



*We are aluminium*

# Presentation to debt investors

Norsk Hydro ASA

May 2020

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# Summary of risk factors



1. Changes in the regulatory framework or political environment in which Hydro operates could have a material effect on the company
  - Hydro is subject to a broad range of laws and regulations in the legal jurisdictions in which we operate. Changes in laws and regulations, or changes in the way these laws and regulations are interpreted or enforced, may impact Hydro's operations
2. Hydro is exposed to macroeconomic developments, including price and currency risk, demand/supply balances, and changes in global trade policy framework
  - The aluminium industry is pro-cyclical with demand for products closely linked to economic development. This results in volatility in the market prices for aluminium products in periods of macroeconomic uncertainty or recession
3. Hydro is exposed to competition from China, which could have an impact on market prices and demand for our products
  - Changes and developments in aluminium supply and demand in China have a significant impact on global market fundamentals
4. Hydro could be affected by material CSR incidents, investigations, legal proceedings, or major noncompliance with laws and regulations
  - Infringement of applicable laws and regulations could result in fines or penalties, costs of corrective work, the suspension or shutdown of our operations and damage to the company's reputation.
5. Hydro could be affected by operational disruptions or other major incidents and may not be able to maintain sufficient insurance to cover all risks related to its operations
6. Hydro is exposed to supply chain concentration risk and may experience disruption in supply of alumina, anodes or certain alloy materials
  - Hydro's assets within Bauxite & Alumina are concentrated in Brazil and include the Paragominas bauxite mine, Alunorte alumina refinery and the 244km bauxite slurry pipeline connecting the two. As Hydro receives almost all of its alumina from Alunorte, these assets are critical for the supply of alumina to the rest of the Hydro Group, both in Brazil and Europe, and Hydro is reliant on their ability to maintain stable operations
7. Hydro may fail to realize sufficient value in the execution and implementation of major projects or business acquisitions
8. Hydro is exposed to the threat of cyber-attacks which may disrupt its business operations, and result in reputational harm and other negative consequences
  - Cyber-crime is increasing globally, and Hydro is exposed to threats to the integrity, availability and confidentiality of systems
9. Hydro may be unable to achieve or maintain the operational targets necessary to secure the competitiveness of our business
  - Hydro operates in a highly competitive market where operational excellence in all parts of the value chain is required to reach and maintain a competitive position
10. Occupational health and safety, and security risks
11. Climate change and environmental risks
12. Key financial exposures
  - Hydro's operating results are primarily affected by price developments of our main products, raw materials, margin developments and to fluctuations in the most significant currencies for Hydro, which are the USD, NOK, EUR and BRL
  - To mitigate the impact of exchange rate fluctuations, longterm debt is mainly maintained in currencies reflecting underlying exposures and cash generation. Hydro may also use foreign currency swaps and forward currency contracts to reduce effects of fluctuations in the US dollar and other exchange rate

# Today's agenda and presenter



## Agenda

- 1 Hydro in brief
- 2 Strategic overview
- 3 ESG
- 4 Financial policy



## Pål Kildemo

Chief Financial Officer  
Executive Vice President

- CFO since August 2019
- Previous Hydro assignments:
  - Head of Investor Relations
  - Head of Finance in Primary metal
  - Acting Executive Vice President of Primary Metal from May 2019, before he became CFO

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# Credit highlights



A global supplier of aluminium with positions across the value chain; proven track record since founding in 1905



Responsible business is our license to operate: sustainability and safety



Track-record of forceful operational programs



Solid cost positions relative to peers; strong position in technology and innovation



Conservative financial policy and investment grade credit rating



Norwegian government ownership of 34%

# Hydro at a glance



A global aluminium producer with positions across the value chain

## Company statistics

- Founded in 1905
- Headquartered in Norway
- 40 countries
- 36 000 employees

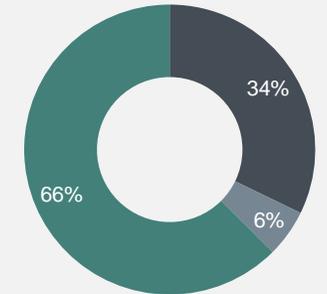


## A global supplier of aluminium

Our purpose is to create **a more viable society** by developing **natural resources** into products and solutions in **innovative and efficient** ways

## Key shareholders

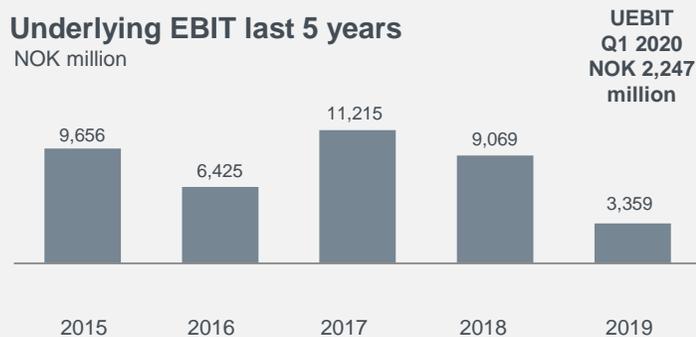
- Listed on the Oslo stock exchange
- Market capitalization NOK ~51 billion<sup>1</sup>



