



Norsk Hydro ASA

SEB Nordic Large Cap Seminar

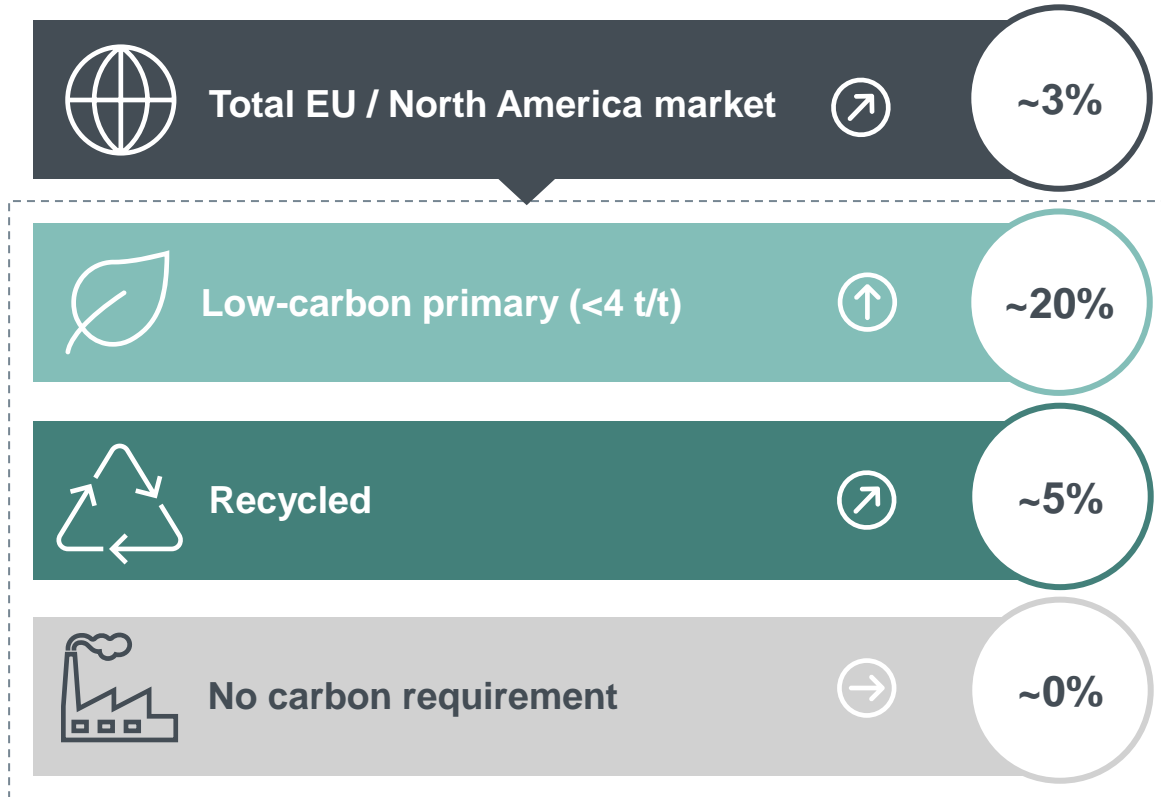
Pål Kildemo, CFO

Stockholm August 23, 2023

The green shift is driving the demand for low-carbon and recycled aluminium

Demand for greener aluminium expected to outpace general demand growth towards 2030

'22 -'30 CAGR



Customers increasingly demanding greener aluminium

Examples: Scope 3 reduction targets and aluminium commitments

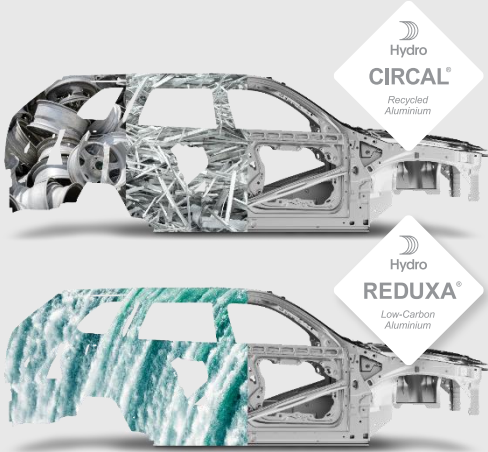
PORSCHE	CO2e neutral balance sheet
Mercedes-Benz	CO2e neutral (2039)
VOLVO	25% per vehicle (2025) / 10% primary <3 t/t
BMW	22% per vehicle
RENAULT	30% per vehicle
VELUX	50% for abs. emissions / Max 2 kg carbon/kg
BOUYGUES CONSTRUCTION	30% for abs. emissions
VINCI CONSTRUCTION	20% for abs. emissions
PEPSICO	10% primary <3 t/t
Ball	10% primary <3 t/t
Vestas	45% per MWh generated
lightsourcebp	52% per MW constructed
Apple	CO2e neutral value chain / 10% primary <3 t/t

