Norsk Hydro ASA

dbAccess Global ESG Conference Fireside

Pål Kildemo

EVP and CFO

2 March 2022

Seizing opportunities where our capabilities match the megatrends

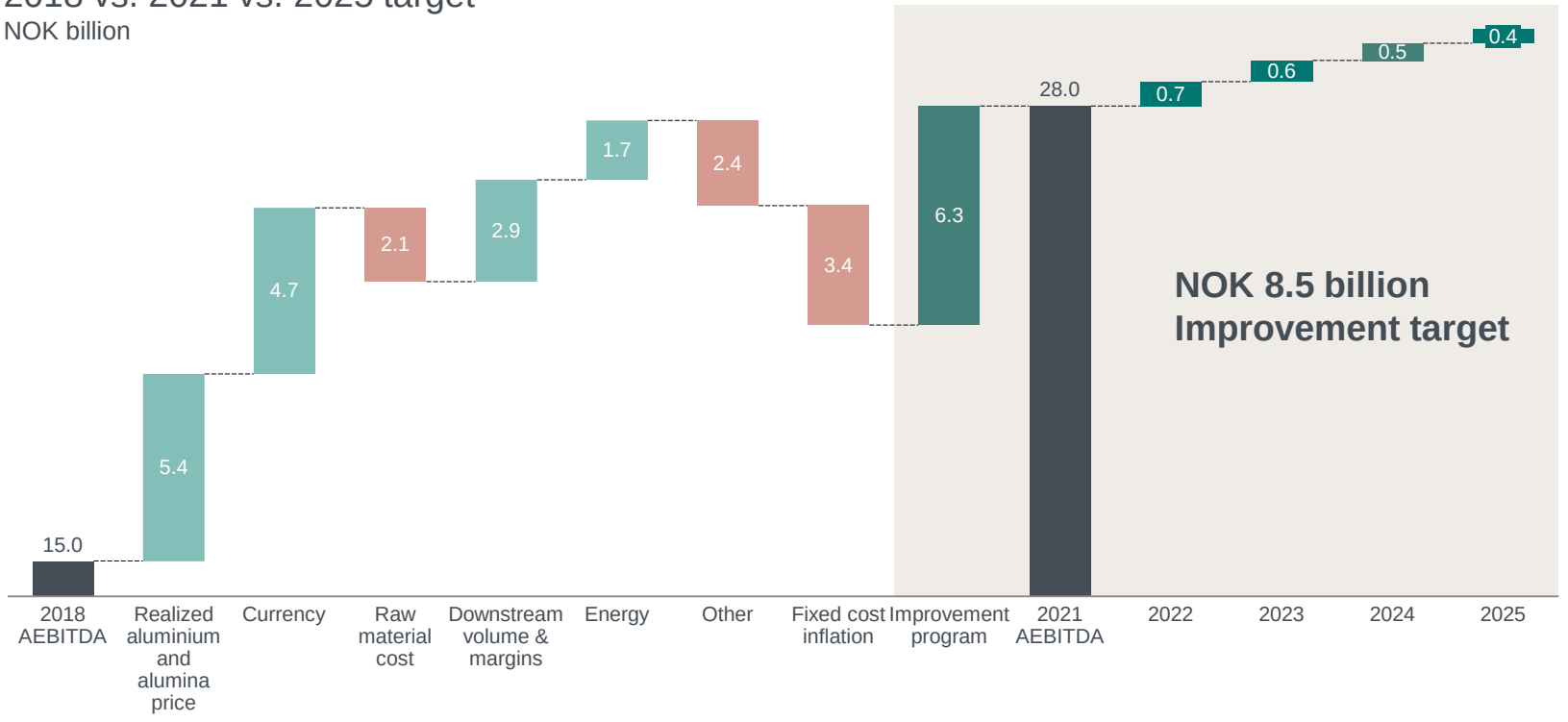
1 Strengthen position in low-carbon aluminium

2 Diversify and grow in new energy

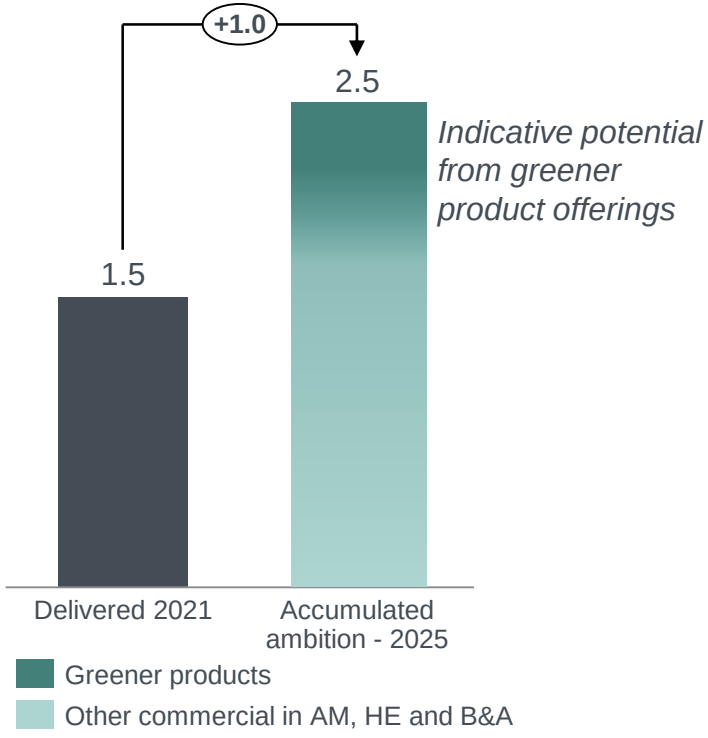
Delivering 25% above improvement program target

Commercial improvements of NOK 1.5 billion delivered[2)]

Improvement Program
2018 vs. 2021 vs. 2025 target
NOK billion



Commercial ambition 2025[2)3)]
NOK billion



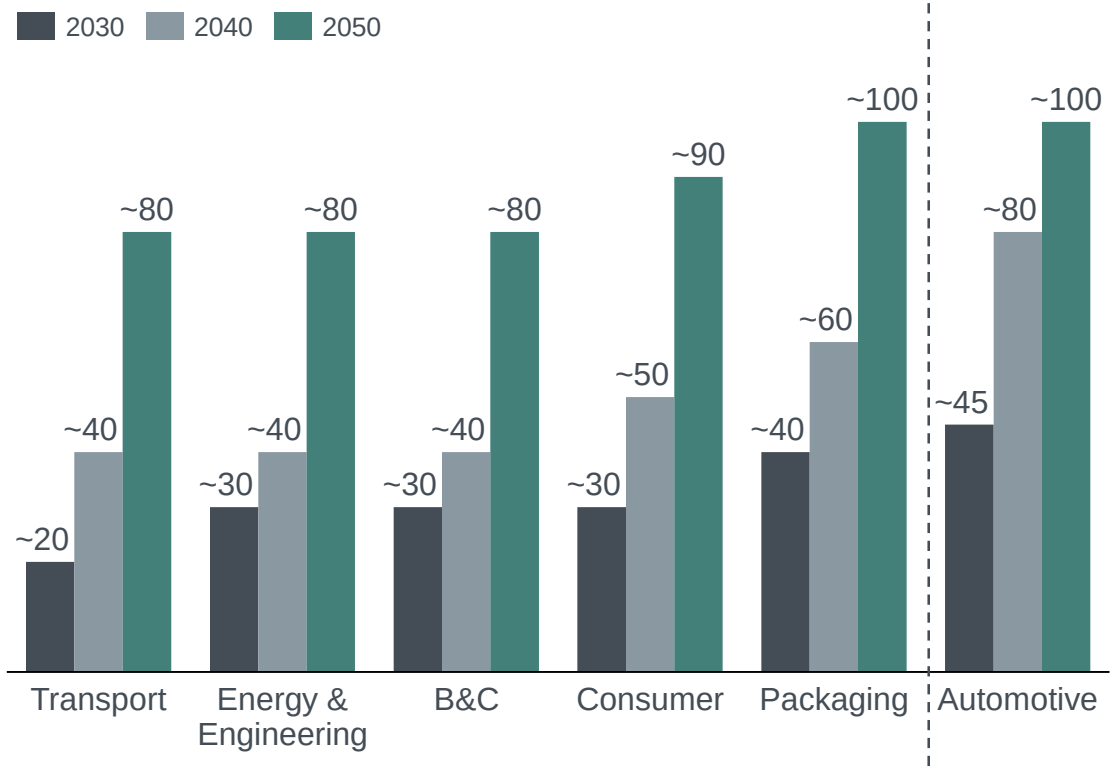
1) Calculated as Hydro Group AEBITDA – RP AEBITDA and compared to 2018 AEBITDA
2) Compared to 2018 AEBITDA
3) Gross uplift not including effects of inflation

