Capital Markets Day
Lifting profitability, driving sustainability
Hydro 2025

Oslo, December 13, 2021
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.
Agenda

09.00 – 09.05  Welcome
09.05 – 10.30  Hydro
10.30 – 10.45  Break
10.45 – 11.30  Financial priorities
11.30 – 12.30  Q&A
Sustainable value creation
Delivering on our key strategic priorities

Lifting profitability, Driving sustainability

Deliver on three value-creation levers

• Improvement program, commercial ambition, strategic growth areas

Finalize strategic review Hydro Rolling

Achieve 10% RoaCE target over the cycle

Reduce CO₂ emissions by 30% by 2030

Meet and shape demand for greener products

Status

✓

Adjusted RoaCE

13%

LTM Q3 2021

Adjusted EBITDA

22 BNOK

LTM Q3 2021

2021 Shareholder Distribution

70-80%

of adjusted net income

Greener products sales volumes

+3x YOY

YTD Q3 2021
A year of strong markets but also uncertainty

Long-term global agenda focusing on climate crisis
Aluminium part of the solution to the global climate crisis

Rising demand across all segments

Sustainable and smart mobility

Renovated, energy efficient buildings

Cleaner energy and cutting-edge clean technological innovation

Longer lasting products that can be repaired, recycled and re-used

Semis demand\(^1\)

- Tonnes millions

- 2021: 45
- 2025: 54
- 2030: 63

- +4%

Semis demand – Auto\(^1\)

- Tonnes millions

- 2021: 14
- 2025: 18
- 2030: 20

- +4%

Semis demand – B&C\(^1\)

- Tonnes millions

- 2021: 8
- 2025: 10
- 2030: 11

- +4%

Semis demand – Energy/electricity\(^1\)

- Tonnes millions

- 2021: 6
- 2025: 7
- 2030: 9

- +5%

Recycled aluminium production\(^1\)

- Tonnes millions

- 2021: 17
- 2025: 20
- 2030: 25

- +5%

1) All figures World ex-China

Source: CRU
Grand Opera House, Shanghai, China

Times Square, New York City, USA

Bibliotheca Alexandrina, Alexandria, Egypt

Norwegian National Opera and Ballet, Oslo, Norway

National September 11 Memorial Museum Pavilion, New York City, USA

“Under” – Europe’s First Underwater Restaurant, Lindesnes, Norway

Snøhetta
Expecting strong demand for greener aluminium

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

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>~20</td>
<td>~30</td>
<td>~40</td>
</tr>
<tr>
<td>Energy &amp; Engineering</td>
<td>~30</td>
<td>~40</td>
<td>~50</td>
</tr>
<tr>
<td>B&amp;C</td>
<td>~30</td>
<td>~40</td>
<td>~50</td>
</tr>
<tr>
<td>Consumer</td>
<td>~30</td>
<td>~40</td>
<td>~60</td>
</tr>
<tr>
<td>Packaging</td>
<td>~20</td>
<td>~30</td>
<td>~40</td>
</tr>
<tr>
<td>Automotive</td>
<td>~45</td>
<td>~60</td>
<td>~80</td>
</tr>
</tbody>
</table>

OEMs are pushing for ever more ambitious lifecycle decarbonization targets

Timeline to achieve target

Decarbonization target
Scope 1 & 2 | Scope 3 upstream
---|---
2030 | 100% 1
2040 | 100% 1
2050 | 100% 1
2034 | 100% 1

1) Greener aluminium includes "near zero" tCO2/t, <2 tCO2/t and 50%+ PCS-aluminium

Source: McKinsey market analysis (high level estimate)
Supply side impacted by climate megatrends

Energy policy impacting Chinese supply and driving deficit in coming years

### Global production estimates

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated production 2016</th>
<th>Estimated production 2020</th>
<th>Estimated production 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### China annual supply

<table>
<thead>
<tr>
<th>Year</th>
<th>Supply Jan21 Outlook</th>
<th>Supply Oct21 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### Global balance estimates

<table>
<thead>
<tr>
<th>Year</th>
<th>Downside case</th>
<th>Base case</th>
<th>Upside case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>-0.4</td>
<td>0.0</td>
<td>0.9</td>
</tr>
<tr>
<td>2022</td>
<td>-0.8</td>
<td>-0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>2023</td>
<td>-1.5</td>
<td>-1.3</td>
<td>-0.2</td>
</tr>
<tr>
<td>2024</td>
<td>-1.8</td>
<td>-2.5</td>
<td>0.5</td>
</tr>
<tr>
<td>2025</td>
<td>-3.6</td>
<td></td>
<td>0.4</td>
</tr>
</tbody>
</table>

1) Downside, base, and upside cases are lowest, median, and highest balance selected from cited consultancies

Source: CRU, Woodmac, Harbor, Citi and Goldman Sachs
Hydro well positioned for future value creation

Technology and people
Leading innovation and competence throughout entire aluminum and energy value chain

Market position
World leader in global aluminium industry, working closely with customers

Sustainability
Leading low-carbon position enabling value creation from decarbonization trend
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
de carbonizing 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

Example Hydro recycled product
75% PCS (Hydro CIRCAL) 2.3 kg CO2/kg alu
80% PCS
100% PCS
Hydrogen or electrification in recycler
Zero carbon product

Scope 1 Scope 2 Scope 3

~6.9
~0.3-0.5
4.8
6.4
0.3
1.3
~0.3-0.5
0.0
Net zero products: Market-paced approach

Capitalize on market demand through circularity while decarbonizing primary value chain

2.3
Advanced sorting technology

Pilot for Hydrogen in recyclers

2025

1.0
<0.5

Decarbonization of remaining emissions

4.0

Hydrogen in casthouse

CCS/DAC

Pilot for chloride process

Hydrogen in calcination

Decarbonization of remaining emissions

Capitalize on market demand through circularity while decarbonizing primary value chain

tCO2/t first commercially available volumes

<0.5

Decarbonization of remaining emissions

tCO2/t pilot volumes

<2.0

<0.5
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Smelter process emissions</th>
<th>Electricity generation</th>
<th>Alunorte fossil fuel combustion</th>
<th>Other fossil fuel combustion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>11.3 (100%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>~1.1 (90%)</td>
<td>10.1 (90%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>~2.4 (70%)</td>
<td>7.9 (70%)</td>
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<td></td>
</tr>
</tbody>
</table>

