



# First quarter 2021 Investor presentation

April 2021



# Table of contents



|                            |     |
|----------------------------|-----|
| First quarter results 2021 | 3   |
| Market                     | 32  |
| Business overview          | 45  |
| Hydro - Group              | 46  |
| Bauxite & Alumina          | 64  |
| Energy                     | 72  |
| Aluminium Metal            | 84  |
| Metal Markets              | 90  |
| Extrusions                 | 94  |
| Additional information     | 104 |

## 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.



# Stronger markets and record results for Energy and Extrusions

Hilde Merete Aasheim, President & CEO

April 27, 2021

# Q1 2021

Adjusted EBITDA NOK 5 182 million

Free cash flow NOK -0.8 billion

Strong demand drives recovery

Record EBITDA in Extrusions and Energy

Improvement program ahead of plan

Agreement to sell Rolling, closing expected Q2-Q3

Investment decision for Alunorte fuel-switch project

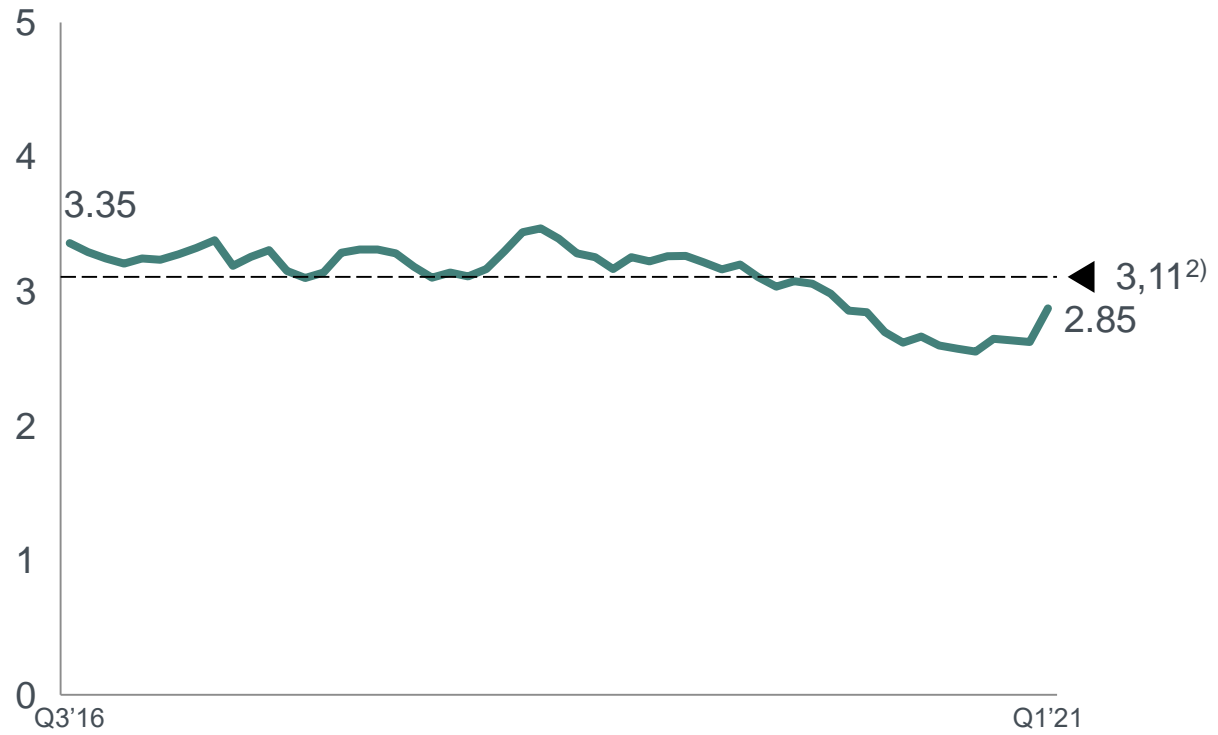
Exploring hydrogen, other growth initiatives progressing



# Health and safety top priority

Covid measures adapted to local conditions

TRI<sup>1)</sup> per million hours worked  
12 months rolling average



1) TRI includes own employees and contractors  
2) Average over period



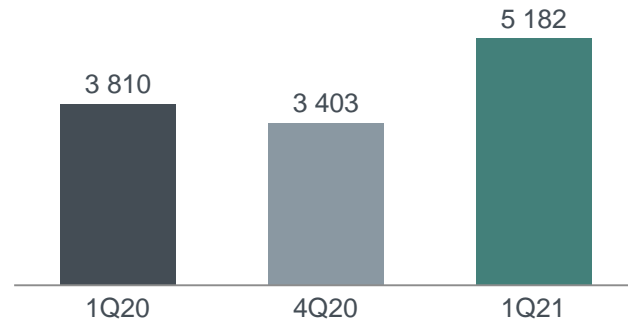
## Covid-19 update

- Operations running largely as normal during the quarter
- Initiatives globally to support employees and prevent infections
- Support to local Brazilian communities in their health efforts

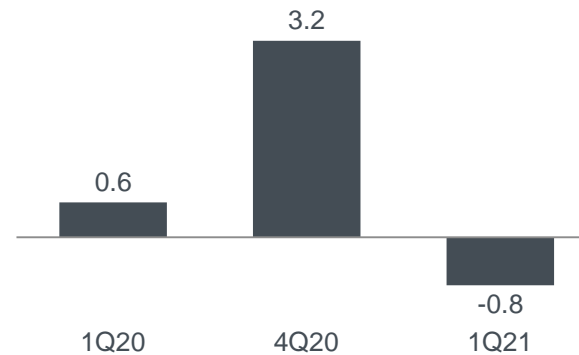
# Key performance metrics | Q1 2021



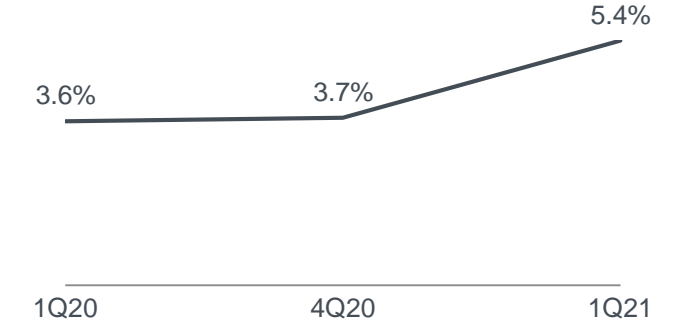
Adjusted EBITDA <sup>1)</sup>  
NOK million



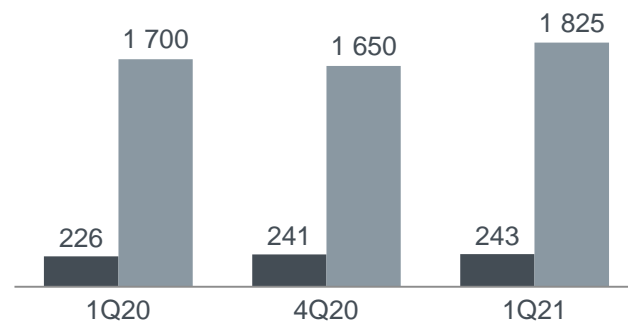
Free cash flow <sup>2)</sup>  
NOK billion



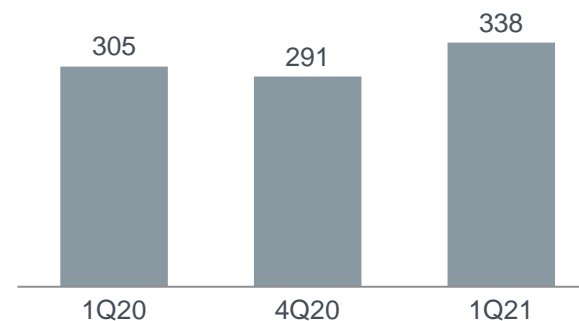
Adjusted RoaCE <sup>5)</sup>  
12-month rolling %



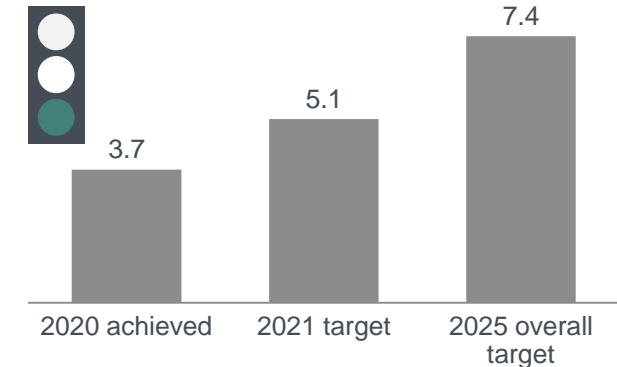
Upstream costs <sup>3,4)</sup>  
USD per tonne



Extrusions volumes  
Thousand tonnes



Improvement program status <sup>6)</sup>  
NOK billions



■ Bauxite & Alumina ■ Aluminium Metal

- 1) 2020: restated Adjusted EBITDA
- 2) Free cash flow is defined as net cash provided by (used in) operating activities of continuing operations 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) Realized alumina price minus Adjusted EBITDA for B&A, per mt alumina sales
- 4) Realized all-in aluminium price less Adjusted EBITDA margin, incl Qatalum, per mt aluminium sold. Implied primary cost and margin rounded to nearest USD 25
- 5) Figures for 1Q20 and 4Q20 as reported (not restated). 1Q21: Capital employed excluding Assets held for sale / Liabilities in disposal groups.
- 6) Improvement program target and progress excluding Hydro Rolling

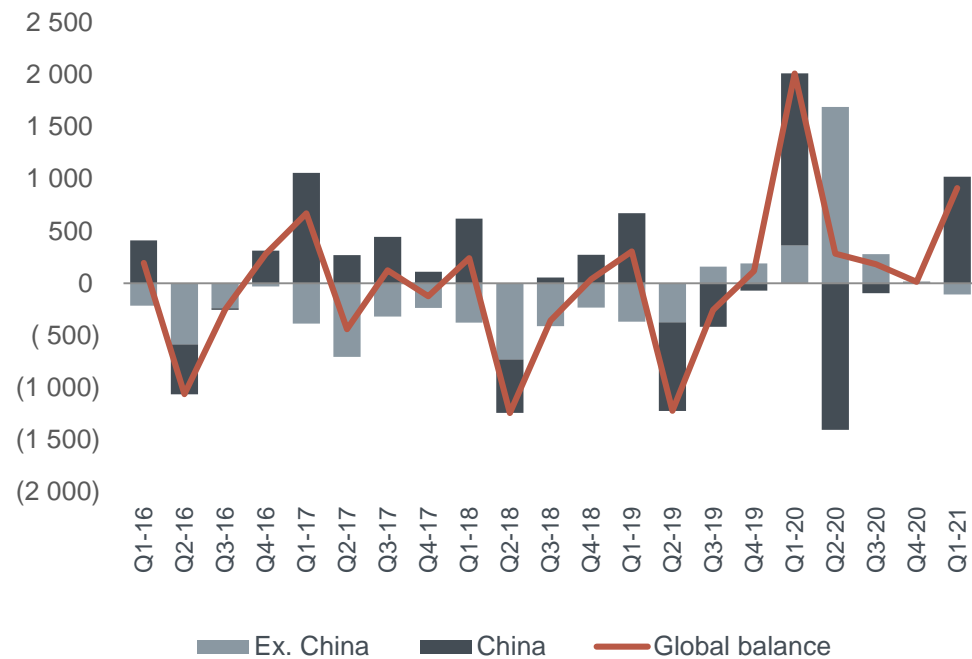
# Decreasing oversupply in primary aluminium market



Expecting largely balanced market for 2021

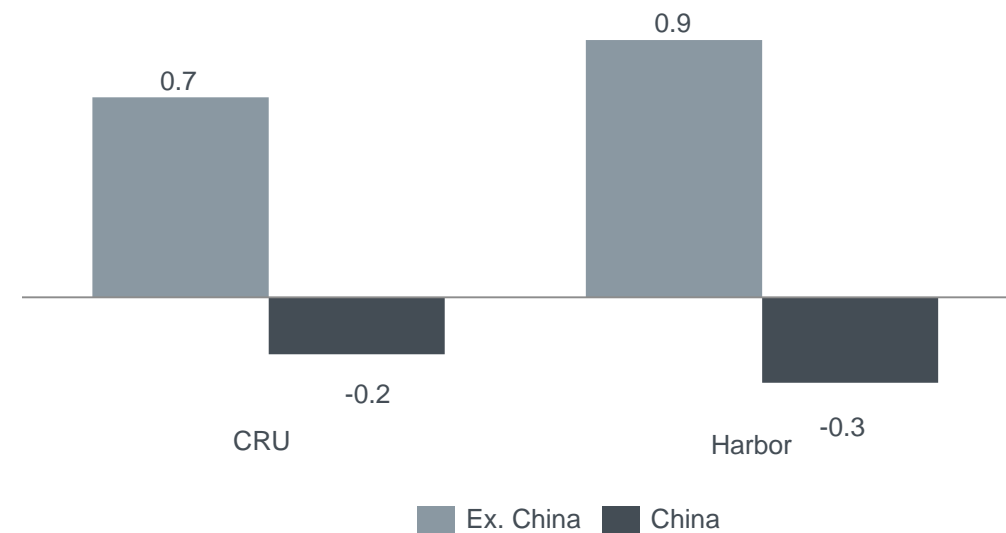
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



Global balance estimates 2021

Million tonnes, primary aluminium



# Trends supporting demand for low-carbon aluminium

## Strengthened trends

- Restrictions on supply growth, especially in China, reduce risk of sustained over-capacity next decade
- Increasing and likely sustained focus on fair trade
- Focus on ESG could phase significant upside for green products

## New trends

- Green transition in major regions requires more aluminium, e.g., higher aluminium content in EVs
- Increasing cost of supply towards next decade due to new projects with higher capex based on hydropower
- Higher end-product adaption of aluminium due to recyclability
- Primary aluminum based on renewable power will qualify under the EU taxonomy criteria
  - No thresholds have been included for recycling. All secondary aluminium is taxonomy compliant.





# Extrusions Q1 volumes exceeded overall market growth



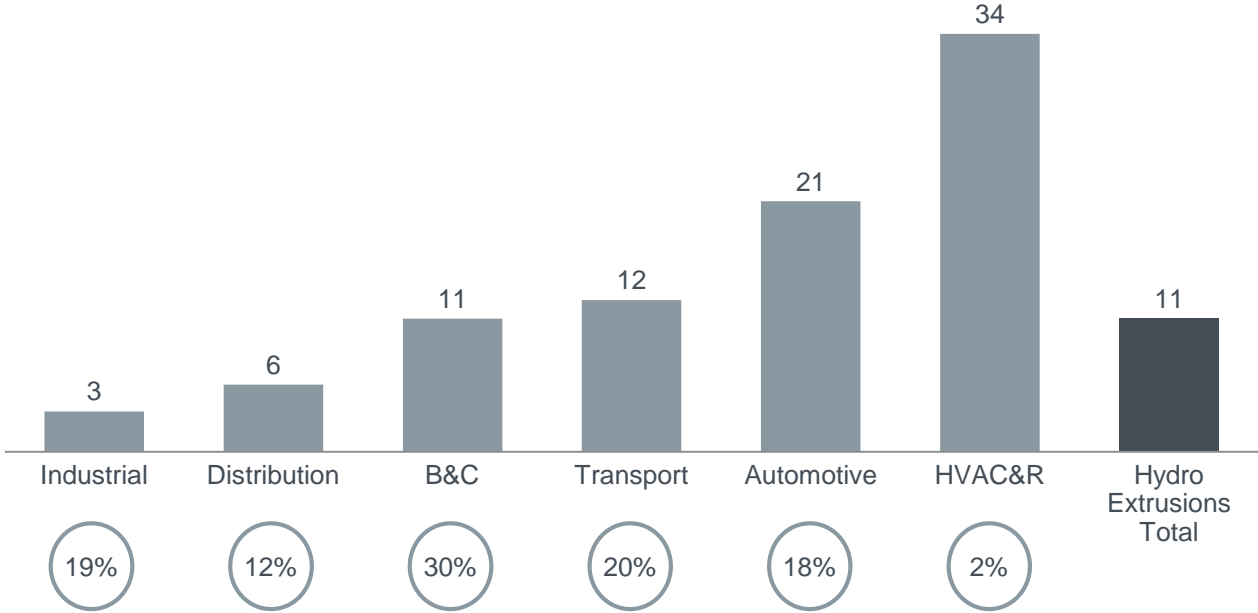
Market performing better than forecast in Q4 2020

## Hydro Extrusions sales volumes - actual

Q1 2021 vs Q1 2020

Hydro Extrusions segment sales volume

Growth in %



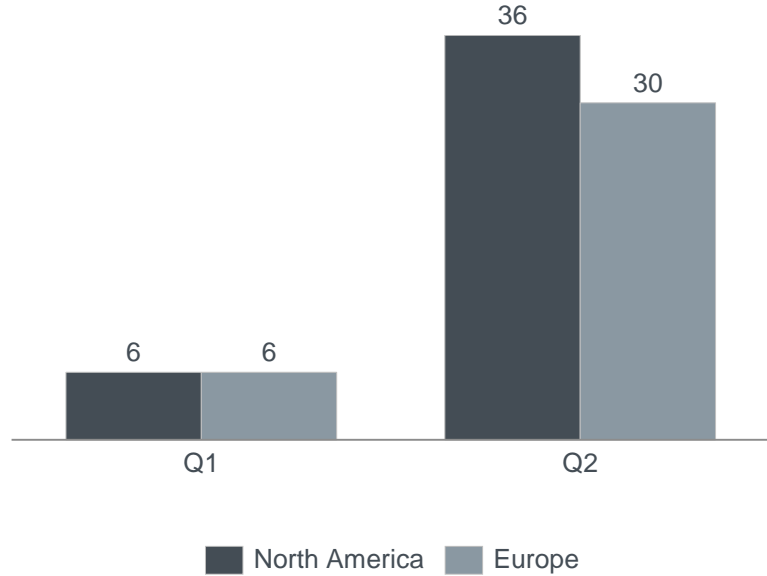
○ Share of Q1 2021 Hydro Extrusions sales

## External market forecasts

2021 vs 2020

Extrusion market growth per quarter

Growth in %



Source: CRU

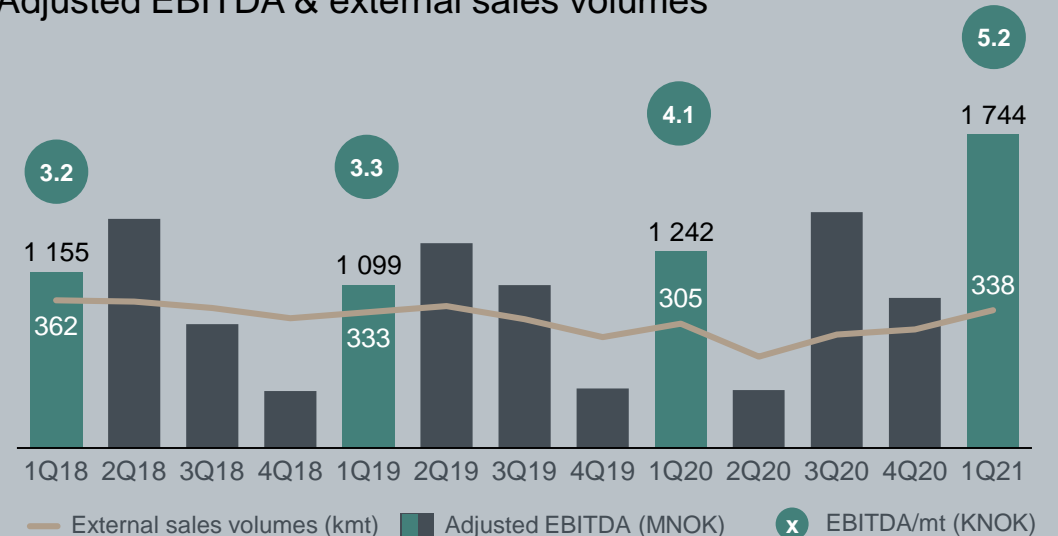
# Record quarter in Extrusions

Improved market share during Q1

- Adjusted EBITDA in Q1 was NOK 1 744 million, an increase of NOK 502 million compared to last year
  - EBITDA margin for Q1 at 10.7%
- All market segments currently showing strong demand, impacting both volumes and margins
  - Strong rebound in automotive in Europe, solid growth for industrial segment and residential building & constructions
  - Improving orders for commercial transport segment in North America, with trailer industry bookings increasing strongly
  - Strong demand for Hydro REDUXA
- Higher margins supported by improved utilization in European plants, and savings from improvement programs related to SG&A costs, procurement and restructuring
- High production levels at recycling units
  - Important source of metal amid tight billet markets
- Strong momentum into Q2 from key segments including transport and automotive



Adjusted EBITDA & external sales volumes

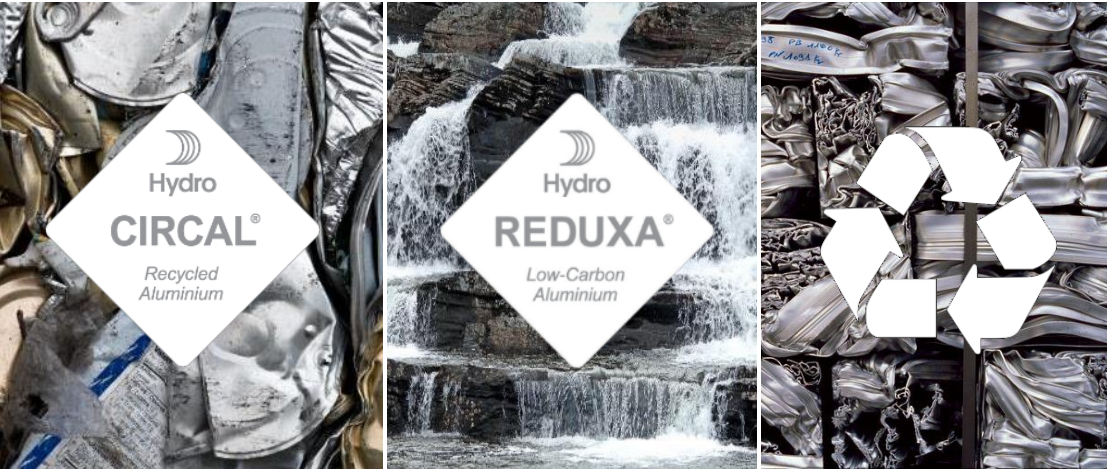


# Delivering on our Hydro 2025 strategy



Seizing opportunities where our capabilities match megatrends

## 1 Strengthen position in low-carbon aluminium



## 2 Diversify and grow in new energy



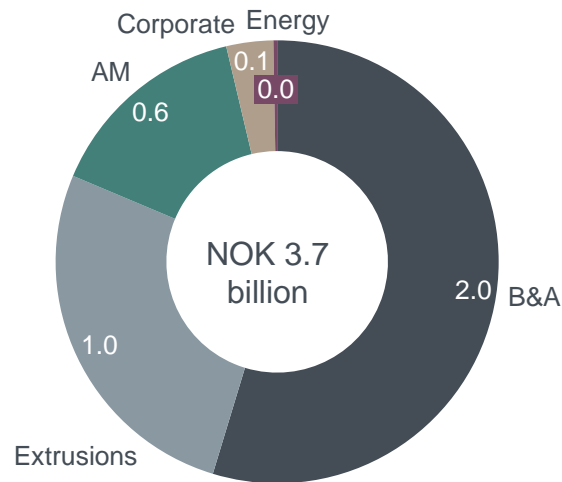
 Profitability & Sustainability

# Improvement program ahead of plan

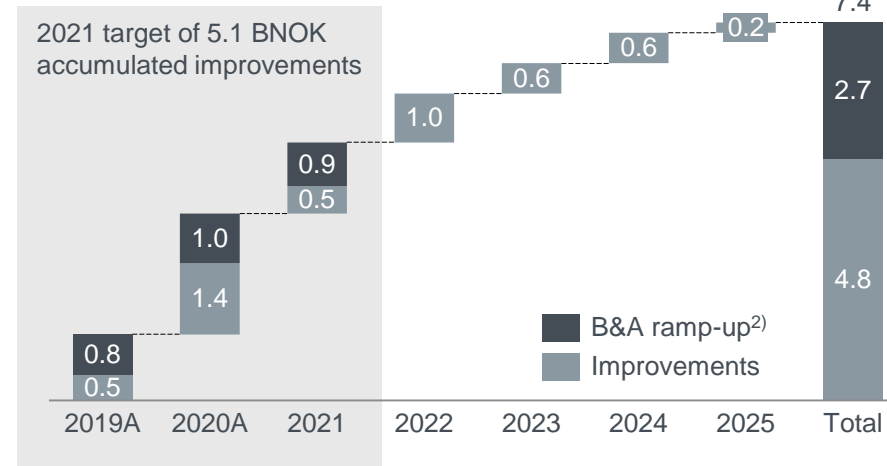
New improvement target of NOK 7.4 billion by 2025 and commercial ambition of NOK 1.5 billion adjusted for Rolling<sup>1)</sup>

## Improvement program

2020 accumulated improvement  
NOK billion

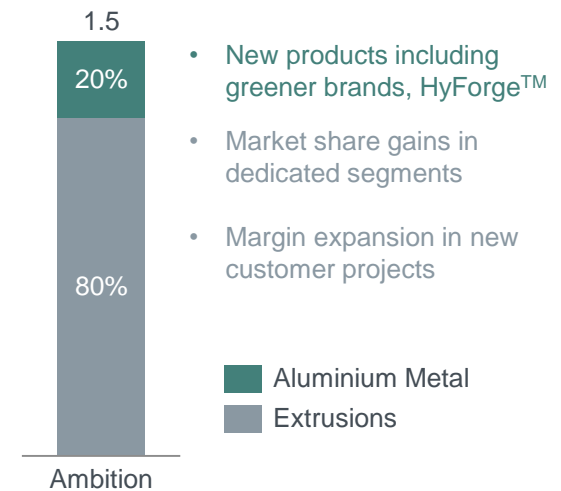


2025 accumulated improvement potential by year  
NOK billion



## Commercial ambition

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



1) Achieved NOK 0.5 billion of 1.1 billion 2025 target by 2020, and represented a commercial ambition of NOK 0.5 billion  
 2) Alunorte and Paragominas ramp-up to full nameplate capacity

# Strong demand for low-carbon aluminium



## Google Hudson Square in Hydro REDUXA facade...



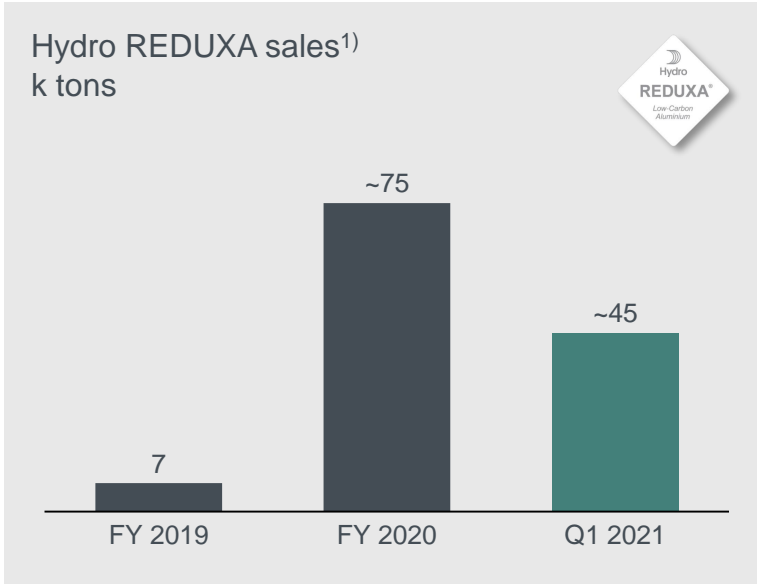
- 450 tonnes of Hydro REDUXA
- 1.3 million square feet office space

## ... produced at Hydro's Sunndal plant in Norway



- Hydro REDUXA capacity of ~415 kt, ~20% of Hydro total

## Strong Q1 sales for Hydro REDUXA



- Increased Hydro REDUXA demand in Q1

Photo: Field Condition  
1) Excluding Rolling

# Sustainability agenda progressing in key areas

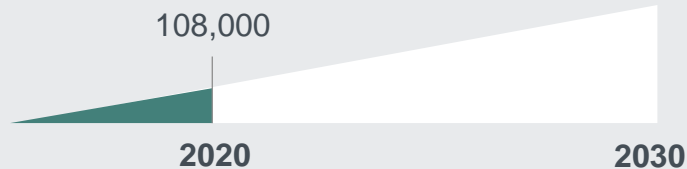


## Social responsibility

On track towards target to educate 500,000 by end-2030, strengthening partners and local communities



Empowering 500,000 people with education and skills development by end-2030



## Environment

Tailings Dry Backfill<sup>1)</sup> represents the end of new facilities for storage of bauxite tailings with CAPEX reductions of BRL ~2 billion<sup>2)</sup>



Rehabilitate mined out areas within two years<sup>3)</sup>



## Climate

Important progress towards target to cut CO<sub>2</sub> emissions by 30% by 2030



Move towards net zero emissions 2050



1) Tailings dry backfill at Paragominas mine

2) Capex savings refer to 10-15-year period. Savings reflected in capex forecast from CMD December 2020.

3) Rolling rehabilitation target, aiming to begin rehabilitation of all available mined areas within two hydrological seasons after release from operations

# Investment decision for Alunorte fuel-switch project

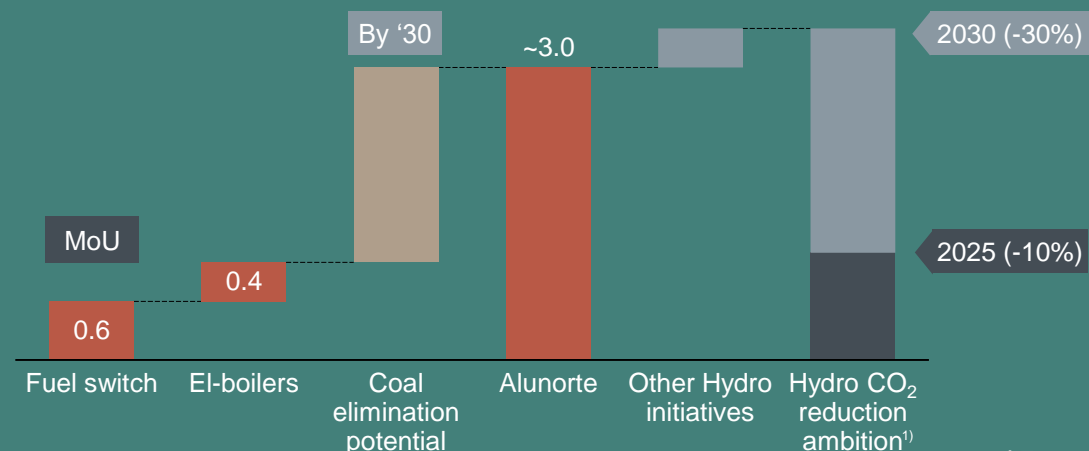
## Main enabler to deliver on 2025 CO<sub>2</sub> reduction ambition

- Unlocking potential of 600,000 tonnes of CO<sub>2</sub> reduction by replacing heavy fuel oil with liquid natural gas
  - MoU<sup>2)</sup> signed with New Fortress Energy to deliver natural gas to Alunorte
  - Expected CAPEX of BRL 1.1 billion
  - Key enabler to meet the CO<sub>2</sub> reduction ambition of 10% by 2025
  - Enabler for other LNG installations in the region of Pará
- Installation of three electrical boilers replacing coal with potential of 400 thousand tonnes of CO<sub>2</sub> emissions
  - Pilot installation planned in 2021
- Elimination of coal by electrifying remaining boilers have a potential of 2 million tonnes of CO<sub>2</sub> reduction by 2030



## Accumulated CO<sub>2</sub> effects and overall reduction ambitions

Own emissions in million mt CO<sub>2</sub>

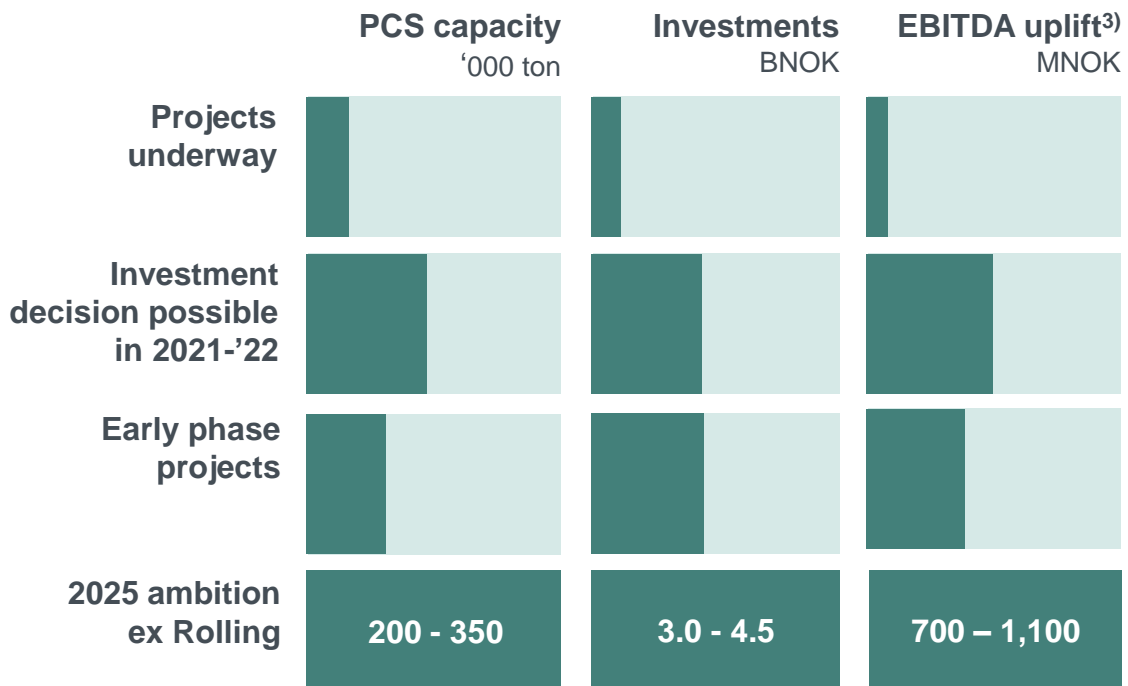


- Fuel switch enabling Hydro REDUXA 3.0
- EI boilers required for Hydro REDUXA 2.0

1) Based on 2018 portfolio excluding Rolling, by 2025 10% reduction and by 2030 30% reduction  
 2) The proposed agreement is subject to reaching commercial agreements and final documentation between the parties

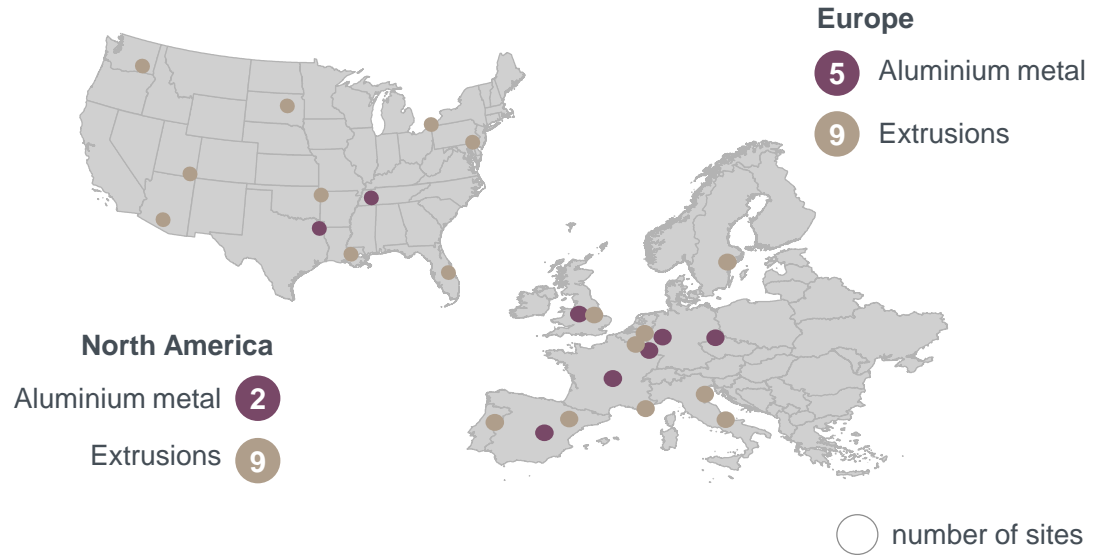
# Projects under way to meet recycling ambition<sup>1)</sup>

Double post-consumer scrap (PCS)<sup>2)</sup> use by 2025



## ~2 Mt recycling capacity currently in operation

25 recyclers and 1 sorting plant



1) Ambition across Hydro Extrusion and Aluminium Metal. Rolling excluded in all numbers.