Expecting strong demand for greener aluminium

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

Share of greener[1] aluminium demand per segment

% greener of total aluminium demand



OEMs are pushing for ever more ambitious lifecycle decarbonization targets

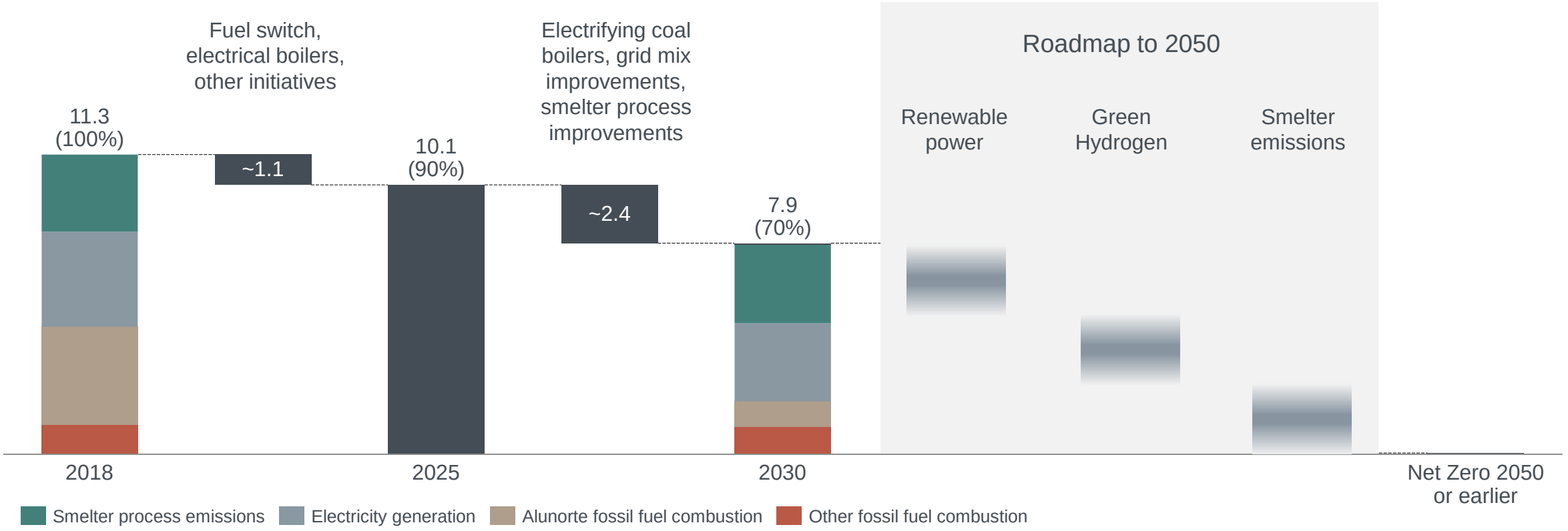
	Timeline to achieve target	Decarbonization target: Scope 1 & 2	Decarbonization target: Scope 3 upstream
Porsche	2030	100%[1]	100%[1]
GM	2040	100%[1]	-
Ford	2050[1]	100%[1]	100%[1]
Mercedes-Benz	2039	100%[1]	100%[1]
BMW	2030	80%	22%
Volkswagen	2050[1]	100%[1]	100%[1]
Volvo	2025	40%[1]	25%[1]
Toyota	2050	90%[1]	100%[1]
PSA Groupe	2034	20%	-

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

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)



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

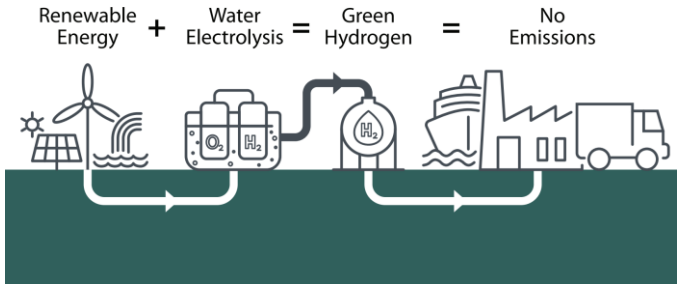
2 Green hydrogen to address 30% from ‘hard to abate’ sectors

World-class energy competence center

REIN | Hydro

Batteries

HAVRAND | Hydro

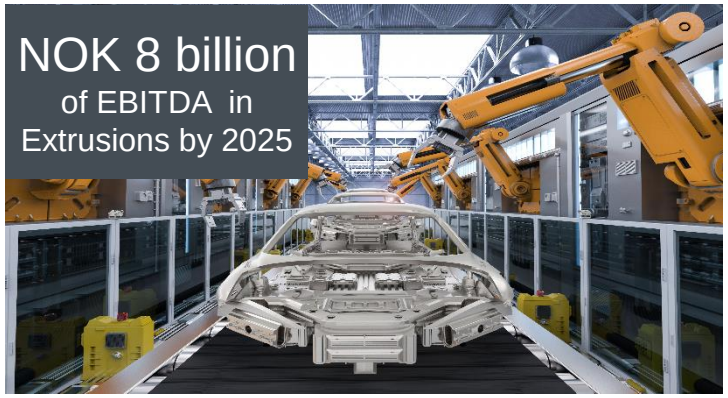


The renewable energy leader enabling the decarbonization and energy transition for industries