Roadmap to 2050

- **Renewable power**
- **Green Hydrogen**
- **Smelter emissions**

Net Zero 2050 or earlier
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

Today
- 1:1 rehabilitation available mined areas within 2 years
- Tailings dry backfill

2030
- No net loss biodiversity in new projects
- Utilize 10% of bauxite residue generated

2040
- Eliminate the need for new permanent bauxite residue storage
- Landfill <35% spent pot linings generated

2050
- Eliminate landfilling of all recoverable 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
Hydro 2025
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
Increasing 2025 improvement program

Target NOK 8.5 billion in improvements by 2025

2025 accumulated improvement potential by year
NOK billion

NOK 5.7 billion realized as of Q3-2021

- 1.0 2019A
- 2.7 2020A
- 2.0 Q3-2021
- 1.3 Q4-2021 and 2022
- 0.6 2023
- 0.5 2024
- 0.4 2025
- 8.5 Total - 2025 new target
- 0.1 previous target
- 7.4

2025 accumulated improvement
NOK billion

- 3.8 Extrusions
- 1.2 Operational excellence
- 1.6 Energy and corporate
- 1.9 Procurement and other
- 1.6 B&A

Volume

Target NOK 8.5 billion in improvements by 2025

2025 accumulated improvement potential by year
NOK billion

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2025 accumulated improvement
NOK billion

- 3.8 Extrusions
- 1.2 Operational excellence
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- 1.6 B&A

Volume
First quartile cost positions upstream

- Competitively positioned on the global cost curve at the 20th percentile
- Increased Alunorte and Paragominas production reaching nameplate capacity

- Competitive relative position on the global cost curve at the 25th percentile
- Strong portfolio of low carbon smelters
- Global carbon price would improve relative competitive position in Aluminium Metal

1) Assumptions: LME 3m 2,458 USD/t, Alumina 293 USD/t, SHFE cash 2,909 USD/t, NOK/USD 8.79
Source: CRU cost model
Increased Commercial ambition to NOK 2.5 billion

Total sales of greener products to double by 2025

Commercial ambition 2025:
- NOK billion
  - Accumulated ambition - 2025: 2.5
  - Previous target: 1.5

Indicative potential from greener product offerings:
- Greener products
- Other commercial in AM, HE and B&A

Sales volumes:
- Tonnes (000s)
  - 2020: 20
  - 2021e: 40
  - 2022e: 50
  - 2025e: 100
  - Medium-term capacity est.: ~120

- ~2.5x

Sales volumes:
- Tonnes (000s)
  - 2020: 75
  - 2021e: 230
  - 2022e: 300
  - 2025e: 450
  - Medium-term capacity est.: ~1,000

~2x

1) Gross uplift not including effects of inflation
2) Sales in Aluminium Metal – internal and external (rounded to nearest 5)
3) Capacity level requires upgrades and investments in recyclers; Some upgrades will be dependent on market conditions
4) Norwegian smelter portfolio currently Hydro REDUXA certified
Hydro Bauxite & Alumina
Bauxite & Alumina the basis for greener aluminium

Focusing on operational robustness and sustainability

Alunorte at nameplate capacity in 2021

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>3.3</td>
<td>4.3</td>
<td>5.6</td>
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<tr>
<td>Q3</td>
<td>3.7</td>
<td>5.2</td>
<td>6.2</td>
</tr>
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Annualized volumes [Million tonnes]

Robust maintenance plans

Reducing emissions: Switch from fuel oil to natural gas, electrification

Protecting biodiversity

Eliminate landfilling of waste in the long term

Community engagement and human rights

Alunorte (alumina) Nameplate Alunorte (6.3 mtpy)

Focusing on operational robustness and sustainability

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Annualized volumes [Million tonnes]

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Alunorte (alumina) Nameplate Alunorte (6.3 mtpy)
Hydro Extrusions
Unrivalled position as #1 extrusions provider globally
Extrusion sales volume (2020), tonnes (000s)

Four distinct Business Units, all with strong segment presence
Total volume 2020: 1.1 million tonnes\(^1\)

\(^1\) Total volume estimate in 2021: ~1.3 million tonnes
\(^2\) HVACR: Heat, ventilation, air condition & refrigeration
Source: Company filings, CRU
Extrusions well positioned for further growth

~200,000 tonnes announced in new capacity across portfolio in 2021

Key trends

- Products with low carbon footprint
- Recyclability and keeping materials “in the loop”

- E-mobility
- Light-weighting of vehicles

- Customer collaboration: high level of service, tailored solutions, short lead times
- Proximity as clear competitive advantage

Capacity additions to support growth

+160,000 tonnes recycled aluminium capacity

- Navarra, Spain
- Sjunnen, Sweden
- The Dalles, USA
- Székesfehérvár, HUN

+12,000 tonnes directed toward the automotive industry

- Suzhou, China

+30,000 tonnes in press capacity in Europe and North America

- Cressona, USA
- Nenzing, Austria

1) Incremental press capacity driven by press upgrade
More than 500 Hydro CIRCAL projects since 2018

IAAPS – University of Bath, UK | TECHNAL

Neue Balan - Munich, Germany | WICONA

LUSEP - Loughborough, UK | TECHNAL
In Extrusions, improvements and restructuring have increased profitability, closing gap to peers

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

Hydro Extrusions and peers
Annual reported EBITDA margins (%)

1) Non-weighted average EBITDA-margin of Constellium AS&I, Bonnell, and Profilgruppen
Source: Company filings
Further improvements and growth agenda providing attractive uplift toward 2025

Extrusions EBITDA
NOK billions

<table>
<thead>
<tr>
<th>Adj. EBITDA 2018</th>
<th>Underlying market growth</th>
<th>Core improvement levers</th>
<th>Commercial ambitions</th>
<th>Inflation and other adjustments</th>
<th>Adj. EBITDA target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>0.9</td>
<td>2.4</td>
<td>2.1</td>
<td>-1.5</td>
<td>8.0</td>
</tr>
</tbody>
</table>

**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
Recycling
Recycling becoming an increasingly important source of metal

Increasing customer awareness and regulatory push driving circular economy

Market: Post-consumer scrap to take larger share of future metal demand

Global semis demand (Mt)