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.



# Expanding energy growth portfolio to hydrogen

## Hydro REIN established



### Milestones

- 1GW investment decisions 2021
- Equity raise to be evaluated

## Extensive batteries pipeline with two investments in operations



### 2025 ambition

- NOK 2.5-3.0 billion investments
- Pro rata EBITDA MNOK 600-700

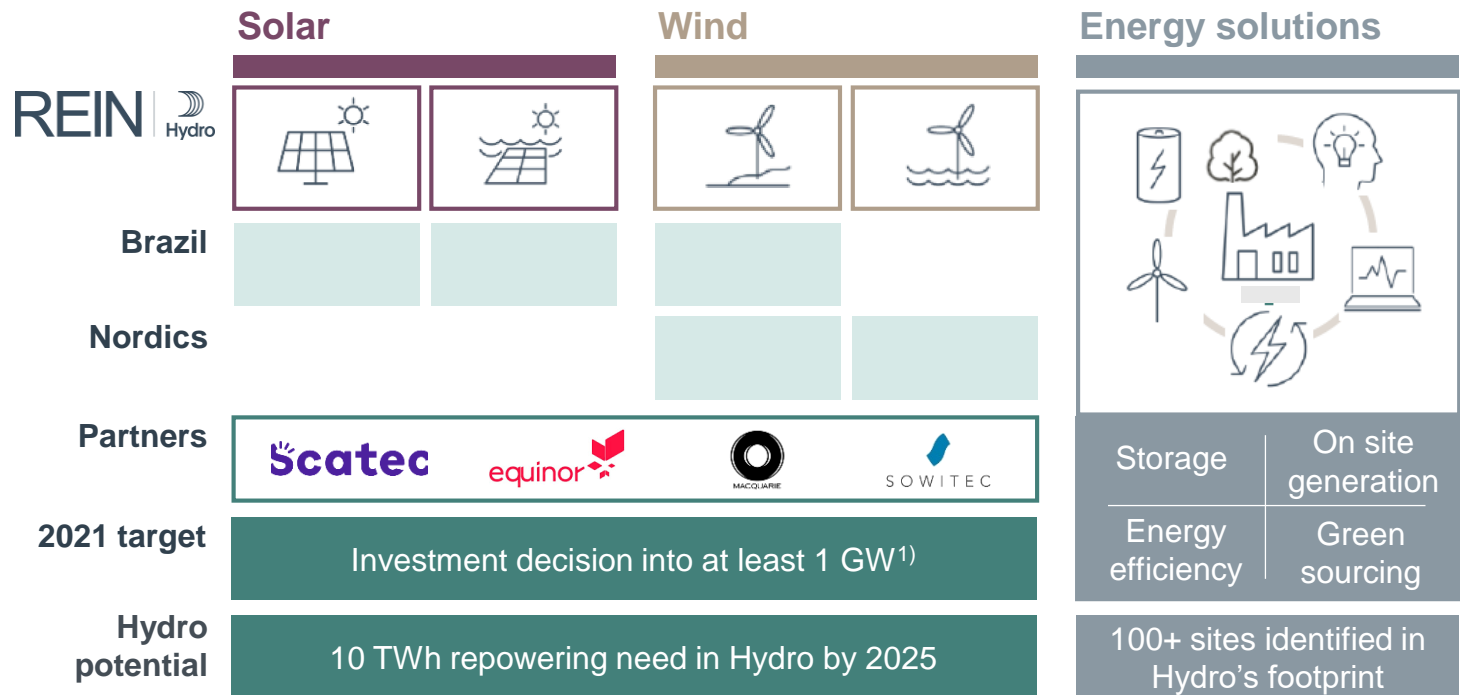
## Exploring hydrogen opportunities



### Strategy

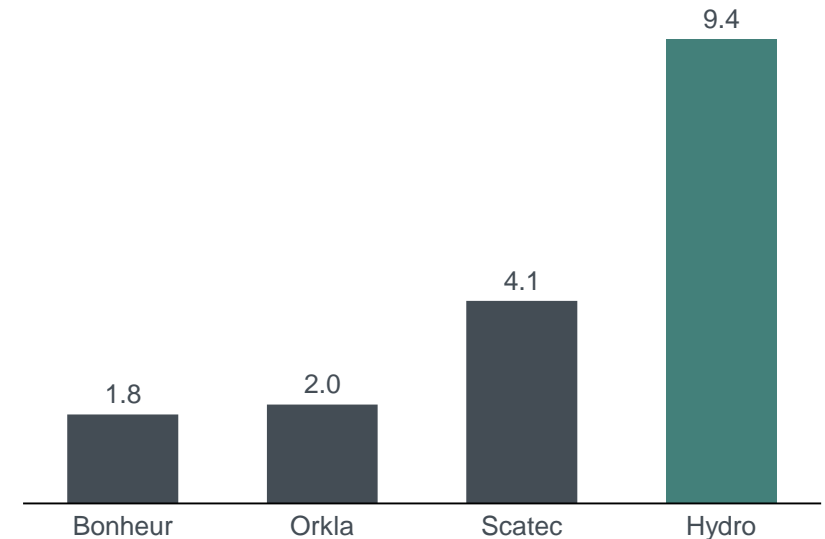
- Explore hydrogen potential
- Equity raise to be evaluated

# Hydro REIN - Developing new renewable assets to serve industrial partners with competitive power



## Building on 100+ years of experience

Hydro normal annual production vs OSE listed peers TWh



1) 100% basis, average ownership 30 – 50% pre potential farm-down

# Investing across the batteries value chain

Construction phase projects expected to be in operations within 2021-22

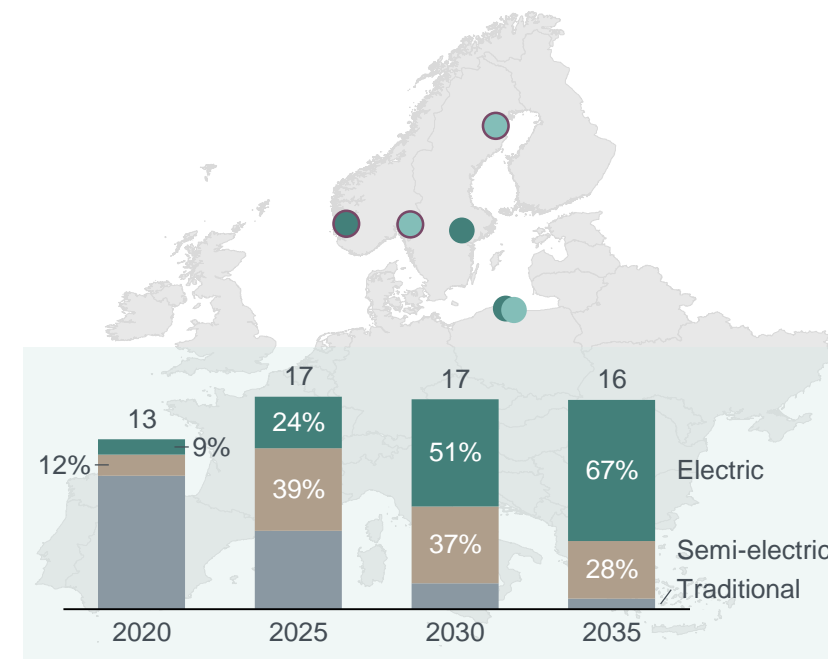
|                                      |  | Hydro ownership | Cell production capacity | System production capacity | Recycling capacity |
|--------------------------------------|--|-----------------|--------------------------|----------------------------|--------------------|
| Operations                           | <b>northvolt</b> Labs Jeden                  | 1%              | 350 MWh                  | 200 MWh                    |                    |
|                                      | <b>Corvus Energy</b>                         | 21%             |                          | 400 MWh <sup>3)</sup>      |                    |
| Construction<br>SOP 2021-22          | <b>northvolt</b>                             | 1%              | 32 GWh                   | 5 GWh                      |                    |
|                                      | <b>hydrovolt</b> <sup>1)</sup>               | 50%             |                          |                            | 8.000 ton          |
| MoU, FID <sup>4)</sup> & Early phase | <b>Panasonic equinor</b> Hydro <sup>2)</sup> | TBD             | Giga Plant               |                            |                    |
|                                      | Other early phase projects evaluated         |                 |                          |                            |                    |

● Exploring growth options

- 1) 50/50 Joint Venture with Northvolt
- 2) Joint Battery Initiative (JBI)
- 3) Capacity at Norwegian plant
- 4) Final Investment Decision (FID)

## Attractive positioning in the Nordics

European total car sales projection (million) and locations



Electric inc BEV, PHEV, Semi-electric inc. HEV, MHEV, Traditional pure Diesel and Gasoline. Source: BCG

# Large potential for hydrogen at Hydro's plants

- There is large hydrogen potential from industrial heating in the Hydro portfolio - approx. 4GW hydrogen production equivalent
- Conversion to hydrogen can give approx. 1 000 000<sup>1)</sup> t CO<sub>2</sub> emission reduction
- Norwegian gas consumption equals to ~120MW of hydrogen production capacity
- A hydrogen business can leverage Hydro's large global footprint of industrial assets
- Scale and positions in sourcing and production of power
- Strong support schemes being put in place in EU and Norway – supporting aggressive European industrial decarbonization targets.



**Potential for ~4 GW long-term captive demand**



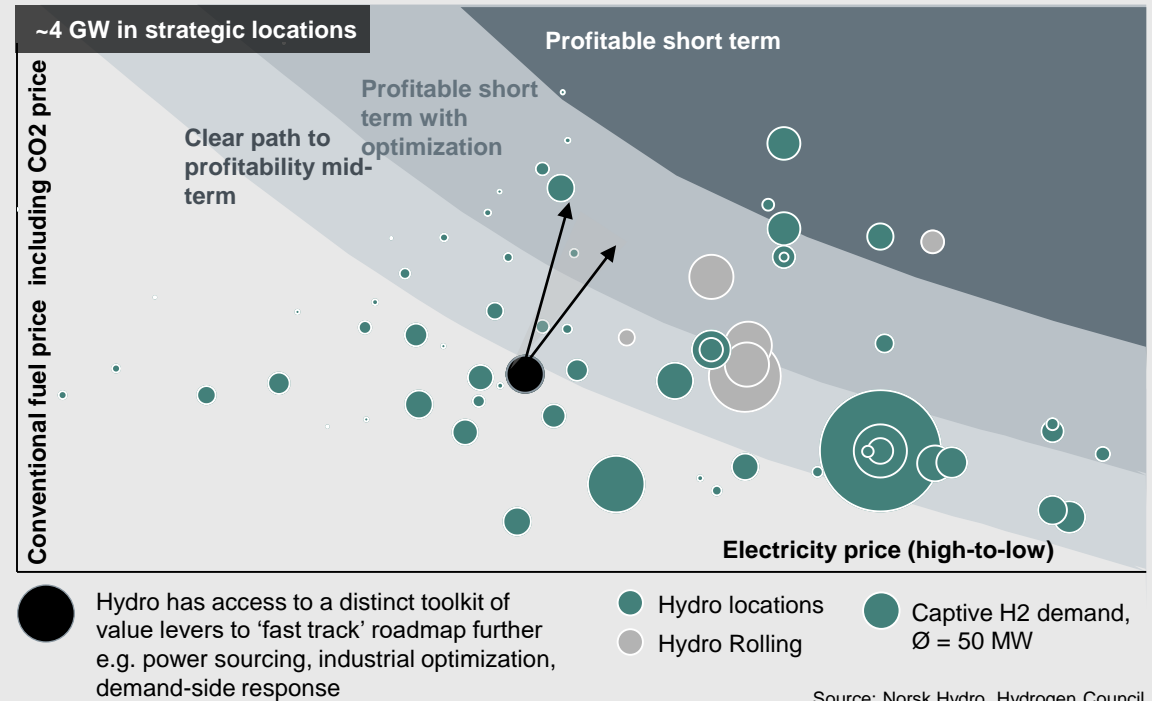
**Vehicle to develop renewable power**



**Leveraging Hydro Energy market and system support**

1) Excluding Alunorte

## Conversion already attractive at multiple Hydro locations



Source: Norsk Hydro, Hydrogen Council

## Equity raise being evaluated for Hydrogen company

- Currently maturing 3-5 projects in Norway and Europe
- First investment decisions within 12 months
- Plan to raise external capital in short to medium term
- Global project portfolio and long-term robust pipeline
- Partnerships being matured to accelerate growth



**Lifting profitability,  
driving sustainability**

# Priorities

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



# Financial update

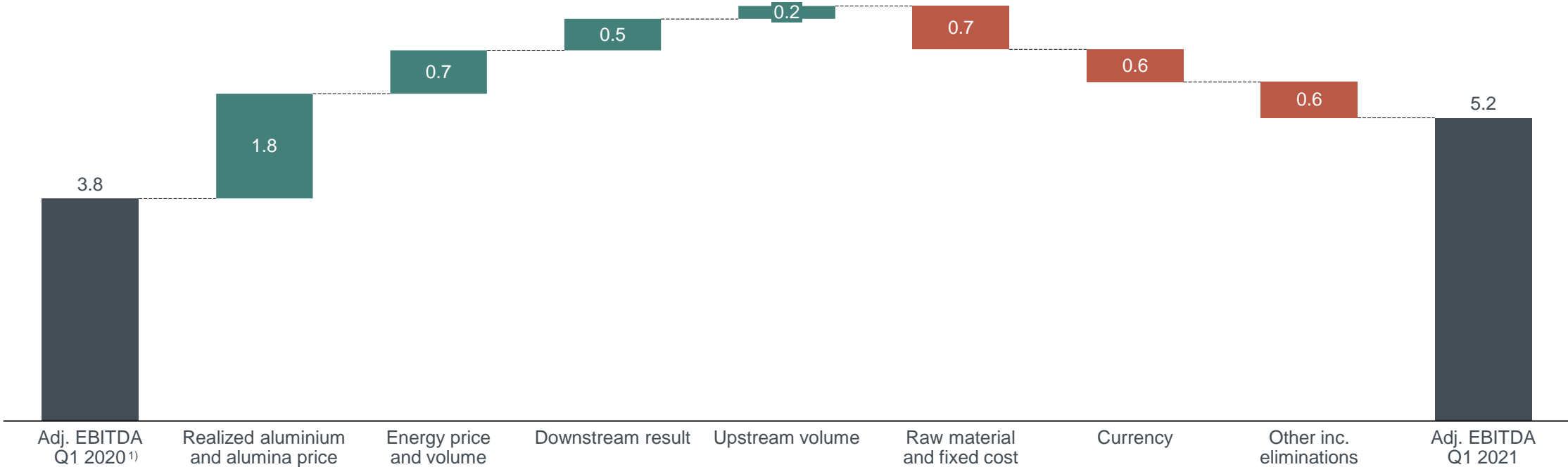
Pål Kildemo,  
Executive Vice President and CFO

# Result up on improved prices and downstream result, partly offset by raw material cost and negative currency effects



Q1-2021 vs Q1-2020

NOK billion



1) Based on restated financials ex. Hydro Rolling

# Key financials



| NOK million  | Q1 2021      | Q1 2020        | Q4 2020      | Year 2020     |
|--|--------------|----------------|--------------|---------------|
| Revenue  | 31 951       | 31 609         | 29 823       | 114,291       |
| <b>Reported EBITDA</b>                                       | <b>4 079</b> | <b>4 107</b>   | <b>8 601</b> | <b>18 390</b> |
| Adjustment to EBITDA   | 1 103        | (297)          | (5 198)      | (5 284)       |
| <b>Adjusted EBITDA</b>                                       | <b>5 182</b> | <b>3 810</b>   | <b>3 403</b> | <b>13 106</b> |
| Reported EBIT  | 2 233        | 2 228          | 6 824        | 9 356         |
| <b>Adjusted EBIT</b>   | <b>3 559</b> | <b>1 943</b>   | <b>1 678</b> | <b>6 040</b>  |
| Financial income (expense)                                   | 424          | (4 428)        | 1 248        | (4 552)       |
| <b>Reported Income (loss) before tax</b>                     | <b>2 657</b> | <b>(2 200)</b> | <b>8 072</b> | <b>4 804</b>  |
| Income taxes   | (776)        | 457            | (846)        | (918)         |
| <b>Reported Net income (loss) from continuing operations</b> | <b>1 880</b> | <b>(1 743)</b> | <b>7 226</b> | <b>3 886</b>  |
| Adjusted net income (loss) from continuing operations        | 2 448        | 834            | 1 089        | 2 848         |
| Earnings per share from continuing operations                | 0.89         | (0.75)         | 3.40         | 1.99          |
| Adjusted earnings per share from continuing operations       | 1.15         | 0.39           | 0.47         | 1.32          |
| Loss from discontinued operations                            | (380)        | (282)          | (1 849)      | (2 226)       |

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



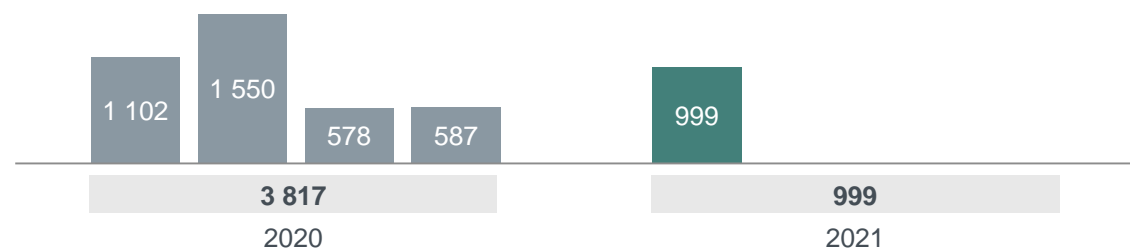
# Hydro Bauxite & Alumina

Results down on increased costs from crane repair and raw materials prices

| Key figures                                | Q1 2021 | Q1 2020 | Q4 2020 |
|--|---------|---------|---------|
| Alumina production, kmt                    | 1 540   | 1 531   | 1 410   |
| Total alumina sales, kmt                   | 2 269   | 2 140   | 2 122   |
| Realized alumina price, USD/mt             | 294     | 278     | 272     |
| Implied alumina cost, USD/mt <sup>1)</sup> | 243     | 226     | 241     |
| Bauxite production, kmt                    | 2 813   | 2 585   | 2 556   |
| Adjusted EBITDA, NOK million               | 999     | 1 102   | 587     |
| Adjusted EBIT, NOK million                 | 556     | 535     | 116     |
| Adjusted RoaCE, % LTM <sup>2)</sup>        | 6.5%    | 3.6%    | 5.9%    |

## Adjusted EBITDA

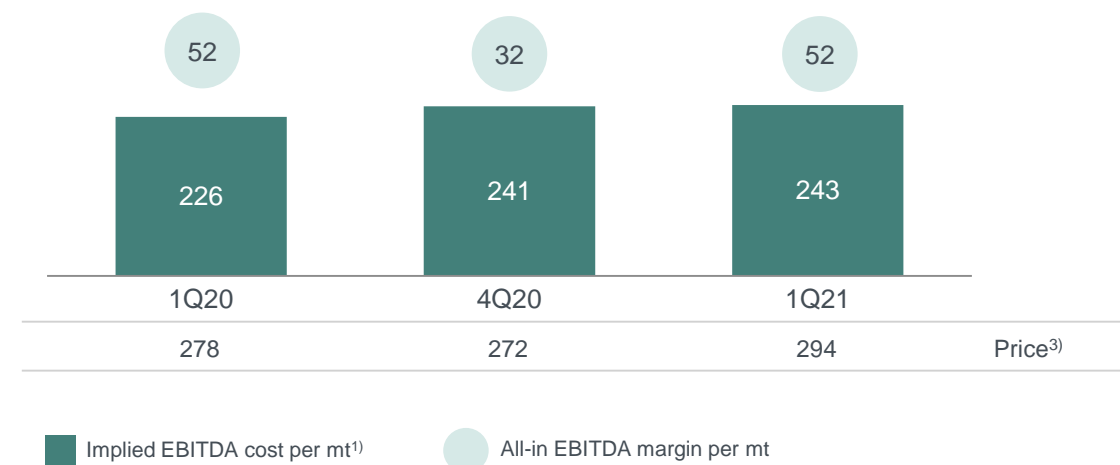
NOK million



- 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/mt<sup>1)</sup>



## Results Q1 21 vs Q1 20

- Higher realized alumina price
- Positive currency effects of weaker BRL against USD
- Higher operational costs from crane repairs (NOK ~350 million)
- Higher raw material prices, mainly fuel oil
- High production at Paragominas, and close to nameplate at Alunorte

## Outlook Q2 21

- Alunorte expected to produce around nameplate capacity
- Crane repair costs NOK ~100 million
- Maintenance at Paragominas
- Higher market prices for fuel oil

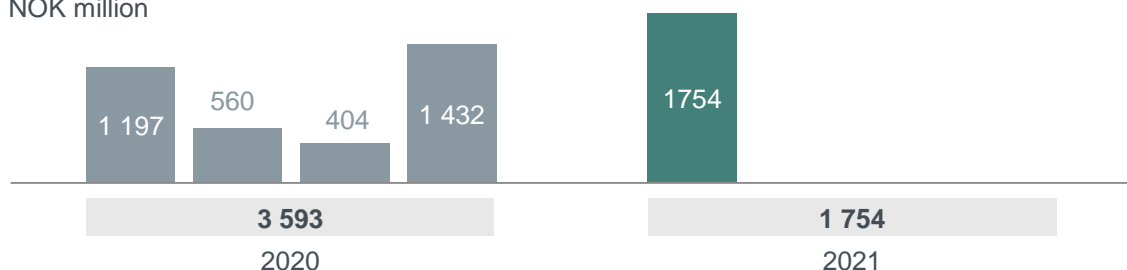
# Hydro Aluminium Metal

Results up on higher all-in metal prices

| Key figures  | Q1 2021 | Q1 2020 | Q4 2020 |
|--|---------|---------|---------|
| Primary aluminium production, kmt                            | 539     | 528     | 532     |
| Total sales, kmt   | 599     | 577     | 547     |
| Realized LME price, USD/mt                                   | 1 993   | 1 758   | 1 792   |
| Realized LME price, NOK/mt                                   | 16 999  | 16 658  | 16 364  |
| Realized premium, USD/mt                                     | 264     | 234     | 224     |
| Implied all-in primary cost, USD/mt <sup>1)</sup>            | 1 825   | 1 700   | 1 650   |
| Adjusted EBITDA, NOK million                                 | 1 754   | 1 197   | 1 432   |
| Adjusted EBITDA including Qatalum 50% pro rata (NOK million) | 2 218   | 1 599   | 1 794   |
| Adjusted EBIT, NOK million                                   | 1 185   | 573     | 844     |
| Adjusted RoaCE, % LTM <sup>2)</sup>                          | 4.5%    | 0.4%    | 2.9%    |

## Adjusted EBITDA

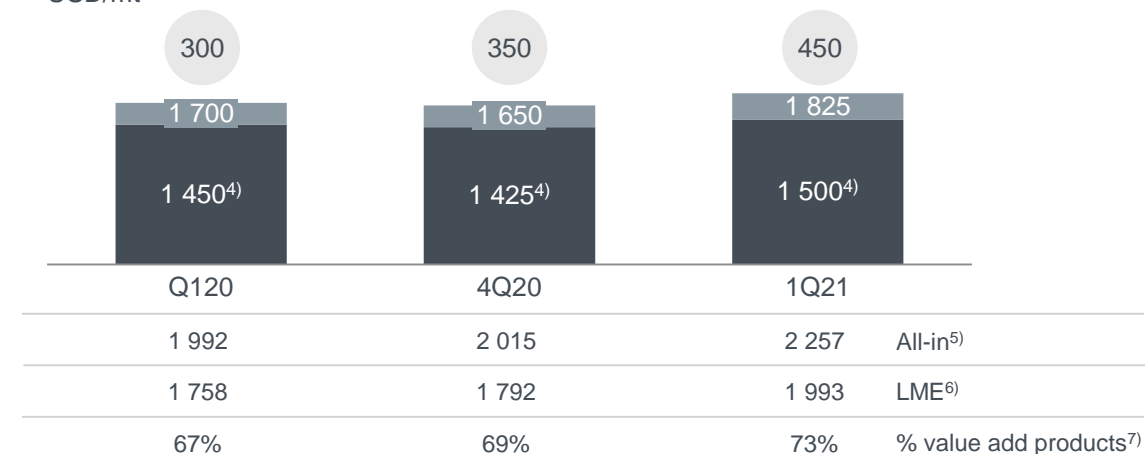
NOK million



- 1) Realized all-in aluminium price minus Adjusted EBITDA margin, including Qatalum, per mt aluminium sold. Including Qatalum volumes.
- 2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters
- 3) Implied primary cost and margin rounded to nearest USD 25
- 4) Realized LME aluminium price less Adjusted EBITDA margin, incl Qatalum, per mt primary aluminium produced

## All-in implied primary cost and margin

USD/mt<sup>1,3)</sup>



■ All-in Implied EBITDA cost per mt<sup>1)</sup> ■ LME Implied EBITDA cost per mt<sup>4)</sup> ● All-in EBITDA margin per mt

## Results Q1 21 vs Q1 20

- Higher LME, premiums and sales volumes
- Negative currency effects and higher raw material prices
- NOK 120 million risk adjusted CO<sub>2</sub> compensation included, reflecting 2 months eligible sales volumes

## Outlook Q2 21

- ~65% of primary production for Q2 priced at USD 2 108 per mt<sup>8)</sup>
- ~59% of premiums affecting Q2 booked at USD ~333 per mt<sup>8)</sup>
  - Q2 realized premium expected in the range of USD 275-325 per ton

5) Realized LME plus realized premiums, including Qatalum

6) Realized LME, including Qatalum

7) % of volumes extrusion ingot, foundry alloy, sheet ingot, wire rod of total sales volumes

8) Bookings, also including pricing effects from LME strategic hedging program as per 31.03.2021

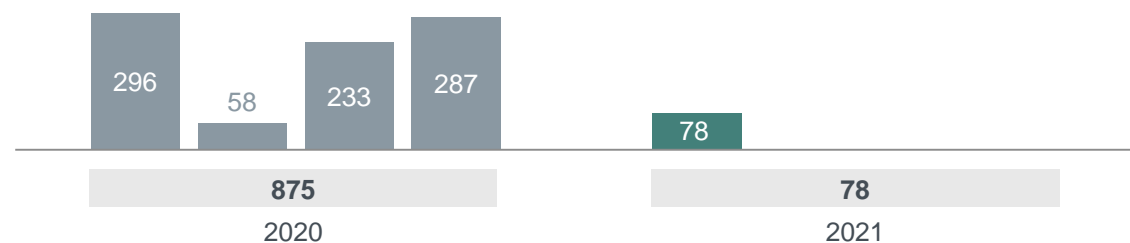
# Hydro Metal Markets

Results down on lower Recycling results and negative currency and inventory valuation effects

| Key figures  | Q1 2021 | Q1 2020 | Q4 2020 |
|--|---------|---------|---------|
| Remelt production, kmt   | 143     | 137     | 140     |
| Metal products sales, kmt <sup>1)</sup>                        | 742     | 675     | 672     |
| Adjusted EBITDA Recycling (NOK million)                        | 89      | 121     | 137     |
| Adjusted EBITDA Commercial (NOK million)                       | (11)    | 176     | 149     |
| Adjusted EBITDA Metal Markets (NOK million)                    | 78      | 296     | 287     |
| Adjusted EBITDA excl. currency and inventory valuation effects | 161     | 119     | 295     |
| Adjusted EBIT (NOK million)                                    | 43      | 261     | 248     |
| Adjusted RoaCE, % LTM <sup>2)</sup>                            | 15.8%   | 28.1%   | 21.4%   |

## 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 Q1 21 vs Q1 20

- Lower recycling results, mainly due to lower realized sales premiums
- Higher results from commercial activities
- Negative currency and inventory valuation effects

## Outlook Q2 21

- Volatile trading and currency effects

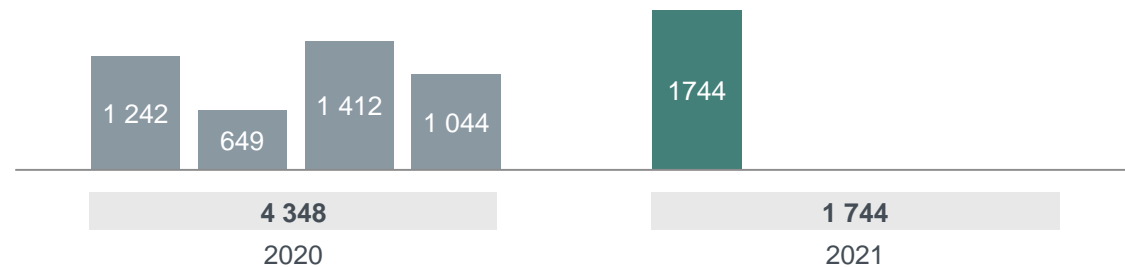
# Hydro Extrusions

Results up on higher volumes, reduced variable costs and increased margins

| Key figures                         | Q1 2021 | Q1 2020 | Q4 2020 |
|-------------------------------------|---------|---------|---------|
| External sales volumes, kmt         | 338     | 305     | 291     |
| Adjusted EBITDA, NOK million        | 1 744   | 1 242   | 1 044   |
| Adjusted EBIT, NOK million          | 1 244   | 702     | 511     |
| Adjusted RoaCE, % LTM <sup>1)</sup> | 8.4%    | 5.7%    | 6.2%    |

## Adjusted EBITDA

NOK million



## Results Q1 21 vs Q1 20

- Higher volumes driven by strong demand
- Increased margins
- Lower variable costs

## Outlook Q2 21

- Continued strong demand
- Continued low fixed costs

1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters

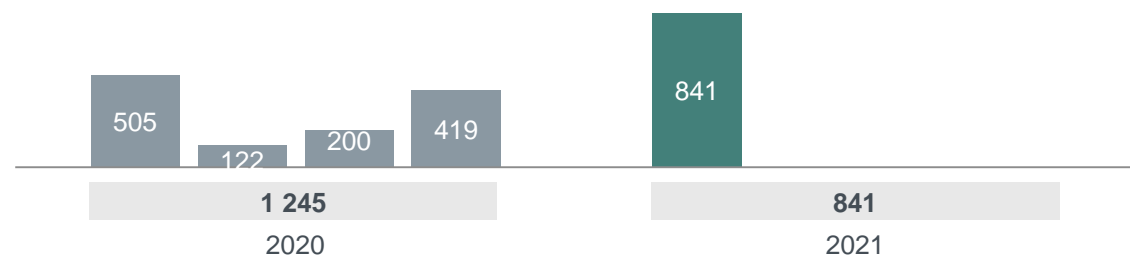
# Hydro Energy

Results up on higher prices and changes in contract portfolio

| Key figures                                | Q1 2021 | Q1 2020 | Q4 2020 |
|--|---------|---------|---------|
| Power production, GWh                      | 2 857   | 2 868   | 3 396   |
| Net spot sales, GWh                        | 1 126   | 1 169   | 1 595   |
| Southwest Norway spot price (NO2), NOK/MWh | 469     | 154     | 137     |
| Adjusted EBITDA, NOK million               | 841     | 505     | 419     |
| Adjusted EBIT, NOK million                 | 792     | 437     | 352     |
| Adjusted RoaCE, % LTM <sup>1,2)</sup>      | 10.8%   | 20.5%   | 8.7%    |