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

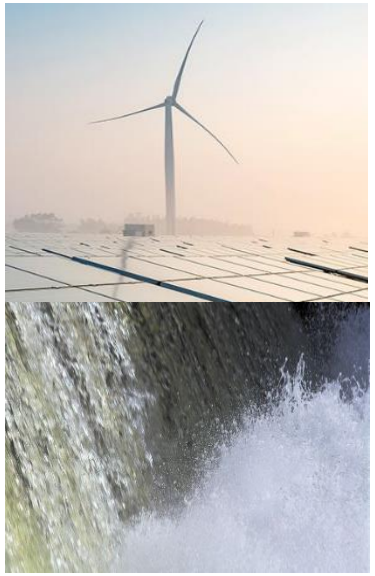
Strategy update

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



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

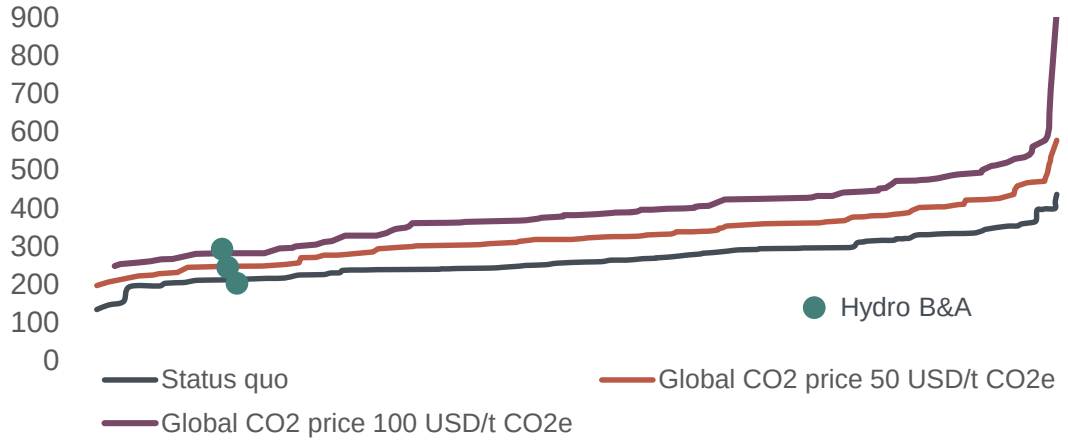
- Double post-consumer scrap use by 2025
- Develop recycling value chain from sourcing to products and customers
- Strong market position across value chain

Profitability & Sustainability

First quartile cost positions upstream

Bauxite & Alumina

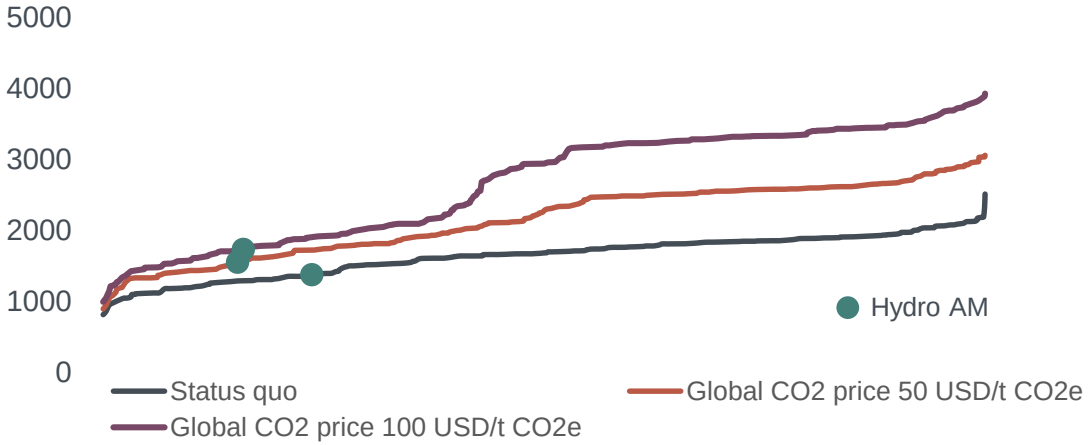
Alumina Business Operating Cost curve (2021)



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

Aluminium Metal

Smelter Business Operating Cost curve[1] (2021)



