4.9%	4.2%

Adjusted EBITDA

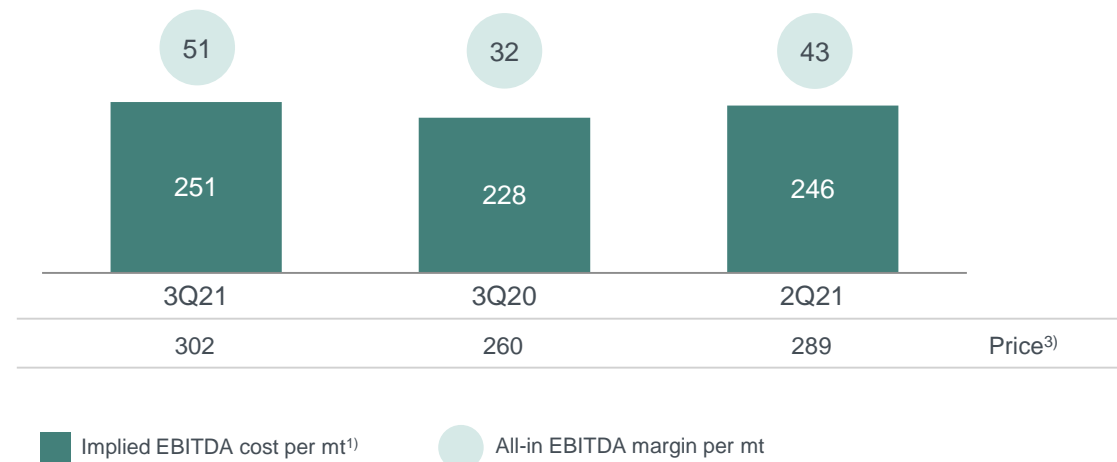
NOK million



- 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
- 3) Realized alumina price

Implied alumina cost and margin

USD/mt¹⁾



Results Q3 21 vs Q3 20

- Increased realized alumina price
- Higher production volumes
- Increased raw material prices
- ~NOK 90 million tax credits booked

Outlook Q4 21

- Alunorte production around nameplate capacity
- Increased alumina price
- Seasonally higher fixed costs

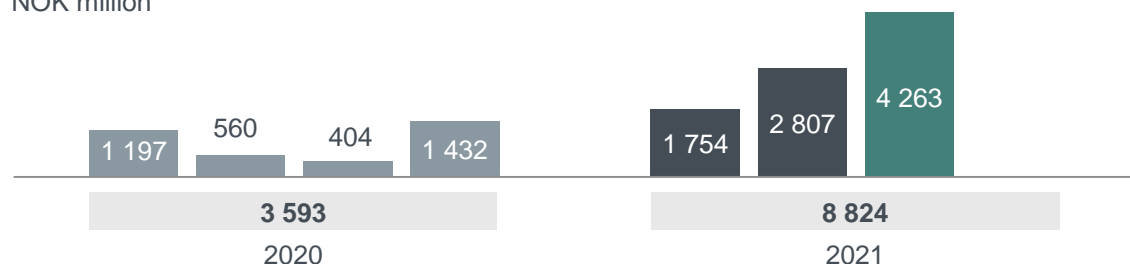
Hydro Aluminium Metal

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

Key figures	Q3 2021	Q3 2020	Q2 2021
Primary aluminium production, kmt	573	522	561
Total sales, kmt	583	548	594
Realized LME price, USD/mt ¹⁾	2 419	1 596	2 210
Realized LME price, NOK/mt ¹⁾	20 910	14 712	18 528
Realized premium, USD/mt	449	211	332
Implied all-in primary cost, USD/mt ²⁾	1 925	1 650	1 900
Adjusted EBITDA, NOK million	4 263	404	2 807
Adjusted EBITDA including Qatalum 50% pro rata (NOK million)	4 797	749	3 229
Adjusted EBIT, NOK million	3 684	(156)	2 246
Adjusted RoaCE, % LTM ³⁾	20.2%	1.3%	10.1%

Adjusted EBITDA

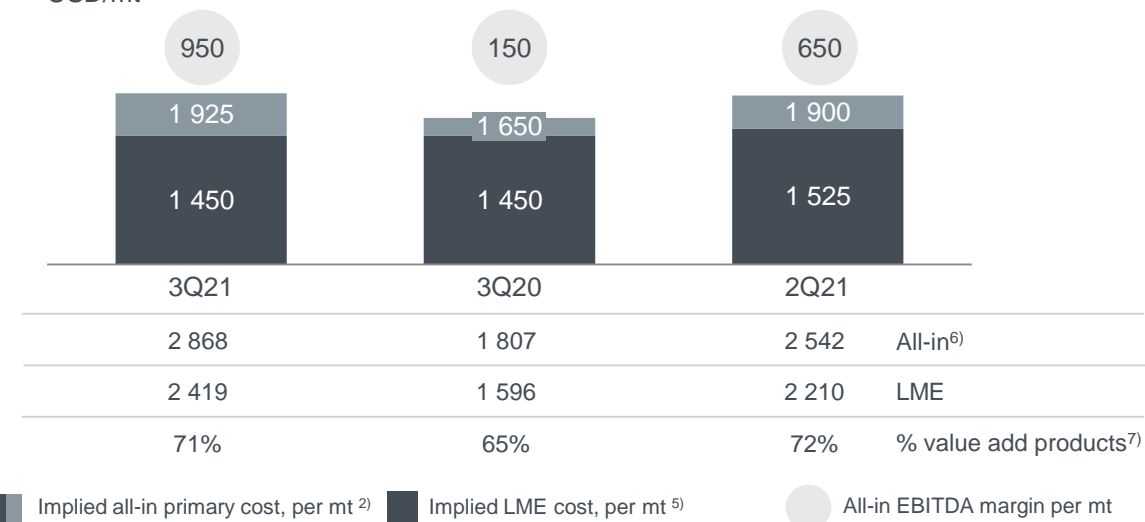
NOK million



- 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
- 4) Implied primary costs and margin rounded to nearest USD 25

All-in implied primary cost and margin

USD/mt^{1,4)}



Results Q3 21 vs Q3 20

- Higher all-in metal prices
- Increased volumes
- Higher raw material costs
- Negative currency effects

Outlook Q4 21

- ~72% of primary production for Q4 priced at USD 2 646 per mt⁸⁾
- ~59% of premiums affecting Q4 booked at USD ~680 per mt⁸⁾
 - Q4 realized premium expected in the range of USD 535-585 per ton
- Higher raw material and fixed costs

- 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 30.09.2021

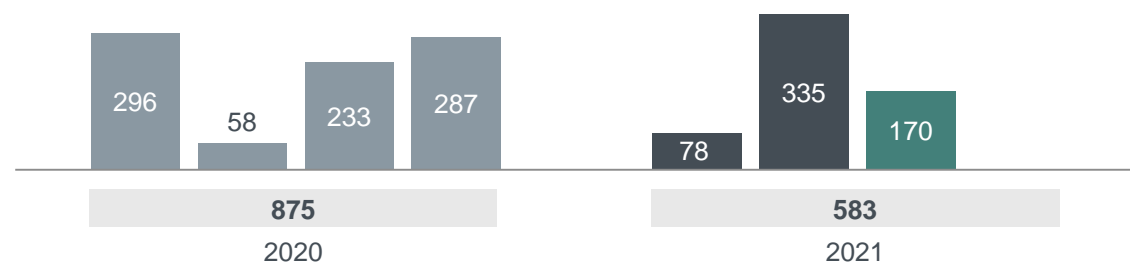
Metal Markets

Results down on reduced results from commercial activities, and negative inventory valuation effects

Key figures	Q3 2021	Q3 2020	Q2 2021
Remelt production, kmt	132	124	154
Metal products sales, kmt ¹⁾	675	668	735
Adjusted EBITDA Recycling (NOK million)	132	112	131
Adjusted EBITDA Commercial (NOK million)	38	122	204
Adjusted EBITDA Metal Markets (NOK million)	170	233	335
Adjusted EBITDA excl. currency and inventory valuation effects	212	297	326
Adjusted EBIT (NOK million)	133	198	301
Adjusted RoaCE, % LTM ²⁾	26.6%	16.7%	29.5%

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

Results Q3 21 vs Q3 20

- Lower results from commercial activities
- Negative inventory valuation effects
- Improved results from recyclers and positive currency effects

Outlook Q4 21

- Volatile trading and currency effects
- Rising sales premiums for recyclers

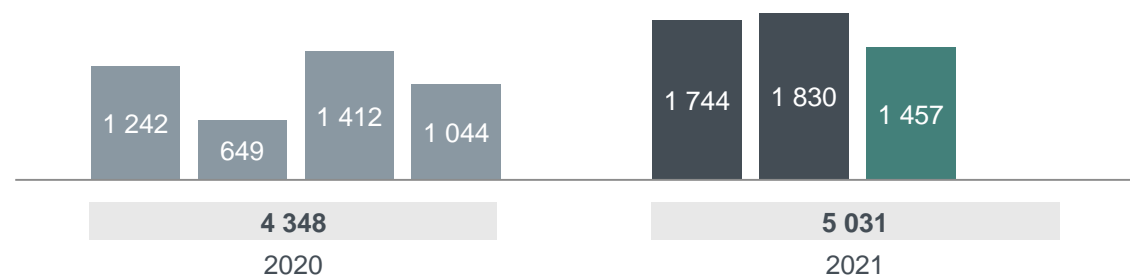
Hydro Extrusions

Higher volumes and margins, partly offset by higher costs and one-offs

Key figures	Q3 2021	Q3 2020	Q2 2021
External sales volumes, kmt	315	278	342
Adjusted EBITDA, NOK million	1 457	1 412	1 830
Adjusted EBIT, NOK million	828	894	1 266
Adjusted RoaCE, % LTM ¹⁾	12.3%	4.9%	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



Results Q3 21 vs Q3 20

- Higher volumes and increased margins
- Higher costs
- MNOK ~ 260 positive one-offs in Q3 20
- MNOK ~ 60 negative one-offs in Q3 21

Outlook Q4 21

- Seasonally lower sales
- Supply-chain volatility
- Short term margin pressure amid increasing inflation
- Gradual normalization of cost base post Covid

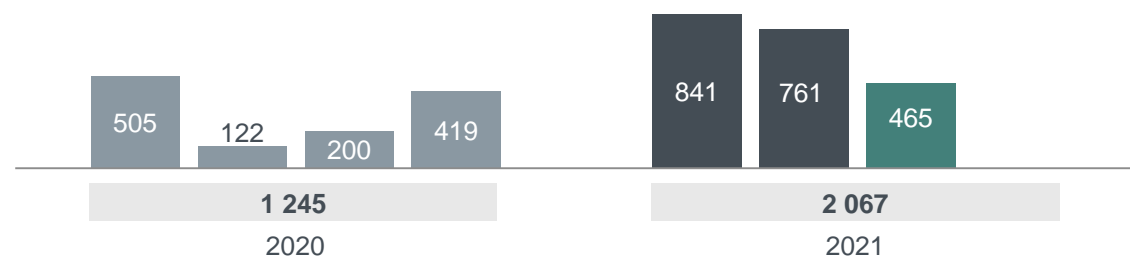
Hydro Energy

Results up on changing power contract portfolio and area price differences, partly offset by low production

Key figures	Q3 2021	Q3 2020	Q2 2021
Power production, GWh	1 688	3 161	2 374
Net spot sales, GWh	(401)	1 401	334
Southwest Norway spot price (NO2), NOK/MWh	807	52	493
Adjusted EBITDA, NOK million	465	200	761
Adjusted EBIT, NOK million	417	132	713
Adjusted RoaCE, % LTM ^{1),2)}	11.4%	26.3%	12.6%

Adjusted EBITDA

NOK million



1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less tax/ Average capital employed last 4 quarters

2) 80% tax rate applied for 2019 and 2020, 55% tax rate applied in 2021

3) 01.10.2021-22.10.2021



Results Q3 21 vs Q3 20

- Changed power contract portfolio
- Higher power prices and lower production due to dry weather
- Net spot purchase
- Gain from area price differences

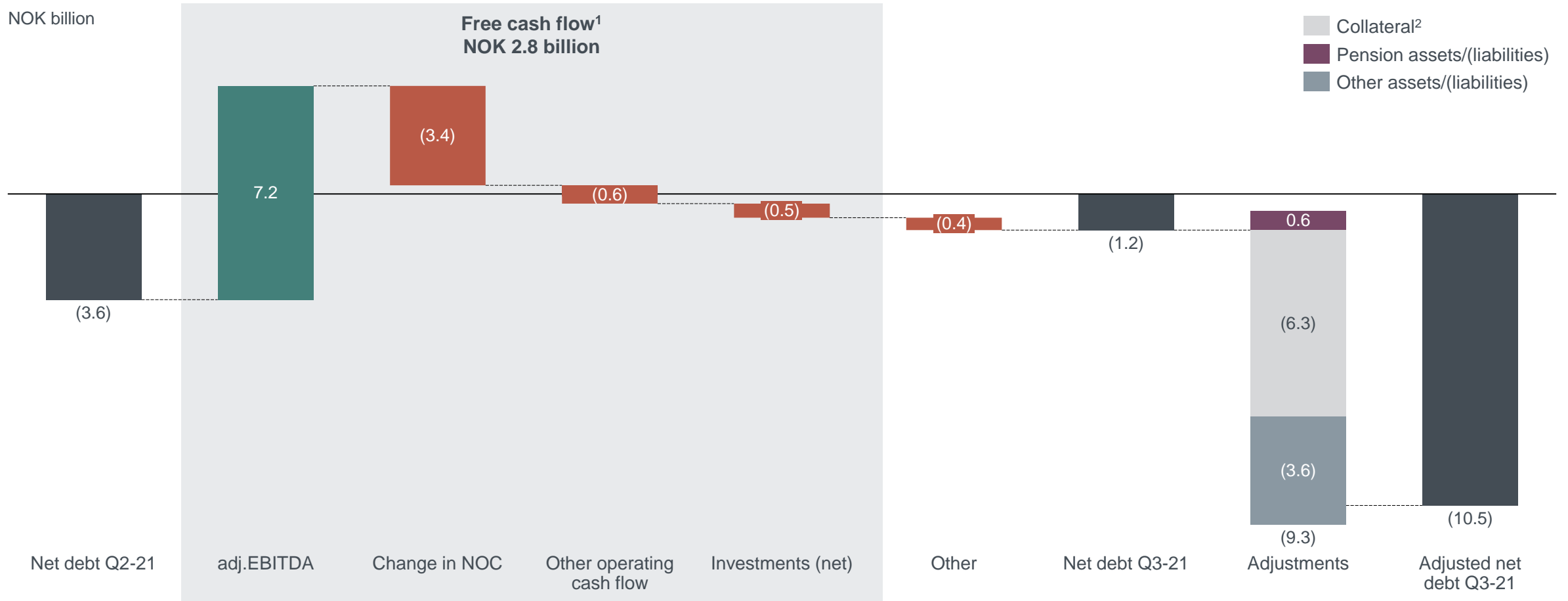
Outlook Q4 21

- Volume and price uncertainty, weak hydrological balance
- Average NO2 spot price 1 024 NOK/Mwh in October³⁾

Net debt improved on continued cash generation in Q3



High earnings improves net debt, increase in hedging collateral leads to stable adjusted net debt



Capex forecast for 2021 has been reduced from NOK 8.5 billion to NOK 7.5 billion

1) 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)
 2) Collateral: Includes collateral for short-term and long-term liabilities, mainly related to strategic hedges and the operational hedging activity



Market

Investor presentation, October 26, 2021

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

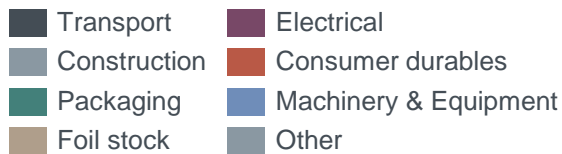
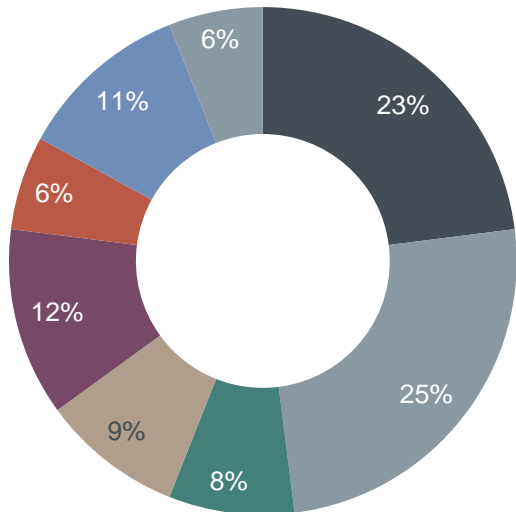
- ✓ Lightness and formability
- ✓ Corrosion resistance
- ✓ Price
- ✗ Climate footprint
- ✗ Recyclability
- ✗ Durability

Transport & construction key semis demand segments

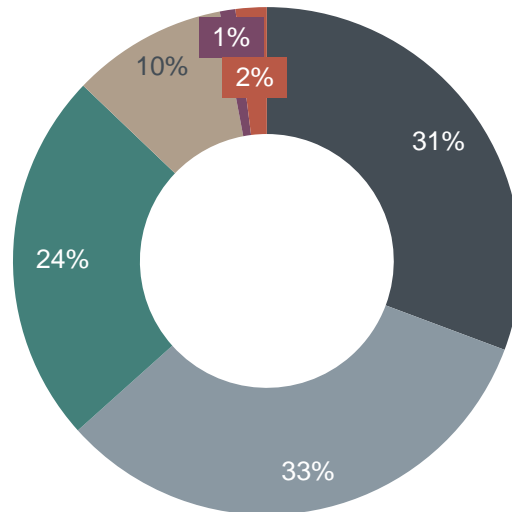


Global semis demand 2020: ~85 million tonnes

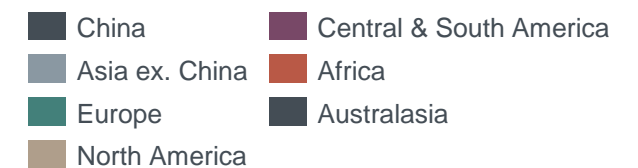
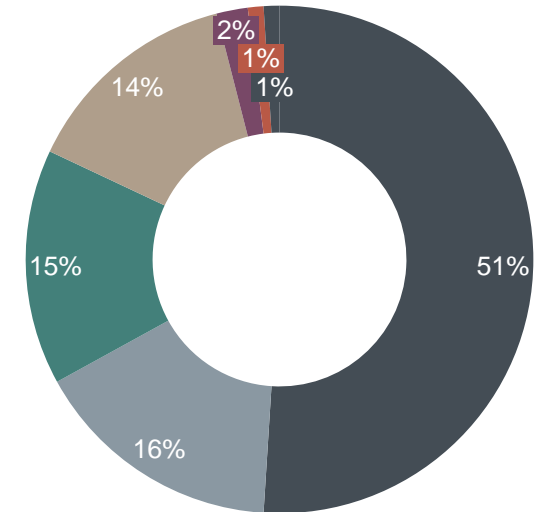
Per segment



Per product form



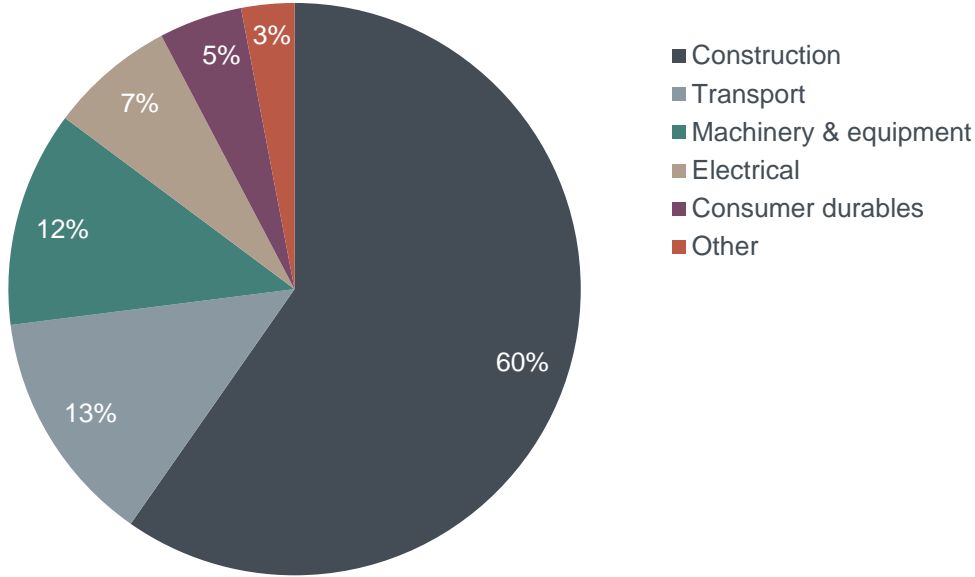
Per region



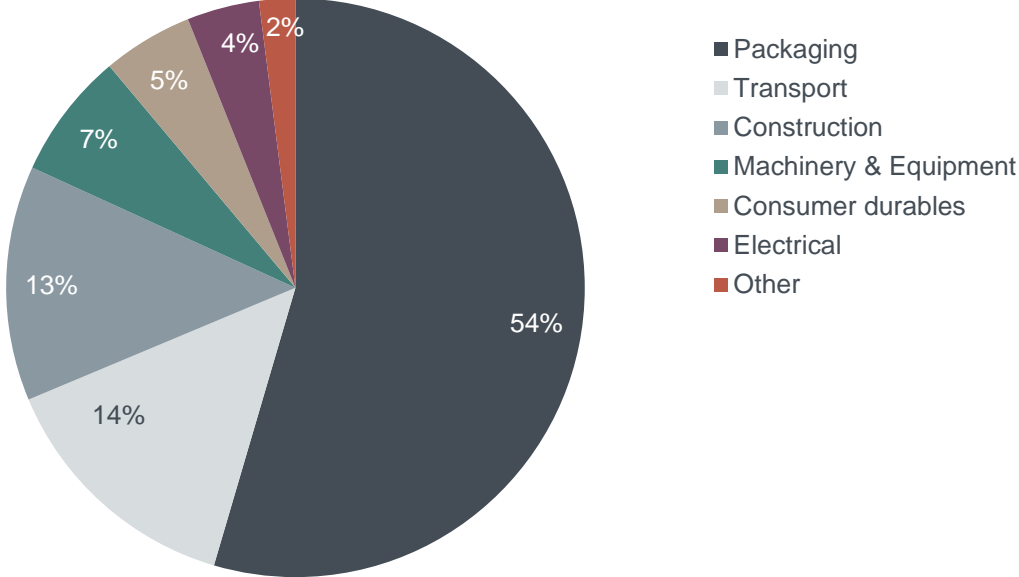
Segment composition in extruded



Global segment composition, extrusions
(2020)



Global segment composition, rolled products
(2020)

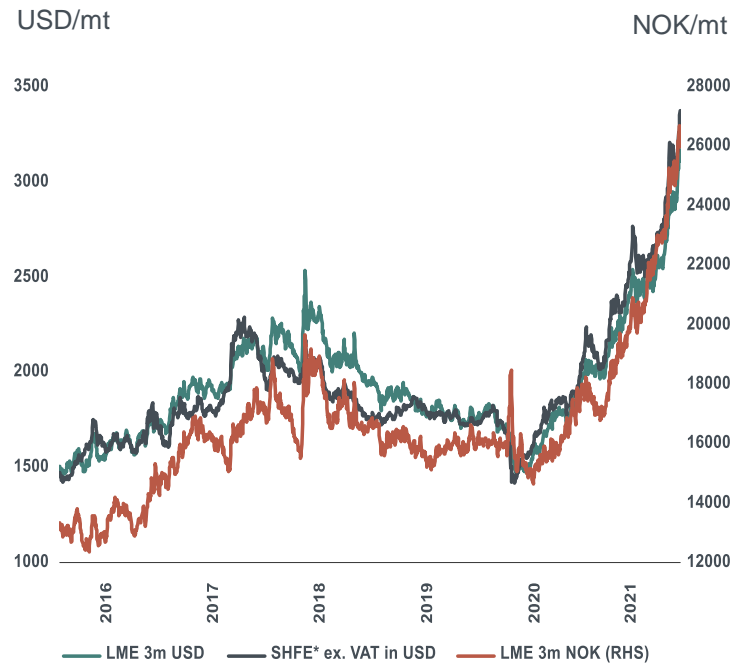


Source: Hydro analysis, Republished under license from CRU International Ltd

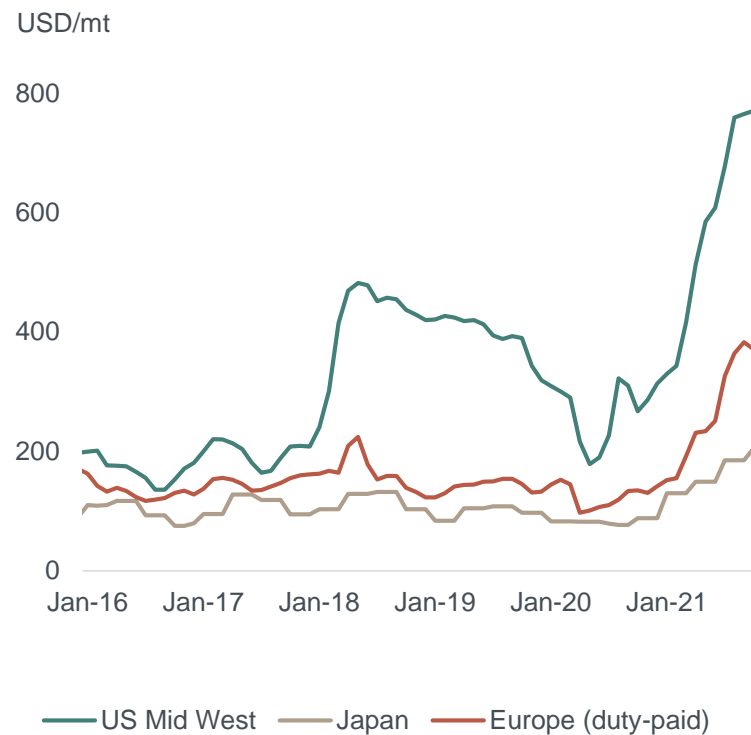
Revenue drivers through Q3'21



LME and SHFE aluminium prices



Regional standard ingot premiums



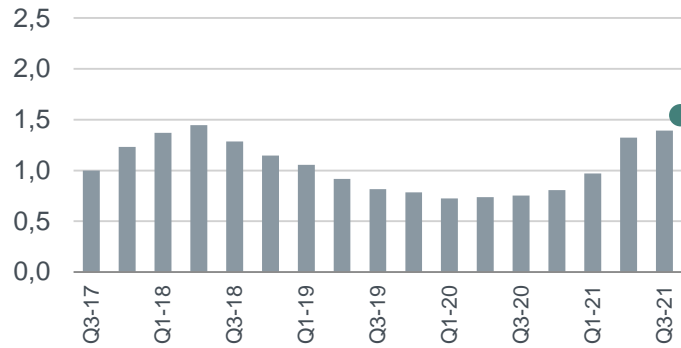
Platts alumina index (PAX)