■ Norwegian state ■ Norwegian pension fund ■ Other

## Underlying EBIT last 5 years

NOK million



UEBIT  
Q1 2020  
NOK 2,247  
million

## Responsible business

- Strive for no serious work-related incidents
- Ambition to reduce own emissions by 10% in 2025, 30% by 2030
- Make a positive difference by strengthening local communities and our business partners



## Credit ratings & financial policy

- S&P Global: BBB (stable)
- Moody's: Baa3 (negative)
- Financial ratio targets:
  - Funds from operations / Adjusted net cash (debt) > 40%
  - Adjusted net cash (debt) / Equity < 55%
- Revolving credit facility USD 1.6 bn fully available

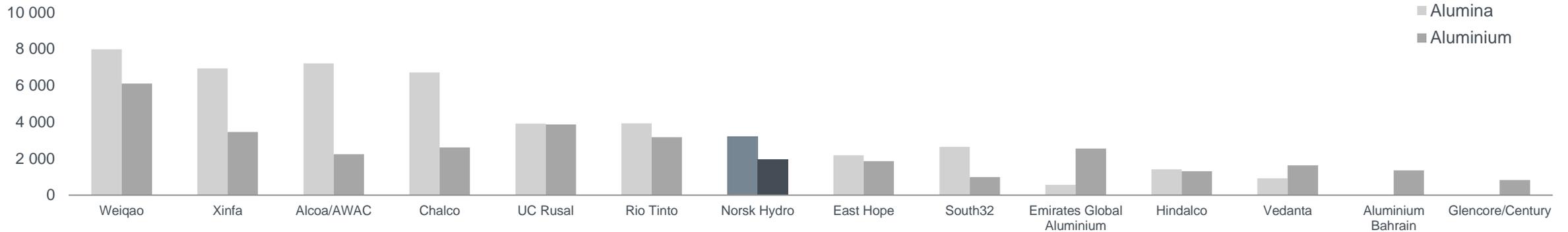
1) April 29, 2020

# Hydro's relative positions



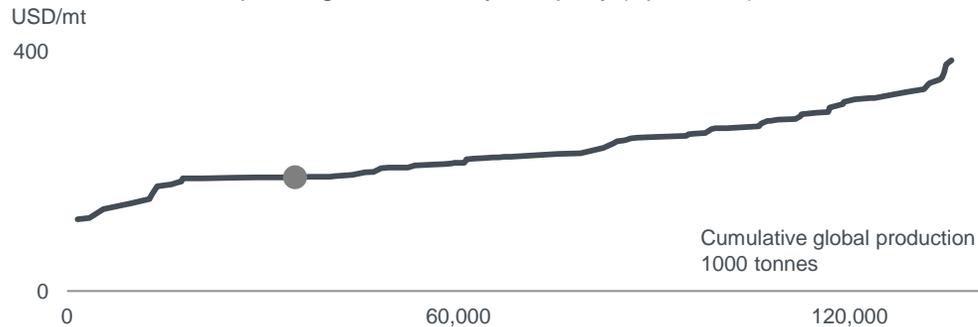
Fourth largest aluminium producer outside China; strong relative cost positions

Equity production in 2019 in aluminium equivalents, thousand mt <sup>1</sup>

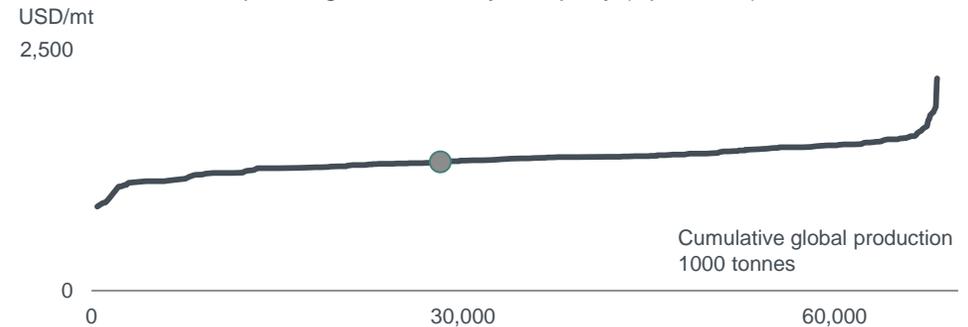


## Solid cost positions within the aluminium value chain

Alumina business operating cost curve by company (April 2020)



Smelter business operating cost curve by company (April 2020)



