



Second quarter 2022 Investor presentation

July 22, 2022



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Cautionary note

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

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

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

A high-speed, close-up photograph of water splashing, creating a dense field of white droplets and bubbles against a dark blue background. The water is in motion, with some droplets in sharp focus and others blurred, conveying a sense of dynamic energy.

Record results and shareholder distribution, uncertain markets

Pål Kildemo

Chief Financial Officer

July 22, 2022

Q2 2022 | Adjusted EBITDA NOK 11.6 billion



Free cash flow NOK 4.4 billion

Adj. RoaCE 27%

Strong markets in Q2, increasing uncertainty going forward

Record results, improvement program according to plan

Strong momentum on sales of greener products and recycling growth projects

Significant contributions on decarbonization roadmap

Capital structure update, propose additional shareholder distribution



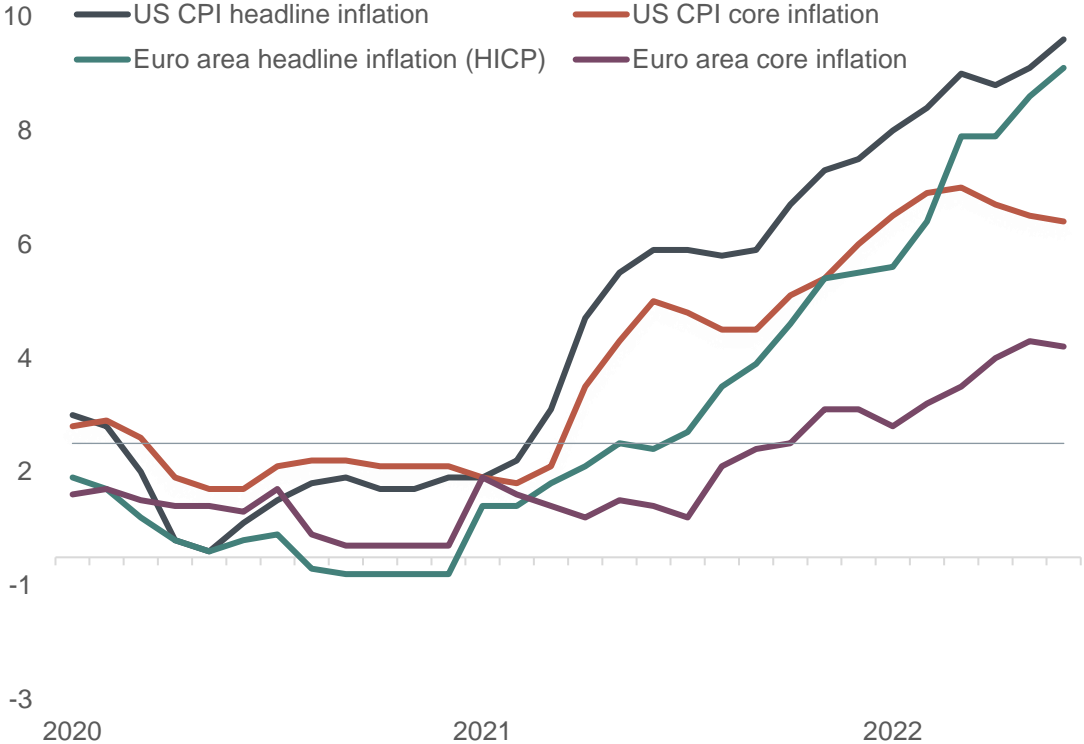
Global economic climate is shifting



Energy prices driving inflation and recession outlook, especially in Europe

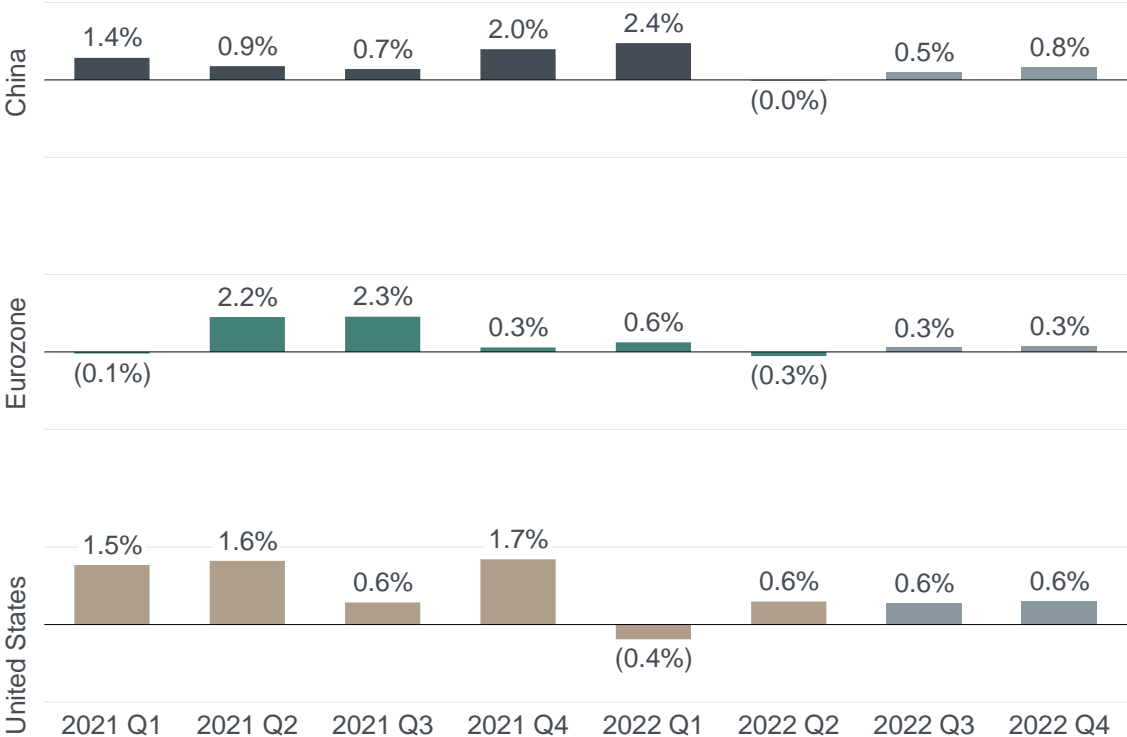
Inflation continues to increase

%-change year-on-year



Europe GDP growth lagging in both China and US

Quarterly real GDP, change from previous quarter



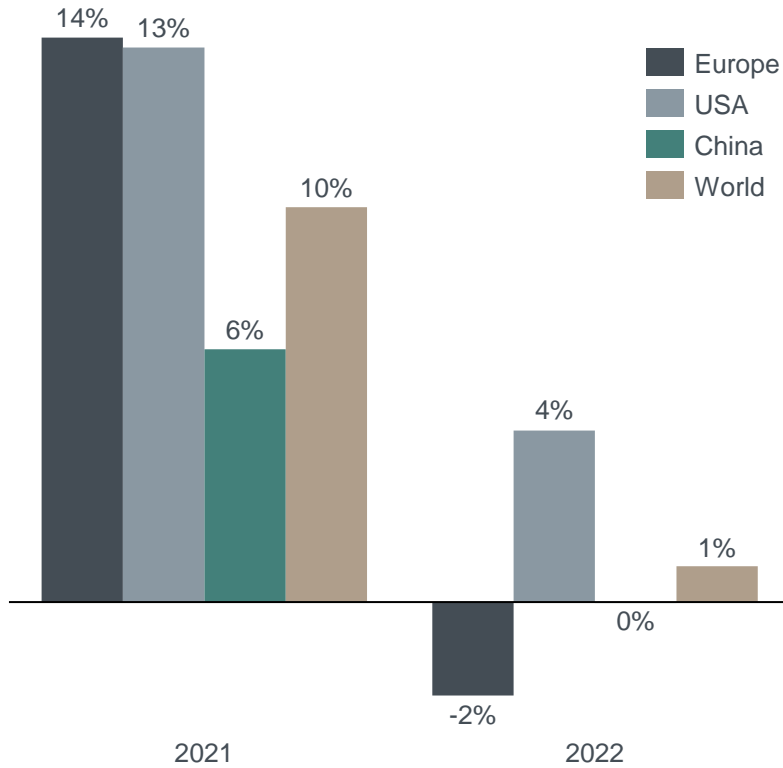
Source: IHS (June 2022), European Central Bank, US Bureau of Labor Statistics

Weaker aluminium demand and significant capacity at risk

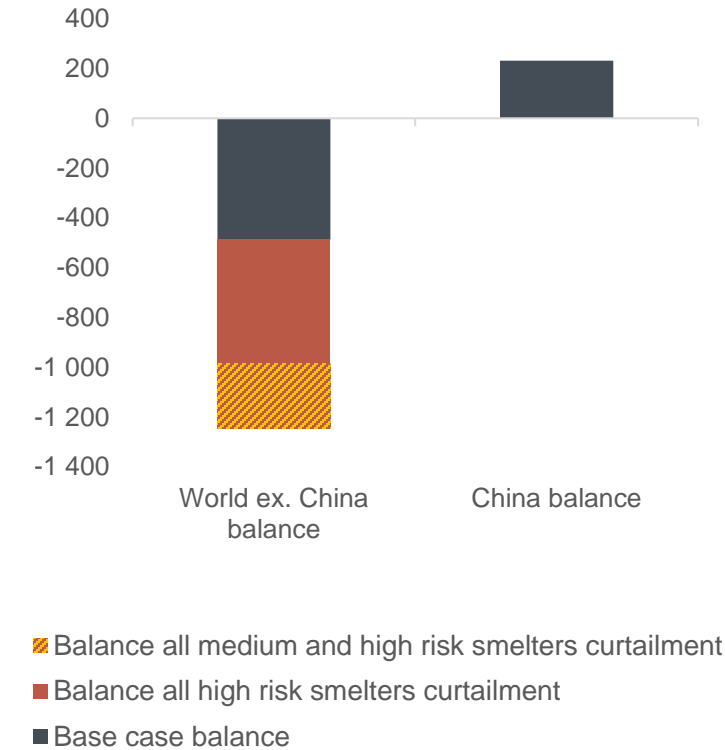


900k tonnes European and US capacity curtailed, 1Mt tonnes at high risk

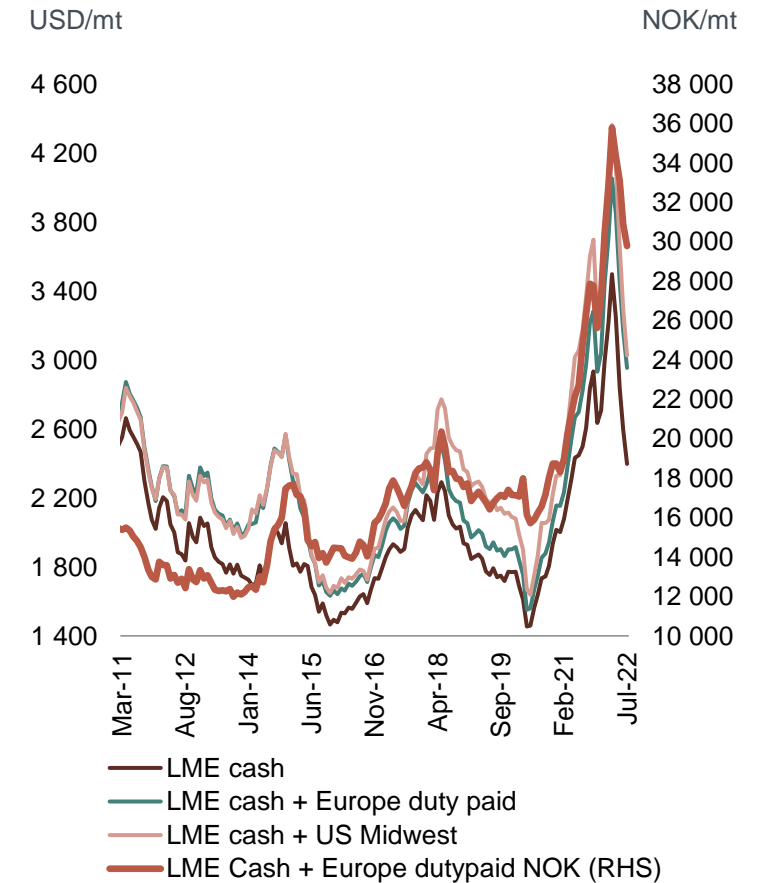
Annual primary consumption growth Y/Y



Estimated global primary balance in 2022 ('000t)

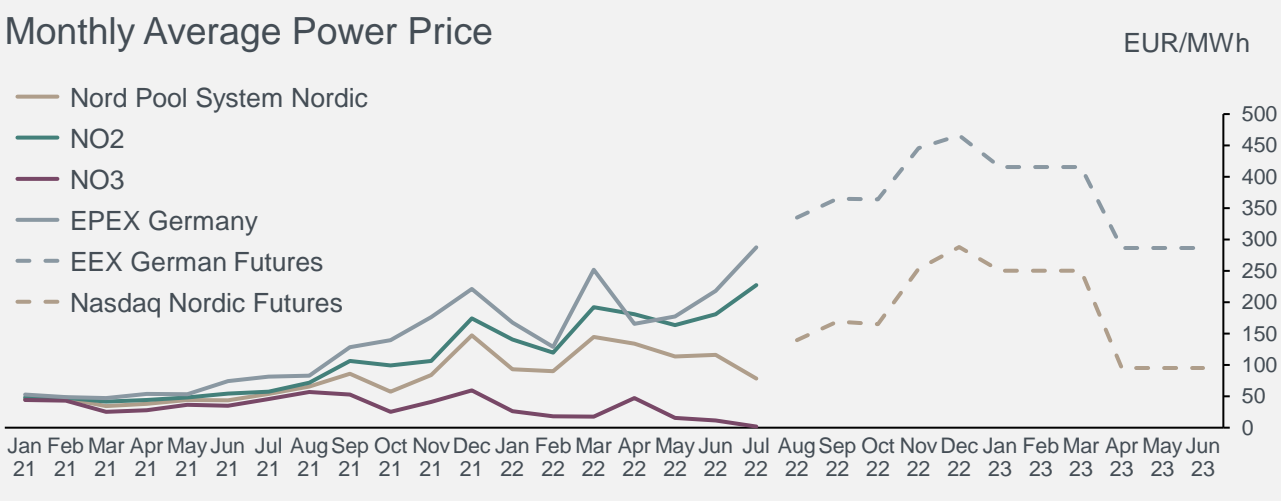


All-in metal prices



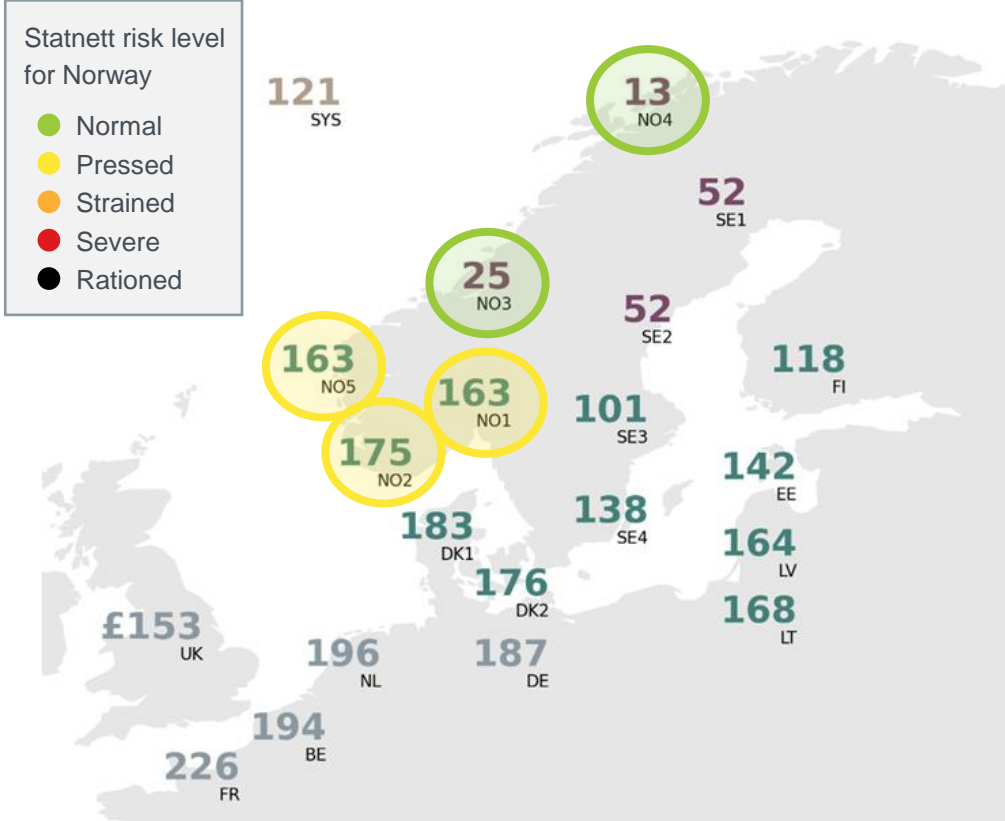
Higher energy prices in South Norway from weaker hydrology and strong continental prices

- High European power prices due to tight gas and coal markets
- The continental energy system may be stressed this winter and will depend on availability of gas
- From May 24, Statnett considers the energy situation in Southern Norway to be pressed
 - The security of supply could be at risk this winter if there is significantly less rain than normal, and it is not possible to import power from Continental Europe.
 - The risk remain small, but non-negligible
- Low power prices in the north due to high precipitation



Source: Nordpool, EEX, Statnett

Q2 2022 average power prices
EUR/MWh



Progress made on executing the 2025 strategy



Seizing opportunities where our capabilities match the megatrends

1 Strengthen position in low-carbon aluminium

2 Diversify and grow in new energy



89% sales increase YOY



Increasing PCS recycling and extrusion capacity



Rein projects decarbonizing Alunorte



Commenced operations at Hydrovolt

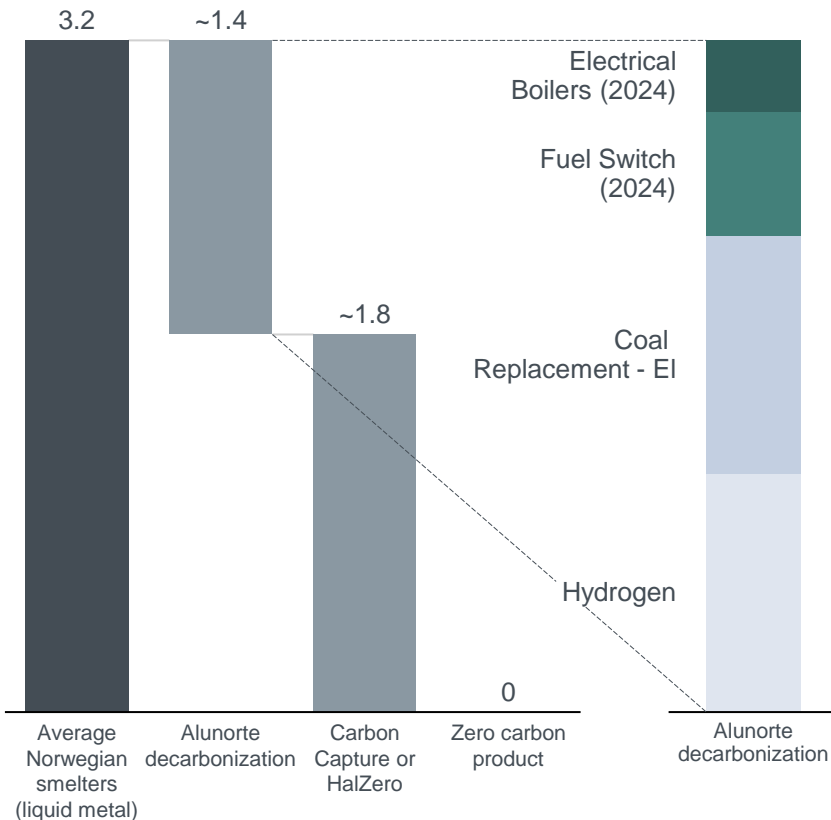


Significant progress on decarbonization of Alunorte

Hydro aims to reduce own carbon emissions with 30% by 2030 and becoming net-zero by 2050 or earlier

Decarbonizing existing smelters

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



Fuel switch project



- Replacing heavy fuel oil with natural gas at Alunorte (six boilers and seven calciners)
- Reducing the refinery’s annual CO₂ emissions by 700,000 tonnes
- The project is forecast to cost BRL1.3 billion (NOK 2 billion)
- First gas consumption is forecast in Q2 2023 with all oil assets converted to gas by 1H 2024

Hydro Rein supports decarbonization

Feijao – 586 MW combined wind and solar power project

- Joint venture with Macquarie Green Investment Group
- Supply renewable energy to both Alunorte and Paragominas
- Capex: USD ~USD 700 million (100% basis)
- Hydro Rein ownership: 49.9%

Mendubim – 531 MW solar project

- Joint Venture with Scatec and Equinor
- Supply renewable energy to Alunorte
- Capex: USD 430 million (100% basis)
- Hydro Rein ownership: 33%

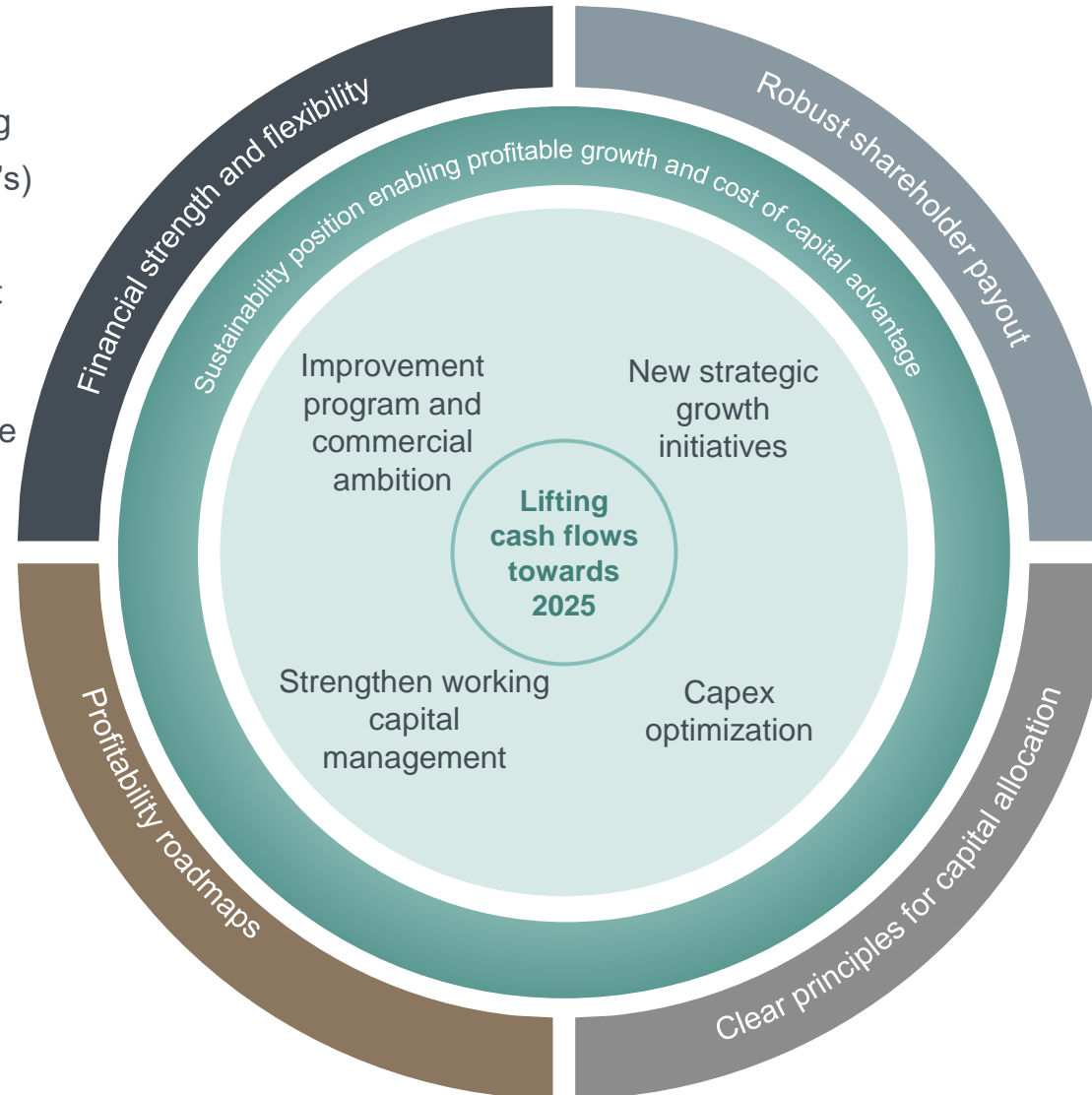
Updated targeted capital structure

Financial strength and flexibility

- Maintain investment grade credit rating
 - Currently BBB (S&P), Baa3 (Moody's)
- Targeted capital structure
 - Target to maintain adjusted net debt excl EAI / uEBITDA < 2x over the cycle¹⁾
 - Around NOK 25 billion over the cycle
 - 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

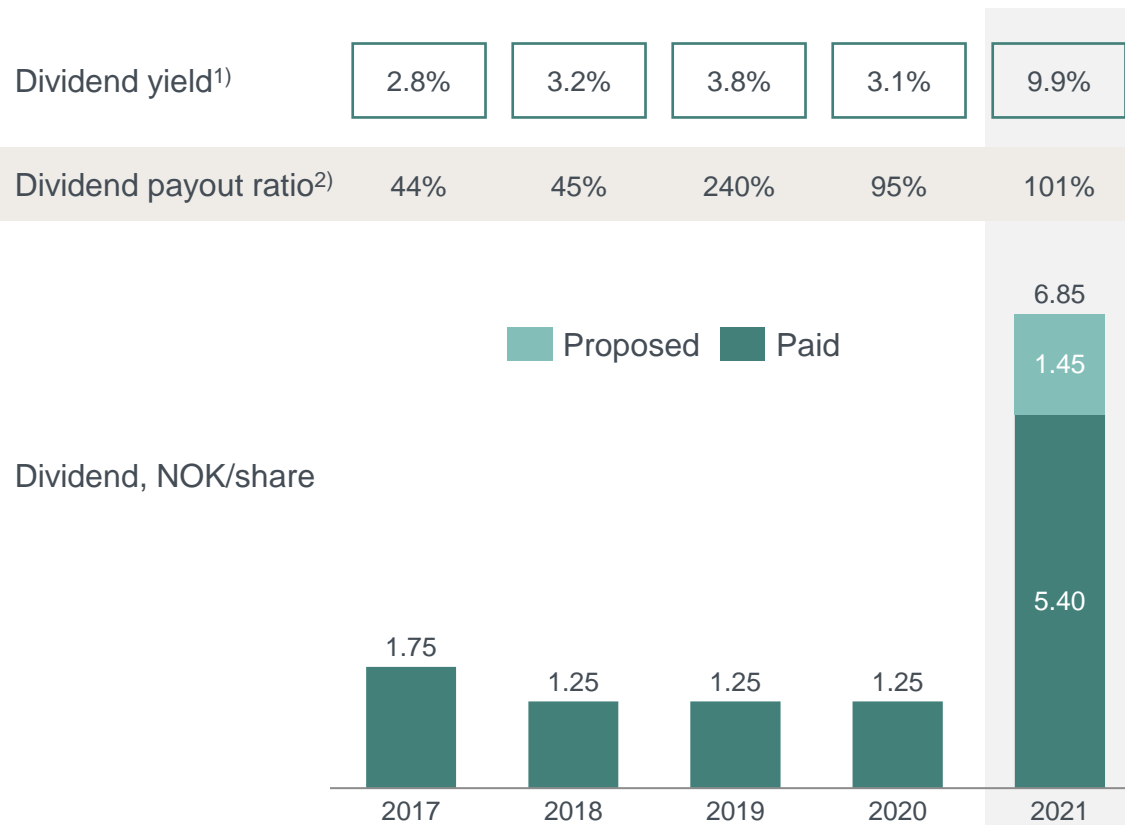
- Minimum 50% payout ratio of adjusted net income over the cycle
- Dividend floor of 1.25 NOK/share
- Supplementary share buybacks or extraordinary dividends

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, review and reallocation

Additional proposed 2021 distribution of NOK 5 billion from capital structure update

Proposed dividend of NOK 1.45 per share and share buyback program of NOK 2 billion



Targeted capital structure

Adjusted net debt of around NOK 25 billion over the cycle

- Consolidated debt capacity relatively stable
- Liquidity requirements dependent on cycle
- Financial flexibility to act counter cyclical

Additional shareholder distribution

Based on an assessment of current capital structure, the Board of Directors have proposed an additional shareholder distribution for 2021

- Additional cash dividend of NOK 3 billion
- Share buyback program up to NOK 2 billion over 12 months
- Proposal conditional upon Extraordinary General Meeting approval

1) Based on share price at year end

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

Sustainable Financing Framework launched to drive cost of capital advantage

- Sustainable Financing Framework published, incorporating both Green and Sustainability Linked Financing Frameworks
- CICERO Shades of Green provided a second party opinion of the framework
 - CICERO (Centre for International Climate and Environmental Research) has allocated an overall **Medium Green** shading to the framework
 - Hydro's overall governance structure and processes have been rated **Excellent**
- The framework can be used for future green/sustainability linked financing products
- The two KPIs that will be used in sustainability linked financing:
 - Absolute reduction of Scope 1&2 GHG emissions and
 - Increased capacity for recycling of aluminium post-consumer scrap

SHADES OF GREEN



GOVERNANCE ASSESSMENT



GREEN BOND AND LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.

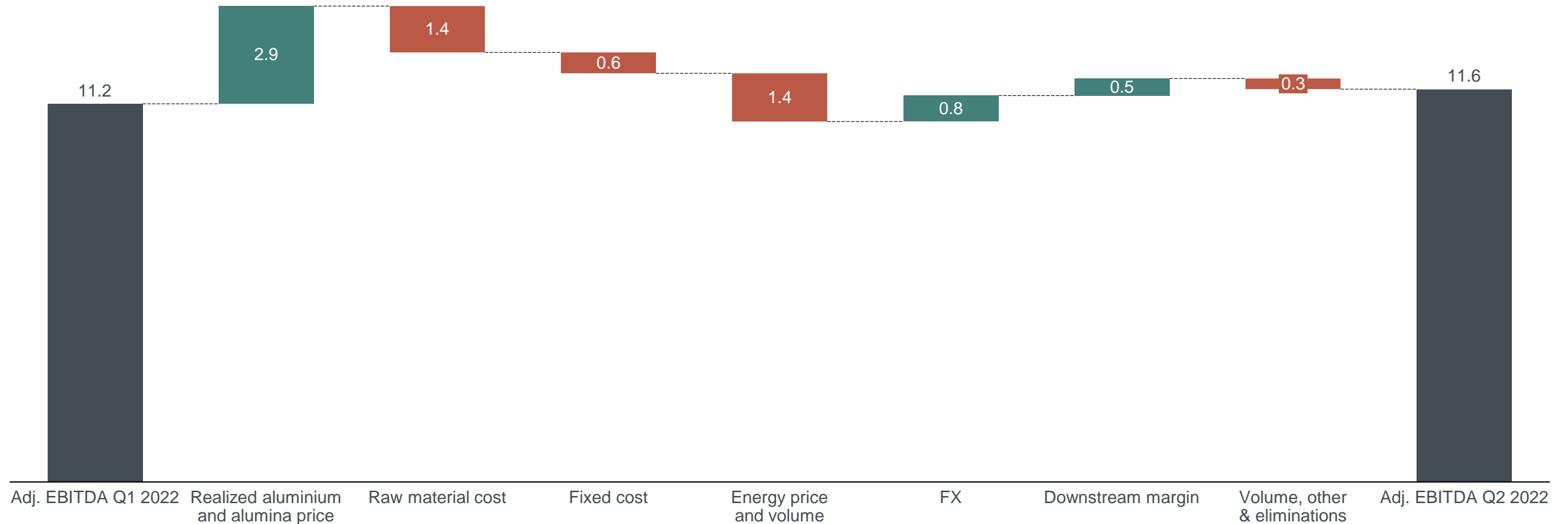
SUSTAINABILITY LINKED BOND AND LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.