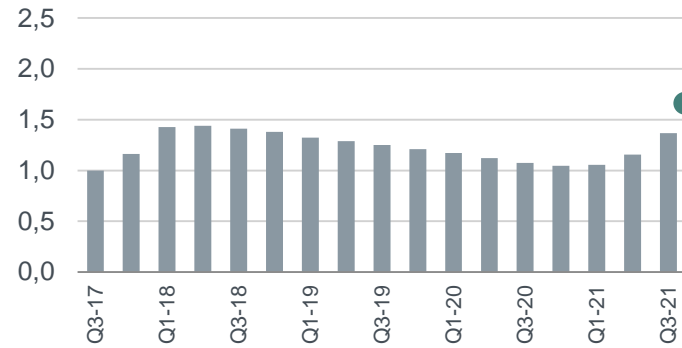
Market raw material costs in Q3



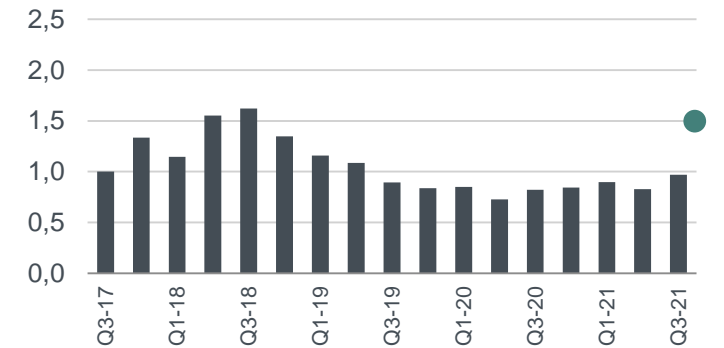
Petroleum coke FOB USG (indexed)



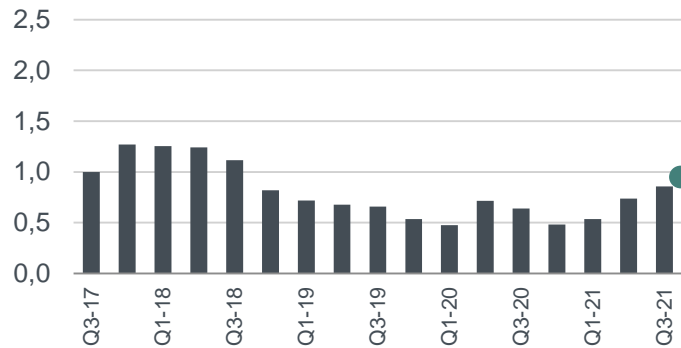
Pitch FOB USG (indexed)



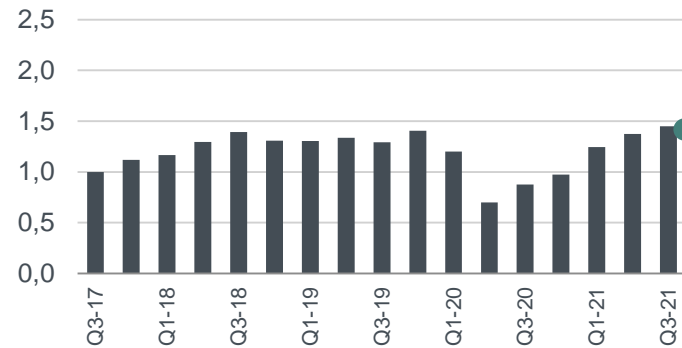
Alumina PAX index (indexed)



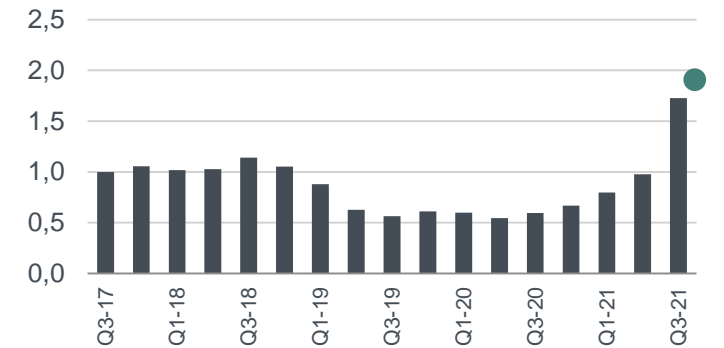
Caustic soda (indexed)



Fuel oil A1 (Indexed)



Steam coal (indexed)



● Indication of current market prices

Historical strong correlation between LME and 90th percentile smelters

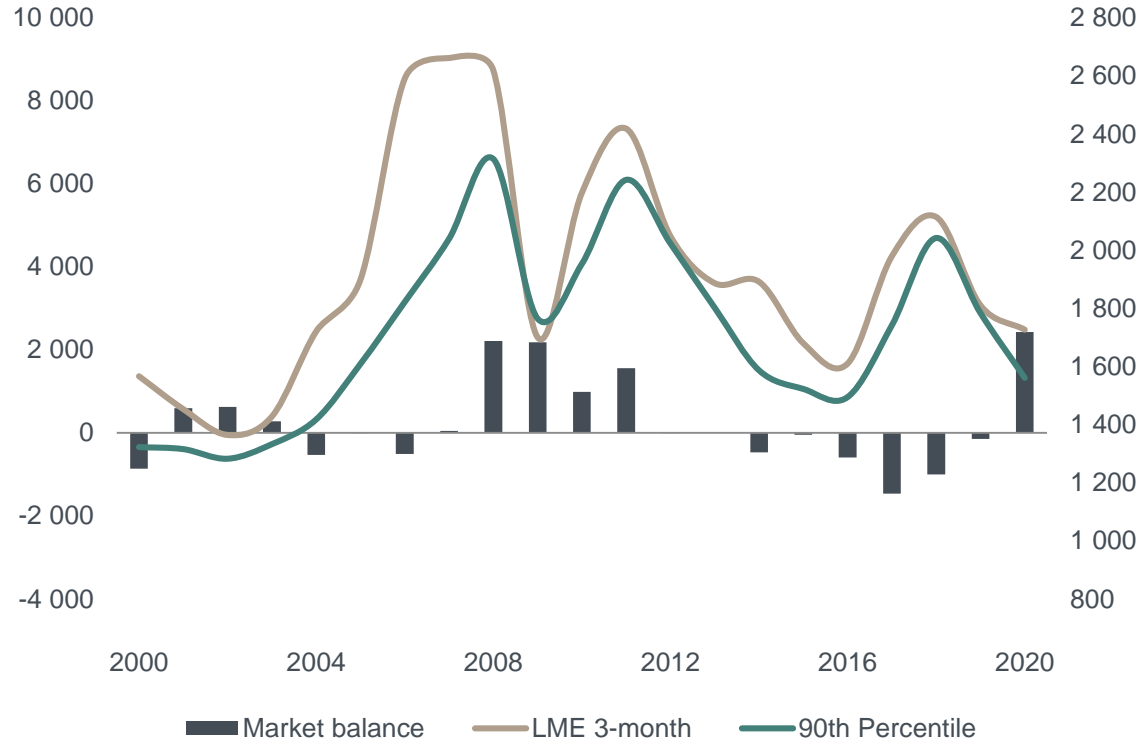


Primary metal market

World ex-China

Market balance in thousand tonnes ¹⁾

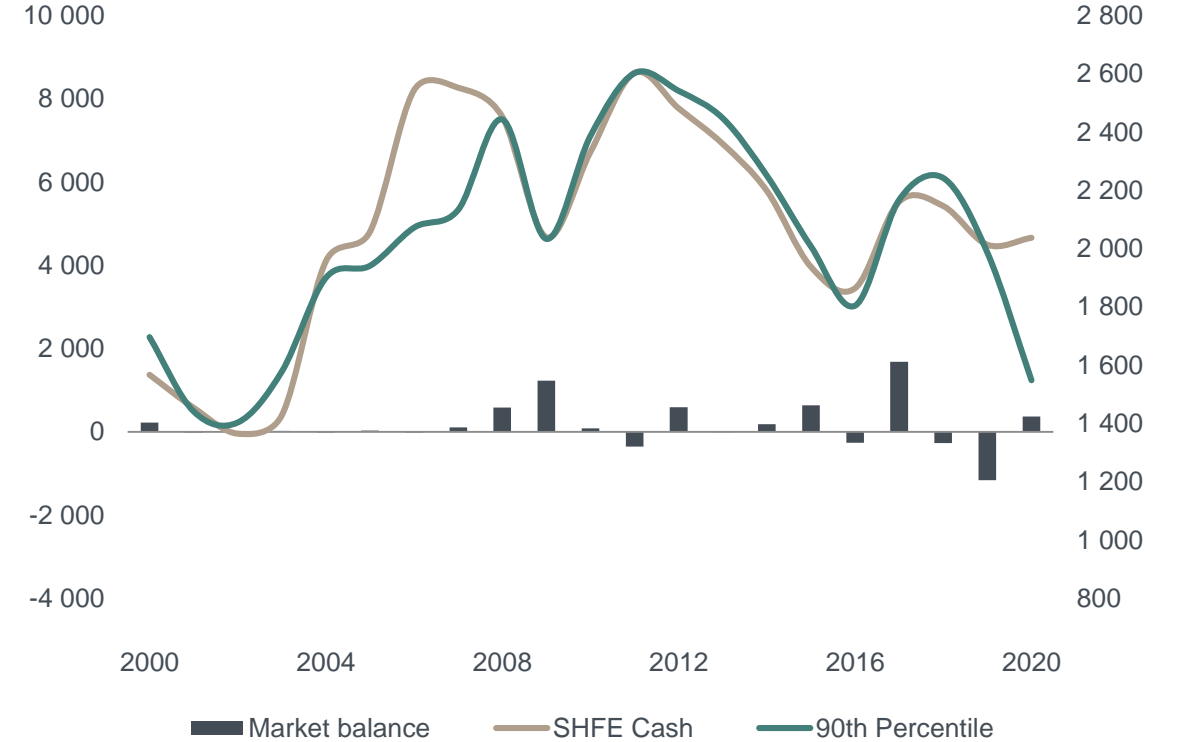
Nominal USD/t



China

Market balance in thousand tonnes ¹⁾

Nominal USD/t



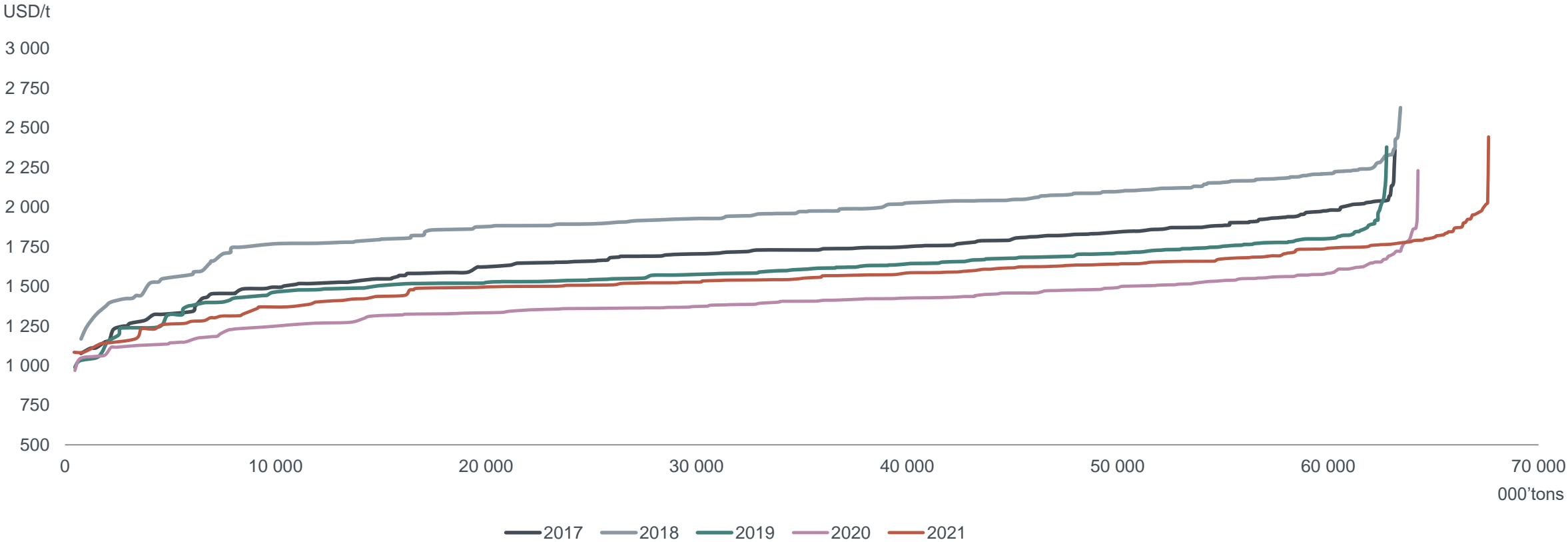
Source: CRU, Hydro Analysis
 1) Primary production less primary demand

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



Primary metal market

CRU BOC curve by smelter



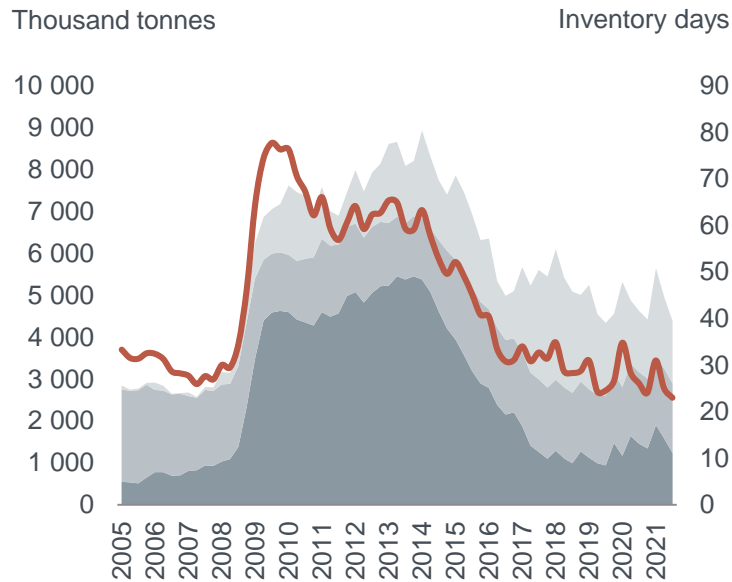
Source: Republished under license from CRU International Ltd

Total global inventory days down in Q3 2021 on strong demand



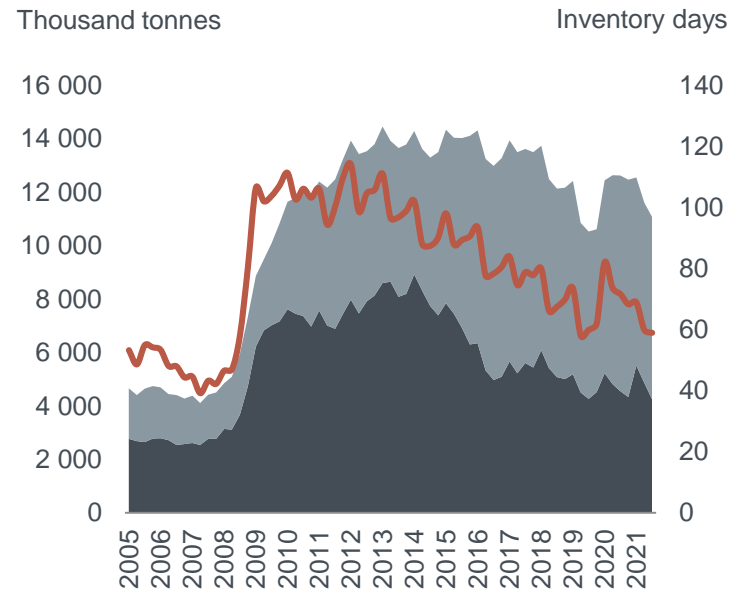
Primary metal market

Global reported stocks and inventory days



- Reported China
- Other reported ROW
- LME stocks
- Global reported inventory days

Total global stocks and inventory days



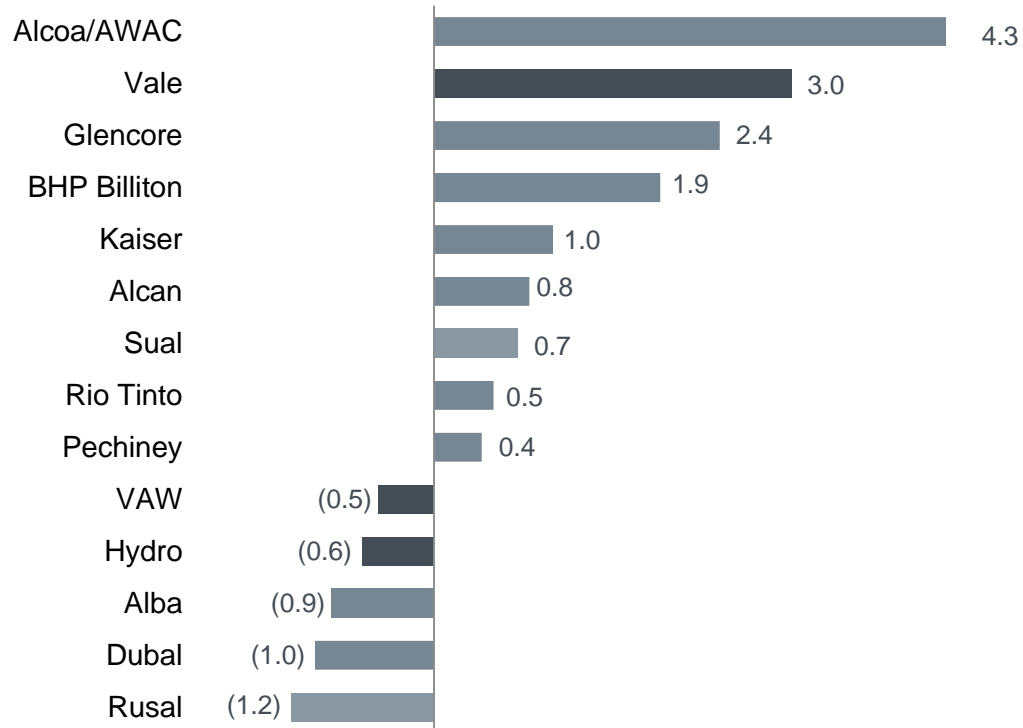
- Global estimated unreported
- Global reported
- Global total inventory days

- 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 overall, but with increase in recent weeks
- LME stocks decreased continuously during the third quarter of 2021, approaches lowest level since 2006
- High uncertainty regarding absolute level of unreported volumes

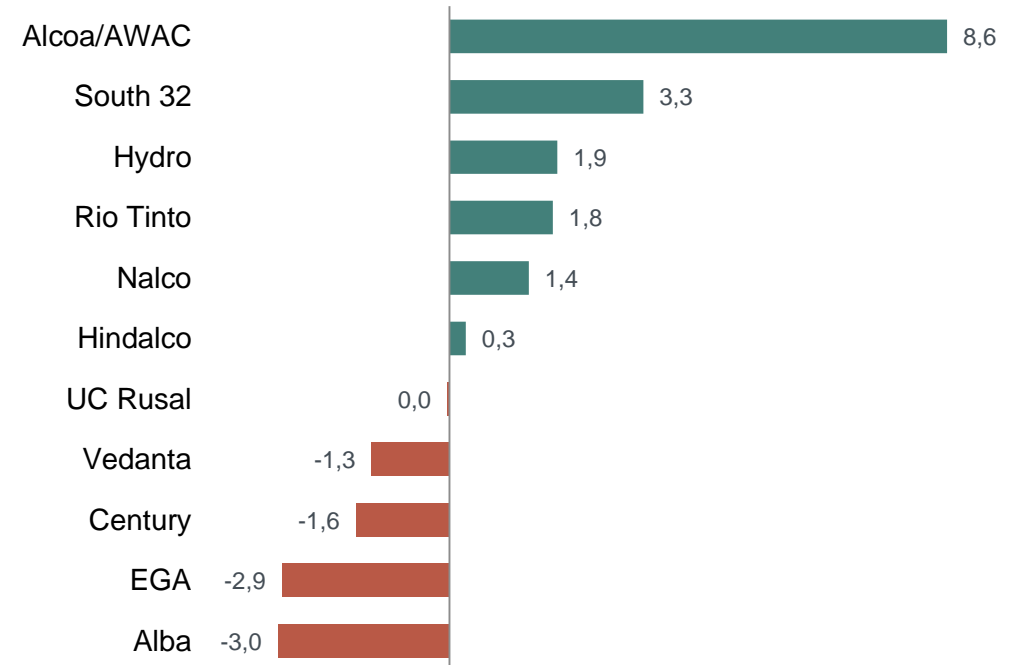
Alumina market consolidating, becoming more integrated

Estimated net equity alumina position, in million tonnes

Year 2000



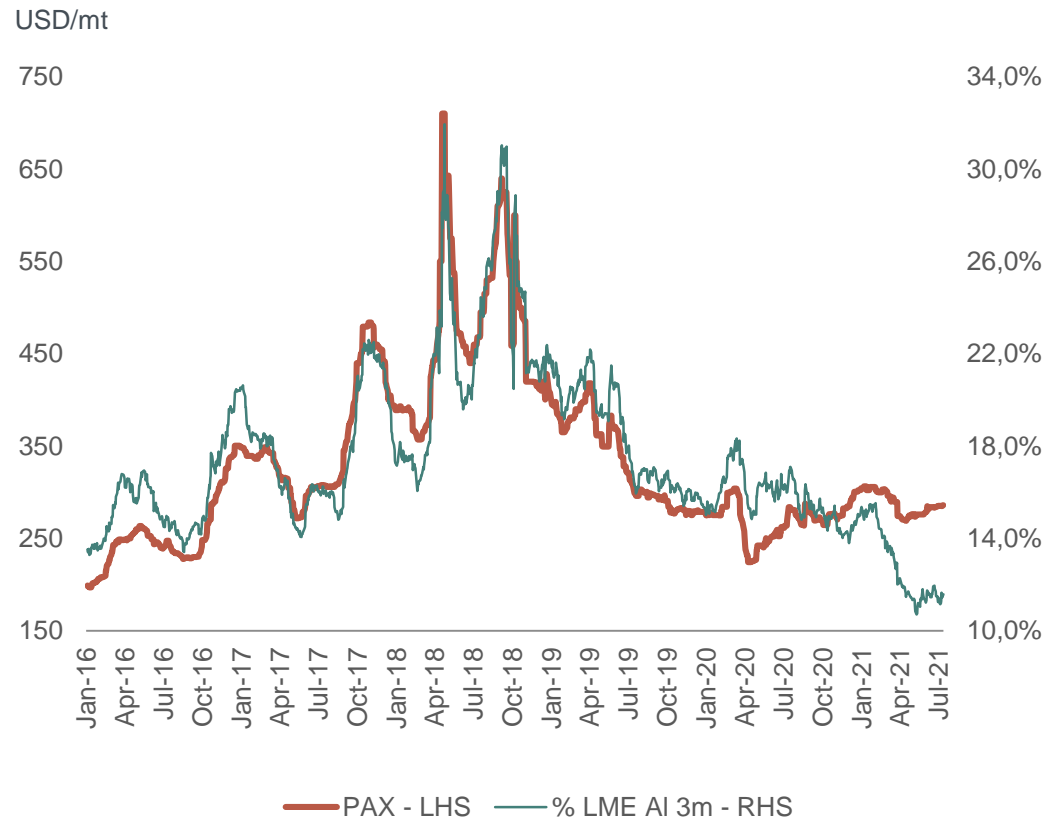
Year 2020



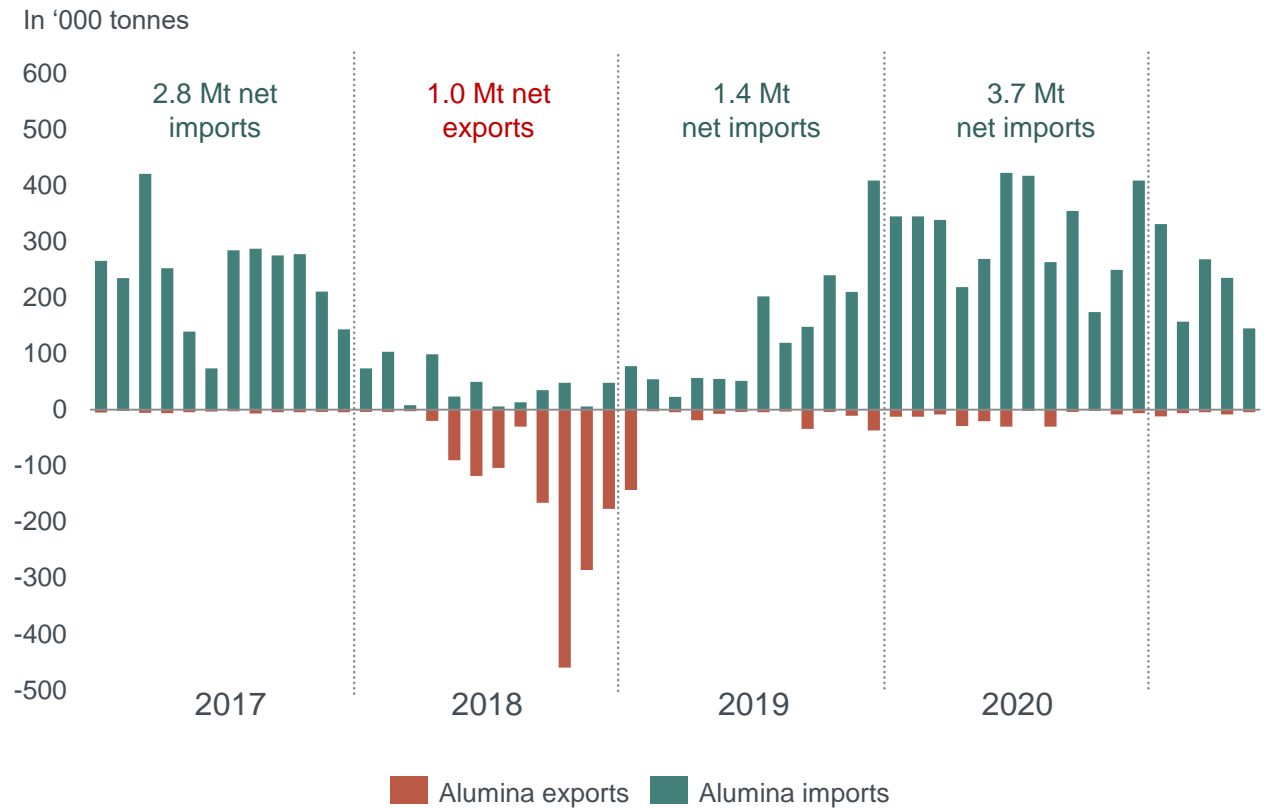
Alumina prices stable; China alumina imports continue at high levels