- PCS
  - Process scrap: 12% (18% of 2019 demand)
  - Incremental demand 2030 vs 2019: 29 Mt
  - 100% total demand

- Primary: 70% (51% of 2019 demand)

Customers: Increased awareness and desire to use recycled aluminium

- Sea Towers Barcelona

Regulatory: Green deal, Grønn Plattform; reduce waste & CO₂ footprint, promoting circularity

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1) Traded process scrap, not including run-around scrap at plants
Source: CRU, IAI
Unique capabilities for further profitable growth in Recycling

Unique flexibility in scrap sourcing, developing advanced sorting technology

- Multiple product outlets allowing to sort and utilize complex, lower priced scrap of product outlets across company
- Developing LIBS\(^2\) sorting technology in-house

Large recycling asset base covering North America\(^1\) and Europe

- In total 25 recyclers across North America and Europe, with a total capacity of ~2 Mt
- Large smelter portfolio (total capacity 2.3 Mt) with potential to blend in complex scrap types

Customer closeness to lead adaptation of innovative greener products

- Strong metallurgical, technical and commercial competence
- Customer closeness, both through integrated value-chain and innovative processes, driving adaption

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1) Incl. 40kt capacity in Brazil
2) Laser induced breakdown spectroscopy
Several projects supporting the Recycling strategy in 2021

<table>
<thead>
<tr>
<th>Announced projects</th>
<th>Capacity increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield recycler Cassopolis, Michigan</td>
<td>+120 kt</td>
</tr>
<tr>
<td>Høyanger Recycling, Norway</td>
<td>+36 kt&lt;sup&gt;1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Expansion project Rackwitz, Germany</td>
<td>+25 kt</td>
</tr>
<tr>
<td>Expansion project Deeside, UK</td>
<td>+7 kt</td>
</tr>
<tr>
<td>LIBS sorting pilot</td>
<td>N/A</td>
</tr>
<tr>
<td>Greenfield recycler Székesfehérvár, HUN</td>
<td>+90 kt</td>
</tr>
<tr>
<td>Expansion project Sjunnen, Sweden</td>
<td>+20 kt</td>
</tr>
<tr>
<td>Expansion project Navarra, Spain</td>
<td>+23 kt</td>
</tr>
<tr>
<td>Expansion project The Dalles, Oregon</td>
<td>+27 kt</td>
</tr>
</tbody>
</table>

1) New RSI production capacity, will not increase smelter output as it replace primary ingot

- **Scrap sourcing**
- **Sorting**
- **Recycling / Casting**
- **Products & Commercial**

| Security higher volumes and more complex scrap |
| Several projects in pipeline                  |
| Several projects in pipeline                  |
| Ramping up supply of recycled products to meet demand |
Strong basis for profitable growth in Recycling

**AM Recycling EBITDA margin**

- **EBITDA Margin**
- **Ave 2008-2013**
- **Ave 2014-2018**
- **Ave 2019-2021E**

- AM Recycling improving margins by optimizing raw material input mix
- Historical AM Recycling RoaCE higher than Hydro average over the cycle
- Volume and EBITDA impact for announced projects coming already in 2022
- Solid returns expected

**Estimated first metal from announced projects**

- **2022**
  - Sjunnen (+20 kt)
  - Navarra (+23 kt)

- **2023**
  - Rackwitz (+25 kt)
  - The Dalles (+27 kt)
  - Deeside (+7 kt)

- **2024**
  - Hayanger (+36 kt)
  - Székesfehérvár (+90 kt)
  - Cassopolis (+120 kt)

- **2025**
  - Høyanger (+36 kt)
  - Deeside (+7 kt)
  - Greenfield project
  - Brownfield project
2021 est. EBITDA uplift of 160 MNOK, well underway to reach 2025 ambition

Recycling EBITDA\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (MNOK)</th>
<th>2020 act</th>
<th>EBITDA 2021e</th>
<th>EBITDA 2022-2025e</th>
<th>2025 ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,370</td>
<td>160</td>
<td>540 – 940</td>
<td>2,070 – 2,470</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Aluminium Metal and Extrusions

Strong recycling project pipeline under execution

<table>
<thead>
<tr>
<th>PCS capacity '000 ton</th>
<th>Investments BNOK</th>
<th>EBITDA uplift MNOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects underway</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment decision possible in 2021-22</td>
<td>200 – 350</td>
<td>3.0 – 4.5</td>
</tr>
<tr>
<td>2025 ambition</td>
<td></td>
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<tr>
<td>Early phase projects</td>
<td></td>
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</tbody>
</table>
Hydro Energy
Sustainability trends creating strategic opportunities

Containing global warming only possible through massive electrification and decarbonization of industries

COP 26 concluded with nation state pledges towards contain global warming

Will require massive amounts of affordable renewable clean energy

Confirms the need for sustainable and smart mobility

Urgent need for industrial solutions to reduce emissions from operations

Fit for 55
Industrial sector will require new solutions

Industrials represent ~40% of global emissions

~50% of fuel used for energy by industrials can be electrified using existing technology

Eliminating industry carbon footprint requires a combination of solutions and technologies

Soaring energy prices underline the need to accelerate the energy transition

Electricity and energy price commodities price development since 2019
€/ton and €/MWh

Net-zero in 2050 relies on decarbonizing energy generation
% share

In IEA’s pathway to net zero, almost 90% of global electricity generation in 2050 comes from renewable sources

Sources: Syspower, IEA
Strong demand for renewables and storage/energy carrier solutions

Brazil renewable capacity forecast
GW

<table>
<thead>
<tr>
<th>Year</th>
<th>Utility scale solar PV</th>
<th>Onshore wind</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>2030</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>2040</td>
<td>44</td>
<td>63</td>
</tr>
<tr>
<td>2050</td>
<td>53</td>
<td>90</td>
</tr>
</tbody>
</table>

Global hydrogen demand
TWh
- Power generation
- Transportation
- Building heating and power
- Industry energy and heat
- New feedstock uses
- Existing feedstock areas

2020: 2,700
2030: 3,900
2040: 7,600
2050: 21,800

European battery demand
TWh
- Stationary storage
- Vehicles

2020: 0.5
2025: 1.9
2030: 1.9

1) Northern Europe includes Norway, Denmark, Sweden, Finland, Estonia, Lithuania and Latvia