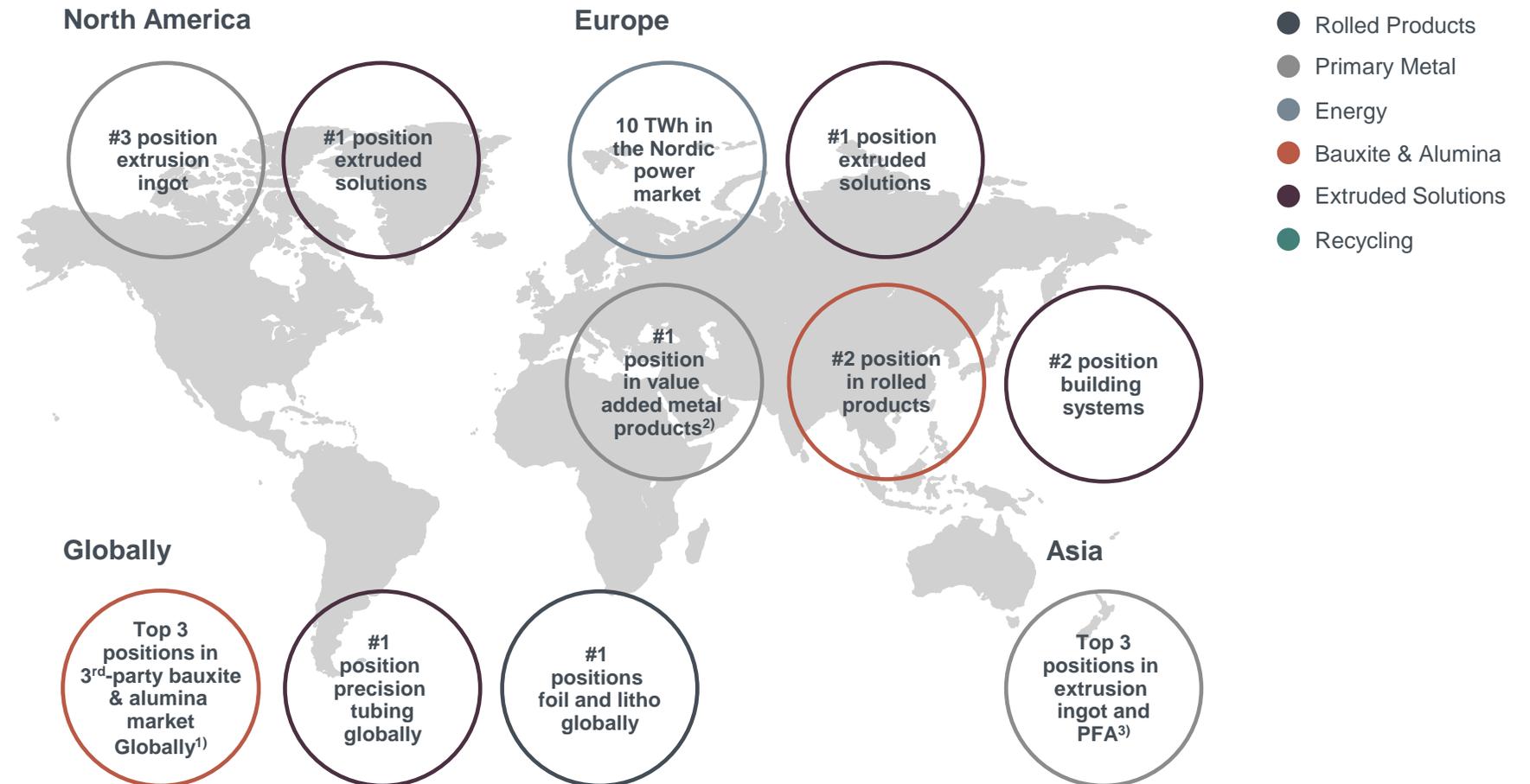
Source: CRU  
1) Hydro with Alunorte at 6.3 million mt

# 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; operations back to normal after production curtailment 2018-2019
- Primary production in Norway, Germany, Qatar, Slovakia, Brazil, Canada, Australia
- 10 TWh captive hydropower production
- European #2 in rolled products
- 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

# Covid-19 operational impact

## Bauxite & Alumina

- Operations mostly running as normal, high market uncertainty

## Energy

- Operations mostly running as normal, high market uncertainty

## Primary Metal

- Primary production operations mostly running as normal
- Recyclers in Europe and US operating at varying capacity utilization in response to falling demand and government-imposed restrictions
- High market uncertainty