Platts alumina index (PAX)



Monthly Chinese alumina trade balance (kt)

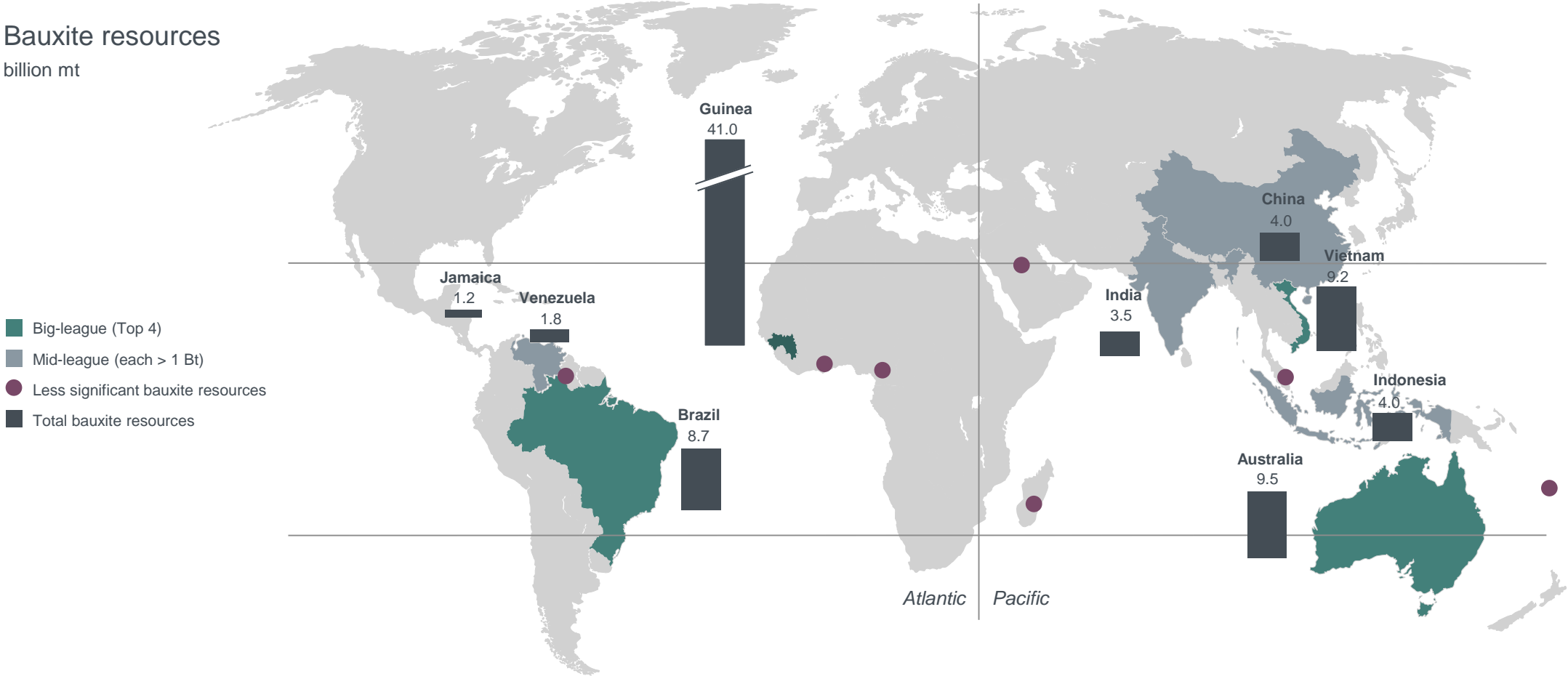


Large and concentrated bauxite resources



Guinea stands out as a long-term source

Bauxite resources
billion mt

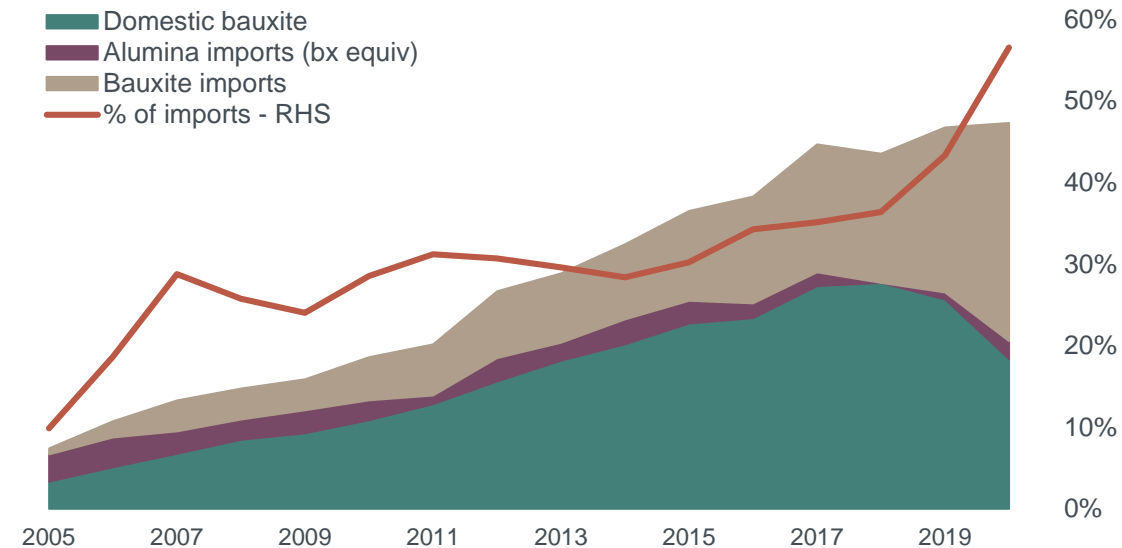


Source: Hydro analysis, CM Group

China increasingly reliant on bauxite imports

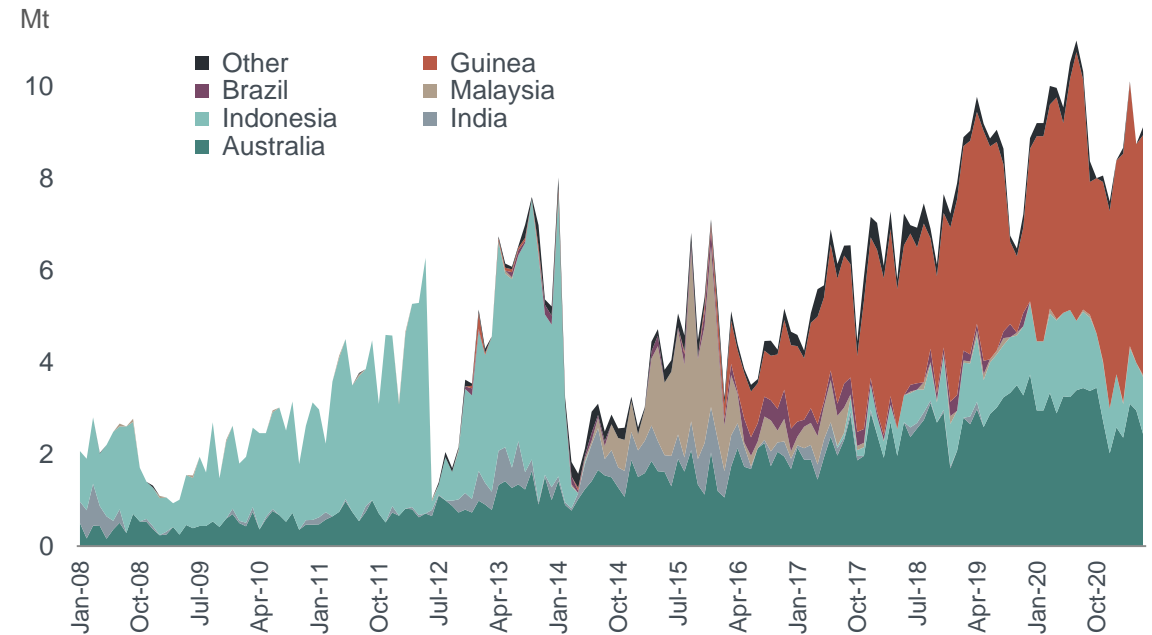
Guinea bauxite increasingly satisfying Chinese demand

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 less competitive relative to imported bauxite as landed prices fall

Monthly Chinese bauxite imports by origin



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



Business overview

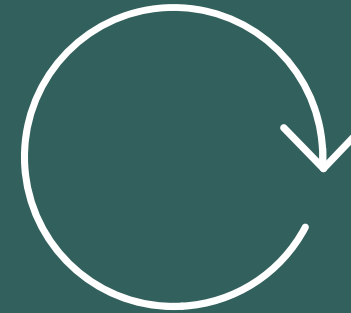


Hydro – Group



Profitability

ROACE > 10%

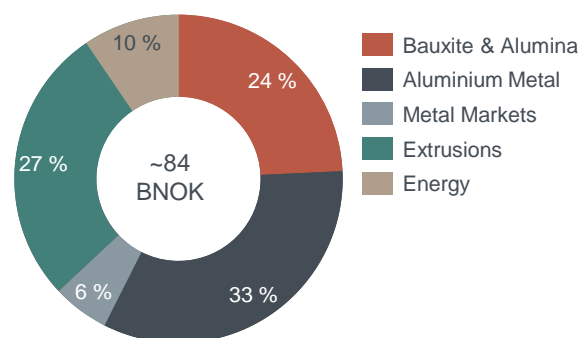


Sustainability

CO₂ - 30%

Capital return dashboard Q3 2021

Capital employed¹⁾



Capital returns adj. RoaCE

12.7%²⁾

10% target over the cycle

Balance sheet adj. ND/EBITDA

0.6³⁾

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

Free cash flow YTD 2021

5.8 BNOK⁴⁾

Improvement program

Ahead of 5.1 BNOK
2021 target

2021 target 5.1 BNOK
2025 target 7.4 BNOK

Net operating capital

7.2 BNOK cash build
YTD 2021

Impacted by high aluminium prices.
Continuous working capital
optimization

Capex

4.1 BNOK spent
YTD 2021

2021 guidance of ~7.5 BNOK

Shareholder payout

2020 Dividend
NOK 1.25 share⁵⁾

50% payout ratio over the cycle
1.25 NOK/share dividend floor

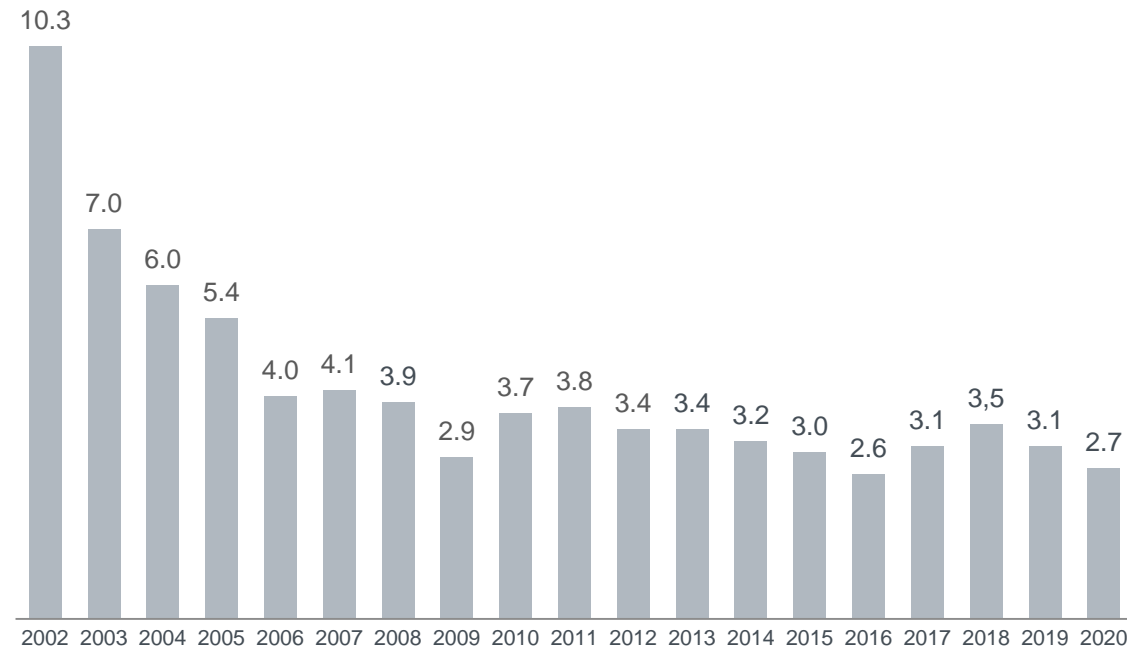
- 1) Graph excludes (2.0) BNOK in capital employed in Other & Eliminations
- 2) Adj.RoaCE calculated as adjusted EBIT last 4 quarters less underlying tax expense adjusted for 30% tax on financial items / average capital employed last 4 quarters. Figures for 2020 as reported, capital employed Q1 2021 excluding assets held for sale and liabilities in disposal groups.
- 3) Average adjusted net debt last 4 quarters / total adjusted EBITDA last 4 quarters. Figures for 2020 as reported.
- 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) Paid in May

Safe and responsible operations is a top priority



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

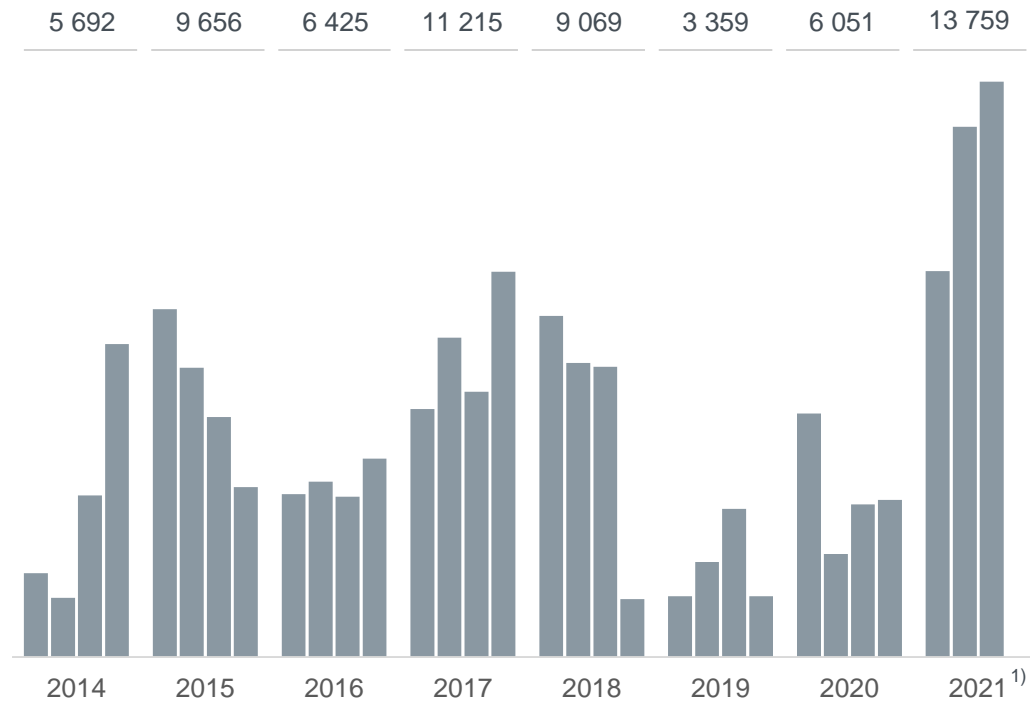
TRI Rate¹⁾



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 EBIT quarterly, NOK billion



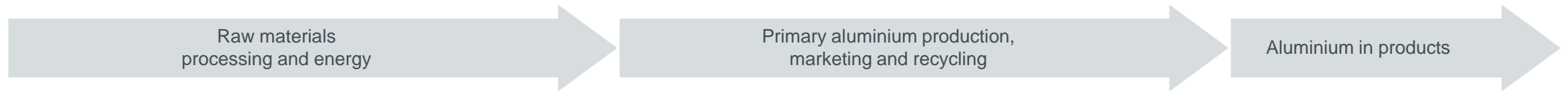
1) 2021 excluding Hydro Rolling (2014-2020 as reported)
 2) As per Oct 21, 2021



- Based in Norway, involved in activities in more than 40 countries
- Operating revenues¹⁾
 - 2020: NOK 138 billion
 - 2019: NOK 150 billion
- ~34 000 employees
- Current market capitalization
 - ~NOK 136 billion/ USD ~16 billion²⁾

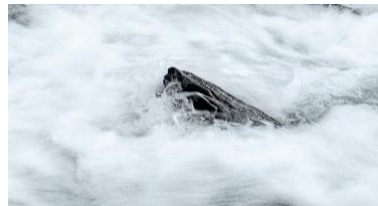
The aluminium value chain

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



Bauxite & Alumina

- High quality Gibbsite bauxite
- Bauxite capacity 10.8 million tonnes (100% Paragominas and 5% MRN)
- World's largest alumina refinery outside China with capacity of 6.3 million tonnes
- Long-term sourcing contracts for bauxite and alumina



Energy

- Long-term power supply secured in Norway
- Norway's third largest operator of hydropower with 12.9 TWh
- Norway's fifth largest hydropower producer – ~9.4 TWh normal renewable energy production
- Ownership in Lyse Kraft DA, the third largest hydro power producer
- New business opportunities within renewable and batteries/storage solutions



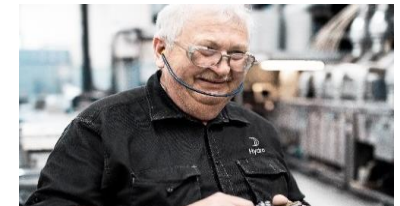
Aluminium Metal

- 2.3 million tonnes primary capacity
- Karmøy Technology Pilot testing world's most climate and energy efficient aluminium production
- High LME and USD sensitivity
- Improving cost position
- Leading in technology



Metal Markets

- ~3.3 million tonnes (primary, remelt, recycling and cold metal)
- Expertise in materials
- Flexible system
- Strengthening recycling position
- High share value-add products
- Strong marketing organization
- Risk management
- Strong market positions in Europe, Asia and the US



Extrusions

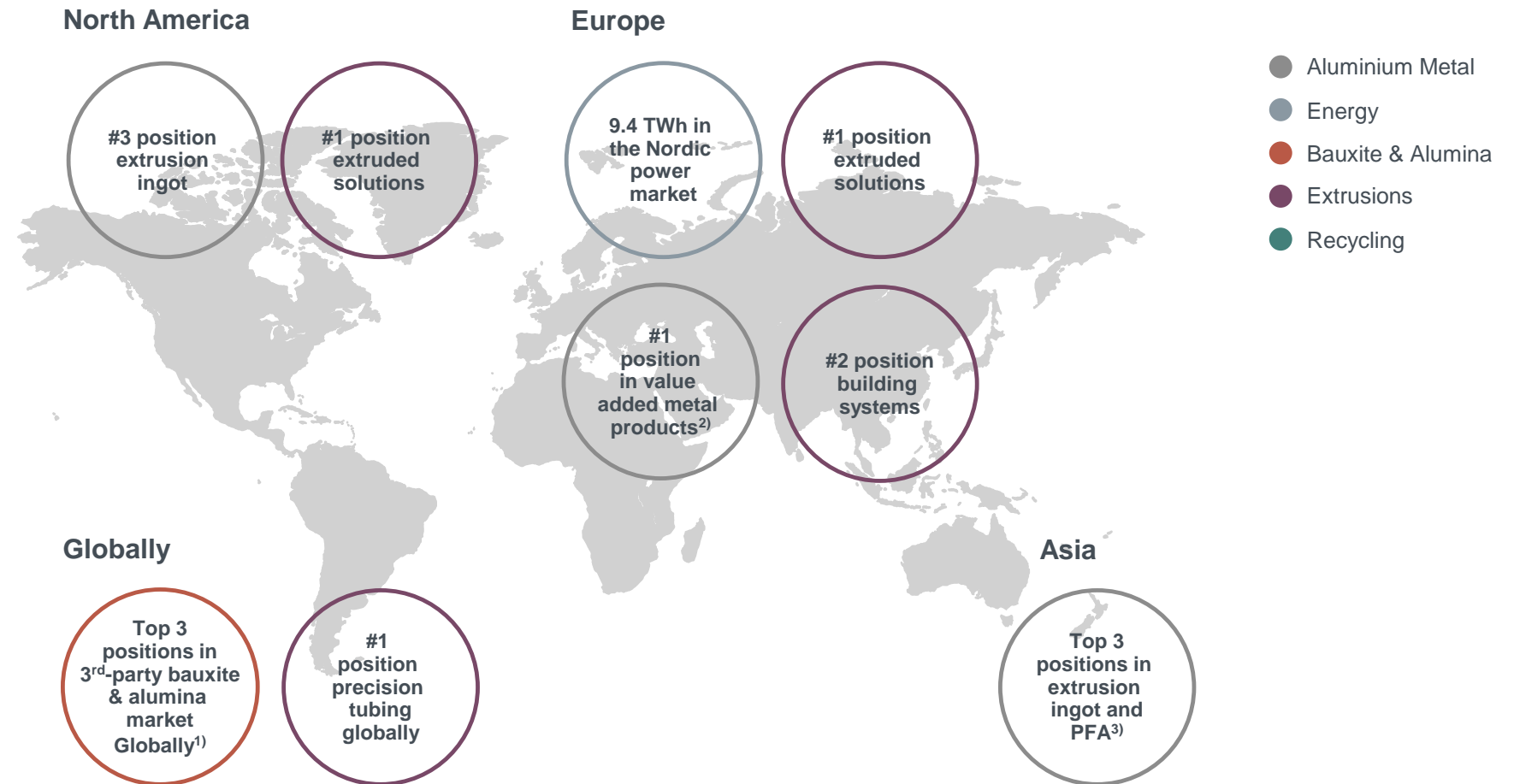
- 1.3 million tonnes
- No. 1 position in North America and Europe
- Solid foothold in emerging markets

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

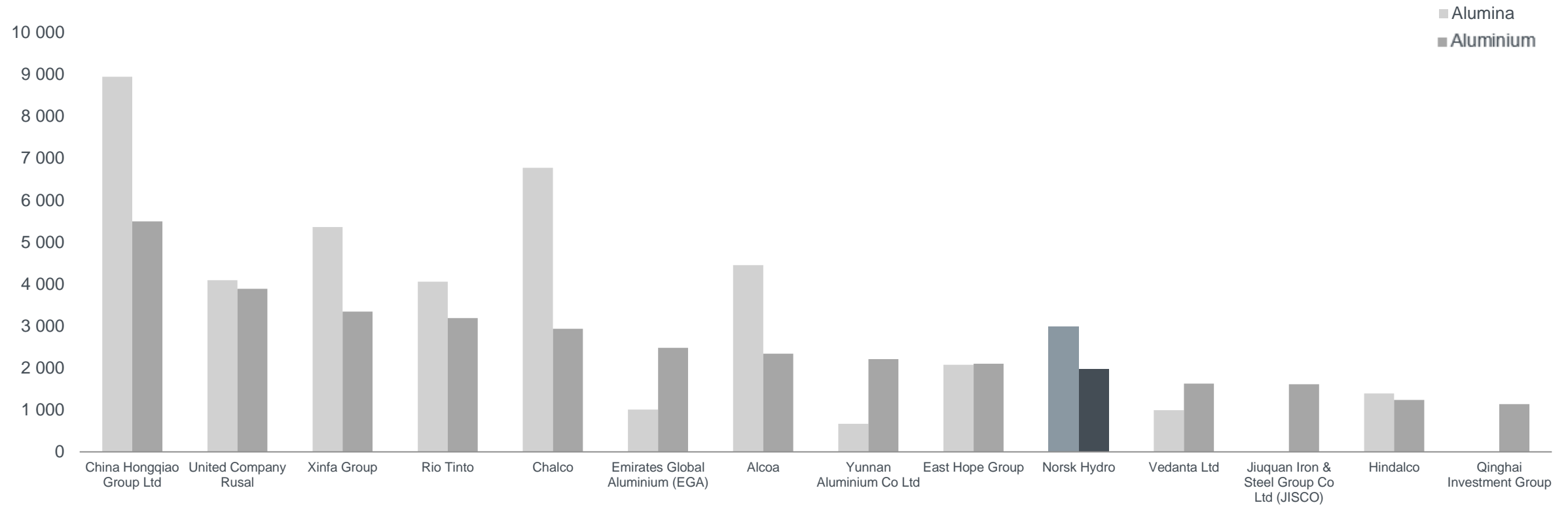


1) Outside China
 2) Extrusion ingot, sheet ingot, primary foundry alloys and wire rod
 3) Primary Foundry Alloys