Adj. EBITDA up on higher prices and margins, partly offset by higher raw material cost and energy volume



Q2-2022 vs. Q1-2022



Key financials



NOK million	Q2 2022	Q2 2021	Q1 2022	Year 2021
Revenue	64 793	34 559	46 616	149 654
Reported EBITDA	17 561	4 899	8 217	26 050
Adjustment to EBITDA	(5 966)	1 698	2 948	1 959
Adjusted EBITDA	11 594	6 598	11 165	28 010
Reported EBIT	15 418	3 034	6 222	17 887
Adjusted EBIT	9 452	4 891	9 170	20 786
Financial income (expense)	(1 311)	355	2 193	510
Reported Income (loss) before tax	14 108	3 389	8 416	18 397
Income taxes	(2 971)	(992)	(2 005)	(4 467)
Reported Net income (loss) from continuing operations	11 136	2 397	6 411	13 930
Adjusted net income (loss) from continuing operations	7 731	3 150	6 785	14 905
Earnings per share from continuing operations	5.49	1.06	2.80	5.92
Adjusted earnings per share from continuing operations	3.63	1.45	3.17	6.77
Income (loss) from discontinued operations ¹⁾	-	407	-	12

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

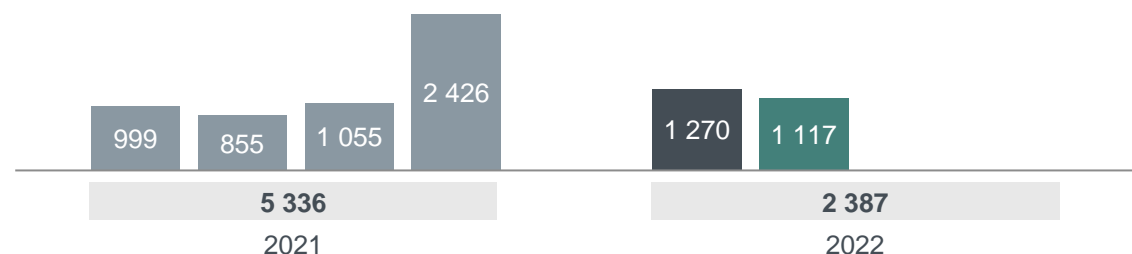
Hydro Bauxite & Alumina

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

Key figures	Q2 2022	Q2 2021	Q1 2022
Alumina production, kmt	1 536	1 586	1 519
Total alumina sales, kmt	2 305	2 349	2 251
Realized alumina price, USD/mt	430	287	391
Implied alumina cost, USD/mt ¹⁾	378	244	327
Bauxite production, kmt	2 736	2 660	2 638
Adjusted EBITDA, NOK million	1 117	855	1 270
Adjusted EBIT, NOK million	484	383	718
Adjusted RoaCE, % LTM ²⁾	11.6%	4.2%	11.8%

Adjusted EBITDA

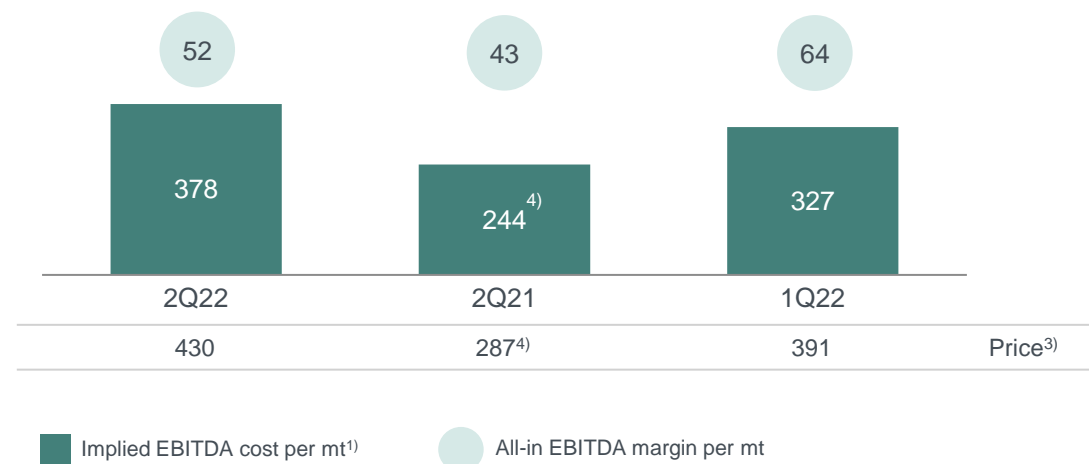
NOK million



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

Implied alumina cost and margin

USD/mt¹⁾



Results Q2 22 vs Q2 21

- Higher alumina prices
- Higher raw material costs
- Stronger BRL

Outlook Q3 22

- Alunorte production around nameplate capacity
- Higher raw material costs

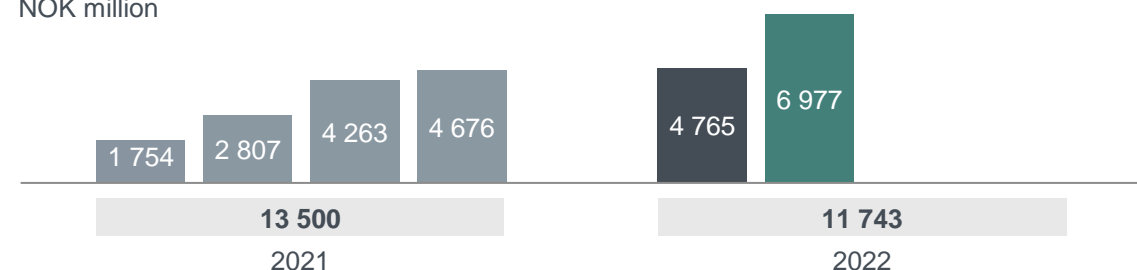
Hydro Aluminium Metal

Record results on higher all-in metal prices and positive currency effects, partly offset by increased raw material and fixed costs

Key figures	Q2 2022	Q2 2021	Q1 2022
Primary aluminium production, kmt	532	561	540
Total sales, kmt	581	594	600
Realized LME price, USD/mt ¹⁾	3 031	2 210	2 662
Realized LME price, NOK/mt ¹⁾	28 461	18 528	23 542
Realized premium, USD/mt	870	332	786
Implied all-in primary cost, USD/mt ²⁾	2 500	1 900	2 450
Adjusted EBITDA, NOK million	6 977	2 807	4 765
Adjusted EBITDA including Qatalum 50% pro rata (NOK million)	7 706	3 229	5 261
Adjusted EBIT, NOK million	6 349	2 246	4 183
Adjusted RoaCE, % LTM ³⁾	39.6%	10.1%	34.7%

Adjusted EBITDA

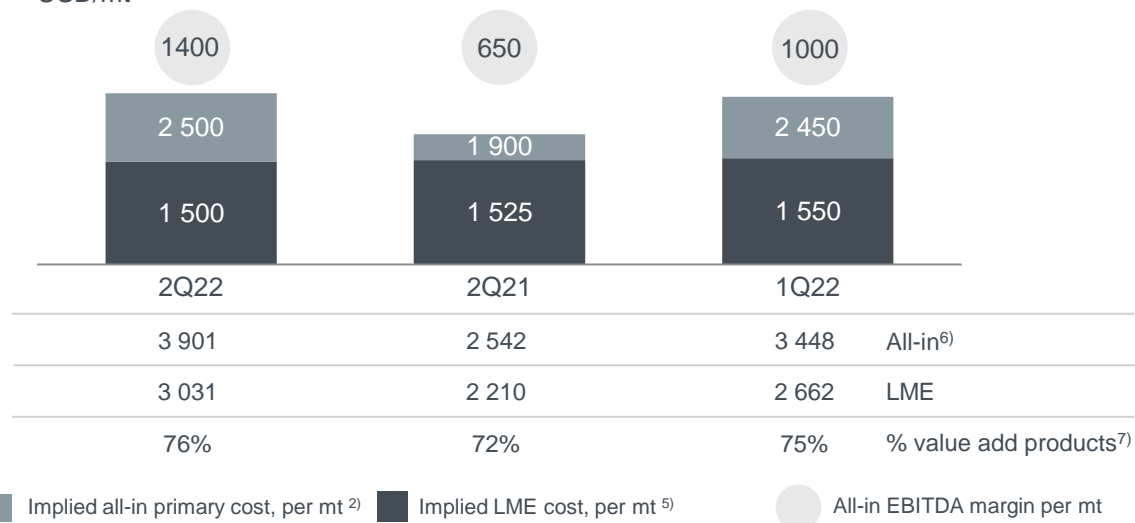
NOK million



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

All-in implied primary cost and margin

USD/mt^{1,4)}



Results Q2 22 vs Q2 21

- Higher all-in metal prices
- Positive currency effects
- Higher raw material and fixed costs

Outlook Q3 22

- ~69% of primary production for Q3 priced at USD 2 597 per mt⁸⁾
- ~49% of premiums affecting Q3 booked at USD ~1 079 per mt
 - Q3 realized premium expected in the range of USD 800-850 per ton
- Lower raw material prices

- 5) Realized LME aluminium price less Adjusted EBITDA margin, incl Qatalum, per mt primary aluminium produced
- 6) Realized LME plus realized premiums, including Qatalum
- 7) % of volumes extrusion ingot, foundry alloy, sheet ingot, wire rod of total sales volumes
- 8) Including pricing effects from LME strategic hedging program as per 30.06.2022

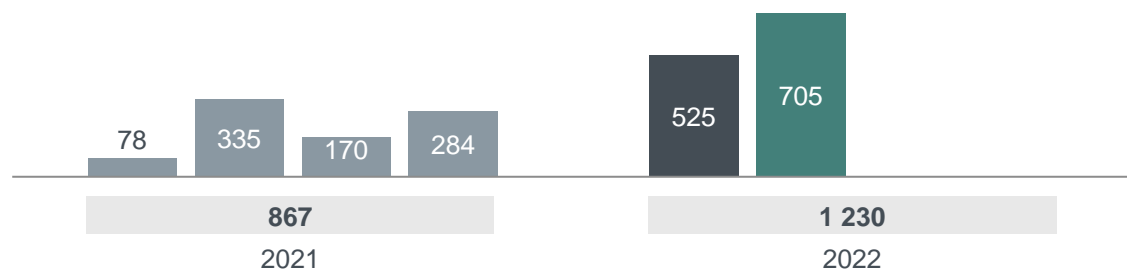
Metal Markets

Results up on higher recycling results and inventory valuation and currency effects, partly offset by lower commercial results

Key figures	Q2 2022	Q2 2021	Q1 2022
Recycling production, kmt	158	154	151
Metal products sales, kmt ¹⁾	710	735	731
Adjusted EBITDA Recycling (NOK million)	554	131	544
Adjusted EBITDA Commercial (NOK million)	151	204	(19)
Adjusted EBITDA Metal Markets (NOK million)	705	335	525
Adjusted EBITDA excl. currency and inventory valuation effects	434	326	630
Adjusted EBIT (NOK million)	666	301	487
Adjusted RoaCE, % LTM ²⁾	39.9%	29.5%	36.0%

Adjusted EBITDA

NOK million



1) Includes external and internal sales from primary casthouse operations, remelters and third-party metal sources.
 2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.



Results Q2 22 vs Q2 21

- Higher recycling results driven by higher premiums
- Lower commercial results
- Positive inventory valuation and currency effects

Outlook Q3 22

- Volatile trading and currency effects
- Summer maintenance at recyclers

Extrusions market estimates in Europe revised by CRU

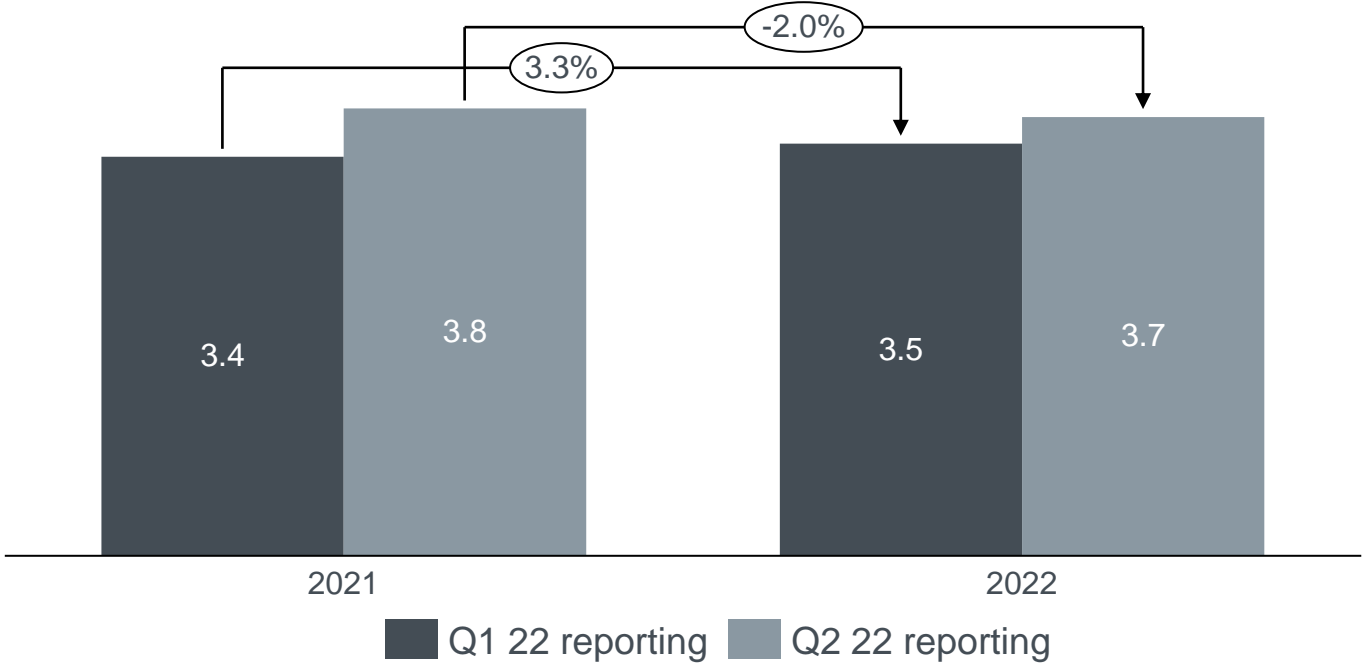


European extrusion market impacting annual growth rates, North American estimates unchanged

External market forecasts

European extrusion market estimates

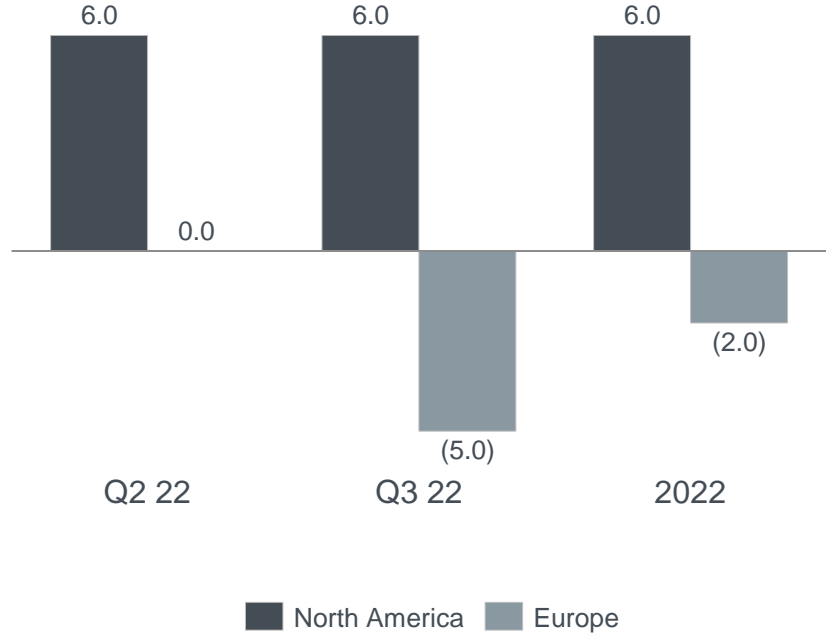
Total market size (million tonnes) and annual growth



Year over Year

Extrusion market growth per quarter

Growth in %



Extrusions volumes stable in Q2



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

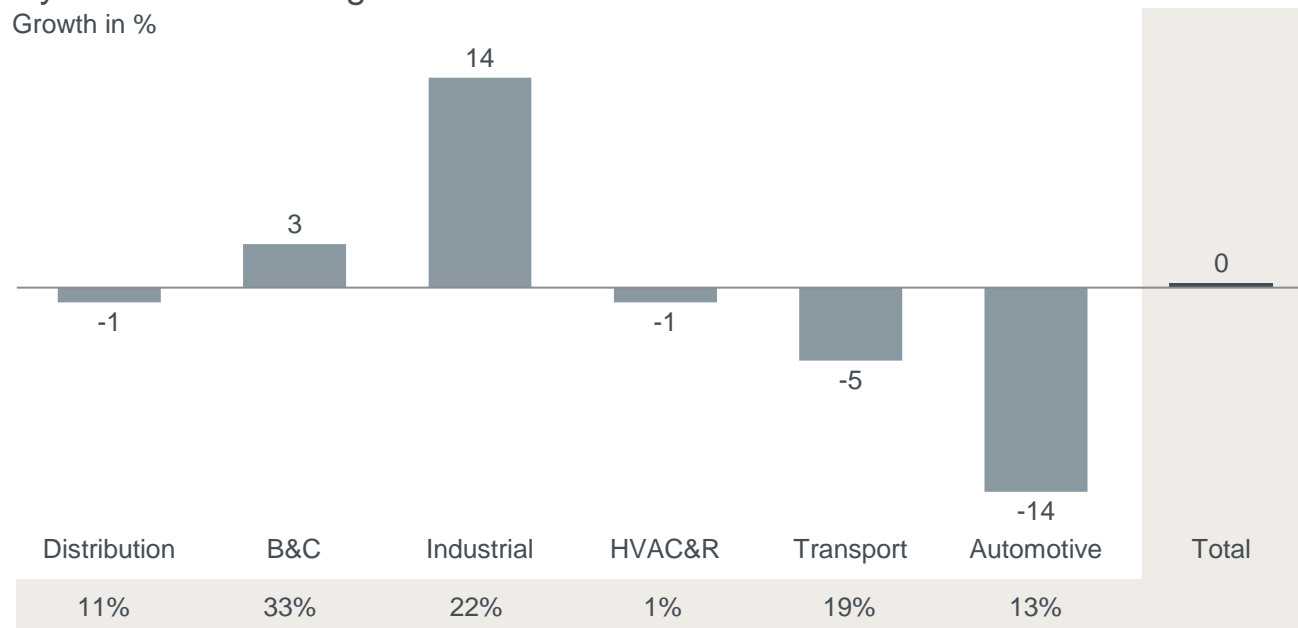
Extrusion sales volumes

Excluding divested unit Lichtervelde welded tubes in Europe

Q2 2022 vs Q2 2021*

Hydro Extrusions segment sales volume

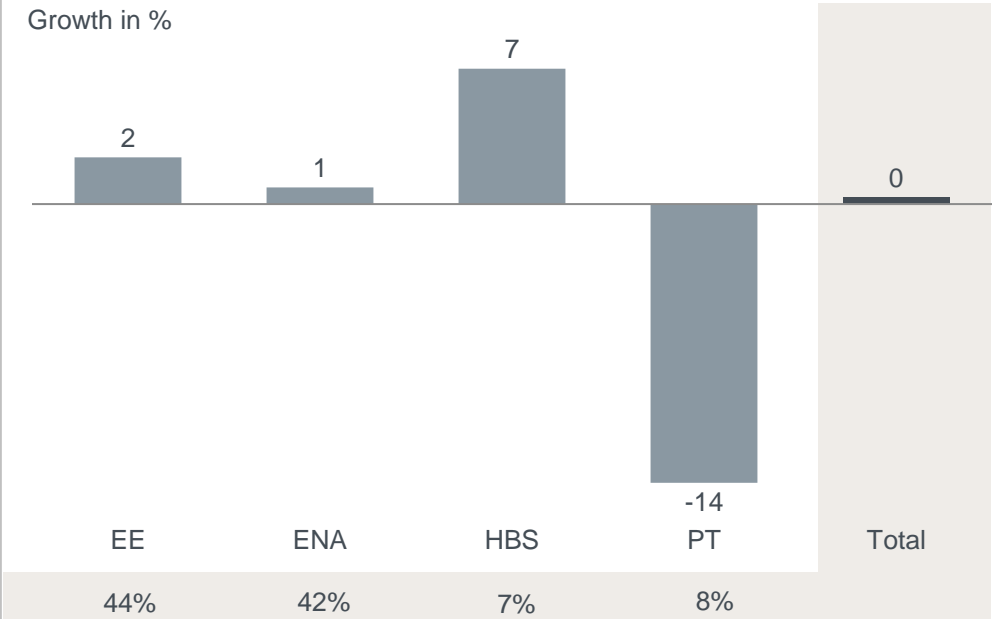
Growth in %



Q2 2022 vs Q2 2021*

Hydro Extrusions business unit sales volume

Growth in %



Share of Q2 2022 Hydro Extrusions sales. *Without discontinued operations welded tubes in Europe

Source. CRU

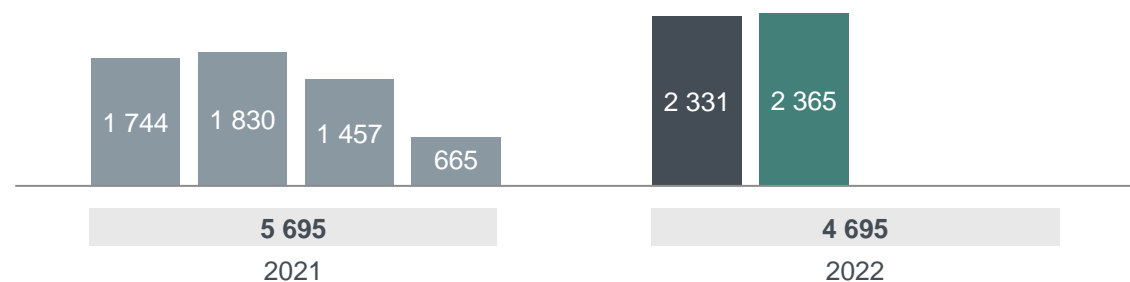
Hydro Extrusions

Record results on higher recycling results and higher margins, partly offset by higher costs

Key figures	Q2 2022	Q2 2021	Q1 2022
External sales volumes, kmt	338	342	347
Adjusted EBITDA, NOK million	2 365	1 830	2 331
Adjusted EBIT, NOK million	1 600	1 266	1 587
Adjusted RoaCE, % LTM ¹⁾	12.0%	12.3%	11.3%

Adjusted EBITDA

NOK million



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



Results Q2 22 vs Q2 21

- Higher recycling results driven by increase premiums
- Higher margins
- Increased variable and fixed costs, including ~NOK 200 million in extraordinary Covid bonus to employees

Outlook Q3 22

- Regular summer shutdowns in Europe
- Supply-chain volatility remains
- Increased market uncertainty

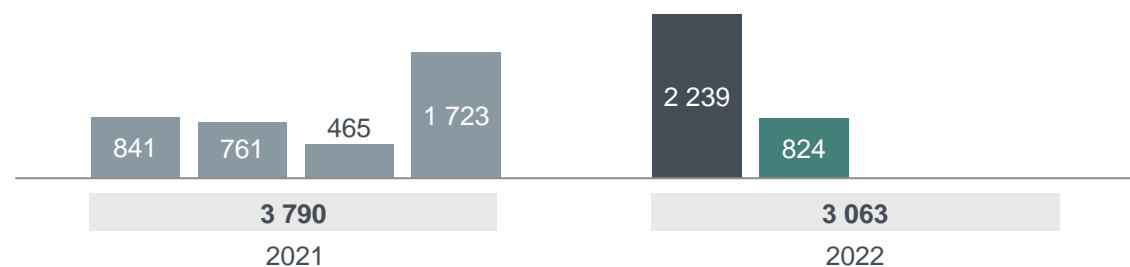
Hydro Energy

Results up on record area price difference, largely offset by lower production

Key figures	Q2 2022	Q2 2021	Q1 2022
Power production, GWh	1 602	2 374	2 730
Net spot sales, GWh	(433)	334	986
Southwest Norway spot price (NO2), NOK/MWh	1 752	493	1 504
Adjusted EBITDA, NOK million	824	761	2 239
Adjusted EBIT, NOK million	777	713	2 192
Adjusted RoaCE, % LTM ^{1),2)}	36.9%	12.6%	35.0%

Adjusted EBITDA

NOK million



- 1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less tax/ Average capital employed last 4 quarters. Previous periods have been restated following a change to the capital employed definition.
- 2) 40% tax rate applied for 2022 and 2021, 80% tax rate applied for 2019 and 2020
- 3) 01.07.2022 – 21.07.2022



Results Q2 22 vs Q2 21

- Record gain from large area price differences
- Lower production and net spot purchases

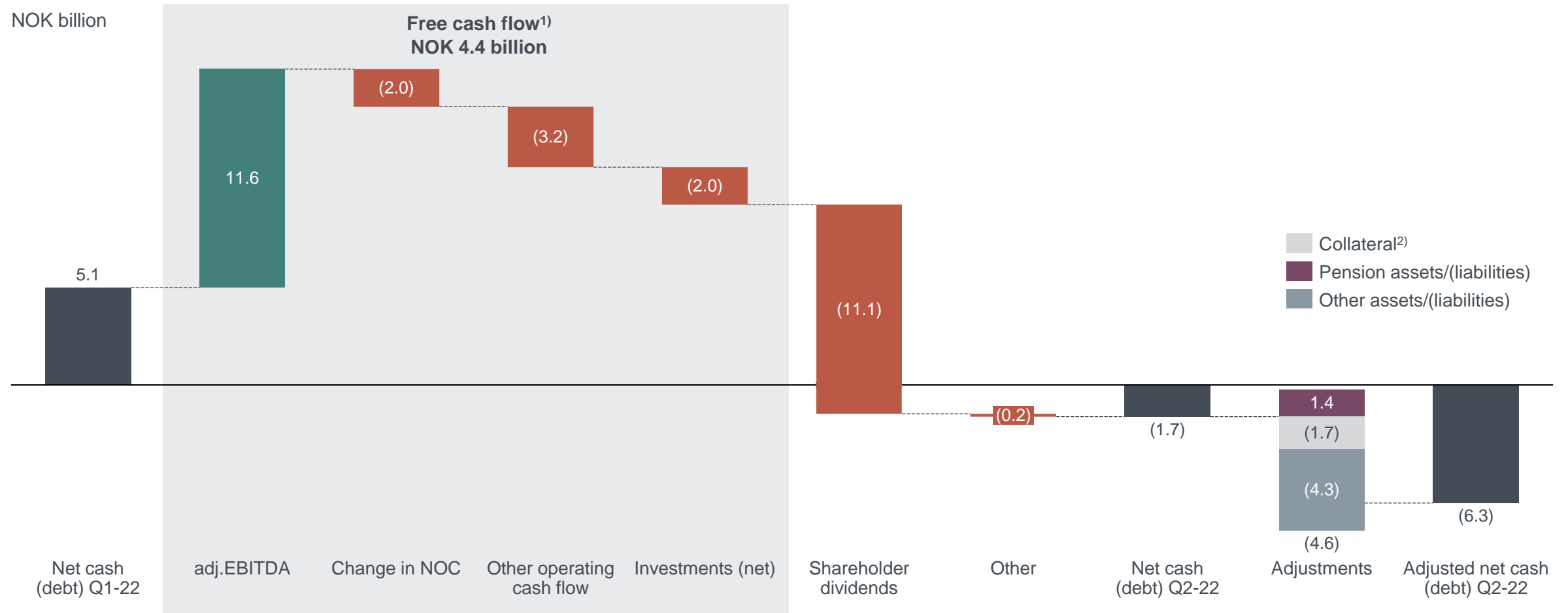
Outlook Q3 22

- Low production
- Average NO2 spot price 2 383 NOK/MWh in July³⁾
- Continued weak hydrology in Southern Norway
- Volume and price uncertainty, with continuing price area differences

From net cash to net debt driven by dividend payment



Adjusted net debt improved, driven by lower collateral



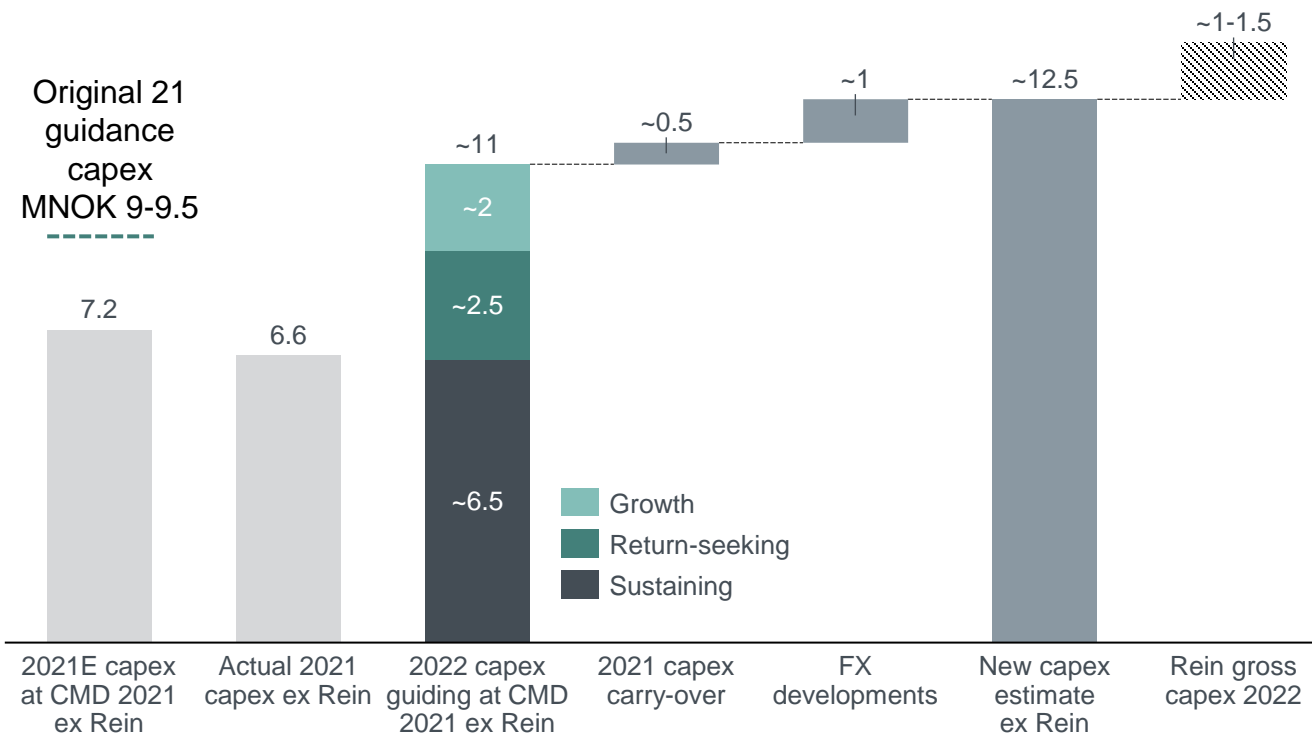
1) Free cash flow is defined as net cash provided by (used in) operating activities of continuing operations, adjusted for changes in collateral and net purchases of money market funds, plus net cash provided by (used in) investing activities of continuing operations, adjusted for purchases of / proceeds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

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

Updated capex guidance of ~NOK 12.5 billion for 2022



Potential acquisition of Alumetal will come on top of 2022 capex estimate



Updated capex guidance for 2022

- 2022 FY guiding adjusted for 2021 carry over
- Weaker NOK lifts full-year estimate with NOK ~1 billion
- Gross REIN capex estimated at NOK 1-1.5 billion for 2022
 - Hydro Rein capital raise (IPO or alternative equity financing) expected in the second half of 2022
- In April, Hydro announced tender offer for the acquisition of 100% of Alumetal S.A
 - Equity purchase price of approximately 1.066 PLN million (approx. EUR 232 million)
 - The acquisition amount will come on top of the new 2022 capex estimate
 - Subscription period ends October 10, 2022

2024 hedge position increased during the quarter

Aluminium hedges of 200-460 kt/yr 2022-24 in place

- 2022: 190 kt remaining at a price of ~2200 USD/t
 - H2-22 75 kt call-options as liquidity measure
- 2023: 460 kt hedged at a price of ~2200 USD/t
 - 75 kt call-options as liquidity measure
- 2024: 250 kt hedged at a price of ~2600 USD/t
- Pricing mainly in NOK, with USD hedges converted to NOK via USD/NOK derivatives
- Corresponding raw material exposure partially secured using financial derivatives or physical contracts

B&A and AM BRL/USD Hedge

- USD 1109 million sold forward for 2021-2024
 - USD 339 million 2022 at rate 5.53
 - USD 330 million 2023 at rate 6.03
 - USD 253 million 2024 at rate 6.23
- Aim to reduce volatility and uncertainty in Alunorte and Albras cash flows, as well as support robust cost curve positions



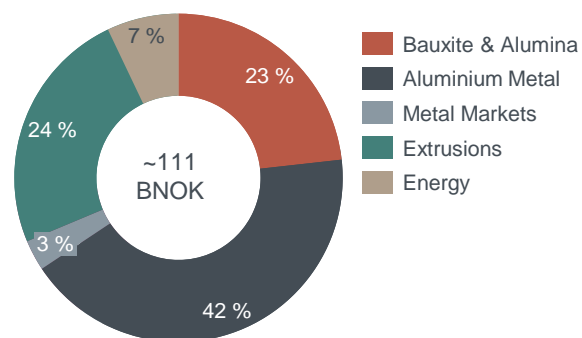
Utilizing Hydro's hedging policy to deliver on strategic ambitions

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

Capital return dashboard Q2 2022



Capital employed¹⁾



Capital returns
adj. RoaCE

26.5%²⁾

Balance sheet
adj. ND/EBITDA

0.2³⁾

Free cash flow
YTD 2022

6.2 BNOK⁴⁾

Improvement program

6.7 BNOK realized
YTD 2022

Net operating capital

8.1 BNOK cash build
YTD 2022

Capex

3.5 BNOK spent
YTD 2022

2022 guidance of NOK ~12.5 billion

2021 Distribution

NOK 5.4 per share (paid)
NOK 1.45 per share (proposed)
NOK 2 billion buyback (proposed)

3.4 NOK/share ordinary dividend
3.45 NOK/share extraordinary dividend

1) Graph excludes (4.5) BNOK in capital employed in Other & Eliminations

2) Adj.RoaCE calculated as adjusted EBIT last 4 quarters less underlying tax expense adjusted for 30% tax on financial items / average capital employed last 4 quarters

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

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



Market

Investor presentation, May 3, 2022

Macro trends and favorable properties drive aluminium demand

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



Aluminium

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



Steel

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



Copper

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



Composites

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



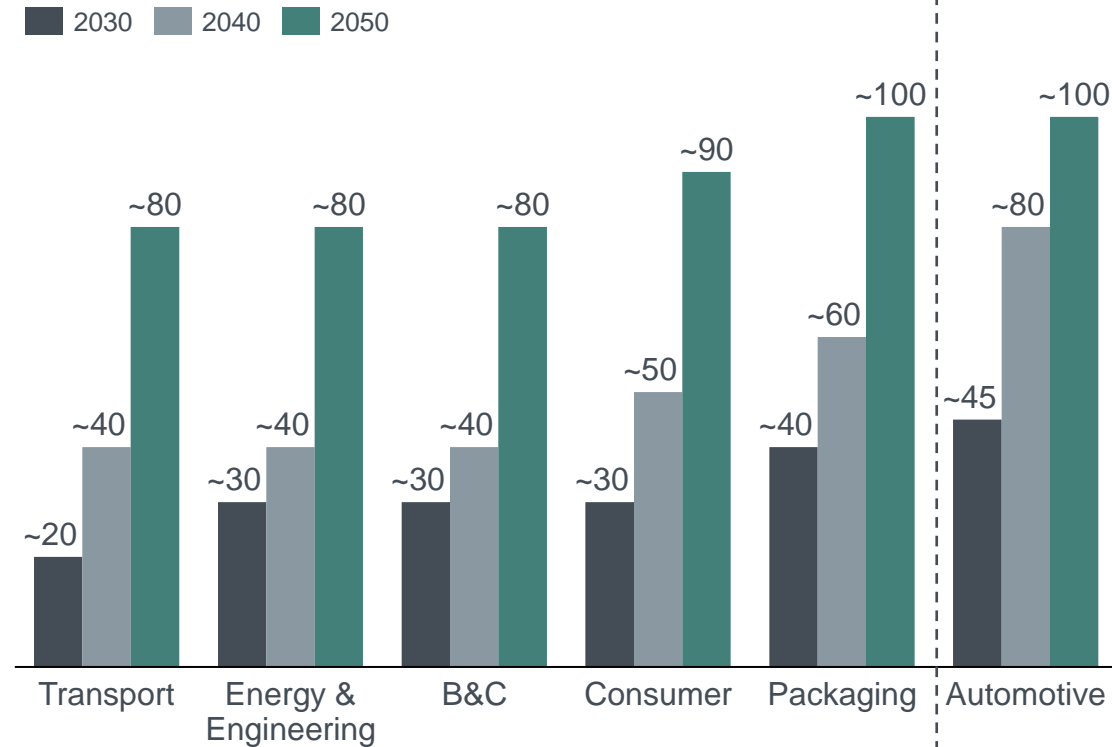
PVC

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

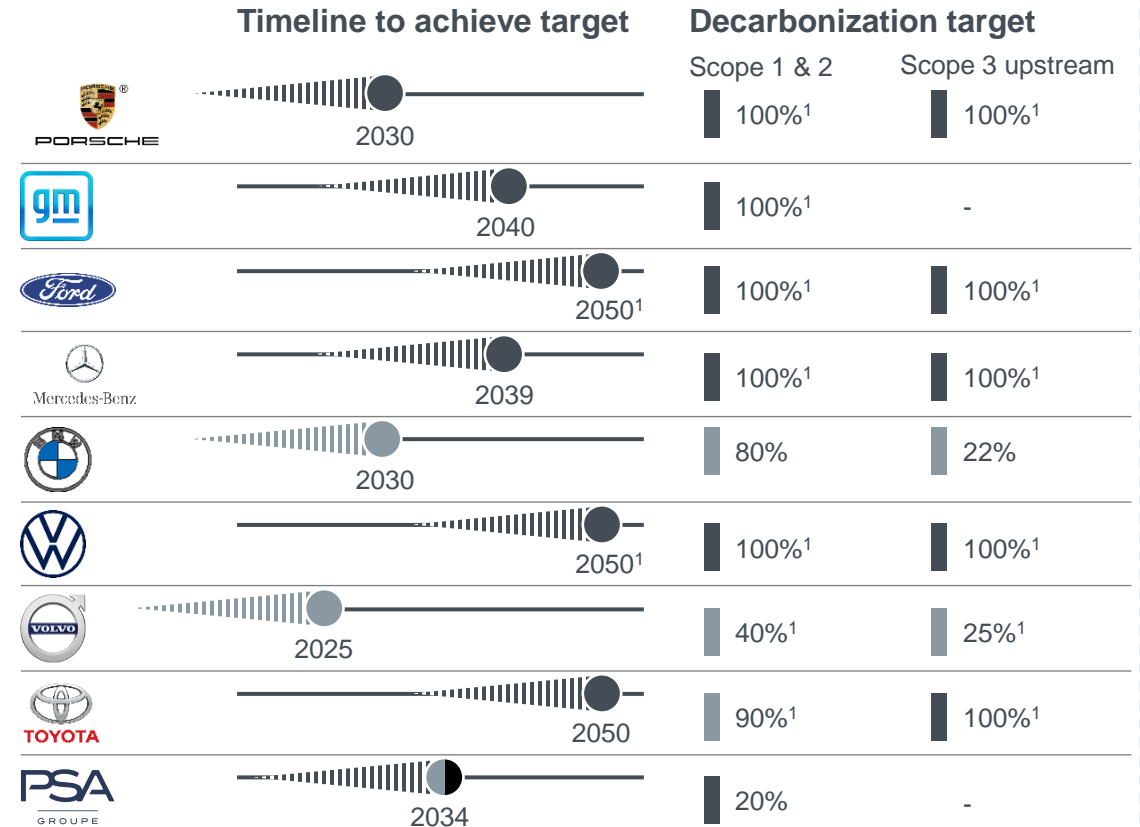
Expecting strong demand for greener aluminium