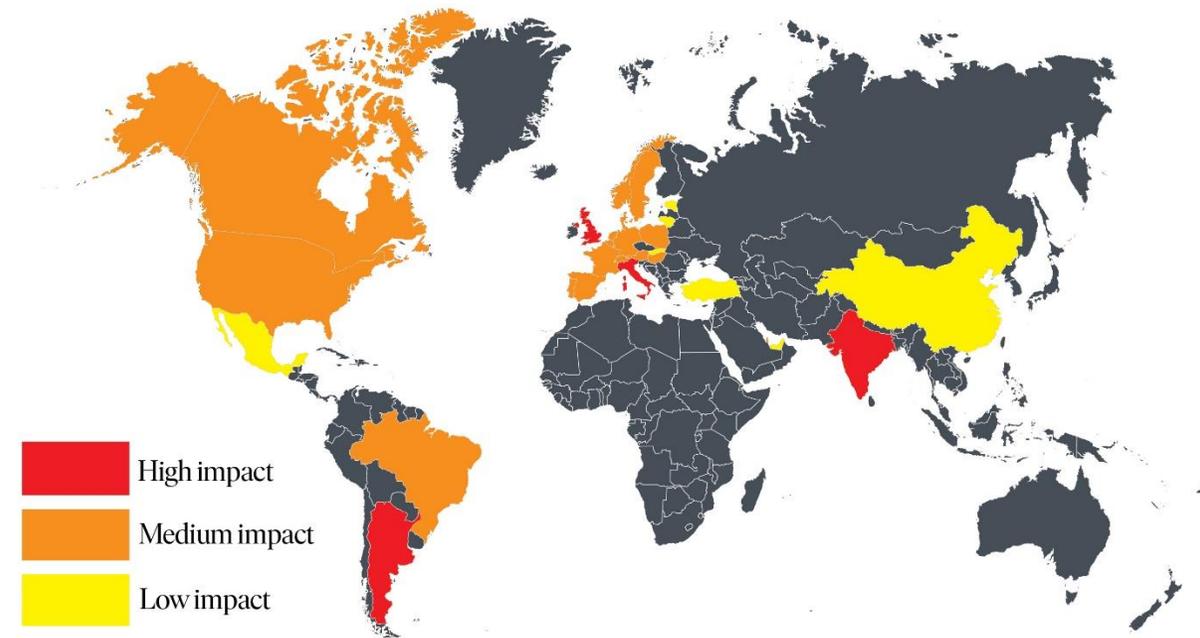
## Rolled Products

- Operations mostly running as normal, temporarily reducing production for automotive sector reflecting customer curtailments
- High market uncertainty

## Extruded solutions

- ~30% of the sites are running at approximately normal levels
- ~55% running at reduced levels
- ~15% either closed or running at very low levels.
- High market uncertainty

## Hydro global impact overview



High: Closures, layoffs, high absentee rate, Medium: Some proactive measures in place (shift reductions), Low: No immediate impact on operations

# Forceful actions amid Covid-19

## Safe operations

- Strict and precautionary actions, based on authorities' advice, protecting employees, contractors, customers, suppliers and local communities

## Communities

- Information and awareness, close collaboration with local authorities
- Donations of funds, property, mineral water, food, test kits, PPE
- Deliveries to critical industries

## Liquidity

- Temporarily curtailments and temporarily lay-offs, cost cuts and cost discipline across the company, continuously evaluating further mitigating measures
- Freeze of 25% of remaining 2020 capex
- Board resolution to amend dividend proposal of NOK 1.25 per share and instead propose that Board is authorized to resolve distribution of dividend at later stage if conditions allow for it\*

\* Pending approval from the AGM on May 11, 2020



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# Demand drivers for aluminium