Hydro - the fifth largest aluminium producer outside China



Equity production in 2020 in aluminium equivalents, thousand tonnes

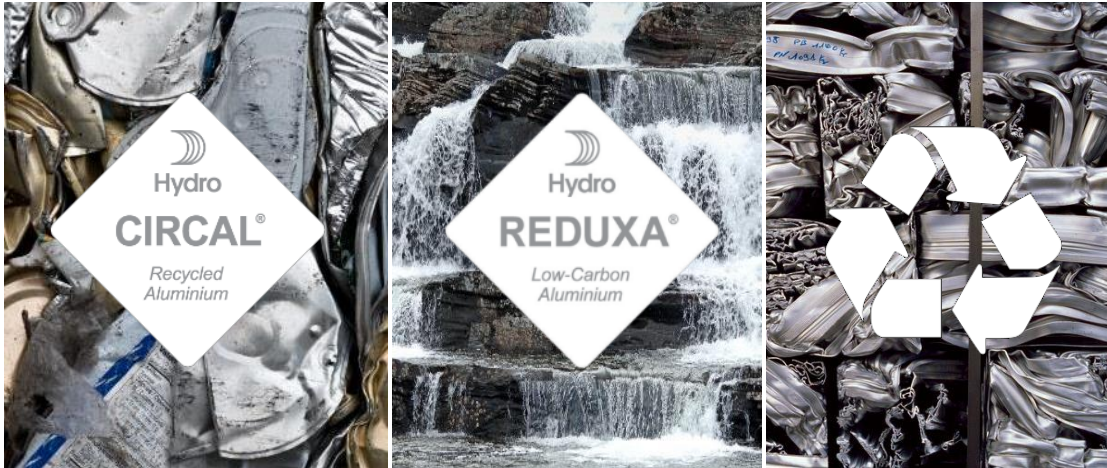


Source: CRU
 Hydro with Alunorte at 6.3 million mt
 Ala to Al conversion factor: 1.925

Hydro's strategic direction toward 2025

Seizing opportunities where our capabilities match megatrends

1 Strengthen position in low-carbon aluminium



2 Diversify and grow in new energy



Profitability &
Sustainability

Strengthening position in low-carbon aluminium

Main priorities

1 Cost-competitive asset base



- Safety, compliance and operational excellence
- 1st and 2nd quartile cost in B&A and AM
- Secure competitive power and raw materials
- Fixed cost

2 Strong market positions



- Deliver innovative solutions, build on strong customer collaboration
- Grow in automotive and e-mobility solutions
- Further explore substitution potential

3 Sustainable footprint



- Source renewable based power
- Innovation driving expanded product offering of CIRCAL and REDUXA
- Increase recycling



Diversifying and growing into new areas

1 Renewables



2 Batteries



3 Hydrogen



Capital allocated according to strategic modes



Strategic modes reflect global megatrends and high-return opportunities

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



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

Additional volumes on BRL/USD hedge in the quarter



- Aluminium hedges of 250-490 kt/yr 2021-23 in place per September 30
 - 2021: 250 kt hedged at a price of ~2000 USD/t
 - 2022: 490 kt hedged at a price of ~2200 USD/t
 - 2023: 460 kt hedged at a price of ~2200 USD/t
 - 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 (secured during Q3)
 - 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



Sustainability: the basis for our future positioning



Social responsibility



Environment



Climate



Sustainability in the marketplace: our greener products portfolio

Delivering on environmental ambition

Special focus on Brazil

Tailings dry backfill

- Industry pioneering project eliminating the need for new large dams for storage of bauxite tailings

1:1 rehabilitation of available mined out areas

- On track with respect to target of rehabilitating available areas within two years of initial mining

Bauxite residue management – target of 10% utilization from 2030

- Ongoing studies on bauxite residue alternative uses

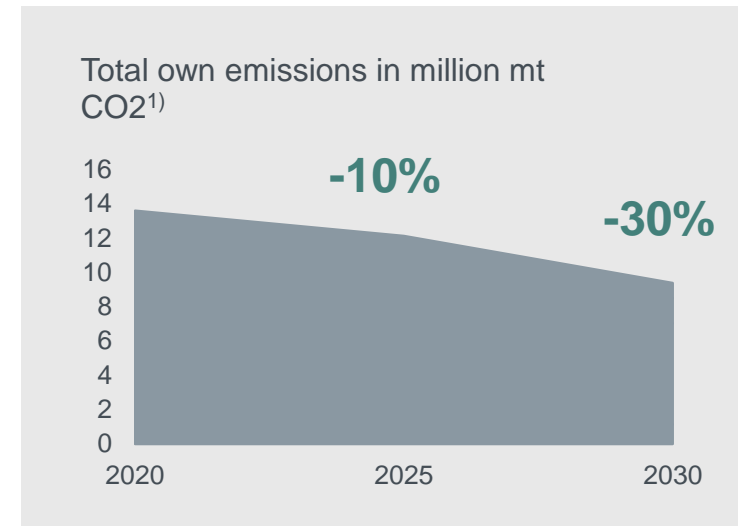


On track to deliver our 2030 climate ambition

Goal to also reduce CO2 emissions by 10% by 2025

Greener energy mix at Alunorte key enabler for the 30% reduction by 2030

- Fuel switch project replacing heavy fuel oil with liquid natural gas
 - Project on track to reduce 600 thousand tonnes CO2 by 2025
- Installation of three electrical boilers
 - Potential to reduce additional 400 thousand tonnes CO2 by 2025
 - Pilot installation planned in 2021
- Electrification of remaining coal boilers
 - Additional 2 million tonnes CO2 reduction by 2030
 - Key enabler of 30% reduction target
- MoUs signed to develop solar/wind projects to deliver renewable energy at attractive cost



R&D for low or zero-carbon technology towards 2050

Exploring different paths

- Carbon Capture and Storage
- Carbon Capture and Utilization
- Biocarbon anodes
- Carbon-free process

Greener products: From REDUXA 4.0 to 2.0



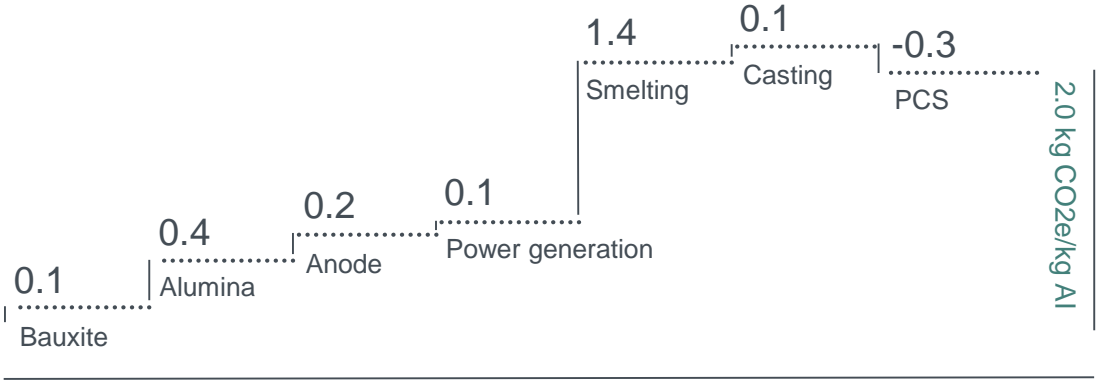
New energy mix in Alunorte important enabler to reach 2.0

From REDUXA 4.0



Typical production values

Towards REDUXA 2.0 by 2030



Potential production values

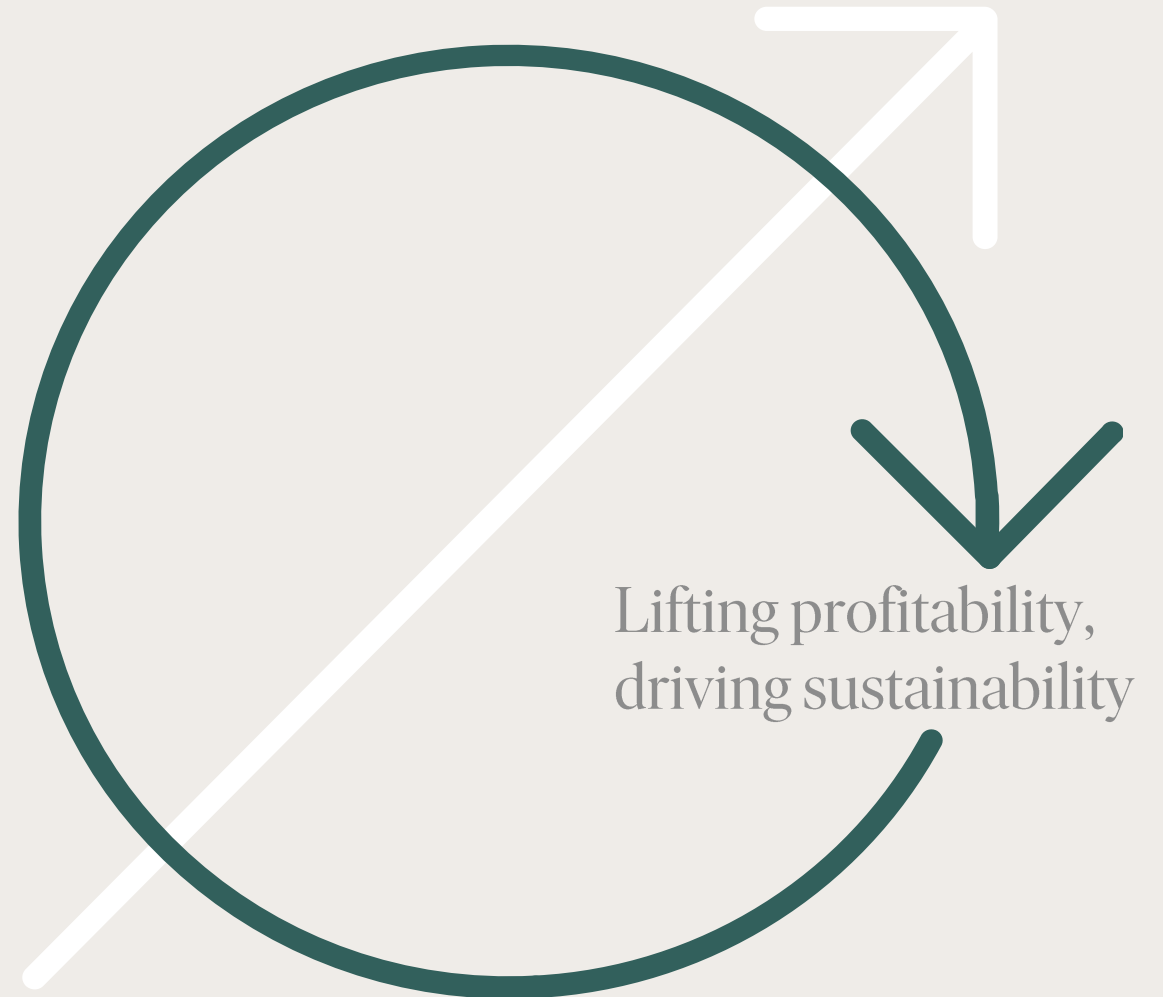
Hydro 2025 – key strategic priorities

Deliver on three value-creation levers

Achieve 10% RoaCE target over the cycle

Reduce CO2 emissions by 30% by 2030

Meet and shape demand for greener products



Why invest in Hydro?



Attractive asset base



Strong market positions downstream



Greener products leadership



Robust cash position and balance sheet



Strong shareholder focus



Sustainable growth journey



1) Growth segments including automotive, and building & construction, based on 2019 exposures 2) Investment grade



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

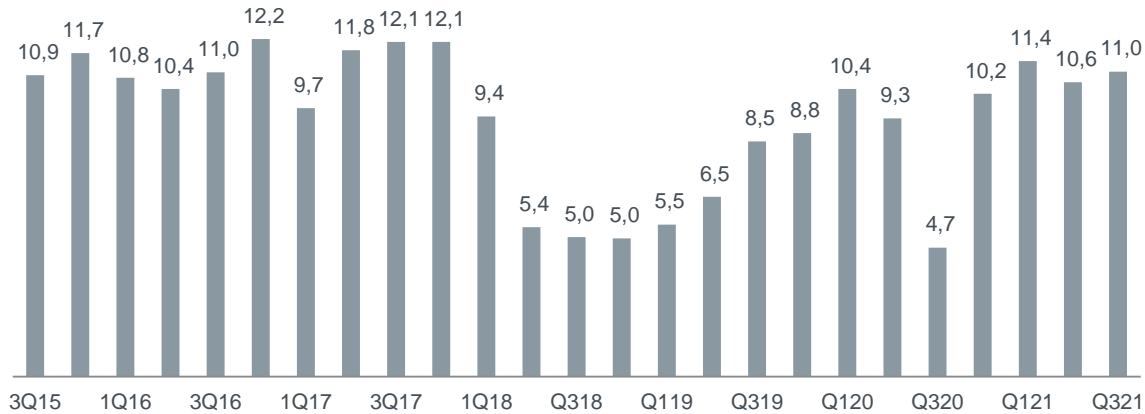
* Alunorte and Paragominas produced at 50% capacity from March 2018 to May 2019 due to a 50% production embargo on the Alunorte refinery. The production embargo was lifted in May 2019.

Improved production after extended pipeline maintenance in Q3 2020



Bauxite production in Paragominas

Annualized million tonnes

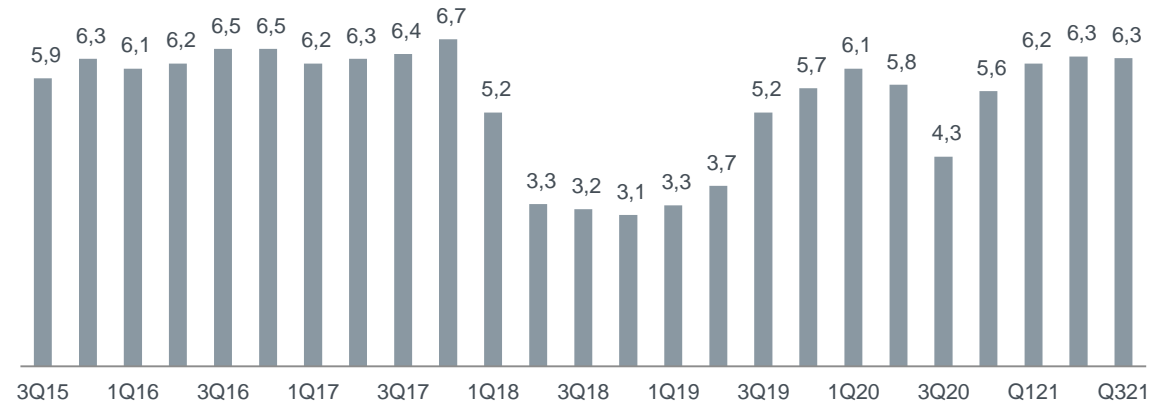


Paragominas bauxite mine

- 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

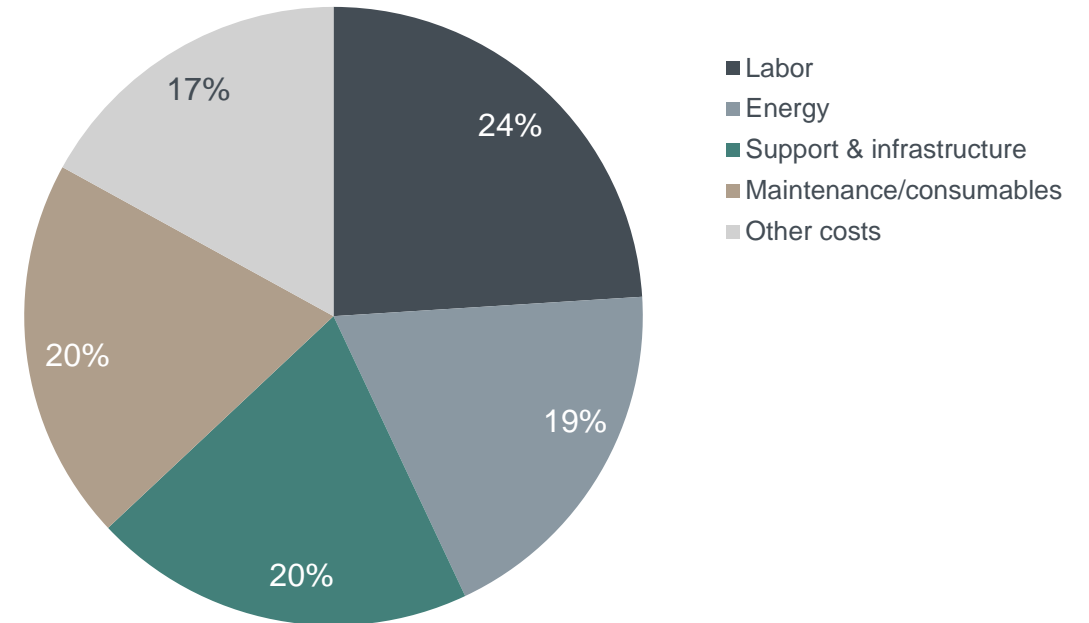
- Production affected by 50% Alunorte embargo from March 2018 – May 2019
- Production affected by extended pipeline maintenance from August to October 2020

* Extended maintenance period in March / April 2015 resulted in lower bauxite production

Bauxite operational mining costs in Paragominas

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

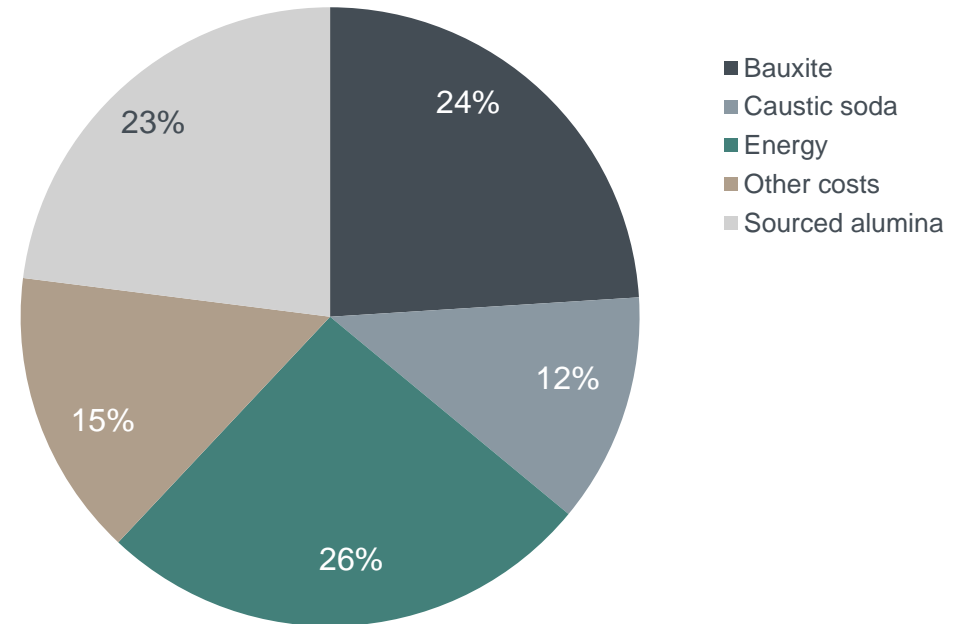
Indicative Paragominas bauxite mining costs



Favorable integrated alumina cost position

- Implied alumina cost 2020 - USD 221 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
 - First-quartile energy consumption – 8 GJ/mt
 - 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

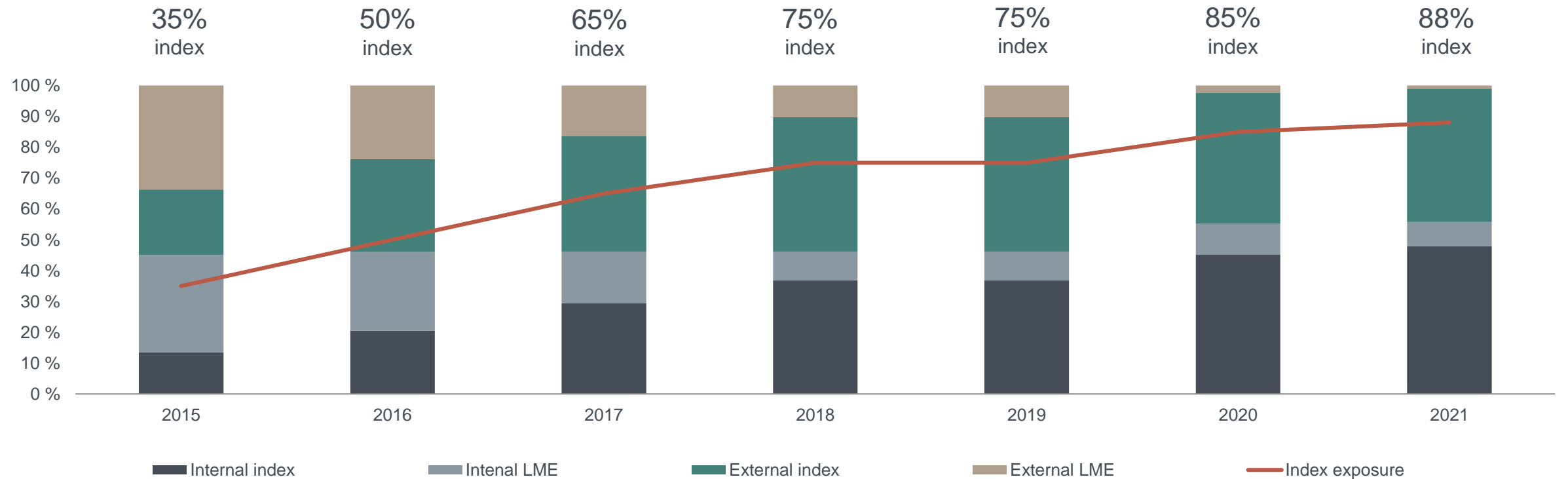
- Pricing should reflect bauxite and alumina market fundamentals
- Selling surplus MRN bauxite externally
 - Premium for high bauxite product quality
 - Majority sold to customers in the Atlantic basin
 - Mostly term contracts based on % of PAX and/or fixed USD/mt element
- Selling 3-4 million mt/yr 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⁾

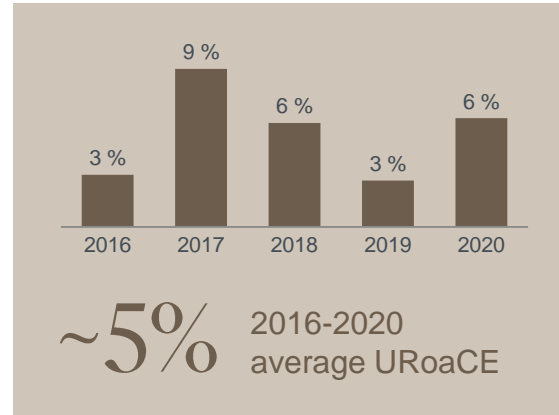
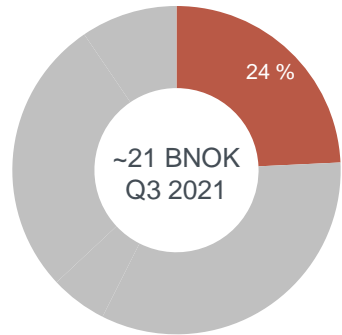


1) Rounded figures. Indicating volumes available for index pricing. Includes minority sales priced at % of LME with floor. Based on annual sourced volumes of around 2.5 mill t, assuming normal production at Alunorte.

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

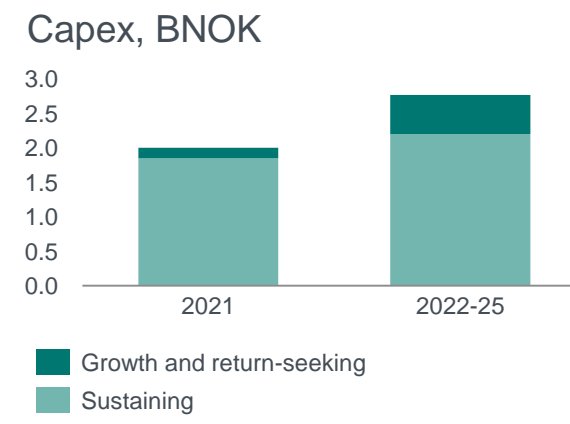


Adj. RoaCE > CoC

10-11%
Nominal long-term cost of capital

3.0 BNOK
on EBITDA by 2025 in improvement potential

Fuel switch project supporting improvement program and sustainability targets



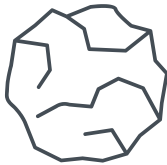


Energy

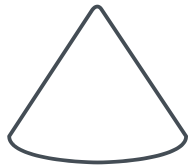
Energy is a key differentiator in the aluminium industry



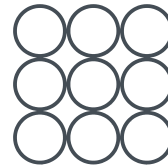
Center of energy excellence in Hydro



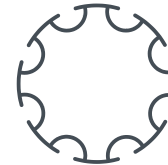
Bauxite



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

Hydro's global primary energy demand



Spanning the entire aluminium value chain, all global regions and energy carriers

Hydro's total energy portfolio amounts to 252 million GJ per year. By contrast only 15% of this is captive hydropower in Norway (10 TWh)

North America

Power 2.2 TWh
Natural gas 7.2 million MMBtu



South America

Power 3.4 TWh
Coal 434 thousand tonnes
Fuel oil 2.8 million BOE



Europe

Power 20.5 TWh
Natural gas 12.7 million MMBtu



Middle East

Natural gas 41.5 million MMBtu



Australia/Asia

Power 1.1 TWh



Primary energy is defined as energy production plus energy imports, minus energy exports.