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

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



OEMs are pushing for ever more ambitious lifecycle decarbonization targets

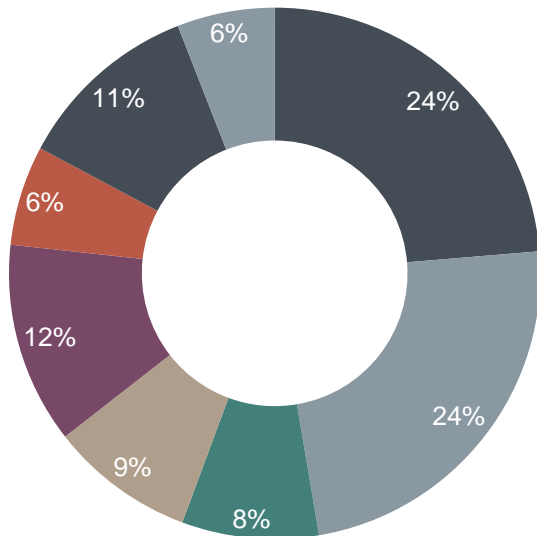


¹⁾ Greener aluminium includes "near zero" tCO₂/t, <2 tCO₂/t and 50%+ PCS-aluminium
Source: McKinsey market analysis (high level estimate)

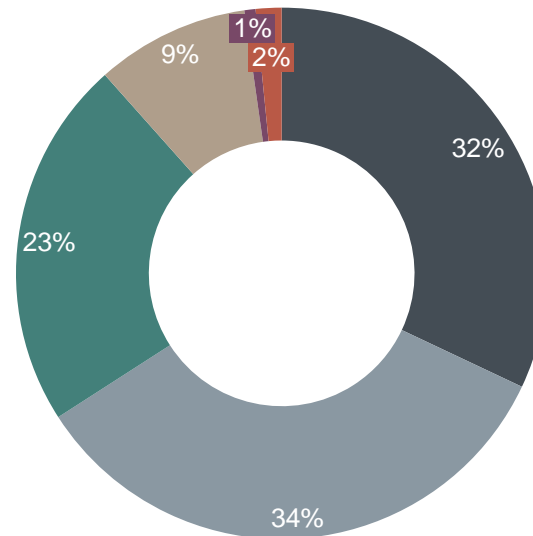
Transport & construction key semis demand segments

Global semis demand 2021: ~93 million tonnes

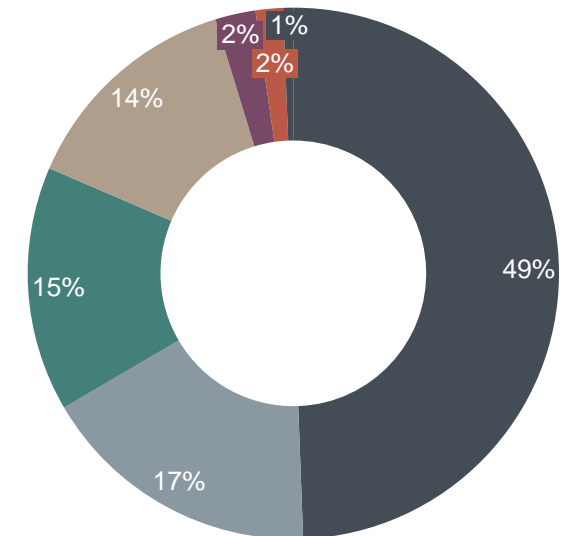
Per segment



Per product form



Per region



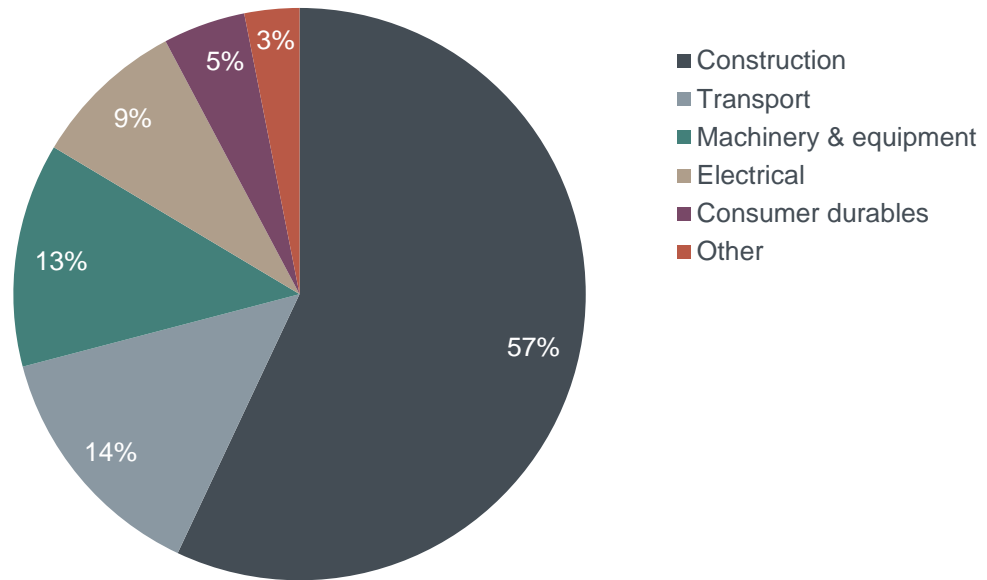
- Transport
- Construction
- Packaging
- Foil stock
- Electrical
- Consumer durables
- Machinery & Equipment
- Other

- Rolled products
- Extrusions
- Castings
- Wire & Cable
- Forgings
- Powder & paste, other

- China
- Asia ex. China
- Europe
- North America
- Central & South America
- Africa
- Australasia

Segment composition in extruded

Global segment composition, extrusions
(2021)



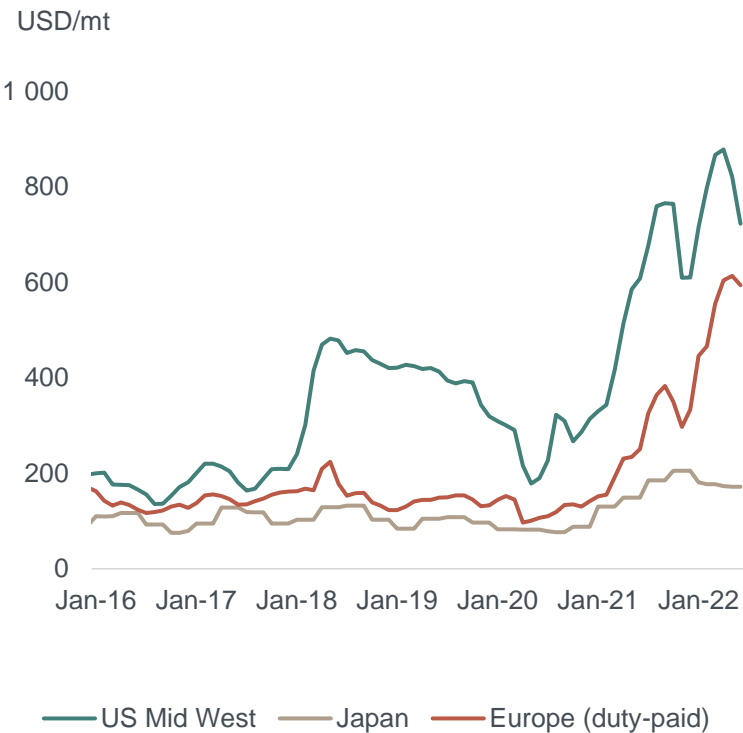
Revenue drivers through Q2 2022



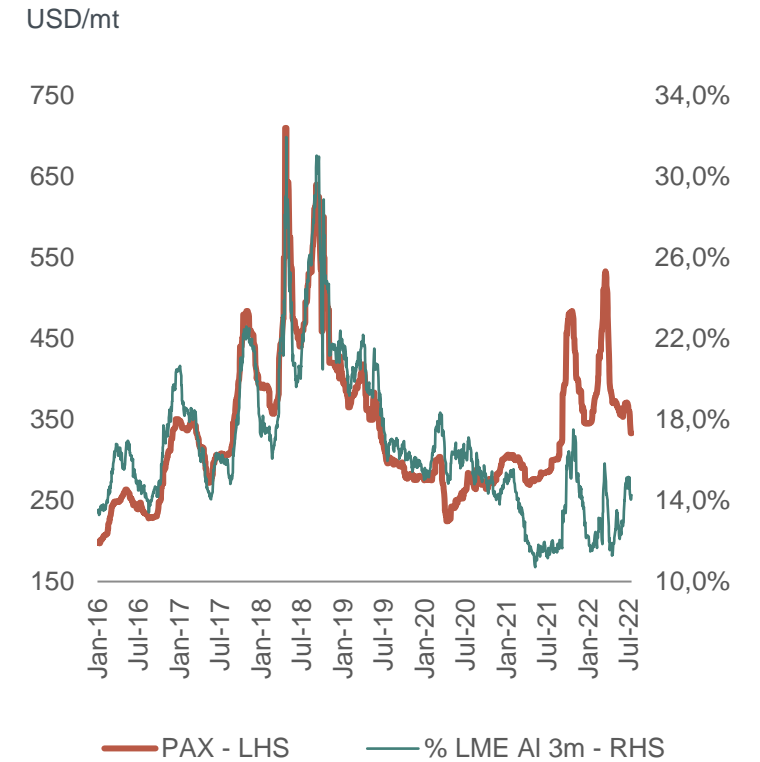
LME and SHFE aluminium prices



Regional standard ingot premiums



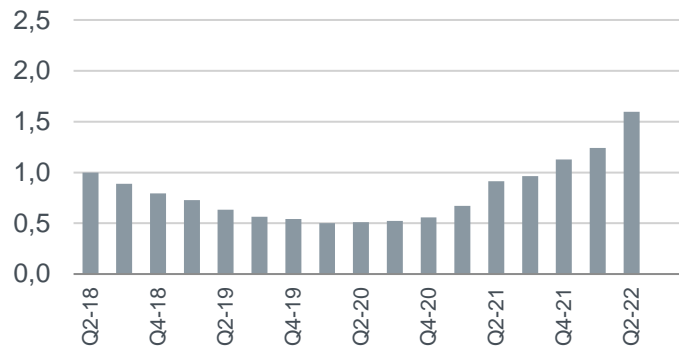
Platts alumina index (PAX)



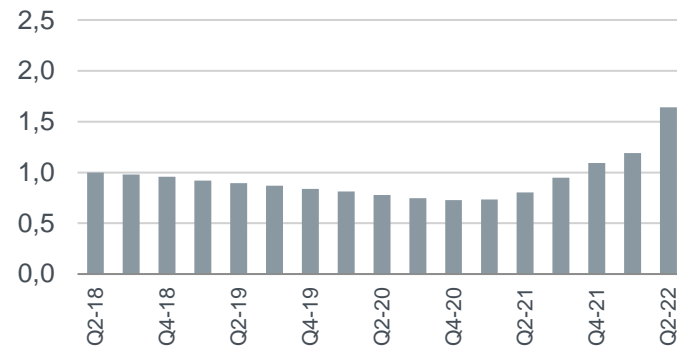
Market raw material costs in Q2



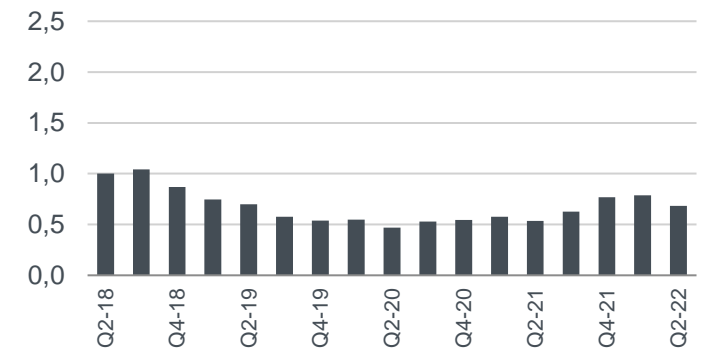
Petroleum coke FOB USG (indexed)



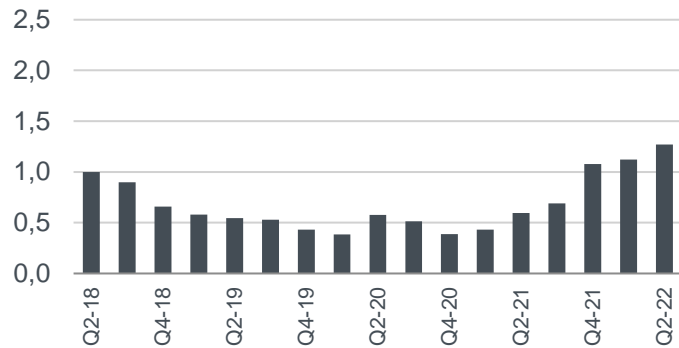
Pitch FOB USG (indexed)



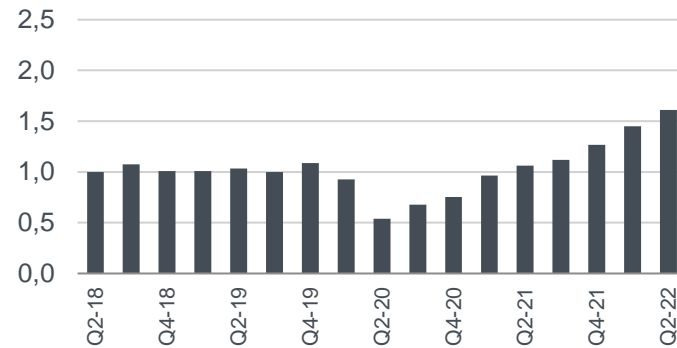
Alumina PAX index (indexed)



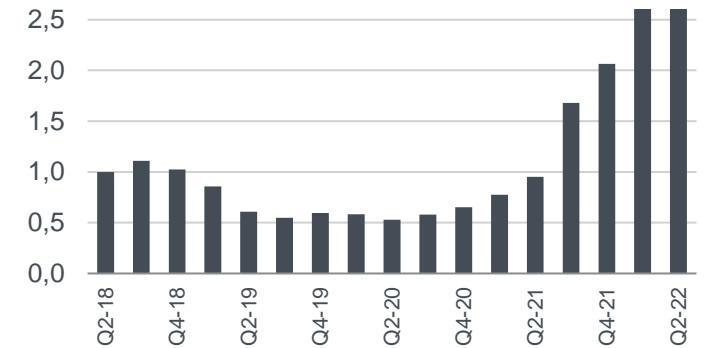
Caustic soda (indexed)



Fuel oil A1 (Indexed)



Steam coal (indexed)



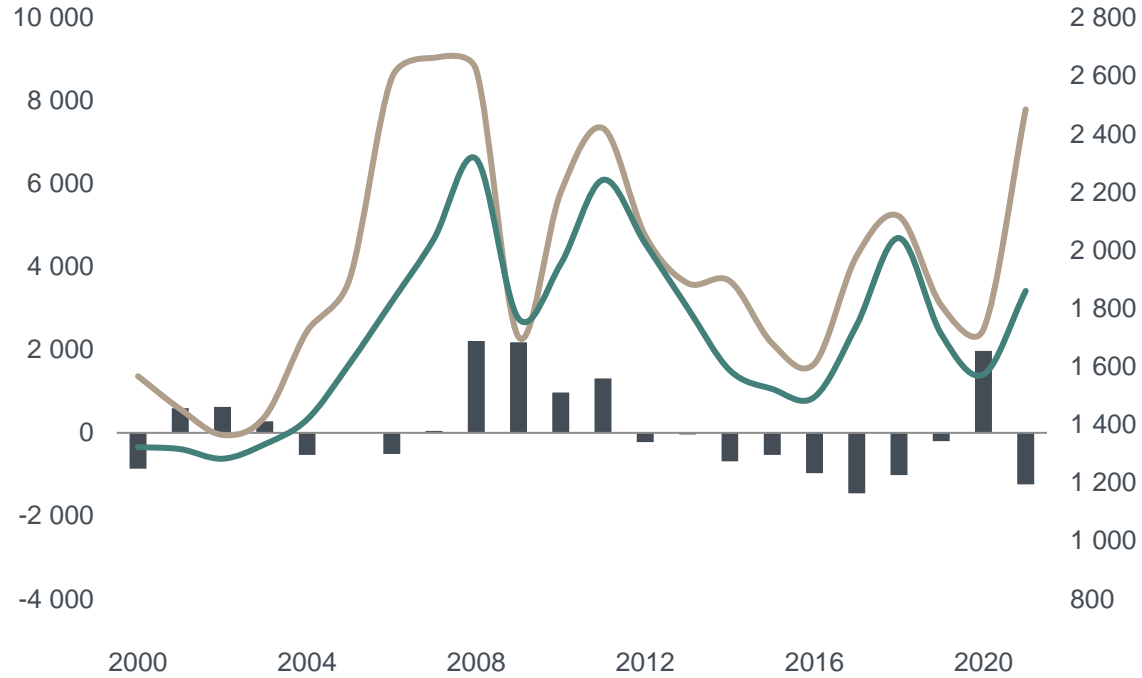
Large spread between LME and 90th percentile smelters in 2021



Primary metal market

World ex-China

Market balance in thousand tonnes ¹⁾



Market balance LME 3-month 90th Percentile

China

Market balance in thousand tonnes ¹⁾



Market balance SHFE Cash 90th Percentile

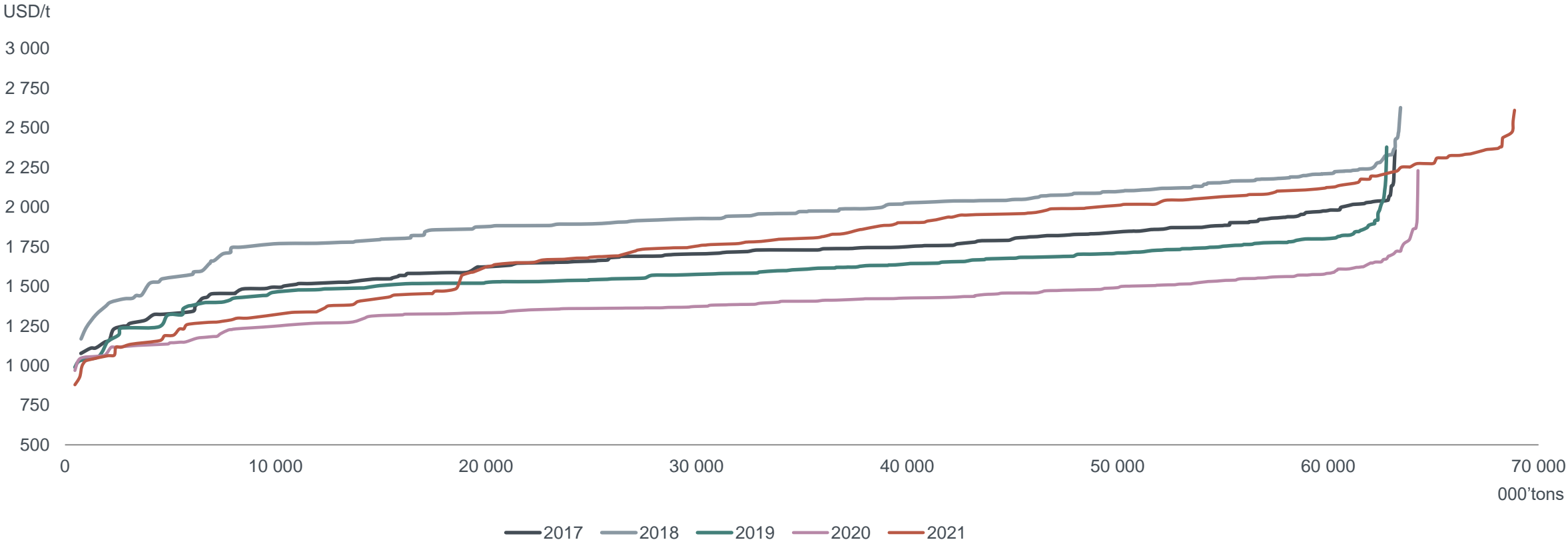
Source: CRU, Hydro Analysis
 1) Primary production less primary demand

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



Primary metal market

CRU BOC curve by smelter



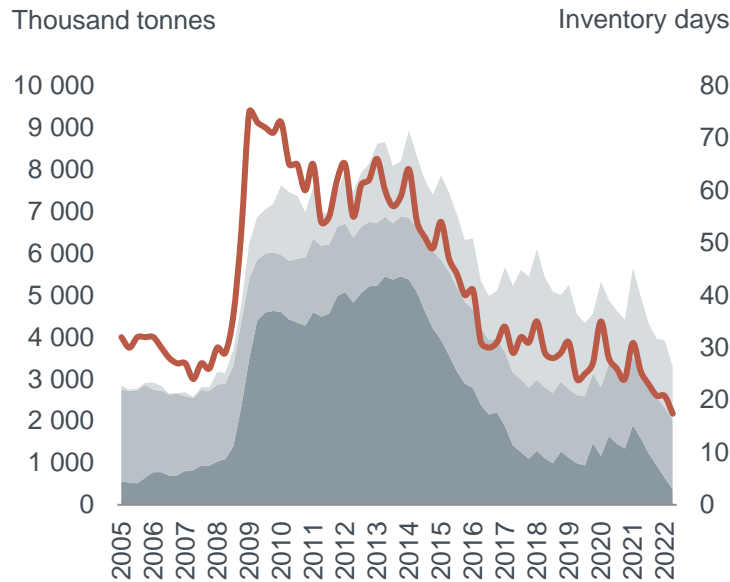
Source: Republished under license from CRU International Ltd

Total global inventory days stabilized as demand weakens



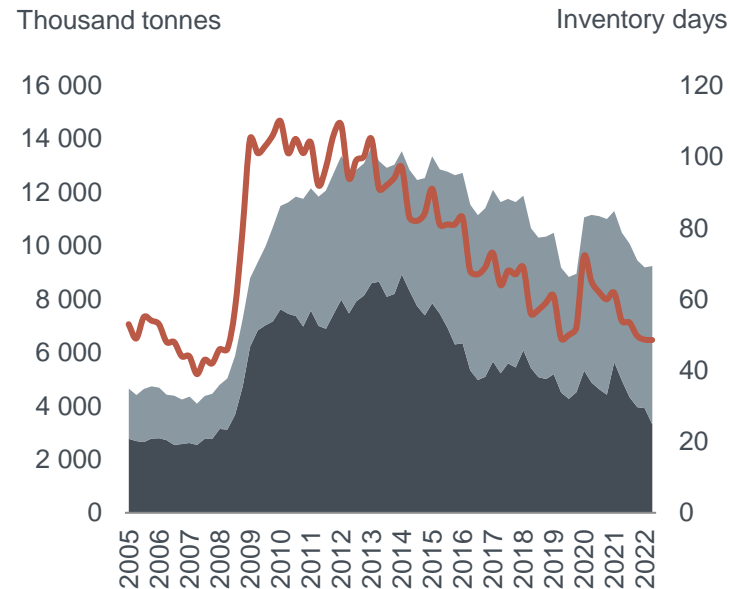
Primary metal market

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

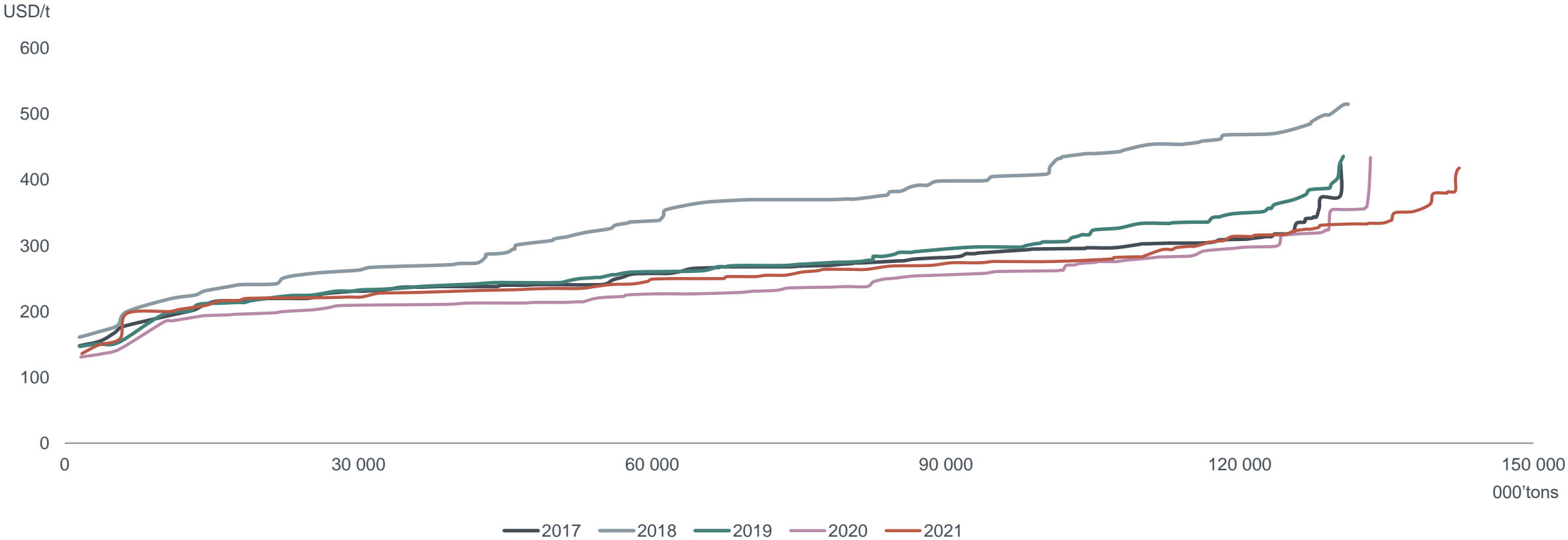
- Total stocks increased in Q2 2022
- Unreported stocks increased as demand fades and supply in China remains strong
- Supply outside of China remains weak
- LME stocks decreased continuously since the beginning of 2021, on warrant stocks lowest level since start of data collection
- High uncertainty regarding absolute level of unreported volumes

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



Alumina market

CRU BOC curve by refinery

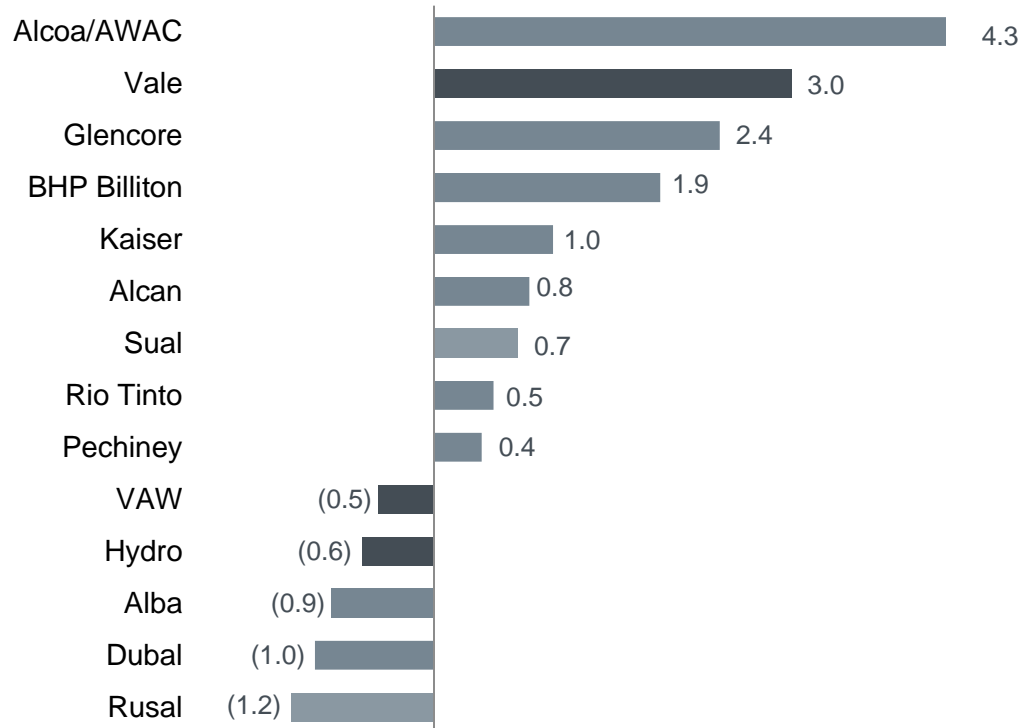


Source: Republished under license from CRU International Ltd

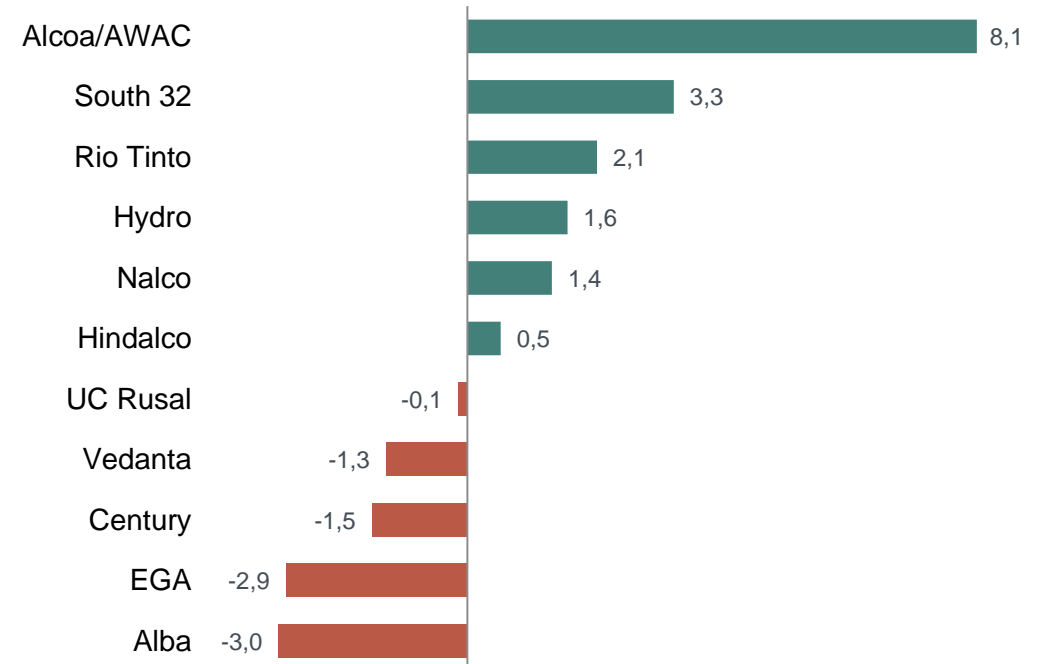
Alumina market consolidating, becoming more integrated

Estimated net equity alumina position, in million tonnes

Year 2000



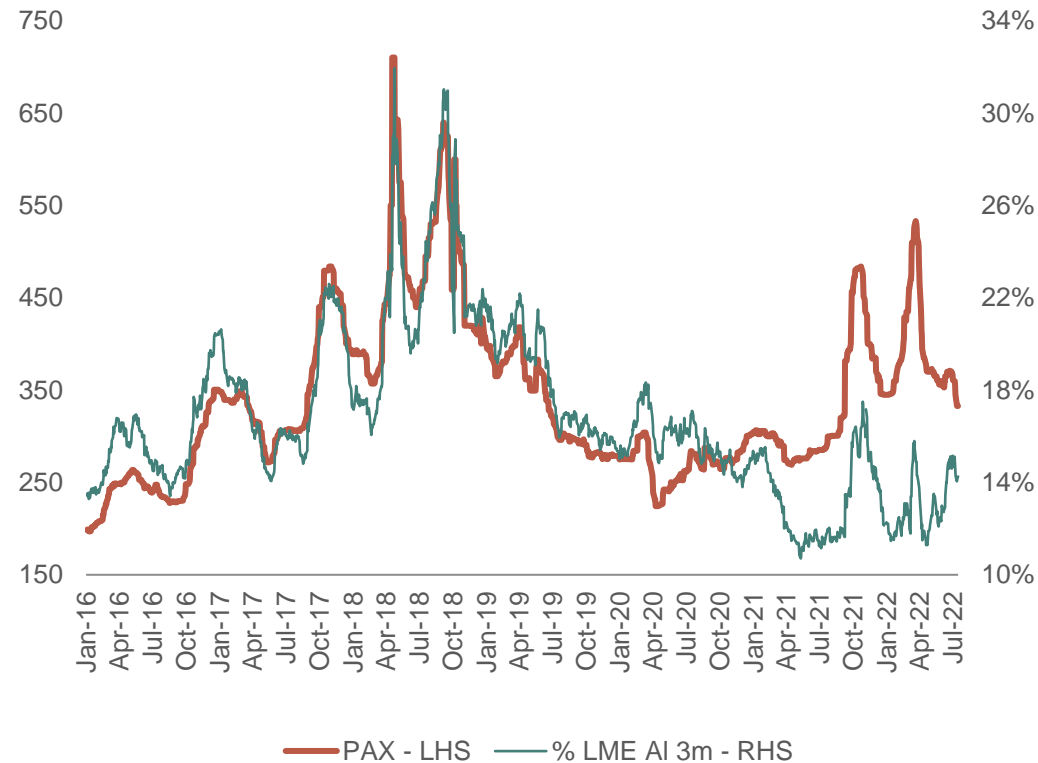
Year 2021



Alumina prices volatile; China net alumina exports in Q2'22

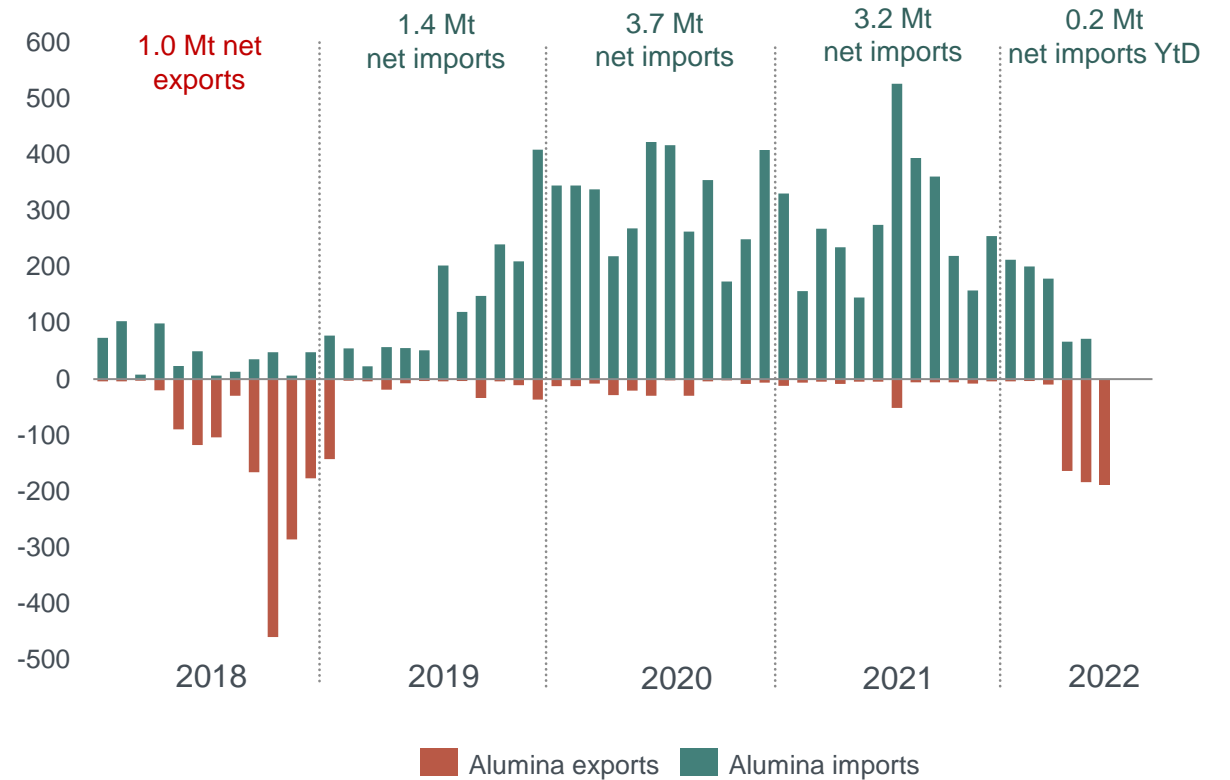
Platts alumina index (PAX)