The properties of aluminium drive solid demand growth across multiple segments

## Aluminium – the metal of the future

### Lightweight

1/3 density of steel

### Corrosion resistant

Protective oxide layer

### Formability

Extrusion, rolling, casting. Low melting point vs steel

### Recyclability

75% of all aluminium produced still in use

### Excellent conductivity

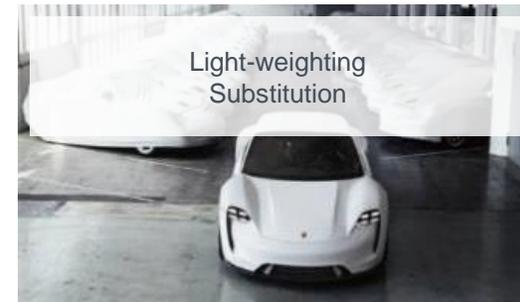
Thermal and electrical

### Alloying technology

Wide range of physical properties

## Solid demand growth drivers across many segments

### Transport



### Packaging



### Building & construction



### Electrical



# Global metal supply and demand dynamics

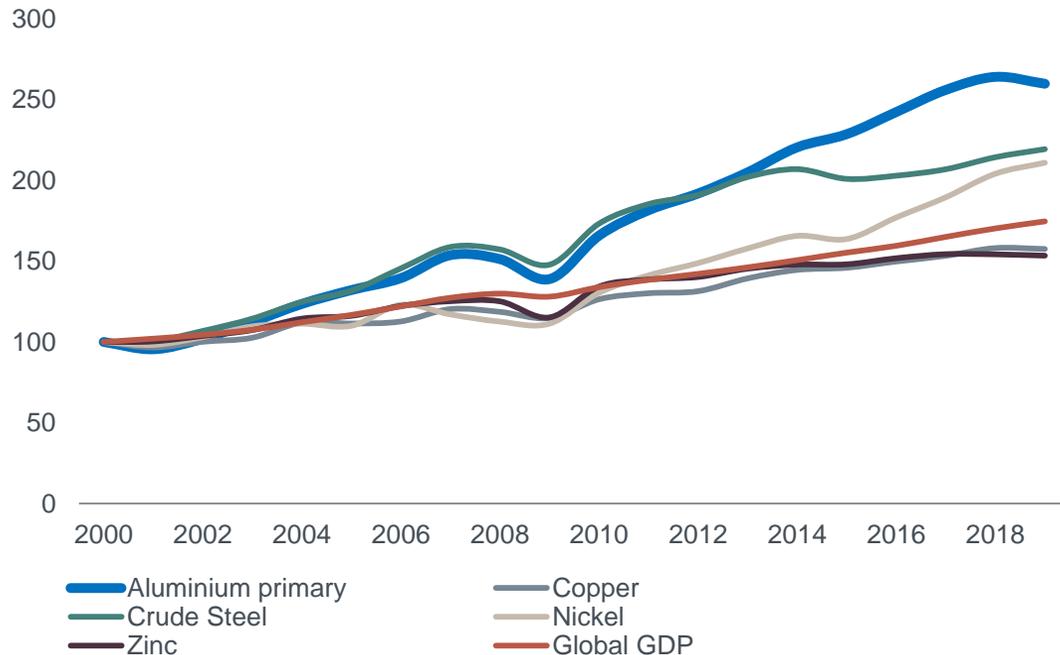


Aluminium is the fastest growing base metal driven by rapid demand increase in China

Aluminium continues to be the fastest growing base metal

## Global metal demand

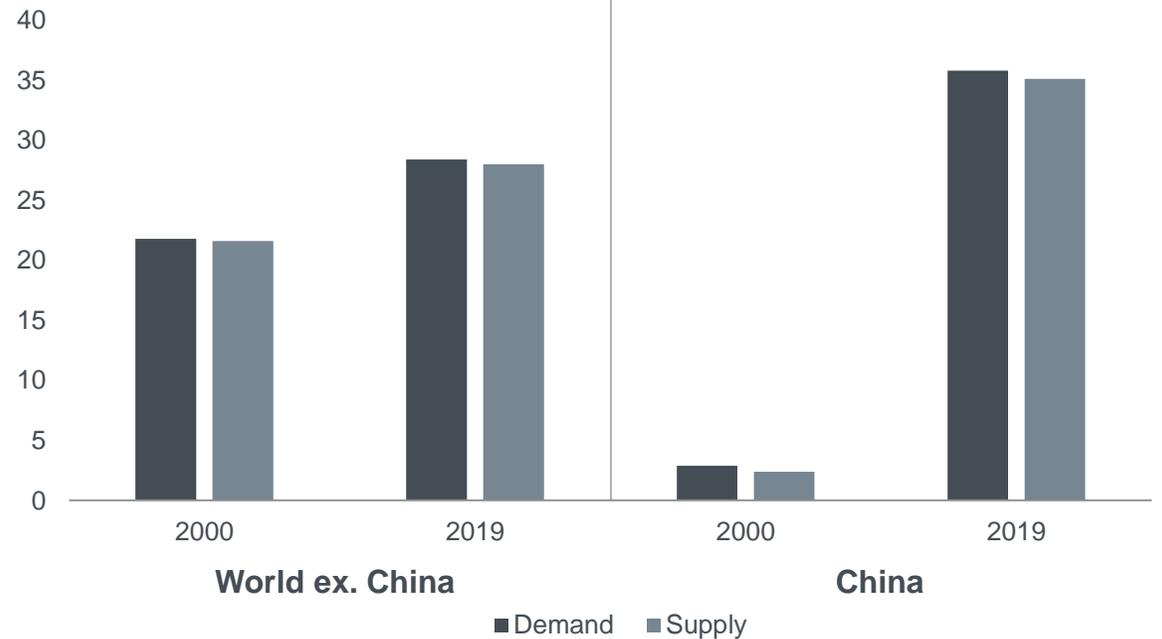
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Rapid increase in China's supply and demand for aluminium

## Primary demand and supply

(million tonnes)



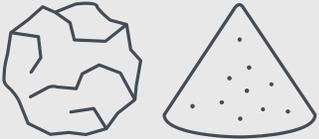
# Differentiated capital allocation



Different strategic modes for the business areas

Safe, compliant and efficient operations  
– The Hydro Way



Business area	 <b>Bauxite &amp; Alumina</b>	 <b>Primary / Metal Markets</b>	 <b>Energy</b>	 <b>Rolled Products</b>	 <b>Extruded Solutions</b>
Strategic mode	Sustain and improve*		Selective growth	Strategic review	Selective growth
Impact on capital allocation	Sustaining capex and cost efficiency (Creep and recycling with high profitability)		Selected growth investments	Sustaining CAPEX and cost efficiency	Selected growth investments both organic and M&A