Values are listed in its conventional trading unit. Electrical energy: 1 MWh = 3.6 GJ, MMBtu = Million British thermal units = 1.06 GJ, ton=metric ton thermal coal = 28 GJ, BOE= Barrel of Oil Equivalent = 6.12 GJ.

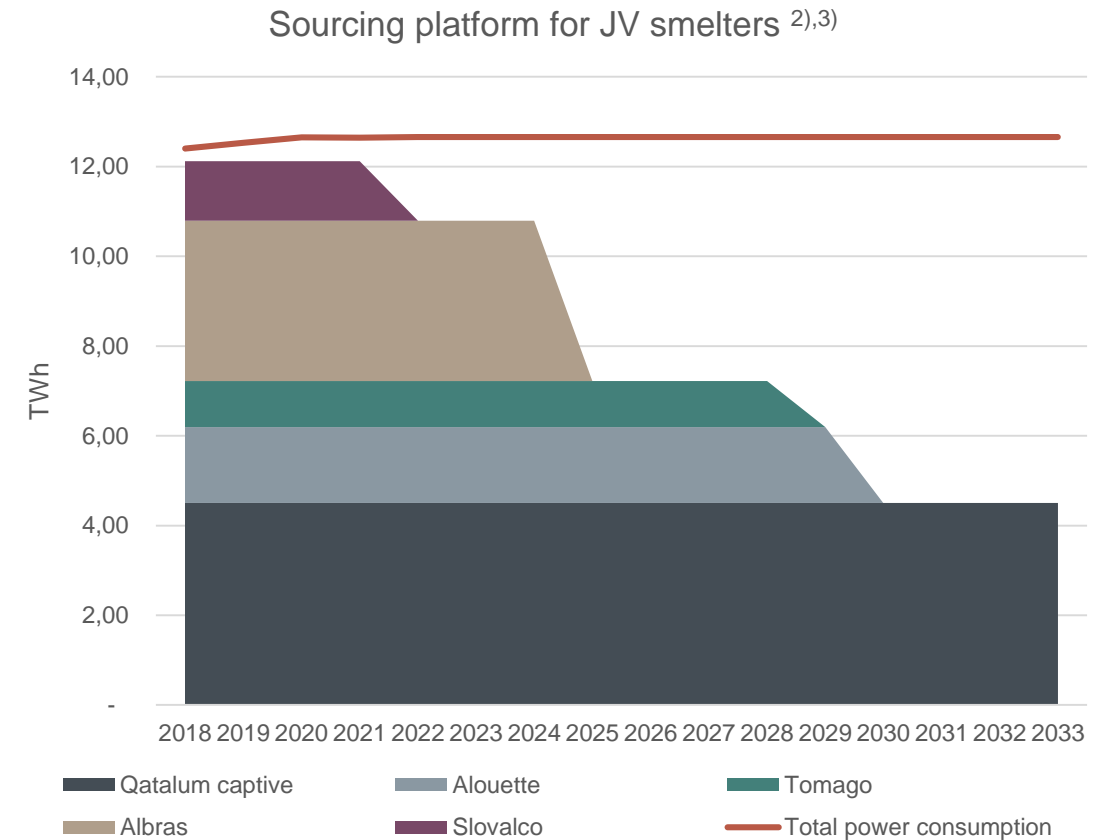
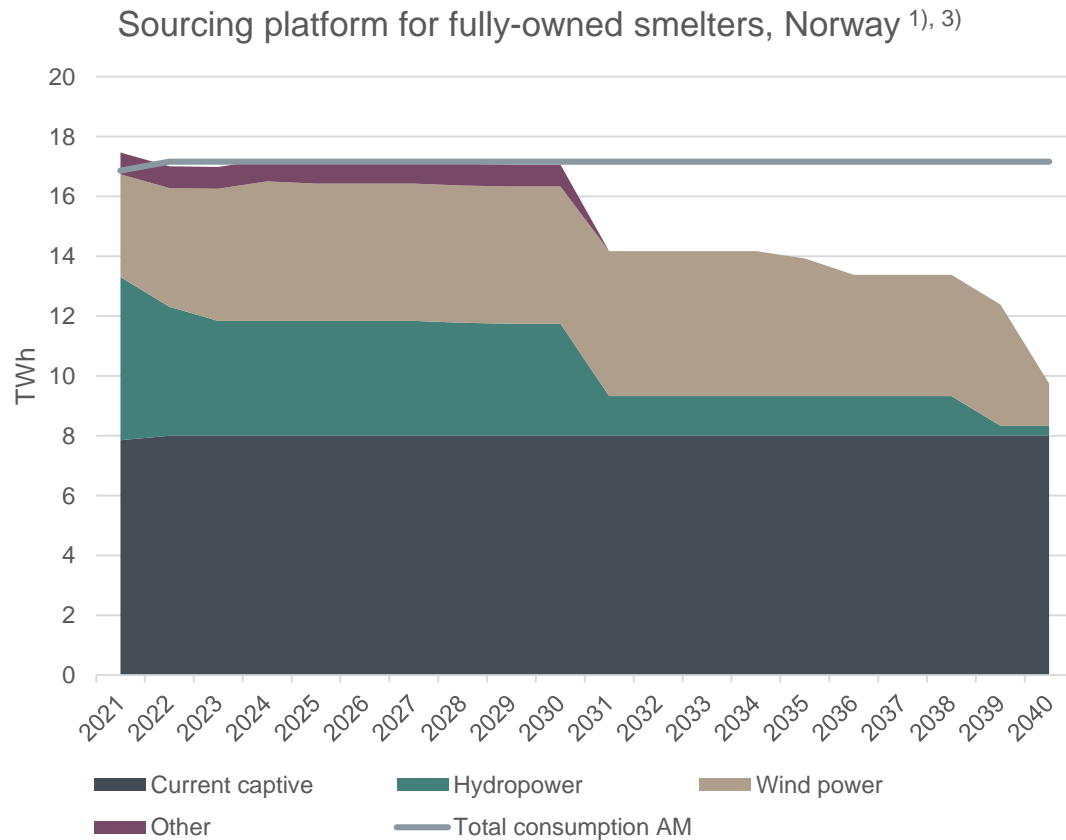
Bar charts are represented in the equivalent primary energy size for each category.

Based on equity-adjusted 2019 values for Norsk Hydro's bauxite mines, alumina refineries, smelters, remelters, rolling mills and extrusion plants.

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) Albras and Slovalco on 100% basis
 3) Adjusted for sale of rolled products

Overview of Hydro's hydropower portfolio

Lower captive volume and higher operator volume post transaction

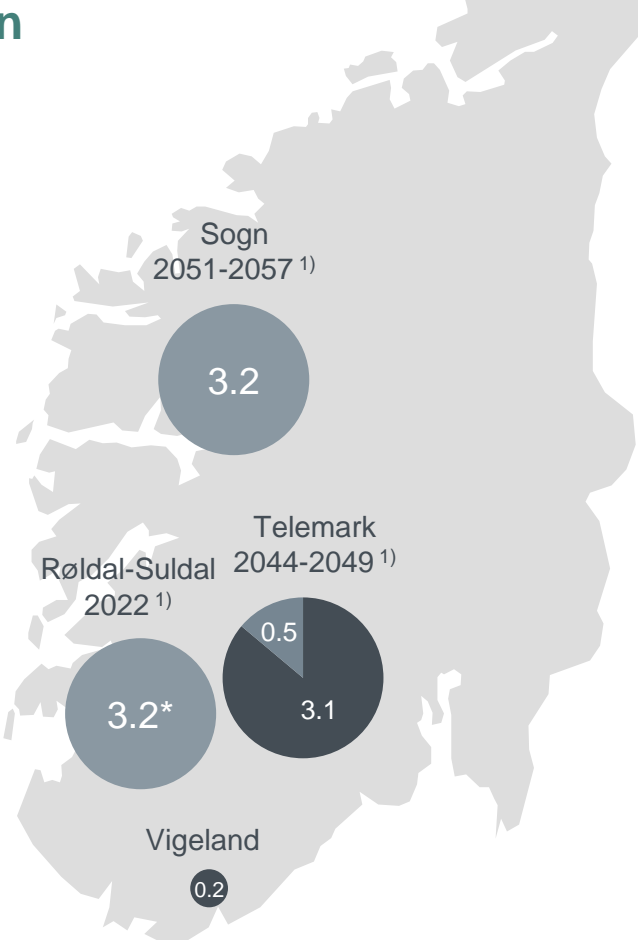
Before the transaction

Normal annual production,
Equity share

10.2 TWh

Operator hydropower

10.5 TWh



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

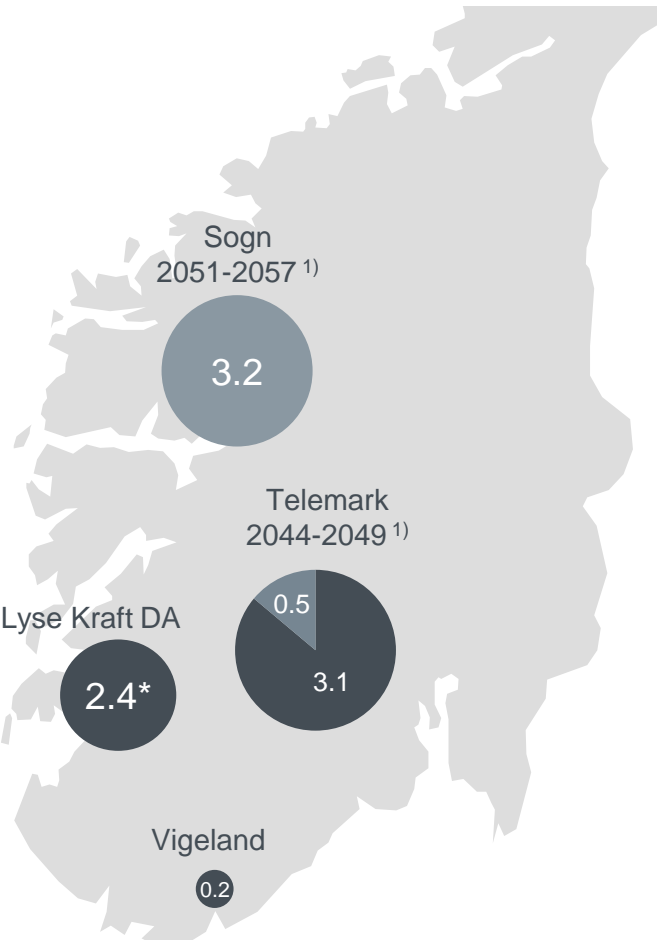
After the transaction

Normal annual production,
Equity share

9.4 TWh

Operator hydropower

12.9 TWh



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

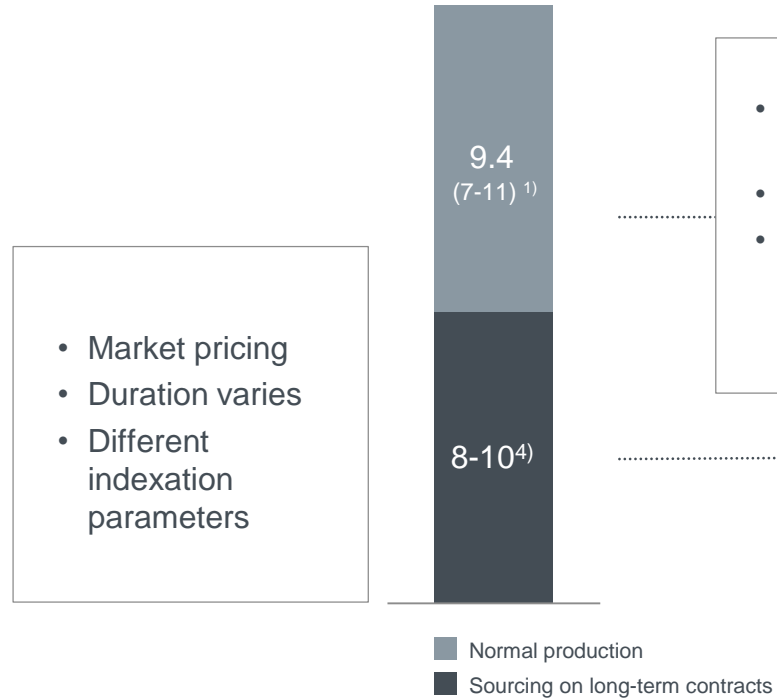
1) Reversion year
* Production figures for RSK and Lyse Kraft DA are based on a historical average reference as assumed in the transaction. Figures for Sogn and Telemark reflect estimated middle production

Market pricing principle applied to internal contracts

Based on external price references

Sourcing side

TWh

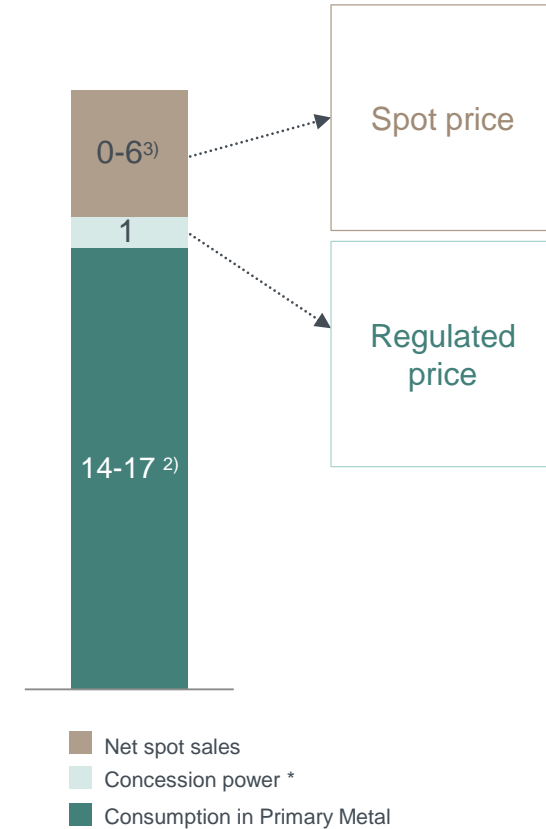


Revenue side

TWh

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

Mainly Back-to-back



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 (incl. Karmøy pilot plant)

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

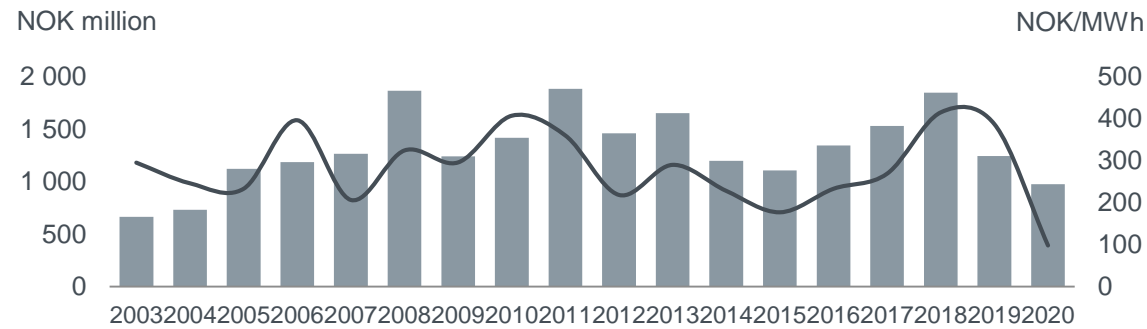
4) Depending on status of sourcing

* Includes legacy external contracts

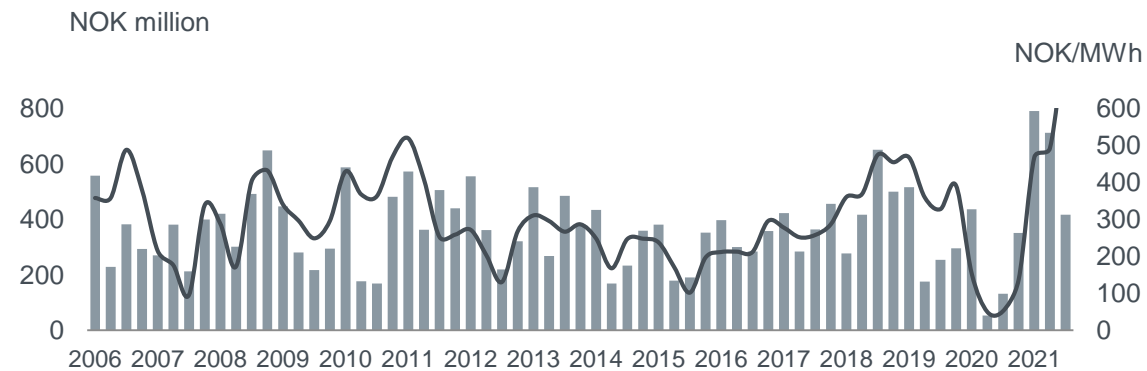
Energy earnings drivers



Adjusted EBIT¹⁾ and spot price



Adjusted EBIT and spot price



■ Adjusted EBIT — Spot price

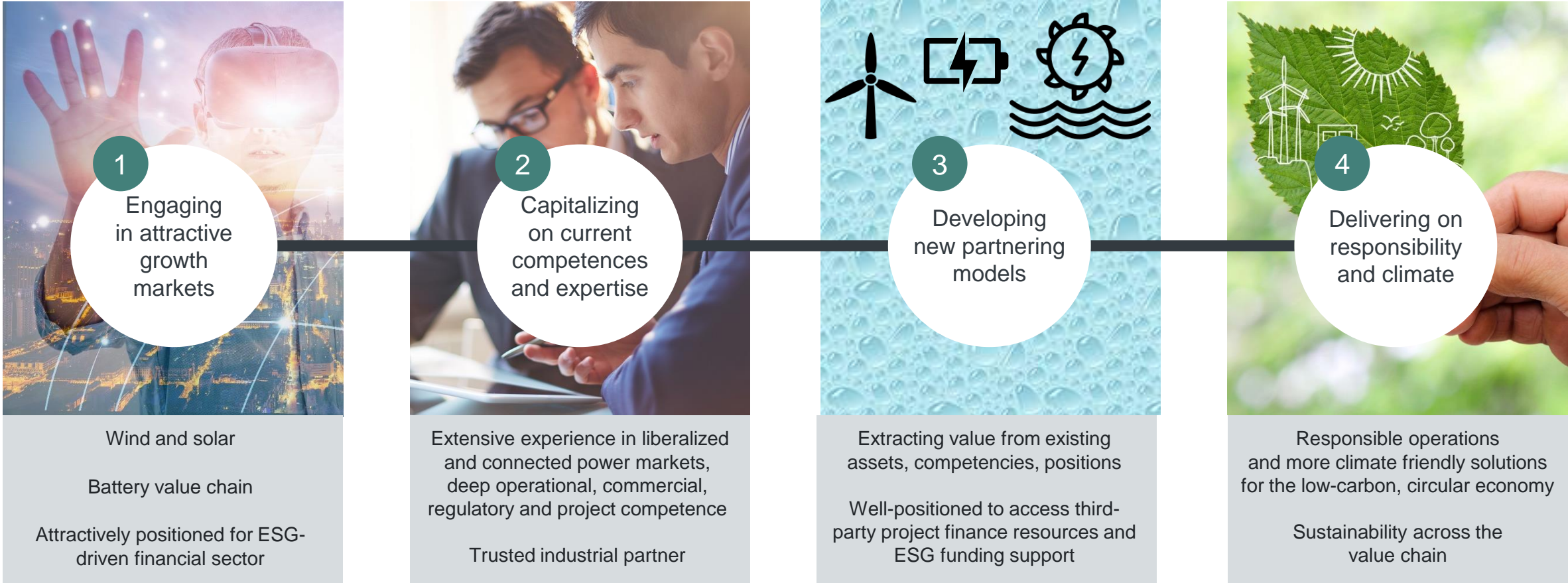
- Production and market prices strongly linked to hydrological conditions
- Fairly stable annual EBIT contribution
- Seasonal market variations in demand and supply
- Occasional delink between area prices
- Power portfolio optimized versus market
- Stable and competitive cost base:
 - Mainly fixed costs
 - Volume-related transmission costs
- Expiry of legacy supply contract entered in 2008 will have positive effect of ~NOK 650 million²⁾ from 2021
- New 8 TWh internal contract for power sales to Aluminium Metal in Norway effective from 2021-30

1) Adjusted EBIT 2006 based on USGAAP 2) Compared to 2020

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

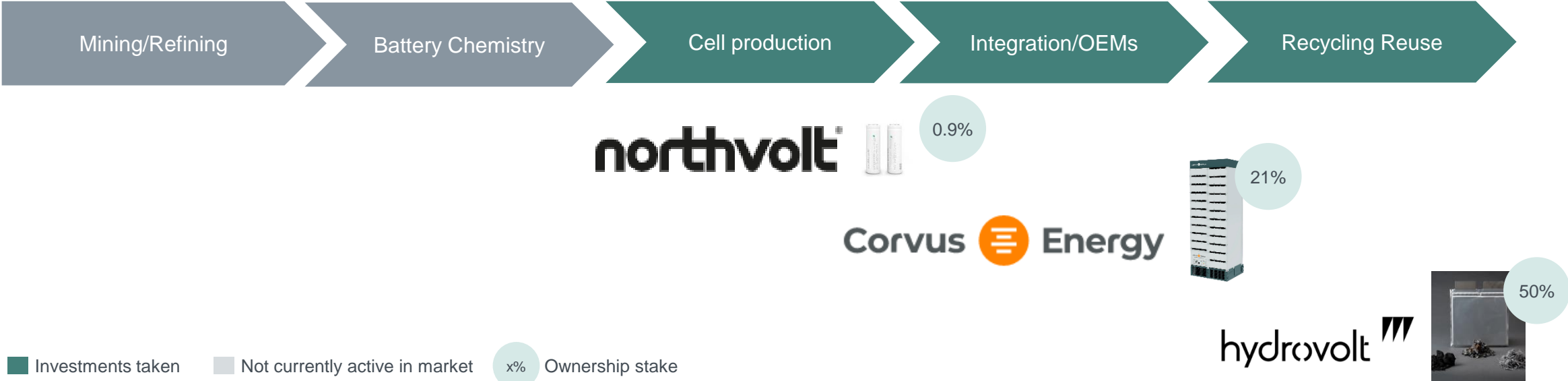
Industrial experience from integrated value chain

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

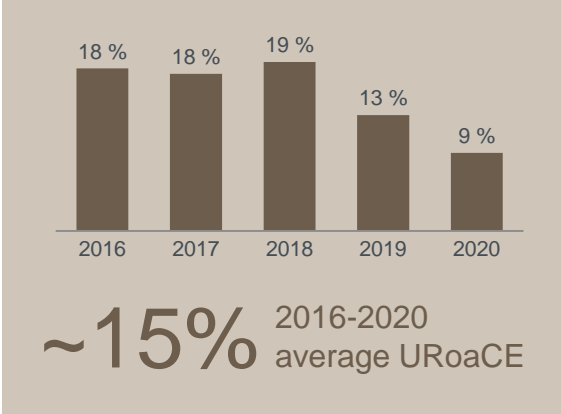
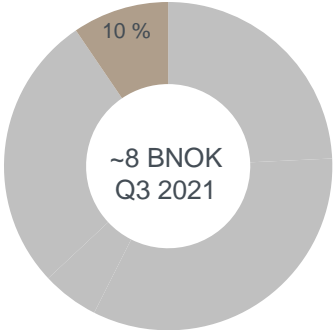