Source: BloombergNEF, IRENA – Corporate sourcing of renewables: Market and Industry Trends, Statnett, Rystad Energy 1.6 scenario IPCC for batteries
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
Large execution capacity due to strong platform

Business area with supporting competence as foundation for speed and de-risking

Energy Operations & Energy Markets

REIN

Batteries

HAVRAN

Projects

Operational scale, commercial competence

Strong industrial partners
Deliver on project pipeline in renewable energies and technologies
Area specific competencies: technologies, business models, geographies

Project development and implementation
Hydro REIN: the one-stop-shop energy partner for industrials

Help the industry succeed in the energy transition

Utilize Hydro’s position and extensive experience in power systems

Source power from captive portfolio of renewable assets
Building a substantial portfolio of renewables assets and services in attractive growth markets

**Portfolio ambitions**

1. Early entry
2. Developer / operator position
3. Long-term ownership strategy
4. Value enhancing services to projects and customers

**Market potential**

- **Brazil**: 10 TWh repowering need in Hydro by 2025 and large potential for serving clients outside Hydro
- **Nordics**: 100+ sites identified in Hydro’s portfolio

**Energy solutions**

- Storage systems
- Energy efficiency
- Onsite generation

**Technology**

- **Solar**
- **Wind**
Executing on portfolio strategy: Maturing several large-scale projects in the Nordics and Brazil

Green sourcing

Stor-Skältsjön, Sweden
260MW ready-to-be-built wind power plant in Sweden (SE2) to be developed together with Eolus Operations expected to start during second half of 2023 Covered by a long-term PPA with Hydro Energy

Brazil
Maturing several large-scale attractive opportunities in Brazil, both within solar and wind power Projects in late-stage development, getting close to completing signing

Sørlige Nordsjø II
Joint application with Equinor and RWE for the upcoming licensing round in the North Sea Large-scale bottom-fixed offshore wind farm

Energy solutions

North York, Canada
First battery project to be installed in Hydro Extrusions plant in North York, Canada Battery energy storage system (BESS) owned and operated by Hydro REIN Set up to perform peak shaving during constrained periods in the grid
Hydro Havrand – creating a global green hydrogen leader

A green hydrogen producer and industrial integrator

Owned by Hydro, a global energy & aluminium player company

Hydro’s future is fossil-free: we do green-only

Hydro potential offtake gives platform for growth

Fully integrated – owner, developer and operator

Delivering across industries supported by partnerships

4 GW potential offtake

80+ potential locations

Global reach

• Maturing projects in Norway and Europe
• 2025: First mover portfolio realised
• 2030: Global footprint

1) Potential long-term offtake includes Speira, previously Hydro Rolling
Key enablers for a shift to green hydrogen

We need an ambition loop between industry and governments

A large potential for decarbonization and economic development

Hydrogen demand
Industrial fuel switch capabilities
Renewable energy development
Incentives bridging the cost gap

Images (1) Hydro Karmøy plant (2) casting at a Hydro site (3) Hydro operated Tonstad wind farm (4) The German National Hydrogen Strategy
A clear and scalable approach

1. Hydrogen clusters linked to industrial partners’ on-site hydrogen production.
2. Partnerships to enable project scale and drive down costs.
3. Developing independent projects globally
Hydrogen fuel switch projects

Hydro Årdal

Hydro Vetlanda

Holmestrand, Speira
Building a sustainable and substantial battery business

Expanding battery footprint through partnerships

Strong project pipeline in selected parts of the battery value chain

- Recycling and second life
- Cell and pack solutions
- Anode material and technology
- Selected next generation technologies

How we create value

- Leading sustainability competence
- Active industrial developer and owner – use Hydro core capabilities to industrialize innovation
- Growth and scaling potential required, also strong team and owners with distinct contributions
- Early entry for impact and value creation
- Investing with strong, complementary partners
Achieved value uplift 4.6x of invested equity based on valuation in transactions to date

Value uplift from revaluation of Northvolt and Corvus Energy

Exploring further opportunities in selected parts of the battery value chain

Aim to invest NOK 2.5 – 3.0 billion until 2025

Target of 3x value uplift on invested equity

Portfolio capital uplift likely to dip below target in first years after new investments are made
Lifting cash flow, delivering higher returns
Financial strength and flexibility

Strong financials in a record year

Adjusted RoaCE\(^1\)

13%  
LTM Q3 2021

Adjusted EBITDA\(^2\)

22 BNOK  
LTM Q3 2021

Total shareholder return\(^3\)

67%  
LTM Nov 30\(^{th}\), 2021

---

1) RoaCE figures as reported, where rolling is excluded in 2021. LTM Q3 2021 includes rolling in Q4 2020, while Q1-Q3 2021 excludes rolling.
2) Adjusted EBITDA figures as reported and excludes Rolling, except for 2019 which is estimated to exclude Rolling.
3) TSR calculation (Share price Nov 30 2020 – Share price 30 Nov 2021 + Dividends paid in 2021)/Share price Nov 30 2020
4) Peers (in random order) include Alcoa, Rusal, Rio Tinto, Constellium and Chalco

---

\(13\%\)  
LTM Q3 2021

\(22\) BNOK  
LTM Q3 2021

\(67\%\)  
LTM Nov 30\(^{th}\), 2021
Hydro is well positioned to keep delivering going forward.

**Free cash flow**
- 2019: 2.6 BNOK
- 2020: 7.7 BNOK
- LTM Q3 2021: 9.5 BNOK

**Adjusted net debt (cash)**
- 2019: 25.4 BNOK
- 2020: 11.8 BNOK
- Q3 2021: 7.8 BNOK
- LTM Q3 2021: 10.5 BNOK

**Adjusted net debt / AEBITDA**
- 2019: 2.3
- 2020: 2.0
- LTM Q3 2021: 0.6

1) Free cash flow defined as net cash provided by operating activities plus net cash used in investing activities less purchases of short term investments, less process from sales of short-term investments

2) Figures are as reported and excludes Rolling, except for 2019 which is estimated to exclude Rolling

3) Net debt figures are as reported. Net debt changed definition from and including 2020. 2019 as reported with old definition.