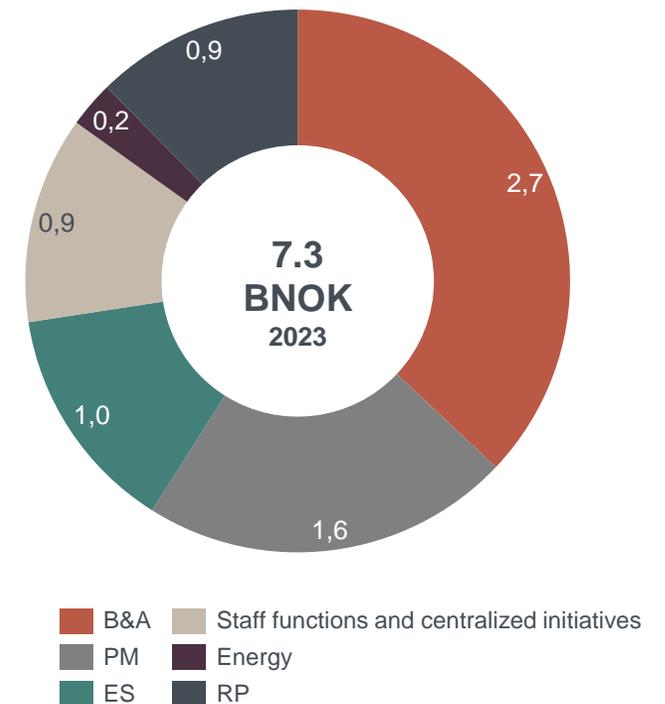
\*Creep and recycling with high profitability

# Revitalizing the improvement drive

Targeted improvements to deliver ambitious potential

<p><b>Bauxite &amp; Alumina</b>                  Curtailment reversal                  Fixed cost and efficiency</p>	<p><b>Primary Metal</b>                  Curtailment reversal                  Fixed cost and efficiency                  Husnes restart</p>
<p><b>Rolled Products</b>                  Organizational efficiency                  Operational efficiency                  Commercial excellence</p>	<p><b>Extruded Solutions</b>                  Portfolio optimization                  Fixed cost and efficiency                  Value-over-volume                  Selective growth</p>
<p><b>Energy</b>                  Commercial and operational handling                  Renewable and storage initiatives</p>	<p><b>Staff and support functions</b>                  Fixed cost and simplification                  Procurement initiatives</p>