Capital return dashboard for Energy



Returns above the cost of capital reflecting the depreciated asset base

Capital employed in Energy

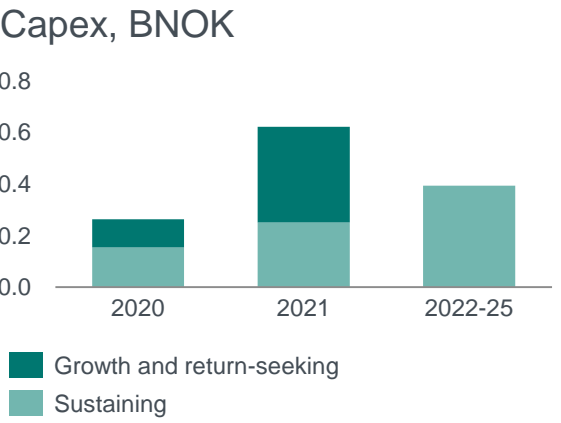


URoCE > CoC

6-7%
Nominal long-term cost of capital

0.1 BNOK
on EBITDA by 2025 in improvement potential

0.7 BNOK
in EBIT upside due to the new contract portfolio from 2021



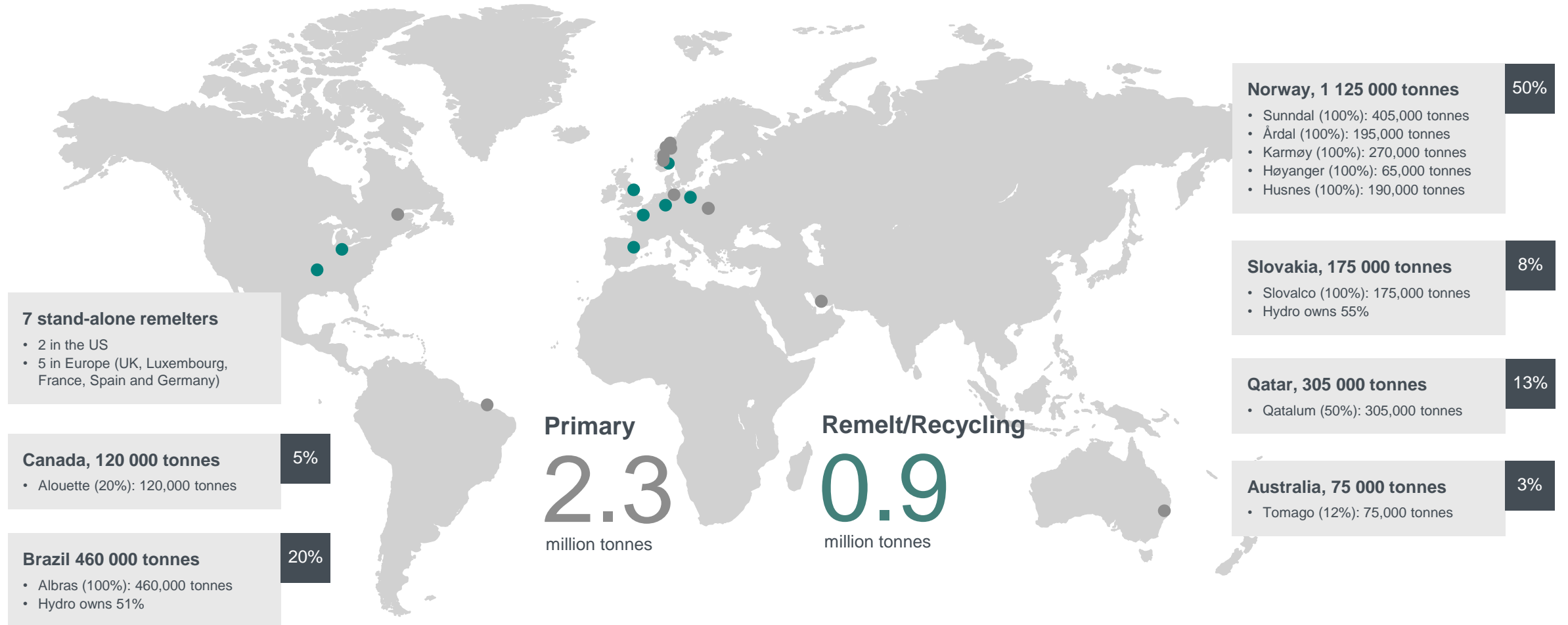


Aluminium Metal

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

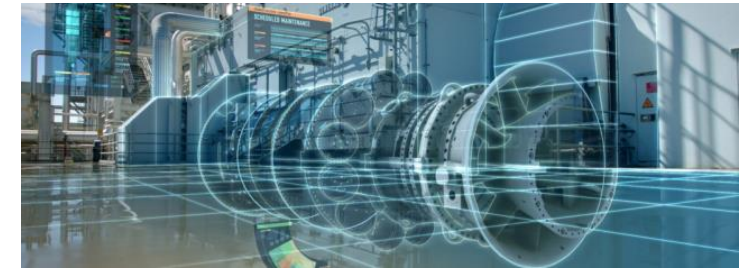
40 ongoing projects



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

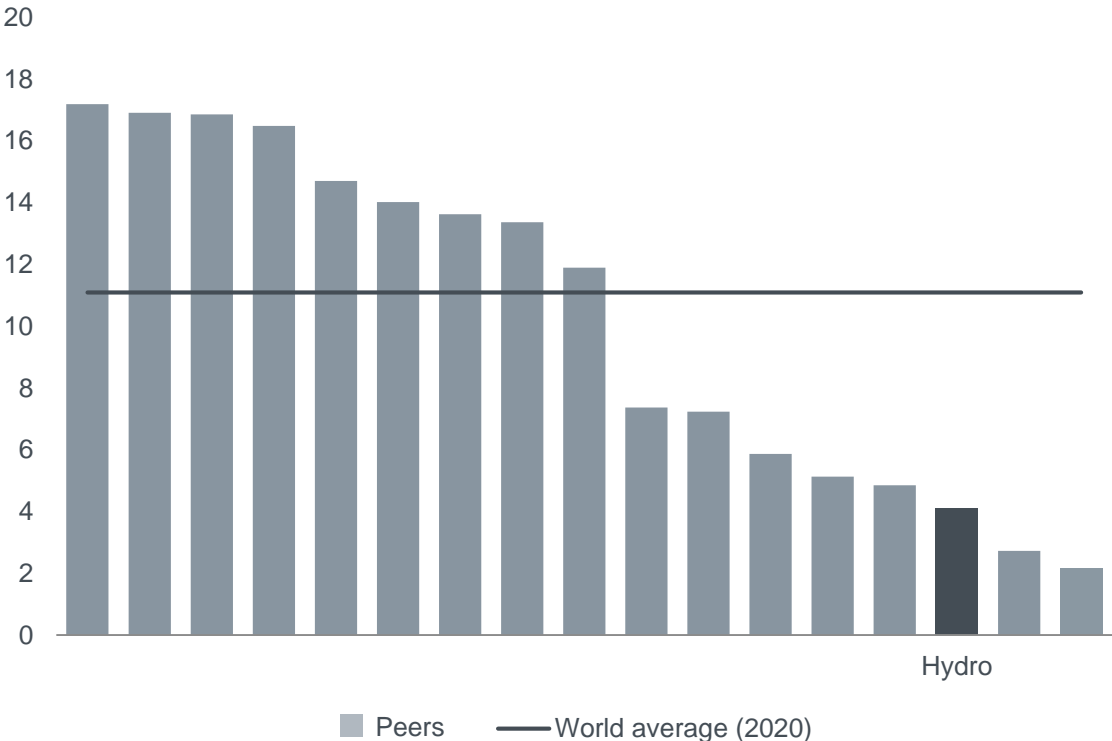
Digital Foundation including Cyber Security

Organization Foundation including Aluminium Metal Digital Academy

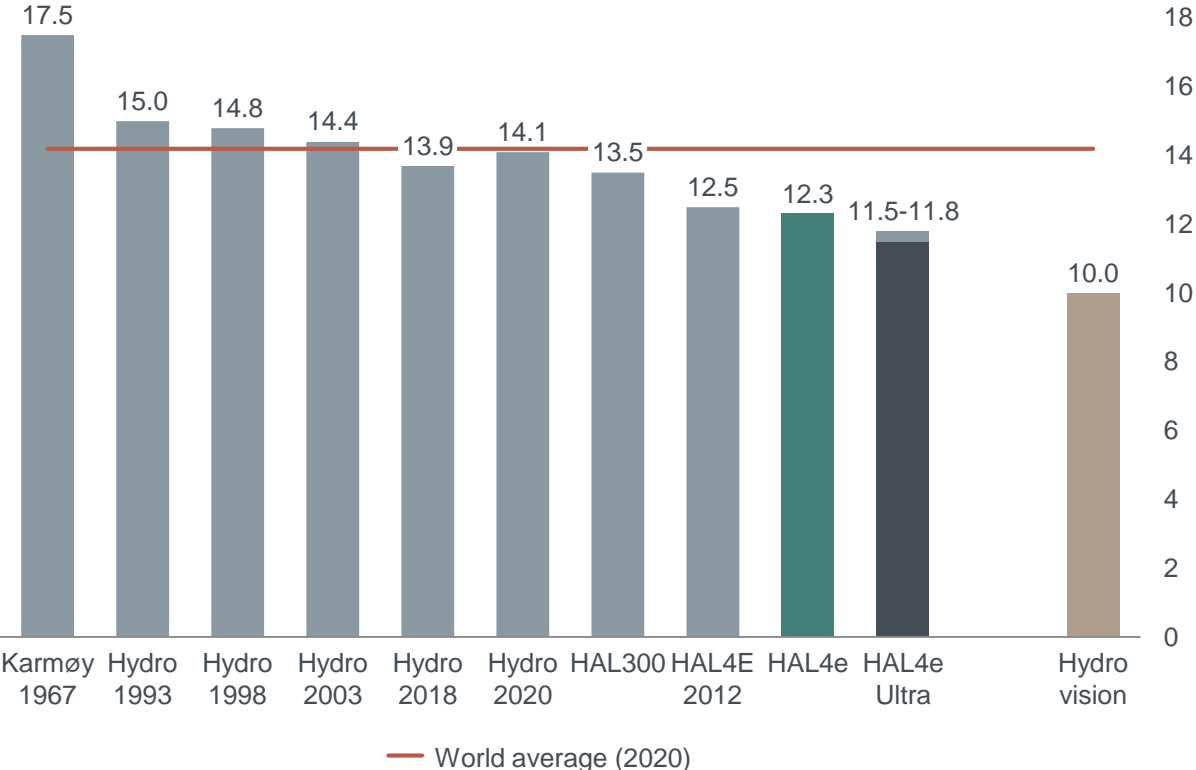
Low carbon footprint due to renewable energy base and industry lowest energy consumption



Total emissions, in tonne CO2/t al



Energy consumption in Hydro smelters¹⁾, kwh/kg al

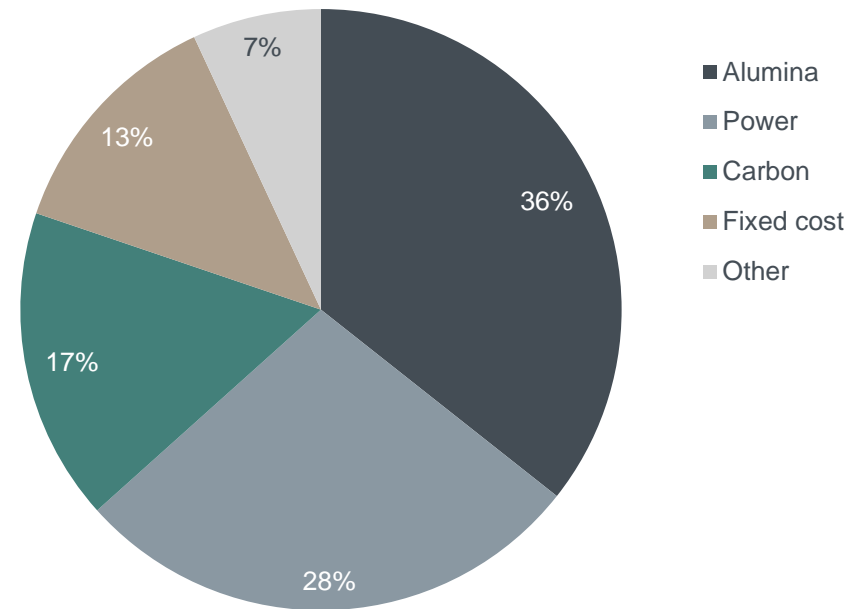


Source: CRU and Hydro analysis
 1) Hydro's consolidated share

Competitive primary aluminium cash cost

- Primary aluminium cash cost 2020
 - All-in implied primary aluminium cash cost¹⁾ USD 1 700 per mt
 - LME implied primary aluminium cash cost²⁾ USD 1 450 per mt
- Alumina
 - Purchases based on alumina index ~75%
 - Purchased based on LME link ~25%
- 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 2020 ³⁾



1) Realized LME aluminium price plus premiums minus adjusted EBITDA margin, including Qatalum, per mt primary aluminium sold

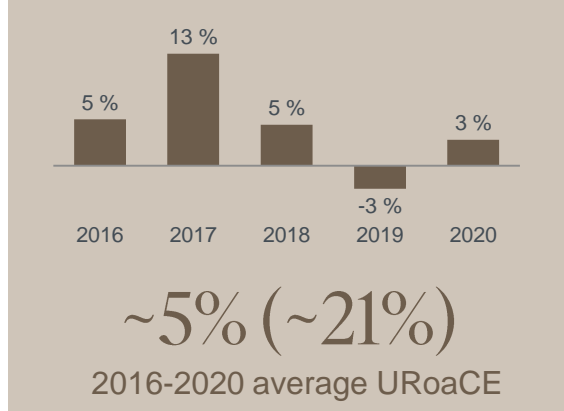
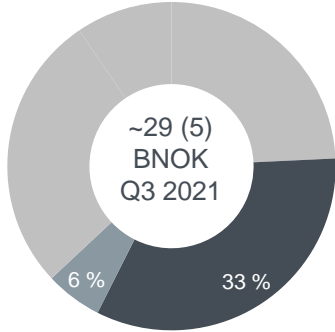
2) Realized LME aluminium price minus adjusted EBITDA margin, including Qatalum, per mt primary aluminium produced

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

Returns below the cost of capital mainly reflecting challenging markets and the Alunorte situation.
 Good returns in recycling

Capital employed in AM (MM)

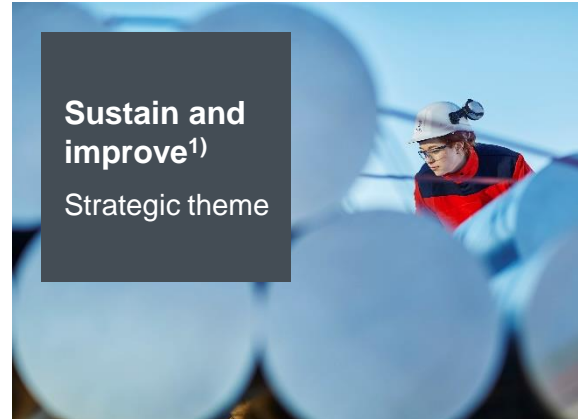
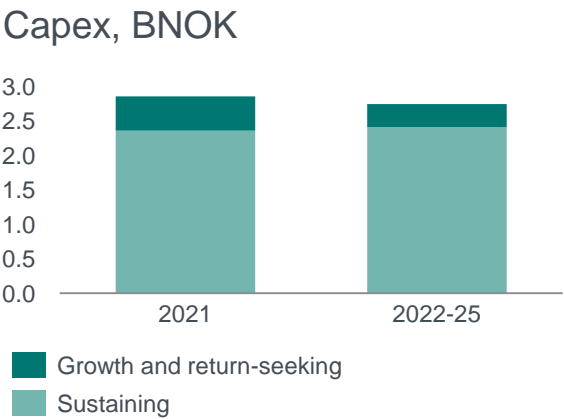


Adj.RoaCE > CoC

10%-11%
 (7-8%)
 Nominal long-term
 cost of capital

3.0 + 0.3
 BNOK
 on EBITDA by 2025 in
 improvement potential and
 commercial ambitions

Potential CO₂
 compensation
 from 2021



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

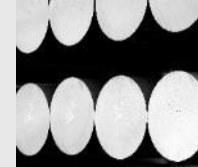
Primary production

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

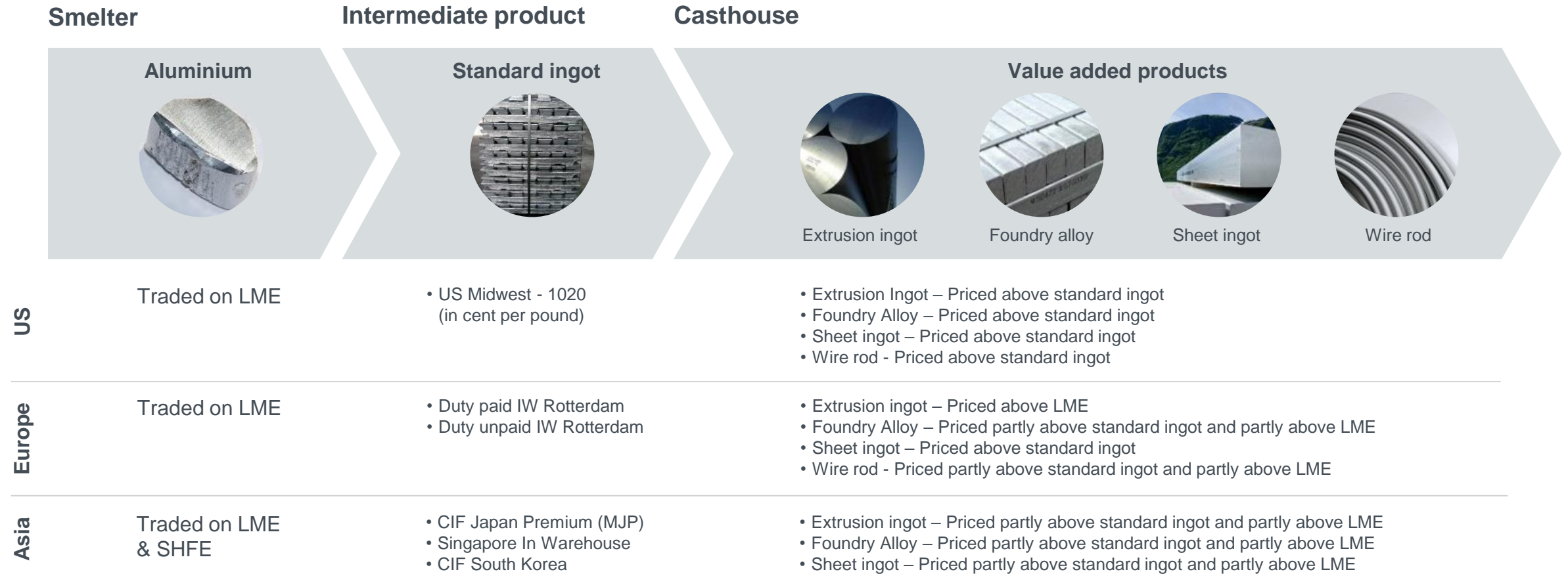
0.4 million mt



Leading global position

Global flow optimization through key positions

Pricing of value-added products

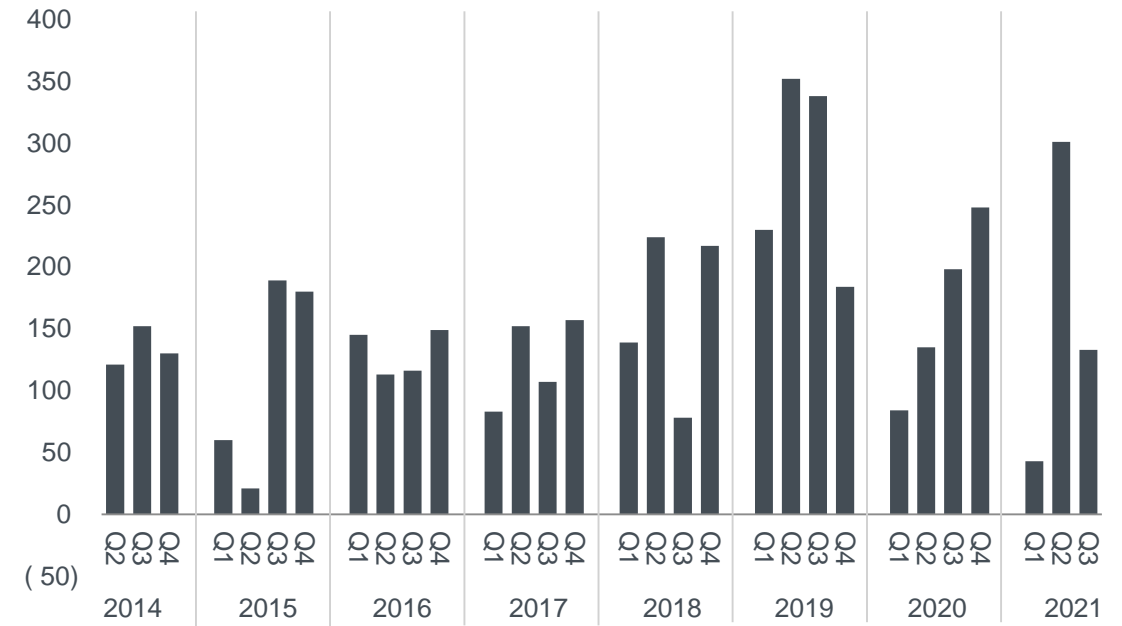


Metal Markets earnings drivers



- 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 EBIT excluding currency effects and inventory valuation effect, NOK million¹⁾



1) Adjusted EBIT ex. currency and ingot inventory valuation effect have been restated for 2014



Hydro Extrusions

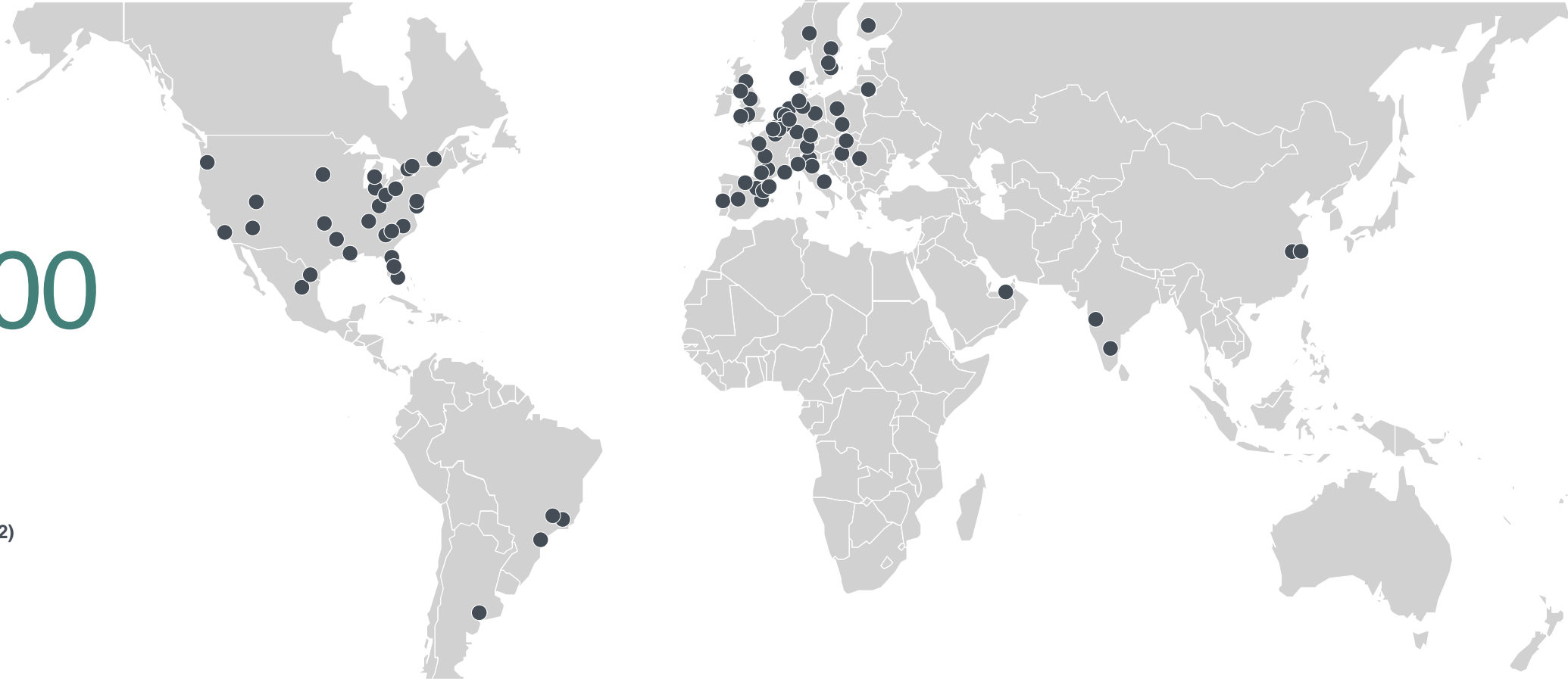
Extrusions – #1 in the global aluminium extrusion industry



Present in
~40
countries

19 800
people ¹⁾

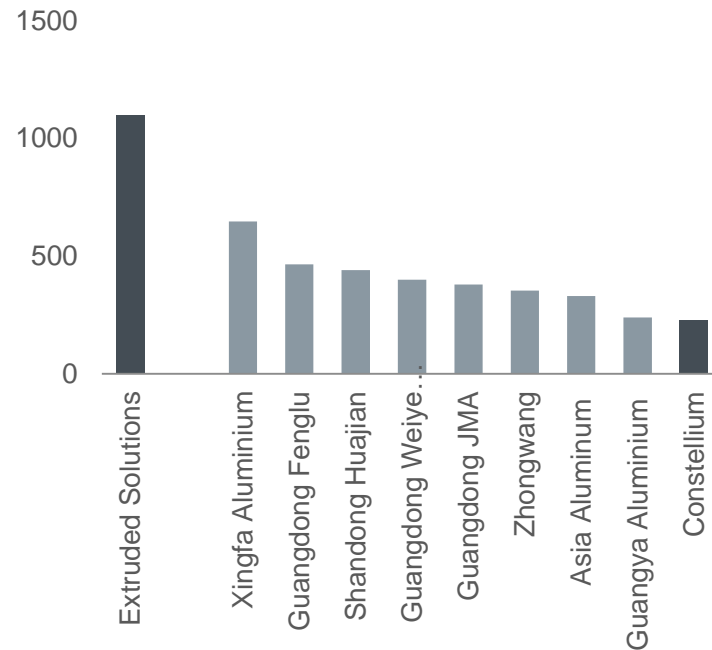
1.1
Million mt sales²⁾



1) Permanent employees as of end-2020
2) Total sales in 2020 – Significantly impacted by Covid-19. Total sales in 2019 at 1.3 million mt

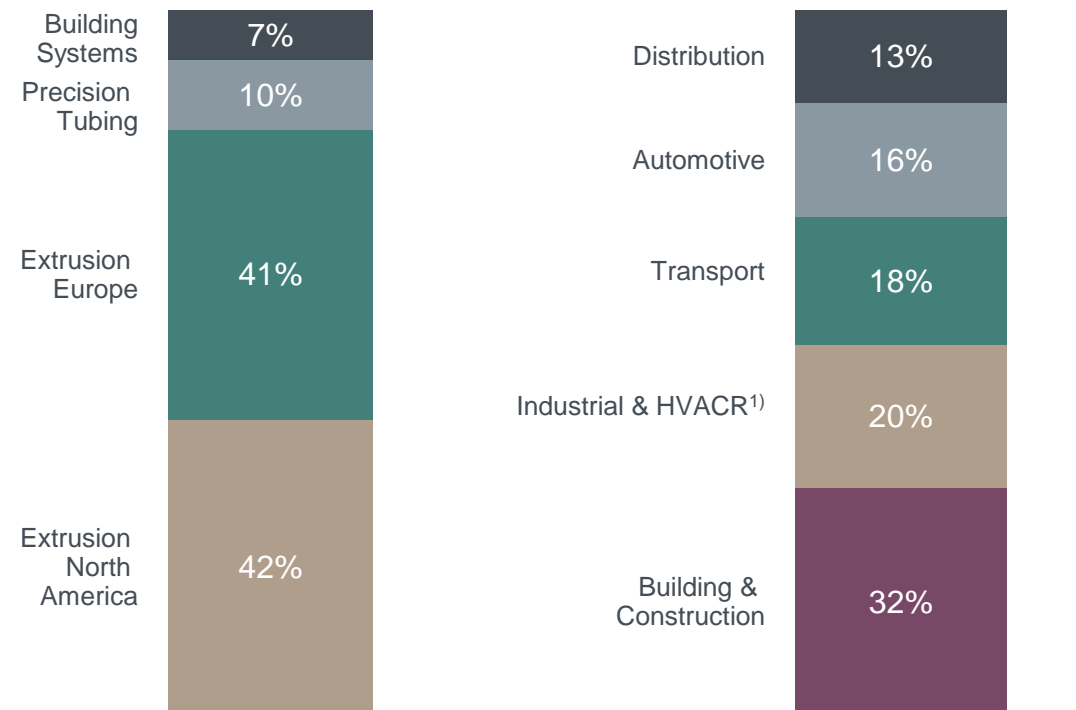
Unrivalled position as the largest extrusion provider globally with a strong and diversified segment footprint