USD/mt



Monthly Chinese alumina trade balance (kt)

In '000 tonnes

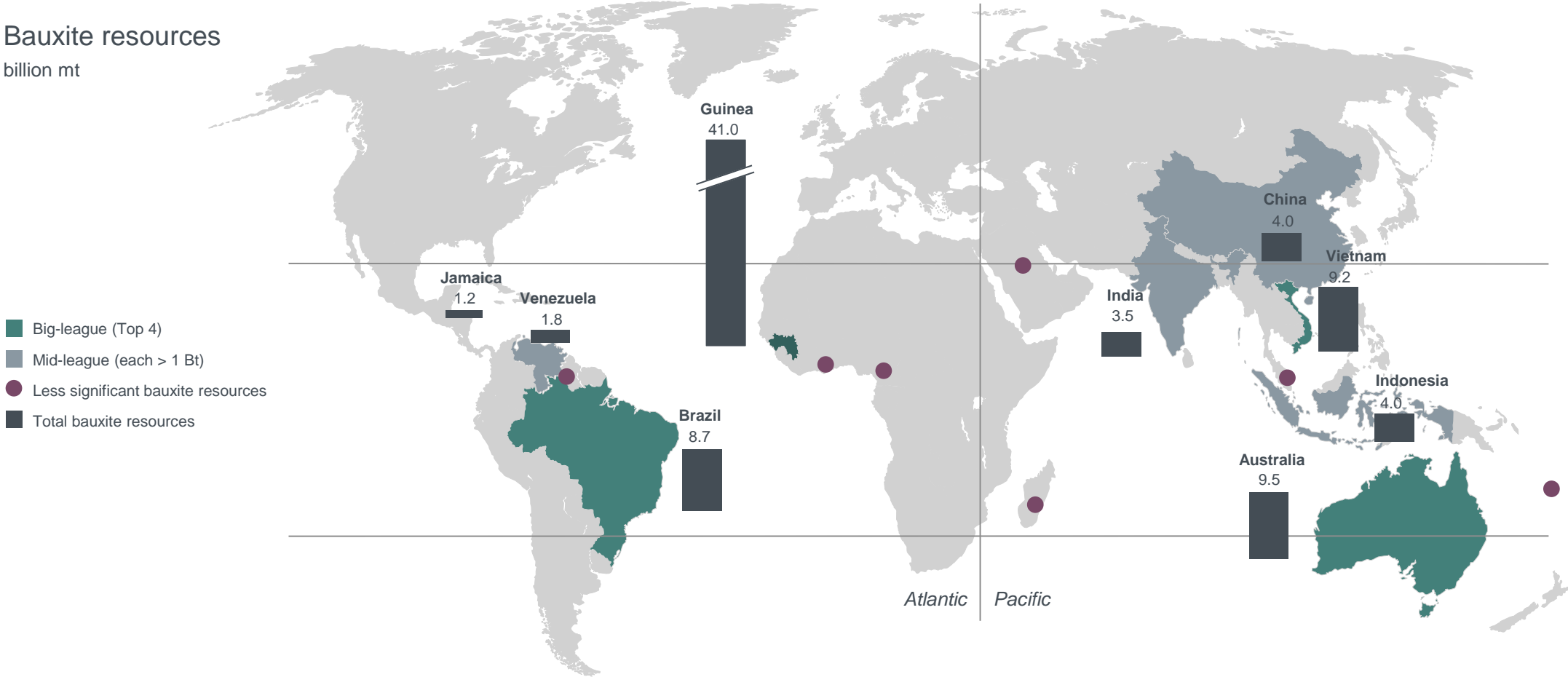


Large and concentrated bauxite resources



Guinea stands out as a long-term source

Bauxite resources
billion mt

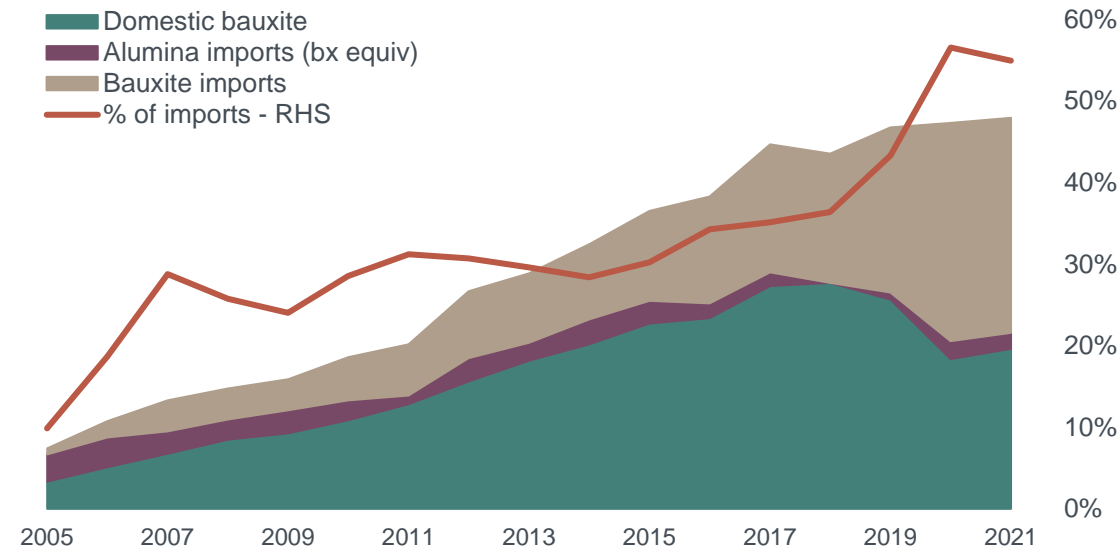


Source: Hydro analysis, CM Group

China increasingly reliant on bauxite imports

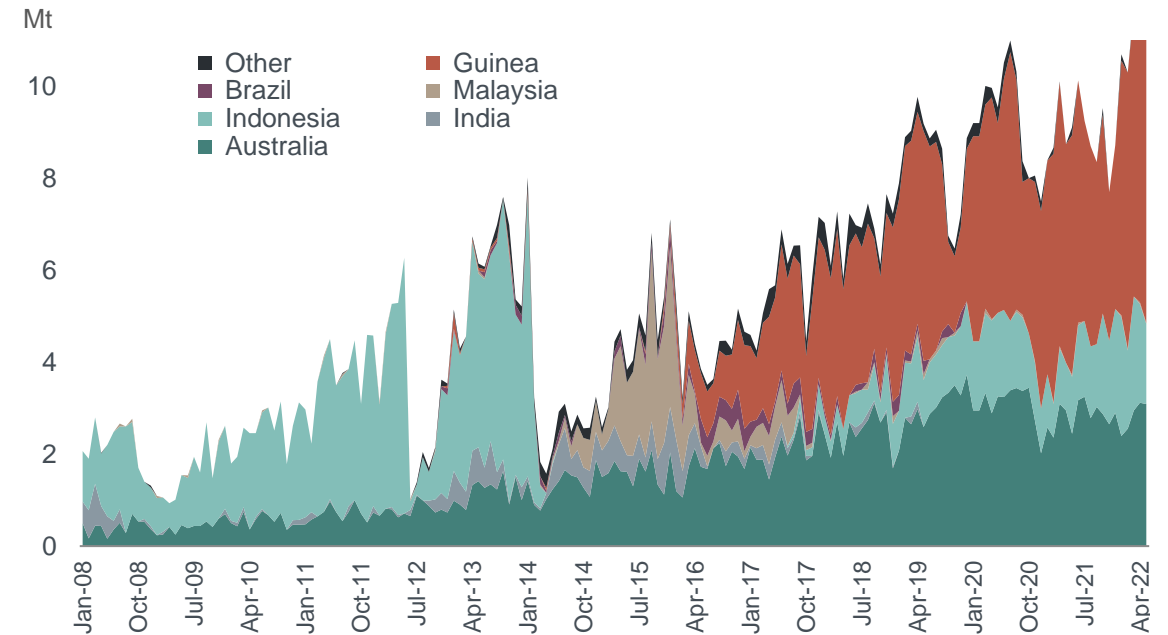
Guinea bauxite increasingly satisfying Chinese demand

Growing need for bauxite imports amid domestic depletion



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

Monthly Chinese bauxite imports by origin



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



Sustainability

Investor presentation, May 3, 2022

Sustainability: the basis for future position and profitability



Climate



Net zero products, net zero company, net zero society

Environment



Protect biodiversity and reduce our environmental footprint

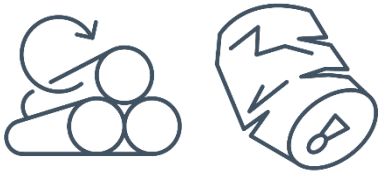
Society



Improve the lives and livelihoods wherever we operate

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

Net Zero Products



Deliver zero carbon aluminium products and solutions to customers

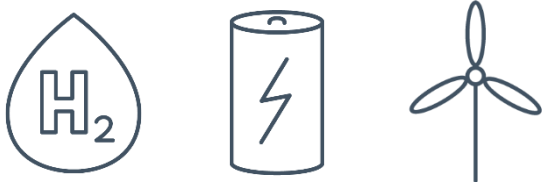
Circular and primary pathways

Net Zero Hydro



Remove emissions from own operations

Net Zero Society



Reduce and avoid emissions in society through climate-friendly solutions

Renewables – energy storage – green hydrogen

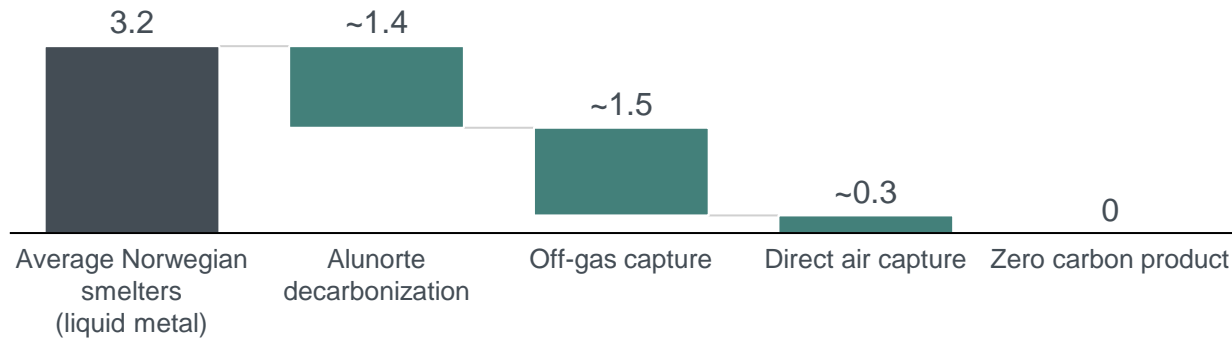
Primary path: HalZero and CCS



Technologies ready for pilot phase

Carbon capture and storage decarbonizing existing smelters

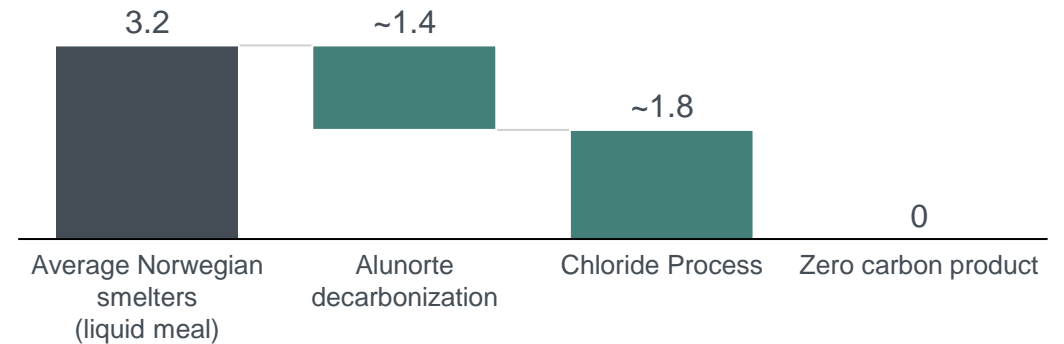
Tonnes CO₂e / tonne aluminium, scope 1 and 2 emissions, liquid metal



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

HalZero chloride process technology for decarbonizing greenfield developments

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



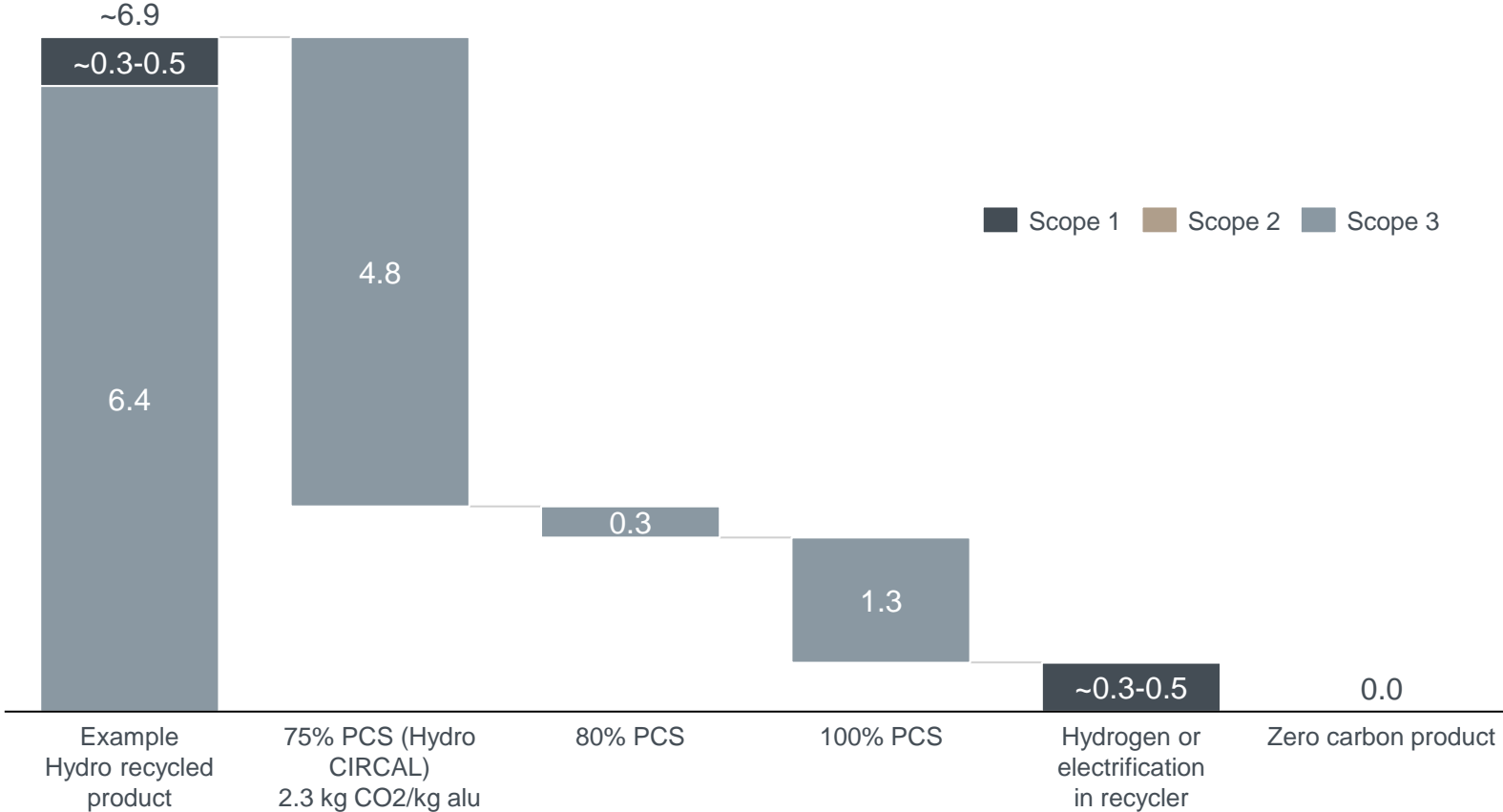
- Full decarbonization of smelting process
- Eliminating emissions for both electrolysis and anode baking
- Relevant application for new capacity post 2030
- Public/private partnership for industrialization

Circular path producing near zero volumes by 2022



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

PCS Decarbonization
Tonnes CO2e / tonne aluminium

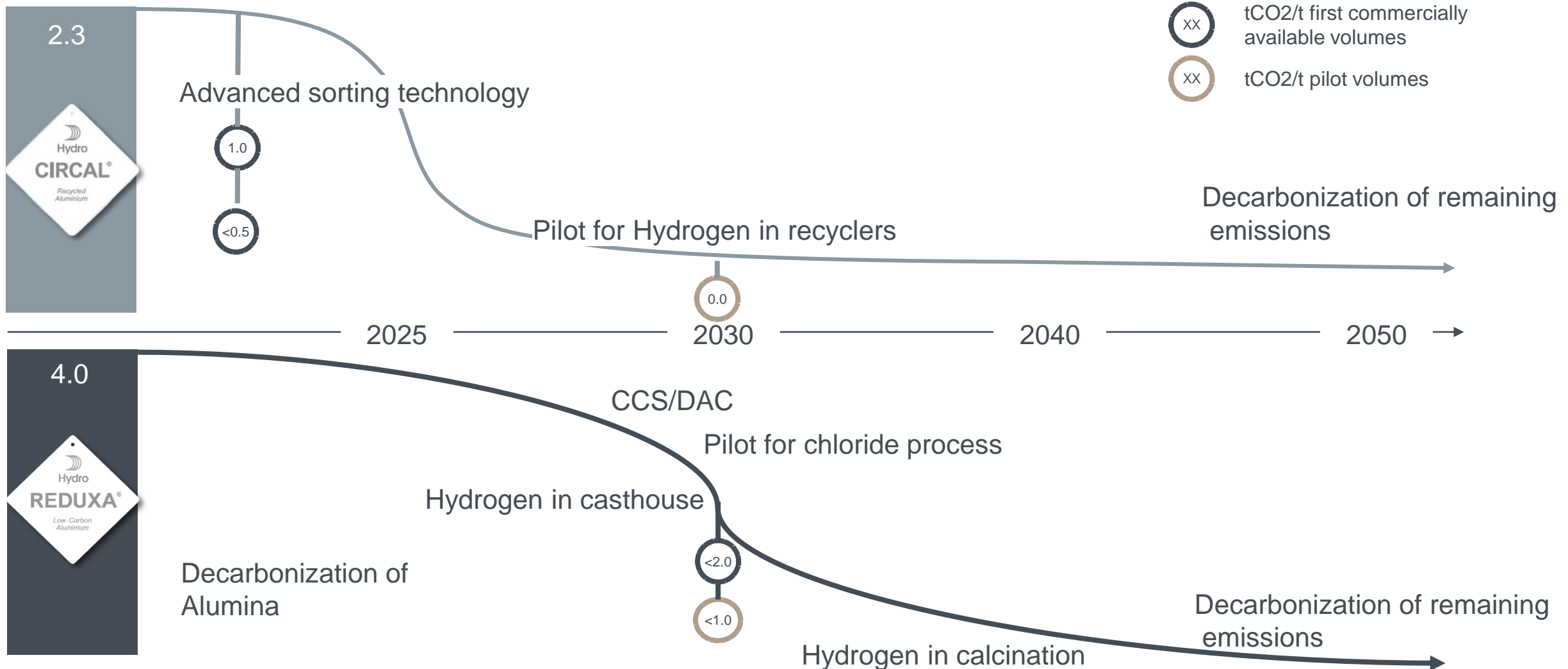


- Going deeper in the scrap pile to lift profitability
 - Laser-based sorting (LIBS)
 - Screw extruder
- Recycling friendly alloys
- Renewable fuel for scrap melting
- Scrap sourcing
- Customer collaboration

Net zero products: Market-paced approach



Capitalize on market demand through circularity while decarbonizing primary value chain

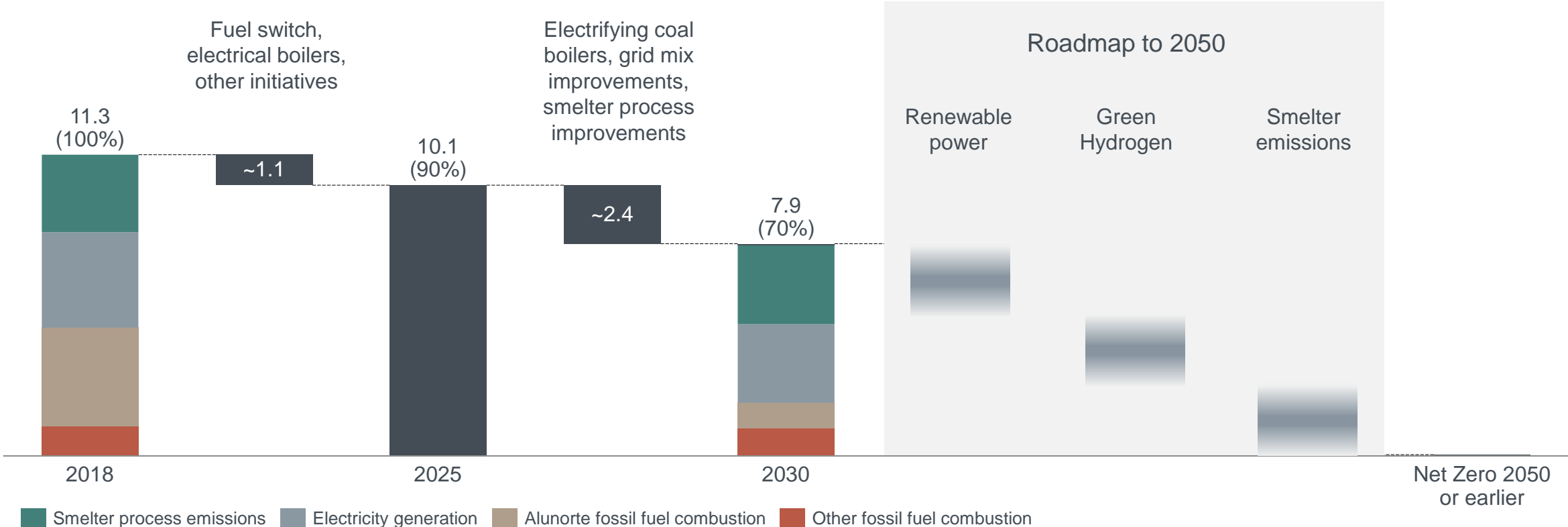


Net zero Hydro: The roadmap



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

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



Well positioned to deliver on our climate ambition



Hydro's unique position to capture commercial value from decarbonization

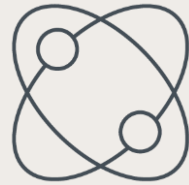


Circular solutions

Fastest way to near-zero carbon products at scale

Profitable growth – Recycling RoACE above Hydro average

EBITDA uplift



Technology leadership

PCS technology ready for industrialization

Solutions to remove process emissions ready for piloting



Customer collaboration

Leading position in high growth market segments

Shaping demand for greener products

Co-developing lower carbon and circular solutions with customers

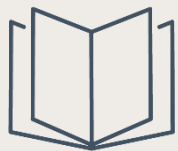


Partnerships and funding

Strong track record of partnering

Credibility to seek public funding and partner for industrialization

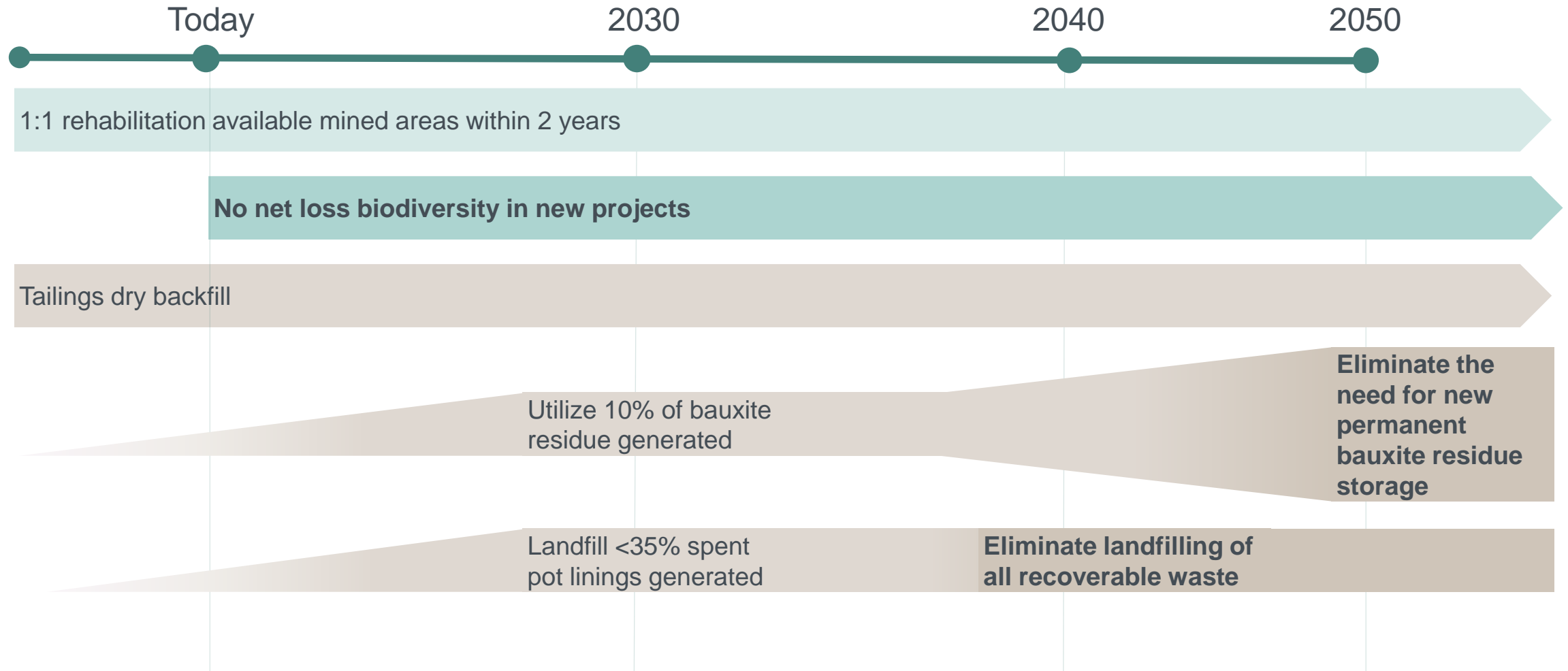
Green finance



Policy and regulations

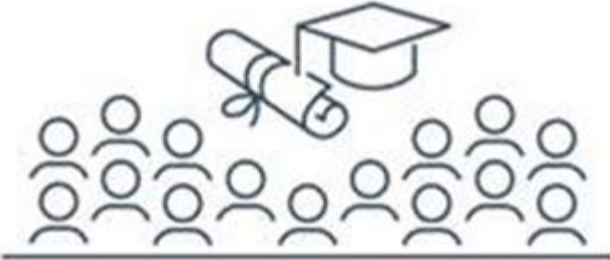
Create a global level playing field – Incentivize electrification and decarbonization of industries and markets

Environment: Protect biodiversity and eliminate waste



Social: Improve lives and livelihoods wherever we operate

Invest in education



Equip people with essential skills for future economy



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

Support just transition



Contribute to economic and social development in communities where we operate



Business-specific targets

Responsible supply chain



Ensure transparency and responsible business practices in our supply chains



Transparency and traceability of key sustainability data for our products



Business overview

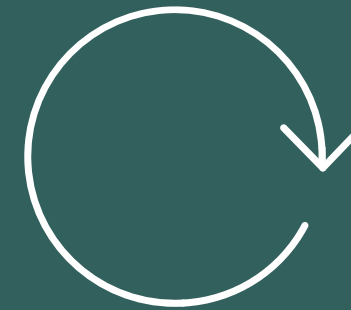


Hydro – Group



Profitability

ROACE > 10%



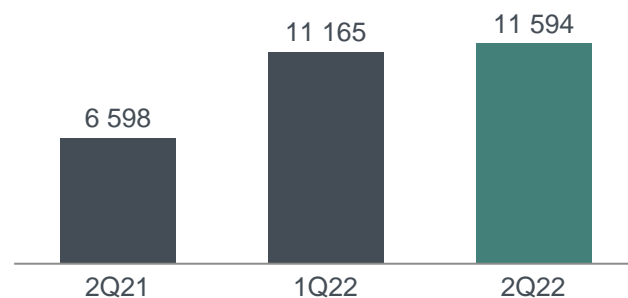
Sustainability

CO₂ - 30%

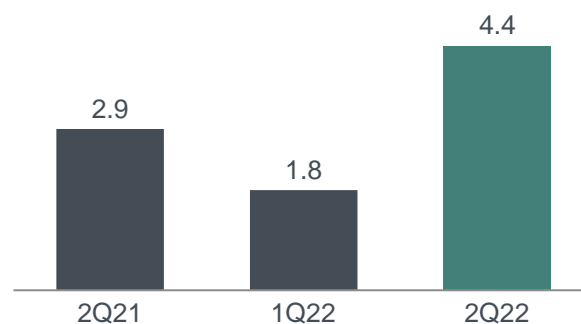
Key performance metrics | Q2 2022



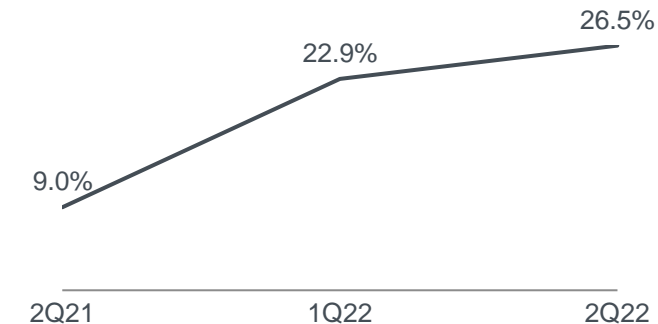
Adjusted EBITDA
NOK million



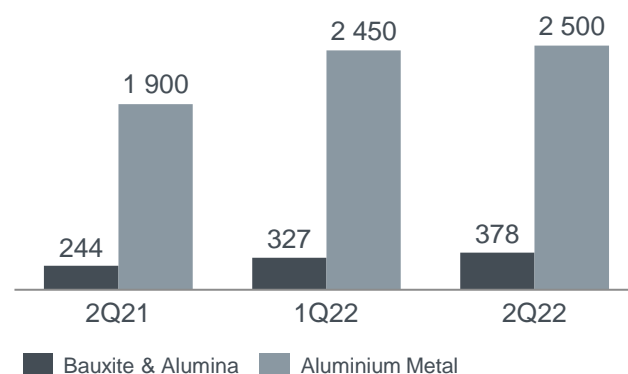
Free cash flow¹⁾
NOK billion



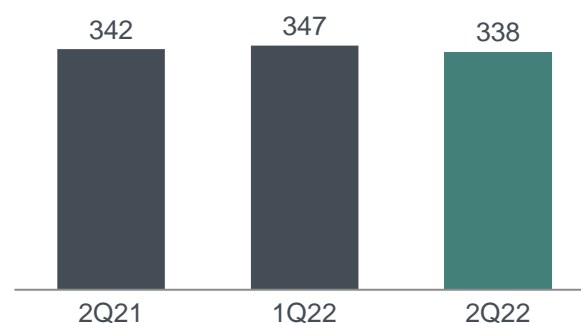
Adjusted RoaCE²⁾
12-month rolling %



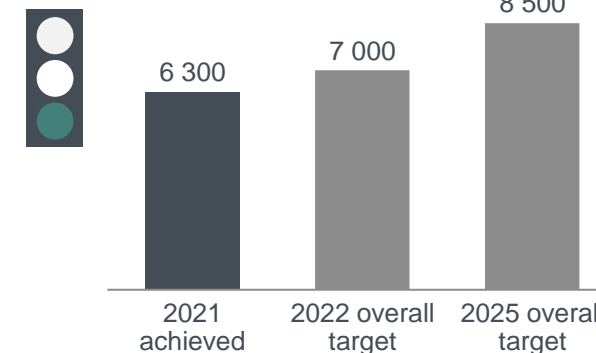
Upstream costs^{3,4)}
USD per tonne



Extrusion volumes
Thousand tonnes



Improvement program status⁵⁾
NOK millions



1) 2020 restated as adjusted EBITDA

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

3) RoaCE 2020 includes Rolling

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

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

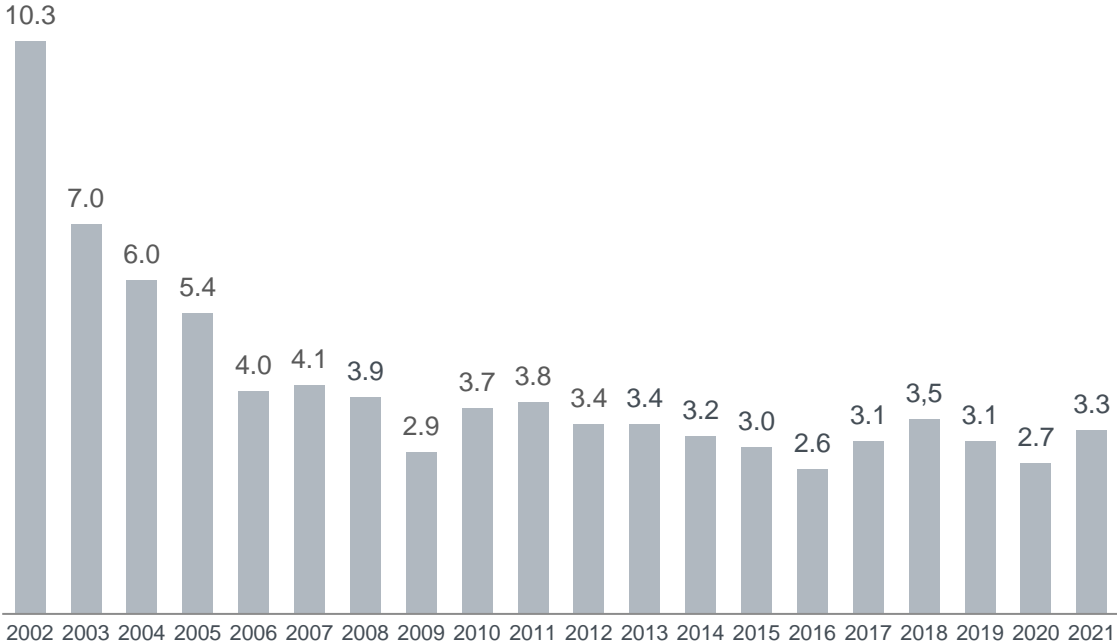
6) Improvement program target and progress excluding Hydro Rolling