By business area

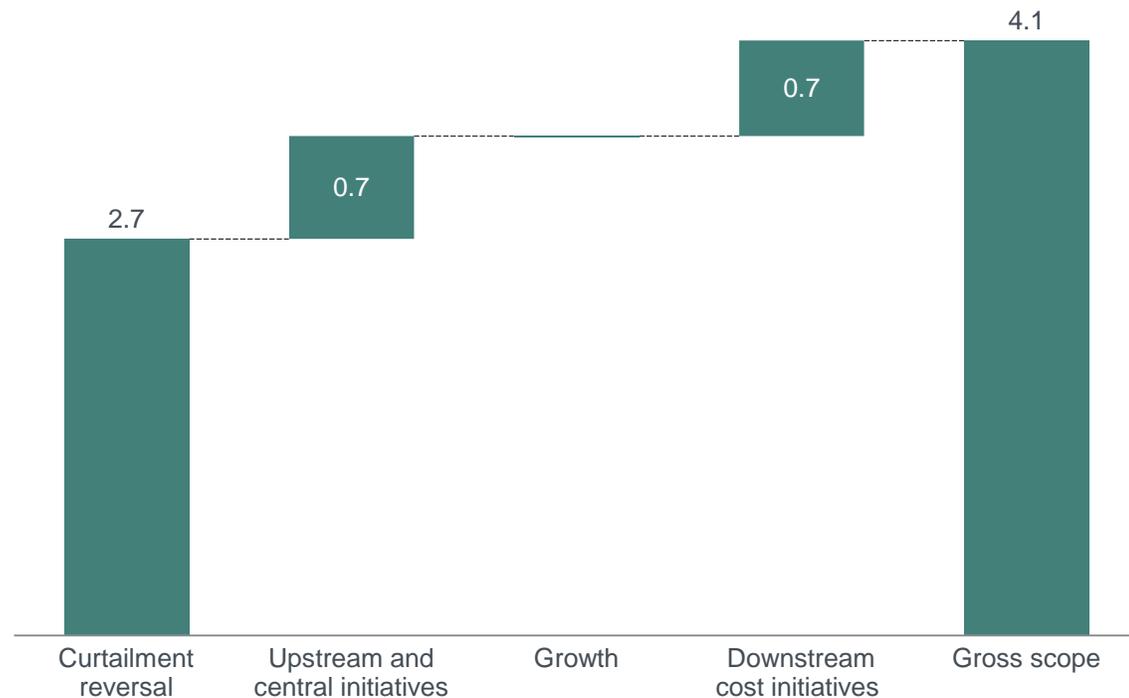


# Refocusing 2020 improvement efforts on parameters we can influence, which are ahead of plan

Alunorte moving towards nameplate, progressing on cost initiatives downstream

## Accumulated 2020 target refocused improvement efforts

In NOK billion



- Alunorte ramp-up
  - Annualized Q1 2020 production of close to 6.2 million, 98% capacity utilization
  - 9<sup>th</sup> press filters in operation
  - Targeting full capacity utilization by end-2020
- Rolled Products
  - Traction on organizational right sizing progressing
  - Procurement initiatives maturing, several initiatives underway
  - Metal cost optimization through UBC improvements
  - Strategic review ongoing
- Extruded Solutions
  - Positive impact from 2019 portfolio optimization, additional restructuring being considered
  - Cost initiatives across the portfolio, increased focus in Covid-19 situation
  - Procurement initiatives well underway



## Profitability

**RoaCE > 10%**

Over the cycle

All business areas

RoaCE > Cost of Capital

Over the cycle

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# Sustainability dashboard 2020



## Safety

TRI rate 2.5  
YTD March 2020

Ambition: Zero fatalities and injury free environment

## Social responsibility



2018 2030  
Empowering 500,000 people with education and skills by 2030  
Partnership with UNICEF signed

## Community response to Covid-19

Collaboration with local authorities  
Information and awareness  
Donations of funds, property, mineral water, food, test kits, PPE

## Biodiversity

On track  
2019

Target: 1 to 1 rehabilitation of available mined areas

## Climate

Target of 30% reduction in CO<sub>2</sub> emissions by 2030 launched

## Certifying sustainability

59 plants ASI certified, covers entire value chain

## Greener products

10 000 mt CIRCAL produced  
FY 2019

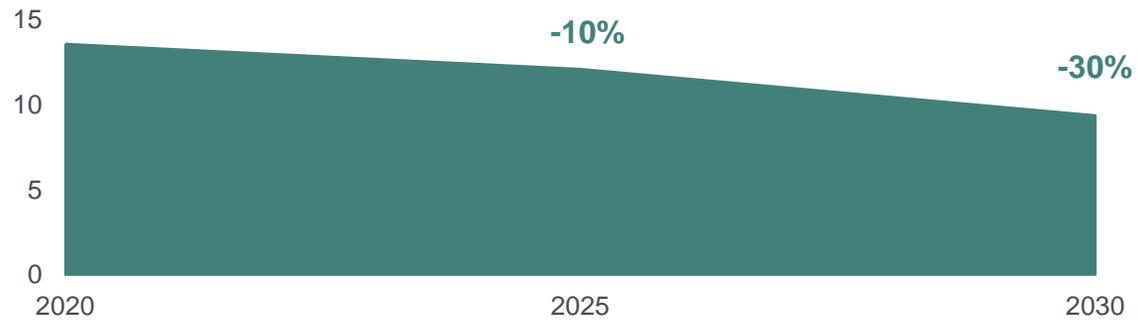
Combined 2020/21 target: 65,000 mt

## Profitability & Sustainability



# Hydro's climate and environmental strategy

Total own emissions in million mt CO<sub>2</sub>E



**New climate strategy:  
Cut CO<sub>2</sub> emissions by 30% by 2030**

Linking financial strategy with overall sustainability strategy:

USD 1,600 million RCF with margin linked to Hydro's greenhouse gas emission target