Hydro has a unique position in this new reality



Robust and resilient whilst balancing geopolitical uncertainty and greener demand

Already in the market with leading low-carbon offerings



Long-term renewable power coverage

Good for cost-position and for low-carbon footprint

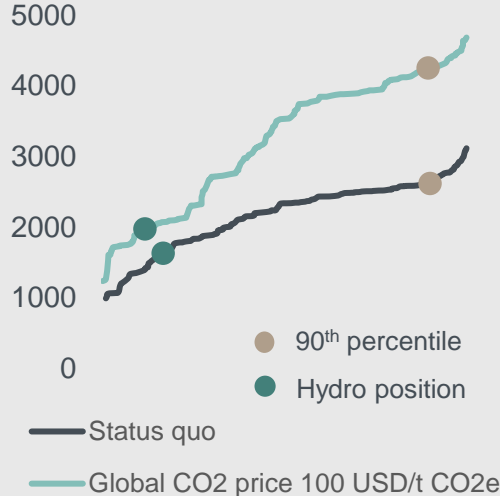


Hydro's global share of renewable energy sourcing in primary aluminium

70%

Strong primary aluminium and alumina cost-position

Aluminium Metal Smelter Business Operating Cost curve (2022)



Rapidly increasing recycling capacity

Digging deeper in the scrap pile



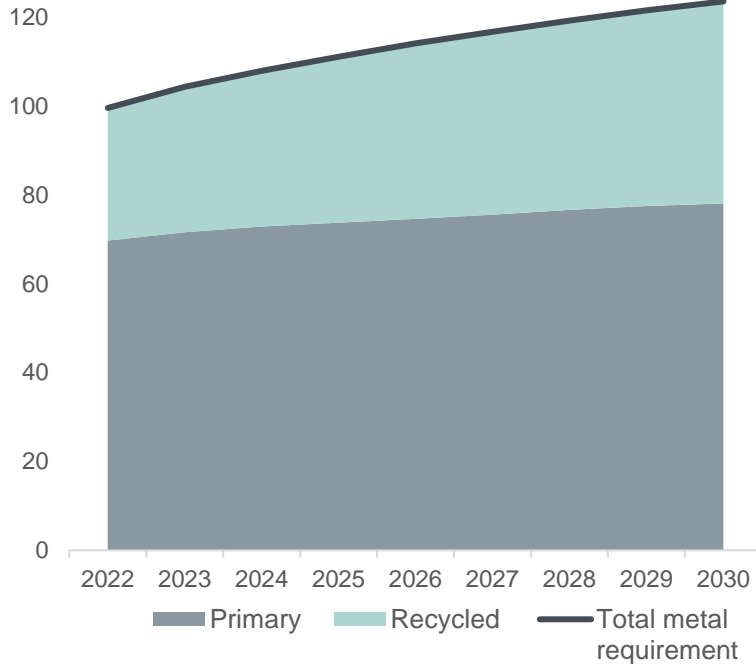
Doubling PCS-recycling from 2020 to 2025 (1,000 tonnes)