Safe and responsible operations is a top priority



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

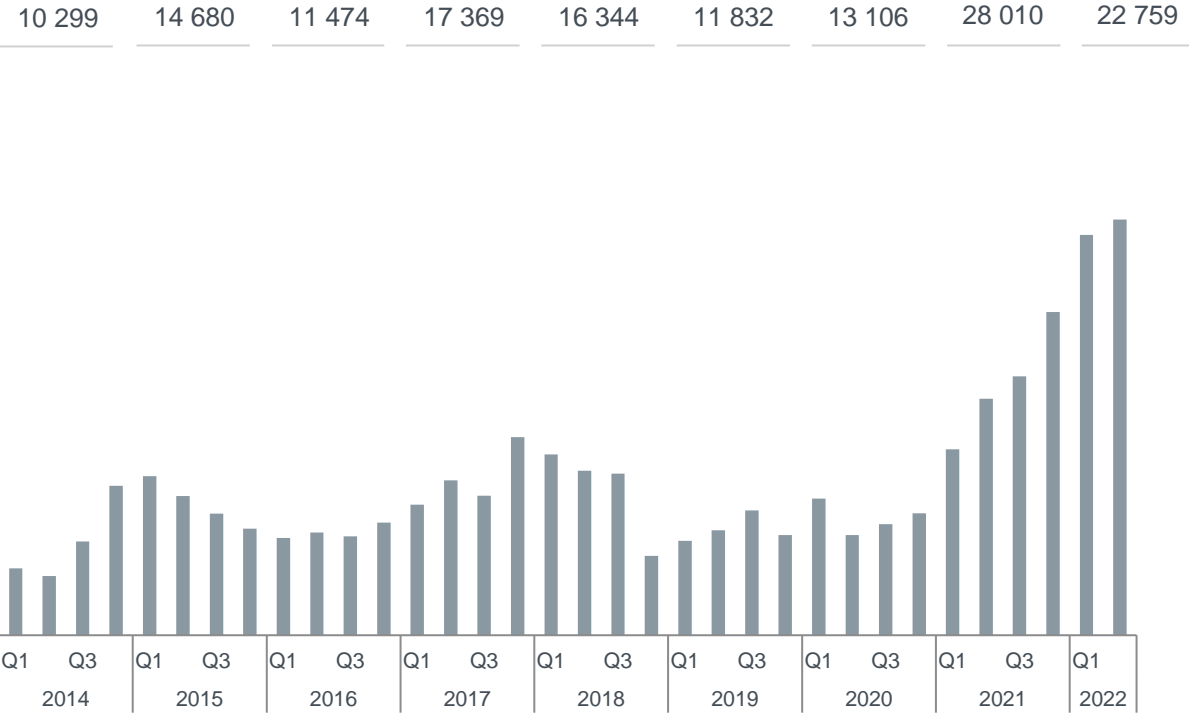
TRI Rate¹⁾



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

Hydro: a resource rich global aluminium company

Hydro adjusted EBITDA quarterly, NOK billion¹⁾



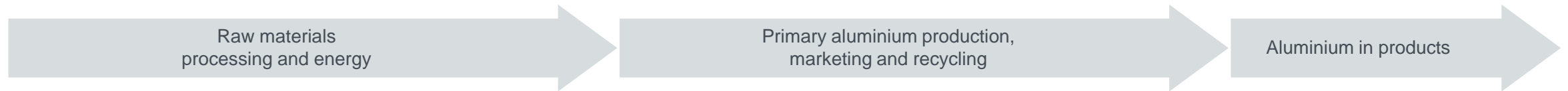
1) Amounts are as disclosed for the individual years reflecting the accounting policies applied for those years and Hydro's definition of APMs applied for the relevant years.
 2) 2021 excluding Hydro Rolling (2014-2020 as reported)
 3) As per Feb 21, 2022



- Based in Norway, involved in activities in 40 countries
- ~31 000 employees
- Operating revenues²⁾
 - 2021: NOK 150 billion
 - 2020: NOK 138 billion
 - 2019: NOK 150 billion
- Current market capitalization
 - ~NOK 161 billion / USD ~17 billion³⁾

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



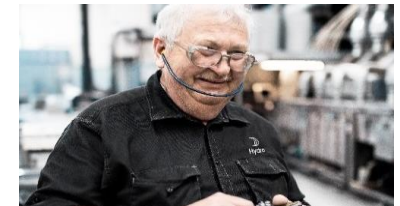
Aluminium Metal

- 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

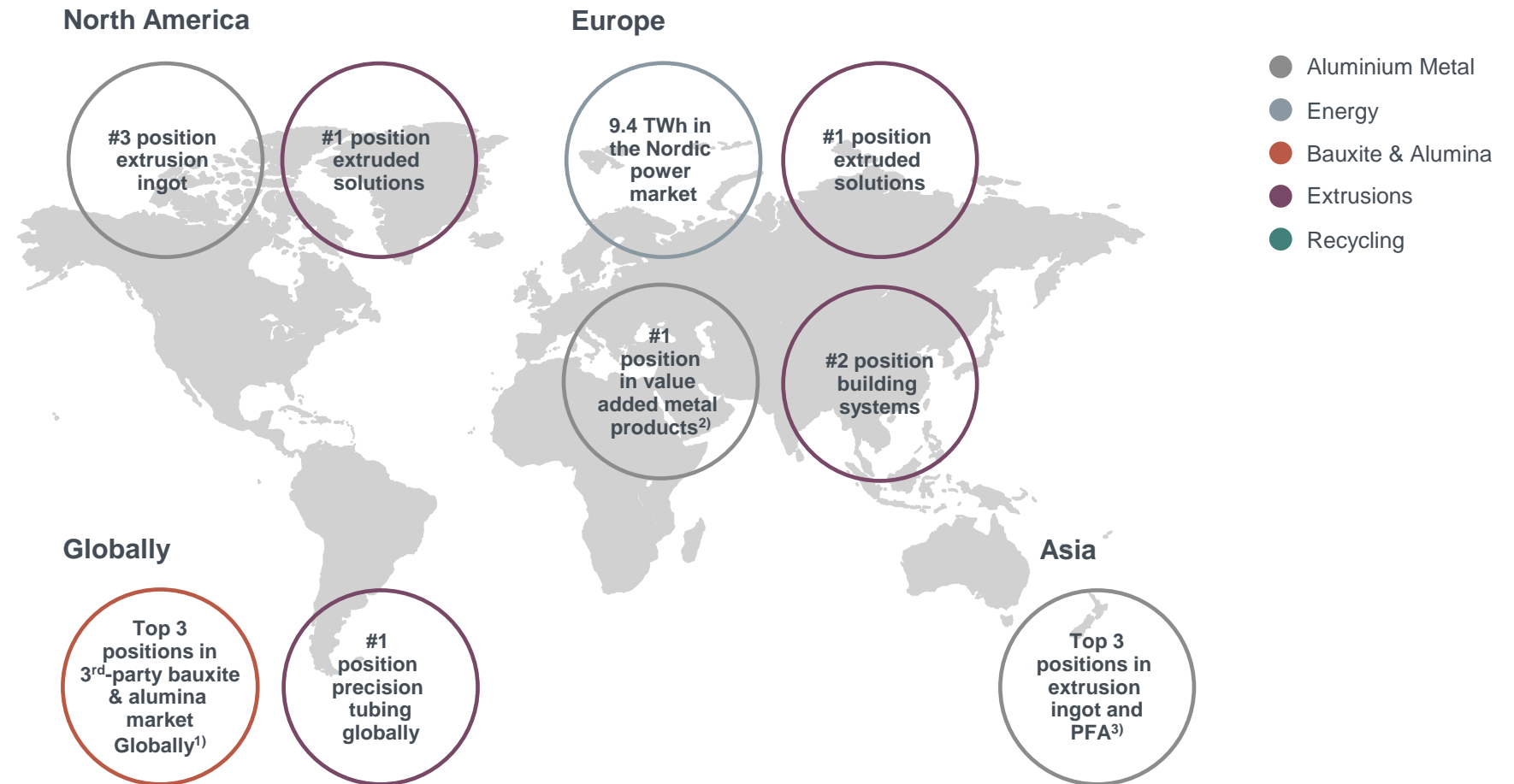
- 1.3 million tonnes
- No. 1 position in North America and Europe
- Solid foothold in emerging markets

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

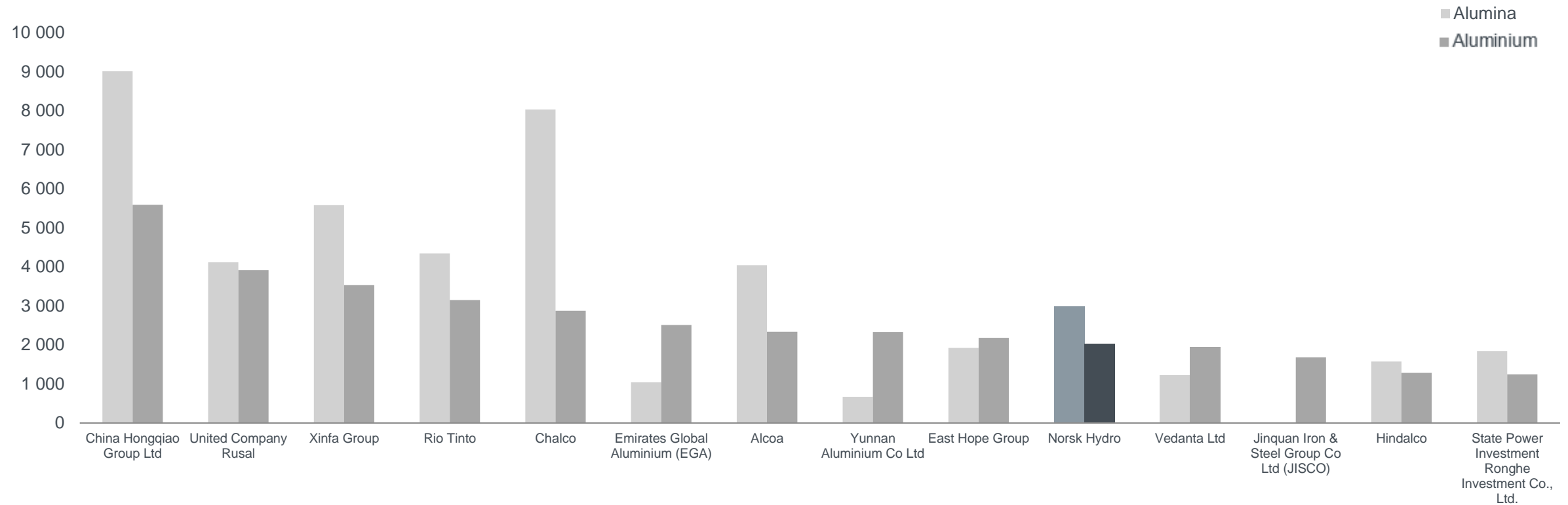


1) Outside China
 2) Extrusion ingot, sheet ingot, primary foundry alloys and wire rod
 3) Primary Foundry Alloys

Hydro - the fifth largest aluminium producer outside China



Equity production in 2021 in aluminium equivalents, thousand tonnes



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

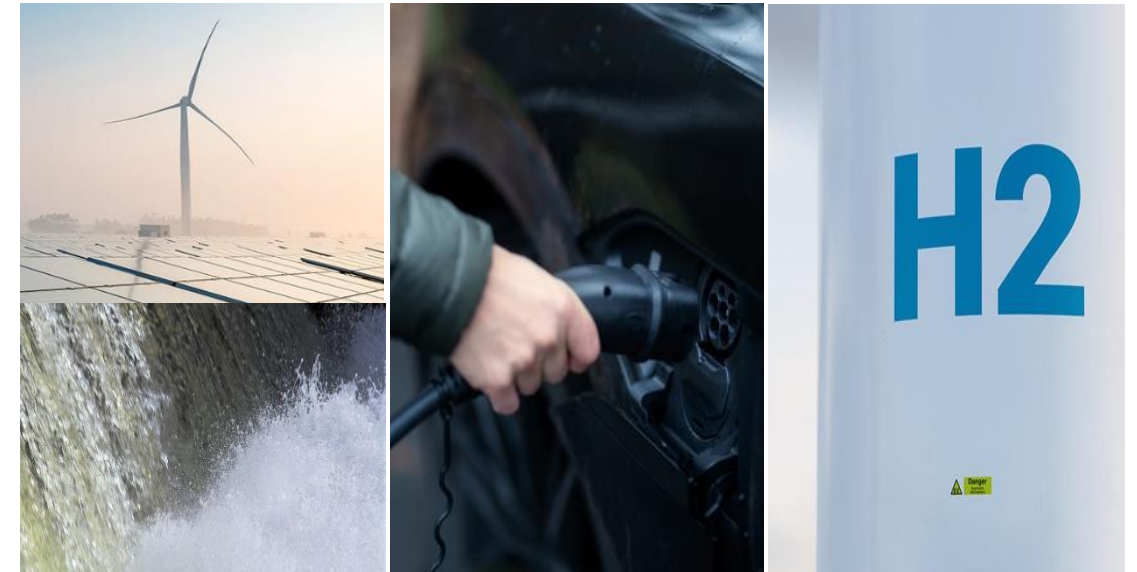
Progress made on the 2025 strategy

Seizing opportunities where our capabilities match the megatrends

1 Strengthen position in low-carbon aluminium



2 Diversify and grow in new energy



Strengthen position in low-carbon aluminium

Improvement program, commercial ambition and recycling investments key strategic levers

Cost-competitive asset base



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

Commercial uplift



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

Recycling growth



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



Profitability & Sustainability

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



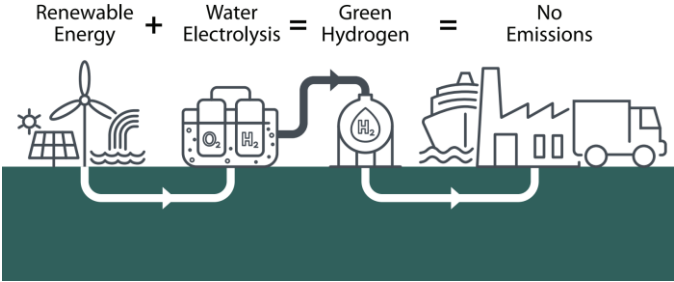
1 With renewables, energy efficiency and electrification we can tackle 70% of global emissions

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

World-class energy competence center



Batteries



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

Capital allocated according to strategic modes



Strategic modes reflect global megatrends and high-return opportunities

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



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

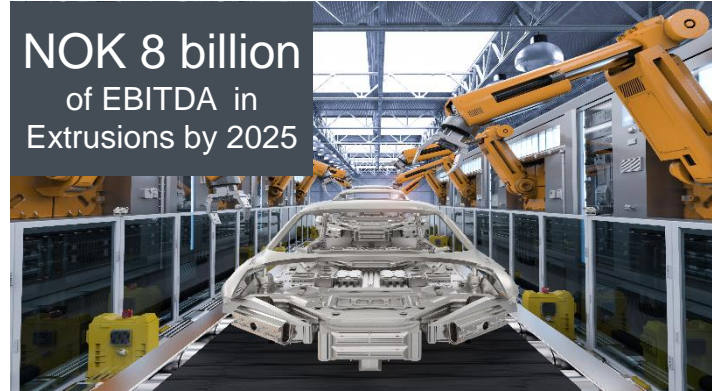
Why invest in Hydro?



Attractive asset base



Strong market position



Leadership in greener aluminium



Profitable growth journey



Strong balance sheet and shareholder focus



Sustainability position



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



Bauxite & Alumina

Bauxite and alumina cluster in Para, Brazil

MRN bauxite mine



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

Paragominas bauxite mine



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

Alunorte alumina refinery



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

Bauxite licenses

Refining and mining competencies

External supply contracts

Sales contract portfolio

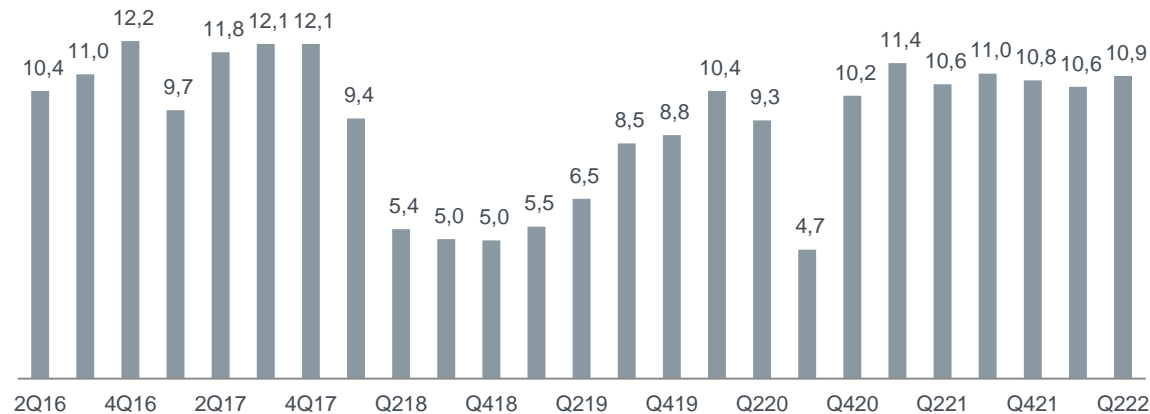
* Alunorte and Paragominas produced at 50% capacity from March 2018 to May 2019 due to a 50% production embargo on the Alunorte refinery. The production embargo was lifted in May 2019.

Improved production after extended pipeline maintenance in Q3 2020



Bauxite production in Paragominas

Annualized million tonnes

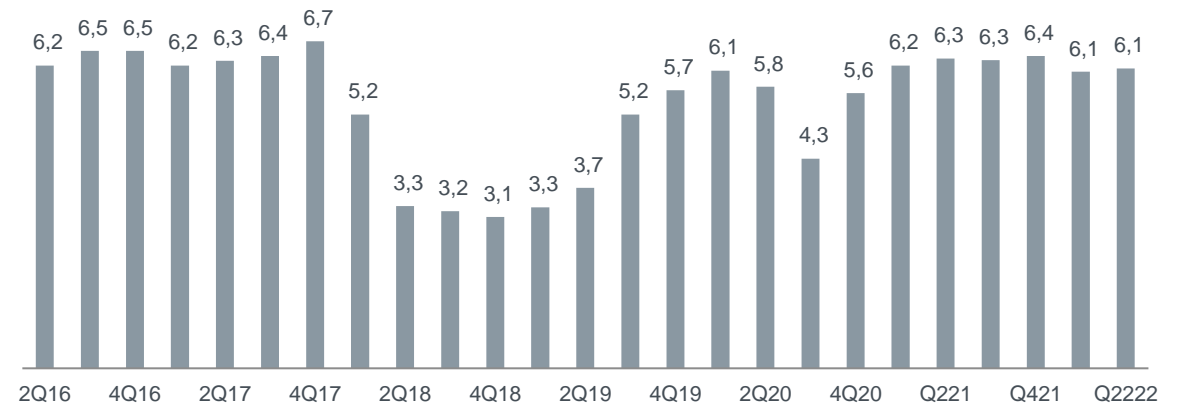


Paragominas bauxite mine

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

Alumina production at Alunorte

Annualized million tonnes



Alunorte alumina refinery

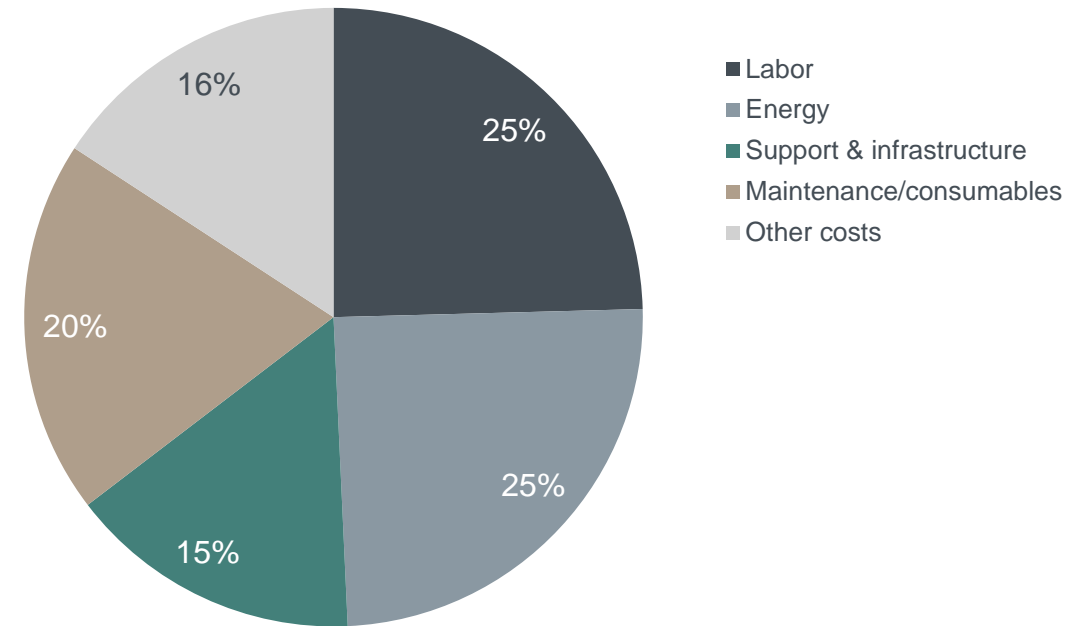
- Production affected by 50% Alunorte embargo from March 2018 – May 2019
- Production affected by extended pipeline maintenance from August to October 2020

* 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
- Maintenance and consumables
 - Mainly influenced by Brazilian inflation

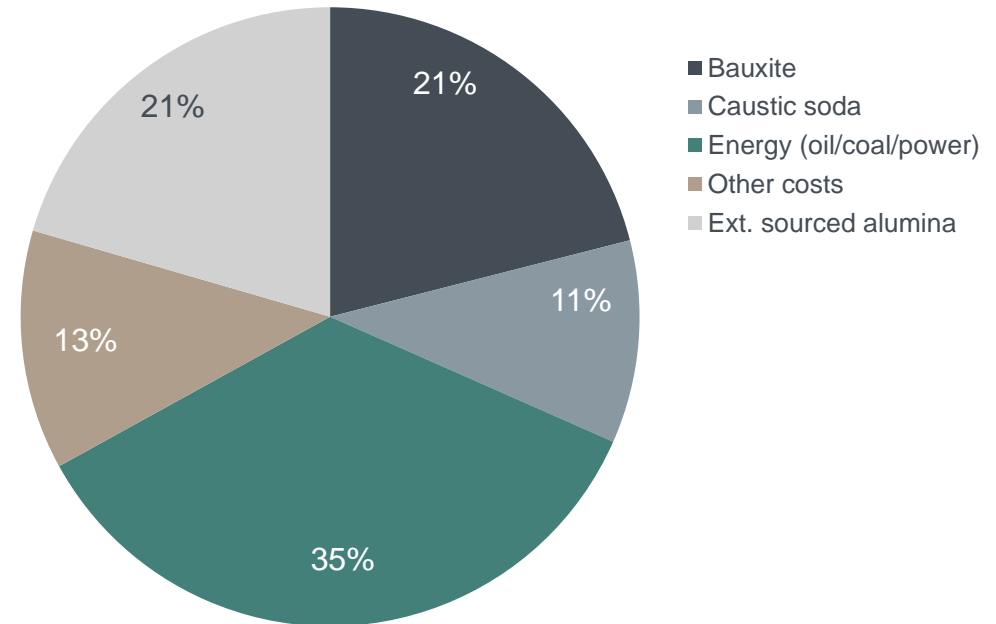
Indicative Paragominas bauxite mining costs



Favorable integrated alumina cost position

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

Indicative implied alumina cost composition



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

Strong commercial organization maximizing the value of B&A assets

External alumina sourcing

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

Long positions in bauxite and alumina

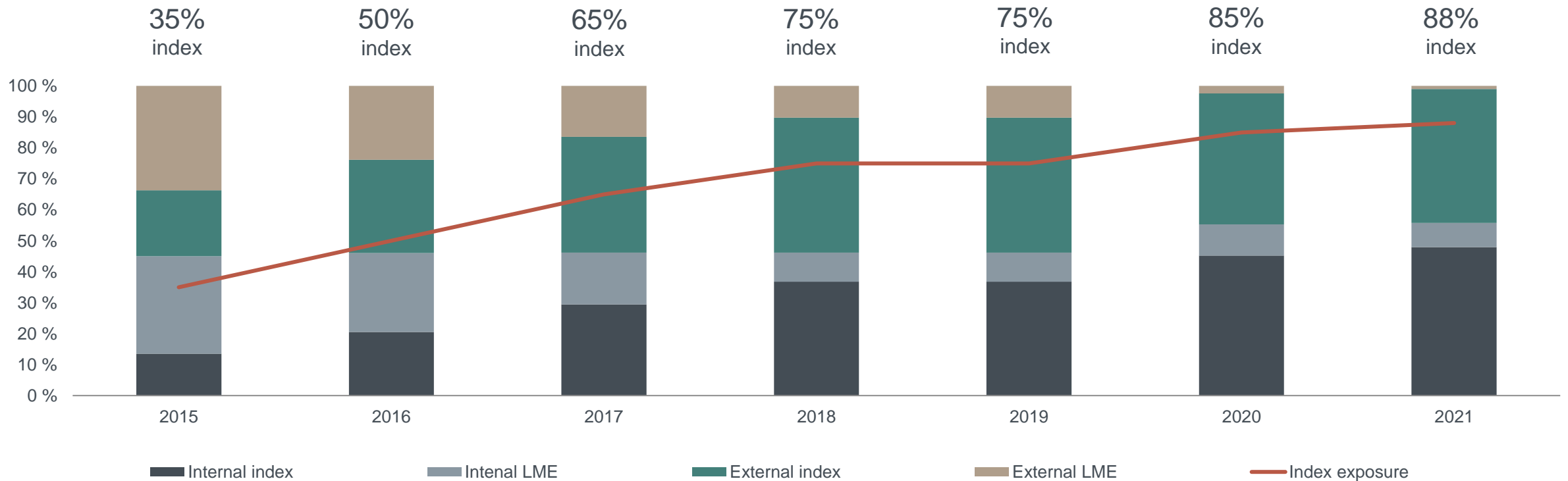
- Pricing should reflect bauxite and alumina market fundamentals
- Selling surplus MRN bauxite externally
 - Premium for high bauxite product quality
 - Majority sold to customers in the Atlantic basin
 - Mostly term contracts based on % of PAX and/or fixed USD/mt element
- Selling 3-4 million mt/yr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

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



Index pricing the new norm for the industry

Sales exposure to index and short term pricing¹⁾

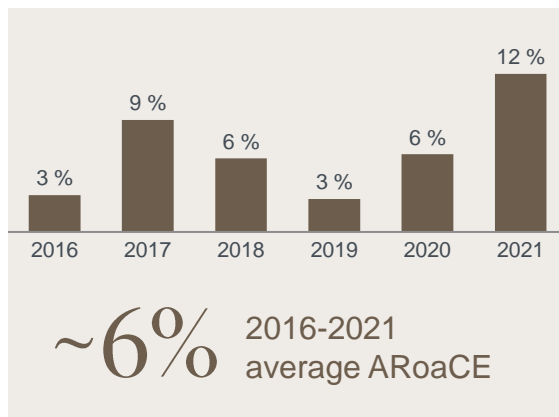
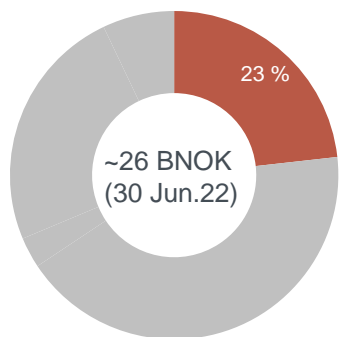


1) Rounded figures. Indicating volumes available for index pricing. Includes minority sales priced at % of LME with floor. Based on annual sourced volumes of around 2.5 mill t, assuming normal production at Alunorte.

Capital return dashboard for Bauxite & Alumina

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

Capital employed in B&A

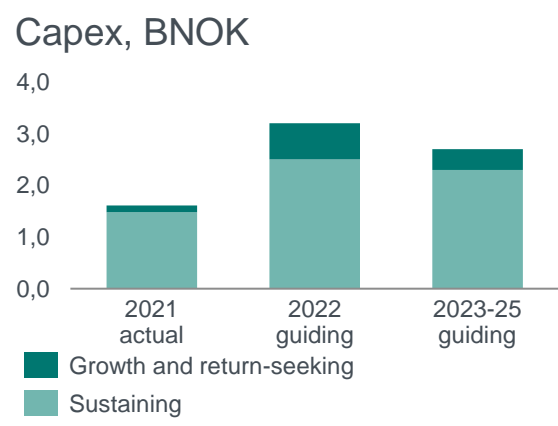


ARoaCE > CoC

10-11%
Nominal long-term cost of capital

3.0 + 0.2
BNOK
on EBITDA by 2025 in improvement potential

Fuel switch project improving Alunorte's competitiveness and sustainability



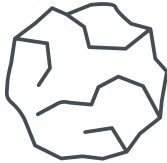


Energy

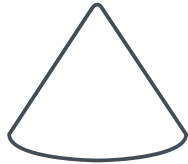
Energy is a key differentiator in the aluminium industry



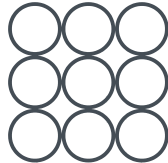
Center of energy excellence in Hydro



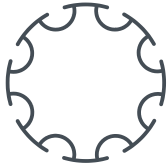
Bauxite



Alumina



Primary



Extrusion

Energy cost ¹⁾



Energy business area's contribution to Hydro

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

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

1) Share of Business Operating Cash Cost

Hydro's global primary energy demand



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

Hydro's total energy portfolio amounts to 214 million GJ per year based on ownership equity

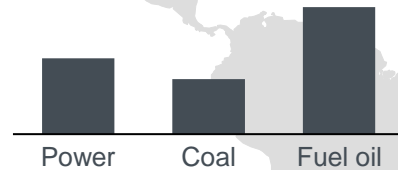
North America

Power 2.2 TWh
Natural gas 6.7 million MMBtu



South America

Power 4.6 TWh
Coal 405 thousand tonnes
Fuel oil 4.5 million BOE



Europe

Power 19.1 TWh
Natural gas 5.7 million MMBtu



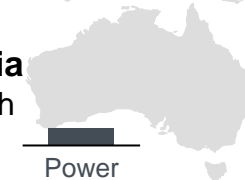
Middle East

Natural gas 41.0 million MMBtu



Australia/Asia

Power 1.0 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.

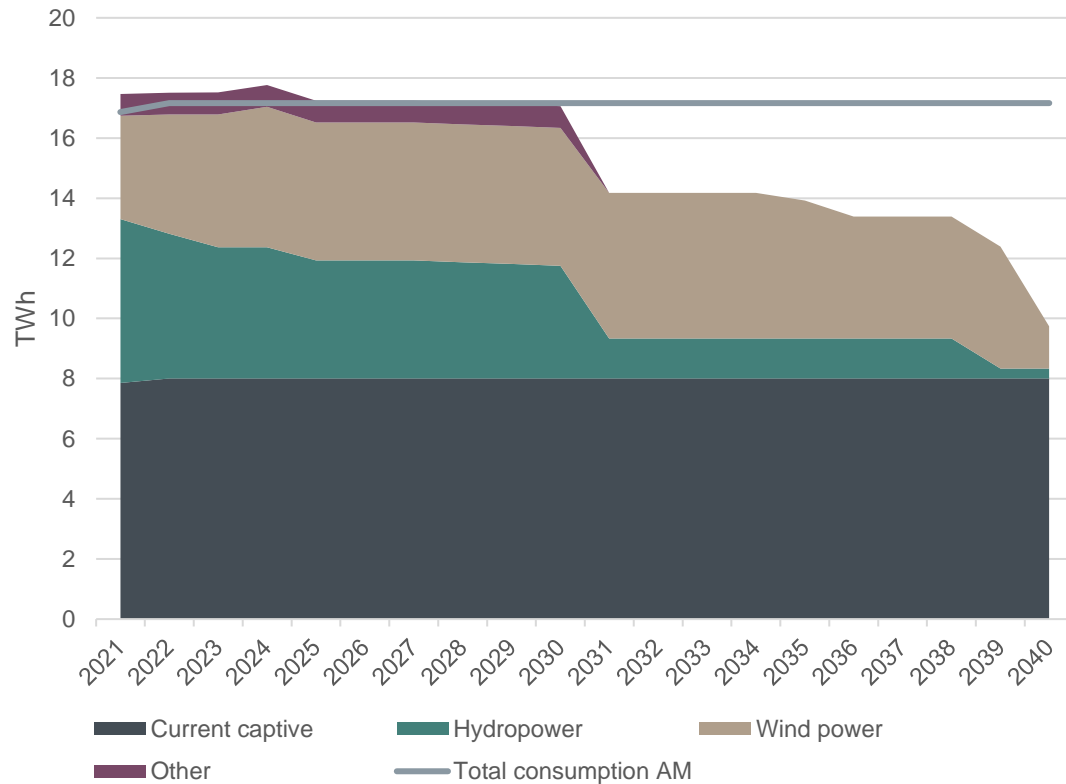
Based on equity-adjusted 2021 values for Norsk Hydro's bauxite mines, alumina refineries, smelters, remelters, and extrusion plants.