- 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

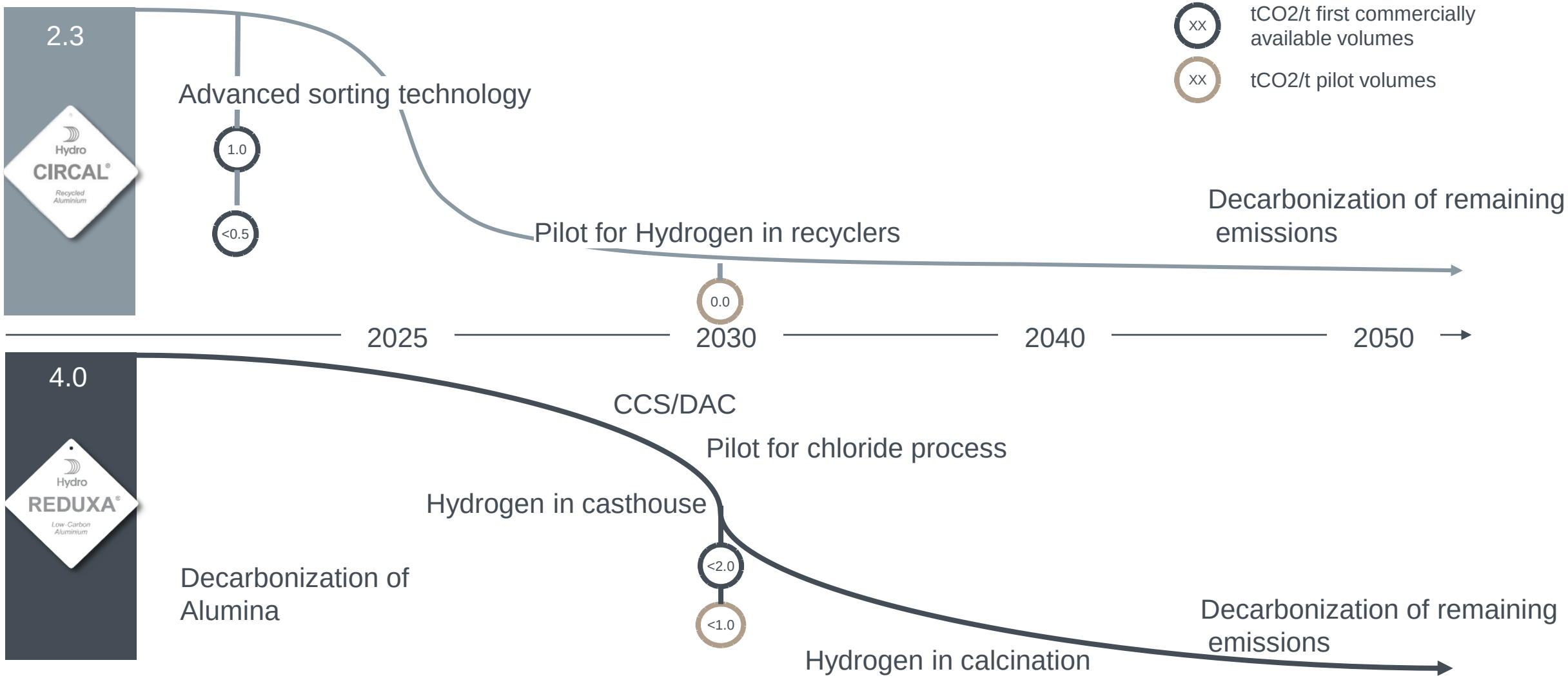
Hydro

Industries that matter

Path to Net-Zero

Net zero products: Market-paced approach

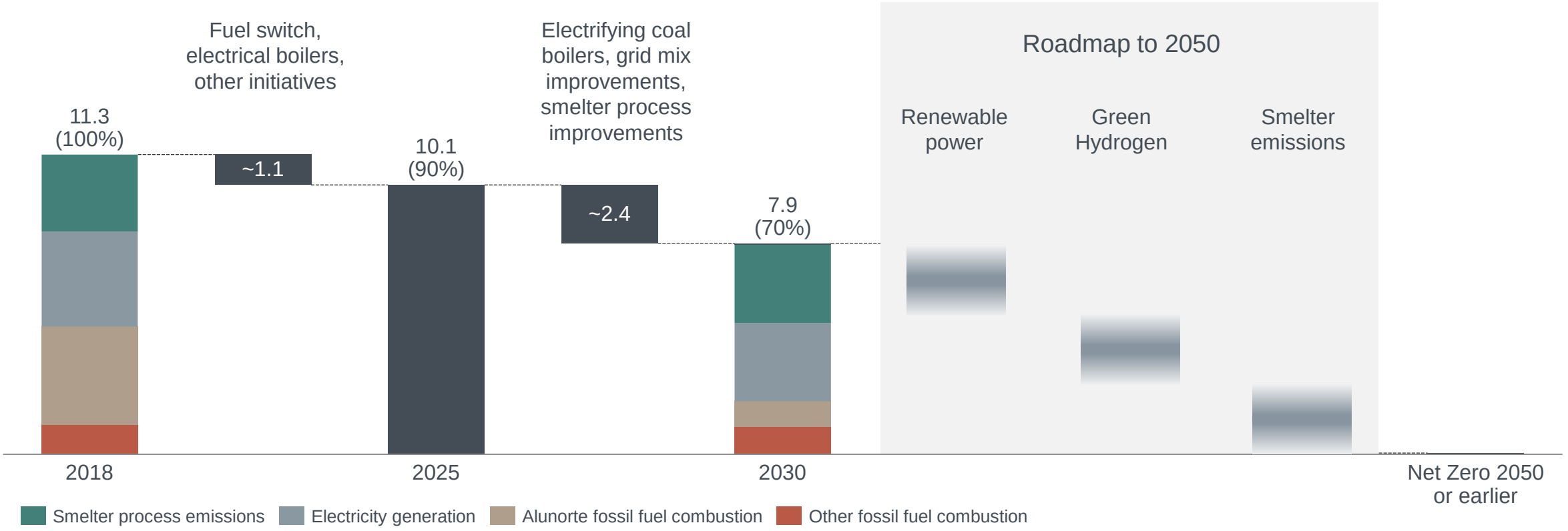
Capitalize on market demand through circularity while decarbonizing primary value chain



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)

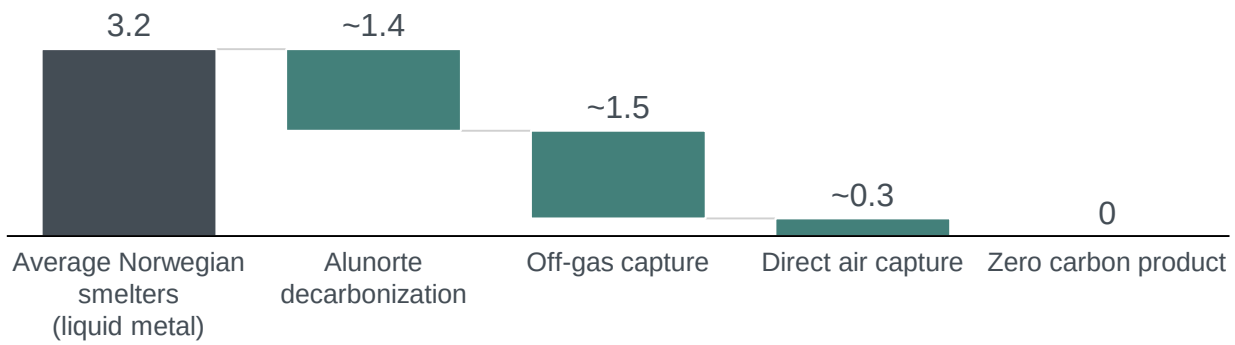


Primary path: HalZero and CCS

Technologies ready for pilot phase

Carbon capture and storage
decarbonizing existing smelters

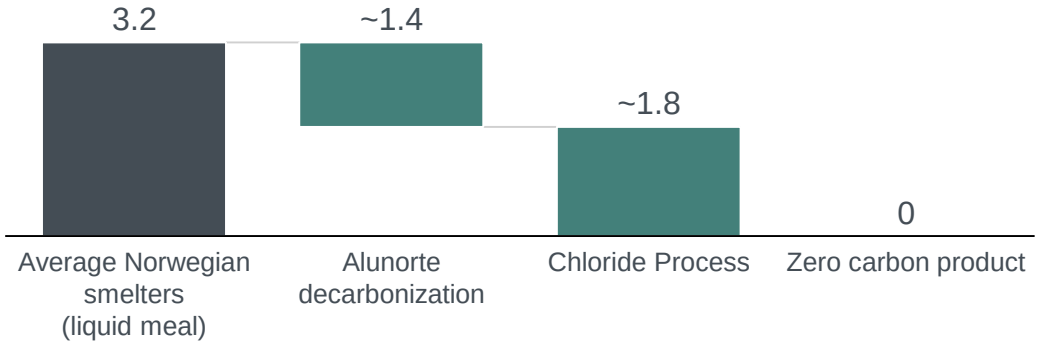
Tonnes CO2e / tonne aluminium, scope 1 and 2 emissions, liquid metal