## 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 full year 2019 and 2020. 55% tax rate applied in Q1 2021  
 3) 01.04.2021-25.04.2021



## Results Q1 21 vs Q1 20

- Seasonally high production at higher prices due to below normal temperatures and low wind power output
- Expiry of legacy power supply contract and new internal contract

## Outlook Q2 21

- Average NO2 spot price ~422 NOK/Mwh in April<sup>3)</sup>
- Uncertainty on timing of spring thaw

# Net debt increased in Q1 on seasonally higher NOC



NOK billion



# Additional volumes on integrated margin hedge and BRL/USD hedge in the quarter

- Aluminium hedges of 250-350 kt/yr 2021-23 in place per mid-April
  - 250 kt/yr in place 2021-23 per end-January at price levels seen in late December/early January
  - 100 kt/yr additional hedges 2022-23 placed in mid-April
  - 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 BRL/USD Hedge
  - USD 563 million sold forward for 2021-2023 at average rate of 5.68 BRL/USD
    - USD 194 million 2021 at rate 5.46
    - USD 189 million 2022 at rate 5.61
    - USD 180 million 2023 at rate 6.01
  - Aim to reduce volatility and uncertainty in Alunorte cash flows
  - Current BRL/USD level support a robust cost curve position for Alunorte
- 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





# Market



# Macro trends and favorable properties drive aluminium demand

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



## Aluminium

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



## Steel

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



## Copper

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



## Composites

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



## PVC

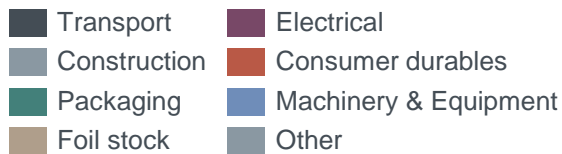
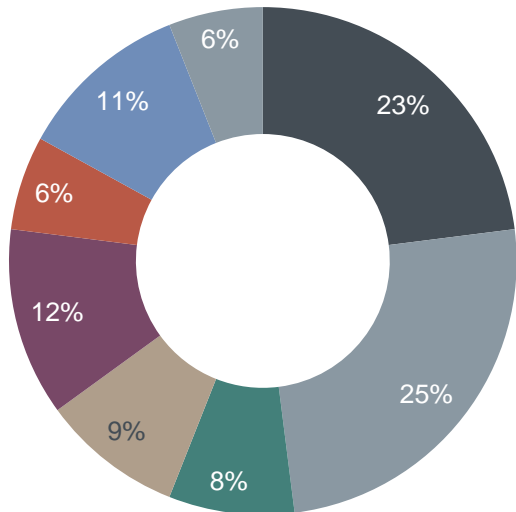
- ✓ Lightness and formability
- ✓ Corrosion resistance
- ✓ Price
- ✗ Climate footprint
- ✗ Recyclability
- ✗ Durability

# Transport & construction key semis demand segments

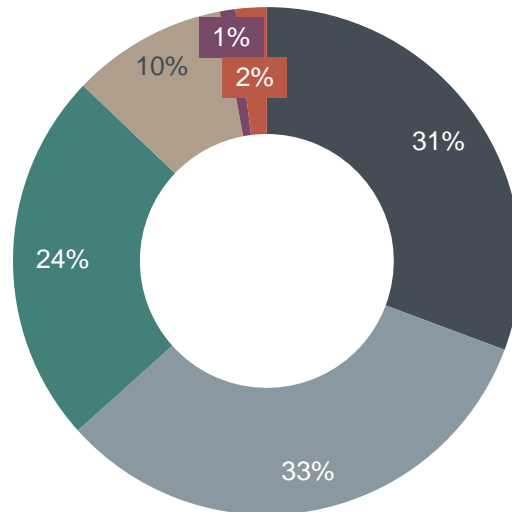


Global semis demand 2020: ~85 million tonnes

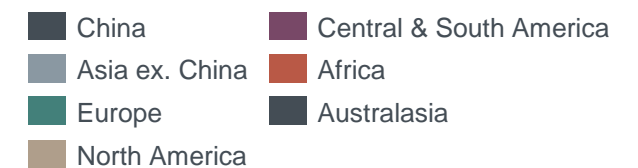
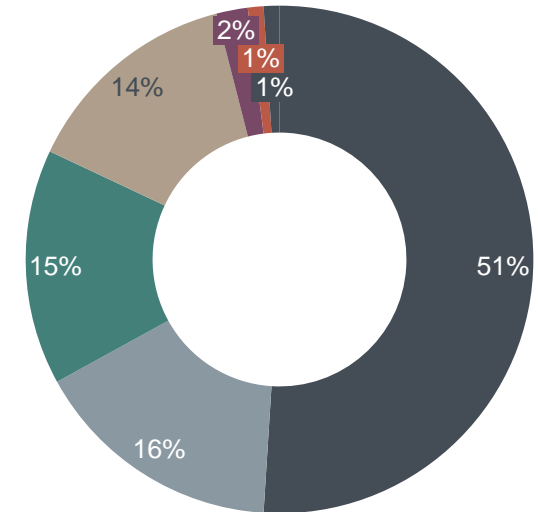
Per segment



Per product form



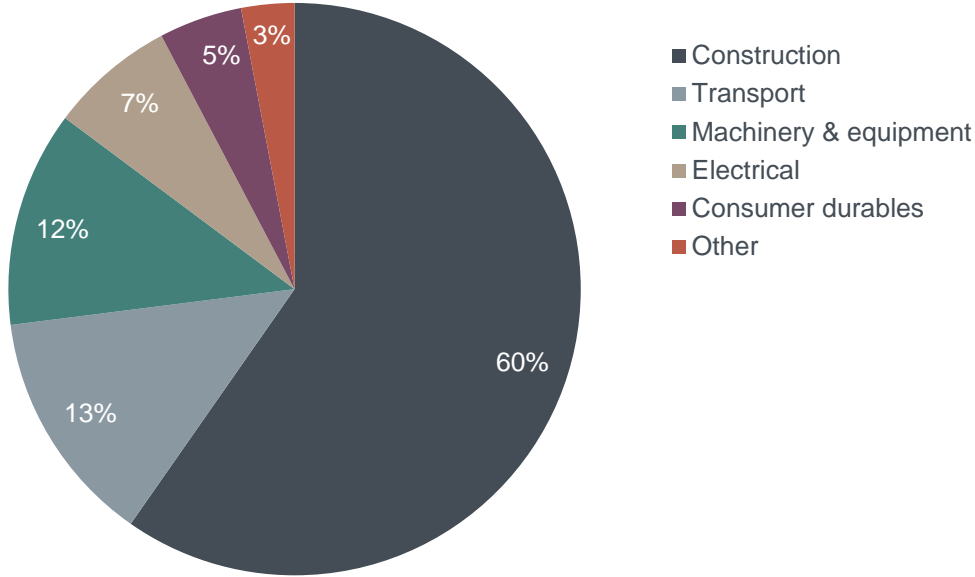
Per region



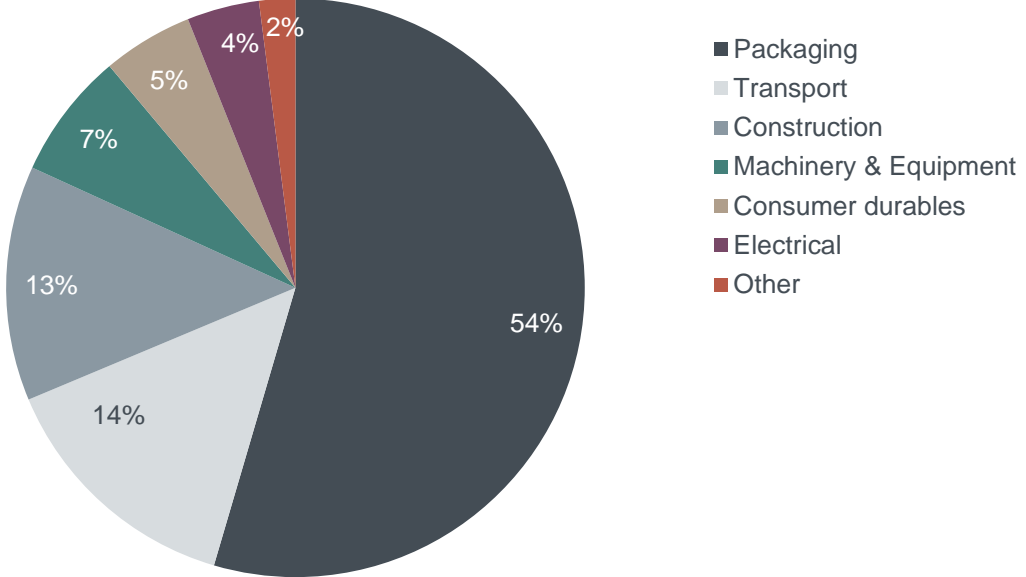
# Segment composition in extruded and rolled products



Global segment composition, extrusions  
(2020)



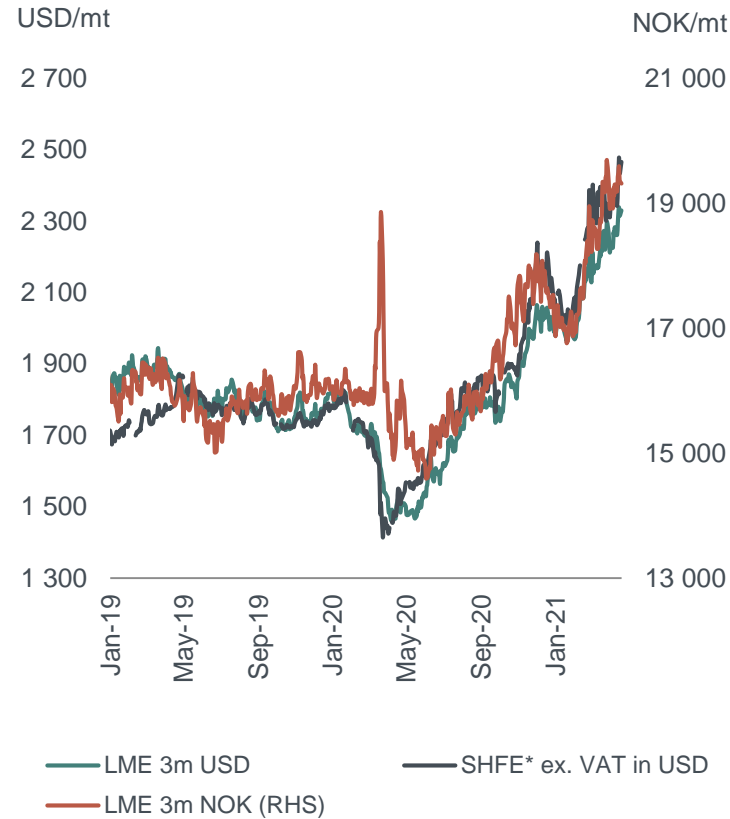
Global segment composition, rolled products  
(2020)



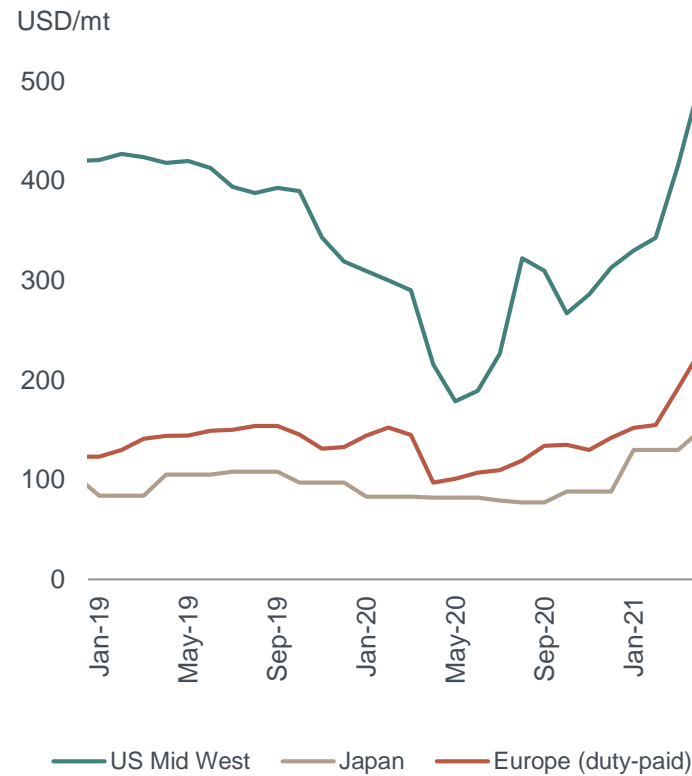
# Revenue drivers through Q1'21



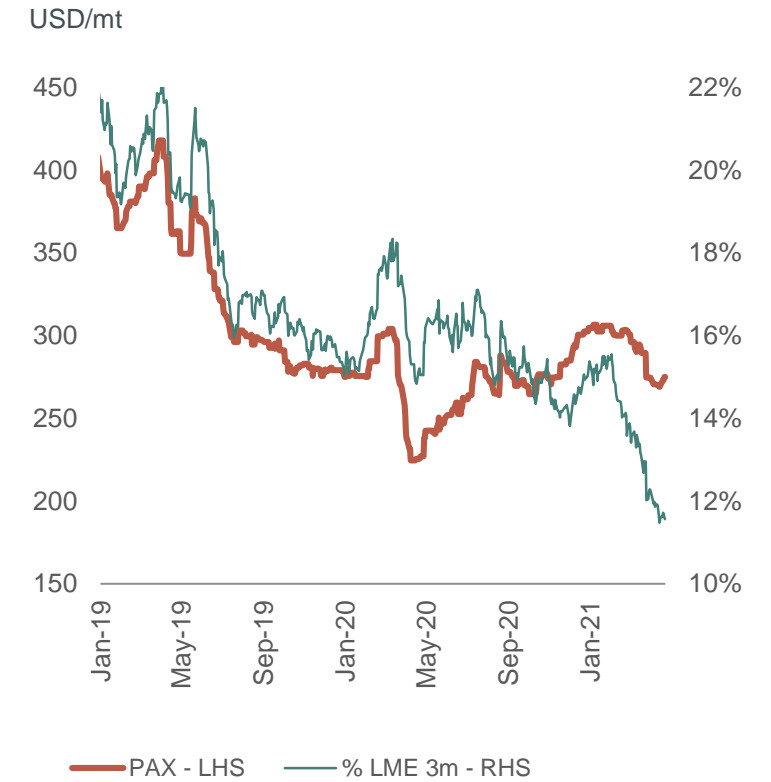
## LME and SHFE aluminium prices



## Regional standard ingot premiums

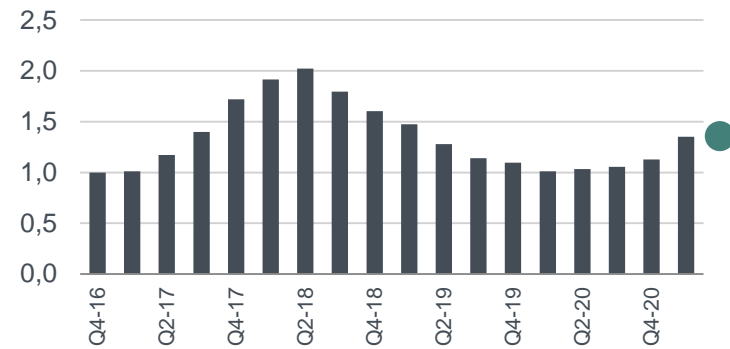


## Platts alumina index (PAX)

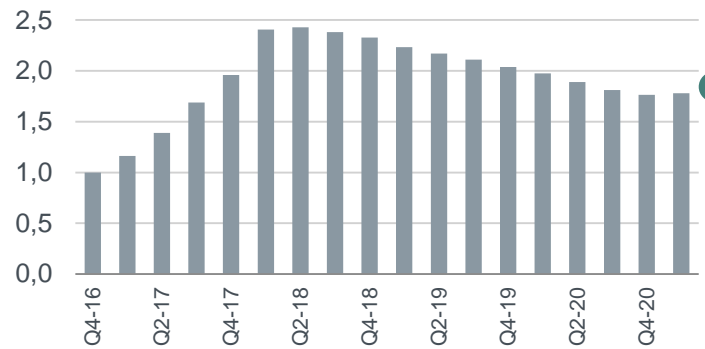


# Industry raw material costs in Q1

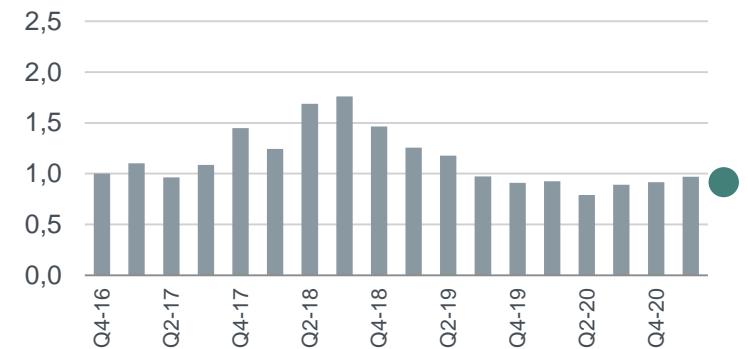
Petroleum coke FOB USG (indexed)



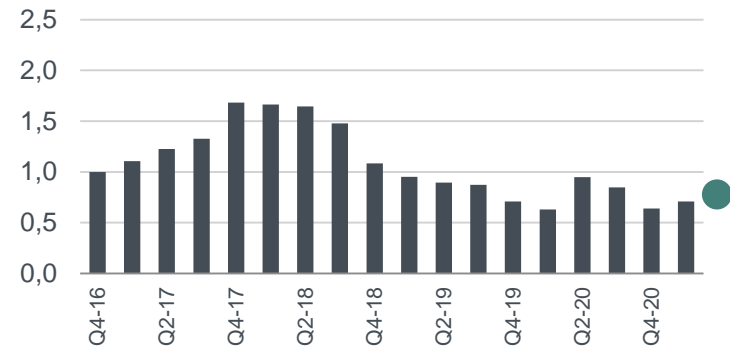
Pitch FOB USG (indexed)



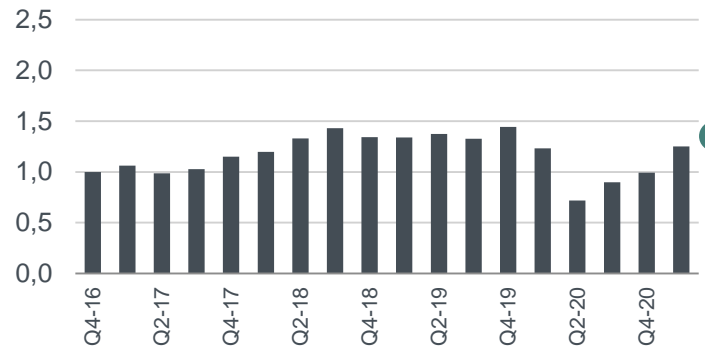
Alumina PAX index (indexed)



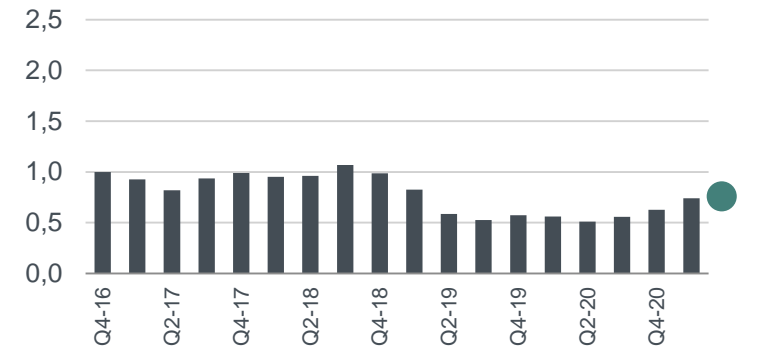
Caustic soda (indexed)



Fuel oil A1 (Indexed)



Steam coal (indexed)



● Indication of current market prices

# Historical strong correlation between LME and 90th percentile smelters

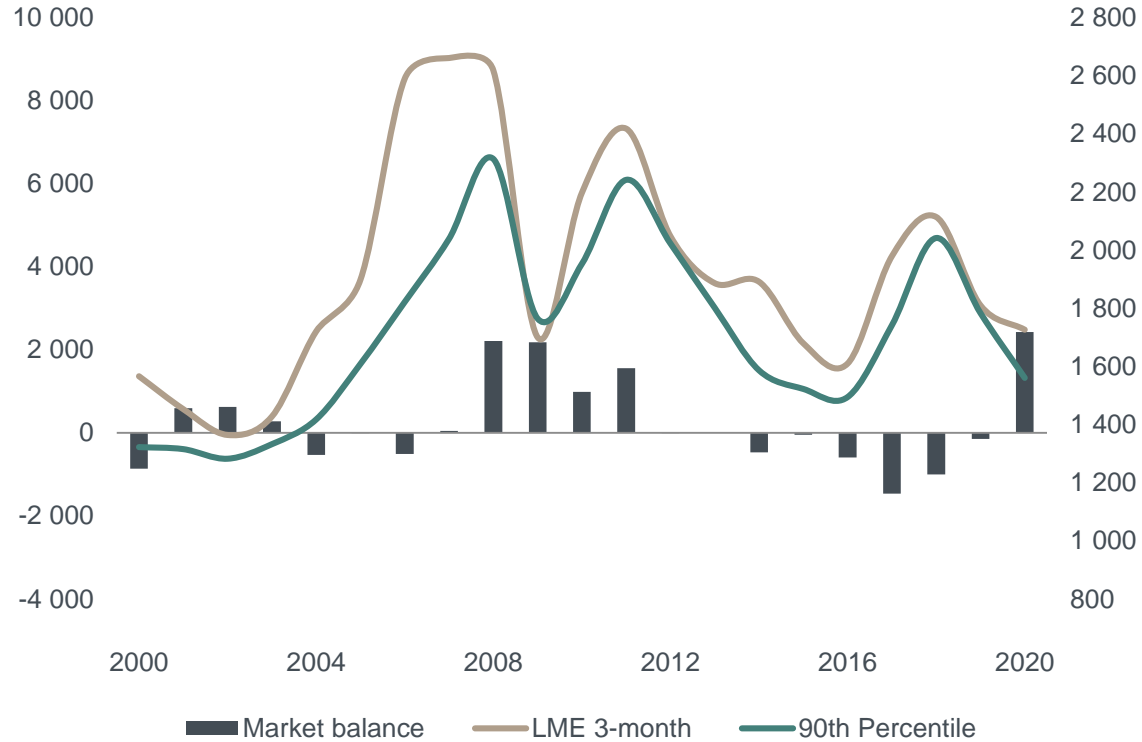


Primary metal market

## World ex-China

Market balance in thousand tonnes <sup>1)</sup>

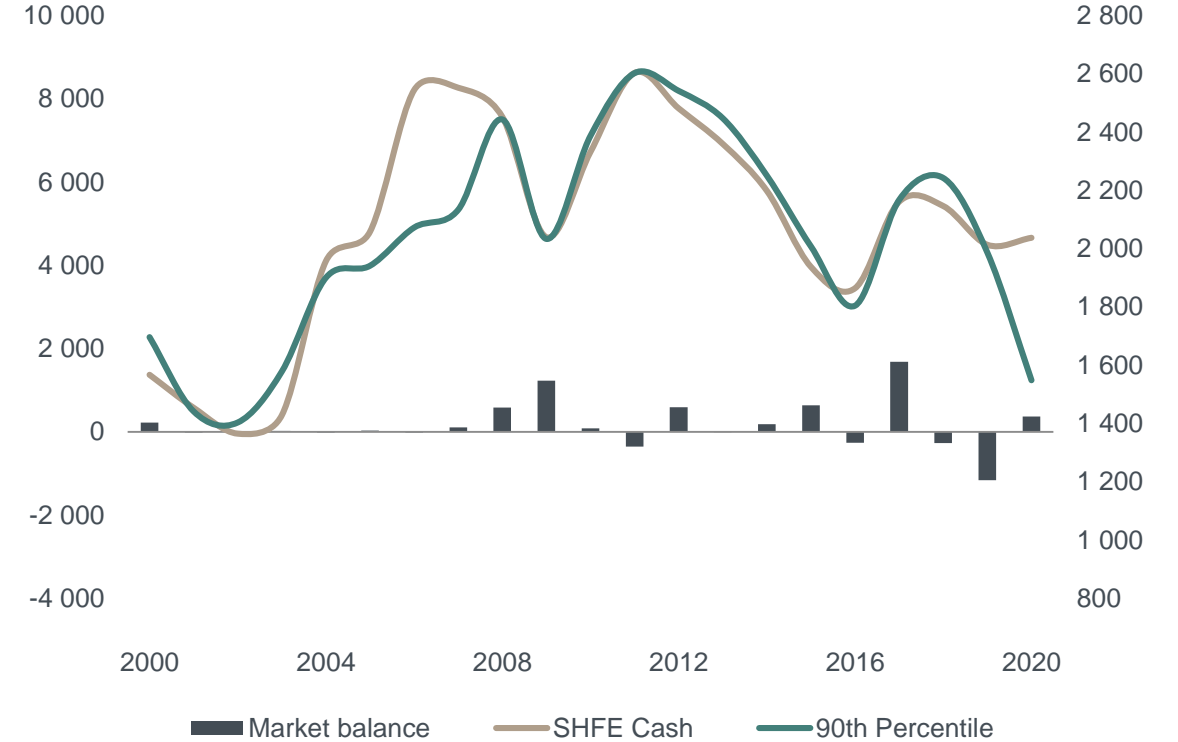
Nominal USD/t



## China

Market balance in thousand tonnes <sup>1)</sup>

Nominal USD/t



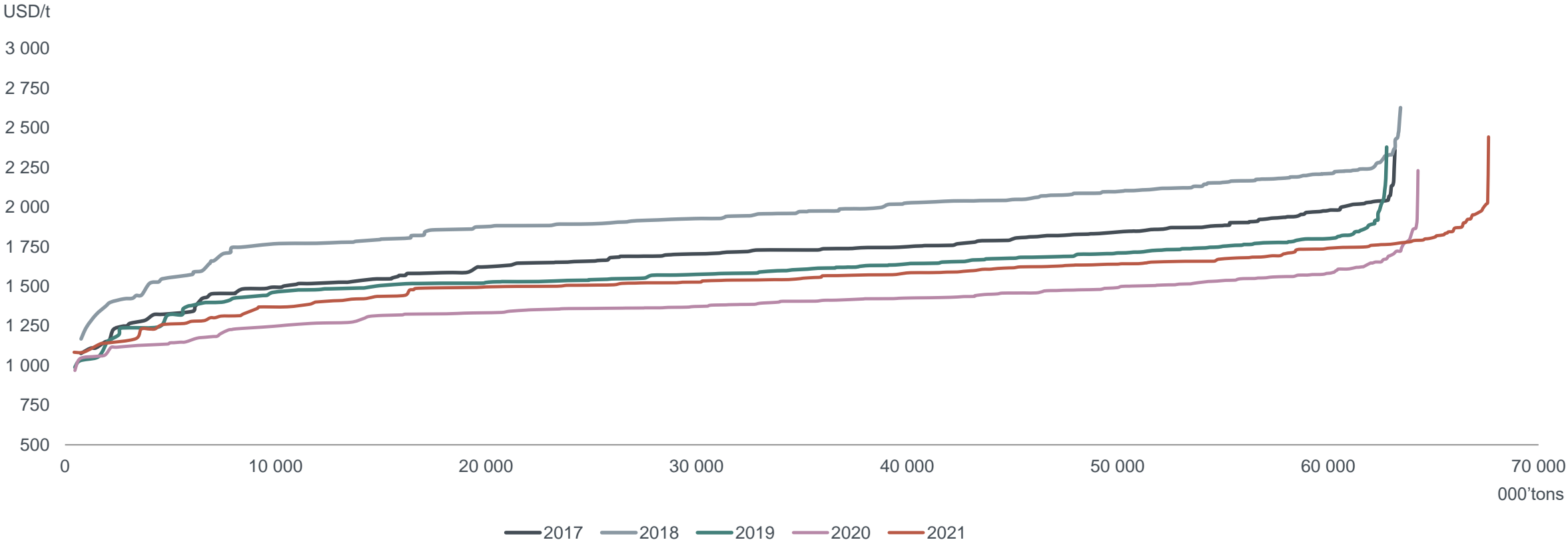
Source: CRU, Hydro Analysis  
 1) Primary production less primary demand

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



Primary metal market

CRU BOC curve by smelter



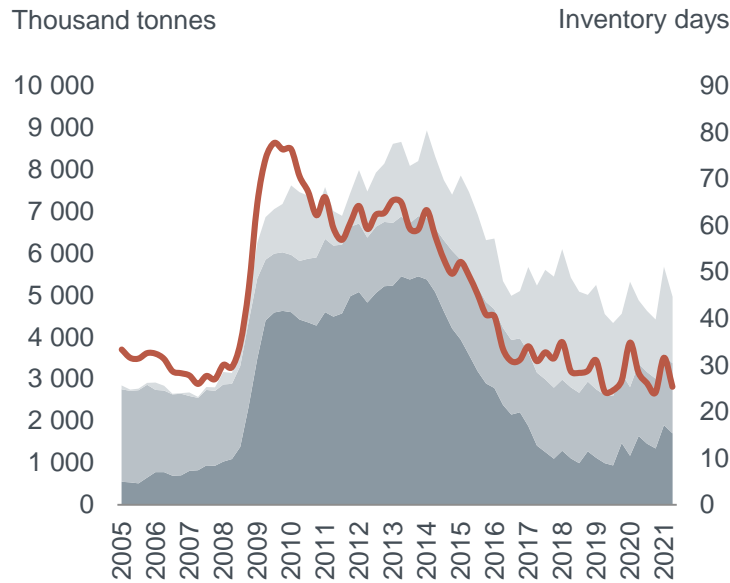
Source: Republished under license from CRU International Ltd

# Total global inventory days declined since Q1 2020 on improving market conditions



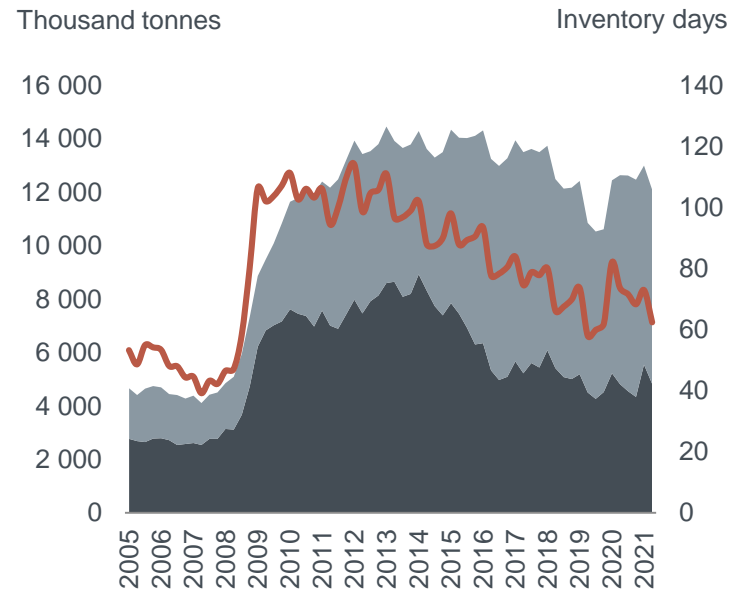
Primary metal market

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 increased in 2020
- Stocks in World ex China up on demand shortfall due to corona crisis, however strong Chinese demand leading to decreased inventories in China after Q1. Total global stocks peaked in Q1 2021
- LME stocks up in first quarter 2021
- High uncertainty regarding absolute level of unreported volumes