280

670

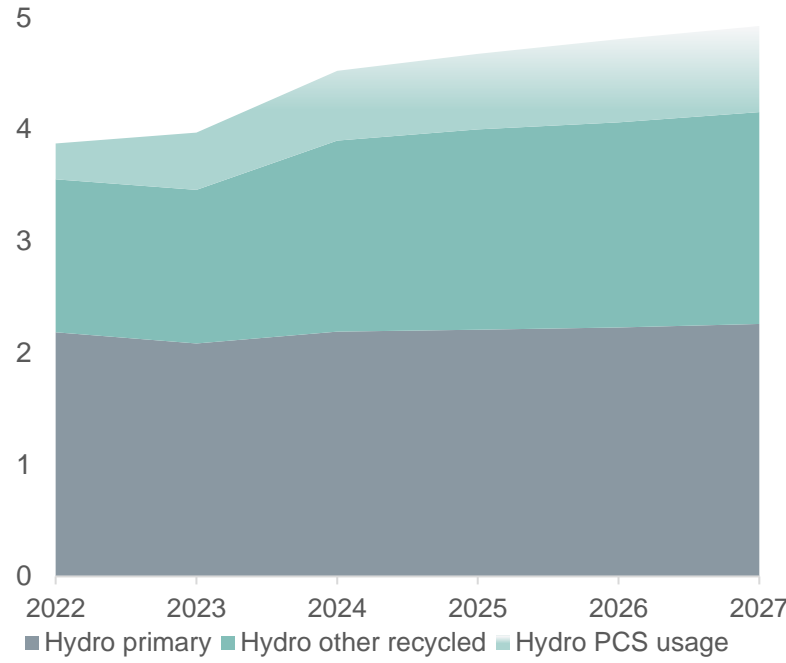
Ambitious recycling strategy delivering on future consumption growth

Global aluminium consumption
In million tonnes



CAGR 2022-30: Primary 1.4%, Recycled 5.4%, Total metal requirement 2.7%

Hydro aluminium production
In million tonnes¹⁾



Ambition to add ~1 million tonnes recycled capacity until 2027, whereof 40-50% from PCS