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 mill tonnes



Source: Company filings, CRU

1) HVACR: Heat, ventilation, air condition & refrigeration

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 **BNOK 20.8** EBITDA **BNOK 1.5**

Extrusion North America



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

Revenue **BNOK 20.8** EBITDA **BNOK 1.7**

Precision Tubing



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

Revenue **BNOK 5.4** EBITDA **BNOK 0.6**

Building Systems

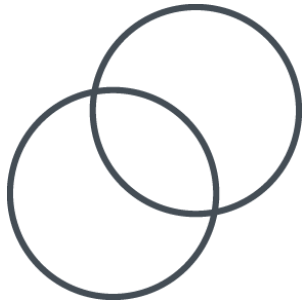


- Leading European player with multi-brand portfolio
- 20% market share in Europe
- Presence in 29 countries, 3,000 people

Revenue **BNOK 8.4** EBITDA **BNOK 0.8**

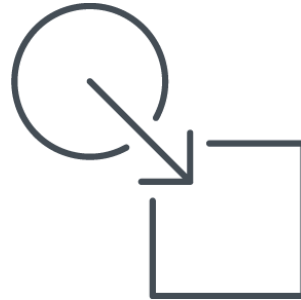
Successful value-over-volume strategy

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

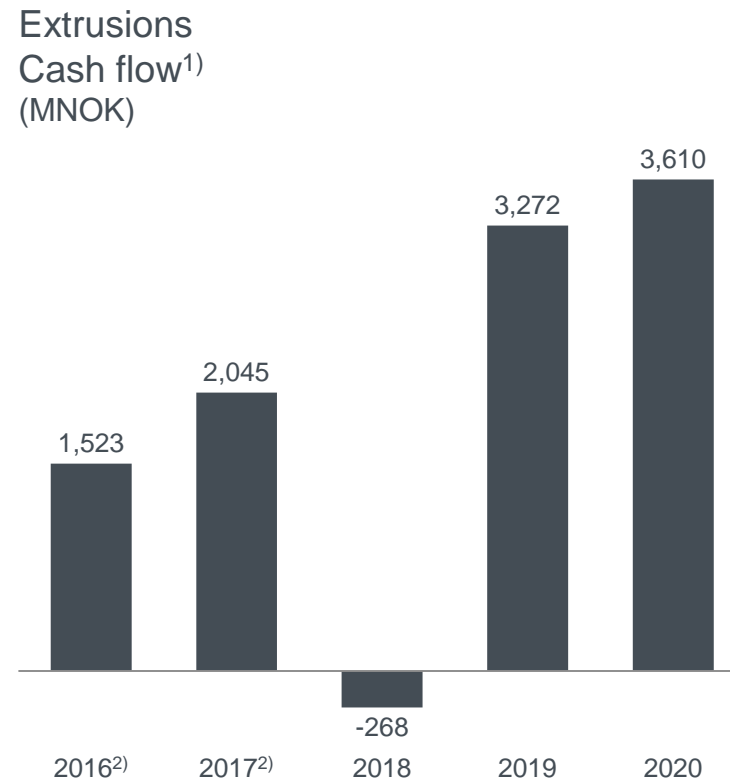
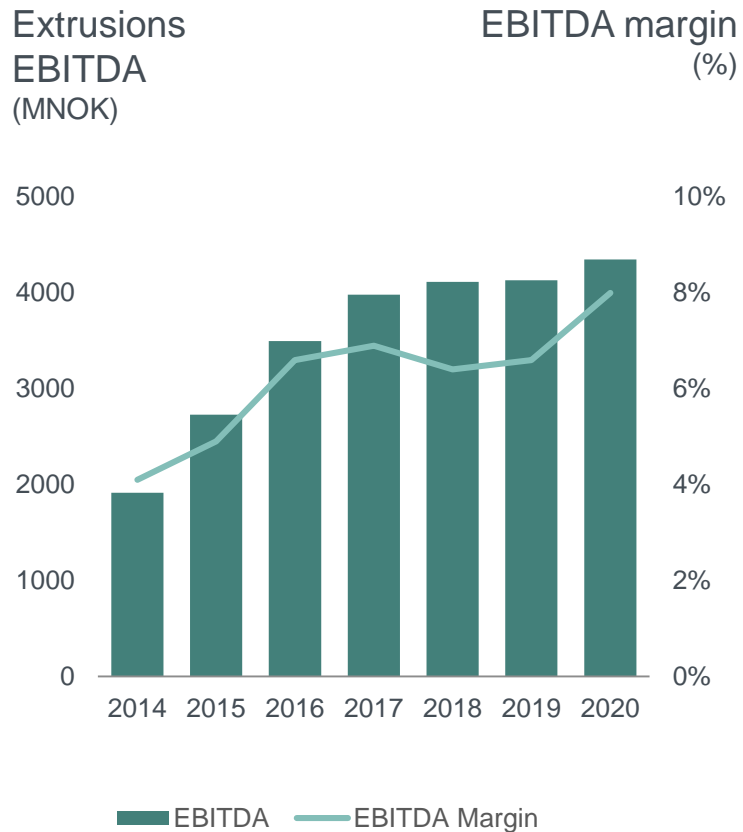
Higher share of value-added solutions to customers through commercial excellence and innovation



Grow to lift margins and profitability

Lifting margins and creating more customer value through selective growth

Extrusions delivered growth in margin and cash flow, however negatively impacted in 2020 by Covid-19



2013 - 2017

- Realizing synergies in Joint Venture
- Restructuring activities
- Gradually improving extrusion markets

2018 - 2020

- Cash-flow in 2018 impacted by net working capital and investments
- EBITDA impacted by external events
 - 2019: Cyber-attack
 - 2020: Covid-19

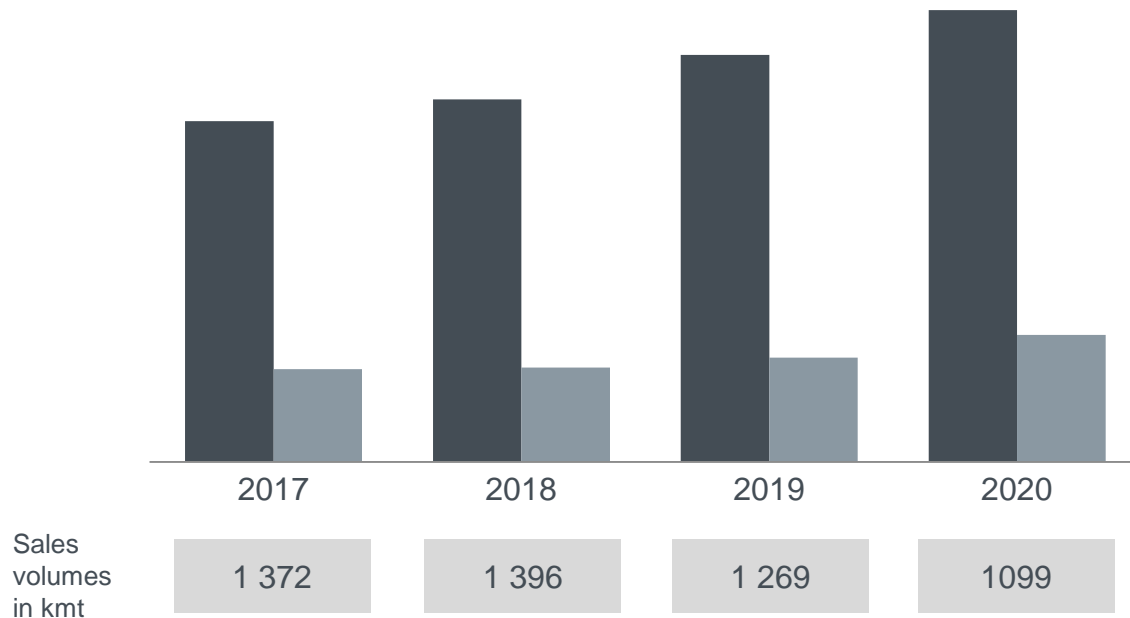
1) EBITDA plus or minus the changes of NOC less the investments (CAPEX or others)
 2) Sapa figures: operating free cash flow

Restructuring efforts in the past year has strengthened cost position

Rising Direct Contribution¹⁾ and UEBITDA per kg

NOK per kg

■ DC/kg ■ UEBITDA/kg

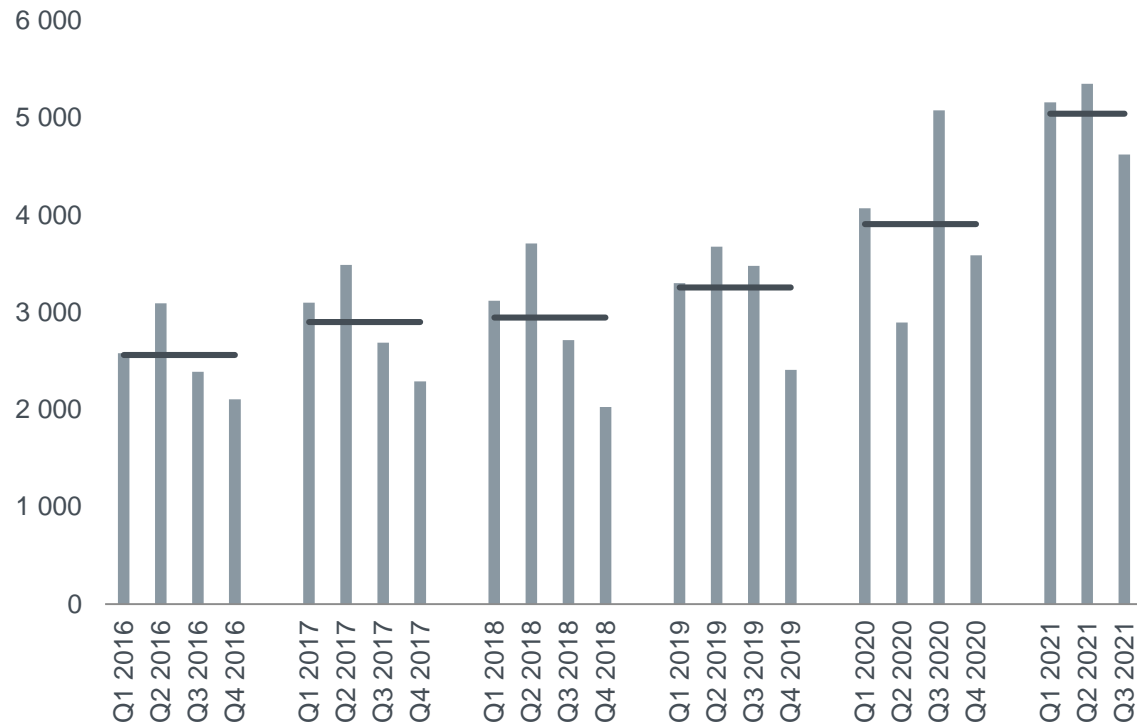


- Significant restructuring measures taken to support performance and cash generation
 - Closure of 10 plants during 2019 and 2020
 - Divestment of four plants
 - De-manning of 1300 (~6%) employees in addition to divestments
- ES 5.0 project targeting SG&A cost reductions
- Dedicated improvement program in procurement

1) Direct Contribution (DC) calculated as operating revenues less cost of material, freight out, process variable costs and direct labor costs

Extrusions earnings drivers

Adjusted EBITDA per tonne¹⁾, NOK



- Contract structure
 - Marginal 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

1) Pro-forma figures

Further improvements expected from productivity, plant specialization and a greener product offering

Core targets and ambitions for 2025

Improvement target

NOK 1.3 billion in EBITDA improvement from dedicated improvement programs¹⁾

ES 5.0 – SG&A reductions

Portfolio restructuring

Procurement

Commercial ambition

NOK 1.2 billion improvement from margin expansions in new projects

Stronger segment focus to drive growth

Market share gains in dedicated segments

Specialized product offerings

Extrusions strategic focus



Restructuring

- Closure and divestiture of plants with unsatisfactory returns or without strategic fit to target segments and specialization
- Driver of current cost structure and future cost savings



Plant specialization

- Establish production platforms in attractive segments e.g. Automotive in Europe and North America, specializations in building systems
- Commercial and strategic benefits from strong market segment focus



EBS

- Increase focus on productivity and continuous improvements
- Ambition to “beat inflation” through clear savings and productivity targets within plants



Recycling

- Build on unique network of recyclers to leverage availability of post consumer scrap



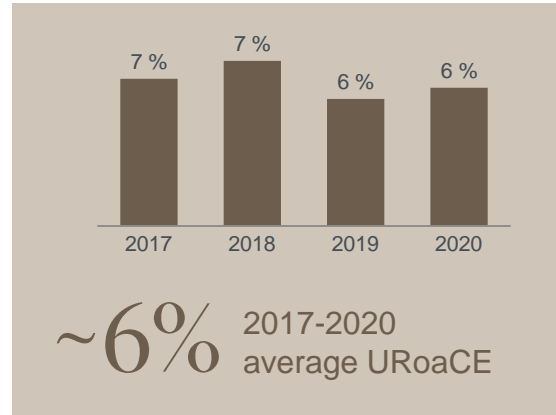
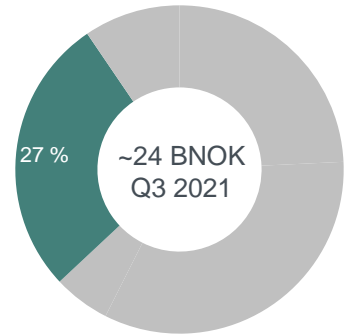
Green products

- Capture rising demand for low carbon aluminium
- Strong combination with ASI certifications and eco-design certifications

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



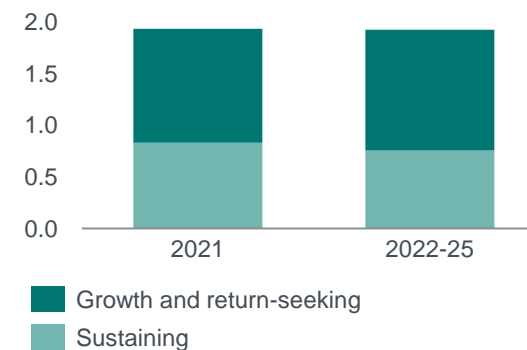
URoaCE > CoC

7-8%
Nominal long-term cost of capital

1.3 + 1.2
BNOK
on EBITDA by 2025 in improvement potential and commercial ambitions

Operating and fixed cost optimization

Capex, BNOK





Additional information

Driving long-term shareholder value

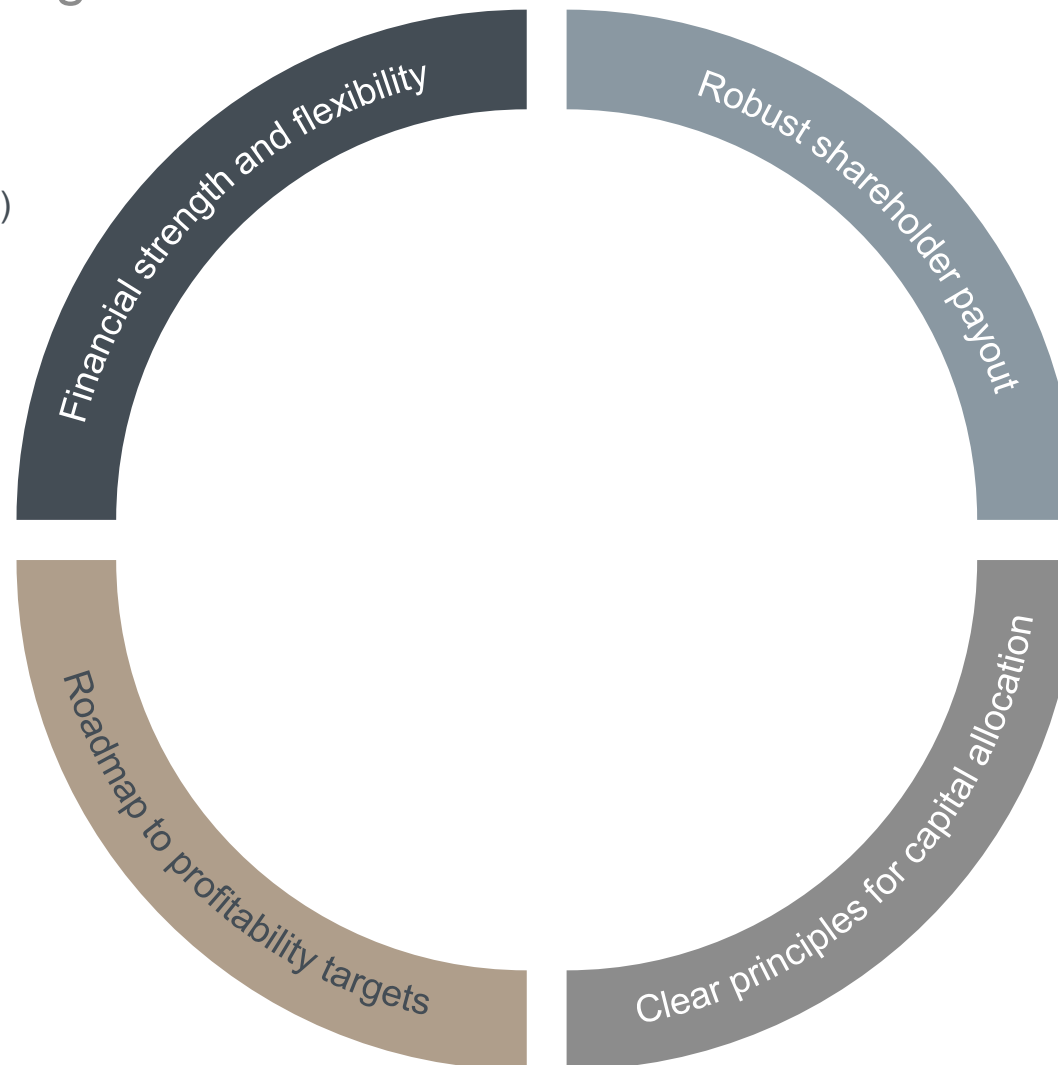
Financial ambitions and targets

Financial strength and flexibility

- Maintain investment grade credit rating
 - Currently BBB (S&P), Baa3 (Moody's)
- Balance sheet ratio
 - Target to maintain Adjusted net debt excl EAI / adj. EBITDA < 2x over the cycle ¹⁾
- Strong liquidity

Roadmap to profitability targets

- Adj. RoaCE > 10% over the cycle for Hydro group
- URoaCE > CoC for business areas over the cycle
- Differentiated return requirements by and within business areas



Robust shareholder payout

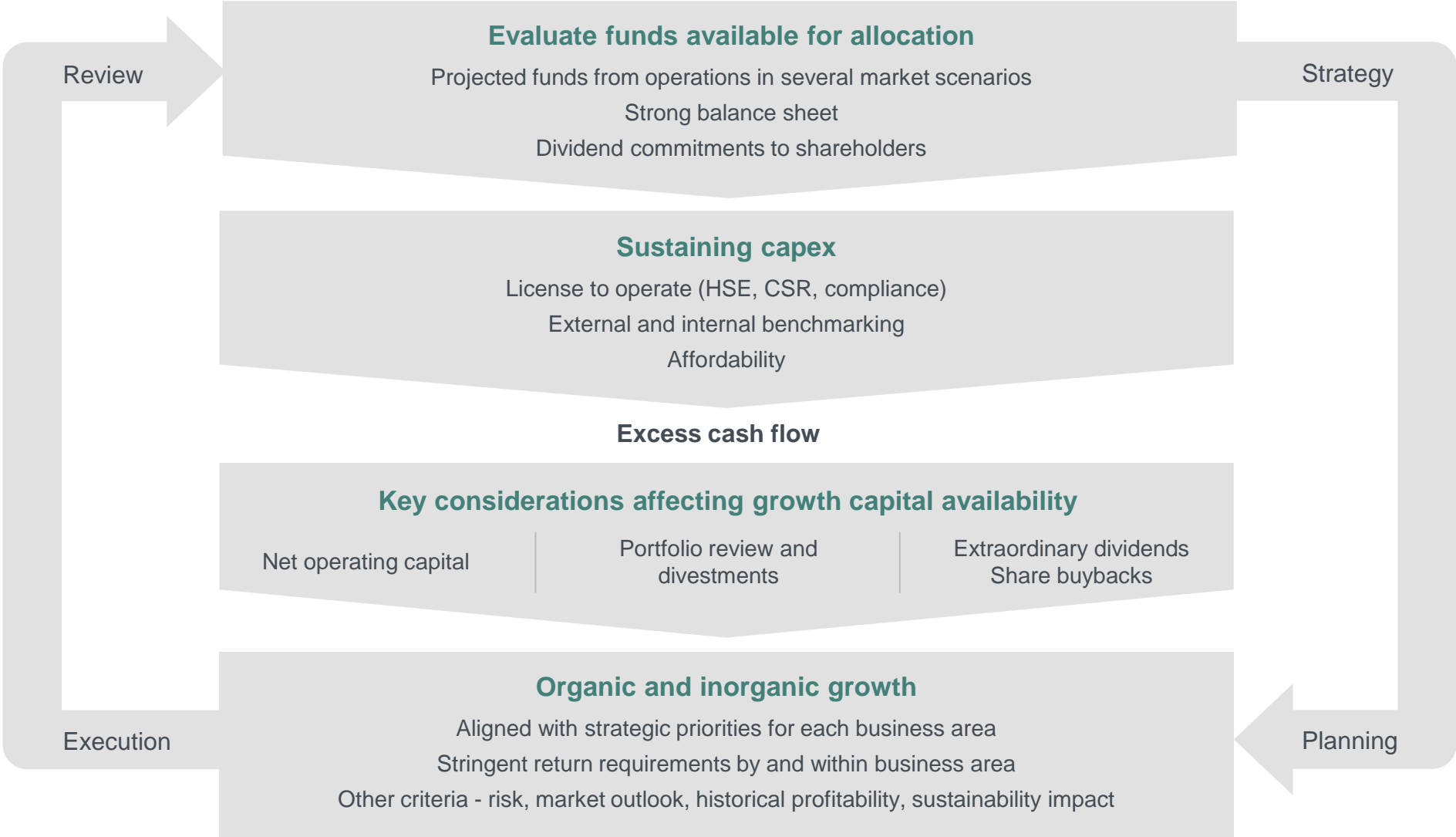
- 50% payout ratio of Net Income over the cycle
- Dividend floor of 1.25 NOK/share
- Supplementary share buybacks or extraordinary dividends

Clear principles for capital allocation

- Capital allocation in line with strategic priorities and return requirements by business area
- Competitive and affordable sustaining capex
- Strict prioritization, continuous review and reallocation

1) Consistent with previous target to maintain funds from operations / Adjusted net debt incl EAI > 40% over the cycle

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

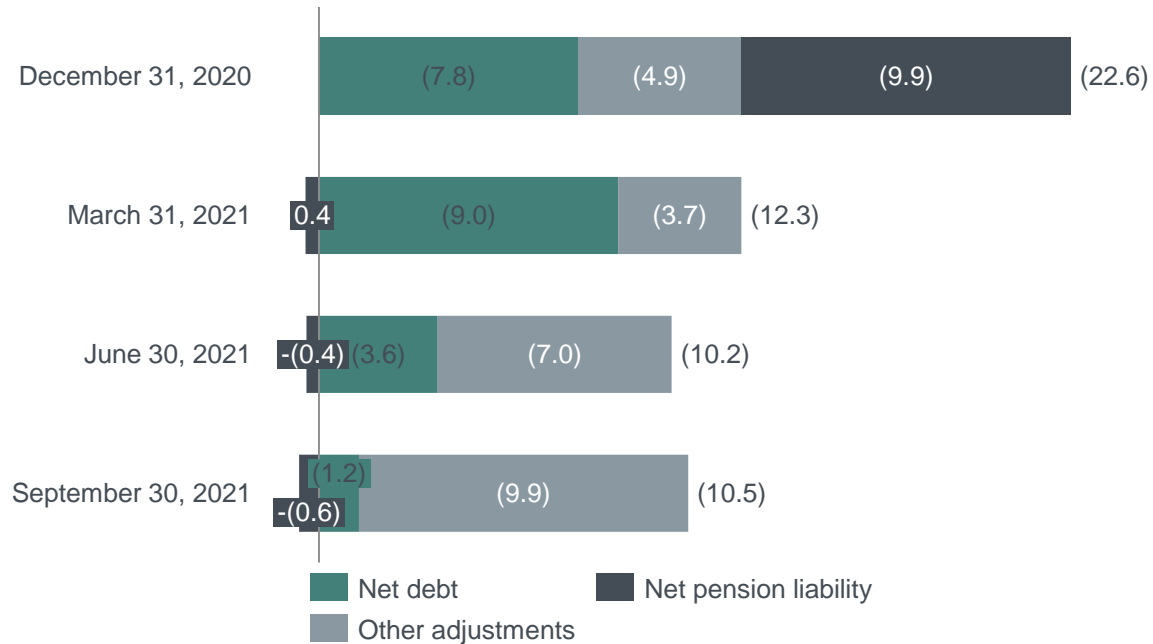
Hedging policy



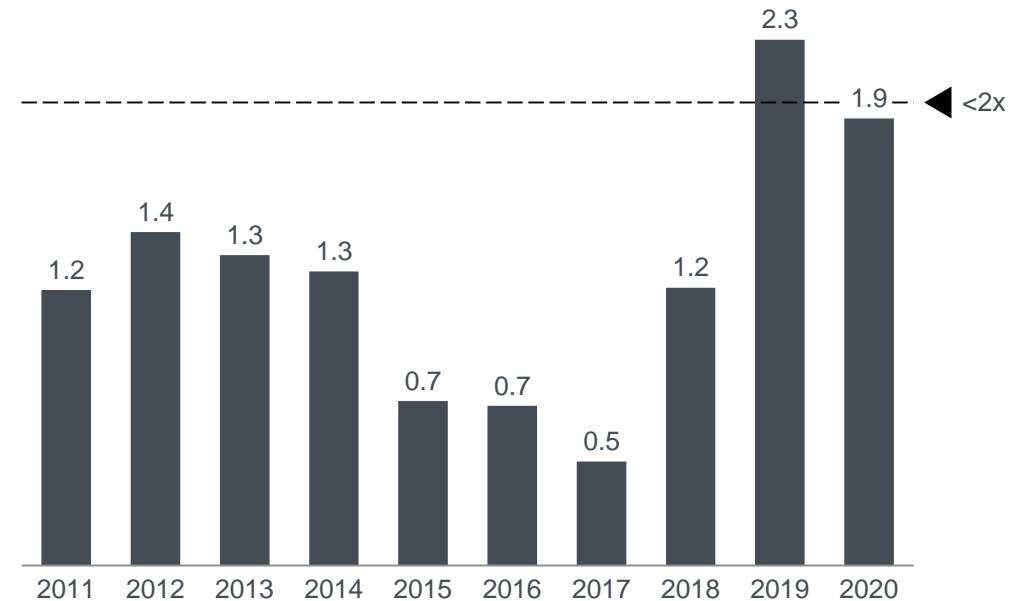
- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to 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⁾