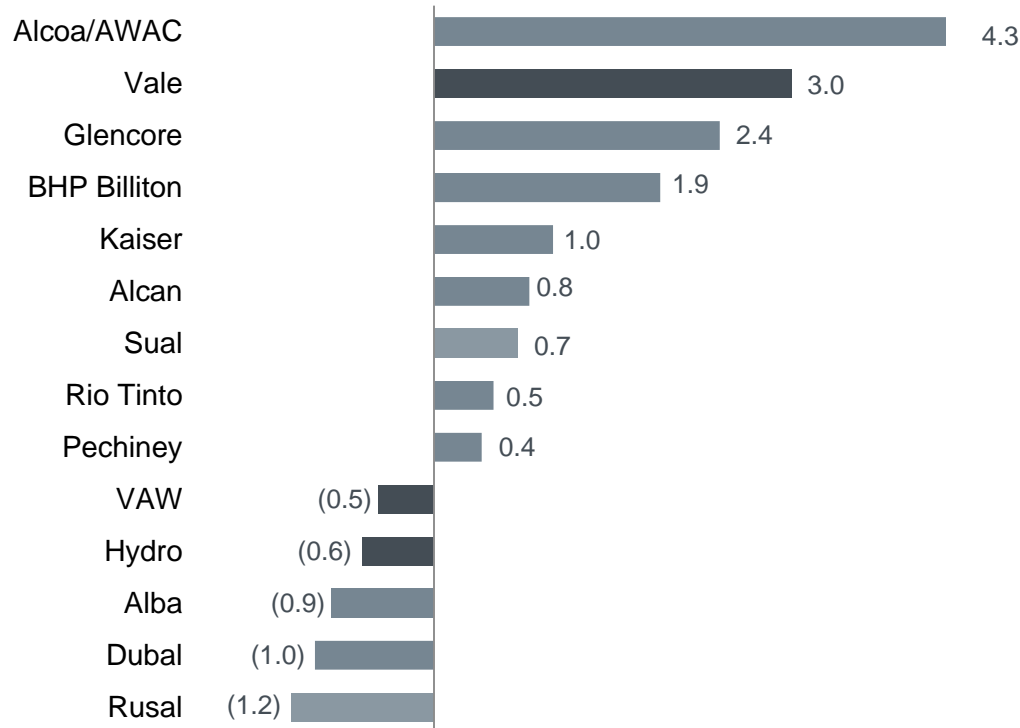


# Alumina market consolidating, becoming more integrated

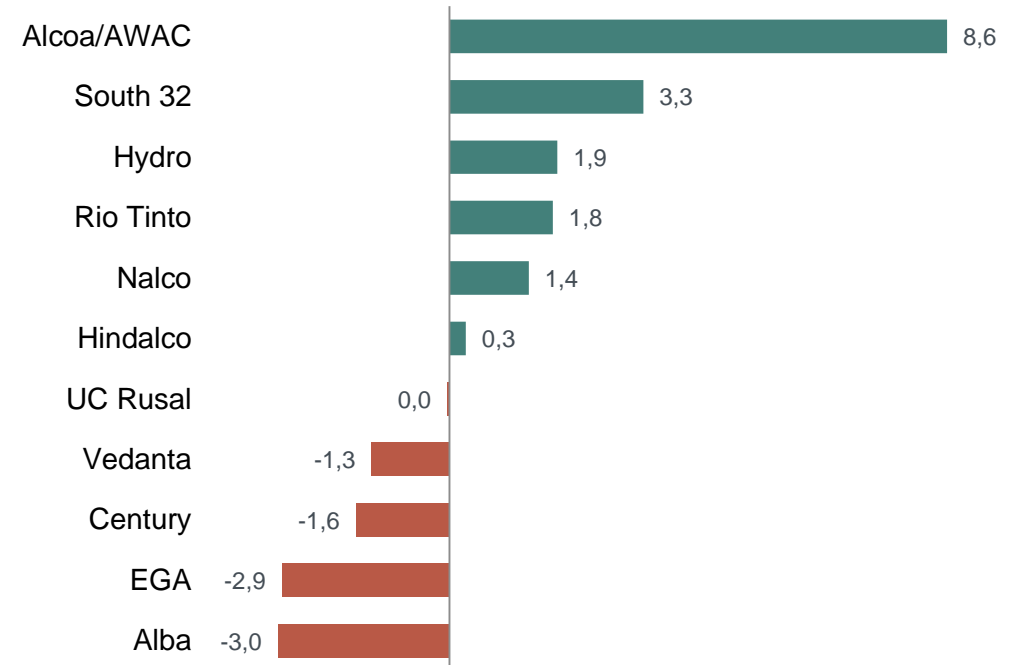


Estimated net equity alumina position, in million tonnes

## Year 2000



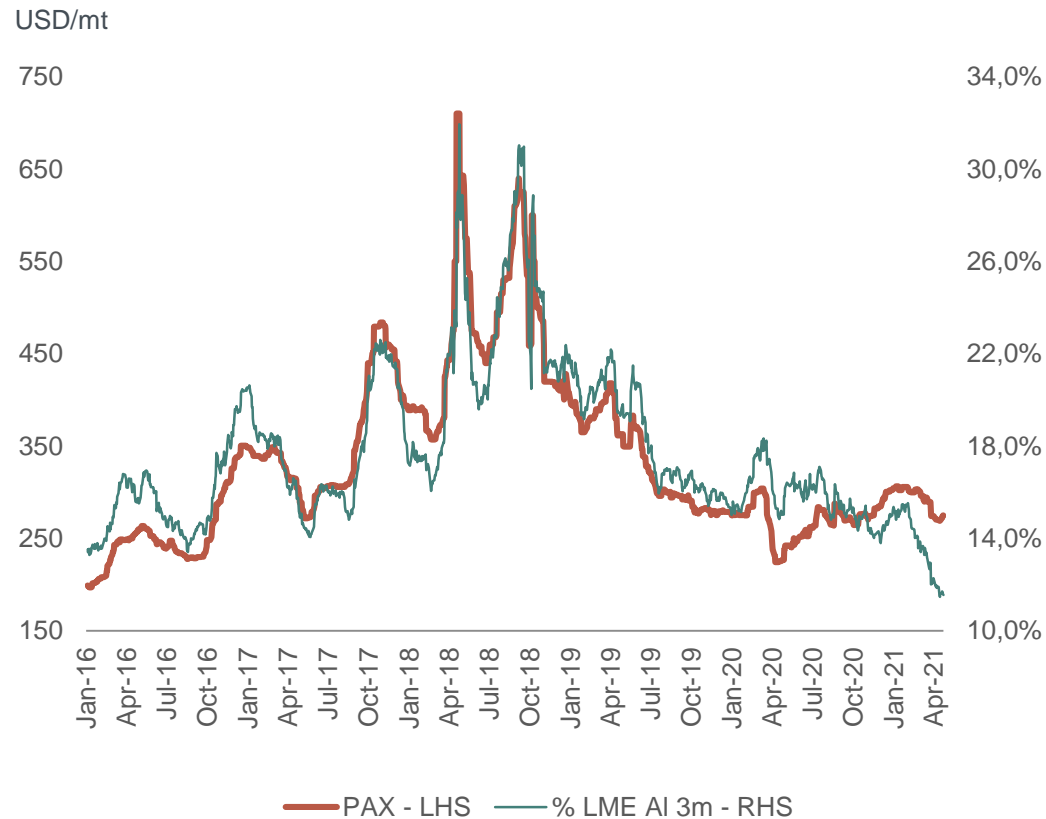
## Year 2020



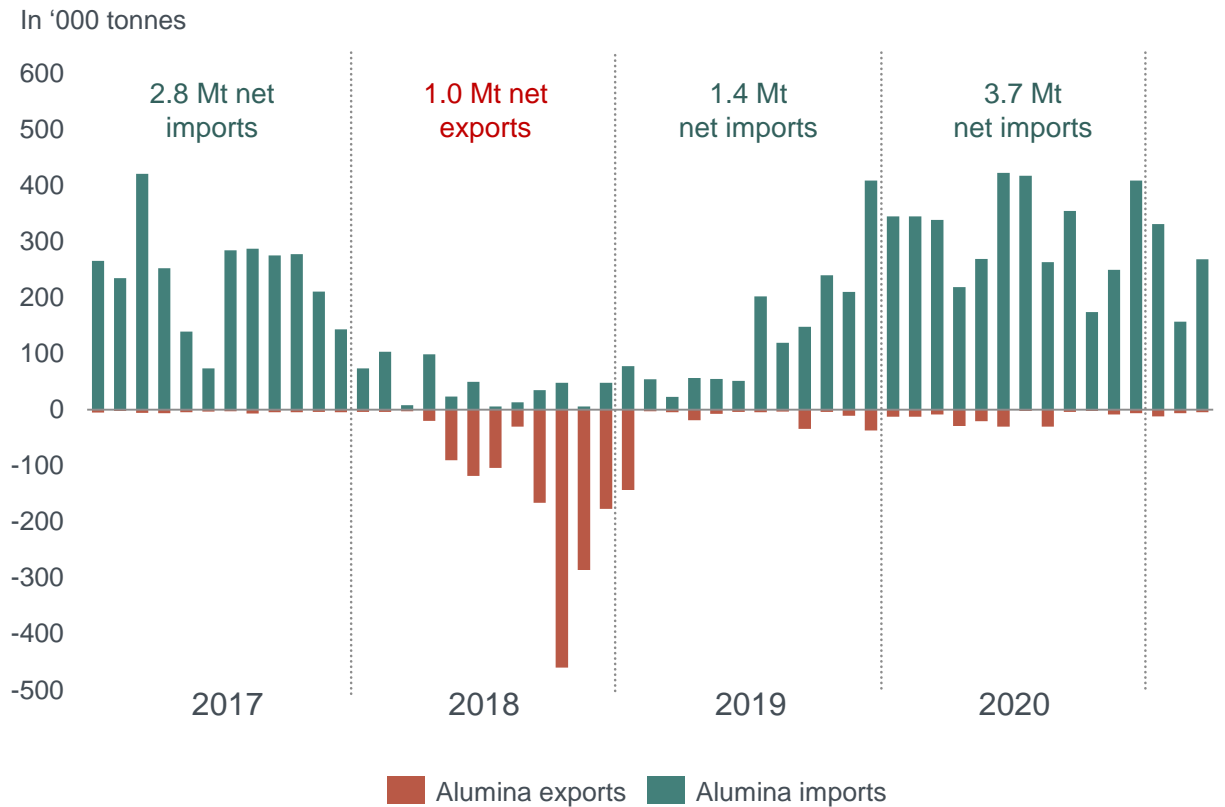
Source: CRU, Hydro  
Assuming Alunorte at full production

# Alumina prices under pressure; China alumina imports continue at high levels

Platts alumina index (PAX)



Monthly Chinese alumina trade balance (kt)

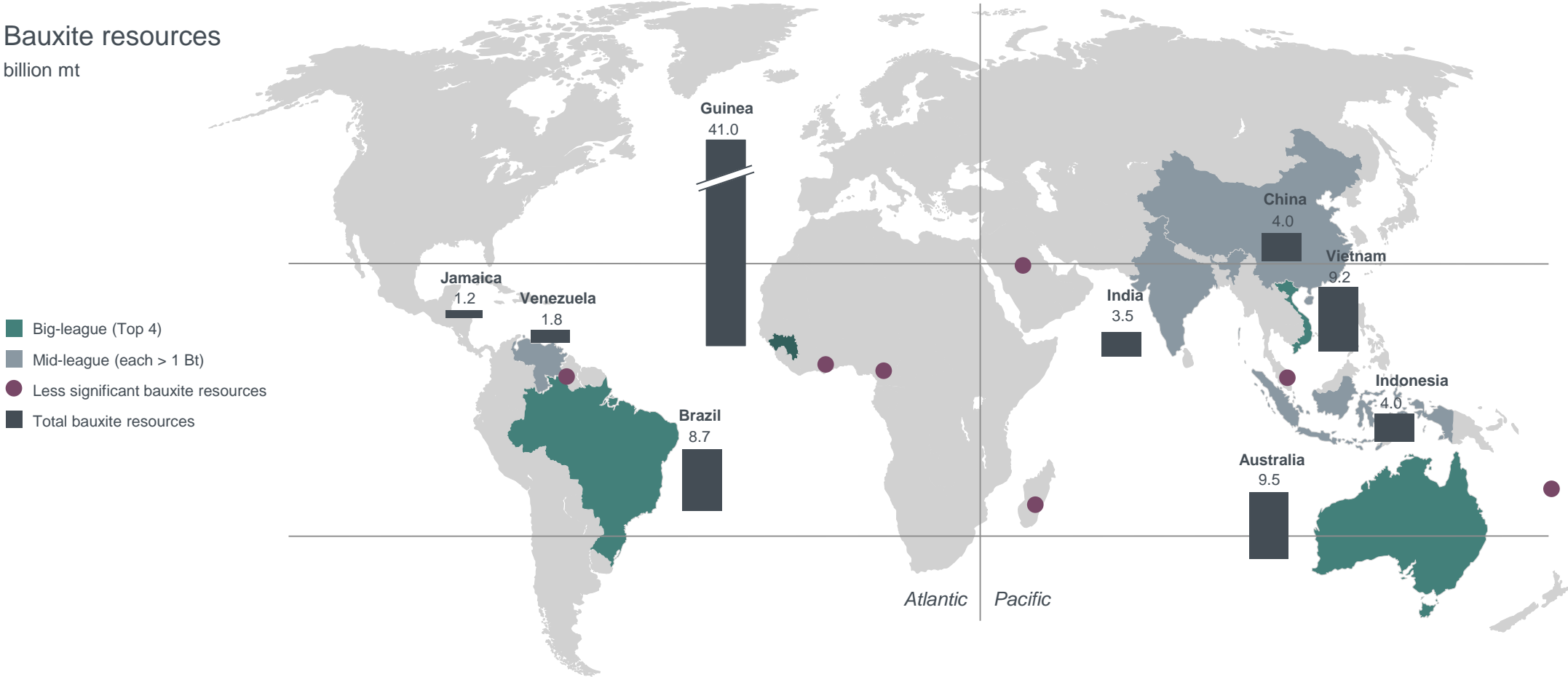


# Large and concentrated bauxite resources



Guinea stands out as a long-term source

Bauxite resources  
billion mt

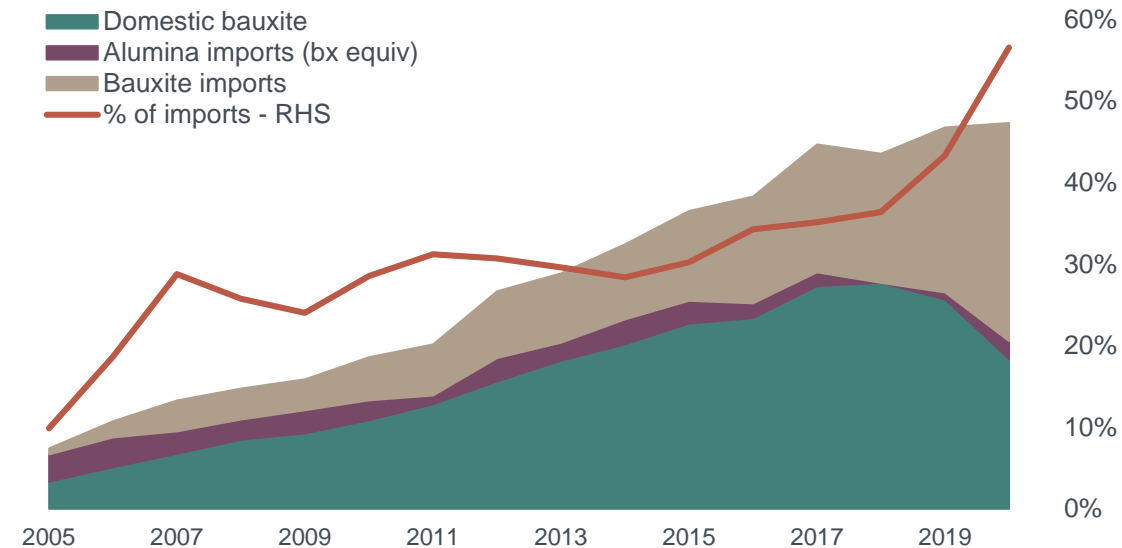


Source: Hydro analysis, CM Group

# China increasingly reliant on bauxite imports

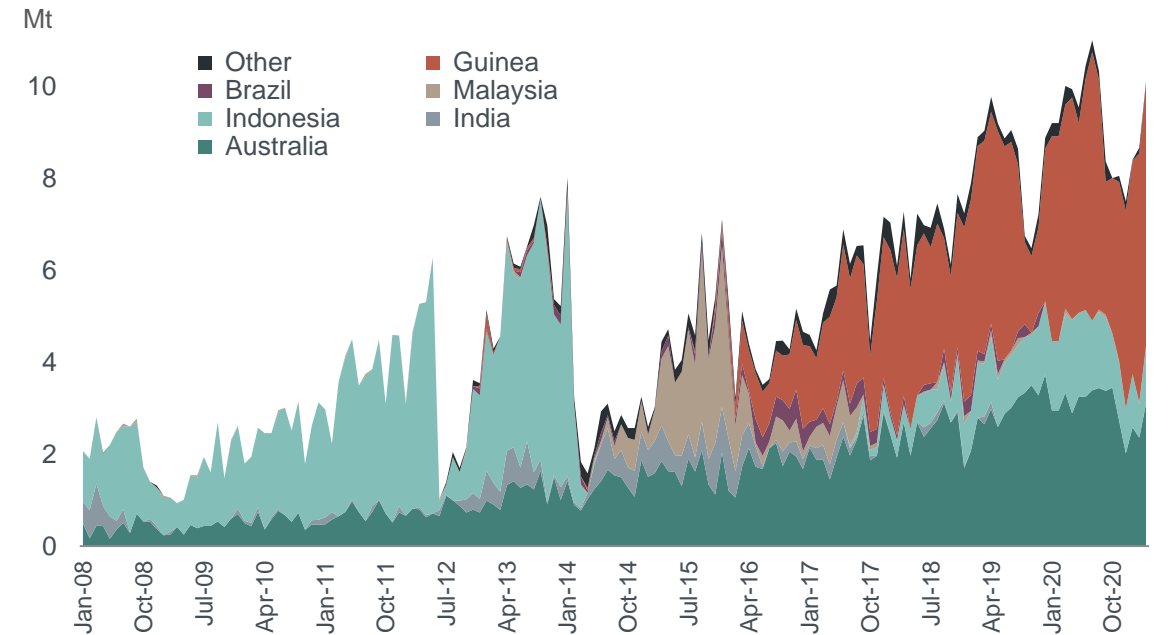
Guinea bauxite increasingly satisfying Chinese demand

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

Investor presentation, April 2021

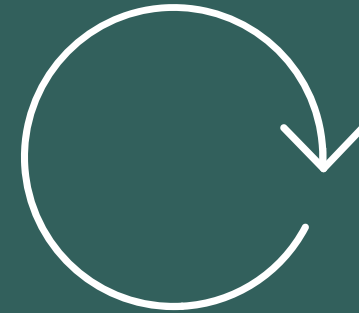


Hydro – Group



## Profitability

ROACE > 10%



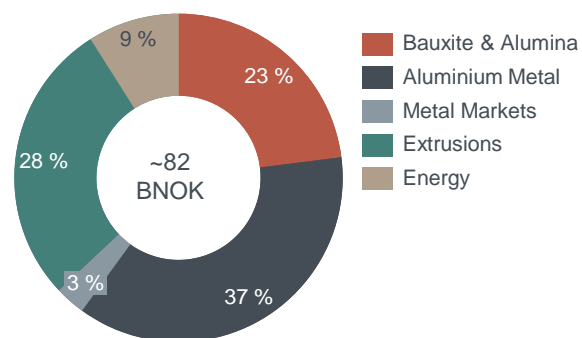
## Sustainability

CO<sub>2</sub> - 30%

# Capital return dashboard Q1 2021

Figures excluding Rolling

Capital employed<sup>1)</sup>



Capital returns  
adj. RoaCE

5.4%<sup>2)</sup>

10% target over the cycle

Balance sheet  
adj. ND/EBITDA

1.5<sup>3)</sup>

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

Free cash flow  
YTD 2021

(0.8) BNOK<sup>4)</sup>

Improvement program

Ahead of 5.1 BNOK  
2021 target

2021 target 5.1 BNOK  
2025 target 7.4 BNOK

Net operating capital

2.4 BNOK cash build  
in Q1-2021

Continuous working capital  
optimization

Capex

1.1 BNOK spent  
in Q1-2021

2021 guidance of ~8.5 BNOK

Shareholder payout

2020 Dividend  
NOK 1.25 share<sup>5)</sup>

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) URoaCE 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, Q1 2021 assets held for sale and liabilities in disposal groups.

4) Free cash flow – operating cash flow less investing cash flow excl. sales/purchases of short-term investments

5) Subject to AGM approval

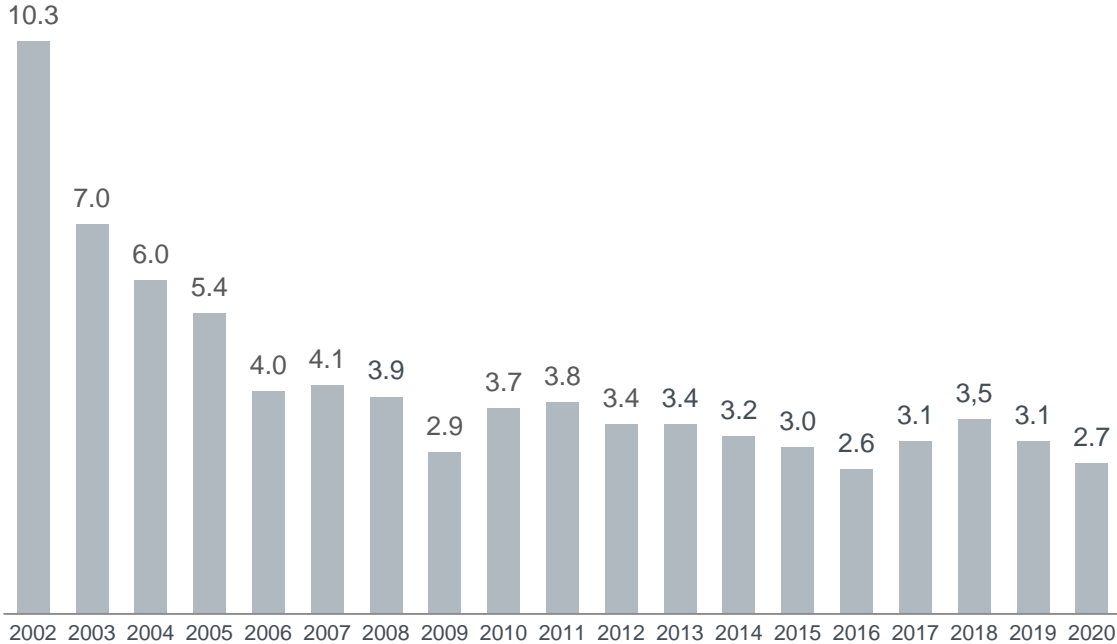


# Safe and responsible operations is a top priority



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

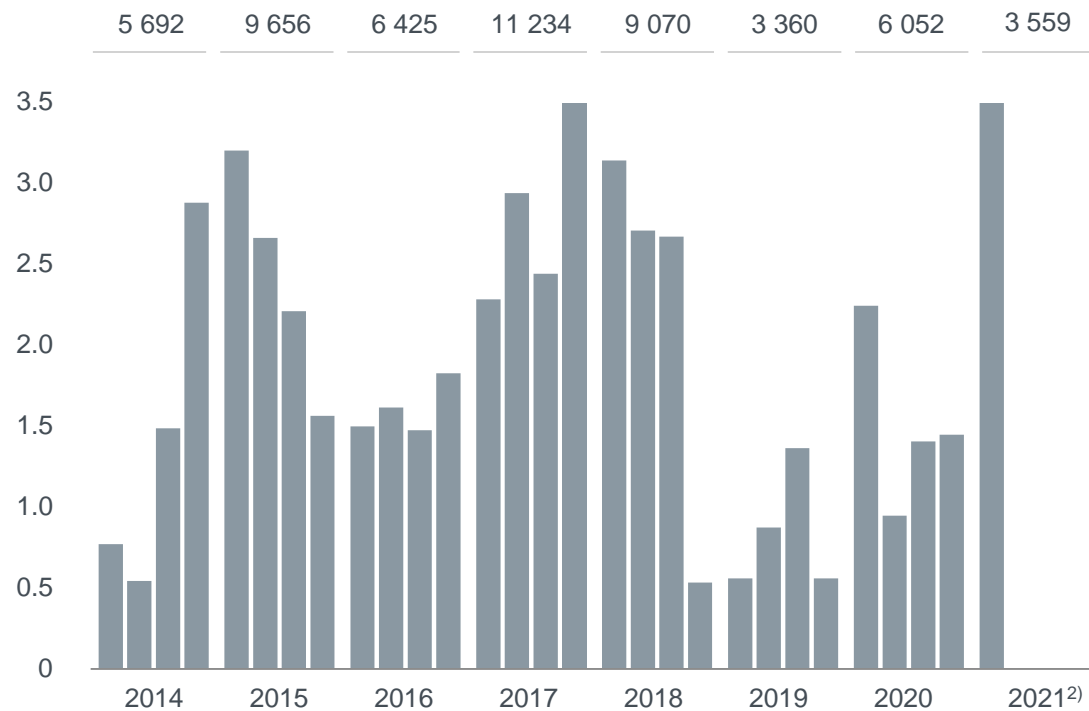
TRI Rate<sup>1)</sup>



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) As per Mar 31, 2021  
 2) 2021 excluding Hydro Rolling (2014-2020 as reported)

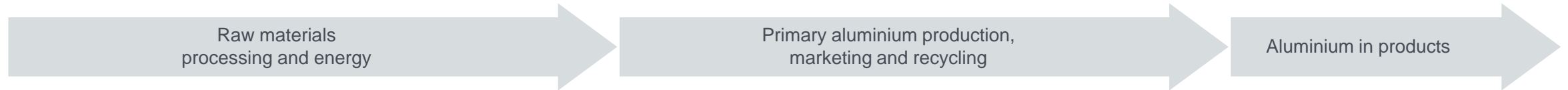


- Based in Norway, involved in activities in more than 40 countries
- Operating revenues
  - 2020: NOK 138 billion
  - 2019: NOK 150 billion
- ~34 000 employees
- Current market capitalization
  - ~NOK 112 billion/ USD ~13 billion<sup>1)</sup>

# 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



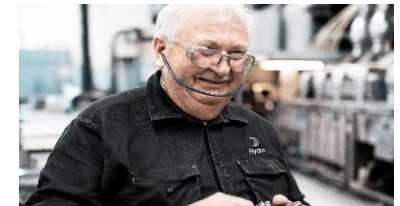
## Aluminium Metal

- 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

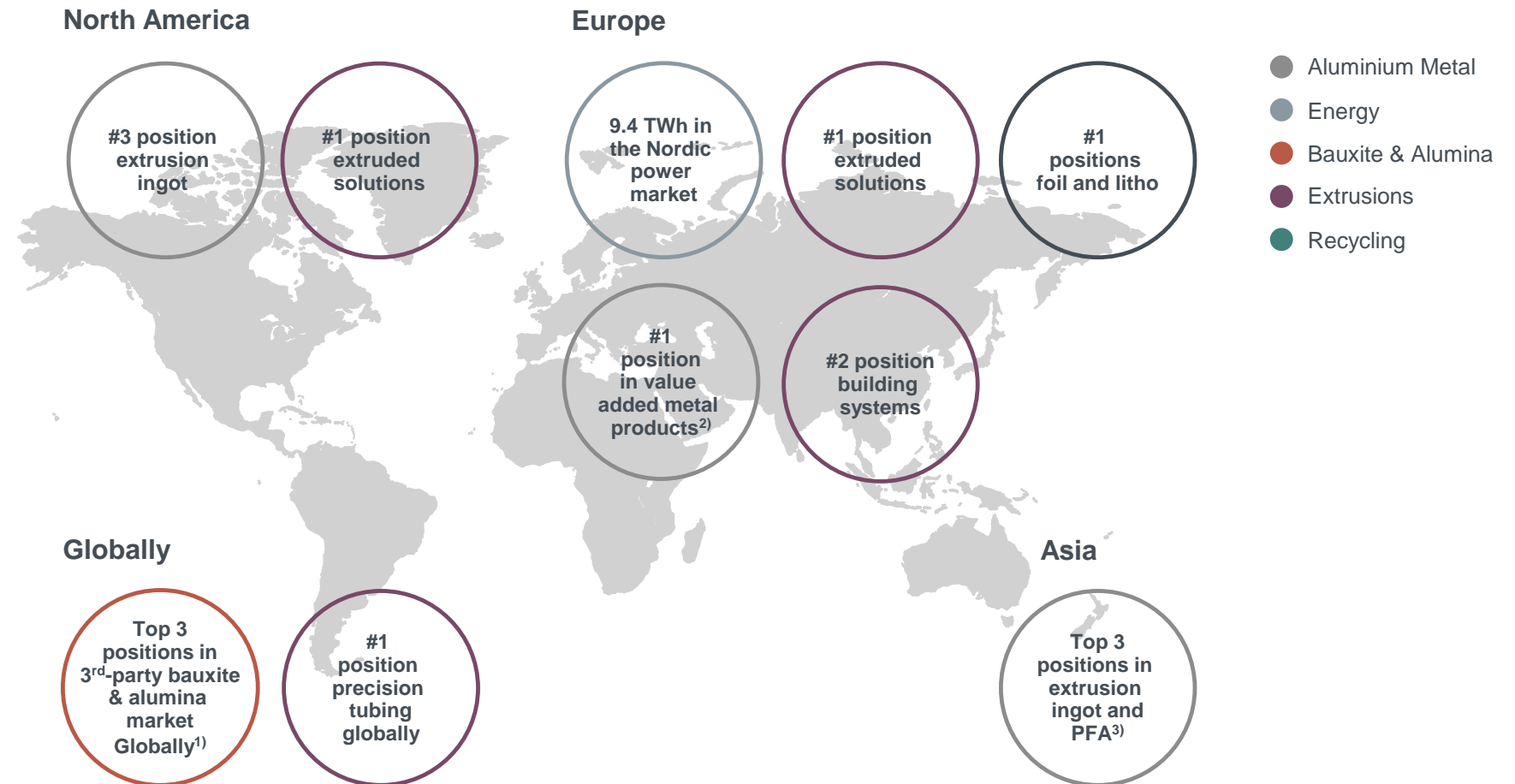
- 1.3 million tonnes
- No. 1 position in North America and Europe
- Solid foothold in emerging markets

# 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

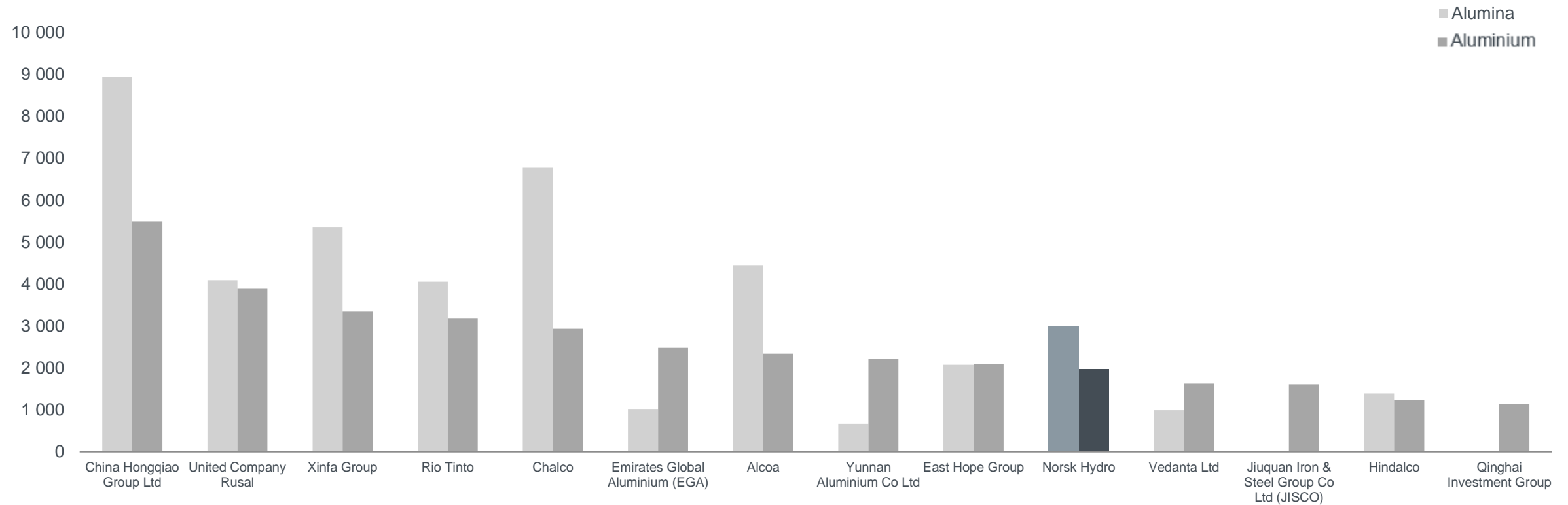


1) Outside China  
 2) Extrusion ingot, sheet ingot, primary foundry alloys and wire rod  
 3) Primary Foundry Alloys

# Hydro - the fifth largest aluminium producer outside China



Equity production in 2020 in aluminium equivalents, thousand tonnes

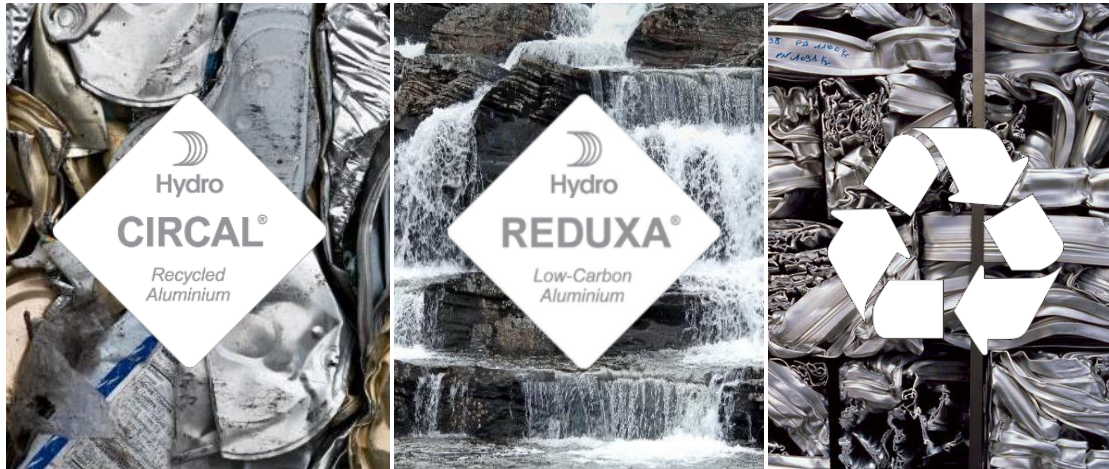


Source: CRU  
 Hydro with Alunorte at 6.3 million mt  
 Ala to Al conversion factor: 1.925