4) Adjusted EBITDA from 2019-2020 includes Rolling (as reported), no rolling in 2021
Solid framework for lifting returns and cash flow

Financial strength and flexibility
Sustainability position enabling profitable growth and cost of capital advantage
New strategic growth initiatives
Lifting cash flows towards 2025

Improvement program and commercial ambition
Capex optimization
Strengthen working capital management

Profitability roadmaps
Clear principles for capital allocation
Robust shareholder payout
Hydro is recognized as an industry leader

Continuing efforts to further improve reporting and increase transparency

• Transparent and consistent reporting approach for more than three decades
• Sustainability is fully integrated in Hydro’s strategy
• Continue to seek improvements to be even more transparent
Hydro expects strong taxonomy position among peers

Aligned share estimated to be 22 – 27% of revenue and 30 – 35% of CAPEX

<table>
<thead>
<tr>
<th>Not eligible revenue</th>
<th>Eligible revenue</th>
<th>Description</th>
<th>Eligible CAPEX</th>
<th>Not eligible CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrusion activities</td>
<td>Commercial activities</td>
<td>Mining and alumina refining</td>
<td>Majority of European Primary production</td>
<td>22 – 27%</td>
</tr>
<tr>
<td>Revenue H1 2021</td>
<td>Eligible revenue</td>
<td>Description</td>
<td>Eligible CAPEX</td>
<td>Not eligible CAPEX</td>
</tr>
<tr>
<td>Extrusion activities</td>
<td>Commercial activities</td>
<td>Mining and alumina refining</td>
<td>Secondary aluminum production Europe</td>
<td>44%</td>
</tr>
<tr>
<td>Extrusion activities</td>
<td>Commercial activities</td>
<td>Mining and alumina refining</td>
<td>Norwegian hydropower production</td>
<td>30 – 35%</td>
</tr>
<tr>
<td>Extrusion activities</td>
<td>Commercial activities</td>
<td>Mining and alumina refining</td>
<td>Primary production outside Europe</td>
<td>17 – 22%</td>
</tr>
<tr>
<td>Extrusion activities</td>
<td>Commercial activities</td>
<td>Mining and alumina refining</td>
<td>Secondary aluminum outside Europe</td>
<td>15 – 20%</td>
</tr>
</tbody>
</table>

≈ 56% ≈ 50% ≈ 30 – 35% ≈ 50%

1) Uncertainties remain regarding share of hydropower that is aligned
~40% of capex expected to align with the EU taxonomy

An additional ten percentage points may align with the EU Taxonomy

The EU Taxonomy aims to incentivise

- Switching to low carbon electricity
- Reducing production emissions

2022-25 CAPEX

- Expected to align
  - Smelter investments, excluding anode plants
  - CO₂ technology investments
  - Recycling adhering to EU emissions standards
  - Hydropower in Norway

- Investments not reflected in the taxonomy
  - Activities not defined: Alunorte fuel switch
  - Capex definition differences: Investments into minority-owned assets

- REIN and Havrand are not included in this assessment

Taxonomy sensitivity
Accumulated 2022-25
NOK billion

- Expected: ~40%
- Potential: ~55-60%

1) Uncertainties remain regarding share of hydropower that is aligned
2) EU taxonomy definition does not include capital injections to equity accounted investments
Continuing to develop our sustainable financing framework

Access to favorable financing and positive impact on the cost of capital

**Current positions**
- Sustainability linked Revolving Credit Facility (2019-2026)
- Green Loan water treatment facility at Alunorte (2019)
- Sustainability linked club loan for financing the Fuel Switch at Alunorte (ongoing)
- Green bank deposits
- Public funding

**Potential new transactions**
- Green/sustainable loans
- Green/sustainable bonds
- New banking products
- Public funding

**A comprehensive sustainable financing framework**
- Access to capital
- Cost of capital advantage
- Transparent reporting
- Clear link to Hydro’s sustainability strategy
Capital allocated according to strategic modes

Strategic modes reflect global megatrends and high-return opportunities

Safe, compliant and efficient operations – The Hydro Way

Businesses

Bauxite & Alumina

Strategic mode

Sustain and improve

Towards 2025

Reduce risk, improve sustainability footprint, improve on cost position

Aluminium Metal

Sustain and improve

Robust and greener, increase product flexibility, improve cost position

Recycling

Selective growth

Substantial shift in conversion of post-consumer scrap

Energy

Selective growth

Grow in renewables, hydrogen and batteries

Extrusions

Selective growth

Platform strategy executed, selective growth

Clear principles for capital allocation
Investments based on strategic priorities

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

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)

Growth and return-seeking capex guidance 2022-25 avg only includes capex necessary for delivering on targeted improvement ambitions and commercial initiatives
Annual capex guidance of BNOK ~10 for 2023-2025

Inorganic growth in line with strategic modes could come in addition

### Historical capex

<table>
<thead>
<tr>
<th>Year</th>
<th>BNOK Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.9</td>
</tr>
<tr>
<td>2018</td>
<td>7.8¹</td>
</tr>
<tr>
<td>2019</td>
<td>5.4</td>
</tr>
<tr>
<td>2020</td>
<td>6.4²</td>
</tr>
</tbody>
</table>

¹ Excluding the Pis/Cofins adjustments in Brazil in 2018. Including the adjustment, 2018 capex amounted to BNOK 7.0
² Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)

### Capex 2021E and guidance

<table>
<thead>
<tr>
<th>Year</th>
<th>BNOK Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021E</td>
<td>~8.5</td>
</tr>
<tr>
<td>CMD</td>
<td>~2.5</td>
</tr>
<tr>
<td>~5.5-6</td>
<td>5.4</td>
</tr>
</tbody>
</table>

### Current guiding 2021

- Growing: ~5.5-6
- Sustaining: 5.4
- Growth and return-seeking: 2.5

### Current guiding 2022-25

- Growing: ~9-10
- Sustaining: 2-2.5
- Growth and return-seeking: 0.5-1

- LT: ~6.0
- LT: ~5.5

### Updated guiding 2022-25

- Growing: ~11
- Sustaining: 2-2.5
- Growth and return-seeking: 0.5-1

- LT: ~6.5
- LT: ~6.5
- LT: ~5.5

Clear principles for capital allocation
Optimizing net operating capital in tight markets