Securing long-term competitive power sourcing for smelters

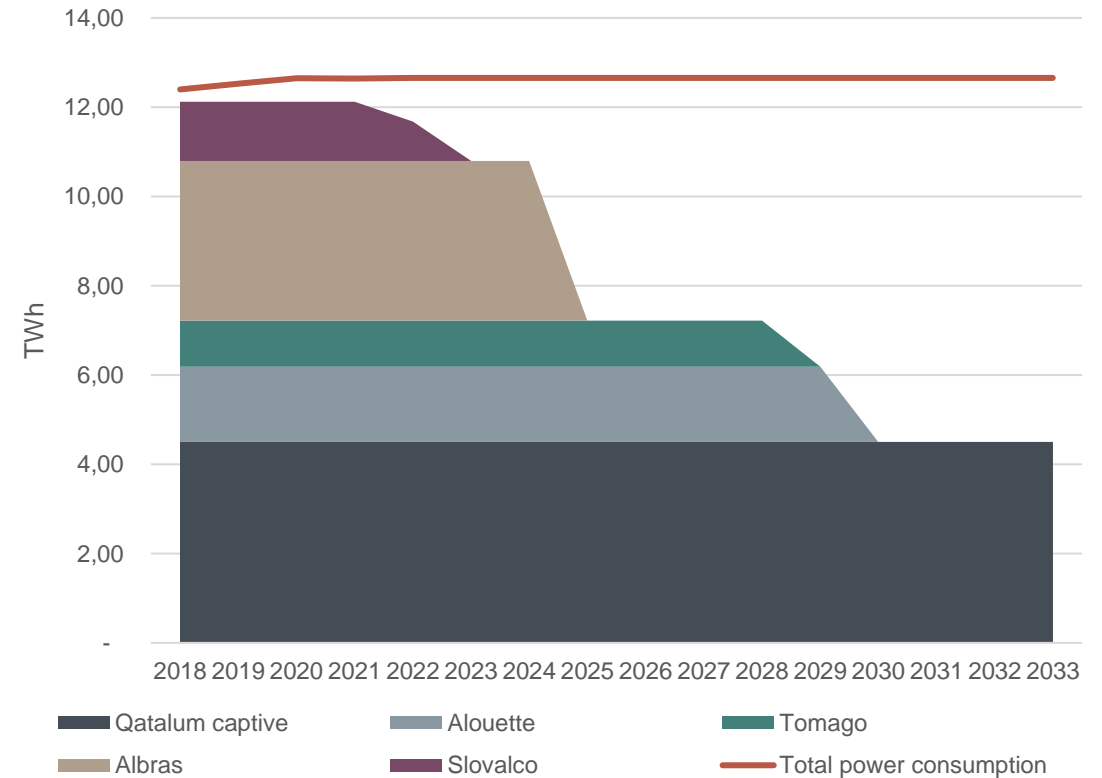


Unique combination of hydro and wind power

Sourcing platform for fully-owned smelters, Norway ^{1), 3)}



Sourcing platform for JVs and Neuss smelters ^{2), 3)}



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

Overview of Hydro's hydropower portfolio

Lower captive volume and higher operator volume post transaction

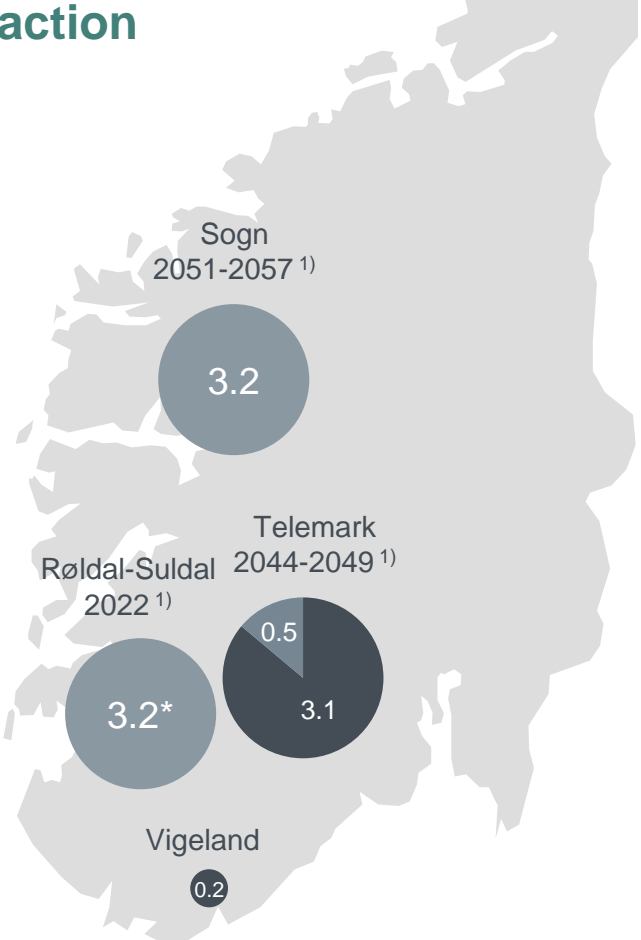
Before the RSK transaction

Normal annual production,
Equity share

10.2 TWh

Operator hydropower

10.5 TWh



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

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

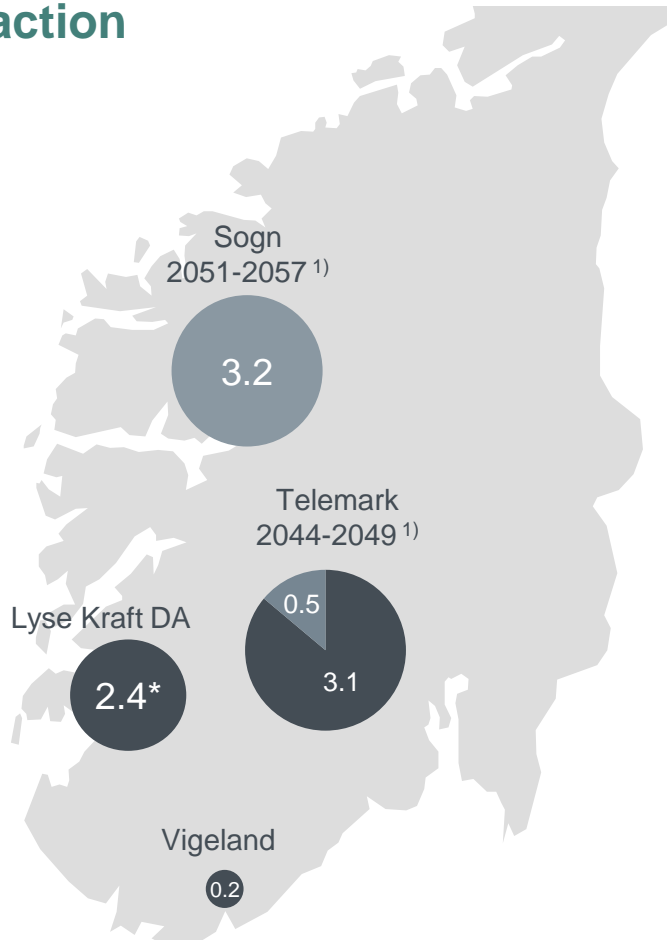
After the RSK transaction

Normal annual production,
Equity share

9.4 TWh

Operator hydropower

13.0 TWh

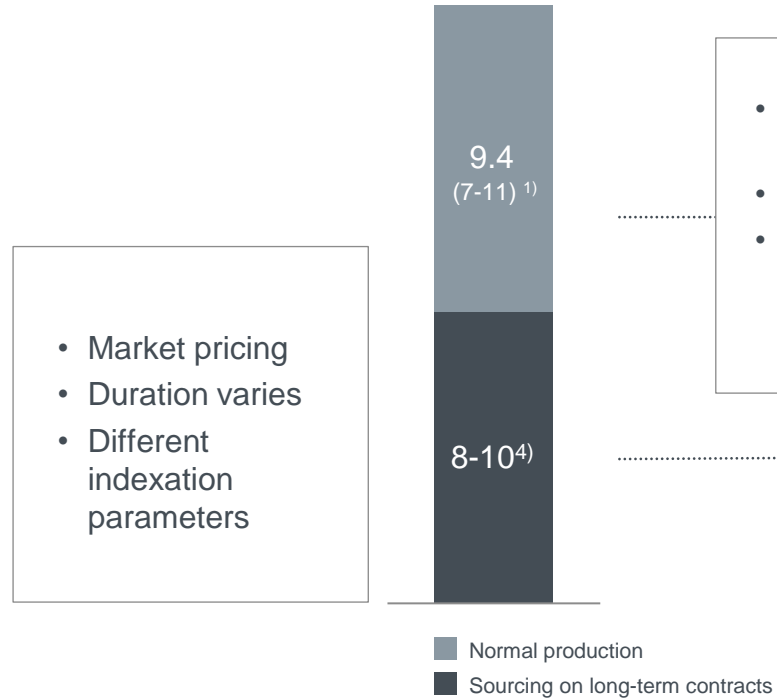


- No reversion
- Subject to reversion
- Bubble size = production in TWh

Market pricing principle applied to internal contracts

Based on external price references

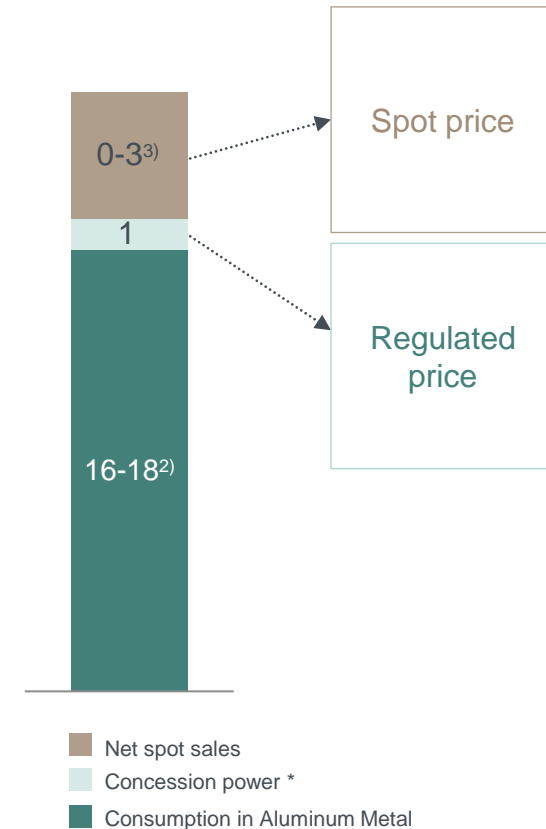
Sourcing side
TWh



Revenue side
TWh

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

Mainly Back-to-back

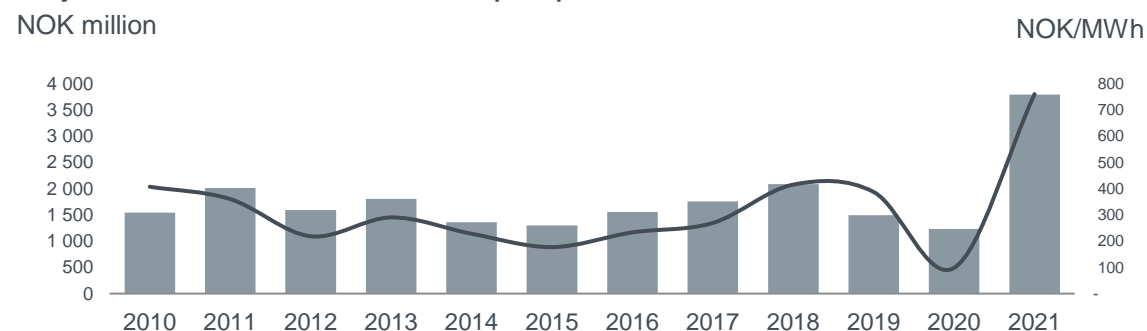


Norway post 2020

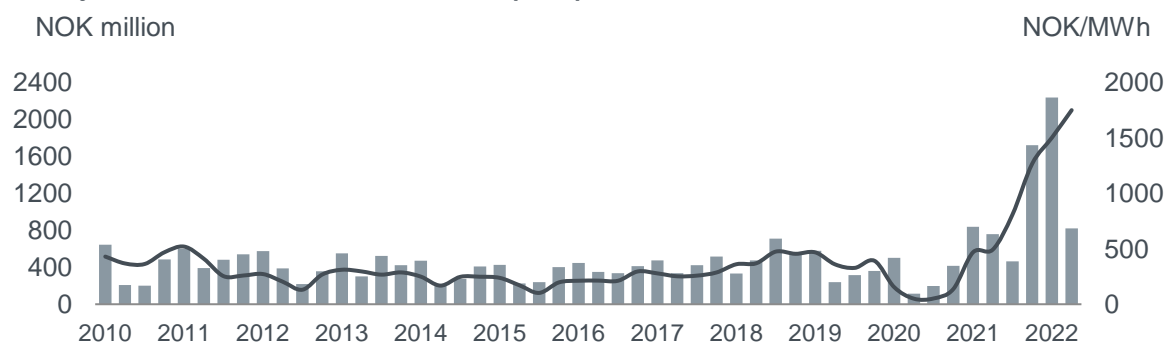
1) Depending on the precipitation level, hydropower production may vary from 7 TWh in a dry year to 11 TWh in a wet year
 2) Consumption in AM at current production levels and at full installed capacity
 3) Net spot sales vary depending on the power production level and internal consumption in AM
 4) Depending on status of sourcing

Energy earnings drivers

Adjusted EBITDA and NO2 spot price



Adjusted EBITDA and NO2 spot price



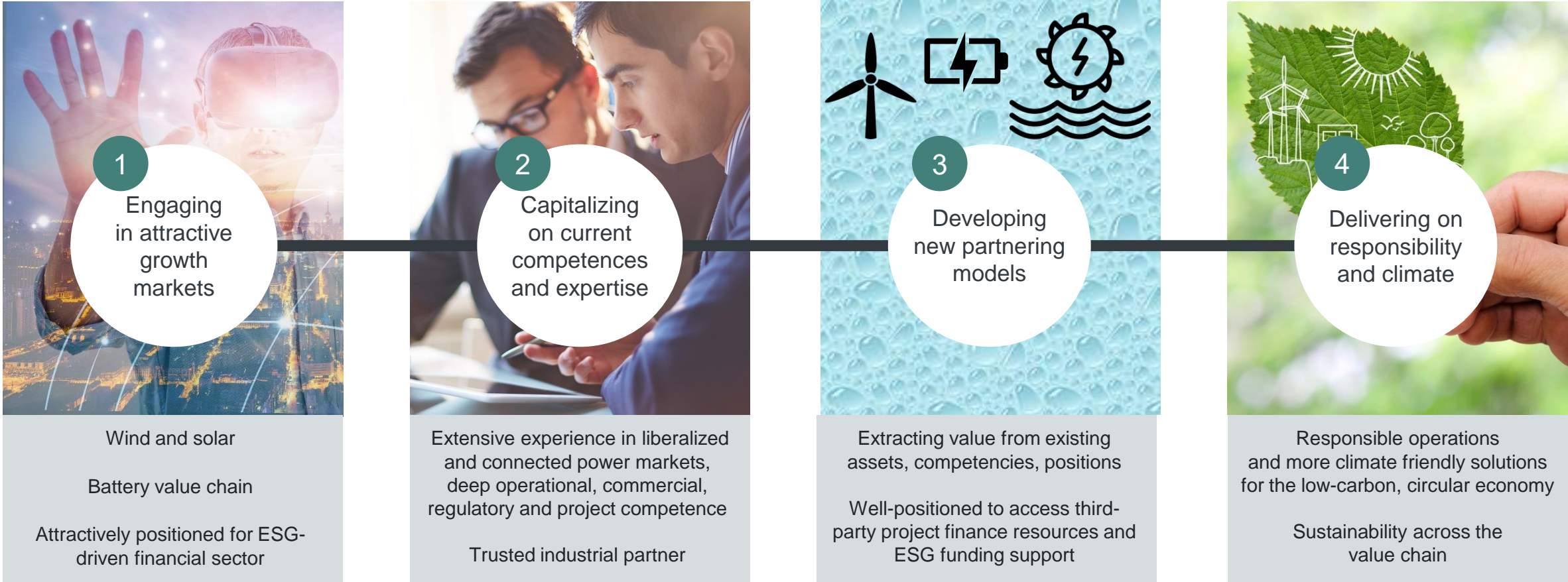
■ Adjusted EBITDA — Spot price

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

Building complementary businesses, creating value



A platform for growth, scaling and new ideas



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



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

Hydro well placed for growth in battery industry



Battery industry

Batteries are needed for electrification and decarbonization

Industrial and political push for a European sustainable battery value chain

Long value chain with optimization of high-value materials

Partnerships needed to succeed

Industry driven by automotive OEM customers



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

Strong European operational footprint and focus on sustainability

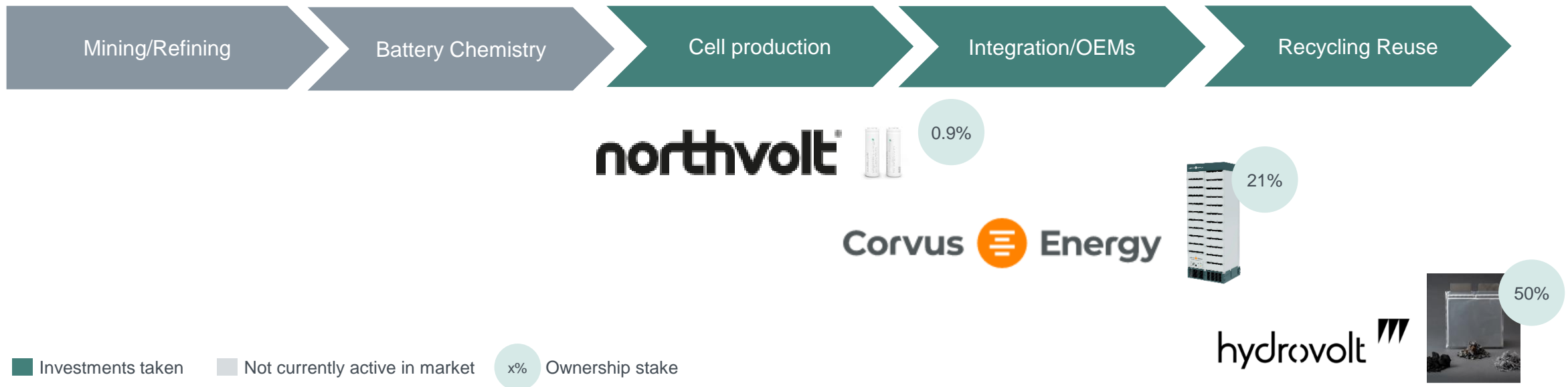
Industrial experience from integrated value chain

Experienced and trusted partner in Europe and Norway

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

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

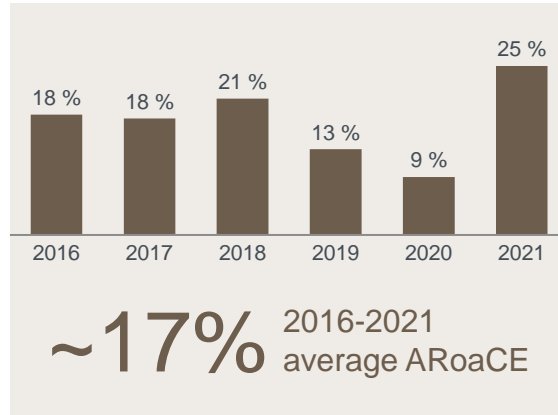
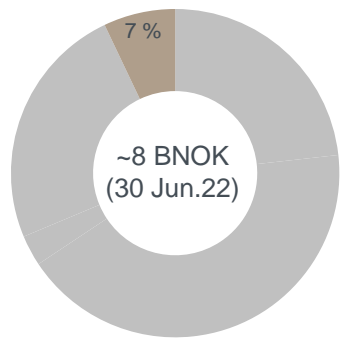
- Aim: to build a new sustainable and profitable business that will diversify and strengthen Hydro's overall portfolio
- New business unit "Hydro Batteries" to perform active industrial ownership of current assets and develop new opportunities
- Expanding battery footprint with selective positions and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



Capital return dashboard for Energy

Returns above the cost of capital reflecting the depreciated asset base

Capital employed in Energy



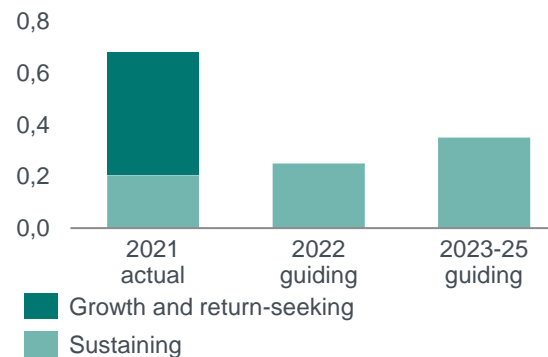
ARoaCE > CoC

6-7%
Nominal long-term cost of capital

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

Potential listing of REIN and Havrand

Capex, BNOK



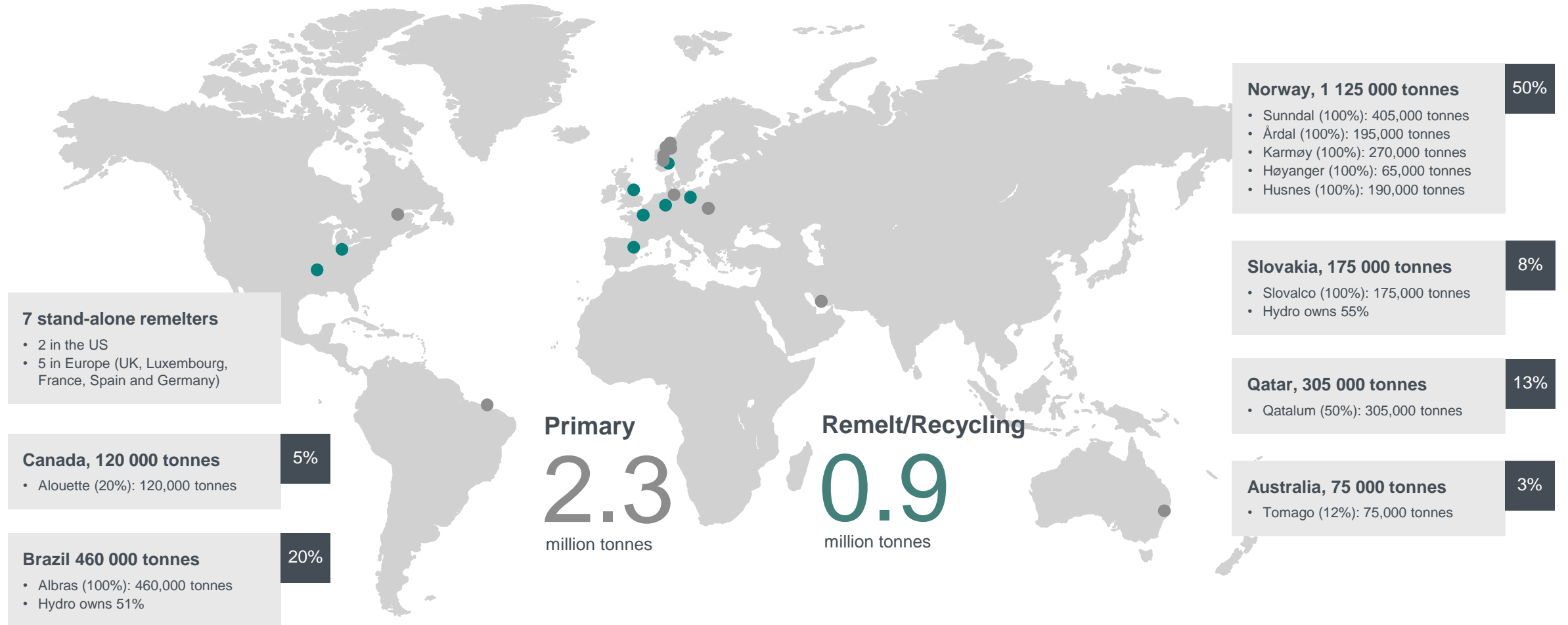


Aluminium Metal

World-wide primary aluminium production network



Aluminium Metal and Metal Markets



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

Unlocking new improvements through Industry 4.0 initiatives

40 ongoing projects



Robotics & Automation projects



Trusted Data Layer Casthouse



Soft Sensor incl. Trusted Data Layer



Mobile Maintenance Worker



Trusted Data Layer Carbon + Analytics workbench improvements



Bring Your Own Device

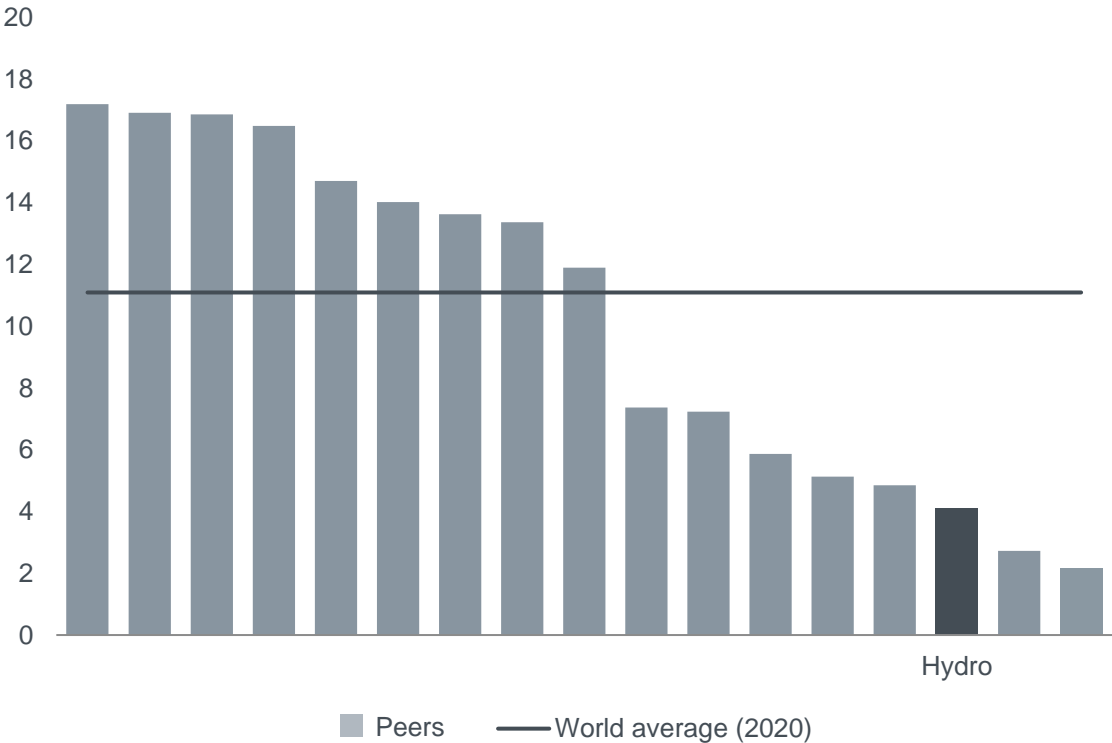
Digital Foundation including Cyber Security

Organization Foundation including Aluminium Metal Digital Academy

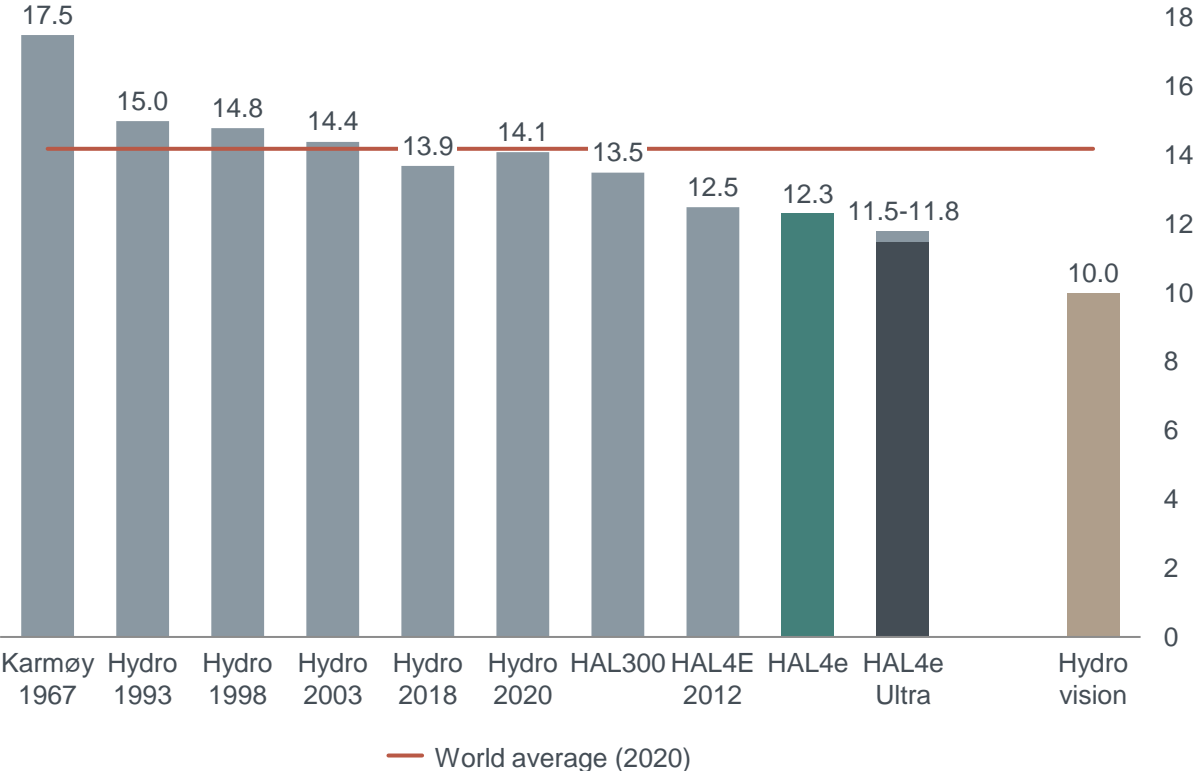
Low carbon footprint due to renewable energy base and industry lowest energy consumption



Total emissions, in tonne CO2/t al



Energy consumption in Hydro smelters¹⁾, kwh/kg al

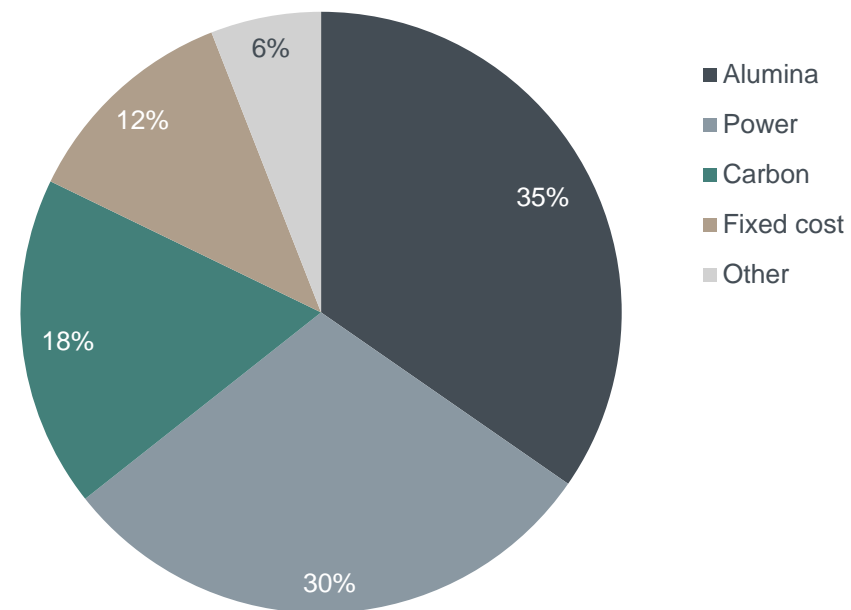


Source: CRU and Hydro analysis
1) Hydro's consolidated share

Competitive primary aluminium cash cost

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

Liquid aluminium cash cost 2021 ³⁾



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

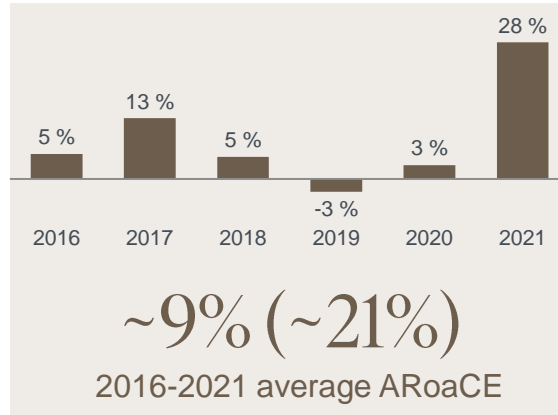
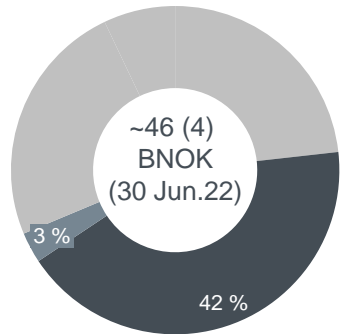
2) Realized LME aluminium price (incl.strategic hedges) minus adjusted EBITDA margin, including Qatalum, per mt primary aluminium produced

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

Capital return dashboard for Aluminium Metal & Metal Markets

Investments in recycling capacity to support growth

Capital employed in AM (MM)



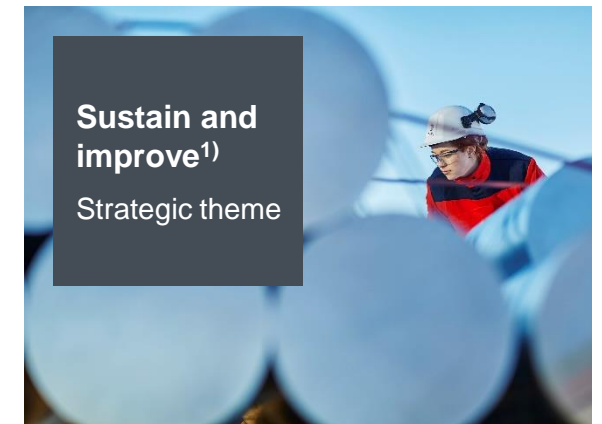
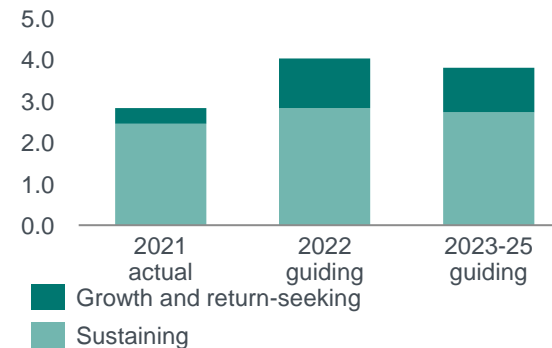
ARoaCE > CoC

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

3.0 + 0.2
BNOK
on EBITDA by 2025 in improvement potential and commercial ambitions

Investments in recycling capacity to support growth

Capex, BNOK



1) Creep and recycling with high profitability




Metal Markets

Strong position in value-added casthouse products

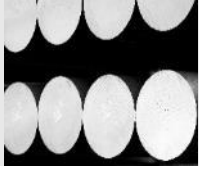






- Capitalizing on value-added casthouse products portfolio
- Extensive multi-sourcing system including fully- and part-owned primary casthouses and stand-alone remelters
- Flexible sourcing system enabling rapid and cost effective volume adjustments
- Value creation from margin management based on commercial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



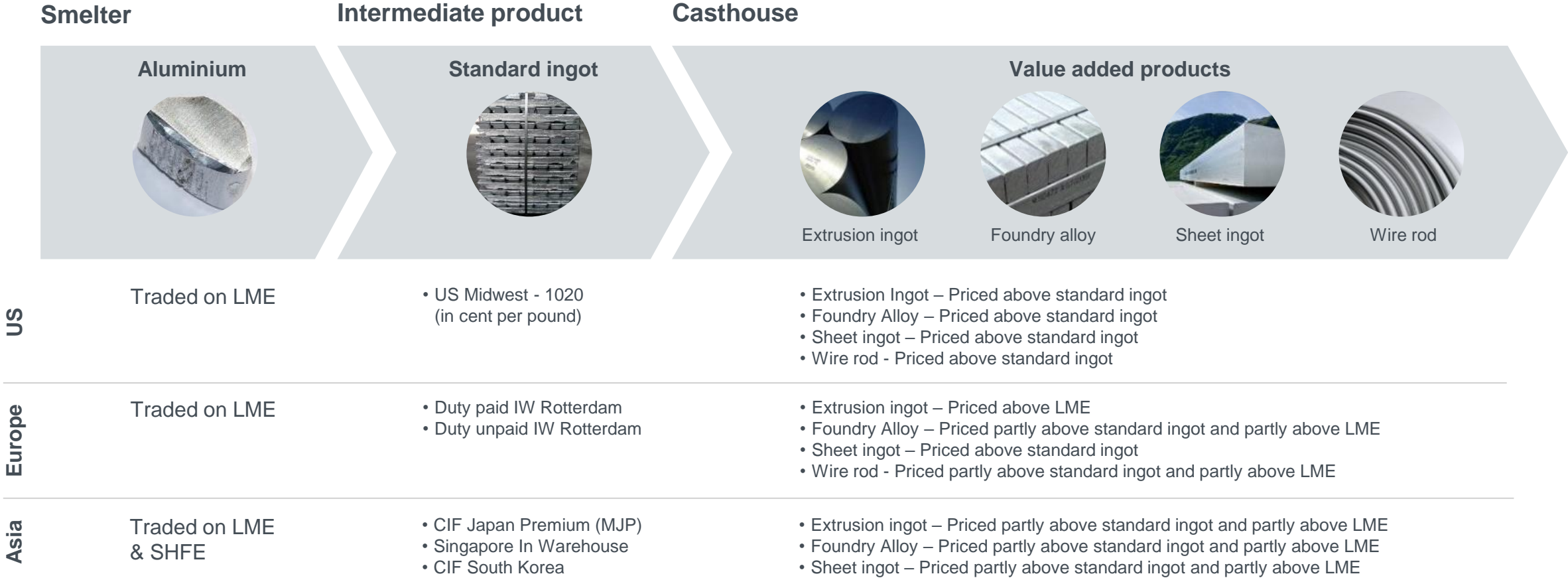
Casthouse production

- Primary production
- Remelting & recycling
- Commercial agreements

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

Numbers are based on 2020 Metal Markets sales, including casthouse and remelter production, standard ingot and external sources