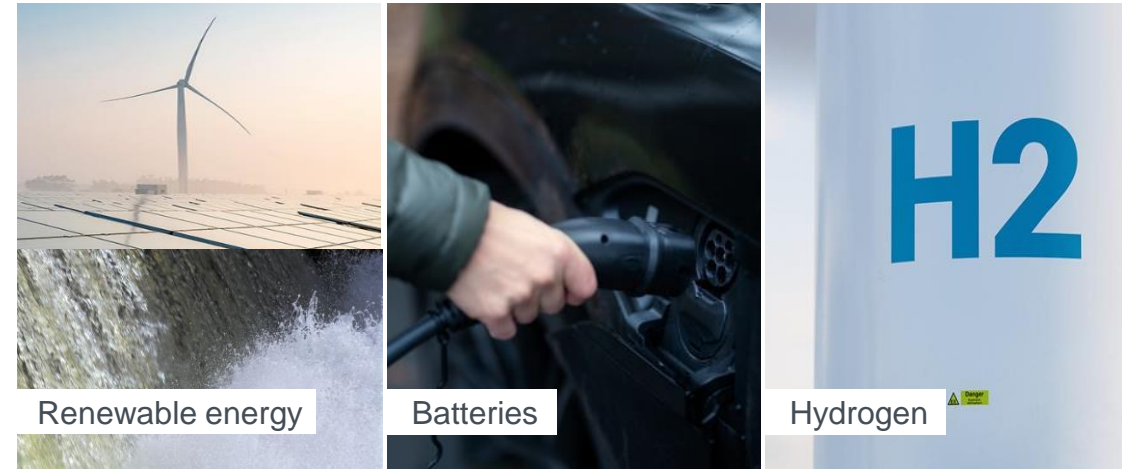
# Hydro's strategic direction toward 2025

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
- 1<sup>st</sup> and 2<sup>nd</sup> 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

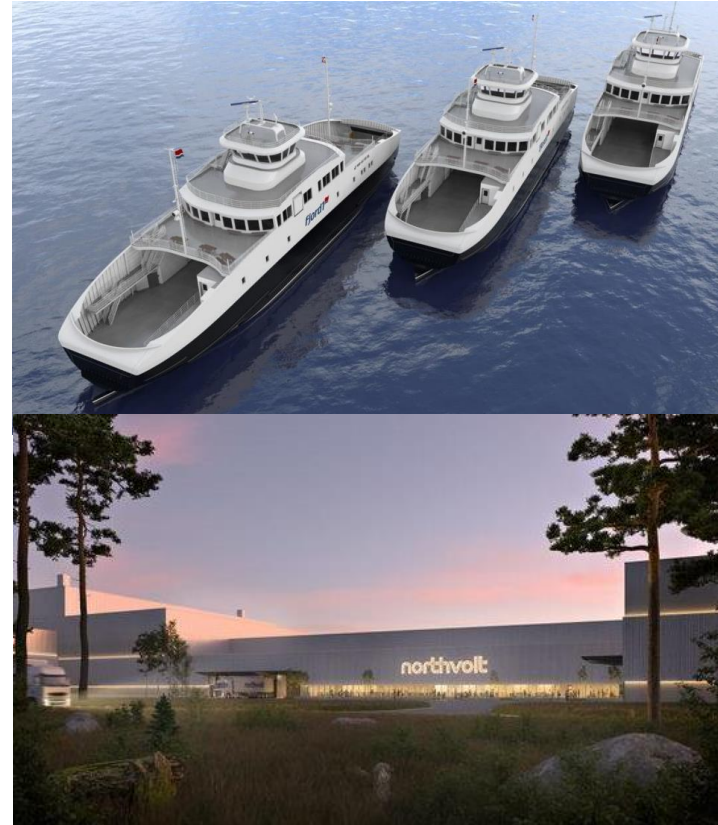


# Diversifying and growing into new areas

## 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**



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

# 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

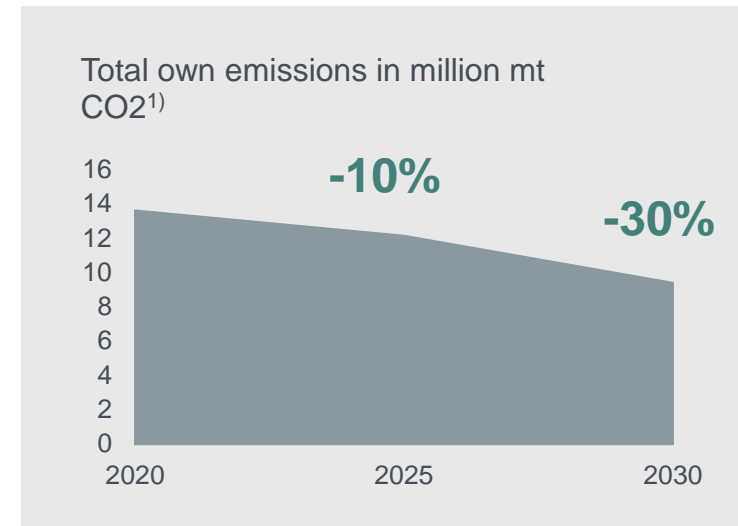


# On track to deliver our 2030 climate ambition

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



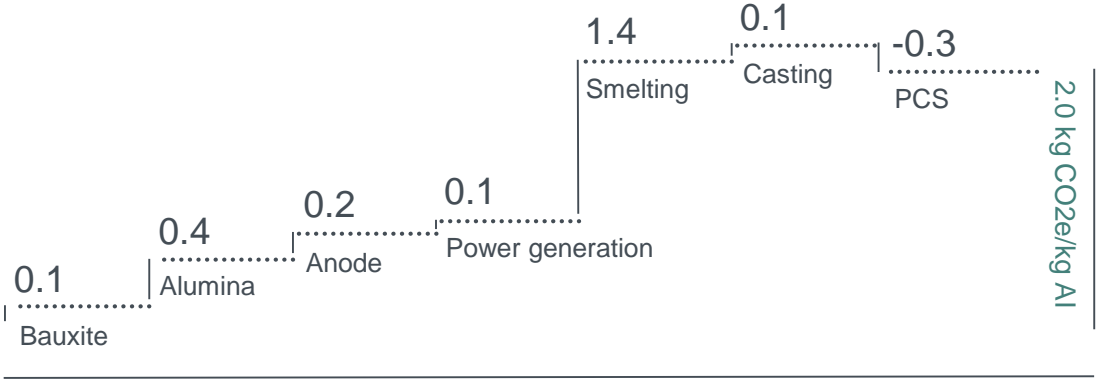
New energy mix in Alunorte important enabler to reach 2.0

## From REDUXA 4.0



Typical production values

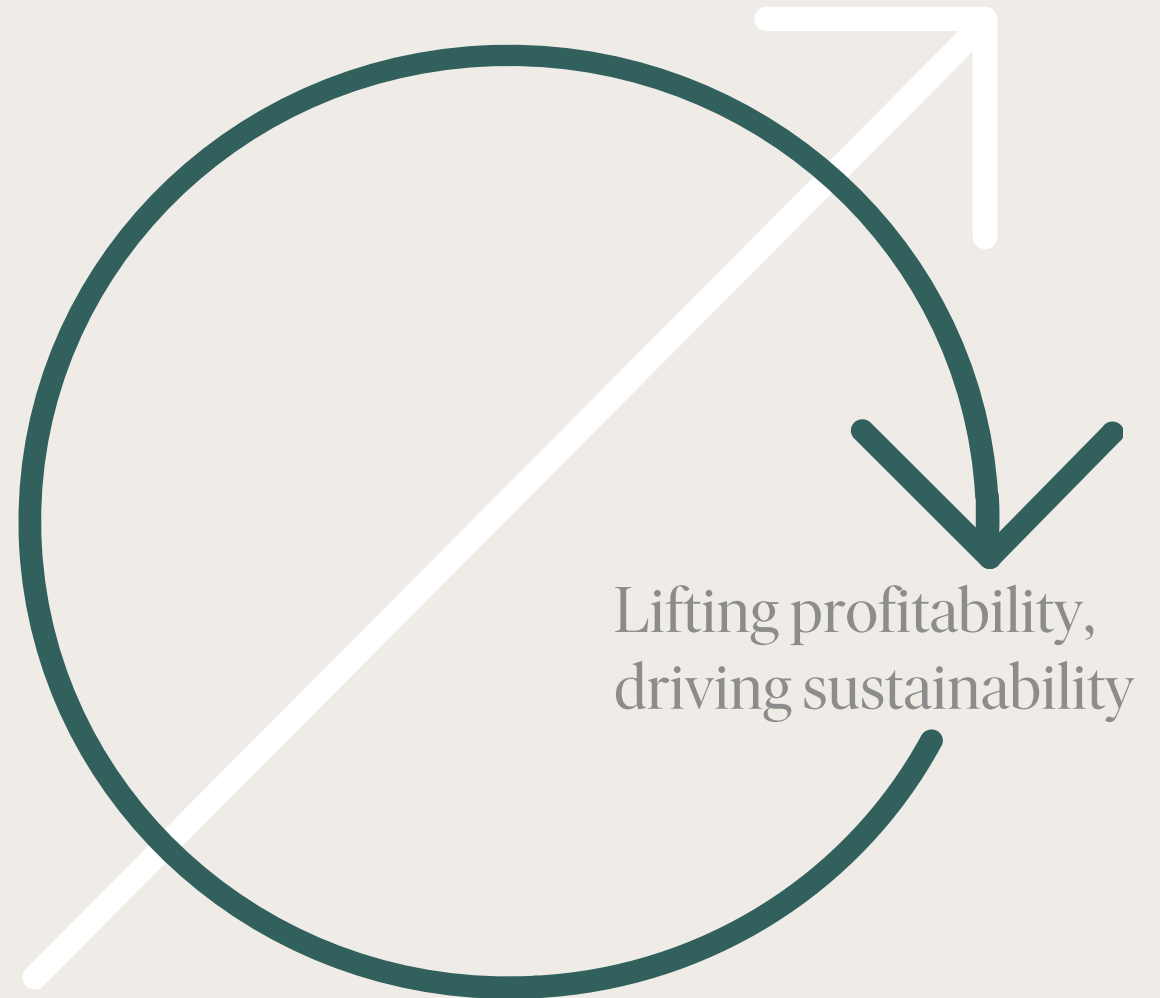
## Towards REDUXA 2.0 by 2030



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

1st and 2nd  
quartile cost  
performance  
upstream



## Strong market positions downstream

~50%  
of total downstream  
volumes in growth  
segments<sup>1)</sup>



## Greener products leadership

2.3 and 4.0  
tons CO2 per ton  
aluminium in  
greener products



## Robust cash position and balance sheet

2x  
Adjusted net debt  
excl. EAI / uEBITDA  
and IG<sup>2)</sup> rating



## Strong shareholder focus

11  
consecutive years of  
dividend payout



## Sustainable growth journey

Investment in  
recycling, renewable  
growth, and battery  
value chain



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**

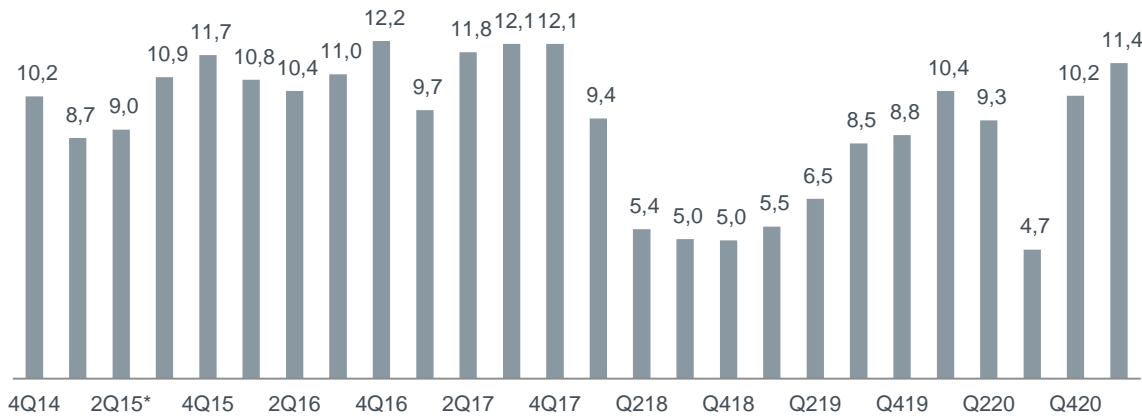
\* Alunorte and Paragominas produced at 50% capacity from March 2018 to May 2019 due to a 50% production embargo on the Alunorte refinery. The production embargo was lifted in May 2019.

# Improved production after extended pipeline maintenance in Q3 2020



## Bauxite production in Paragominas

Annualized million tonnes

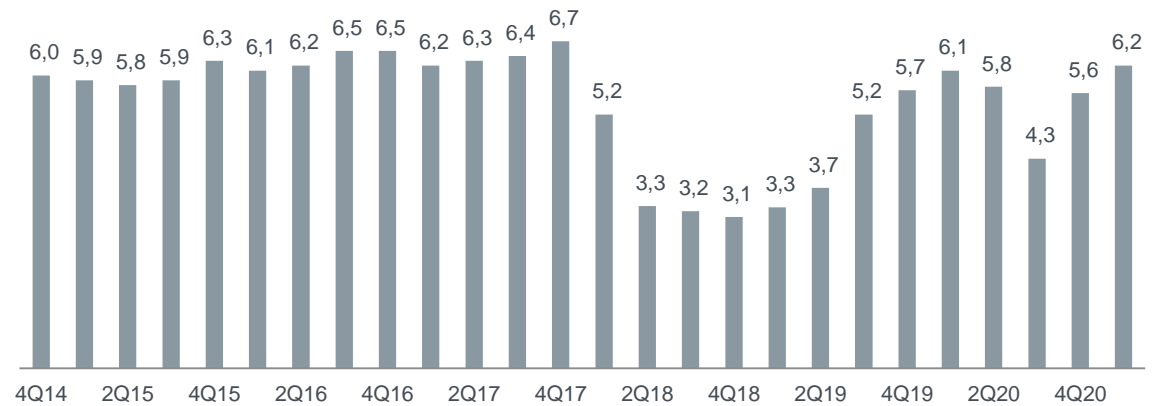


### Paragominas bauxite mine

- 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

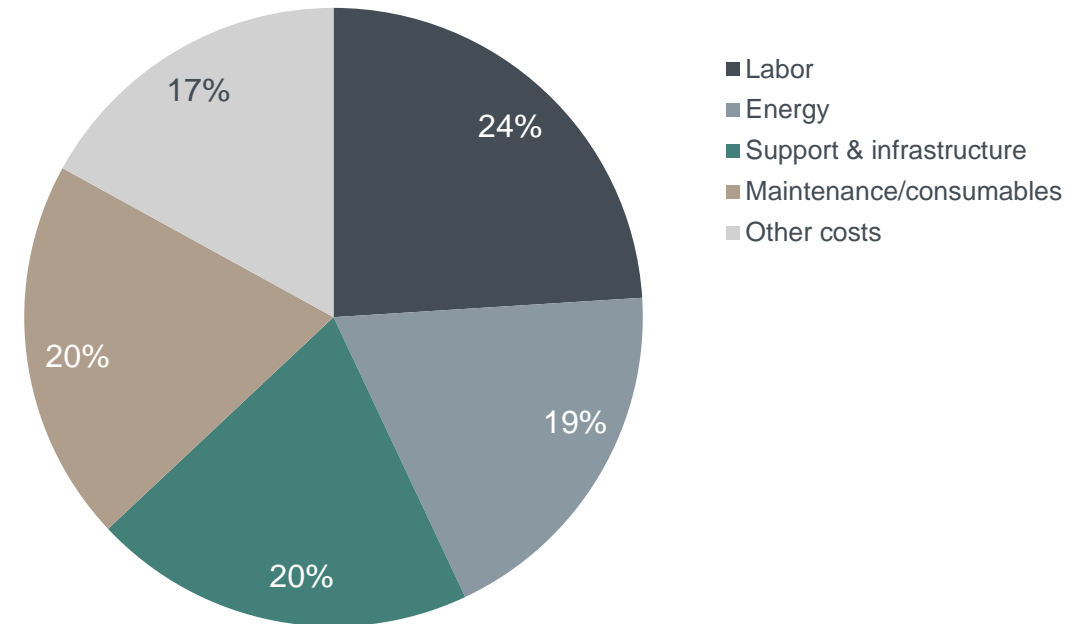
- Production affected by 50% Alunorte embargo from March 2018 – May 2019
- Production affected by extended pipeline maintenance from August to October 2020

\* 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

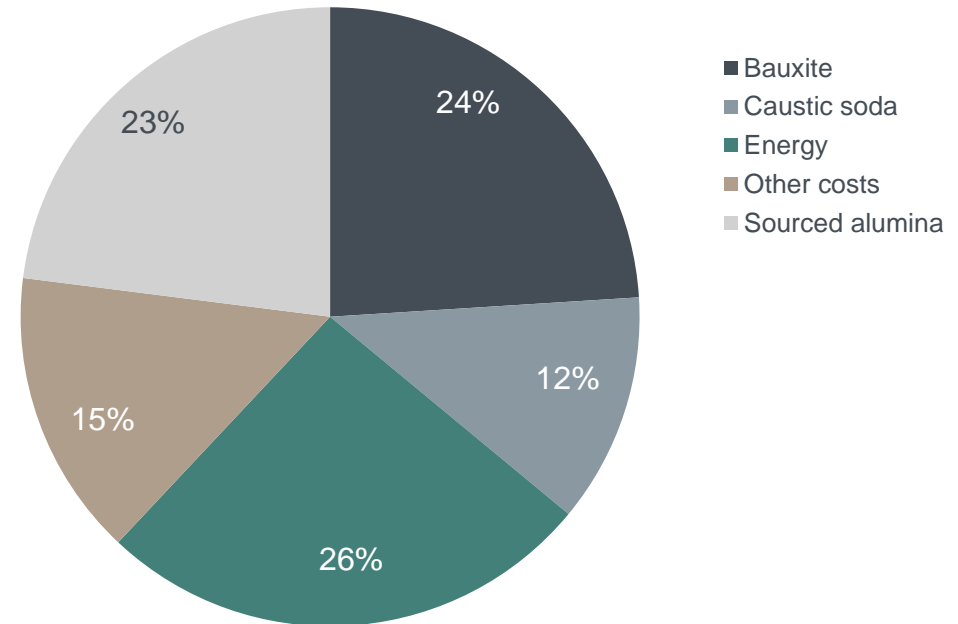
Indicative Paragominas bauxite mining costs



# Favorable integrated alumina cost position

- Implied alumina cost 2020 - USD 221 per mt<sup>1)</sup>
  - 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

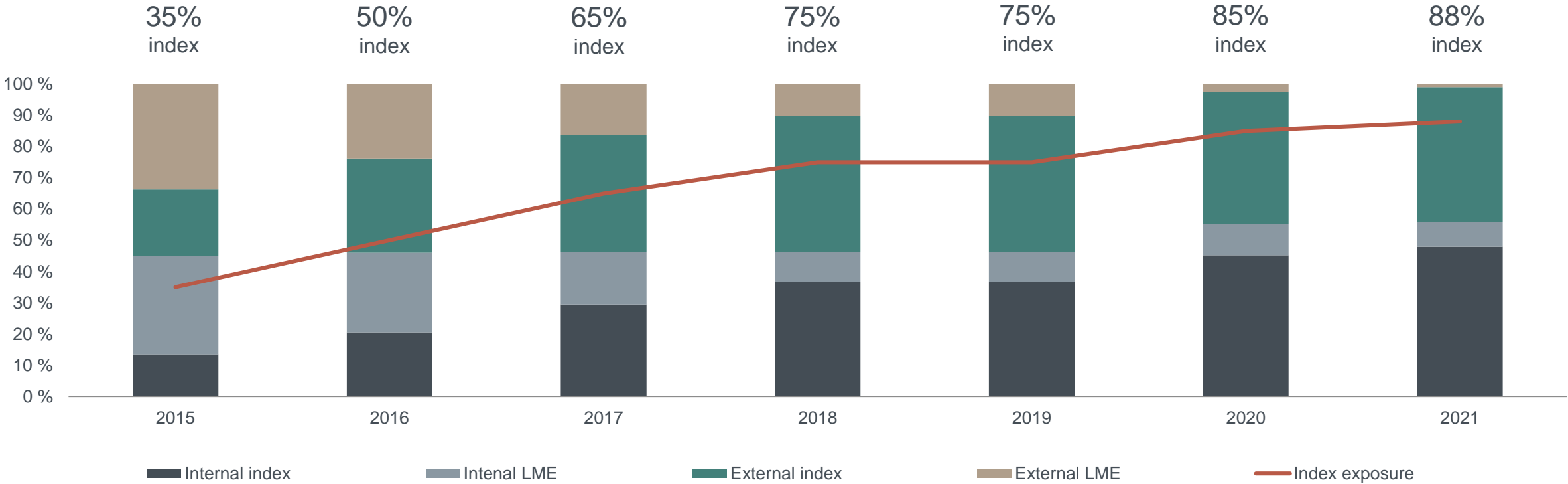
- Pricing should reflect bauxite and alumina market fundamentals
- Selling surplus MRN bauxite externally
  - Premium for high bauxite product quality
  - Majority sold to customers in the Atlantic basin
  - Mostly term contracts based on % of PAX and/or fixed USD/mt element
- Selling 3-4 million mt/yr 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 pricing<sup>1)</sup>

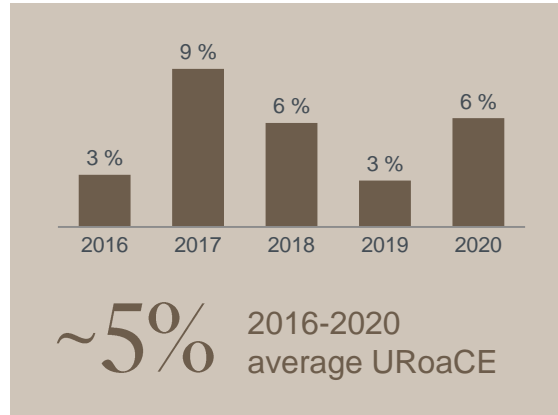


1) Rounded figures. Indicating volumes available for index pricing. Includes minority sales priced at % of LME with floor. Based on annual sourced volumes of around 2.5 mill t, assuming normal production at Alunorte.

# 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



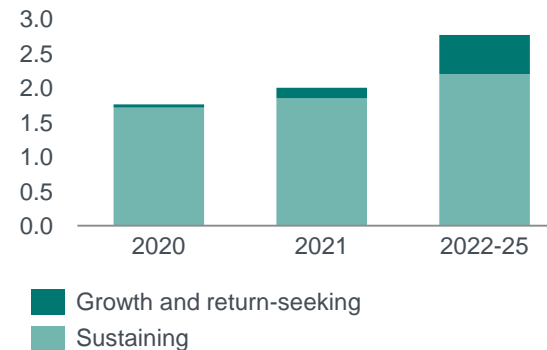
URoCE > CoC

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

Capex, BNOK





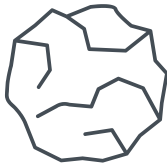
Energy



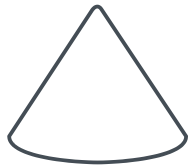
# Energy is a key differentiator in the aluminium industry



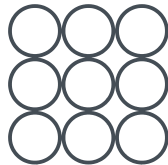
Center of energy excellence in Hydro



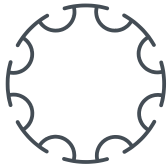
Bauxite



Alumina



Primary



Extrusion

Energy cost <sup>1)</sup>



Energy business area's contribution to Hydro

- |  |  |   |  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>• Power sourcing</li> </ul> | <ul style="list-style-type: none"> <li>• Power sourcing</li> <li>• Fuel switch project (LNG)</li> <li>• Energy mix long term, renewables, storage</li> </ul> | <ul style="list-style-type: none"> <li>• Power sourcing and production</li> <li>• Gas sourcing</li> </ul> | <ul style="list-style-type: none"> <li>• Power sourcing</li> <li>• Gas sourcing</li> </ul> |
|--|--|---|--|

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

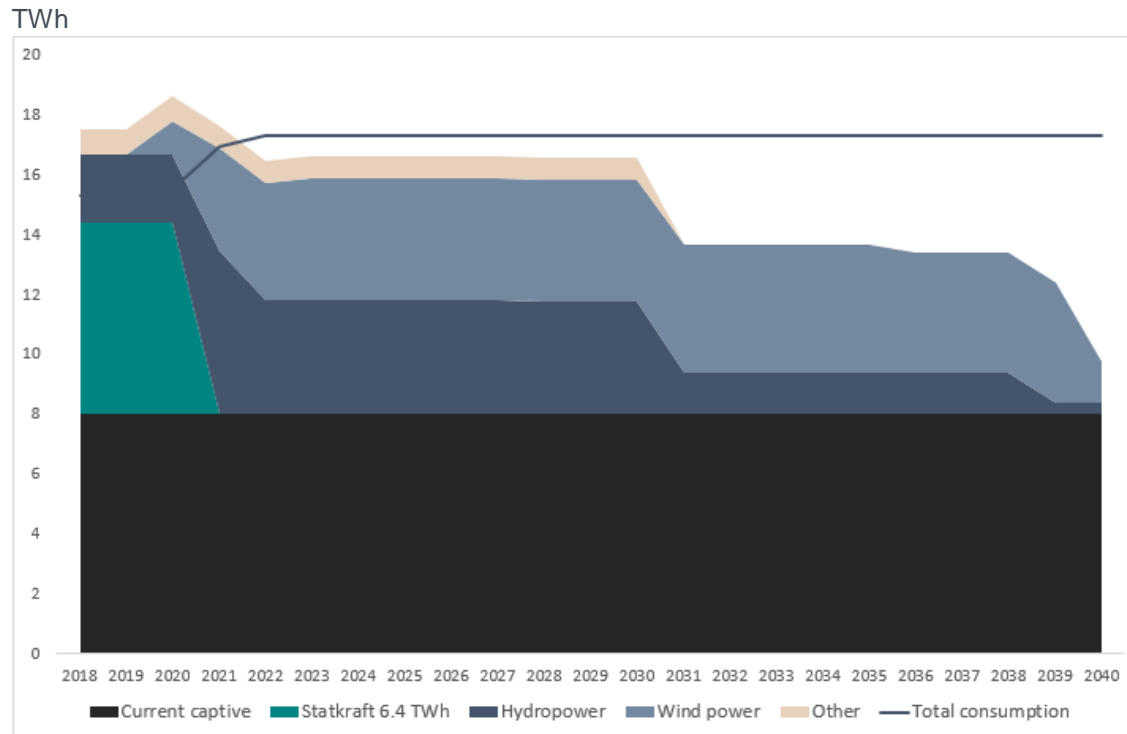


Primary energy is defined as energy production plus energy imports, minus energy exports.  
Values are listed in its conventional trading unit. Electrical energy: 1 MWh = 3.6 GJ, MMBtu = Million British thermal units = 1.06 GJ, ton=metric ton thermal coal = 28 GJ, BOE= Barrel of Oil Equivalent = 6.12 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.

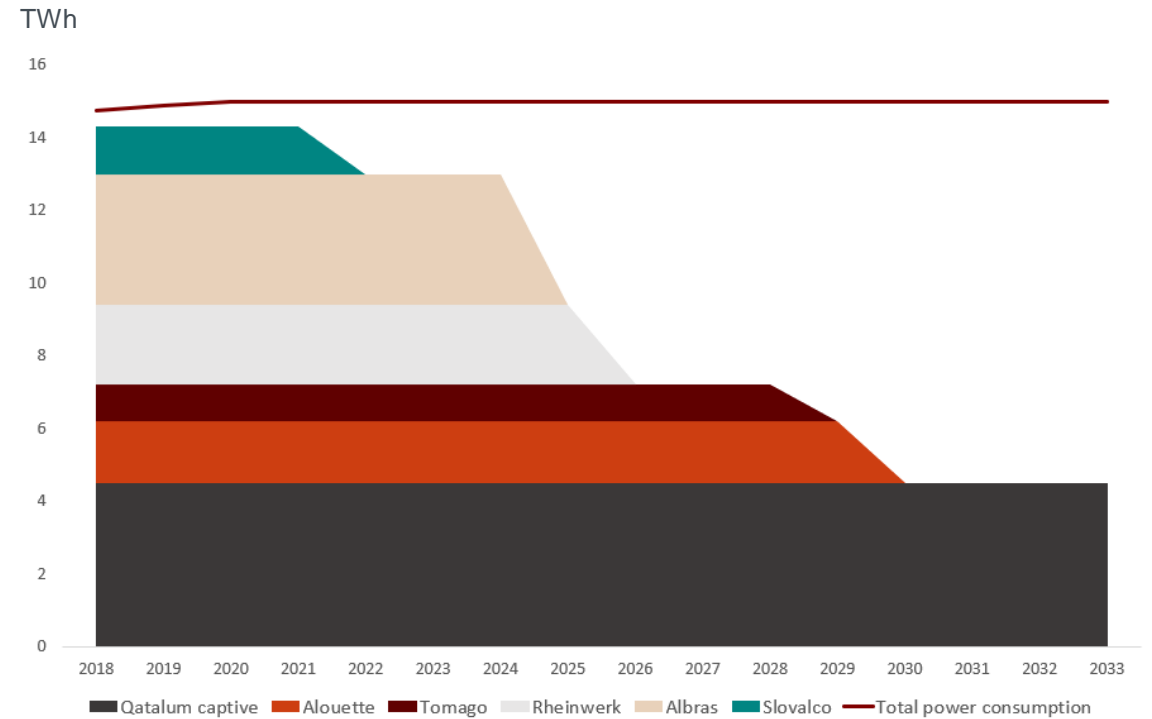
# Securing long-term competitive power sourcing for smelters