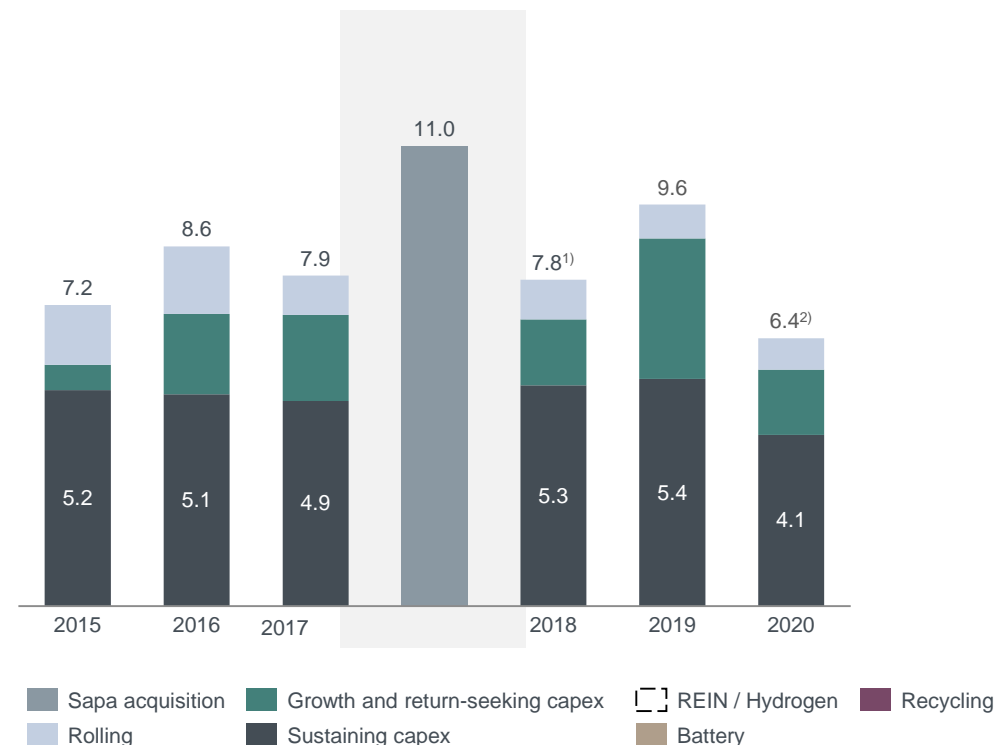
1) Based on four quarter average adjusted net debt. 2011-2013: Based on Adjusted net debt at year-end

Capex guidance excluding Rolling of ~7.5 billion in 2021

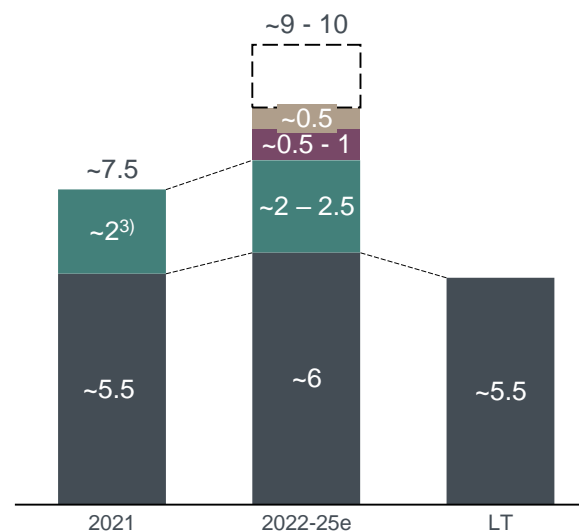


Expectation of NOK ~9-10 billion from 2022 to 2025

Historical capex
NOK Billion



Guidance capex LT
NOK Billion



REIN & Hydrogen

- Limited Hydro cash spend; investments based on external equity injection in respective companies
- Debt financing using special purpose vehicles (SPVs)

Recycling & Batteries

- Growth initiatives fully funded by Hydro
- Investment appetite guided by return requirements, cash generation, credit rating

Sustaining & Return seeking

- Sustaining investments in existing Hydro asset portfolio
- Investment needs covered from operating cash flow
- Investment evaluated by return requirements, cash generation, credit rating
- Includes growth initiatives in the improvement program and commercial ambitions for Extrusions and Aluminium Metal

Capex including Extrusions

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

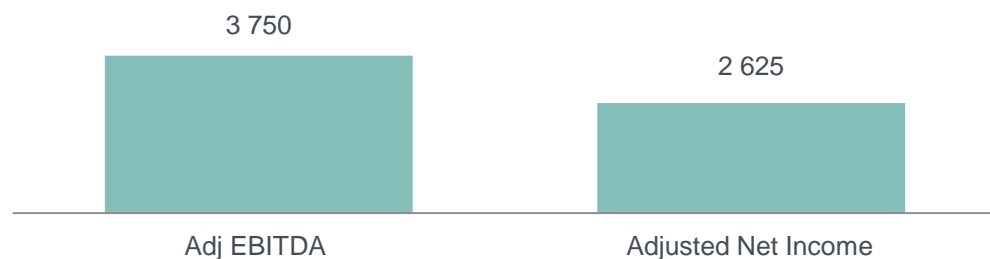
2) Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)

3) Includes limited growth CAPEX for Recycling

Significant exposure to commodity and currency fluctuations

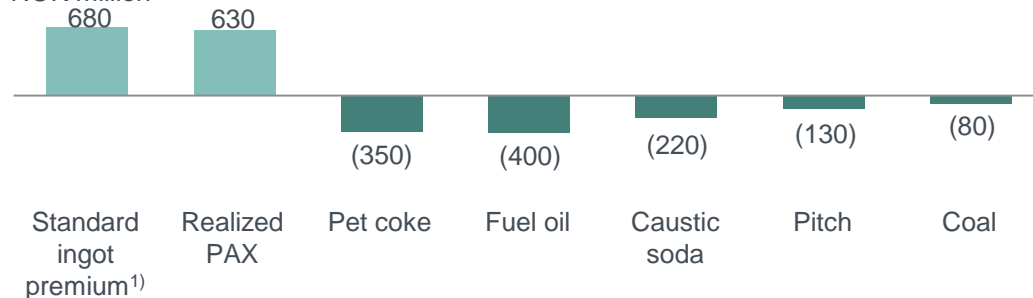
Aluminium price sensitivity +10%

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	2 850	(480)	(20)

One-off reevaluation effect:

Financial items	(560)	720	(4 520)
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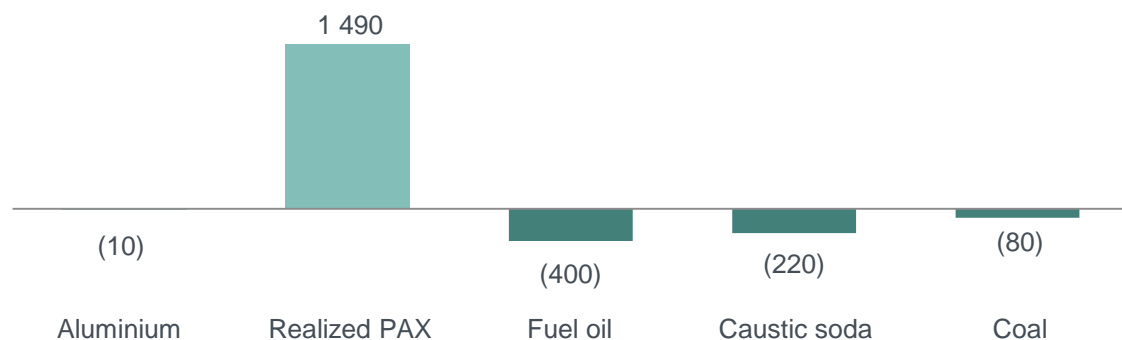
- Annual adjusted sensitivities based on normal annual business volumes. LME USD 2470 per mt, standard ingot premium 360 USD/mt, PAX 295 USD/mt, fuel oil USD 720 per mt, petroleum coke USD 455 per mt, pitch 740 EUR/t, caustic soda USD 435 per mt, coal USD 140 per mt, USD/NOK 8.64, BRL/NOK 1.68, EUR/NOK 10.33
- 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
- 2021 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as UEBITDA sensitivity after 30% tax
- Sensitivities include strategic hedges for 2021 (250kt aluminium)

Bauxite & Alumina sensitivities



Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	690	(300)	-

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

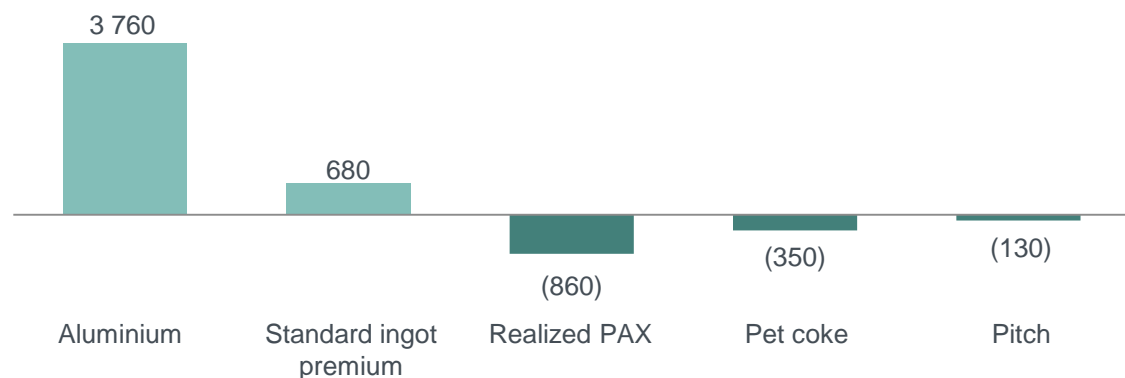
- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

Alumimum Metal sensitivities



Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	2 040	(180)	(540)

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



NOK million (+=loss/)=gain)		Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Year 2020
Community contributions Brazil	Hydro Bauxite & Alumina	129	-	-	-	-	-	202	129
Unrealized derivative effects on raw material contracts	Hydro Bauxite & Alumina	-	-	-	5	(27)	(84)	(143)	5
Total impact	Hydro Bauxite & Alumina	129	-	-	5	(27)	(84)	59	134
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	(64)	200	(198)	(99)	1 256	1 740	2 764	(160)
Unrealized effects on power contracts	Hydro Aluminium Metal	(147)	48	165	153	34	104	(122)	218
Significant rationalization charges and closure costs	Hydro Aluminium Metal	-	-	-	-	-	184	13	-
Net foreign exchange (gain)/loss	Hydro Aluminium Metal	-	-	-	-	(35)	(26)	(35)	-
Other effects	Hydro Aluminium Metal	-	(12)	(30)	(90)	-	(232)	-	(131)
Total impact	Hydro Aluminium Metal	(211)	236	(63)	(36)	1 254	1 770	2 621	(74)
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	(224)	340	(187)	32	24	1	226	(38)
Total impact	Hydro Metal Markets	(224)	340	(187)	32	24	1	226	(38)
Unrealized derivative effects on LME related contracts	Hydro Extrusions	114	13	(201)	(57)	(98)	(106)	20	(129)
Unrealized derivative effects on power contracts	Hydro Extrusions	-	-	-	-	-	-	(52)	-
Significant rationalization charges and closure costs	Hydro Extrusions	4	134	(20)	70	-	95	17	187
Transaction related effects	Hydro Extrusions	(57)	6	-	14	-	-	(23)	(37)
Other effects	Hydro Extrusions	-	-	-	101	-	-	-	101
Total impact	Hydro Extrusions	61	154	(220)	129	(98)	(10)	(38)	123
Unrealized derivative effects on power contracts	Hydro Energy	(17)	33	14	(5)	(19)	(9)	(22)	25
(Gains) / losses on divestments	Hydro Energy	-	-	-	(5 308)	(45)	-	-	(5 308)
Net foreign exchange (gain)/loss	Hydro Energy	-	-	-	-	4	6	5	-
Total impact	Hydro Energy	(17)	33	14	(5 313)	(59)	(3)	(18)	(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)	1	10	(6)	(8)
(Gains) / losses on divestments	Other and eliminations	-	-	(65)	3	-	-	-	(62)
Net foreign exchange (gain)/loss	Other and eliminations	-	-	-	-	9	16	(5)	-
Other effects	Other and eliminations	-	-	(4)	4	-	-	-	-
Total impact	Other and eliminations	(35)	(1)	(95)	(15)	10	25	(242)	(146)
Adjusting items to EBITDA	Hydro	(297)	762	(551)	(5 198)	1 103	1 698	2 608	(5 284)
Impairment charges	Hydro Aluminium Metal	-	504	-	-	-	-	-	504
Impairment charges	Hydro Extrusions	12	1 483	77	52	122	7	14	1 625
Impairment charges	Other and eliminations	-	(161)	-	-	-	-	-	(161)
Depreciation	Hydro Aluminium Metal	-	-	-	-	101	151	154	-
Adjusting items to EBIT	Hydro	(285)	2 588	(474)	(5 146)	1 326	1 857	2 776	(3 316)
Net foreign exchange (gain)/loss	Hydro	4 184	(563)	1 528	(1 349)	(653)	(550)	622	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)	673	1 307	3 398	355
Calculated income tax effect	Hydro	(1 322)	(221)	(336)	486	(106)	(555)	(1 027)	(1 393)
Adjusting items to net income (loss)	Hydro	2 577	1 805	718	(6 138)	567	752	2 371	(1 038)

Operating segment information



Adjusted EBIT

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

Adjusted EBITDA

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

Operating segment information



EBIT

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

EBITDA

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

Operating segment information



Total revenue

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

External revenue

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

Operating segment information



Internal revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Year 2020
Hydro Bauxite & Alumina	2 780	2 380	2 168	2 330	2 479	2 438	2 452	9 658
Hydro Aluminium Metal	7 785	6 328	6 596	6 656	8 191	8 846	9 654	27 365
Hydro Metal Markets	2 559	1 975	2 047	2 390	2 835	2 723	2 616	8 972
Hydro Extrusions	(76)	12	28	(11)	131	125	154	(47)
Hydro Energy	1 482	1 376	1 402	1 447	1 556	1 727	1 912	5 706
Other and Eliminations	(14 530)	(12 070)	(12 241)	(12 813)	(15 191)	(15 858)	(16 788)	(51 654)
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	Year 2020
Hydro Bauxite & Alumina	-	-	-	-	-	-	-	-
Hydro Aluminium Metal	40	26	6	185	147	513	336	256
Hydro Metal Markets	-	-	-	-	-	-	-	-
Hydro Extrusions	-	-	-	-	-	-	-	-
Hydro Energy	(12)	(5)	(16)	(6)	(23)	(32)	(25)	(39)
Other and Eliminations	(31)	28	34	(24)	1	(20)	(31)	7
Total	(4)	48	24	155	125	462	280	223

Operating segment information



Return on average capital employed ¹⁾ (RoCE)

Reported RoCE

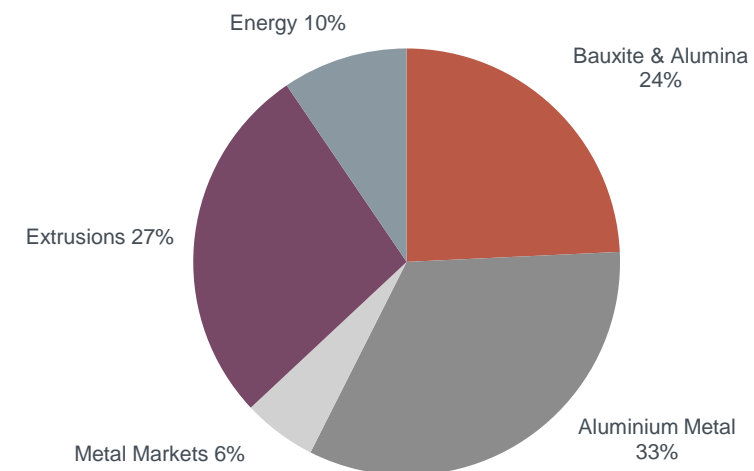
	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.4%	1.9%	4.6%	8.5%	2.7%	5.3%	(0.1)%
Hydro Aluminium Metal	1.9%	(3.9%)	5.6%	11.8%	5.2%	10.7%	10.4%
Hydro Metal Markets	22.5%	20.7%	25.1%	18.6%	19.6%	5.4%	21.9%
Hydro Extrusions ²⁾	1.3%	3.8%	5.3%	13.4%			
Hydro Energy ³⁾	249.5%	13.4%	18.8%	17.5%	18.1%	17.2%	17.4%
Hydro Group	7.5%	(0.9%)	6.0%	11.2%	6.5%	7.5%	4.9%

Adjusted RoCE

	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.9%	2.5%	6.0%	8.5%	2.8%	5.3%	(0.1)%
Hydro Aluminium Metal	2.9%	(2.6%)	4.7%	12.6%	5.2%	11.0%	10.4%
Hydro Metal Markets	21.4%	27.3%	19.4%	20.9%	15.9%	11.4%	19.4%
Hydro Extrusions ²⁾	6.2%	5.7%	7.2%	6.6%			
Hydro Energy ³⁾	8.7%	12.9%	18.8%	17.5%	18.1%	17.3%	17.4%
Hydro Group	3.7%	1.3%	6.6%	9.6%	5.1%	9.2%	5.2%

Capital employed – upstream focus

NOK million	Sep 30, 2021
Hydro Bauxite & Alumina	21 153
Hydro Aluminium Metal	28 942
Hydro Metal Markets	4 879
Hydro Extrusions	23 954
Hydro Energy	8 286
Other and Eliminations	(2 391)
Total	84 825



Graph excludes BNOK (2.4) 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 prior years.

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



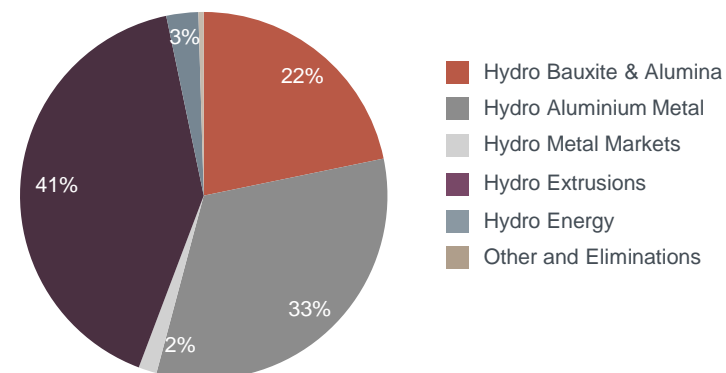
Depreciation, amortization and impairment

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

Indicative depreciation currency exposure by business area

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

Depreciation by business area 2020, 9.2 BNOK



Income statements



NOK million	Q3 2021	Q3 2020	Q2 2021	First 9 months 2021	First 9 months 2020	Year 2020
Revenue	36 710	27 516	34 559	103 221	84 468	114 291
Share of the profit (loss) in equity accounted investments	280	24	462	867	68	223
Other income, net	577	616	322	1 276	1 731	7 414
Total revenue and income	37 567	28 155	35 342	105 364	86 267	121 928
Raw material and energy expense	23 701	16 546	21 213	64 039	51 078	68 953
Employee benefit expense	4 923	4 454	5 206	15 141	14 327	19 123
Depreciation and amortization expense	2 088	1 711	1 885	5 727	5 427	7 175
Impairment of non-current assets	14	75	7	143	1 916	1 979
Other expenses	4 308	3 477	3 997	12 512	10 987	15 343
Earnings before financial items and tax (EBIT)	2 533	1 893	3 034	7 801	2 533	9 356
Finance income	59	66	62	159	189	290
Finance expense	(971)	(1 827)	294	(293)	(5 990)	(4 842)
Income (loss) before tax	1 620	132	3 389	7 667	(3 268)	4 804
Income taxes	(494)	(242)	(992)	(2 262)	(72)	(918)
Income (loss) from continuing operations	1 127	(111)	2 397	5 405	(3 340)	3 886
Income (loss) from discontinued operations	(19)	(111)	407	8	(377)	(2 226)
Net income (loss)	1 108	(221)	2 805	5 412	(3 717)	1 660
Net income (loss) attributable to non-controlling interests	99	-	220	378	(437)	(185)
Net income (loss) attributable to Hydro shareholders	1 009	(222)	2 585	5 034	(3 280)	1 845
Earnings per share from continuing operations	0.50	(0.05)	1.06	2.45	(1.42)	1.99
Earnings per share from discontinued operations	(0.01)	(0.05)	0.20	-	(0.18)	(1.09)
Earnings per share attributable to Hydro shareholders	0.49	(0.11)	1.26	2.46	(1.60)	0.90

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

Balance sheet



NOK million	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	18 792	20 147	15 011	17 638	17 495	15 385	12 160
Short-term investments	7 020	3 607	4 348	4 091	5 399	5 110	1 641
Trade and other receivables	19 869	19 838	16 795	18 364	20 268	18 916	24 539
Inventories	18 966	16 454	14 316	19 492	19 288	20 382	22 464
Other current financial assets	854	659	328	470	553	687	1 119
Assets held for sale	-	-	17 069	-	-	-	-
Property, plant and equipment	54 642	56 353	53 890	64 245	68 657	70 478	77 909
Intangible assets	8 852	9 174	8 796	9 357	9 903	10 262	12 649
Investments accounted for using the equity method	17 661	17 426	17 227	17 288	12 048	12 619	13 845
Prepaid pension	8 268	7 976	7 812	7 064	5 959	5 603	5 242
Other non-current assets	10 010	8 793	6 634	6 398	6 295	6 704	7 663
Total assets	164 934	160 427	162 228	164 408	165 865	166 145	179 232
Bank loans and other interest-bearing short-term debt	4 186	4 183	4 701	4 748	6 915	7 094	7 728
Trade and other payables	20 219	20 302	17 462	18 948	17 865	16 693	21 558
Other current liabilities	7 058	5 191	4 036	5 352	3 660	3 721	4 771
Liabilities included in disposal group	-	-	12 266	-	-	-	-
Long-term debt	25 495	24 562	23 658	24 811	25 873	26 595	21 290
Provisions	4 270	4 475	4 132	5 605	6 144	6 283	6 892
Pension liabilities	9 489	9 550	9 341	19 167	19 679	18 933	19 893
Deferred tax liabilities	4 560	4 343	3 535	3 059	2 620	2 562	2 838
Other non-current liabilities	8 701	6 276	5 393	5 273	6 215	5 401	7 089
Equity attributable to Hydro shareholders	77 535	77 908	74 745	74 279	73 833	75 633	83 213
Non-controlling interests	3 421	3 637	2 958	3 165	3 062	3 230	3 959
Total liabilities and equity	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	Year 2020
Alumina production (kmt)	1 531	1 442	1 074	1 410	1 540	1 586	1 579	5 457
Sourced alumina (kmt)	664	667	940	783	698	737	806	3 053
Total alumina sales (kmt)	2 140	2 243	1 990	2 122	2 269	2 349	2 355	8 495
Realized alumina price (USD) ¹⁾	278	261	260	272	294	289	302	268
Implied alumina cost (USD) ²⁾	226	192	228	241	243	246	251	221
Bauxite production (kmt) ³⁾	2 585	2 332	1 167	2 556	2 813	2 660	2 756	8 640
Sourced bauxite (kmt) ⁴⁾	1 514	1 315	2 051	1 351	1 103	1 676	1 472	6 231
Adjusted EBITDA margin ¹¹⁾	18.3%	25.1%	10.8%	10.7%	16.6%	14.3%	15.1%	16.6%

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

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

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

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

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
Volume (kmt)	29	17	28	33	108	35	33	30
Operating revenues (NOKm)	1 487	931	1 360	1 583	5 361	1 718	1 742	1 715
Adjusted EBITDA (NOKm)	118	139	167	178	602	210	173	184
Adjusted EBIT (NOKm)	57	74	113	115	359	157	103	115

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

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

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

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

Next event

Capital Markets Day December 13, 2021

For more information see
www.hydro.com/ir

Investor Relations in Hydro



Line Haugetraa

t: +47 41406376
e: line.haugetraa@hydro.com



Christopher Minora

t: +47 90695131
e: christopher.minora@hydro.com



Matz Coucheron-Aamot

t: +47 94829696
e: matz.coucheron-aamot@hydro.com



Hydro

Industries that matter