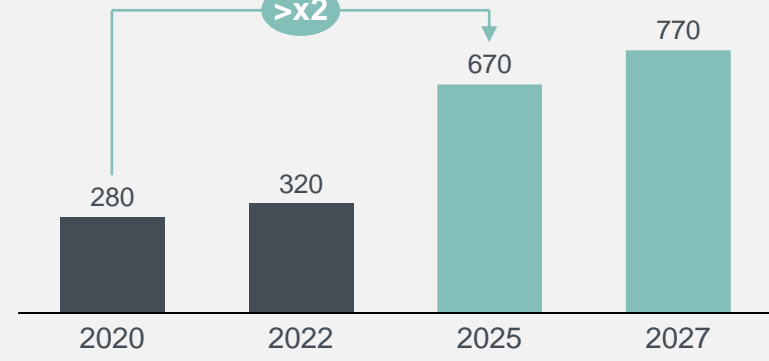
Source: CRU, Hydro analysis

Recycling 2025 and 2027 targets

All approved project pipeline

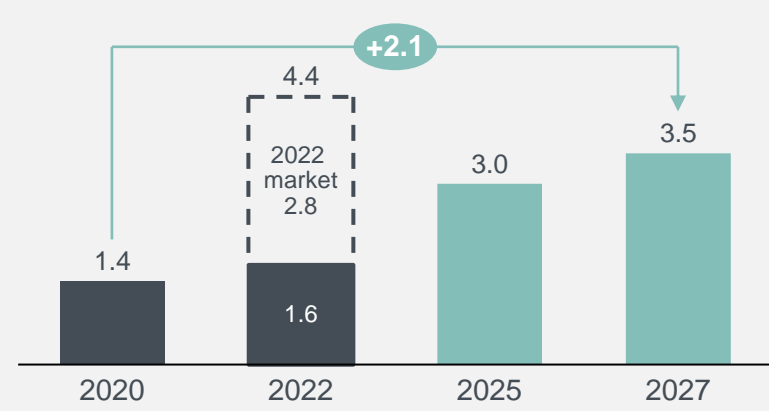
PCS usage and ambition

In thousand tonnes



EBITDA

In NOK billions

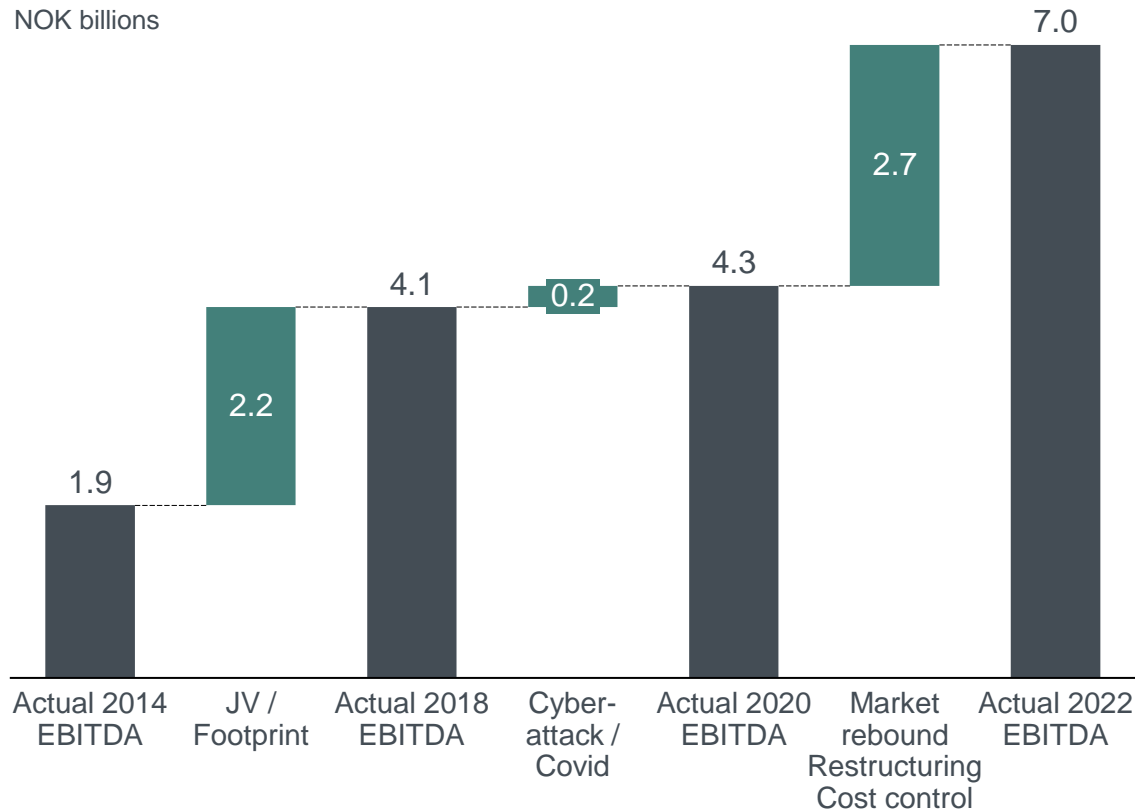


Delivering robust Extrusions margins in weaker markets, and on track for NOK 8 billion AEBITDA target



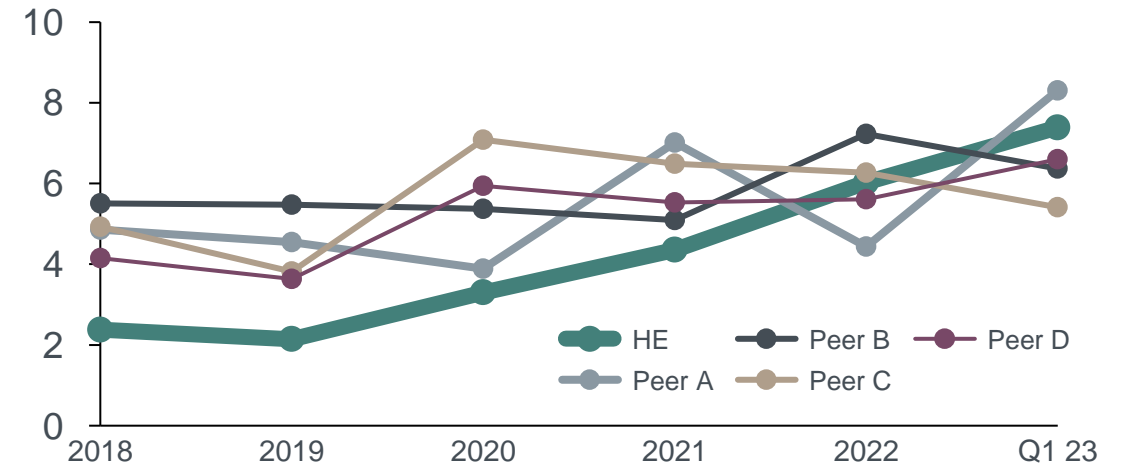
Portfolio optimization, pricing, productivity and recycling closing gaps to peers

Extrusions EBITDA
NOK billions



1,399	Volumes sold (million tonnes)	1,250
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EBITIDA margin vs peers**
NOK per kg



Several initiatives for further improvement:

- **Efficiency and cost saving programs** including procurement, automation and technology development
- **Commercial activities** leveraging position to grow in selected segments and improve product mix through value added activities and customer partnerships
- Realization of **sustainability agenda**, including Circal and Eco design