- 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

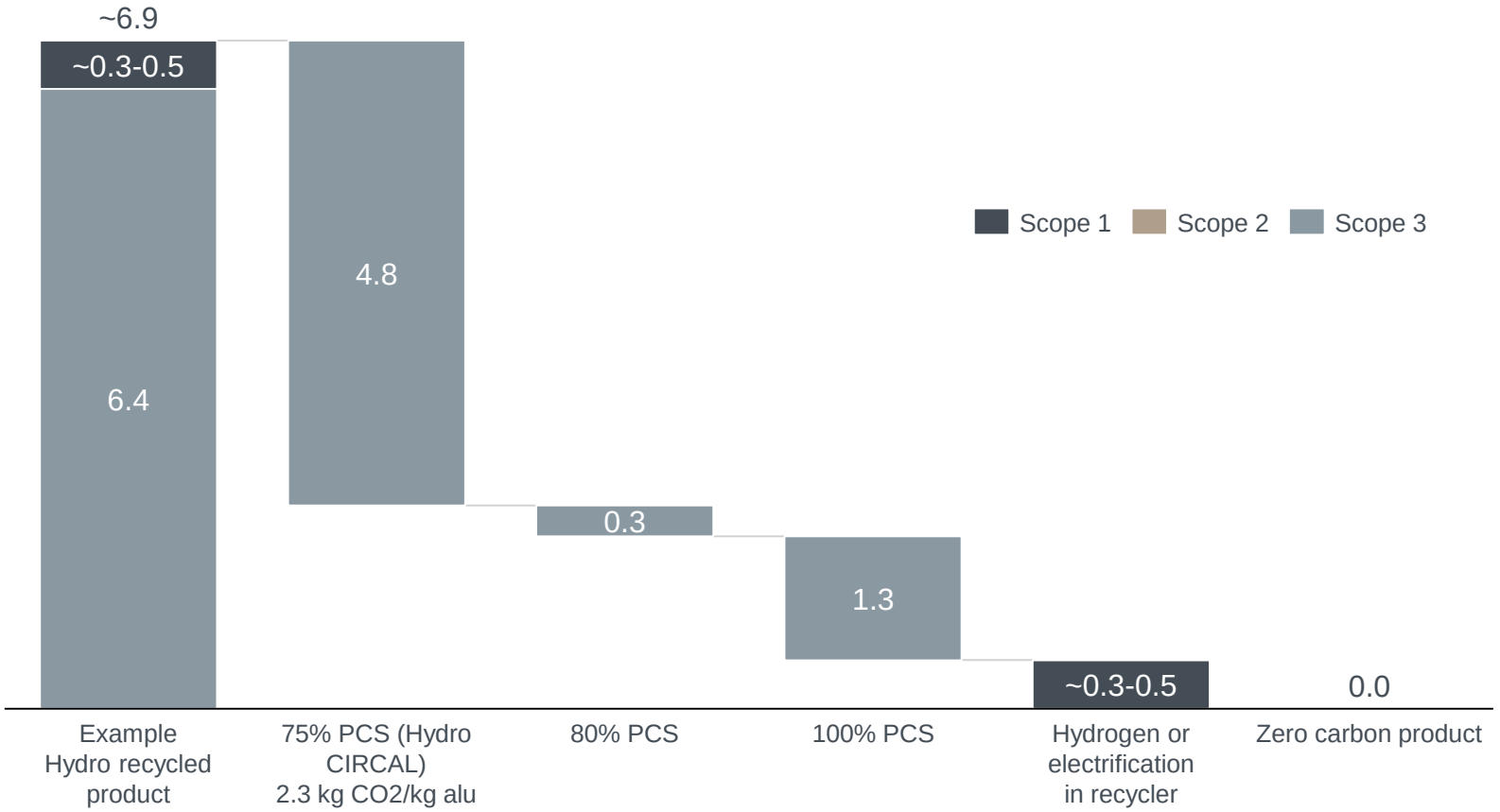


- Full decarbonization of smelting process
- Eliminating emissions for both electrolysis and anode baking
- Relevant application for new capacity post 2030
- Public/private partnership for industrialization

Circular path producing near zero volumes by 2022

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

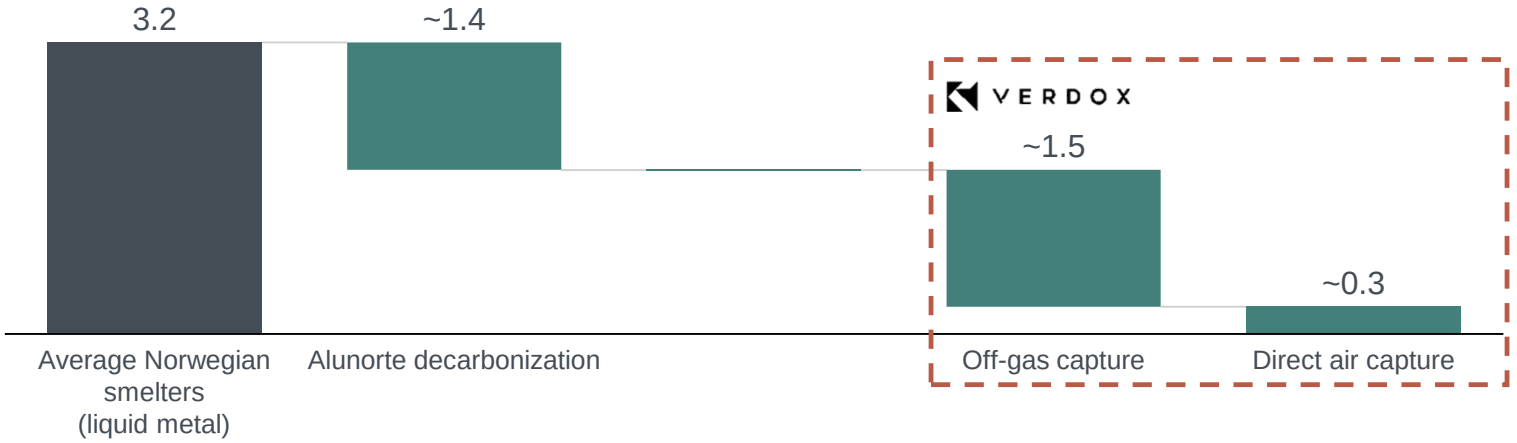
PCS Decarbonization
Tonnes CO2e / tonne aluminium



- 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

Progress on our roadmap to Net-Zero

Strengthen position in low-carbon aluminium



First of three el-boilers started at Alunorte

- World's largest refinery electrification initiative
- Will be powered by renewable energy through long term PPA's in partnership with Hydro REIN
- Financially positive business case that will reduce CO2 emissions by 400k tons annually

Hydro invests in Verdox CCS company

- Aims to deliver cost-efficient Aluminium Carbon Capture Technology and Direct Air Capture technology for piloting starting from 2025
- Hydro has invested USD 20 million and will have a minority ownership position

Solar park to power new press in Poland

- Polish electricity grid mix is dominated by coal
- Will reduce carbon footprint of extrusion process by 80%
- Expected to be in operation Q3 2022

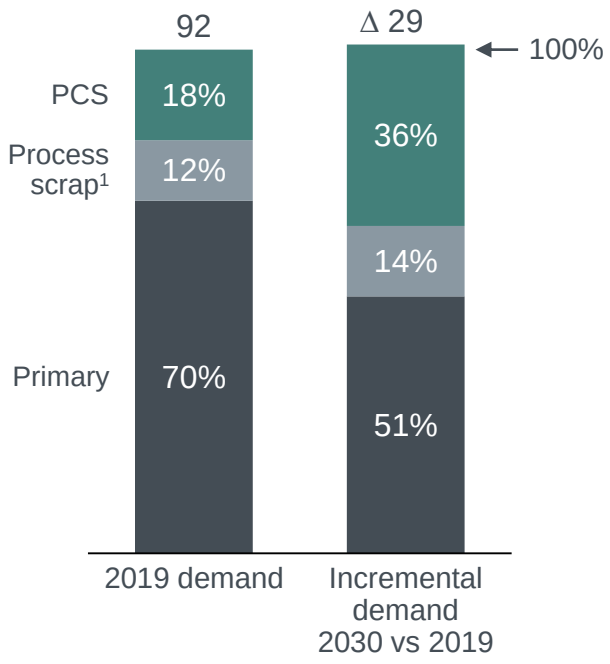
Recycling

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)