Balancing capital release and supply chain robustness

Net operating capital book value – quarter end\(^1\,^2\)
NOK Billions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NOC Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'19</td>
<td>18</td>
</tr>
<tr>
<td>Q2'19</td>
<td>17</td>
</tr>
<tr>
<td>Q3'19</td>
<td>17</td>
</tr>
<tr>
<td>Q4'19</td>
<td>14</td>
</tr>
<tr>
<td>Q1'20</td>
<td>16</td>
</tr>
<tr>
<td>Q2'20</td>
<td>14</td>
</tr>
<tr>
<td>Q3'20</td>
<td>14</td>
</tr>
<tr>
<td>Q4'20</td>
<td>13</td>
</tr>
<tr>
<td>Q1'21</td>
<td>14</td>
</tr>
<tr>
<td>Q2'21</td>
<td>16</td>
</tr>
<tr>
<td>Q3'21</td>
<td>19</td>
</tr>
</tbody>
</table>

Net operating capital days, quarterly\(^1,^2\)

Focus on balancing capital release and supply chain robustness

NOC-days significantly down in 2021, driven by strong customer demand and stretched supply chain
- Very low inventory levels beginning of year due to tight metal balance in Europe
- Absolute NOC level primarily driven by increasing aluminium prices

Build in NOC to slow down in 2022
- Some increase expected from normalizing supply chain
- High exposure to prices and exchange rates

1) NOC-days calculated as: (average of opening balance and closing balance NOC book value for the quarter / adjusted revenue during the quarter) * number of days in quarter
2) Net operating capital days and net operating capital are estimates excluding Rolling in 2019-2020
Hydro to increase shareholder payout

- Strong financials in 2021 and robust balance sheet allows higher shareholder distribution
- Hydro aims to pay out 70-80% of adjusted net income for 2021
  - As a combination of ordinary dividends and either extraordinary dividends, or a combination of extraordinary dividends and share buybacks
- Final proposal for distribution at Q4 reporting in February
  - Includes whether to distribute distribution on top of ordinary dividend as extraordinary dividends or a combination of extraordinary dividends and share buybacks
  - Proposal conditional upon Annual General Meeting approval

Hydro’s Dividend Policy

- Pay out minimum 50 percent of adjusted net income as ordinary dividend over the cycle
- The dividend policy has a floor of NOK 1.25 per share
- Share buybacks or extraordinary dividends will supplement dividends during periods of strong financials, due consideration being given to the commodity cycle and capital requirements for future growth
- The payout should reflect Hydro’s aim to give its shareholders competitive returns, benchmarked against alternative investments in comparable companies

1) Based on share price at year end  2) Negative net income
Raising the improvement ambitions toward 2025

Cost improvements, commercial ambitions, and strategic growth initiatives

### Improvement program BNOK 8.5 on EBITDA by 2025

<table>
<thead>
<tr>
<th>Business areas</th>
<th>Base volumes</th>
<th>Operational excellence</th>
<th>Fixed costs</th>
<th>Procurement and other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro Group</td>
<td>8.5</td>
<td>3.8</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Bauxite &amp; Alumina</td>
<td>3.0</td>
<td>2.7</td>
<td>0.6</td>
<td>-0.2</td>
</tr>
<tr>
<td>Aluminium Metal</td>
<td>3.0</td>
<td>1.1</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Extrusions</td>
<td>2.4</td>
<td>0.0</td>
<td>0.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Staffs</td>
<td>0.1</td>
<td></td>
<td>0.1</td>
<td></td>
</tr>
</tbody>
</table>

- **Production ramp up to full capacity in B&A and AM**
- **Improved production parameters, productivity and raw material**
- **Energy mix and fuel switch**
- **Restructuring and staff cost optimization**
- **Improvement within supplier, demand and specification, and process management**

### Commercial ambition BNOK 2.5 by 2025

- **Commercial ambition**
  - BNOK 2.5 by 2025
    - 0.2

### Strategic growth initiatives

- **Recycling growth initiatives**
  - Recycling EBITDA uplift BNOK 0.7 – 1.1 across Aluminium Metal, Extrusions
    - 0.2

- **Customer driven growth initiatives**
- **New products and greener brands**
- **Market share gain and margin improvements**

1) Against 2018 baseline
2) ~2 BNOK in annual average capex required to meet remaining improvement and commercial ambitions

---

Profitability roadmaps
Hydro profitability roadmap

Main drivers – improvement measures and market developments

ARoaCE potential

>10% target

Market scenarios 2025

- 27%
- 10%
- 20%

ARoaCE @ spot
ARoaCE @ last 5 year average
ARoaCE @ CRU real '21

Main further upside drivers

- Sustainability differentiation and ability to produce greener aluminium
- Positive market and macro developments
- High-return growth projects
- Technology and digitization
- Portfolio optimization

Main downside risks

- Negative market and macro developments, incl. trade restrictions
- Operational disruptions
- Inflation pressure
- Project execution and performance
- Deteriorating relative positions
- Regulatory frameworks, CSR and compliance

AEBITDA potential

BNOK

Market scenarios 2025

- 39
- 19
- 31

AEBITDA @ spot
AEBITDA @ last 5 year average
AEBITDA @ CRU real '21

Cash flow potential after capex, tax and dividend floor

BNOK

Market scenarios 2025

- 9.1
- 9.8

CF Q3-21 LTM
Improvement potential
CAPEX, tax and other
CF potential after improvements

Assumptions and sources behind the scenarios can be found in the Additional information

Sources: Republished under license from CRU International Ltd., LME, Hydro analysis
Bauxite & Alumina profitability roadmap

Main drivers – volumes and raw material optimization, market developments

ARoaCE potential
10-11% nominal CoC

Market scenarios 2025

Main further upside drivers
- Positive market and macro developments
- Commercial performance, incl. shift from LME to PAX contracts
- Fleet optimization at the mine
- Sustaining capex optimization

Main downside risks
- Operational disruptions
- Negative market and macro developments
- Regulatory, CSR and country risk

AEBITDA potential
BNOK

Market scenarios 2025

Cash flow potential after capex, tax
BNOK

Assumptions and sources behind the scenarios can be found in the Additional information
Sources: Republished under license from CRU International Ltd., LME, Hydro analysis
Market scenarios 2025

Assumptions and sources behind the scenarios can be found in the Additional information
Sources: Republished under license from CRU International Ltd., LME, Hydro analysis
**Extrusions profitability roadmap**