Unique combination of hydro- and windpower

Sourcing platform for fully-owned smelters, Norway<sup>1)</sup>



Sourcing platform for JVs and Neuss smelter<sup>2)</sup>



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

# Overview of Hydro's hydropower portfolio

Lower captive volume and higher operator volume post transaction

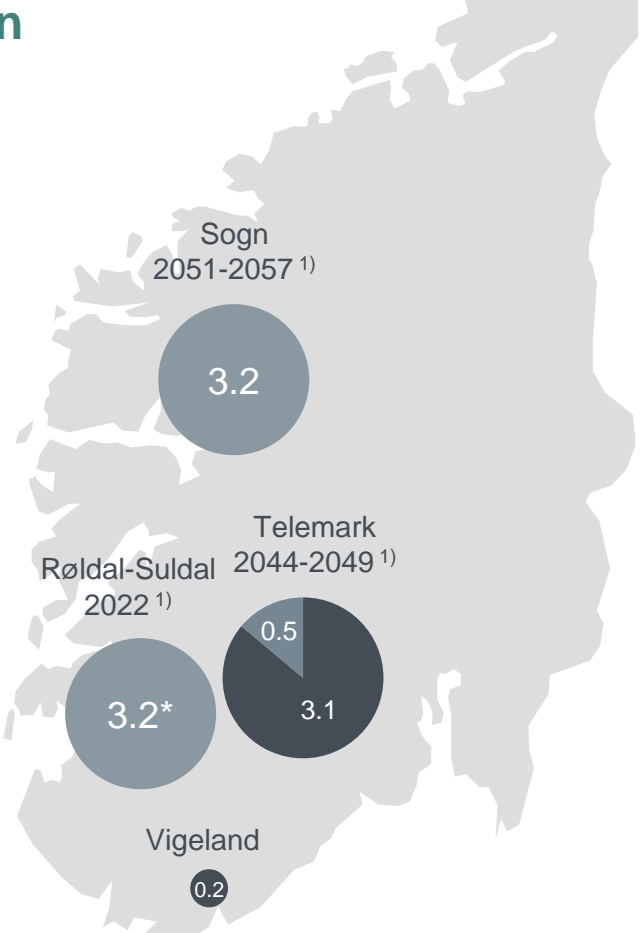
## Before the transaction

Normal annual production,  
Equity share

**10.2 TWh**

Operator hydropower

**10.5 TWh**



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

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

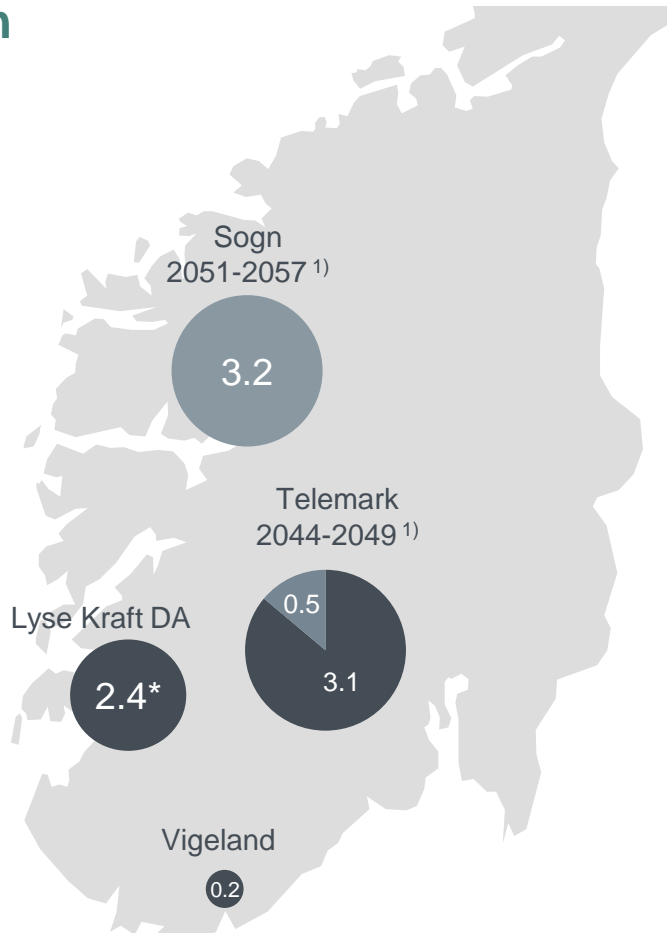
## After the transaction

Normal annual production,  
Equity share

**9.4 TWh**

Operator hydropower

**12.9 TWh**

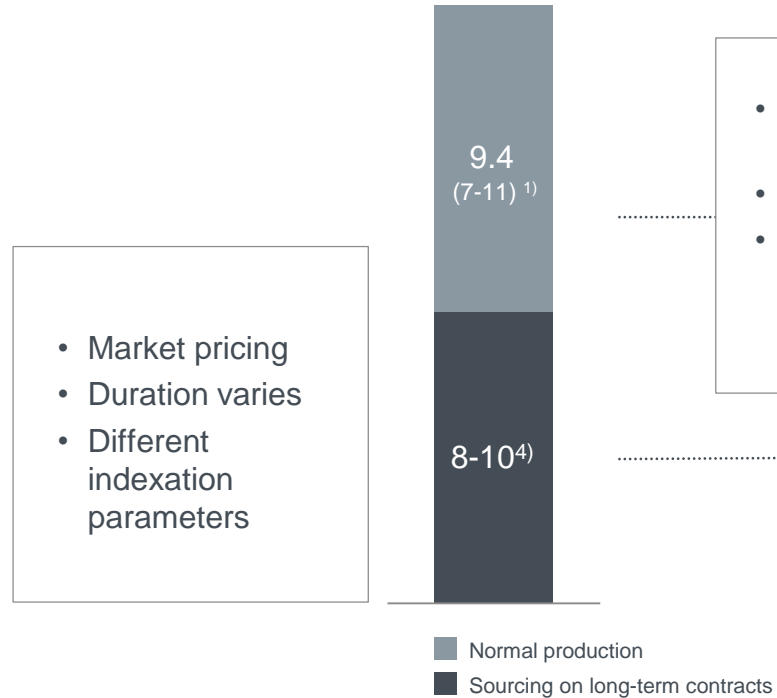


- No reversion
- Subject to reversion
- Bubble size = production in TWh

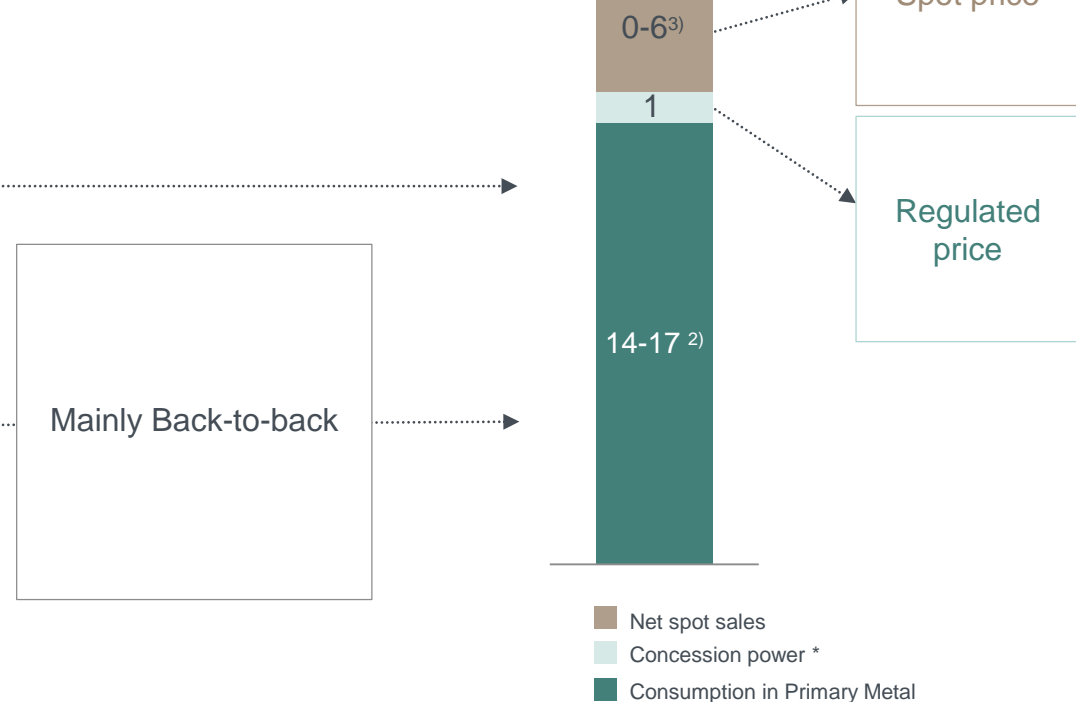
# Market pricing principle applied to internal contracts

Based on external price references

Sourcing side  
TWh



Revenue side  
TWh



Norway post 2020

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

2) Consumption in AM at current production levels and at full installed capacity (incl. Karmøy pilot plant)

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

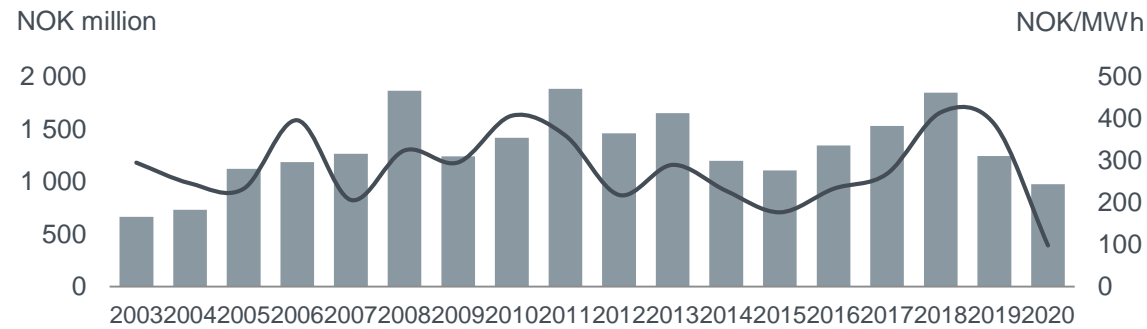
4) Depending on status of sourcing

\* Includes legacy external contracts

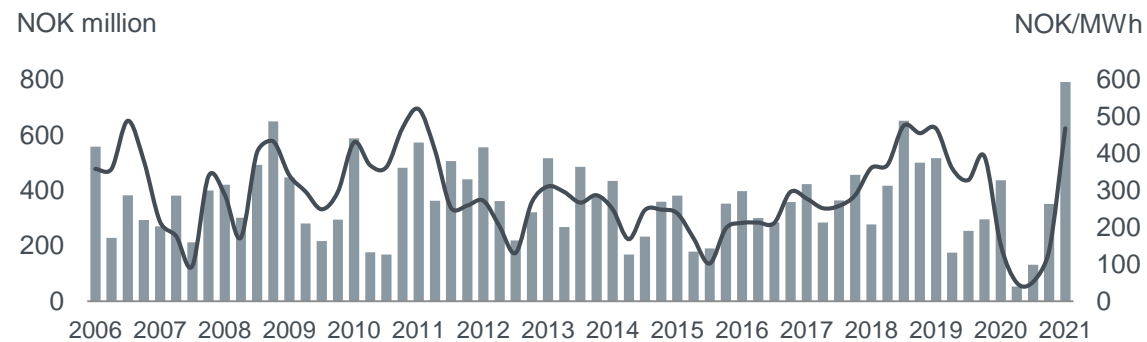
# Energy earnings drivers



Adjusted EBIT<sup>1)</sup> and spot price



Adjusted EBIT and spot price



■ Adjusted EBIT — Spot price

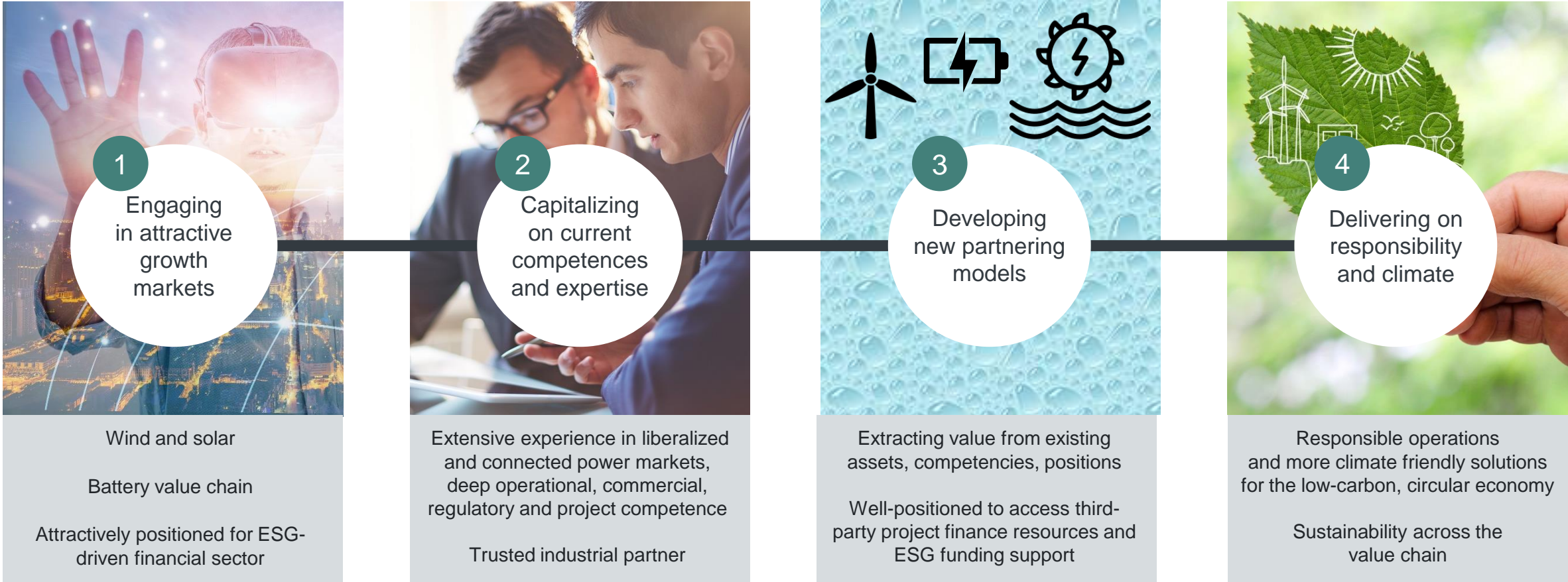
- Production and market prices strongly linked to hydrological conditions
- Fairly stable annual EBIT contribution
- Seasonal market variations in demand and supply
- Occasional delink between area prices
- Power portfolio optimized versus market
- Stable and competitive cost base:
  - Mainly fixed costs
  - Volume-related transmission costs
- Expiry of legacy supply contract entered in 2008 will have positive effect of ~NOK 650 million<sup>2)</sup> 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

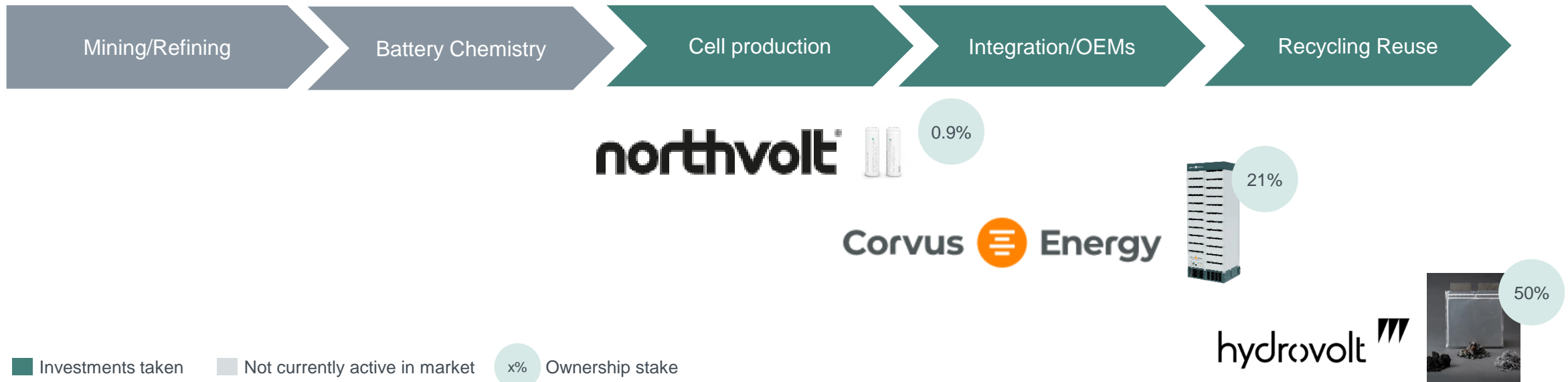
Industrial experience from integrated value chain

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

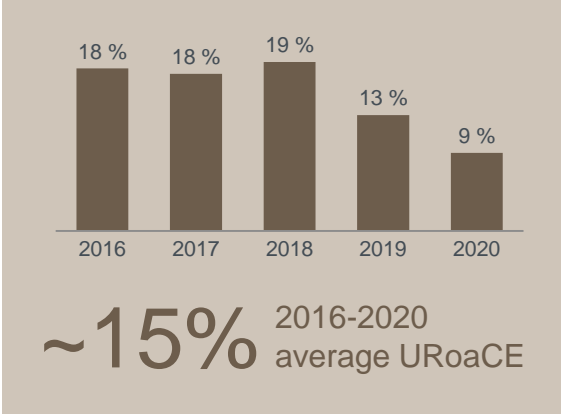
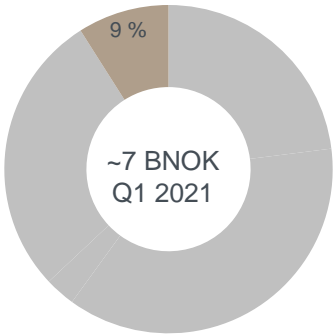


# Capital return dashboard for Energy



Returns above the cost of capital reflecting the depreciated asset base

Capital employed in Energy

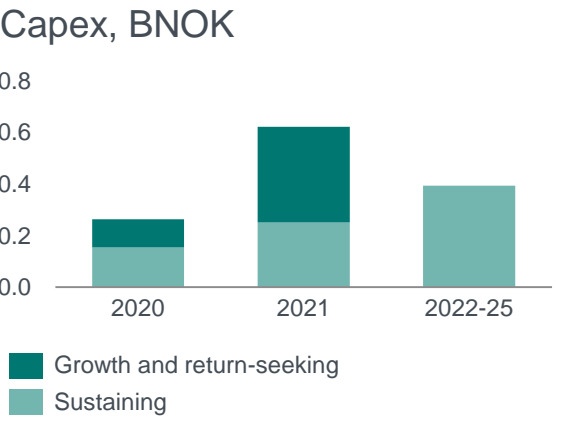


URoCE > CoC

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



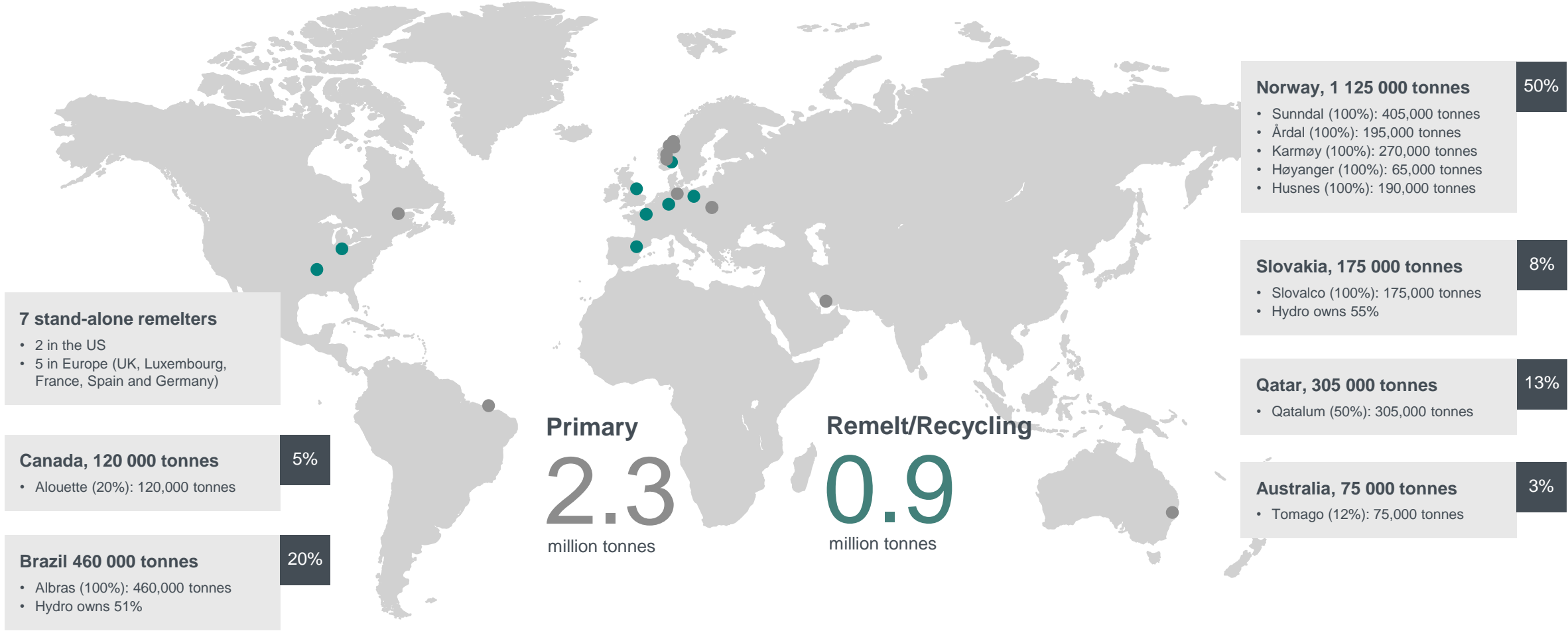


Aluminium Metal

# 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

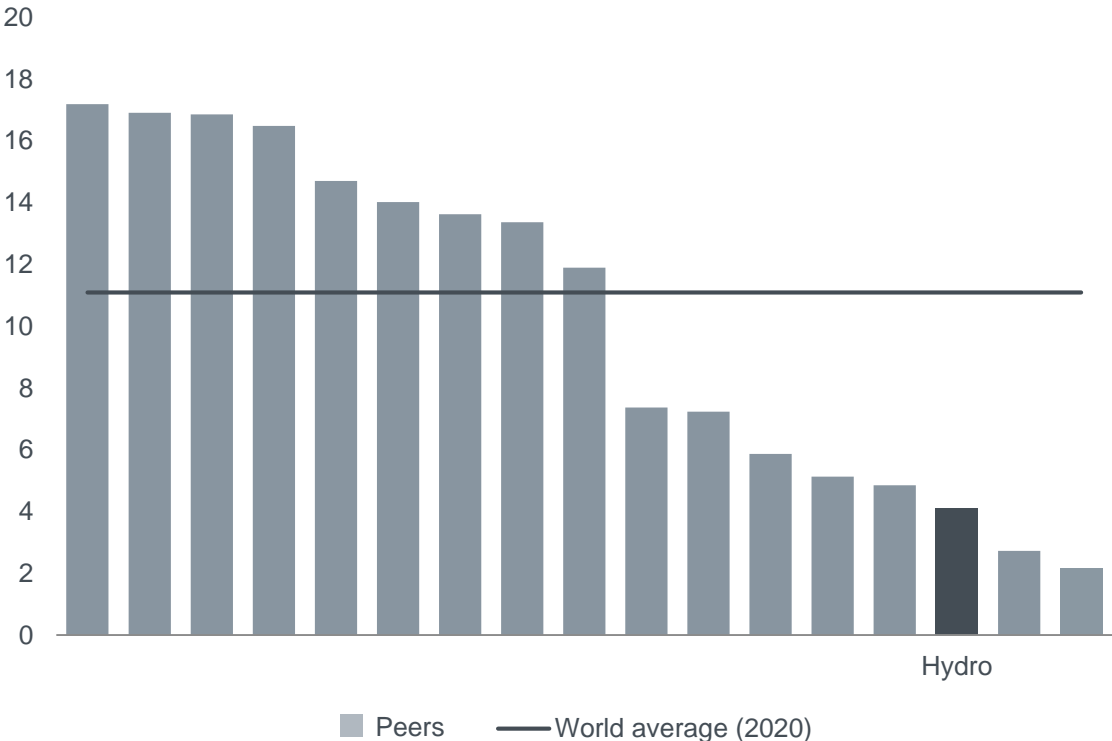
Digital Foundation including Cyber Security

Organization Foundation including Aluminium Metal Digital Academy

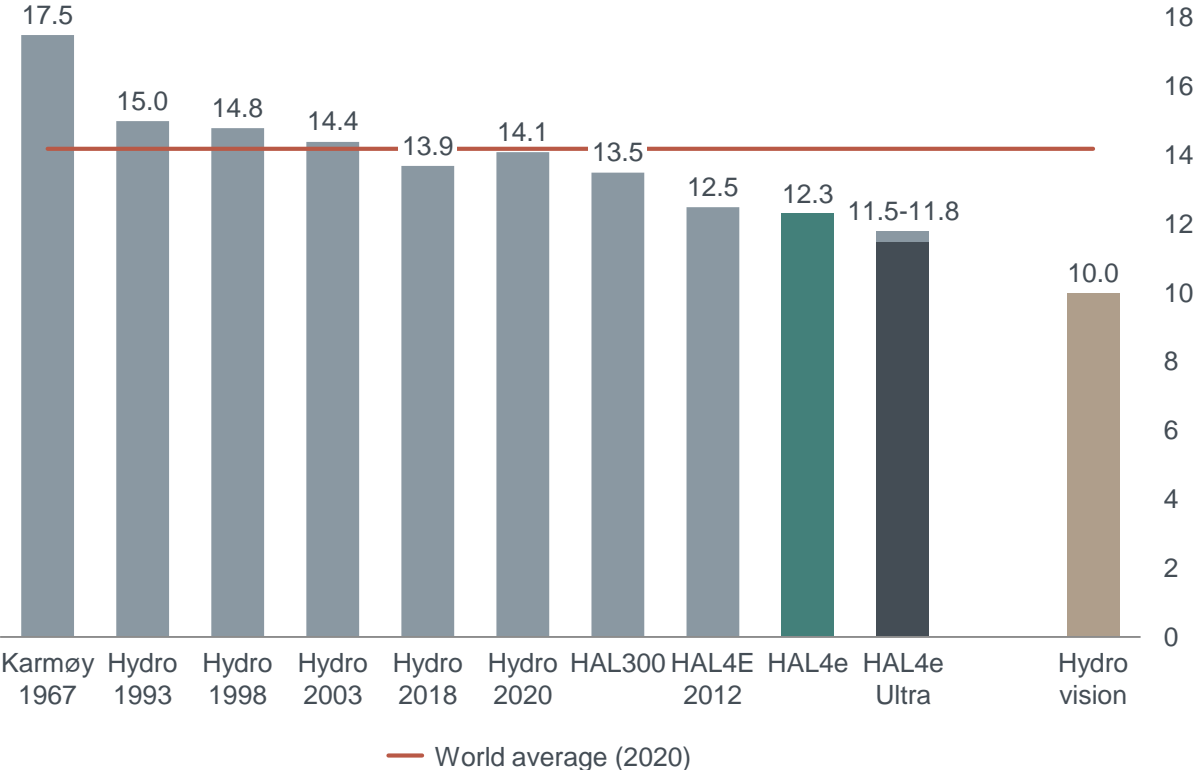
# Low carbon footprint due to renewable energy base and industry lowest energy consumption



Total emissions, in tonne CO2/t al



Energy consumption in Hydro smelters<sup>1)</sup>, kwh/kg al

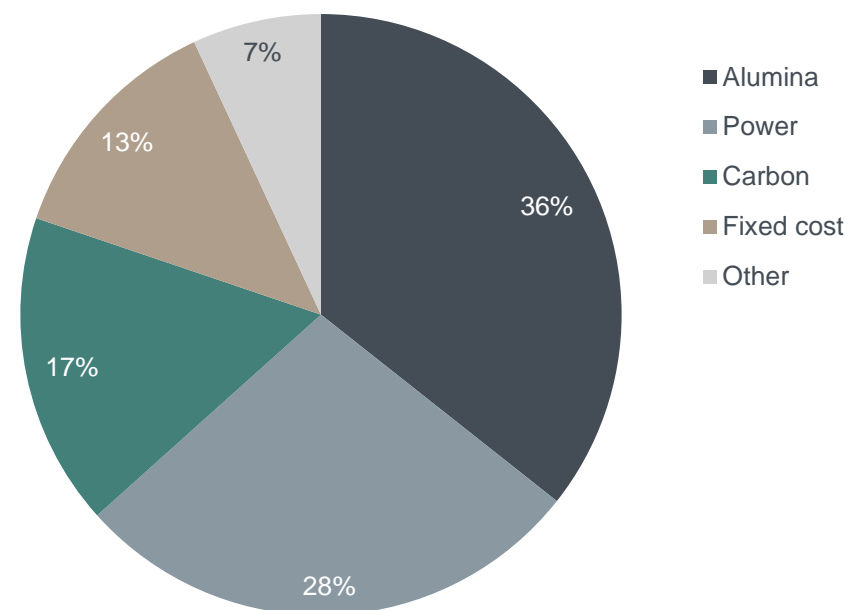


Source: CRU and Hydro analysis  
 1) Hydro's consolidated share

# Competitive primary aluminium cash cost

- Primary aluminium cash cost 2020
  - All-in implied primary aluminium cash cost<sup>1)</sup> USD 1 700 per mt
  - LME implied primary aluminium cash cost<sup>2)</sup> 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 <sup>3)</sup>



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

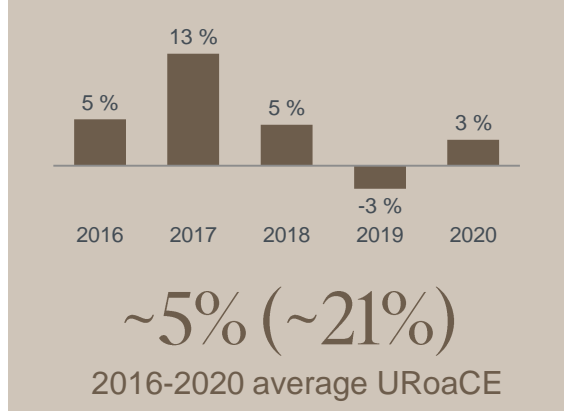
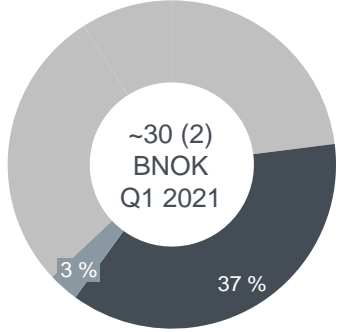
3) Pie chart based on cost of producing liquid aluminium, not directly comparable to the LME or All-in implied primary aluminium cash cost



# 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)

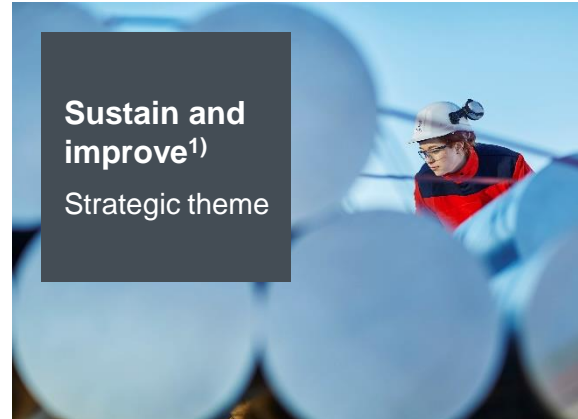
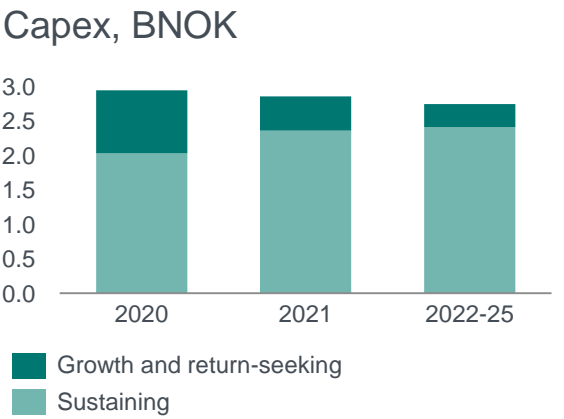


URoaCE > CoC

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 CO<sub>2</sub>  
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