Customers: Increased awareness and desire to use recycled aluminium

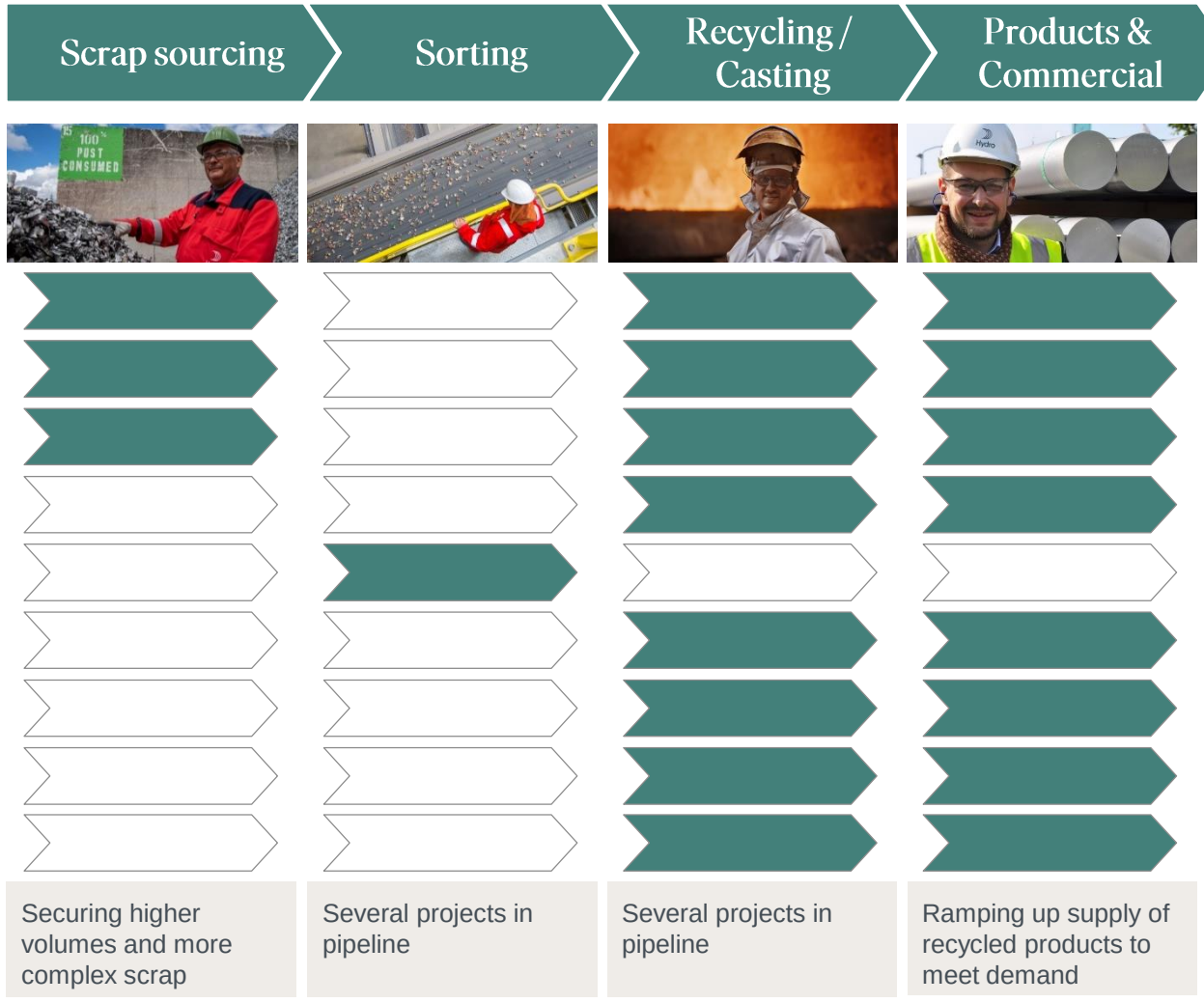
Regulatory: Green deal, Grønn Plattform; reduce waste & CO_2 footprint, promoting circularity

1) Traded process scrap, not including run-around scrap at plants
Source: CRU, IAI

Several projects supporting the Recycling strategy in 2021

Announced projects	Capacity increase
Greenfield recycler Cassopolis, Michigan	+120 kt
Høyanger Recycling, Norway	+36 kt[1)]
Expansion project Rackwitz, Germany	+25 kt
Expansion project Deeside, UK	+7 kt
LIBS sorting pilot	N/A
Greenfield recycler Székesfehérvár, HUN	+90 kt
Expansion project Sjunnen, Sweden	+20 kt
Expansion project Navarra, Spain	+23 kt
Expansion project The Dalles, Oregon	+27 kt

Project pipeline



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

Hydro Energy

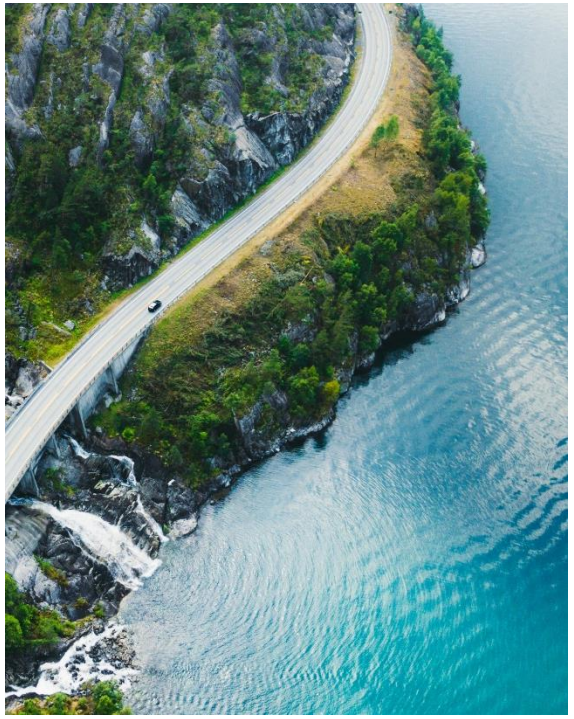
Sustainability trends creating strategic opportunities

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

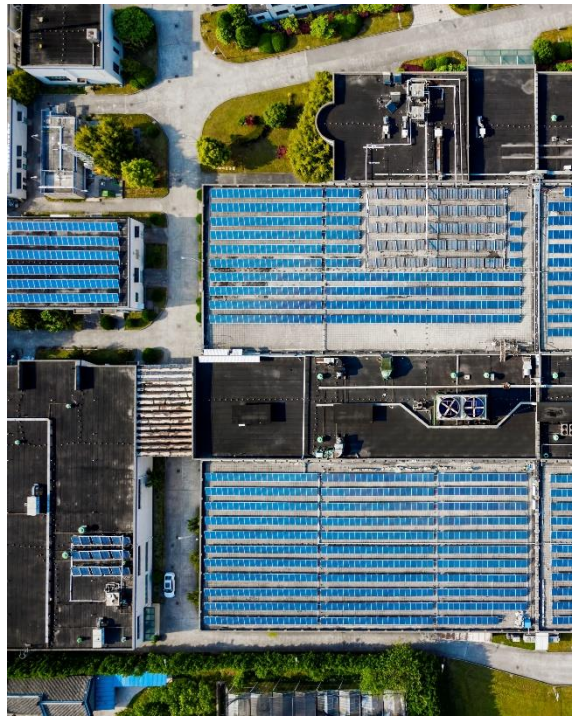
COP 26 concluded with nation state pledges towards contain global warming

Will require massive amounts of affordable renewable clean energy

Confirms the need for sustainable and smart mobility



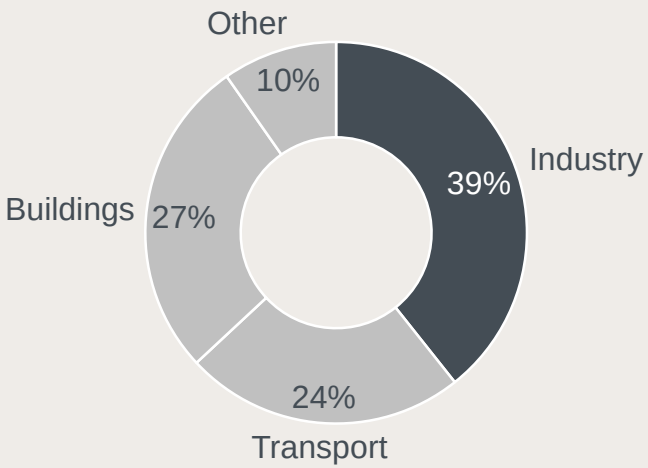
Urgent need for industrial solutions to reduce emissions from operations