Main drivers – improvement program and commercial ambition

---

**ARoaCE potential**

7-8% nominal CoC

- Improvement potential: 12%
- ARoaCE potential after improvements: 18%

**AEBITDA potential**

BNOK

- AEBITDA Q3-21 LTM: 6.1
- Improvement potential: 0.7
- Commercial potential: 1.1
- Underlying market growth & inflation: 0.3
- AEBITDA potential after improvements: 8.0

---

**Main further upside drivers**

- Selective profitable growth including larger projects
- Continuous portfolio review and optimization
- Operating and fixed cost optimization
- Positive market and macro developments

**Main downside risks**

- Negative market and macro developments, incl. trade restrictions
- Inflation pressure
- Operational disruptions and project execution
- Loss of large customer contracts

---

**Cash flow potential after capex and tax**

BNOK

- CF Q3-21 LTM: 3.9
- Improvement potential: 4.8
- CAPEX and tax: 4.8
- CF potential after improvements: 8.0

---

Assumptions and sources behind the scenarios can be found in the Additional information
**Energy**

**Main further upside drivers**
- Additional growth opportunities
- Further commercial and operational improvements
- Positive market and macro developments

**Main downside risks**
- Negative market and macro developments
- Regulatory and framework conditions, incl. tax
- New project execution

**New Energy initiatives**
- Growth projects in REIN, Havrand and Batteries

---

**Accounting treatment New Energy initiatives**

**EBITDA**
- Holding companies fully included
- Investments in part-owned project companies included with share of net income

**Capex**
- Capital contributions to part-owned vehicles included

**Cash flow statement**
- Includes cash flow to/from Hydro subsidiaries, including equity contributions from external companies

**Balance sheet**
- Parent companies fully consolidated, including any controlled project vehicles
- Part-owned project vehicles included with share of equity

---

**Profitability roadmaps**

LTM Q3 2021

- **Adjusted EBITDA**: 2.5 BNOK
- **Cash flow**: 0.6 BNOK
Guidance 2022

Aluminium hedges of 20-490 kt/yr 2022-24 in place per November 30
- 2022: 490 kt hedged at a price of ~2200 USD/t
- 2023: 460 kt hedged at a price of ~2200 USD/t
- 2024: 20 kt hedged at a price of ~2350 USD/t
- Pricing mainly in NOK, with USD hedges converted to NOK via USDNOK derivatives
- Corresponding raw material exposure partially secured using financial derivatives or physical contracts

B&A and AM BRL/USD Hedge
- USD 1109 million sold forward for 2021-2024
  - USD 269 million 2021 at rate 5.45
  - USD 339 million 2022 at rate 5.53
  - USD 330 million 2023 at rate 6.03
  - USD 171 million 2024 at rate 6.60
- 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

B&A
- Alunorte expected at nameplate capacity (6.3 mt)

Aluminium Metal and Metal Markets
- Liquid production around 2.2 – 2.3 million tonnes
- Recycling production around 580 – 600 kt

Extrusions
- 2022 volumes expected to be broadly in line with market growth estimates

Energy
- Estimate normal production levels (9.4 TWh)
Why invest in Hydro: key takeaways from today

Attractive asset base
1st quartile cost position
Low carbon footprint

Strong market position
NOK 8 billion of EBITDA in Extrusions by 2025

Leadership in greener aluminium
2.3 and 4.0 tons CO₂ per ton aluminium in greener products

Profitable growth journey
Investments in recycling, Extrusions, renewable energy, hydrogen and battery

Strong balance sheet and shareholder focus
<2x Adjusted net debt excl. EAI / AEBITDA and IG¹ rating
12 consecutive years of dividend payout

Sustainability position
2050 or earlier Net zero Hydro pathway
No net loss of biodiversity in new projects²

1) Investment grade
2) In addition to 1:1 rehabilitation available mined areas within 2 years
Additional information
Capital return dashboard for Hydro

Hydro targets URoaCE above 10% over the cycle

10% ARoaCE target over the cycle

9% Nominal long-term cost of capital

~84 BNOK (30 Sept. 21)

10% 7%

2017 2018 2019 2020 LTM Q3 21

Average ARoaCE 2017-2021 LTM

~7%

1) Graph excludes (1.7) BNOK in capital employed in Other & Eliminations
2) Includes the average RoaCE over the last twelve months per Q3 2021

8.5 + 2.5 BNOK on EBITDA by 2025 in improvement potential and commercial ambitions

Additional earnings potential represented through strategic growth initiatives
25% Returns below the cost of capital reflecting challenging markets, embargo and operational issues during the early years.

ARoaCE > CoC

~5% 2016-2021LTM¹) average ARoaCE

10-11% Nominal long-term cost of capital

Fuel switch project improving Alunorte’s competitiveness and sustainability

Sustain and improve Strategic theme

3.0 + 0.2 BNOK on EBITDA by 2025 in improvement potential

Capital employed in B&A

Growth and return-seeking Sustaining

Capex, BNOK

1) Includes the average RoaCE over the last twelve months per Q3 2021
Capital return dashboard for Aluminium Metal & Metal Markets

Investments in recycling capacity to support growth

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

Investments in recycling capacity to support growth

Capital employed in AM (MM)

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

Profitability roadmaps

1) Creep and recycling with high profitability
2) Includes the average RoaCE over the last twelve months per Q3 2021. Annual RoaCE figures for Aluminium Metal only
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

~24 BNOK (30 Sept. 21)

28 %

ARoaCE > CoC

7-8%
Nominal long-term cost of capital

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

Investments in new presses and recycling projects to support growth

Capex, BNOK

Selective growth
Strategic theme

1) Includes the average RoaCE over the last twelve months per Q3 2021
Capital return dashboard for Energy

Returns above the cost of capital reflecting the depreciated asset base

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

Potential listing of REIN and Havrand

ARoAEC > 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

ARoAEC > CoC

6-7%
Nominal long-term cost of capital

1) Includes the average RoaCE over the last twelve months per Q3 2021
Significant exposure to commodity and currency fluctuations

**Aluminium price sensitivity +10%**

<table>
<thead>
<tr>
<th>Component</th>
<th>AEBITDA</th>
<th>Adjusted Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOK million</td>
<td>4 600</td>
<td>3 220</td>
</tr>
</tbody>
</table>