*FX currency based on 2018

**Peer group: Bonnell extrusions, Profilgruppen, Constellium (AS&I), Grupa Kety- EE

We have a roadmap to net-zero aluminium products



The technology roadmap aims for industrial pilot volumes by 2030

Energy transition in Brazil



Transitioning from heavy fuel oil to natural gas, and from coal-fired to electric boilers at the Alunorte alumina refinery

Bauxite & Alumina

Carbon Capture and Storage



Decarbonizing existing primary assets

Aluminium Metal

HalZero



Next generation primary technology offering a fully decarbonized electrolysis process

Aluminium Metal

Recycling



Technologies for increasing use of post-consumer-scrap and decarbonizing foundries

Aluminium Metal and Extrusions

Preferred partner on the path to zero

- Hydro is **shaping** the market for low- and zero-emission aluminium through strategic partnerships
- Our integrated value chain and credibility through transparency is a competitive advantage
- Concrete partnerships have been made with Mercedes-Benz, Polestar and Porsche



Mercedes-Benz



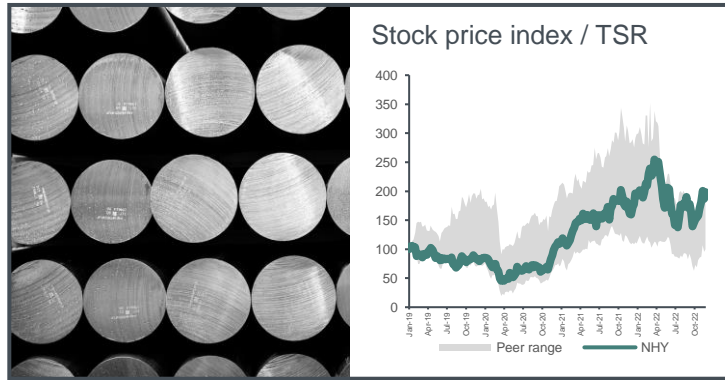
PORSCHE



Why invest in Hydro?



Good track record on relative shareholder value creation



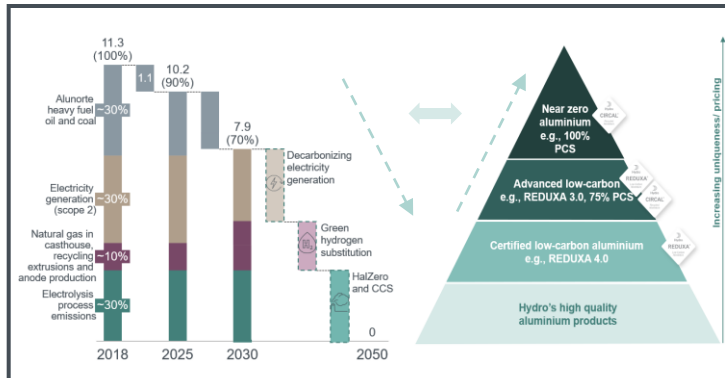
Low and robust cost position with ambition to improve

- 1st** quartile cost position AM
- Low** carbon footprint
- Long-term** renewable power contracts
- Increased** improvement ambitions

Well positioned to supply positive demand outlook for greener aluminium



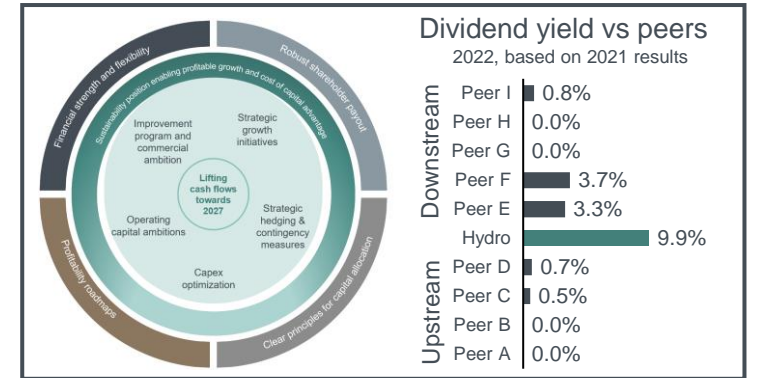
Pathway to net-zero aluminium products



Portfolio of profitable growth projects



Solid financial framework and competitive shareholder distribution





Hydro

Industries that matter