Industrial sector will require new solutions

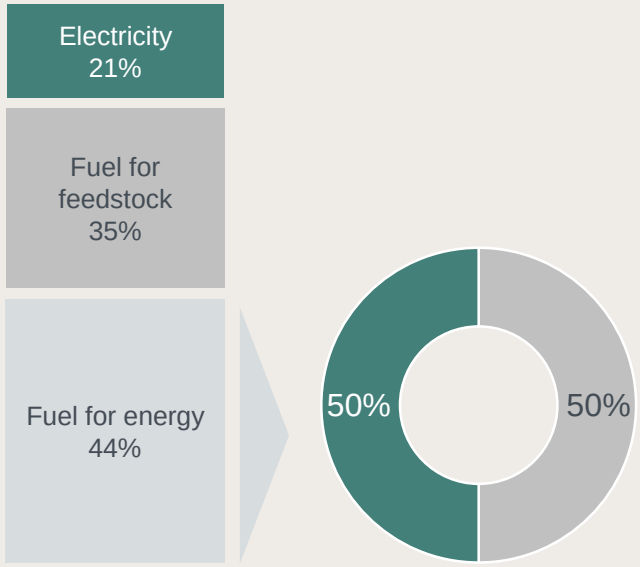
Industrials represent ~40% of global emissions

Scope 1 and 2



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

Breakdown of global industrial energy consumption



Eliminating industry carbon footprint requires a combination of solutions and technologies

Renewable energy

Industrial solutions to replace fossil fuel

Energy storage and improved efficiency

Source: BloombergNEF, McKinsey & Company – “Plugging in: What electrification can do for industry”

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World-class energy competence center

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Batteries

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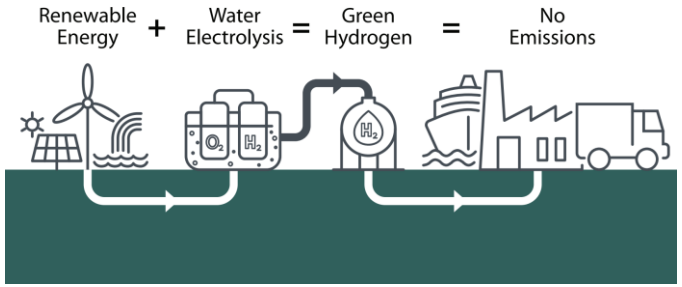
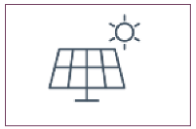


The renewable energy leader enabling the decarbonization and energy transition for industries

Building a substantial portfolio of renewables assets and services in attractive growth markets

	Solar	Wind	Energy solutions	Portfolio ambitions
REIN | Hydro			 Storage systems  Energy efficiency  Onsite generation	1. Early entry 2. Developer / operator position 3. Long-term ownership strategy 4. Value enhancing services to projects and customers
Brazil				
Nordics				
Market potential	10 TWh repowering need in Hydro by 2025 and large potential for serving clients outside Hydro		100+ sites identified in Hydro's portfolio	

Building new energy growth areas

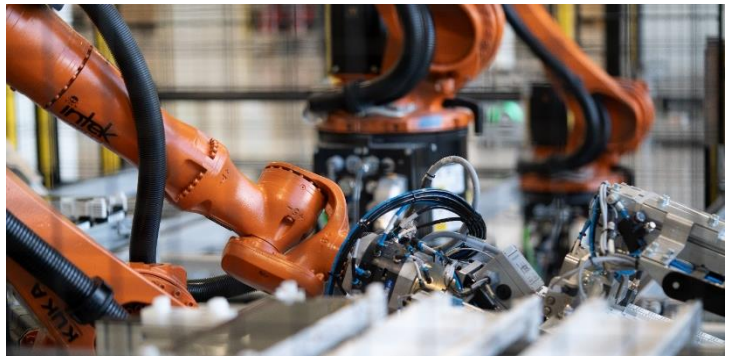
Diversify and grow in new energy

Hydro Rein

Developing onshore wind projects in Sweden with Eolus

- Stor-Skälsjön project in construction, 260MW onshore wind in SE2 backed by PPA with Hydro Energy
- New deal with Eolus to jointly develop 672 MW onshore wind projects in SE3/SE4, 9 projects in total

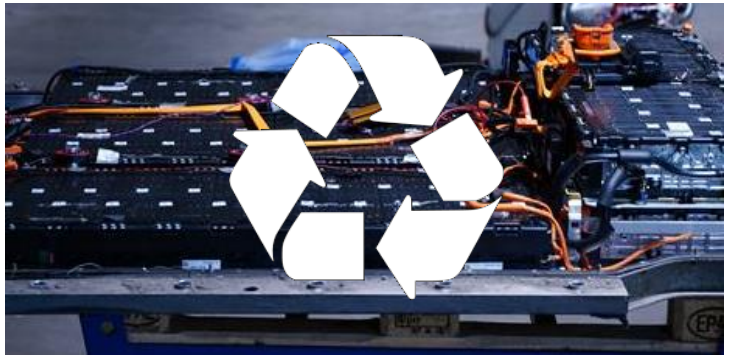
Corvus Energy



Hydro becomes largest shareholder through private placement

- Hydro participated in private placement with NOK 172 million
- New ownership 22.7%
- Strong growth in order intake during Q4 and well positioned for continued global uptake of marine battery systems

Hydrovolt



Europe’s largest battery recycling plant to start commercial production early Q2

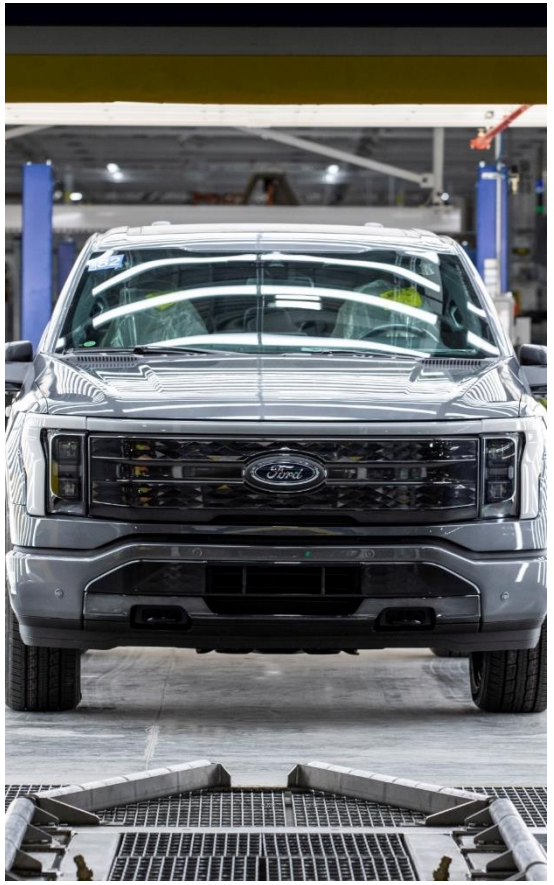
- Hot commissioning started January 2022
- Building order book into 2023/24
- Well positioned for vertical integration and scaling in Europe

Helping our customers decarbonize

Strengthen position in low-carbon aluminium

Hydro aluminium to play key part in creating a carbon-neutral car by 2030

- We will soon announce an R&D collaboration with a leading car manufacturer
- Signed Letter of Intent
- Hydro aims to contribute with aluminium expertise and supply with zero-carbon Hydro aluminium