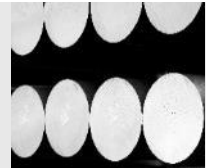




**Casthouse production**

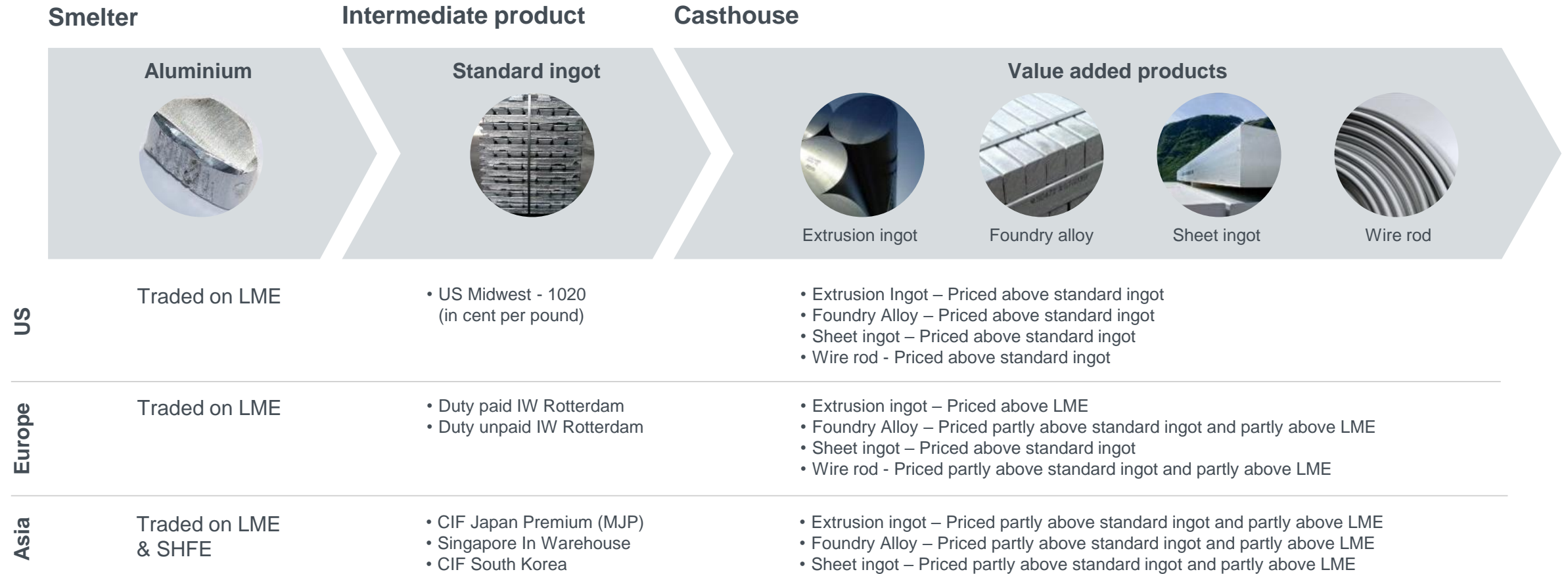
Primary production

Remelting & recycling

Commercial agreements

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

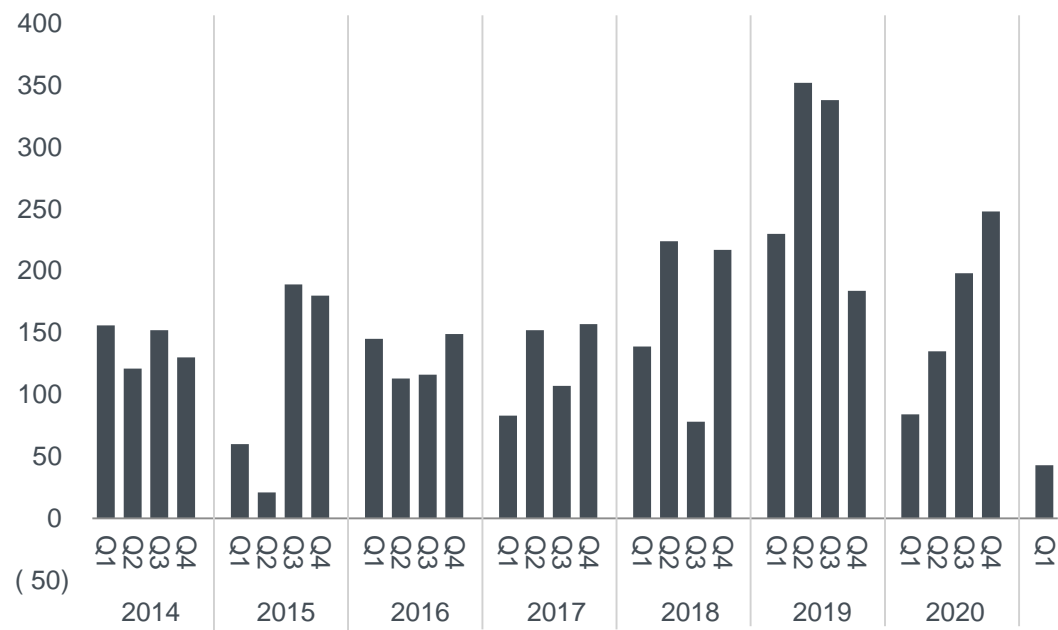
# Pricing of value-added products



# 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 million<sup>1)</sup>



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

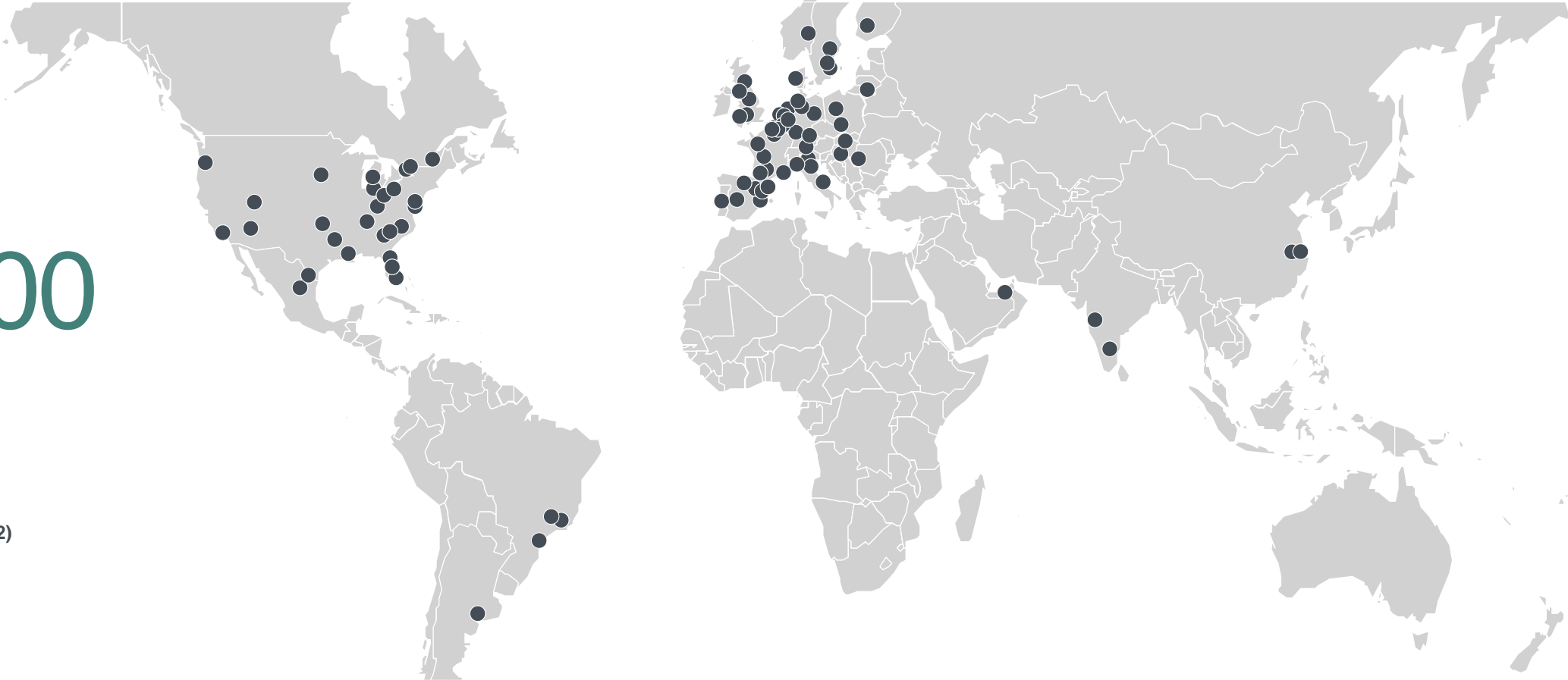


Present in

~40  
countries

19 800  
people <sup>1)</sup>

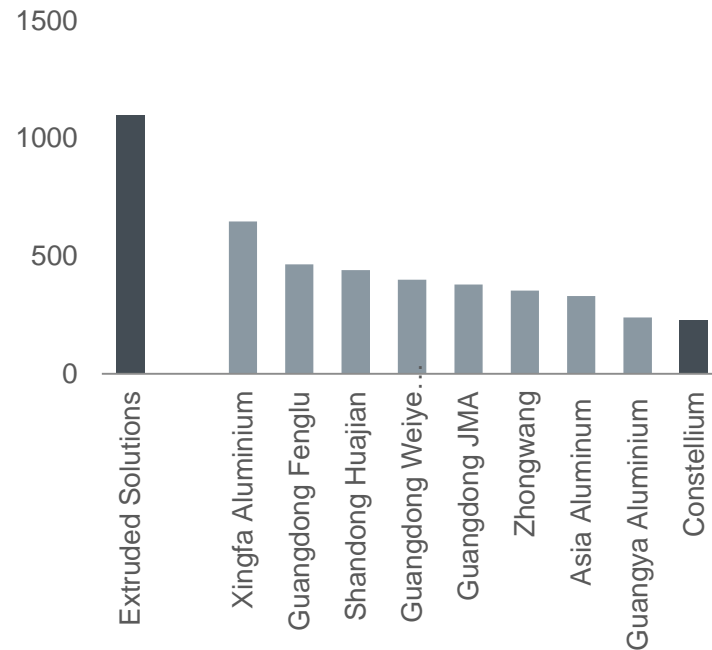
1.1  
Million mt sales<sup>2)</sup>



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

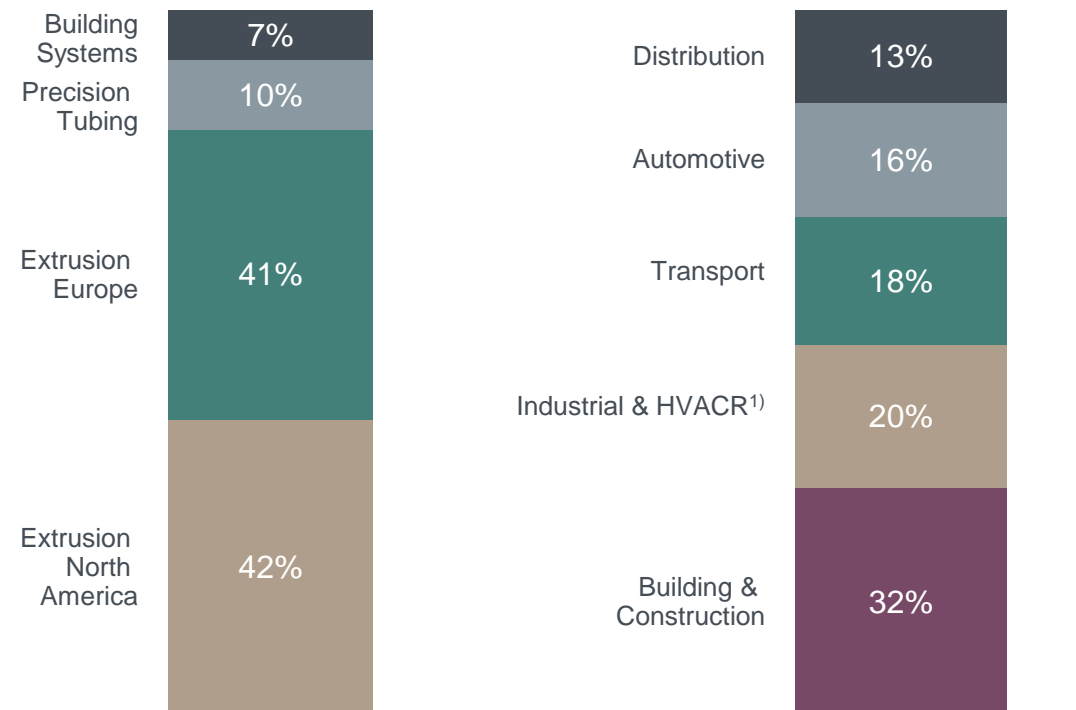
# Unrivalled position as the largest extrusion provider globally with a strong and diversified segment footprint

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          | EBITDA          |
| <b>BNOK 20.8</b> | <b>BNOK 1.5</b> |

## Extrusion North America



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

|                  |                 |
|------------------|-----------------|
| Revenue          | EBITDA          |
| <b>BNOK 20.8</b> | <b>BNOK 1.7</b> |

## Precision Tubing



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

|                 |                 |
|-----------------|-----------------|
| Revenue         | EBITDA          |
| <b>BNOK 5.4</b> | <b>BNOK 0.6</b> |

## Building Systems

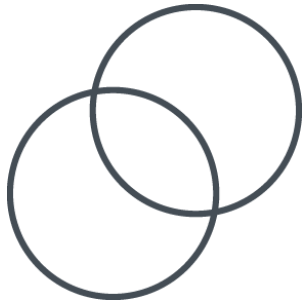


- Leading European player with multi-brand portfolio
- 20% market share in Europe
- Presence in 29 countries, 3,000 people

|                 |                 |
|-----------------|-----------------|
| Revenue         | EBITDA          |
| <b>BNOK 8.4</b> | <b>BNOK 0.8</b> |

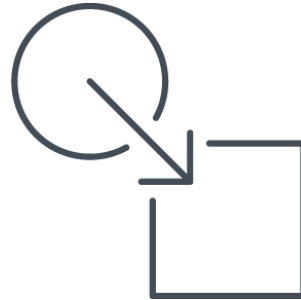
# Successful value-over-volume strategy

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**

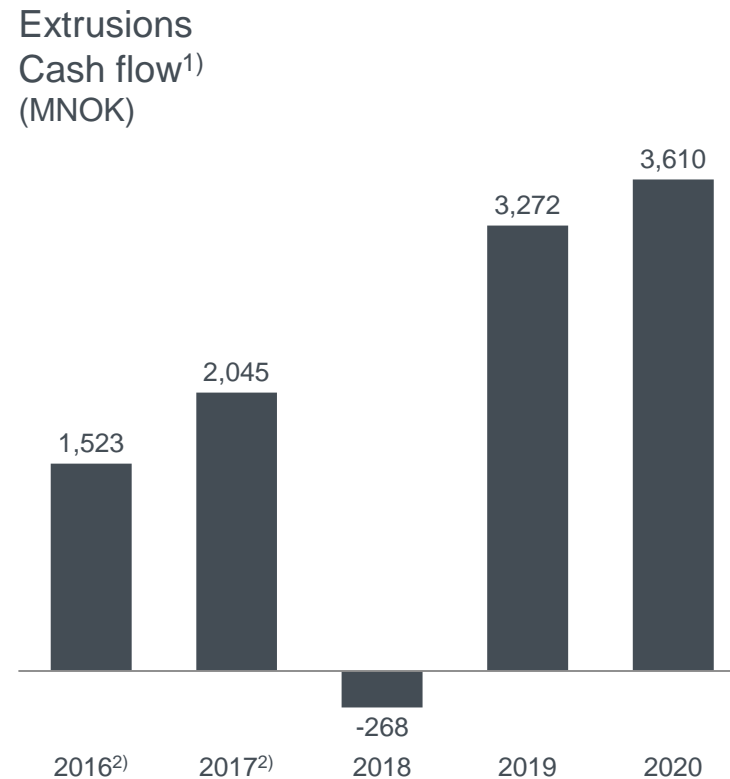
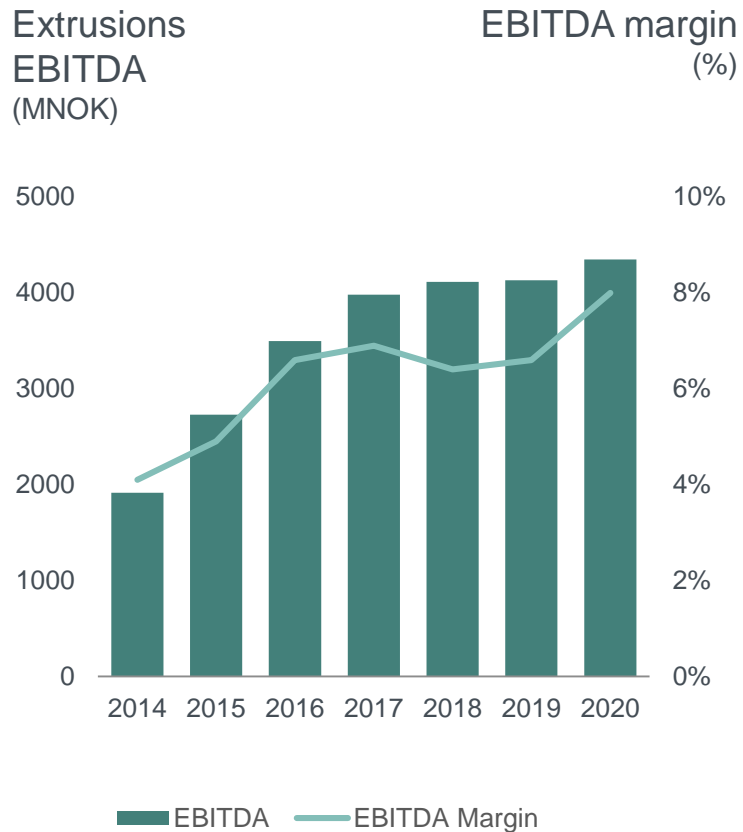
Higher share of value-added solutions to customers through commercial excellence and innovation



**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

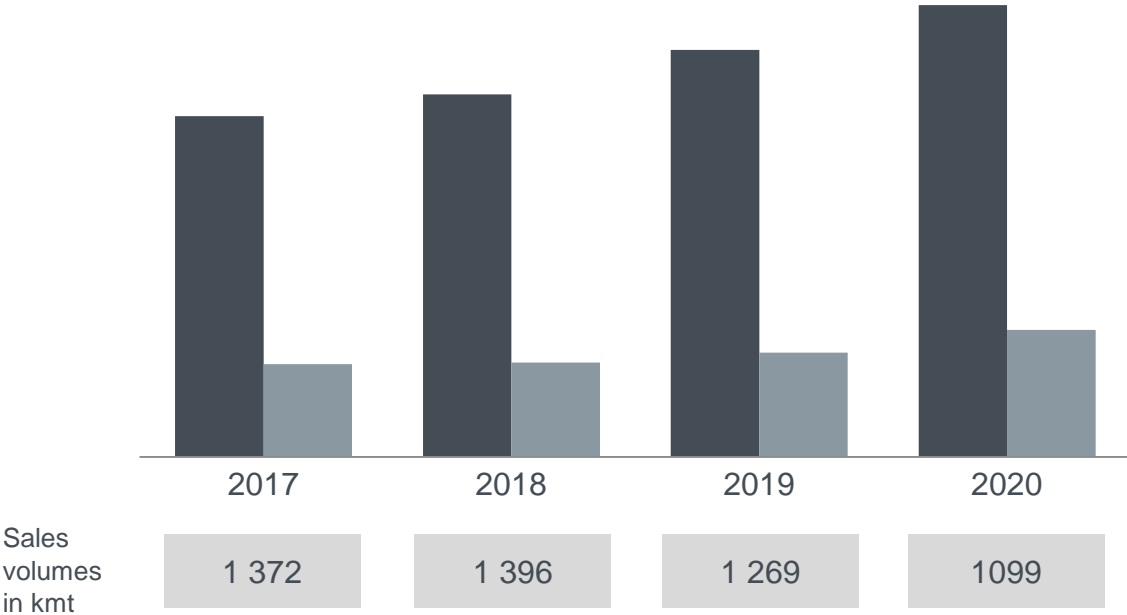
- Cash-flow in 2018 impacted by net working capital and investments
- EBITDA impacted by external events
  - 2019: Cyber-attack
  - 2020: Covid-19

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 Contribution<sup>1)</sup> and UEBITDA per kg  
 NOK per kg

■ DC/kg ■ UEBITDA/kg

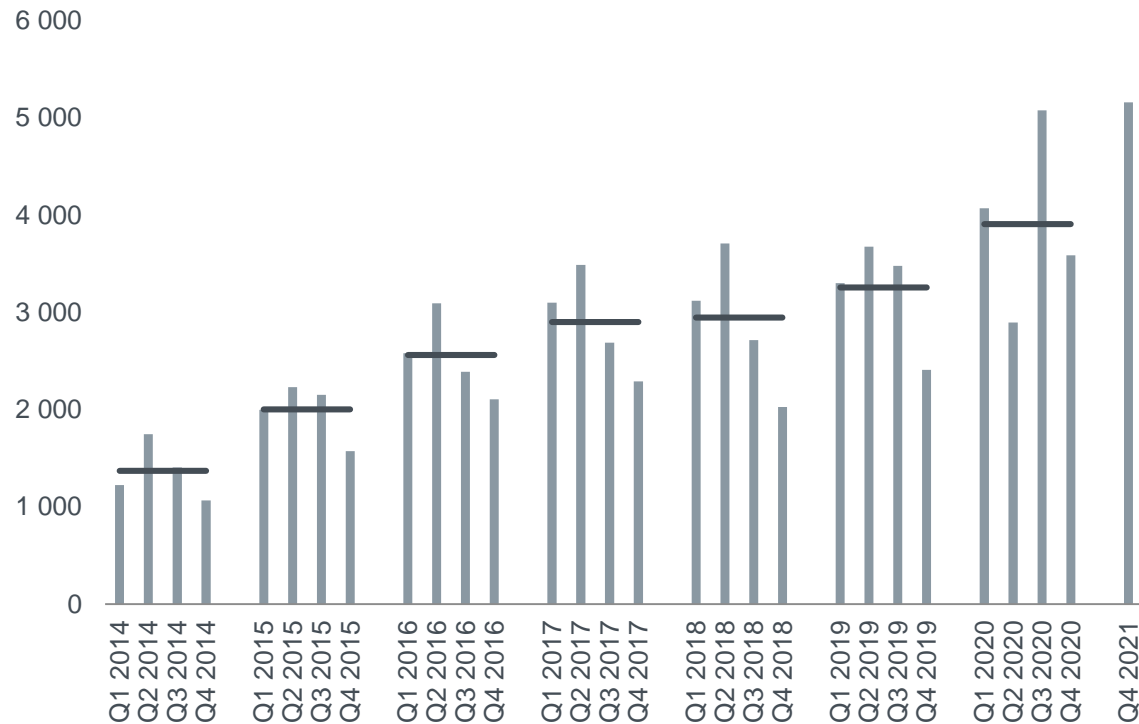


- Significant restructuring measures taken to support performance and cash generation
  - Closure of 10 plants during 2019 and 2020
  - Divestment of four plants
  - De-manning of 1300 (~6%) employees in addition to divestments
- ES 5.0 project targeting SG&A cost reductions
- Dedicated improvement program 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 tonne<sup>1)</sup>, 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 programs<sup>1)</sup>**

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



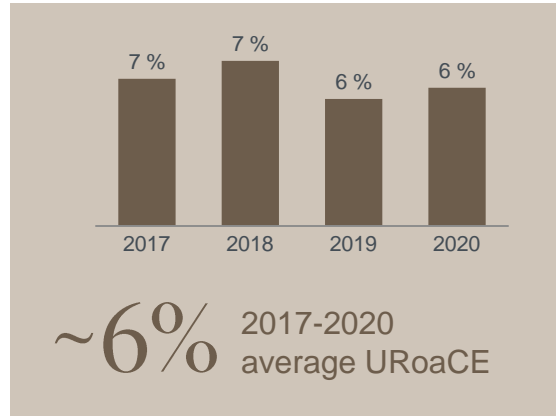
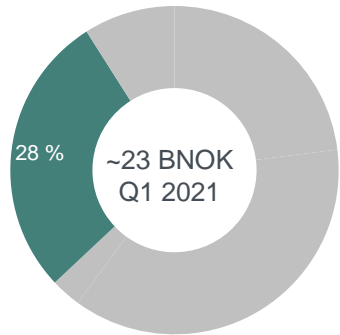
Green products

- 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



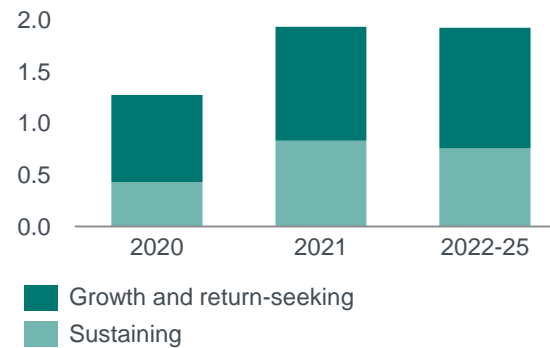
URoCE > CoC

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

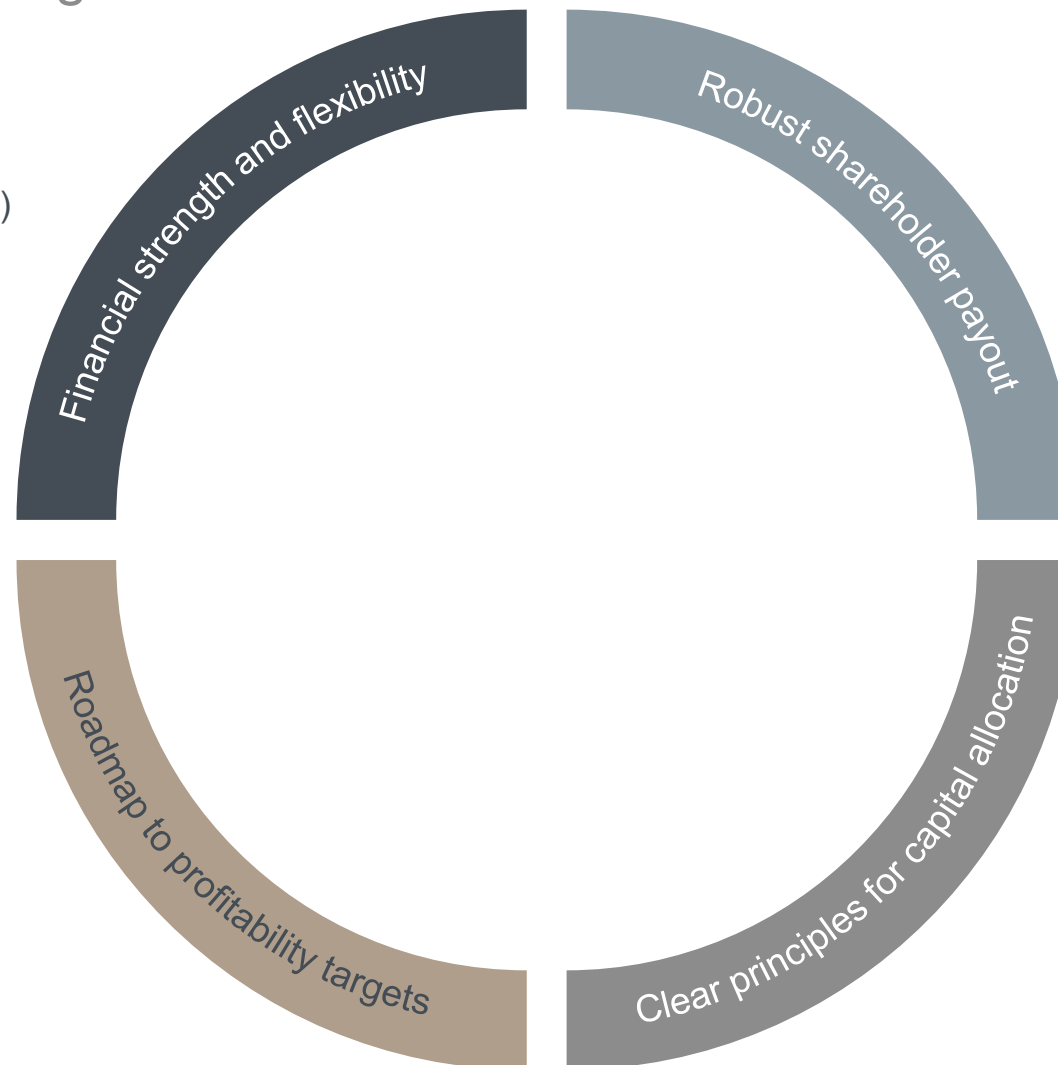
## Financial ambitions and targets

### 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 / uEBITDA < 2x over the cycle <sup>1)</sup>
- Strong liquidity

### Roadmap to profitability targets

- URoaCE > 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

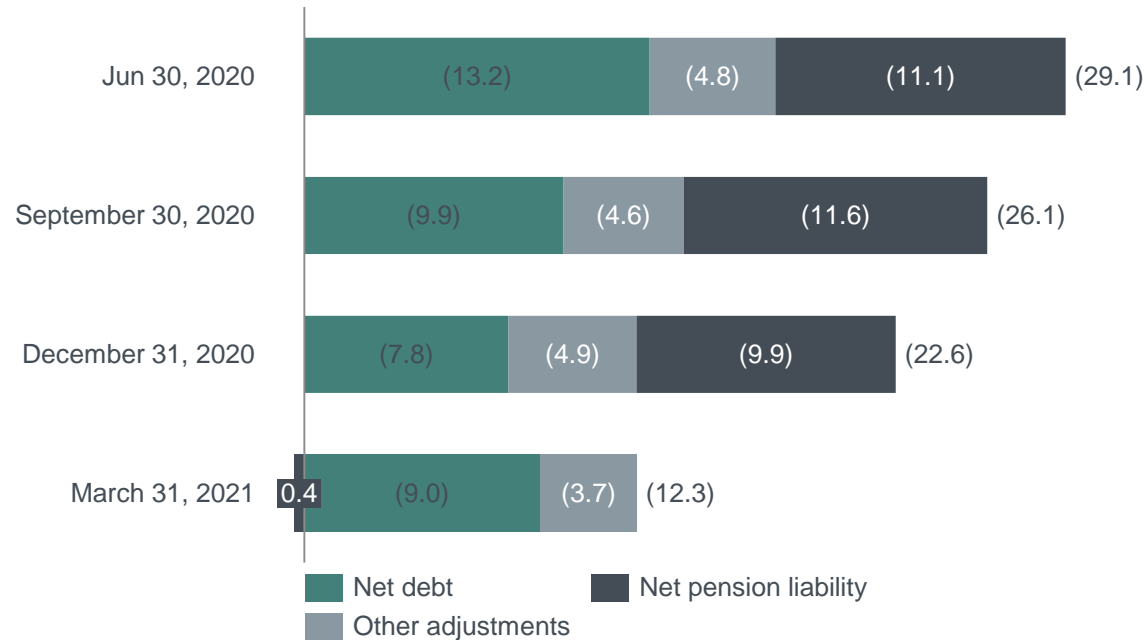
# Hedging policy



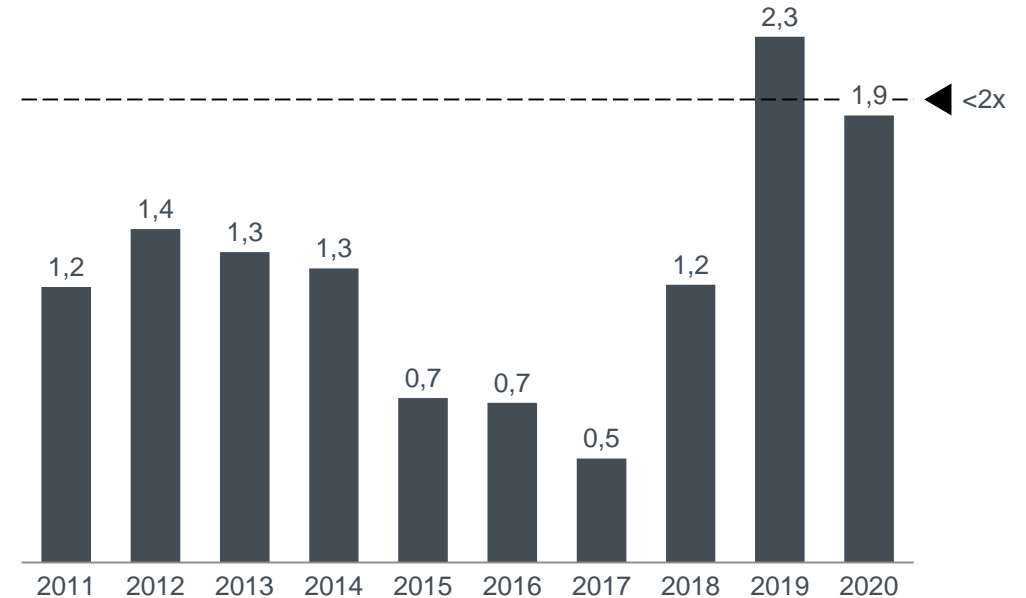
- Hedging strategy
  - Fluctuating with the market: primarily exposed to LME and USD
  - Volatility mitigated by strong balance sheet
  - Strengthening relative position to ensure competitiveness
- Diversified business
  - Upstream cyclicalities balanced with more stable earnings downstream
  - Exposed 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 EBITDA<sup>1)</sup>



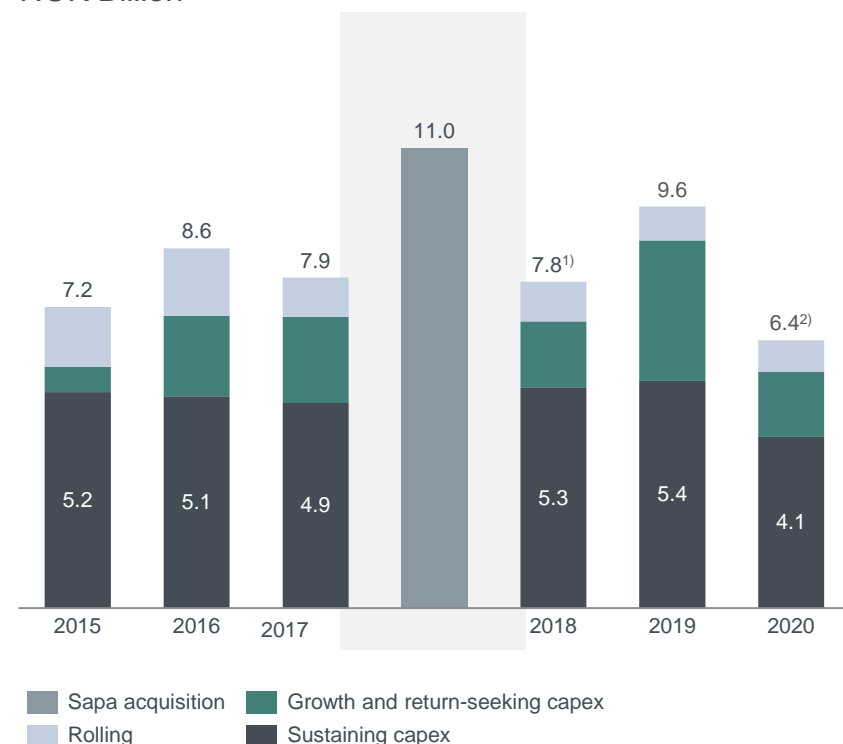
1) Based on four quarter average adjusted net debt. 2011-2013: Based on Adjusted net debt at year-end

# Capex guidance excluding Rolling of ~8.5 billion in 2021

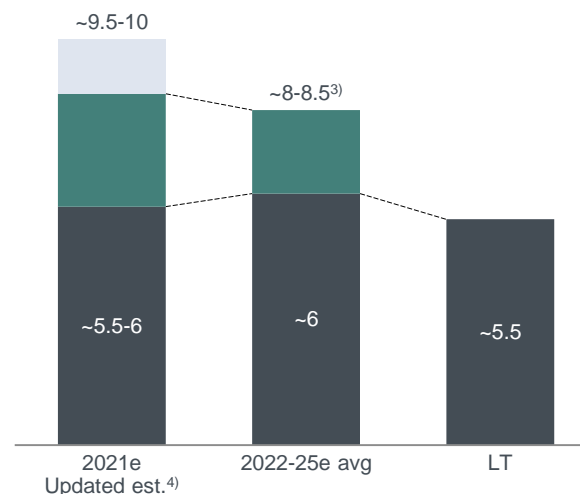


Expectation of NOK ~8-8.5 billion from 2022 to 2025

Historical capex  
NOK Billion



Guidance capex LT  
NOK Billion



## Sustaining projects

- New mining area in Paragominas (from 2022)
- Pipeline replacement
- Upgrades to Alunorte
- Smelter relining and asset integrity in Aluminium Metal

## Growth and return-seeking

- Selected customer-driven projects in Extrusions
- Recycling
- Energy wind and battery storage
- Fuel switch project

### 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)

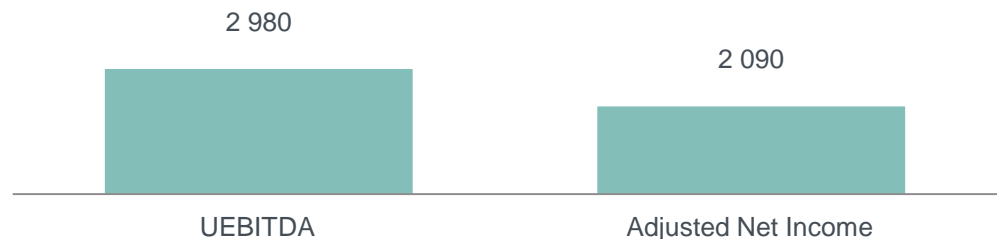
3) Growth and return-seeking capex guidance 2022-25 avg only includes capex necessary for delivering on targeted improvement ambitions and commercial initiatives

4) NOK 700 millions of CAPEX carried over from 2020 to 2021; however; sum of total CAPEX in 2020 and 2021 unchanged from original guidance at 2020 Capital Markets Day

# Significant exposure to commodity and currency fluctuations

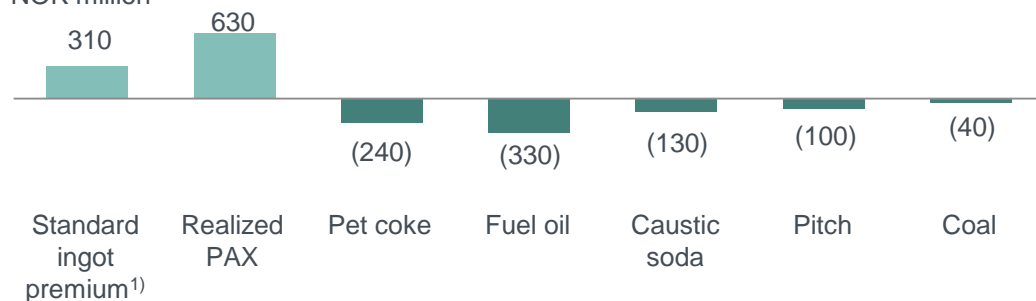
## Aluminium price sensitivity +10%

NOK million



## Other commodity prices, sensitivity +10%

NOK million



## Currency sensitivities +10%

Sustainable effect:

| NOK million | USD   | BRL   | EUR |
|-------------|-------|-------|-----|
| UEBITDA     | 2 880 | (500) | ~0  |