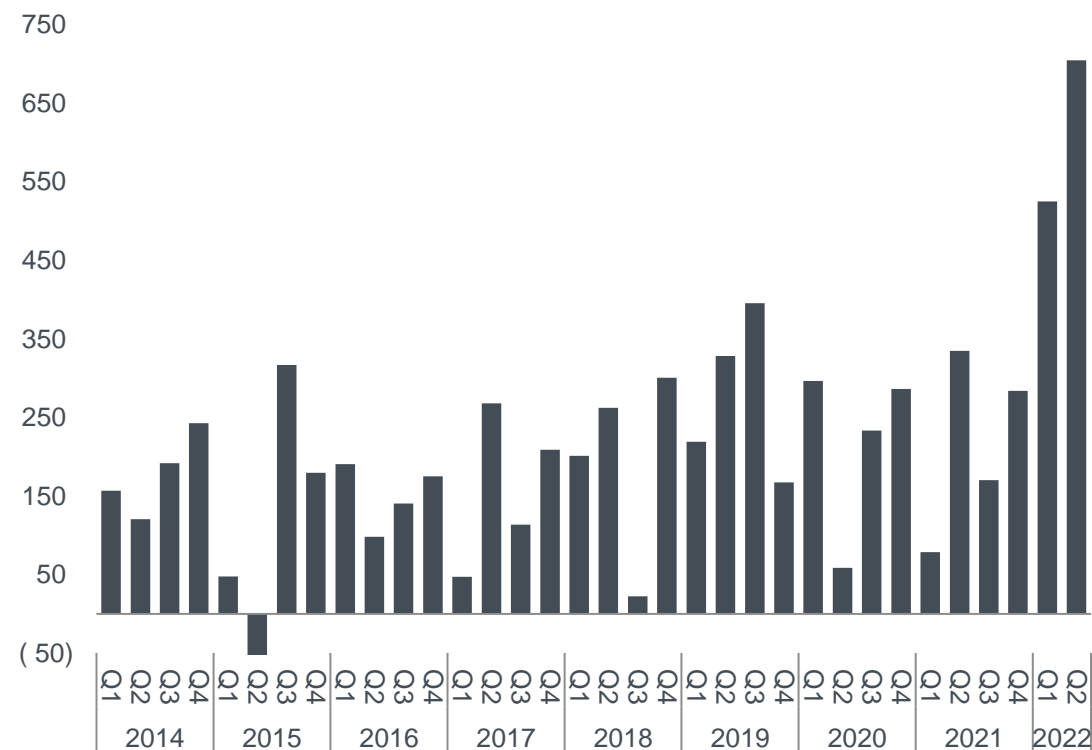
Pricing of value-added products



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 EBITDA at around 300-400 MNOK per quarter, with seasonally higher Q1 and Q2

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



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



Hydro Extrusions

Extrusions – #1 in the global aluminium extrusion industry



Present in

~35
countries

~ 21 300
people ¹⁾

1.3
Million mt sales²⁾

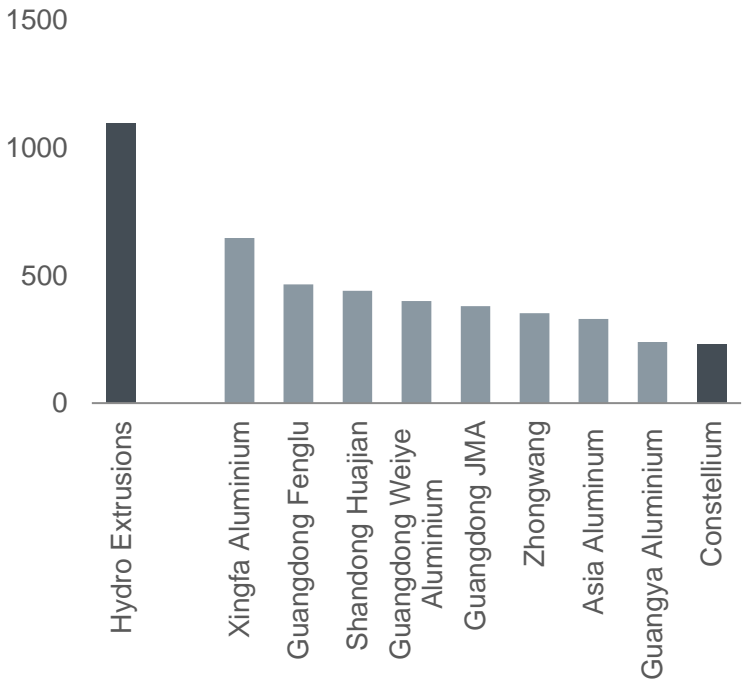


1) Permanent employees as of end-2021
2) Total sales in 2021

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

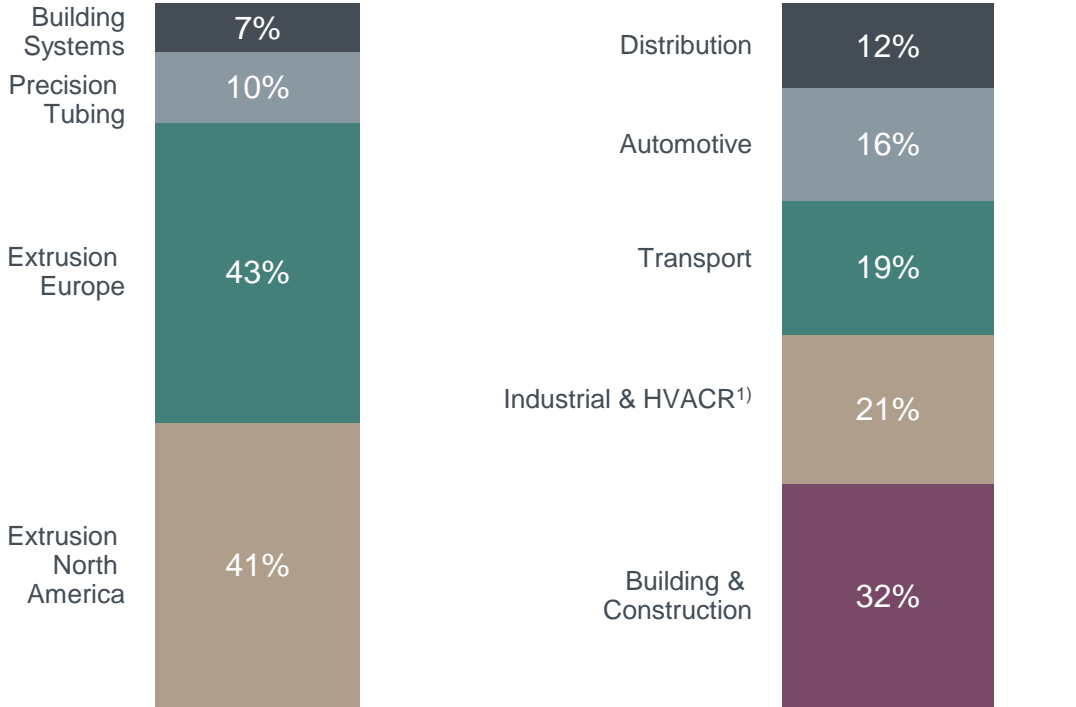
Unrivalled position as #1 extrusions provider globally

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



Four distinct Business Units, all with strong segment presence

Total volume 2021: 1.3 million tonnes¹⁾



1) HVACR: Heat, ventilation, air condition & refrigeration
Source: Company filings, CRU

Organized in four business units to maximize synergies across



21,100 highly competent people across the world, total turnover of BNOK 70

Extrusion Europe



- Market leader focusing on value-added products
- 17% market share
- 32 locations, 9,200 people

Revenue	UEBITDA
BNOK 27.8	BNOK 2.5

Extrusion North America



- Uniquely positioned as the only coast-to-coast supplier
- 21% market share
- 21 locations, 6,100 people

Revenue	UEBITDA
BNOK 26.7	BNOK 2.0

Precision Tubing



- Global Technology market leader in Precision Tubing segment
- 35% market share Europe & the US
- 10 locations, 2,700 people

Revenue	UEBITDA
BNOK 7.0	BNOK 0.6

Building Systems

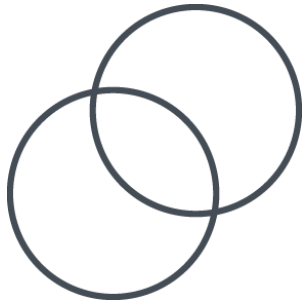


- Leading European player with multi-brand portfolio
- 17% market share in Europe
- Presence in 26 countries, 3,100 people

Revenue	UEBITDA
BNOK 9.5	BNOK 0.9

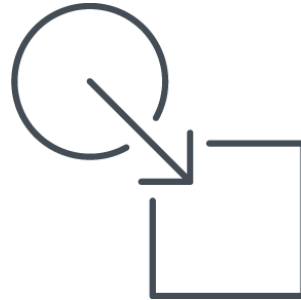
Successful value-over-volume strategy

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



Simplify and collaborate

Simplification drive to increase focus, reduce complexity and cost



Deliver value-added to our customers at a reasonable cost

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



Grow to lift margins and profitability

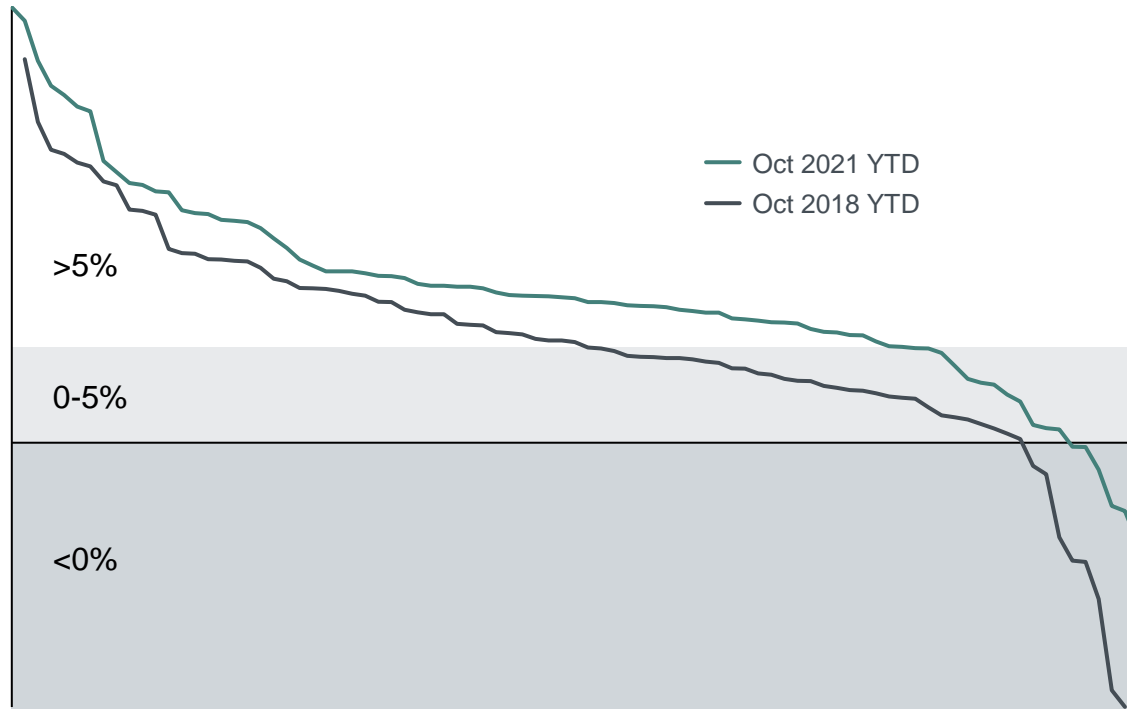
Lifting margins and creating more customer value through selective growth

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



Hydro Extrusions

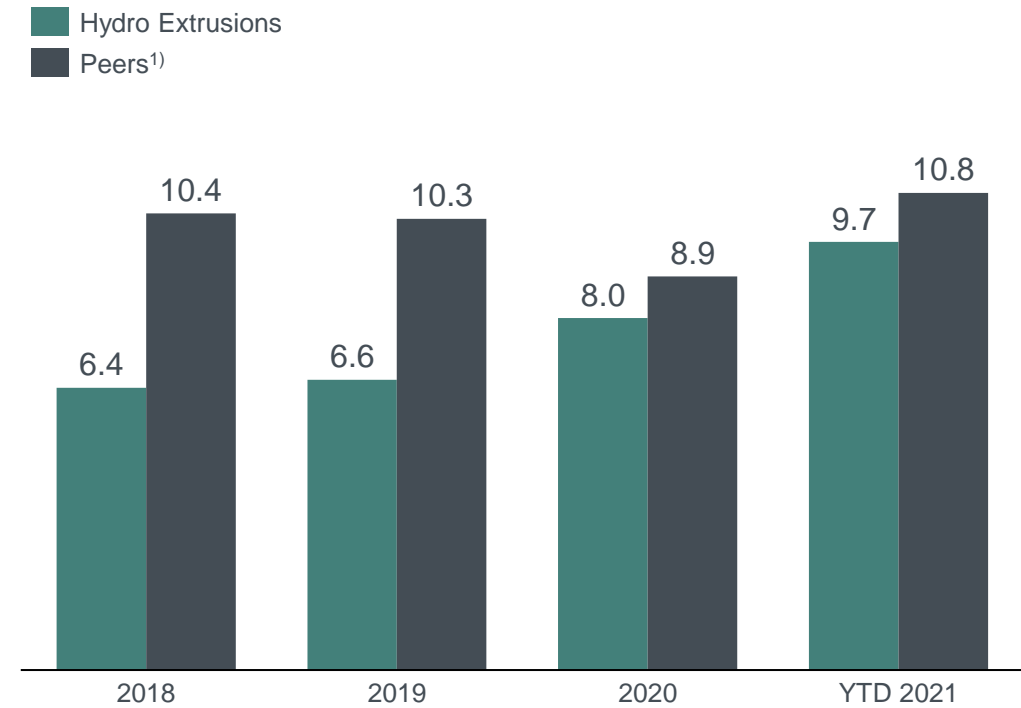
EBITDA-margin per unit in Hydro Extrusion (%)



Total HE portfolio (~100 sites), 1.3 million tonnes

Hydro Extrusions and peers

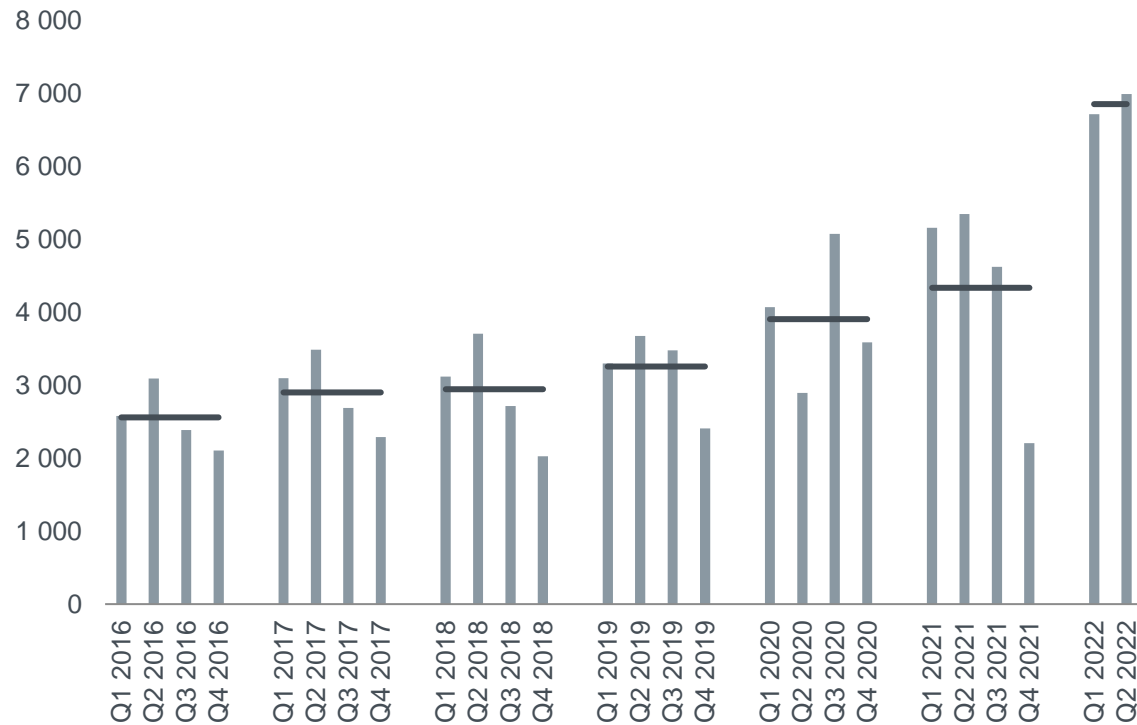
Annual reported EBITDA margins (%)



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

Extrusions earnings drivers

Adjusted EBITDA per tonne¹⁾, NOK



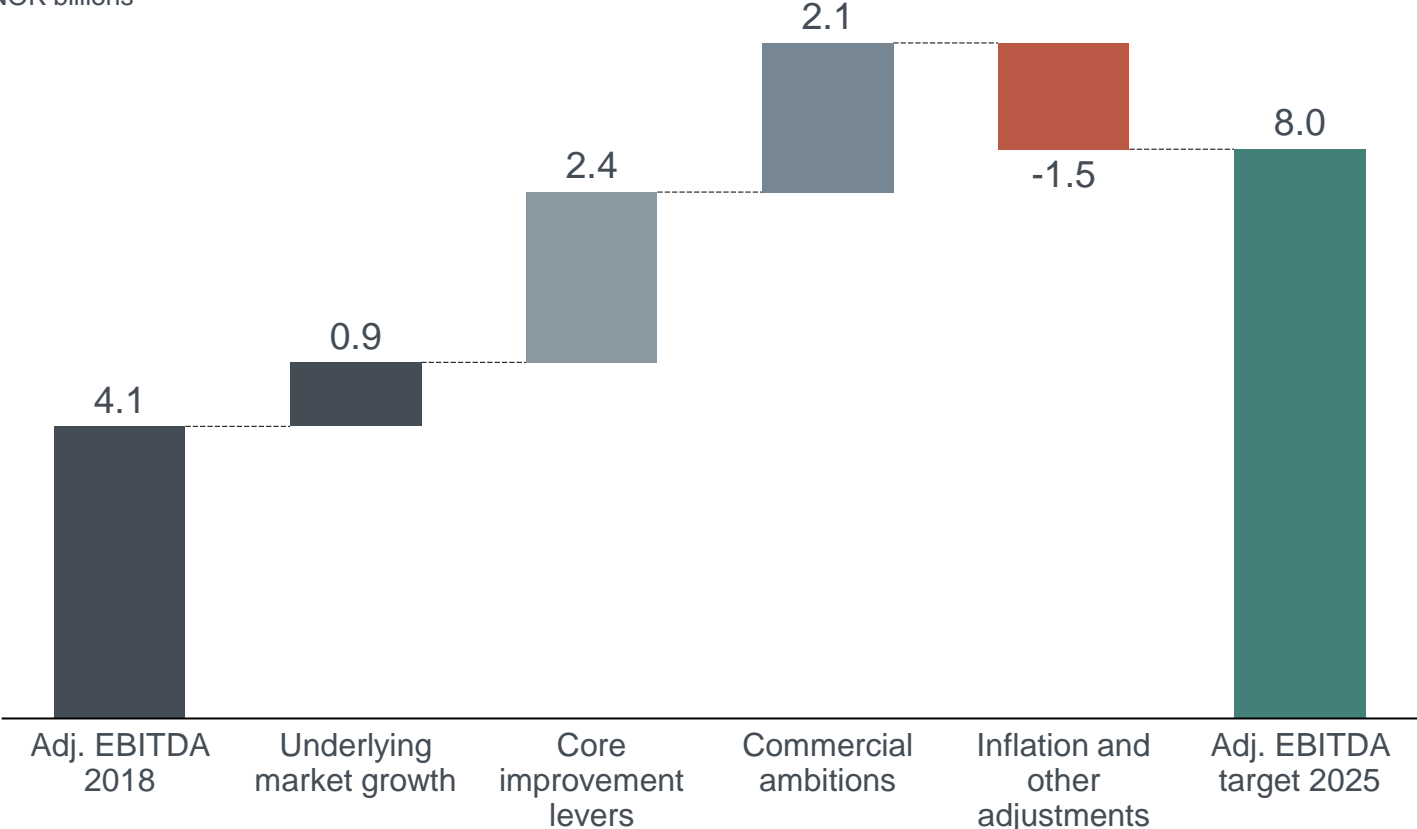
- Contract structure
 - Margin business based on conversion price
 - LME element passed on to customers
 - Mostly short-term contract, typically ranging from spot to 12 months, few longer term contracts with floating price or hedging in place
- High share of variable costs – high level of flexibility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

1) Pro-forma figures

Further improvements and growth agenda providing attractive uplift toward 2025



Extrusions EBITDA
NOK billions



Key improvement levers towards 2025

Underlying market growth

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

Dedicated cost reduction programs

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

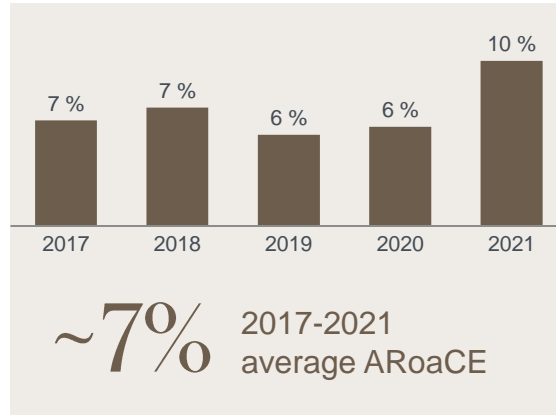
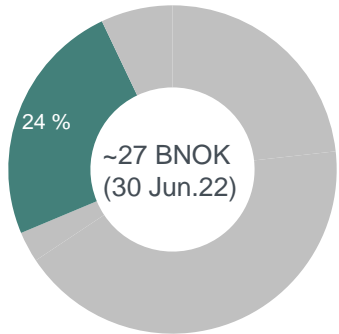
Commercial ambitions

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

Capital return dashboard for Extrusions

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

Capital employed in Extrusions



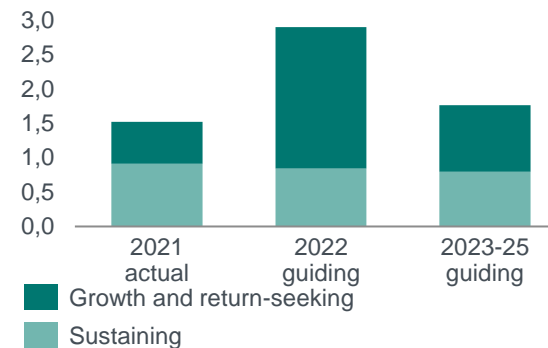
ARoaCE > CoC

7-8%
Nominal long-term cost of capital

2.4 + 2.1
BNOK
on EBITDA by 2025 in improvement potential and commercial ambitions

Investments in new presses and recycling projects to support growth

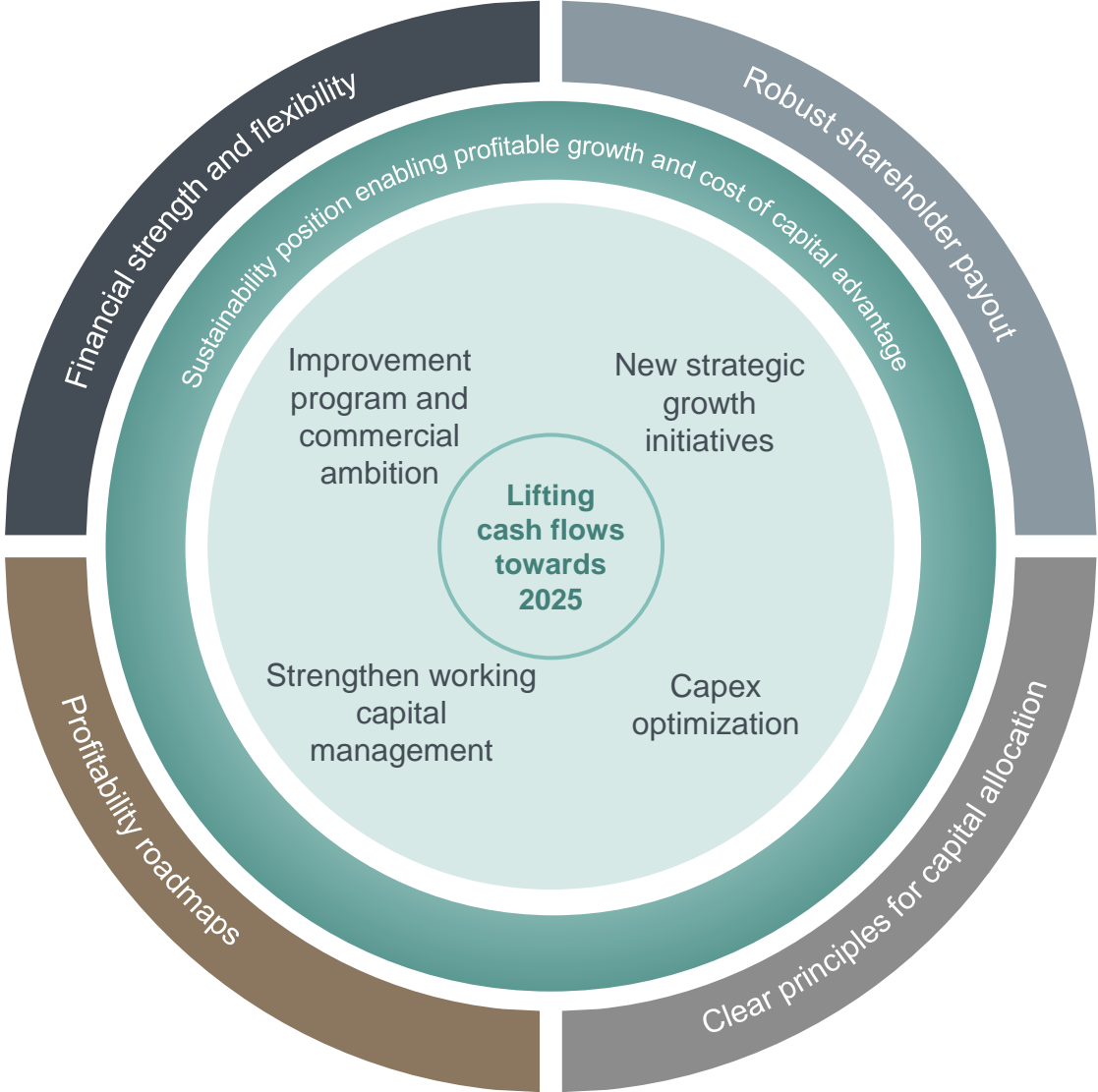
Capex, BNOK



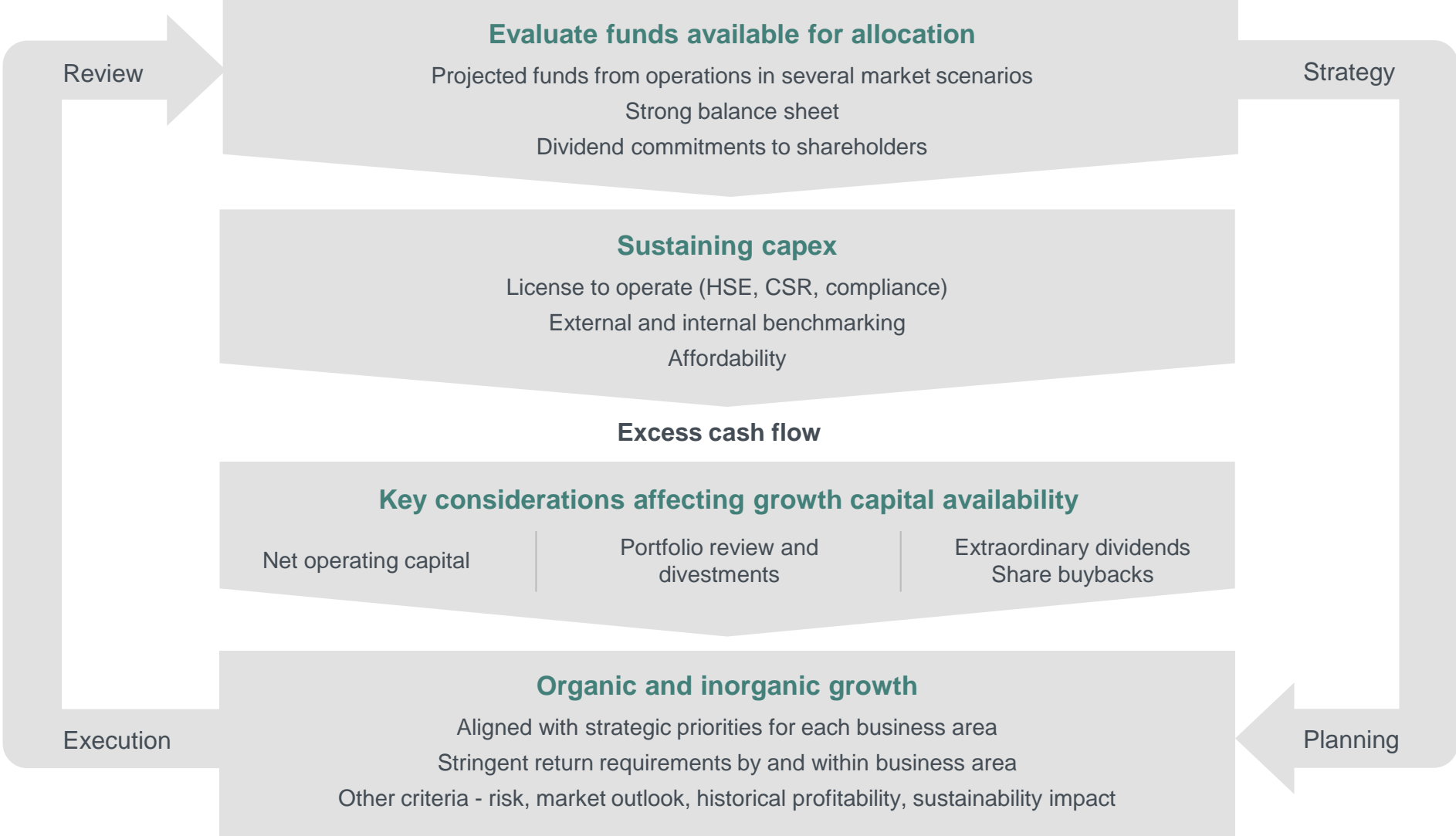


Additional information

Solid framework for lifting returns and cash flow



Clear principles for capital allocation



Shareholder and financial policy

- Aiming for competitive shareholder returns and dividend yield compared to alternative investments in peers
- Dividend policy
 - Average ordinary payout ratio: 50% of adjusted net income over the cycle
 - 1.25 NOK/share to be considered as a floor
 - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
 - Five-year average ordinary pay-out ratio 2017-2021 of ~71%
- Maintain investment-grade credit rating
 - Currently: BBB stable (S&P) & Baa3 stable (Moody's)
 - Competitive access to capital is important for Hydro's business model (counterparty risk and partnerships)
- Financial ratio target over the business cycle
 - Adjusted net debt to adjusted EBITDA < 2x

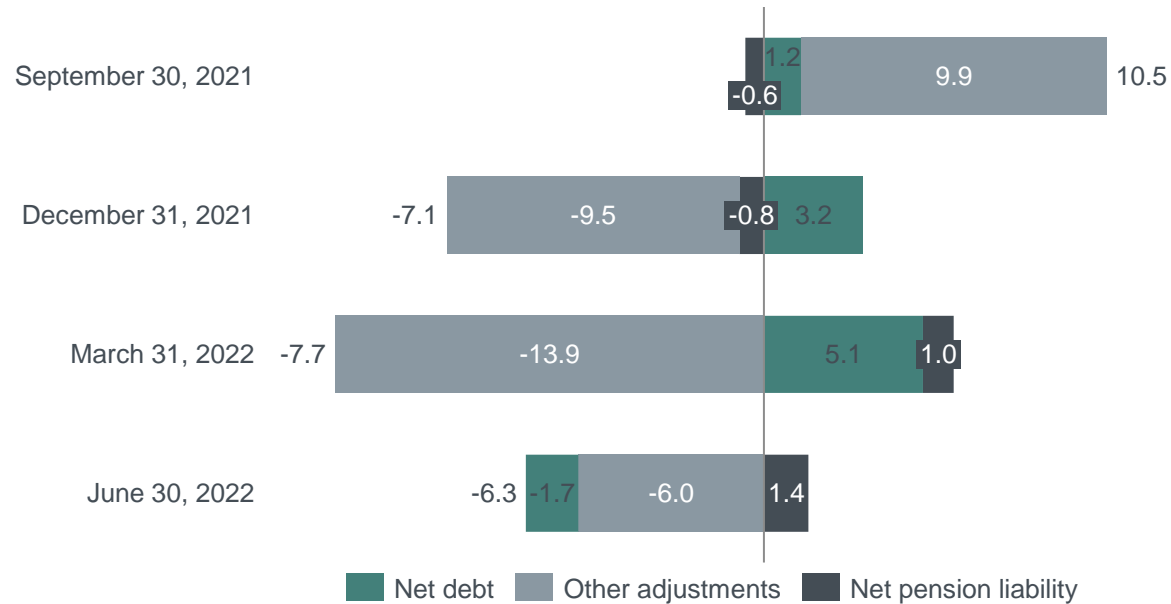
Hedging policy



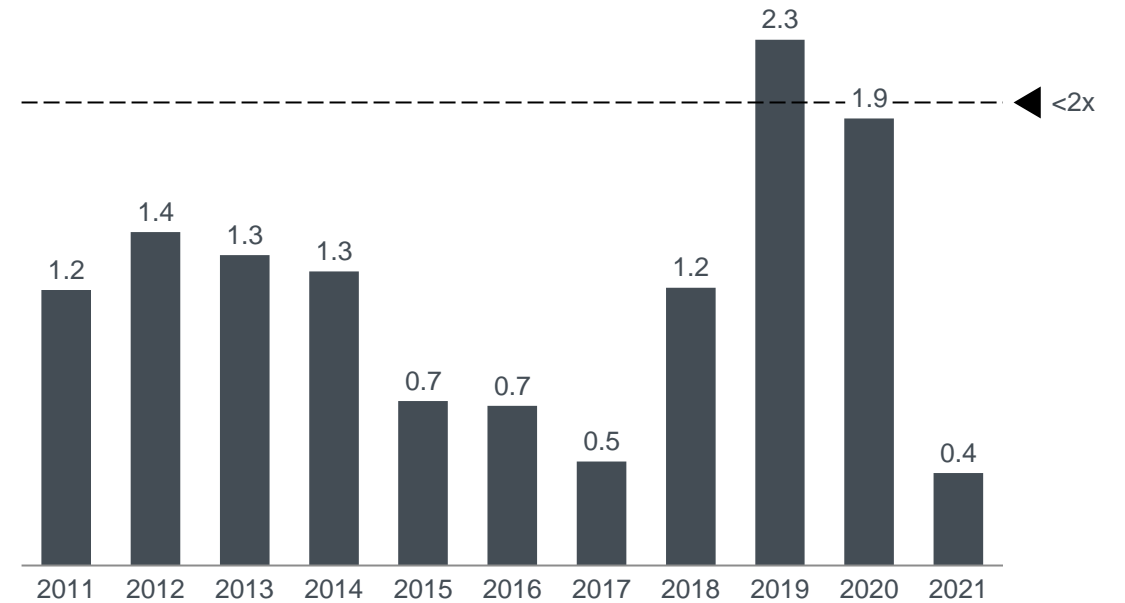
- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to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