**Other commodity prices, sensitivity +10%**

<table>
<thead>
<tr>
<th>Component</th>
<th>NOK million</th>
<th>USD</th>
<th>BRL</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard ingot premium</td>
<td>730</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized PAX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pet coke</td>
<td>770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel oil</td>
<td>(370)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caustic soda</td>
<td>(390)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pitch</td>
<td>(260)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>(130)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>(90)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Currency sensitivities +10%**

<table>
<thead>
<tr>
<th>Component</th>
<th>NOK million</th>
<th>USD</th>
<th>BRL</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEBITDA</td>
<td>4,940</td>
<td></td>
<td>(860)</td>
<td>(250)</td>
</tr>
</tbody>
</table>

**One-off reevaluation effect:**

<table>
<thead>
<tr>
<th>Component</th>
<th>NOK million</th>
<th>USD</th>
<th>BRL</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial items</td>
<td>(540)</td>
<td>700</td>
<td></td>
<td>(4,420)</td>
</tr>
</tbody>
</table>

- Annual adjusted (unhedged) sensitivities based on normal annual business volumes. LME USD 2,600 per mt, standard ingot premium 360 USD/mt, PAX 380 USD/mt, fuel oil USD 720 per mt, petroleum coke USD 455 per mt, pitch 740 EUR/t, caustic soda USD 435 per mt, coal USD 140 per mt, USD/NOK 9.00, BRL/NOK 1.68, EUR/NOK 10.33
- Aluminium price sensitivity is net of aluminium price indexed costs and excluding unrealized effects related to operational hedging
- BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated
- Excludes effects of priced contracts in currencies different from underlying currency exposure (transaction exposure)
- Currency sensitivity on financial items includes effects from intercompany positions
- 2022 Platts alumina index (PAX) exposure used
- Adjusted Net Income sensitivity calculated as AEBITDA sensitivity after 30% tax

---

1) Europe duty paid
Bauxite & Alumina sensitivities

Annual sensitivities on adjusted EBITDA if +10% in price

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Aluminium</th>
<th>Realized PAX</th>
<th>Fuel oil</th>
<th>Caustic soda</th>
<th>Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>(40)</td>
<td></td>
<td>(420)</td>
<td>(260)</td>
<td>(100)</td>
<td></td>
</tr>
</tbody>
</table>

Revenue impact

- ~14% of 3-month LME price per tonne alumina with one month lag
- Realized alumina price lags PAX by one month

Cost impact

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

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

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

Currency sensitivities +10%

<table>
<thead>
<tr>
<th>NOK million</th>
<th>USD</th>
<th>BRL</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEBITDA</td>
<td>990</td>
<td>(590)</td>
<td></td>
</tr>
</tbody>
</table>

Annual adjusted (unhedged) sensitivities based on normal annual business volumes. LME USD 2,600 per mt, standard ingot premium 360 USD/mt, PAX 380 USD/mt, fuel oil USD 720 per mt, petroleum coke USD 455 per mt, pitch 740 EUR/t, caustic soda USD 435 per mt, coal USD 140 per mt, USD/NOK 9.00, BRL/NOK 1.68, EUR/NOK 10.33

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
## Aluminium Metal sensitivities

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

<table>
<thead>
<tr>
<th></th>
<th>NOK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>4,640</td>
</tr>
<tr>
<td>Standard ingot premium</td>
<td>730</td>
</tr>
<tr>
<td>Realized PAX</td>
<td>(1,360)</td>
</tr>
<tr>
<td>Pet coke</td>
<td>(370)</td>
</tr>
<tr>
<td>Pitch</td>
<td>(130)</td>
</tr>
</tbody>
</table>

### 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
- ~14.5% of 3-month LME price per tonne alumina, increasing volumes priced on Platts index
- ~2-3 months lag

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

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

### Currency sensitivities +10%

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>BRL</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEBITDA</td>
<td>3,620</td>
<td>(270)</td>
<td>(900)</td>
</tr>
</tbody>
</table>

Annual adjusted (unhedged) sensitivities based on normal annual business volumes. LME USD 2,600 per mt, standard ingot premium 360 USD/mt, PAX 380 USD/mt, fuel oil USD 720 per mt, petroleum coke USD 455 per mt, pitch 740 EUR/t, caustic soda USD 435 per mt, coal USD 140 per mt, USD/NOK 9.00, BRL/NOK 1.68, EUR/NOK 10.33
Assumptions behind scenarios

Scenarios are not forecasts, but illustrative earnings, cash flow and return potential based on sensitivities

- Starting point – AEBITDA Q3-21 LTM
- Improvement potential in real 2018 terms, upstream margins based on 2016-2018 average.
- Cash flow calculated as AEBITDA less EBIT tax and 2023-2025 average capex, less 1.25 NOK/share in dividend floor for the Hydro Group
  - Tax rates: 25% for business areas, 55% for Energy
- ARoACE calculated as AEBIT after tax divided by Q3-21 LTM average capital employed\(^2\)
- The actual earnings, cash flows and returns will be affected by other factors not included in the scenarios, including, but not limited to:
  - Production volumes, alumina sales priced on PAX, raw material prices, downstream margin developments, premiums, inflation, currency, depreciation, taxes, investments, interest expense, competitors’ cost positions, and others

<table>
<thead>
<tr>
<th>Price assumptions</th>
<th>Prices used in scenarios</th>
<th>Q3 2021 LTM</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Spot</td>
<td>5-year average</td>
</tr>
<tr>
<td>LME USD/t</td>
<td></td>
<td>2250</td>
<td>2600</td>
</tr>
<tr>
<td>PAX, USD/t</td>
<td></td>
<td>290</td>
<td>380</td>
</tr>
<tr>
<td>USDNOK</td>
<td></td>
<td>8.67</td>
<td>9.00</td>
</tr>
<tr>
<td>BRLNOK</td>
<td></td>
<td>1.62</td>
<td>1.60</td>
</tr>
</tbody>
</table>

\(^1\) Excluding Q2-Q3 2018, due to high price level following Alunorte curtailment
\(^2\) Excluding Rolled Products

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

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Next event
Fourth quarter results and Annual report
February 22, 2022

For more information see www.hydro.com/ir

Investor Relations in Hydro

Line Haugetraa

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

Christopher Minora

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

Matz Coucheron-Aamot

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