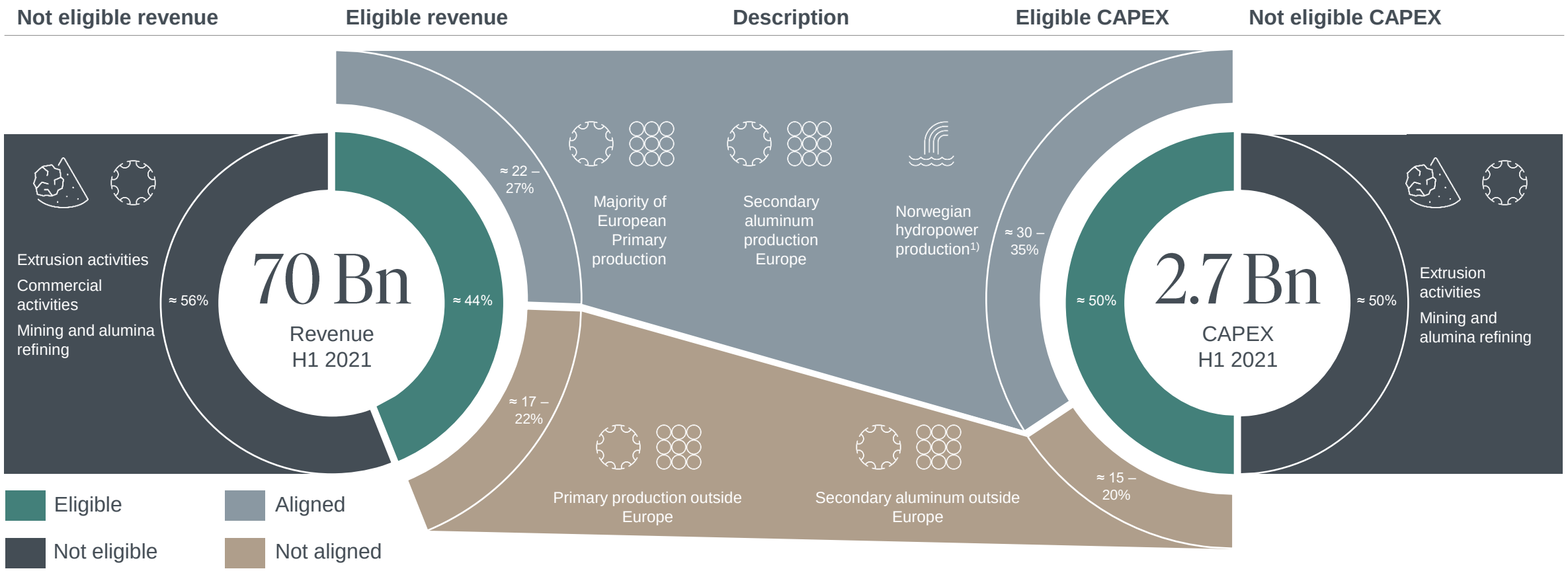
Electrifying the best-selling vehicle in the United States

- Hydro supplying complex aluminium components for new all-electric Ford-150 Lightning, launching this spring
- Aluminium is natural choice for EVs to reduce weight and maintain excellent crash-worthiness
- The seamless aluminium tubing used in the frame of the cab is a result of close collaboration, from development to launch
- Customer demand for F-150 Lightning has been high with nearly 200,000 reservations

Taxonomy

Hydro expects strong taxonomy position among peers

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



1) Uncertainties remain regarding share of hydropower that is aligned

~40% of capex expected to align with the EU taxonomy

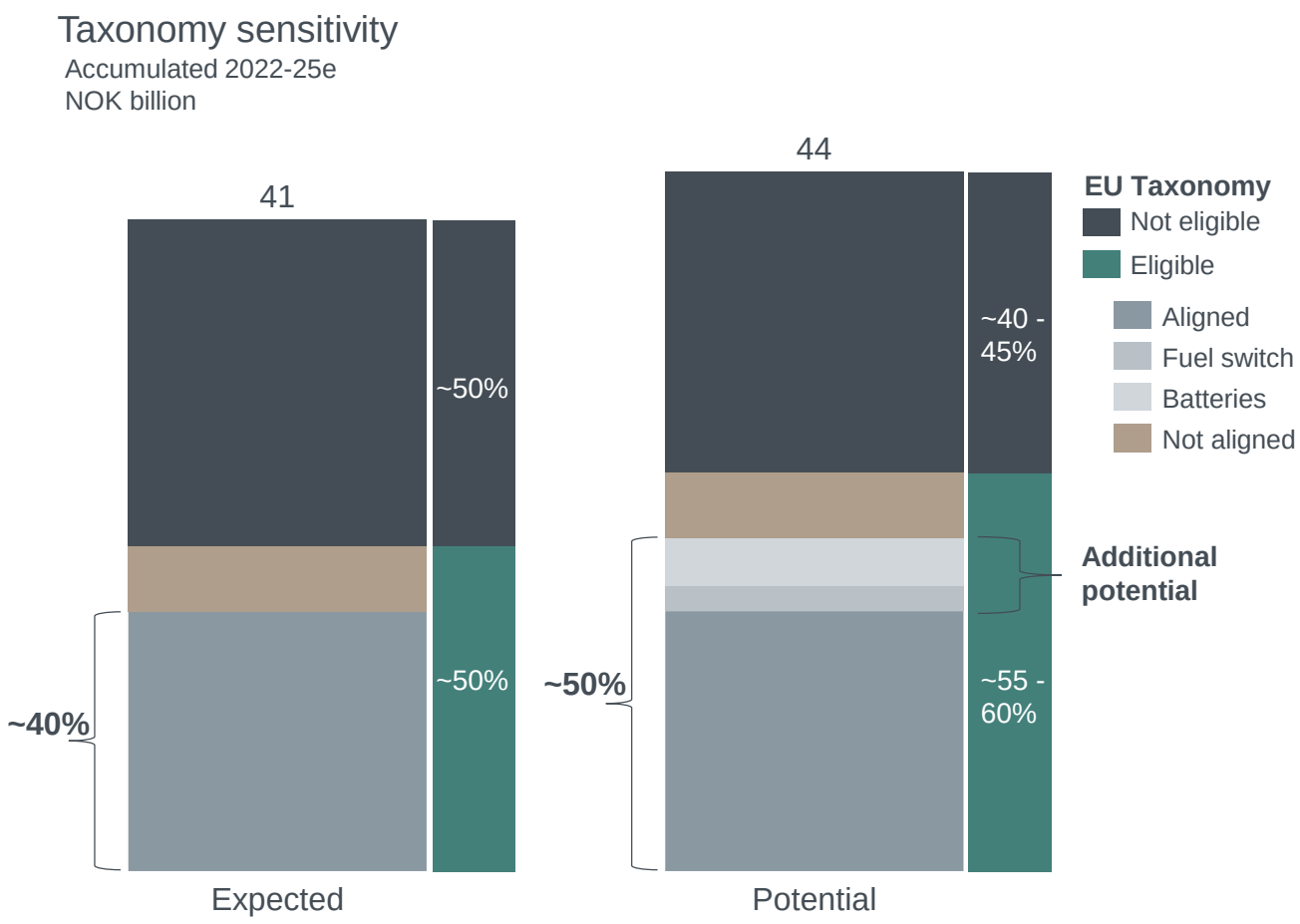
An additional ten percentage points may align with the EU Taxonomy

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
  - CO_2 technology investments
  - Recycling adhering to EU emissions standards
  - Hydropower in Norway[1)]
- Investments not reflected in the taxonomy
  - Activities not defined: Alunorte fuel switch
  - Capex definition differences[2)]: Investments into minority-owned assets
- REIN and Havrand are not included in this assessment



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

Hydro

Industries that matter