Maintaining a solid balance sheet and investment-grade credit rating

Adjusted net debt
BNOK



Adjusted net debt to adjusted EBITDA¹⁾

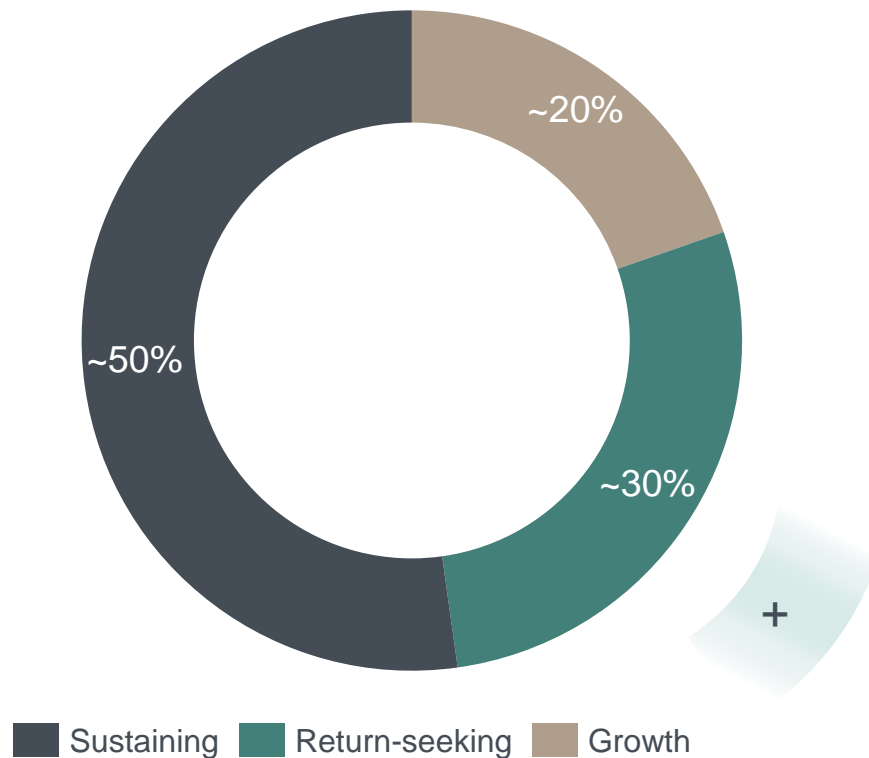


1) Based on four quarter average adjusted net debt. 2011-2013: Based on Adjusted net debt at year-end

Investments based on strategic priorities

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

2022-25e CAPEX outlook
NOK billion



Growth & Return-seeking

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

Sustaining investments

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

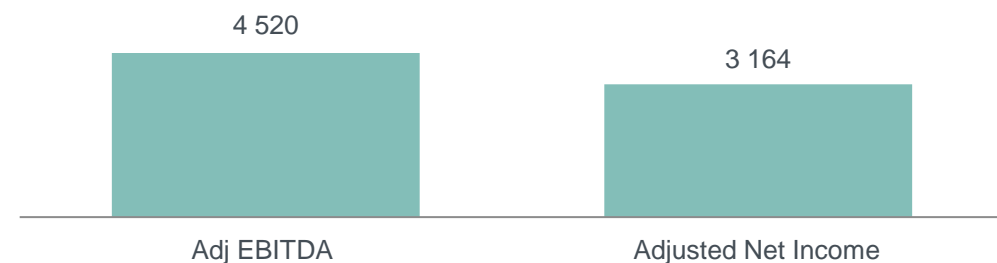
REIN & Havrand

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

Significant exposure to commodity and currency fluctuations

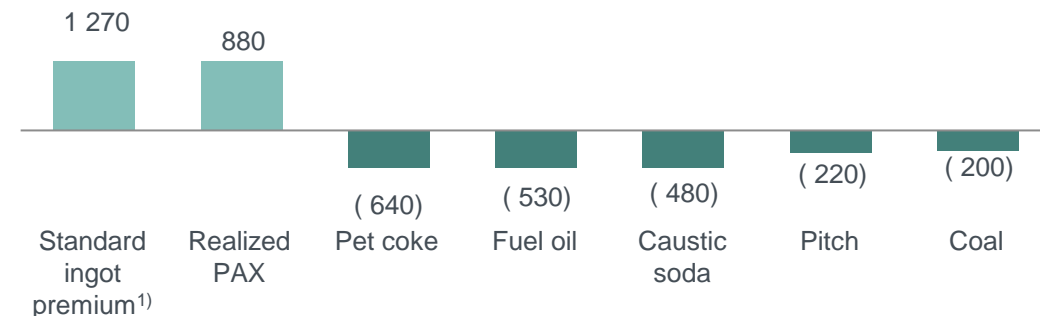
Aluminium price sensitivity +10%

NOK million



Other commodity prices, sensitivity +10%

NOK million



1) Europe duty paid

Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
Adj. EBITDA	4 640	(640)	(240)

One-off reevaluation effect:

Financial items	(470)	620	(4 190)
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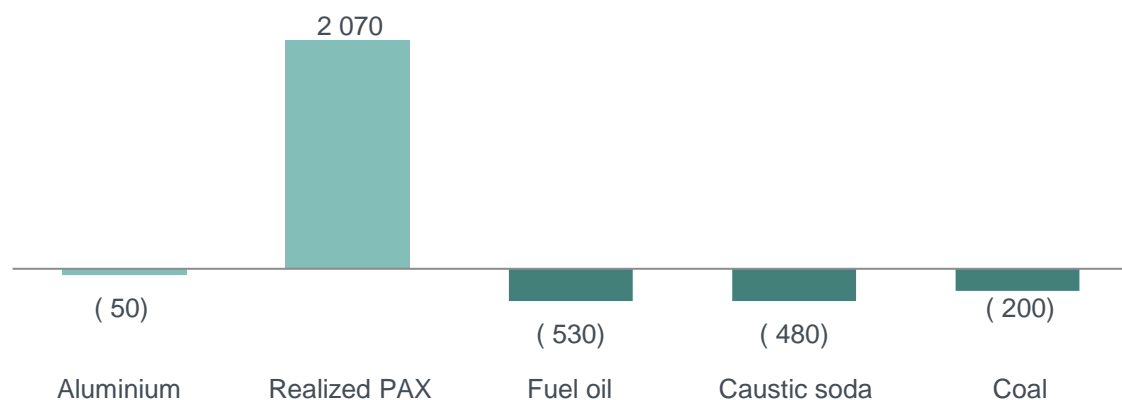
- Annual adjusted sensitivities based on normal annual business volumes. LME USD 3 030 per mt, standard ingot premium 605 USD/mt, PAX 415 USD/mt, fuel oil USD 1 040 per mt, petroleum coke USD 750 per mt, pitch 1 275 EUR/t, caustic soda USD 800 per mt, coal USD 325 per mt, USD/NOK 9.39, BRL/NOK 1.92, EUR/NOK 10.04
- Aluminium price sensitivity is net of aluminium price indexed costs and excluding unrealized effects related to operational hedging
- BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated
- Excludes effects of priced contracts in currencies different from adjusted currency exposure (transaction exposure)
- Currency sensitivity on financial items includes effects from intercompany positions
- 2022 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as UEBITDA sensitivity after 30% tax
- Sensitivities include strategic hedges for 2022 (remaining volumes for 2022, annualized)

Bauxite & Alumina sensitivities



Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
Adj. EBITDA	850	(470)	-

Revenue impact

- Realized alumina price lags PAX by one month

Cost impact

Bauxite

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

Caustic soda

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

Energy

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

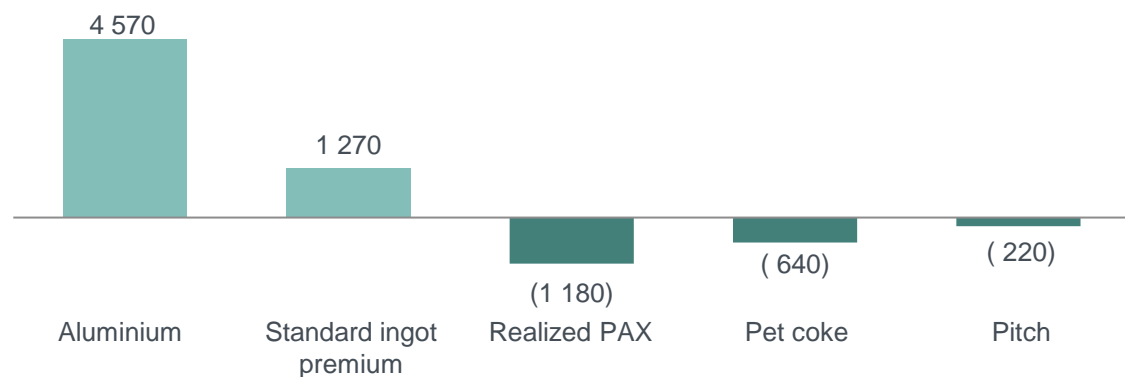
Annual adjusted sensitivities based on normal annual business volumes. LME USD 3030 per mt, standard ingot premium 605 USD/mt, PAX 415 USD/mt, fuel oil USD 1 040 per mt, petroleum coke USD 750 per mt, pitch 1 275 EUR/t, caustic soda USD 800 per mt, coal USD 325 per mt, USD/NOK 9.39, BRL/NOK 1.92, EUR/NOK 10.04
 BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated. 2022 Platts alumina index (PAX) exposure used

Alumimum Metal sensitivities



Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
Adj. EBITDA	3 720	(170)	(800)

Revenue impact

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

Cost impact

Alumina

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

Carbon

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

Power

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

Adjusting items to EBITDA, EBIT and net income



NOK million (+=loss/)=gain)		Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2021
Unrealized derivative effects on raw material contracts	Hydro Bauxite & Alumina	(27)	(84)	(143)	113	(376)	(173)	(141)
Community contributions Brazil	Hydro Bauxite & Alumina	-	-	202	15	-	-	217
Other effects	Hydro Bauxite & Alumina	-	-	-	(46)	-	-	(46)
Total impact	Hydro Bauxite & Alumina	(27)	(84)	59	82	(376)	(173)	30
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	1 256	1 740	2 764	(849)	4 715	(6 374)	4 912
Unrealized effects on power contracts	Hydro Aluminium Metal	34	104	(122)	(2 779)	(766)	1 056	(2 763)
Significant rationalization charges and closure costs	Hydro Aluminium Metal	-	184	13	66	-	(18)	263
Net foreign exchange (gain)/loss	Hydro Aluminium Metal	(35)	(26)	(35)	(23)	(19)	(23)	(120)
Other effects	Hydro Aluminium Metal	-	(232)	-	-	-	(69)	(232)
Total impact	Hydro Aluminium Metal	1 254	1 770	2 621	(3 585)	3 929	(5 428)	2 060
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	24	1	226	(210)	190	(850)	42
Other effects	Hydro Metal Markets	-	-	-	(46)	-	-	(46)
Total impact	Hydro Metal Markets	24	1	226	(256)	190	(850)	(4)
Unrealized derivative effects on LME related contracts	Hydro Extrusions	(98)	(106)	20	306	(442)	543	122
Unrealized derivative effects on power contracts	Hydro Extrusions	-	-	(52)	(20)	(39)	58	(72)
Significant rationalization charges and closure costs	Hydro Extrusions	-	95	17	2	2	13	114
(Gains) / losses on divestments	Hydro Extrusions	-	-	(23)	(4)	(49)	1	(27)
Other effects	Hydro Extrusions	-	-	-	-	-	(74)	-
Total impact	Hydro Extrusions	(98)	(10)	(38)	283	(527)	541	137
Unrealized derivative effects on power contracts	Hydro Energy	(19)	(9)	(22)	(57)	(236)	46	(107)
(Gains) / losses on divestments	Hydro Energy	(45)	-	-	-	-	(65)	(45)
Net foreign exchange (gain)/loss	Hydro Energy	4	6	5	6	4	2	21
Total impact	Hydro Energy	(59)	(3)	(18)	(51)	(232)	(16)	(131)
Unrealized derivative effects on LME related contracts	Other and eliminations	1	10	(6)	9	(15)	(15)	13
(Gains) / losses on divestments	Other and eliminations	-	-	(231)	-	-	-	(231)
Net foreign exchange (gain)/loss	Other and eliminations	9	16	(5)	-	(21)	(26)	20
Other effects	Other and eliminations	-	-	-	66	-	-	66
Total impact	Other and eliminations	10	25	(242)	74	(36)	(41)	(132)
Adjusting items to EBITDA	Hydro	1 103	1 698	2 608	(3 451)	2 948	(5 966)	1 959
Impairment charges	Hydro Aluminium Metal	-	-	-	276	-	-	276
Impairment charges	Hydro Extrusions	122	7	14	7	-	-	150
Depreciation	Hydro Aluminium Metal	101	151	154	108	-	-	513
Adjusting items to EBIT	Hydro	1 326	1 857	2 776	(3 060)	2 948	(5 966)	2 899
Net foreign exchange (gain)/loss	Hydro	(653)	(550)	622	(823)	(2 392)	1 129	(1 404)
Adjusting items to income (loss) before tax	Hydro	673	1 307	3 398	(3 883)	556	(4 838)	1 495
Calculated income tax effect	Hydro	(106)	(555)	(1 027)	1 168	(181)	1 432	(520)
Adjusting items to net income (loss)	Hydro	567	752	2 371	(2 715)	374	(3 406)	976

Operating segment information



Adjusted EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	535	1 047	108	116	556	383	466	1 913	718	484	1 806	3 318
Hydro Aluminium Metal	573	(37)	(156)	844	1 185	2 246	3 684	4 111	4 183	6 349	1 225	11 225
Hydro Metal Markets	261	21	198	248	43	301	133	245	487	666	728	721
Hydro Extrusions	702	89	894	511	1 244	1 266	828	(122)	1 587	1 600	2 196	3 217
Hydro Energy	437	53	132	352	792	713	417	1 674	2 192	777	974	3 596
Other and Eliminations	(565)	(173)	242	(393)	(261)	(17)	(219)	(793)	3	(425)	(889)	(1 291)
Total	1 943	1 000	1 419	1 678	3 559	4 891	5 309	7 026	9 170	9 452	6 040	20 786

Adjusted EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	1 102	1 550	578	587	999	855	1 055	2 426	1 270	1 117	3 817	5 336
Hydro Aluminium Metal	1 197	560	404	1 432	1 754	2 807	4 263	4 676	4 765	6 977	3 593	13 500
Hydro Metal Markets	296	58	233	287	78	335	170	284	525	705	875	867
Hydro Extrusions	1 242	649	1 412	1 044	1 744	1 830	1 457	665	2 331	2 365	4 348	5 695
Hydro Energy	505	122	200	419	841	761	465	1 723	2 239	824	1 245	3 790
Other and Eliminations	(532)	(144)	272	(366)	(234)	10	(192)	(762)	35	(395)	(771)	(1 178)
Total	3 810	2 794	3 100	3 403	5 182	6 598	7 219	9 011	11 165	11 594	13 106	28 010

Operating segment information



EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	406	1 047	108	111	583	467	407	1 830	1 094	657	1 672	3 288
Hydro Aluminium Metal	784	(777)	(93)	880	(171)	325	909	7 311	254	11 777	794	8 376
Hydro Metal Markets	485	(319)	385	216	19	299	(93)	500	297	1 516	766	725
Hydro Extrusions	628	(1 548)	1 038	331	1 220	1 269	852	(412)	2 114	1 059	449	2 929
Hydro Energy	454	20	118	5 665	851	716	435	1 724	2 424	793	6 258	3 727
Other and Eliminations	(530)	(11)	337	(379)	(271)	(43)	23	(868)	39	(385)	(582)	(1 158)
Total	2 228	(1 588)	1 893	6 824	2 233	3 034	2 533	10 086	6 222	15 418	9 356	17 887

EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	973	1 550	578	582	1 026	940	996	2 344	1 647	1 290	3 683	5 306
Hydro Aluminium Metal	1 408	324	467	1 468	500	1 037	1 642	8 260	836	12 405	3 667	11 440
Hydro Metal Markets	521	(282)	420	254	55	333	(56)	540	335	1 556	913	872
Hydro Extrusions	1 181	496	1 633	915	1 842	1 840	1 495	381	2 858	1 824	4 225	5 558
Hydro Energy	523	88	186	5 732	900	764	483	1 774	2 471	840	6 529	3 921
Other and Eliminations	(497)	(144)	367	(351)	(244)	(15)	50	(837)	71	(354)	(625)	(1 046)
Total	4 107	2 032	3 651	8 601	4 079	4 899	4 610	12 462	8 217	17 561	18 390	26 050

Operating segment information



Total revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	6 029	6 173	5 334	5 503	6 026	5 976	6 984	8 713	7 901	9 413	23 039	27 699
Hydro Aluminium Metal	9 753	7 720	8 228	8 702	8 953	9 467	9 964	14 164	11 094	24 583	34 404	42 548
Hydro Metal Markets	12 912	10 485	11 290	12 178	13 624	15 275	16 447	19 715	22 674	27 698	46 865	65 061
Hydro Extrusions	15 140	11 593	13 372	14 390	16 334	17 470	17 984	18 509	23 468	25 269	54 496	70 296
Hydro Energy	2 115	1 423	1 539	1 890	2 343	2 213	2 116	3 477	4 268	2 456	6 967	10 149
Other and Eliminations	(14 340)	(12 051)	(12 247)	(12 842)	(15 327)	(15 843)	(16 784)	(18 146)	(22 788)	(24 626)	(51 479)	(66 099)
Total	31 609	25 343	27 516	29 823	31 951	34 559	36 710	46 433	46 616	64 793	114 291	149 654

External revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	3 249	3 792	3 167	3 173	3 546	3 538	4 533	5 471	5 052	5 864	13 381	17 088
Hydro Aluminium Metal	1 968	1 393	1 632	2 046	762	621	310	3 681	(2 518)	8 640	7 039	5 373
Hydro Metal Markets	10 353	8 510	9 242	9 788	10 789	12 552	13 831	16 993	18 472	24 420	37 893	54 165
Hydro Extrusions	15 215	11 581	13 344	14 401	16 203	17 346	17 829	18 505	23 199	25 228	54 542	69 883
Hydro Energy	633	47	137	443	787	486	204	1 780	2 415	646	1 261	3 257
Other and Eliminations	191	20	(7)	(29)	(136)	16	4	2	(5)	(6)	175	(113)
Total	31 609	25 343	27 516	29 823	31 951	34 559	36 710	46 433	46 616	64 793	114 291	149 654

Operating segment information



Internal revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	2 780	2 380	2 168	2 330	2 479	2 438	2 452	3 242	2 848	3 549	9 658	10 610
Hydro Aluminium Metal	7 785	6 328	6 596	6 656	8 191	8 846	9 654	10 484	13 611	15 943	27 365	37 175
Hydro Metal Markets	2 559	1 975	2 047	2 390	2 835	2 723	2 616	2 722	4 201	3 277	8 972	10 896
Hydro Extrusions	(76)	12	28	(11)	131	125	154	3	269	41	(47)	413
Hydro Energy	1 482	1 376	1 402	1 447	1 556	1 727	1 912	1 697	1 853	1 810	5 706	6 891
Other and Eliminations	(14 530)	(12 070)	(12 241)	(12 813)	(15 191)	(15 858)	(16 788)	(18 148)	(22 783)	(24 620)	(51 654)	(65 986)
Total	-	-	-	-	-	-	-	-	-	-	-	-

Share of profit /(loss) in equity accounted investments

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-	-	-
Hydro Aluminium Metal	40	26	6	185	147	513	336	513	383	626	256	1 509
Hydro Metal Markets	-	-	-	-	-	-	-	-	-	-	-	-
Hydro Extrusions	-	-	-	-	-	-	-	-	-	-	-	-
Hydro Energy	(12)	(5)	(16)	(6)	(23)	(32)	(25)	(25)	(28)	(39)	(39)	(104)
Other and Eliminations	(31)	28	34	(24)	1	(20)	(31)	(15)	22	(184)	7	(65)
Total	(4)	48	24	155	125	462	280	473	377	403	223	1 340

Operating segment information

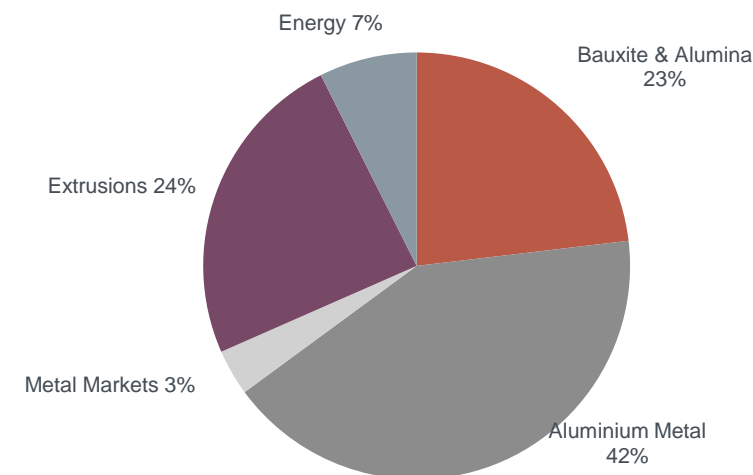


Return on average capital employed ¹⁾ (RoCE)

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

Capital employed – upstream focus

NOK million	Jun 30, 2022
Hydro Bauxite & Alumina	25 712
Hydro Aluminium Metal	46 485
Hydro Metal Markets	3 881
Hydro Extrusions	26 891
Hydro Energy	8 240
Other and Eliminations	(4 480)
Total	106 728



Graph excludes BNOK (4.5) in capital employed in Other and Eliminations

1) RoCE at business area level is calculated using 25% tax rate (30% tax rate applied for years prior to 2017). For Hydro Energy, 40% tax rate is used for 2021, 80% for 2020 and 2019, 70% for 2018, 65% for 2017, 60% for 2016 and 55% for 2015.

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

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

Operating segment information



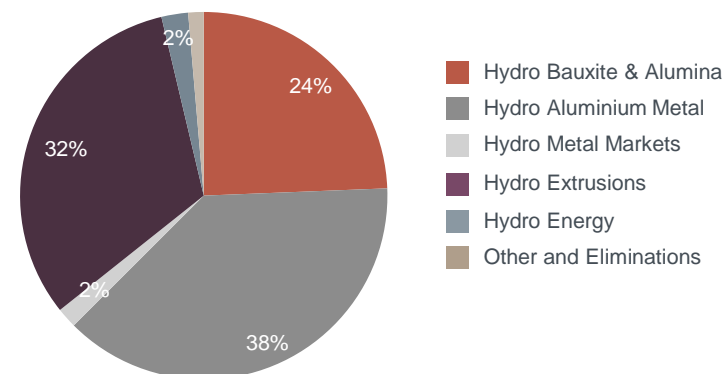
Depreciation, amortization and impairment

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Bauxite & Alumina	567	503	470	472	443	472	589	514	553	633	2 011	2 018
Hydro Aluminium Metal	655	1 130	589	618	694	736	756	972	605	651	2 992	3 158
Hydro Metal Markets	36	37	35	40	36	35	37	41	38	39	149	149
Hydro Extrusions	554	2 046	597	587	628	573	645	804	746	767	3 785	2 649
Hydro Energy	65	65	64	66	49	48	48	49	47	47	260	194
Other and Eliminations	32	(133)	30	27	27	28	27	31	32	31	(43)	113
Total	1 909	3 649	1 786	1 810	1 876	1 892	2 102	2 411	2 020	2 168	9 153	8 281

Indicative depreciation currency exposure by business area

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

Depreciation by business area 2021, 8.3 BNOK



Income statements



NOK million	Q2 2022	Q2 2021	Q1 2022	First half 2022	First half 2021	Year 2021
Revenue	64 793	34 559	46 616	111 409	66 510	149 654
Share of the profit (loss) in equity accounted investments	403	462	377	781	587	1 340
Other income, net	877	322	443	1 319	699	2 219
Total revenue and income	66 072	35 342	47 436	113 509	67 796	153 212
Raw material and energy expense	37 031	21 213	29 160	66 191	40 338	88 843
Employee benefit expense	5 976	5 206	5 521	11 497	10 218	20 287
Depreciation and amortization expense	2 167	1 885	2 020	4 187	3 639	7 844
Impairment of non-current assets	0	7	0	0	129	437
Other expenses	5 480	3 997	4 514	9 993	8 204	17 914
Earnings before financial items and tax (EBIT)	15 418	3 034	6 222	21 640	5 267	17 887
Finance income	86	62	85	171	101	263
Finance expense	(1 397)	294	2 108	712	678	248
Income (loss) before tax	14 108	3 389	8 416	22 523	6 046	18 397
Income taxes	(2 971)	(992)	(2 005)	(4 976)	(1 768)	(4 467)
Income (loss) from continuing operations	11 136	2 397	6 411	17 547	4 278	13 930
Income (loss) from discontinued operations	0	407	0	0	27	12
Net income (loss)	11 136	2 805	6 411	17 547	4 305	13 942
Net income (loss) attributable to non-controlling interests	(141)	220	671	531	279	1 782
Net income (loss) attributable to Hydro shareholders	11 277	2 585	5 739	17 016	4 026	12 160
Earnings per share from continuing operations	5.49	1.06	2.80	8.29	1.95	5.92
Earnings per share from discontinued operations	0.00	0.20	0.00	0.00	0.01	0.01
Earnings per share attributable to Hydro shareholders	5.49	1.26	2.80	8.29	1.96	5.93

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Income (loss) from continuing operations	(1 743)	(1 487)	(111)	7 226	1 880	2 397	1 127	8 525	6 411	11 136	3 886	13 930
Net income (loss)	(2 025)	(1 471)	(221)	5 377	1 500	2 805	1 108	8 529	6 411	11 136	1 660	13 942
Adjusted net income (loss) from continuing operations	834	318	607	1 089	2 448	3 150	3 498	5 810	6 785	7 731	2 848	14 905
Earnings per share from continuing operations	(0.75)	(0.62)	(0.05)	3.40	0.89	1.06	0.50	3.47	2.80	5.49	1.99	5.92
Earnings per share attributable to Hydro shareholders	(0.88)	(0.61)	(0.11)	2.50	0.70	1.26	0.49	3.47	2.80	5.49	0.90	5.93
Adjusted earnings per share from continuing operations	0.39	0.17	0.28	0.47	1.15	1.45	1.60	2.57	3.17	3.63	1.32	6.77

Balance sheet



NOK million	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Cash and cash equivalents	24 507	21 161	22 923	18 792	20 147	15 011
Short-term investments	1 882	8 588	6 763	7 020	3 607	4 348
Trade and other receivables	29 164	25 955	20 579	19 869	19 838	16 795
Inventories	29 415	25 237	21 791	18 966	16 454	14 316
Other current financial assets	6 543	4 719	3 656	854	659	328
Assets held for sale	-	-	-	-	-	17 069
Property, plant and equipment	58 920	56 599	54 605	54 642	56 353	53 890
Intangible assets	9 374	8 986	8 725	8 852	9 174	8 796
Investments accounted for using the equity method	20 055	18 257	17 942	17 661	17 426	17 227
Prepaid pension	9 814	9 837	8 894	8 268	7 976	7 812
Other non-current assets	8 400	12 398	8 633	10 010	8 793	6 634
Total assets	198 074	191 737	174 512	164 934	160 427	162 228
Bank loans and other interest-bearing short-term debt	7 796	7 072	6 428	4 186	4 183	4 701
Trade and other payables	29 156	25 130	22 710	20 219	20 302	17 462
Other current liabilities	10 724	12 536	10 430	7 058	5 191	4 036
Liabilities included in disposal group	-	-	-	-	-	12 266
Long-term debt	21 054	21 073	21 989	25 495	24 562	23 658
Provisions	5 539	5 164	4 772	4 270	4 475	4 132
Pension liabilities	7 882	8 409	9 621	9 489	9 550	9 341
Deferred tax liabilities	5 304	5 281	3 665	4 560	4 343	3 535
Other non-current liabilities	5 585	7 564	6 516	8 701	6 276	5 393
Equity attributable to Hydro shareholders	99 347	93 906	84 064	77 535	77 908	74 745
Non-controlling interests	5 688	5 603	4 316	3 421	3 637	2 958
Total liabilities and equity	198 074	191 737	174 512	164 934	160 427	162 228

Operational data



Hydro Bauxite & Alumina	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Alumina production (kmt)	1 531	1 442	1 074	1 410	1 540	1 586	1 579	1 600	1 519	1 536	5 457	6 305
Sourced alumina (kmt)	664	667	940	783	698	737	806	765	741	758	3 053	3 006
Total alumina sales (kmt)	2 140	2 243	1 990	2 122	2 269	2 349	2 355	2 655	2 251	2 305	8 495	9 628
Realized alumina price (USD) ¹⁾	278	261	260	272	287	287	284	393	391	430	268	313
Implied alumina cost (USD) ²⁾	226	192	228	241	235	244	233	289	327	378	221	249
Bauxite production (kmt) ³⁾	2 585	2 332	1 167	2 556	2 813	2 660	2 756	2 696	2 638	2 736	8 640	10 926
Sourced bauxite (kmt) ⁴⁾	1 514	1 315	2 051	1 351	1 103	1 676	1 472	1 427	856	1 674	6 231	5 677
Adjusted EBITDA margin ¹¹⁾	18.3%	25.1%	10.8%	10.7%	16.6%	14.3%	15.1%	27.8%	16.1%	11.9%	16.6%	19.3%

Hydro Aluminium Metal ⁵⁾	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Realized aluminium price LME, USD/mt	1 758	1 579	1 596	1 792	1 994	2 210	2 419	2 675	2 662	3 031	1 685	2 317
Realized aluminium price LME, NOK/mt ⁷⁾	16 658	15 689	14 712	16 364	17 008	18 528	20 910	23 087	23 542	28 461	15 870	19 819
Realized premium above LME, USD/mt ⁶⁾	234	212	211	224	264	332	449	565	786	870	220	400
Realized premium above LME, NOK/mt ⁶⁾⁷⁾	2 212	2 106	1 946	2 042	2 253	2 780	3 878	4 873	6 954	8 167	2 077	3 420
Realized NOK/USD exchange rate ⁷⁾	9.47	9.93	9.22	9.13	8.53	8.38	8.64	8.63	8.84	9.39	9.42	8.55
Implied primary cost (USD) ⁸⁾	1 450	1 400	1 450	1 425	1 500	1 525	1 450	1 600	1 550	1 500	1 425	1 500
Implied all-in primary cost (USD) ⁹⁾	1 700	1 600	1 650	1 650	1 825	1 900	1 925	2 175	2 450	2 500	1 650	1 950
Hydro Aluminium Metal production, kmt	528	509	522	532	539	561	573	571	540	532	2 091	2 244
Casthouse production, kmt	504	478	508	523	534	553	560	568	555	542	2 013	2 214
Total sales, kmt ¹⁰⁾	577	510	548	547	599	594	583	572	600	581	2 182	2 347
Adjusted EBITDA margin ¹¹⁾	12.3%	7.2%	4.9%	16.4%	19.6%	29.6%	42.8%	33.0%	43.0%	28.4%	10.4%	31.7%

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

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

3) Paragominas production, on wet basis

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

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

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

7) Including strategic hedges /hedge accounting applied

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

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

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

11) Adjusted EBITDA divided by total revenues

Operational data



Hydro Metal Markets	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Remelt production (1 000 mt)	137	88	124	140	143	154	132	144	151	158	488	572
Third-party sales (1 000 mt)	79	85	85	77	77	78	72	85	72	74	326	311
Hydro Metal Markets sales excl. ingot trading (1 000 mt) ¹⁾	675	606	668	672	742	735	675	681	731	710	2 621	2 833
Hereof external sales excl. ingot trading (1 000 mt)	554	459	526	549	588	607	573	574	610	607	2 088	2 342
External revenue (NOK million)	10 353	8 510	9 242	9 788	10 789	12 552	13 831	16 993	18 472	24 420	37 893	54 165

Hydro Extrusions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Hydro Extrusions external shipments (1 000 mt)	305	224	278	291	338	342	315	301	347	338	1 099	1 296
Hydro Extrusions – Pro-forma adjusted EBIT per mt, NOK	2 301	398	3 214	1 755	3 680	3 706	2 629	(404)	4 568	4 740	1 999	2 482
Adjusted EBITDA margin ²⁾	8.2%	5.6%	10.6%	7.2%	10.7%	10.5%	8.1%	3.6%	9.9%	9.4%	8.0%	8.1%

Hydro Energy	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Year 2020	Year 2021
Power production, GWh	2 868	2 097	3 161	3 396	2 857	2 374	1 688	2 136	2 730	1 602	11 522	9 055
Net spot sales, GWh	1 169	444	1 401	1 595	1 126	334	(401)	305	986	(433)	4 609	1 364
Nordic spot electricity price, NOK/MWh	158	62	95	148	435	423	704	969	1 090	1 211	116	634
Southern Norway spot electricity price (NO2), NOK/MWh	154	50	52	137	469	493	807	1 271	1 504	1 752	98	762
Adjusted EBITDA margin ²⁾	23.9%	8.5%	13.0%	22.2%	35.9%	34.4%	22.0%	49.5%	52.5%	33.6%	17.9%	37.5%

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

2) Adjusted EBITDA divided by total revenues

Hydro Extrusions, information by business area



Precision Tubing	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021	Q1 2022	Q2 2022
Volume (kmt)	29	17	28	33	108	35	33	30	29	127	31	28
Operating revenues (NOKm)	1 487	931	1 360	1 583	5 361	1 718	1 742	1 715	1 822	6 997	2 091	2 038
Adjusted EBITDA (NOKm)	118	139	167	178	602	210	173	184	56	622	184	95
Adjusted EBIT (NOKm)	57	74	113	115	359	157	103	115	(38)	337	82	(3)

Building Systems	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021	Q1 2022	Q2 2022
Volume (kmt)	19	17	19	20	74	21	22	20	22	85	24	24
Operating revenues (NOKm)	2 199	1 991	2 032	2 211	8 432	2 315	2 434	2 268	2 448	9 465	2 854	3 168
Adjusted EBITDA (NOKm)	156	206	260	171	792	245	299	212	161	918	264	287
Adjusted EBIT (NOKm)	52	101	155	63	371	149	196	108	44	497	156	179

Other and eliminations	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021	Q1 2022	Q2 2022
Adjusted EBITDA (NOKm)	(79)	(48)	(58)	(71)	(256)	(73)	(27)	(71)	(91)	(262)	(59)	(67)
Adjusted EBIT (NOKm)	(82)	(52)	(61)	(74)	(269)	(77)	(31)	(74)	(95)	(276)	(62)	(71)

Extrusion Europe	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021	Q1 2022	Q2 2022
Volume (kmt)	127	94	113	118	451	144	147	129	130	550	151	144
Operating revenues (NOKm)	5 804	4 440	5 068	5 531	20 843	6 529	6 916	6 827	7 527	27 799	9 532	10 147
Adjusted EBITDA (NOKm)	436	142	478	466	1 523	705	716	563	471	2 456	1 035	1 025
Adjusted EBIT (NOKm)	228	(75)	283	266	703	501	502	318	203	1 525	782	767

Extrusion North America	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year 2021	Q1 2022	Q2 2022
Volume (kmt)	130	96	119	121	465	137	140	136	120	534	142	141
Operating revenues (NOKm)	5 885	4 554	5 067	5 288	20 794	5 904	6 501	7 319	7 002	26 726	9 096	10 263
Adjusted EBITDA (NOKm)	599	220	563	310	1 691	663	689	562	67	1 980	895	1 042
Adjusted EBIT (NOKm)	435	49	402	151	1 036	518	517	355	(238)	1 152	618	743

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Next event

**Third quarter results
October 25, 2022**

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Hydro

Industries that matter