One-off reevaluation effect:

|                 |       |     |         |
|-----------------|-------|-----|---------|
| Financial items | (330) | 610 | (3 760) |
|-----------------|-------|-----|---------|

- Annual adjusted sensitivities based on normal annual business volumes, excluding Hydro Rolling. LME USD 1990 per mt, standard ingot premium 165 USD/mt, PAX 300 USD/mt, fuel oil USD 610 per mt, petroleum coke USD 315 per mt, pitch 570 EUR/t, caustic soda USD 270 per mt, coal USD 65 per mt, USD/NOK 8.53, BRL/NOK 1.56, EUR/NOK 10.26
- 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

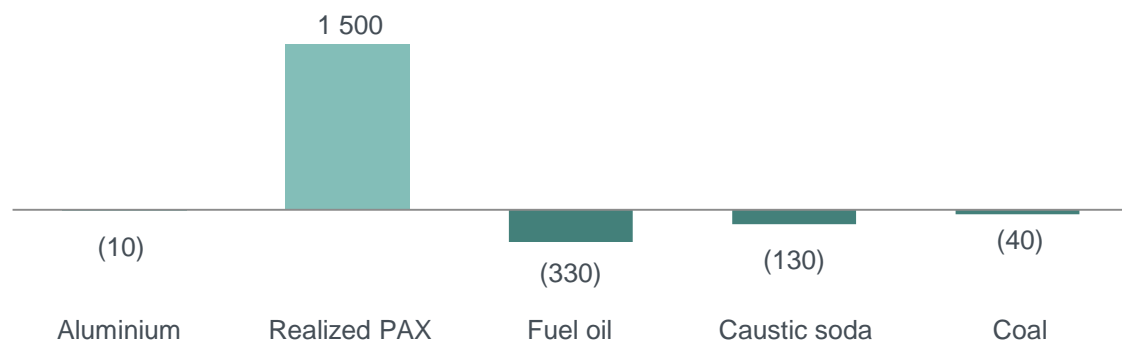
1) Europe duty paid

# Bauxite & Alumina sensitivities



## Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



## Currency sensitivities +10%

| NOK million | USD | BRL   | EUR |
|-------------|-----|-------|-----|
| UEBITDA     | 680 | (270) | -   |

## Revenue impact

- ~14% of 3-month LME price per tonne alumina with one month lag
- 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*

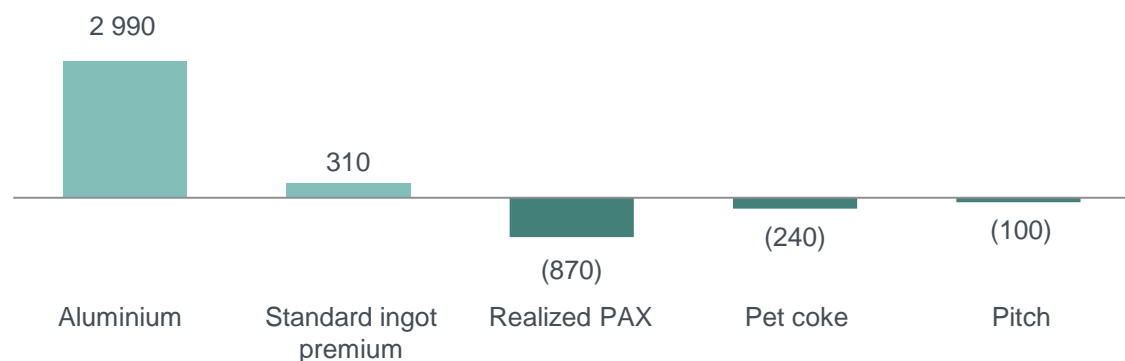
- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

# Alumimum Metal sensitivities



## Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



## Currency sensitivities +10%

| NOK million | USD   | BRL   | EUR   |
|-------------|-------|-------|-------|
| UEBITDA     | 2 080 | (230) | (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      | Year 2020      |
|---|------------------------------------|--------------|--------------|--------------|----------------|--------------|----------------|
| Alunorte Agreements – provision                         | Hydro Bauxite & Alumina            | 129          | -            | -            | -              | -            | 129            |
| Unrealized derivative effects on raw material contracts | Hydro Bauxite & Alumina            | -            | -            | -            | 5              | -            | 5              |
| Unrealized effects on physical raw material contracts   | Hydro Bauxite & Alumina            | -            | -            | -            | -              | (27)         | -              |
| <b>Total impact</b>                                     | <b>Hydro Bauxite &amp; Alumina</b> | <b>129</b>   | <b>-</b>     | <b>-</b>     | <b>5</b>       | <b>(27)</b>  | <b>134</b>     |
| Unrealized derivative effects on LME related contracts  | Hydro Aluminium Metal              | (64)         | 200          | (198)        | (99)           | 1 256        | (160)          |
| Unrealized effects on power contracts                   | Hydro Aluminium Metal              | (147)        | 48           | 165          | 153            | 34           | 218            |
| Net foreign exchange (gain)/loss                        | Hydro Aluminium Metal              | -            | -            | -            | -              | (35)         | -              |
| Other effects   | Hydro Aluminium Metal              | -            | (12)         | (30)         | (90)           | -            | (131)          |
| <b>Total impact</b>                                     | <b>Hydro Aluminium Metal</b>       | <b>(211)</b> | <b>236</b>   | <b>(63)</b>  | <b>(36)</b>    | <b>1 254</b> | <b>(74)</b>    |
| Unrealized derivative effects on LME related contracts  | Hydro Metal Markets                | (224)        | 340          | (187)        | 32             | 24           | (38)           |
| <b>Total impact</b>                                     | <b>Hydro Metal Markets</b>         | <b>(224)</b> | <b>340</b>   | <b>(187)</b> | <b>32</b>      | <b>24</b>    | <b>(38)</b>    |
| Unrealized derivative effects on LME related contracts  | Hydro Extrusions                   | 114          | 13           | (201)        | (57)           | (98)         | (129)          |
| Significant rationalization charges and closure costs   | Hydro Extrusions                   | 4            | 134          | (20)         | 70             | -            | 187            |
| Transaction related effects                             | Hydro Extrusions                   | (57)         | 6            | -            | 14             | -            | (37)           |
| Other effects   | Hydro Extrusions                   | -            | -            | -            | 101            | -            | 101            |
| <b>Total impact</b>                                     | <b>Hydro Extrusions</b>            | <b>61</b>    | <b>154</b>   | <b>(220)</b> | <b>129</b>     | <b>(98)</b>  | <b>123</b>     |
| Unrealized derivative effects on power contracts        | Hydro Energy                       | (17)         | 33           | 14           | (5)            | (19)         | 25             |
| (Gains) / losses on divestments                         | Hydro Energy                       | -            | -            | -            | (5 308)        | (45)         | (5 308)        |
| Net foreign exchange (gain)/loss                        | Hydro Energy                       | -            | -            | -            | -              | 4            | -              |
| <b>Total impact</b>                                     | <b>Hydro Energy</b>                | <b>(17)</b>  | <b>33</b>    | <b>14</b>    | <b>(5 313)</b> | <b>(59)</b>  | <b>(5 283)</b> |
| 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            | (8)            |
| (Gains) / losses on divestments                         | Other and eliminations             | -            | -            | (65)         | 3              | -            | (62)           |
| Net foreign exchange (gain)/loss                        | Other and eliminations             | -            | -            | -            | -              | 9            | -              |
| Other effects   | Other and eliminations             | -            | -            | (4)          | 4              | -            | -              |
| <b>Total impact</b>                                     | <b>Other and eliminations</b>      | <b>(35)</b>  | <b>(1)</b>   | <b>(95)</b>  | <b>(15)</b>    | <b>10</b>    | <b>(146)</b>   |
| <b>Adjusting items to EBITDA</b>                        | <b>Hydro</b>                       | <b>(297)</b> | <b>762</b>   | <b>(551)</b> | <b>(5 198)</b> | <b>1 103</b> | <b>(5 284)</b> |
| Impairment charges                                      | Hydro Aluminium Metal              | -            | 504          | -            | -              | -            | 504            |
| Impairment charges                                      | Hydro Extrusions                   | 12           | 1 483        | 77           | 52             | 122          | 1 625          |
| Impairment charges                                      | Other and eliminations             | -            | (161)        | -            | -              | -            | (161)          |
| Depreciation  | Hydro Aluminium Metal              | -            | -            | -            | -              | 101          | -              |
| <b>Adjusting items to EBIT</b>                          | <b>Hydro</b>                       | <b>(285)</b> | <b>2 588</b> | <b>(474)</b> | <b>(5 146)</b> | <b>1 326</b> | <b>(3 316)</b> |
| Net foreign exchange (gain)/loss                        | Hydro                              | 4 184        | (563)        | 1 528        | (1 349)        | (653)        | 3 800          |
| Other finance (income) expense                          | Hydro                              | -            | -            | -            | (128)          | -            | (128)          |
| <b>Adjusting items to income (loss) before tax</b>      | <b>Hydro</b>                       | <b>3 899</b> | <b>2 025</b> | <b>1 054</b> | <b>(6 624)</b> | <b>673</b>   | <b>355</b>     |
| Calculated income tax effect                            | Hydro                              | (1 322)      | (221)        | (336)        | 486            | (106)        | (1 393)        |
| <b>Adjusting items to net income (loss)</b>             | <b>Hydro</b>                       | <b>2 577</b> | <b>1 805</b> | <b>718</b>   | <b>(6 138)</b> | <b>567</b>   | <b>(1 038)</b> |

# Operating segment information



## Adjusted EBIT

| NOK million             | Q1 2020      | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Year 2020    |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Hydro Bauxite & Alumina | 535          | 1 047        | 108          | 116          | 556          | 1 806        |
| Hydro Aluminium Metal   | 573          | (37)         | (156)        | 844          | 1 185        | 1 225        |
| Hydro Metal Markets     | 261          | 21           | 198          | 248          | 43           | 728          |
| Hydro Extrusions        | 702          | 89           | 894          | 511          | 1 244        | 2 196        |
| Hydro Energy            | 437          | 53           | 132          | 352          | 792          | 974          |
| Other and Eliminations  | (565)        | (173)        | 242          | (393)        | (261)        | (889)        |
| <b>Total</b>            | <b>1 943</b> | <b>1 000</b> | <b>1 419</b> | <b>1 678</b> | <b>3 559</b> | <b>6 040</b> |

## Adjusted EBITDA

| NOK million             | Q1 2020      | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Year 2020     |
|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Hydro Bauxite & Alumina | 1 102        | 1 550        | 578          | 587          | 999          | 3 817         |
| Hydro Aluminium Metal   | 1 197        | 560          | 404          | 1 432        | 1 754        | 3 593         |
| Hydro Metal Markets     | 296          | 58           | 233          | 287          | 78           | 875           |
| Hydro Extrusions        | 1 242        | 649          | 1 412        | 1 044        | 1 744        | 4 348         |
| Hydro Energy            | 505          | 122          | 200          | 419          | 841          | 1 245         |
| Other and Eliminations  | (532)        | (144)        | 272          | (366)        | (234)        | (771)         |
| <b>Total</b>            | <b>3 810</b> | <b>2 794</b> | <b>3 100</b> | <b>3 403</b> | <b>5 182</b> | <b>13 106</b> |

# Operating segment information



## EBIT

| NOK million             | Q1 2020      | Q2 2020        | Q3 2020      | Q4 2020      | Q1 2021      | Year 2020    |
|-------------------------|--------------|----------------|--------------|--------------|--------------|--------------|
| Hydro Bauxite & Alumina | 406          | 1 047          | 108          | 111          | 583          | 1 672        |
| Hydro Aluminium Metal   | 784          | (777)          | (93)         | 880          | (171)        | 794          |
| Hydro Metal Markets     | 485          | (319)          | 385          | 216          | 19           | 766          |
| Hydro Extrusions        | 628          | (1 548)        | 1 038        | 331          | 1 220        | 449          |
| Hydro Energy            | 454          | 20             | 118          | 5 665        | 851          | 6 258        |
| Other and Eliminations  | (530)        | (11)           | 337          | (379)        | (271)        | (582)        |
| <b>Total</b>            | <b>2 228</b> | <b>(1 588)</b> | <b>1 893</b> | <b>6 824</b> | <b>2 233</b> | <b>9 356</b> |

## EBITDA

| NOK million             | Q1 2020      | Q2 2020      | Q3 2020      | Q4 2020      | Q1 2021      | Year 2020     |
|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Hydro Bauxite & Alumina | 973          | 1 550        | 578          | 582          | 1 026        | 3 683         |
| Hydro Aluminium Metal   | 1 408        | 324          | 467          | 1 468        | 500          | 3 667         |
| Hydro Metal Markets     | 521          | (282)        | 420          | 254          | 55           | 913           |
| Hydro Extrusions        | 1 181        | 496          | 1 633        | 915          | 1 842        | 4 225         |
| Hydro Energy            | 523          | 88           | 186          | 5 732        | 900          | 6 529         |
| Other and Eliminations  | (497)        | (144)        | 367          | (351)        | (244)        | (625)         |
| <b>Total</b>            | <b>4 107</b> | <b>2 032</b> | <b>3 651</b> | <b>8 601</b> | <b>4 079</b> | <b>18 390</b> |

# Operating segment information



## Total revenue

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

## External revenue

| NOK million             | Q1 2020       | Q2 2020       | Q3 2020       | Q4 2020       | Q1 2021       | Year 2020      |
|-------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Hydro Bauxite & Alumina | 3 249         | 3 792         | 3 167         | 3 173         | 3 546         | 13 381         |
| Hydro Aluminium Metal   | 1 968         | 1 393         | 1 632         | 2 046         | 762           | 7 039          |
| Hydro Metal Markets     | 10 353        | 8 510         | 9 242         | 9 788         | 10 789        | 37 893         |
| Hydro Extrusions        | 15 215        | 11 581        | 13 344        | 14 401        | 16 203        | 54 542         |
| Hydro Energy            | 633           | 47            | 137           | 443           | 787           | 1 261          |
| Other and Eliminations  | 191           | 20            | (7)           | (29)          | (136)         | 175            |
| <b>Total</b>            | <b>31 609</b> | <b>25 343</b> | <b>27 516</b> | <b>29 823</b> | <b>31 951</b> | <b>114 291</b> |

# Operating segment information



## Internal revenue

| NOK million             | Q1 2020  | Q2 2020  | Q3 2020  | Q4 2020  | Q1 2021  | Year 2020 |
|-------------------------|----------|----------|----------|----------|----------|-----------|
| Hydro Bauxite & Alumina | 2 780    | 2 380    | 2 168    | 2 330    | 2 479    | 9 658     |
| Hydro Aluminium Metal   | 7 785    | 6 328    | 6 596    | 6 656    | 8 191    | 27 365    |
| Hydro Metal Markets     | 2 559    | 1 975    | 2 047    | 2 390    | 2 835    | 8 972     |
| Hydro Extrusions        | (76)     | 12       | 28       | (11)     | 131      | (47)      |
| Hydro Energy            | 1 482    | 1 376    | 1 402    | 1 447    | 1 556    | 5 706     |
| Other and Eliminations  | (14 530) | (12 070) | (12 241) | (12 813) | (15 191) | (51 654)  |
| <b>Total</b>            | -        | -        | -        | -        | -        | -         |

## Share of profit /(loss) in equity accounted investments

| NOK million             | Q1 2020    | Q2 2020   | Q3 2020   | Q4 2020    | Q1 2021    | Year 2020  |
|-------------------------|------------|-----------|-----------|------------|------------|------------|
| Hydro Bauxite & Alumina | -          | -         | -         | -          | -          | -          |
| Hydro Aluminium Metal   | 40         | 26        | 6         | 185        | 147        | 256        |
| Hydro Metal Markets     | -          | -         | -         | -          | -          | -          |
| Hydro Extrusions        | -          | -         | -         | -          | -          | -          |
| Hydro Energy            | (12)       | (5)       | (16)      | (6)        | (23)       | (39)       |
| Other and Eliminations  | (31)       | 28        | 34        | (24)       | 1          | 7          |
| <b>Total</b>            | <b>(4)</b> | <b>48</b> | <b>24</b> | <b>155</b> | <b>125</b> | <b>223</b> |

# Operating segment information



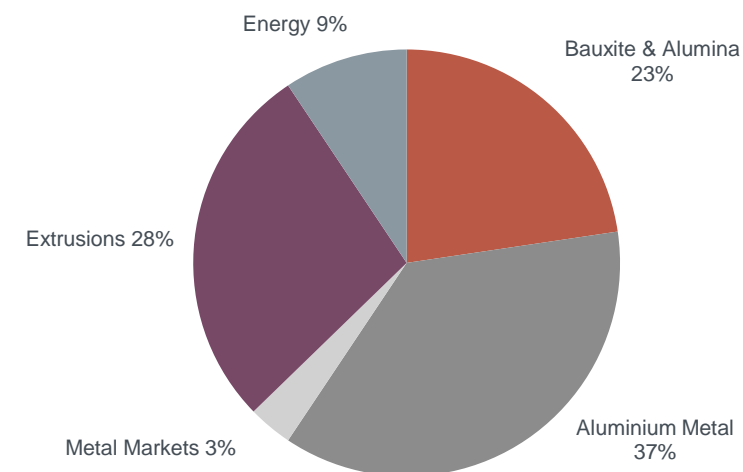
Return on average capital employed <sup>1)</sup> (RoaCE)

|                                | Reported RoaCE |               |             |              |             |             |             |
|--------------------------------|----------------|---------------|-------------|--------------|-------------|-------------|-------------|
|                                | 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 <sup>2)</sup> | 1.3%           | 3.8%          | 5.3%        | 13.4%        |             |             |             |
| Hydro Energy <sup>3)</sup>     | 249.5%         | 13.4%         | 18.8%       | 17.5%        | 18.1%       | 17.2%       | 17.4%       |
| <b>Hydro Group</b>             | <b>7.5%</b>    | <b>(0.9)%</b> | <b>6.0%</b> | <b>11.2%</b> | <b>6.5%</b> | <b>7.5%</b> | <b>4.9%</b> |

|                                | Adjusted RoaCE |             |             |             |             |             |             |
|--------------------------------|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                | 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 <sup>2)</sup> | 6.2%           | 5.7%        | 7.2%        | 6.6%        |             |             |             |
| Hydro Energy <sup>3)</sup>     | 8.7%           | 12.9%       | 18.8%       | 17.5%       | 18.1%       | 17.3%       | 17.4%       |
| <b>Hydro Group</b>             | <b>3.7%</b>    | <b>1.3%</b> | <b>6.6%</b> | <b>9.6%</b> | <b>5.1%</b> | <b>9.2%</b> | <b>5.2%</b> |

## Capital employed – upstream focus

| NOK million             | Mar 31, 2021  |
|-------------------------|---------------|
| Hydro Bauxite & Alumina | 18 998        |
| Hydro Aluminium Metal   | 30 798        |
| Hydro Metal Markets     | 2 821         |
| Hydro Extrusions        | 23 387        |
| Hydro Energy            | 7 862         |
| Other and Eliminations  | (1 966)       |
| <b>Total</b>            | <b>81 899</b> |



Graph excludes BNOK (2.0) in capital employed in Other and Eliminations

1) RoaCE 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 RoaCE for 2020 higher than previous years due to the Lyse transaction

# Operating segment information



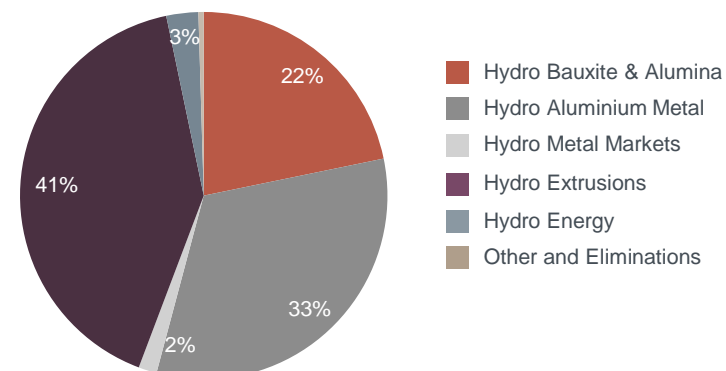
## Depreciation, amortization and impairment

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

## 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  | Q1 2021       | Q1 2020        | Q4 2020       | Year 2020      |
|--|---------------|----------------|---------------|----------------|
| Revenue  | 31 951        | 31 609         | 29 823        | 114 291        |
| Share of the profit (loss) in equity accounted investments   | 125           | (4)            | 155           | 223            |
| Other income, net  | 377           | 426            | 5 683         | 7 414          |
| <b>Total revenue and income</b>                              | <b>32 454</b> | <b>32 031</b>  | <b>35 661</b> | <b>121 928</b> |
| Raw material and energy expense                              | 19 126        | 18 701         | 17 875        | 68 953         |
| Employee benefit expense                                     | 5 012         | 5 151          | 4 796         | 19 123         |
| Depreciation and amortization expense                        | 1 754         | 1 896          | 1 747         | 7 175          |
| Impairment of non-current assets                             | 122           | 12             | 63            | 1 979          |
| Other expenses   | 4 207         | 4 042          | 4 356         | 15 343         |
| <b>Earnings before financial items and tax (EBIT)</b>        | <b>2 233</b>  | <b>2 228</b>   | <b>6 824</b>  | <b>9 356</b>   |
| Finance income   | 39            | 34             | 101           | 290            |
| Finance expense  | 385           | (4 462)        | 1 148         | (4 842)        |
| Income (loss) before tax                                     | 2 657         | (2 200)        | 8 072         | 4 804          |
| Income taxes   | (776)         | 457            | (846)         | (918)          |
| <b>Income (loss) from continuing operations</b>              | <b>1 880</b>  | <b>(1 743)</b> | <b>7 226</b>  | <b>3 886</b>   |
| Loss from discontinued operations                            | (380)         | (282)          | (1 849)       | (2 226)        |
| <b>Net income (loss)</b>                                     | <b>1 500</b>  | <b>(2 025)</b> | <b>5 377</b>  | <b>1 660</b>   |
| Net income (loss) attributable to non-controlling interests  | 60            | (214)          | 252           | (185)          |
| Net income (loss) attributable to Hydro shareholders         | 1 441         | (1 811)        | 5 125         | 1 845          |
| Earnings per share from continuing operations                | 0.89          | (0.75)         | 3.40          | 1.99           |
| Earnings per share from discontinued operations              | (0.19)        | (0.14)         | (0.90)        | (1.09)         |
| <b>Earnings per share attributable to Hydro shareholders</b> | <b>0.70</b>   | <b>(0.88)</b>  | <b>2.50</b>   | <b>0.90</b>    |

| NOK million   | Q1 2020     | Q2 2020     | Q3 2020     | Q4 2020      | Q1 2021      | Year 2020    |
|---|-------------|-------------|-------------|--------------|--------------|--------------|
| Income (loss) from continuing operations                      | (1 743)     | (1 487)     | (111)       | 7 226        | 1 880        | 3 886        |
| Net income (loss)   | (2 025)     | (1 471)     | (221)       | 5 377        | 1 500        | 1 660        |
| <b>Adjusted net income (loss) from continuing operations</b>  | <b>834</b>  | <b>318</b>  | <b>607</b>  | <b>1 089</b> | <b>2 448</b> | <b>2 848</b> |
| Earnings per share from continuing operations                 | (0.75)      | (0.62)      | (0.05)      | 3.40         | 0.89         | 1.99         |
| Earnings per share attributable to Hydro shareholders         | (0.88)      | (0.61)      | (0.11)      | 2.50         | 0.70         | 0.90         |
| <b>Adjusted earnings per share from continuing operations</b> | <b>0.39</b> | <b>0.17</b> | <b>0.28</b> | <b>0.47</b>  | <b>1.15</b>  | <b>1.32</b>  |



# Balance sheet



| NOK million   | Mar 31, 2021   | Dec 31, 2020   | Sep 30, 2020   | Jun 30, 2020   | Mar 31, 2020   |
|---|----------------|----------------|----------------|----------------|----------------|
| Cash and cash equivalents                             | 15 011         | 17 638         | 17 495         | 15 385         | 12 160         |
| Short-term investments                                | 4 348          | 4 091          | 5 399          | 5 110          | 1 641          |
| Trade and other receivables                           | 16 795         | 18 364         | 20 268         | 18 916         | 24 539         |
| Inventories   | 14 316         | 19 492         | 19 288         | 20 382         | 22 464         |
| Other current financial assets                        | 328            | 470            | 553            | 687            | 1 119          |
| Assets held for sale                                  | 17 069         | -              | -              | -              | -              |
| Property, plant and equipment                         | 53 890         | 64 245         | 68 657         | 70 478         | 77 909         |
| Intangible assets                                     | 8 796          | 9 357          | 9 903          | 10 262         | 12 649         |
| Investments accounted for using the equity method     | 17 227         | 17 288         | 12 048         | 12 619         | 13 845         |
| Prepaid pension                                       | 7 812          | 7 064          | 5 959          | 5 603          | 5 242          |
| Other non-current assets                              | 6 634          | 6 398          | 6 295          | 6 704          | 7 663          |
| <b>Total assets</b>                                   | <b>162 228</b> | <b>164 408</b> | <b>165 865</b> | <b>166 145</b> | <b>179 232</b> |
| Bank loans and other interest-bearing short-term debt | 4 701          | 4 748          | 6 915          | 7 094          | 7 728          |
| Trade and other payables                              | 17 462         | 18 948         | 17 865         | 16 693         | 21 558         |
| Other current liabilities                             | 4 036          | 5 352          | 3 660          | 3 721          | 4 771          |
| Liabilities included in disposal group                | 12 266         | -              | -              | -              | -              |
| Long-term debt  | 23 658         | 24 811         | 25 873         | 26 595         | 21 290         |
| Provisions  | 4 132          | 5 605          | 6 144          | 6 283          | 6 892          |
| Pension liabilities                                   | 9 341          | 19 167         | 19 679         | 18 933         | 19 893         |
| Deferred tax liabilities                              | 3 535          | 3 059          | 2 620          | 2 562          | 2 838          |
| Other non-current liabilities                         | 5 393          | 5 273          | 6 215          | 5 401          | 7 089          |
| Equity attributable to Hydro shareholders             | 74 745         | 74 279         | 73 833         | 75 633         | 83 213         |
| Non-controlling interests                             | 2 958          | 3 165          | 3 062          | 3 230          | 3 959          |
| <b>Total liabilities and equity</b>                   | <b>162 228</b> | <b>164 408</b> | <b>165 865</b> | <b>166 145</b> | <b>179 232</b> |

# Operational data



| Hydro Bauxite & Alumina                    | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Year 2020 |
|--|---------|---------|---------|---------|---------|-----------|
| Alumina production (kmt)                   | 1 531   | 1 442   | 1 074   | 1 410   | 1 540   | 5 457     |
| Sourced alumina (kmt)                      | 664     | 667     | 940     | 783     | 698     | 3 053     |
| Total alumina sales (kmt)                  | 2 140   | 2 243   | 1 990   | 2 122   | 2 269   | 8 495     |
| Realized alumina price (USD) <sup>1)</sup> | 278     | 261     | 260     | 272     | 294     | 268       |
| Implied alumina cost (USD) <sup>2)</sup>   | 226     | 192     | 228     | 241     | 243     | 221       |
| Bauxite production (kmt) <sup>3)</sup>     | 2 585   | 2 332   | 1 167   | 2 556   | 2 813   | 8 640     |
| Sourced bauxite (kmt) <sup>4)</sup>        | 1 514   | 1 315   | 2 051   | 1 351   | 1 103   | 6 231     |
| Adjusted EBITDA margin <sup>11)</sup>      | 18.3%   | 25.1%   | 10.8%   | 10.7%   | 16.6%   | 16.6%     |

| Hydro Aluminium Metal <sup>5)</sup>                | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Year 2020 |
|--|---------|---------|---------|---------|---------|-----------|
| Realized aluminium price LME, USD/mt               | 1 758   | 1 579   | 1 596   | 1 792   | 1 993   | 1 685     |
| Realized aluminium price LME, NOK/mt <sup>7)</sup> | 16 658  | 15 689  | 14 712  | 16 364  | 16 999  | 15 870    |
| Realized premium above LME, USD/mt <sup>6)</sup>   | 234     | 212     | 211     | 224     | 264     | 220       |
| Realized premium above LME, NOK/mt <sup>6)7)</sup> | 2 212   | 2 106   | 1 946   | 2 042   | 2 253   | 2 077     |
| Realized NOK/USD exchange rate <sup>7)</sup>       | 9.47    | 9.93    | 9.22    | 9.13    | 8.53    | 9.42      |
| Implied primary cost (USD) <sup>8)</sup>           | 1 450   | 1 400   | 1 450   | 1 425   | 1 500   | 1 425     |
| Implied all-in primary cost (USD) <sup>9)</sup>    | 1 700   | 1 600   | 1 650   | 1 650   | 1825    | 1 650     |
| Hydro Aluminium Metal production, kmt              | 528     | 509     | 522     | 532     | 539     | 2 091     |
| Casthouse production, kmt                          | 504     | 478     | 508     | 523     | 534     | 2 013     |
| Total sales, kmt <sup>10)</sup>                    | 577     | 510     | 548     | 547     | 599     | 2 182     |
| Adjusted EBITDA margin <sup>11)</sup>              | 12.3%   | 7.2%    | 4.9%    | 16.4%   | 19.6%   | 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 | Year 2020 |
|--|---------|---------|---------|---------|---------|-----------|
| Remelt production (1 000 mt)   | 137     | 88      | 124     | 140     | 143     | 488       |
| Third-party sales (1 000 mt)   | 79      | 85      | 85      | 77      | 77      | 326       |
| Hydro Metal Markets sales excl. ingot trading (1 000 mt) <sup>1)</sup> | 675     | 606     | 668     | 672     | 742     | 2 621     |
| Hereof external sales excl. ingot trading (1 000 mt)                   | 554     | 459     | 526     | 549     | 588     | 2 088     |
| External revenue (NOK million)   | 10 353  | 8 510   | 9 242   | 9 788   | 10 789  | 37 893    |

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

| Hydro Energy  | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Year 2020 |
|---|---------|---------|---------|---------|---------|-----------|
| Power production, GWh                                 | 2 868   | 2 097   | 3 161   | 3 396   | 2 857   | 11 522    |
| Net spot sales, GWh                                   | 1 169   | 444     | 1 401   | 1 595   | 1 126   | 4 609     |
| Nordic spot electricity price, NOK/MWh                | 158     | 62      | 95      | 148     | 435     | 116       |
| Southern Norway spot electricity price (NO2), NOK/MWh | 154     | 50      | 52      | 137     | 469     | 98        |
| Adjusted EBITDA margin <sup>2)</sup>                  | 23.9%   | 8.5%    | 13.0%   | 22.2%   | 35.9%   | 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<br>2020 | Q2<br>2020 | Q3<br>2020 | Q4<br>2020 | Year<br>2020 | Q1<br>2021 |
|---------------------------|------------|------------|------------|------------|--------------|------------|
| Volume (kmt)              | 29         | 17         | 28         | 33         | 108          | 35         |
| Operating revenues (NOKm) | 1 487      | 931        | 1 360      | 1 583      | 5 361        | 1 718      |
| Adjusted EBITDA (NOKm)    | 118        | 139        | 167        | 178        | 602          | 210        |
| Adjusted EBIT (NOKm)      | 57         | 74         | 113        | 115        | 359          | 157        |

| Building Systems          | Q1<br>2020 | Q2<br>2020 | Q3<br>2020 | Q4<br>2020 | Year<br>2020 | Q1<br>2021 |
|---------------------------|------------|------------|------------|------------|--------------|------------|
| Volume (kmt)              | 19         | 17         | 19         | 20         | 74           | 21         |
| Operating revenues (NOKm) | 2 199      | 1 991      | 2 032      | 2 211      | 8 432        | 2 315      |
| Adjusted EBITDA (NOKm)    | 156        | 206        | 260        | 171        | 792          | 245        |
| Adjusted EBIT (NOKm)      | 52         | 101        | 155        | 63         | 371          | 149        |

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

| Extrusion Europe          | Q1<br>2020 | Q2<br>2020 | Q3<br>2020 | Q4<br>2020 | Year<br>2020 | Q1<br>2021 |
|---------------------------|------------|------------|------------|------------|--------------|------------|
| Volume (kmt)              | 127        | 94         | 113        | 118        | 451          | 144        |
| Operating revenues (NOKm) | 5 804      | 4 440      | 5 068      | 5 531      | 20 843       | 6 529      |
| Adjusted EBITDA (NOKm)    | 436        | 142        | 478        | 466        | 1 523        | 705        |
| Adjusted EBIT (NOKm)      | 228        | (75)       | 283        | 266        | 703          | 501        |

| Extrusion North America   | Q1<br>2020 | Q2<br>2020 | Q3<br>2020 | Q4<br>2020 | Year<br>2020 | Q1<br>2021 |
|---------------------------|------------|------------|------------|------------|--------------|------------|
| Volume (kmt)              | 130        | 96         | 119        | 121        | 465          | 137        |
| Operating revenues (NOKm) | 5 885      | 4 554      | 5 067      | 5 288      | 20 794       | 5 904      |
| Adjusted EBITDA (NOKm)    | 599        | 220        | 563        | 310        | 1 691        | 663        |
| Adjusted EBIT (NOKm)      | 435        | 49         | 402        | 151        | 1 036        | 518        |

Next event

## Second quarter results July 23, 2021

For more information see  
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