## Climate targets and ambitions

*1 to 1 rehabilitation of available areas*

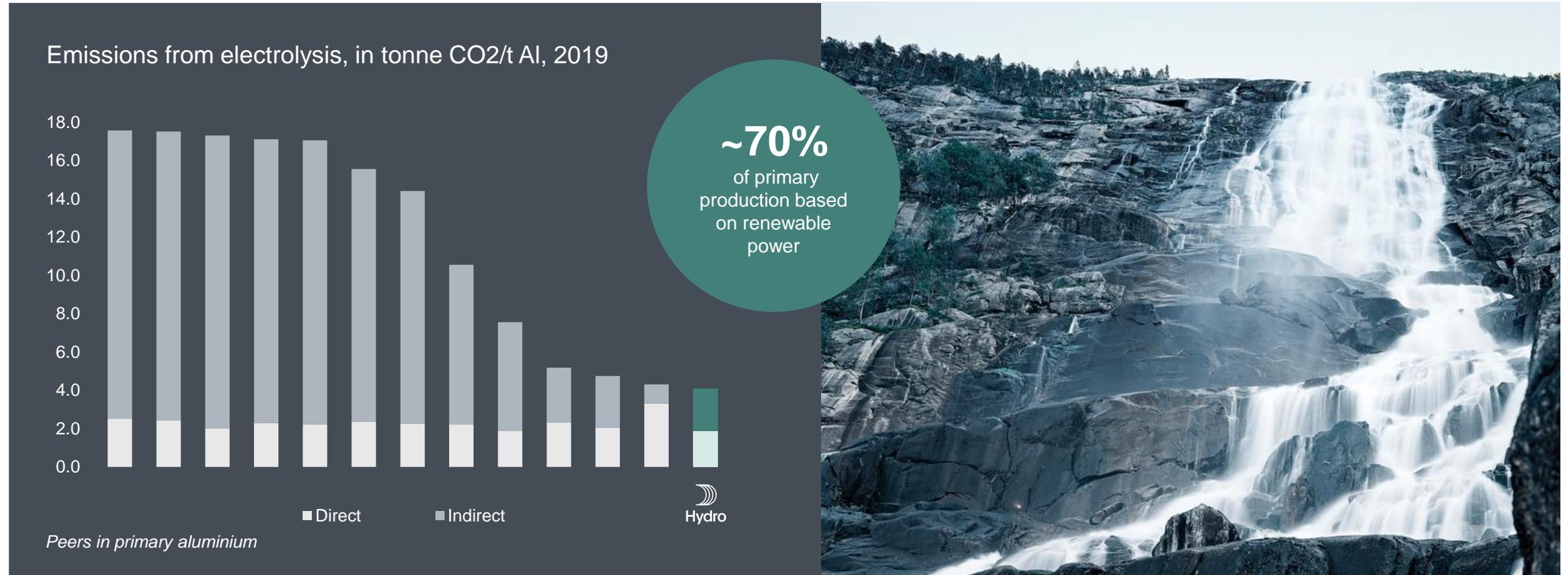
*Utilise 10% of bauxite residue generated (from 2030)*

*50% reduction in key non-GHG air emissions by 2030\**

\* SO<sub>x</sub>, NO<sub>x</sub> and PM (2017 baseline)

# Climate efficient production

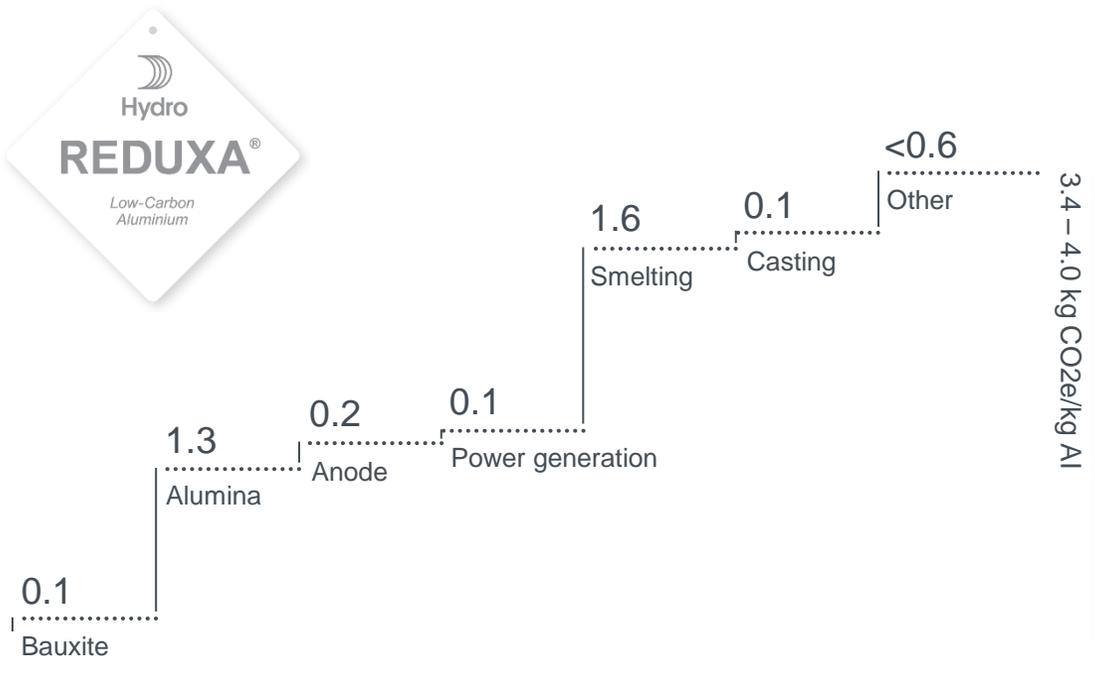
Renewable energy base and low energy consumption



# Greener products: From REDUXA 4.0 to 2.0

New energy mix in Alunorte important enabler to reach 2.0

## From REDUXA 4.0



Typical production values

## Towards REDUXA 2.0 by 2030

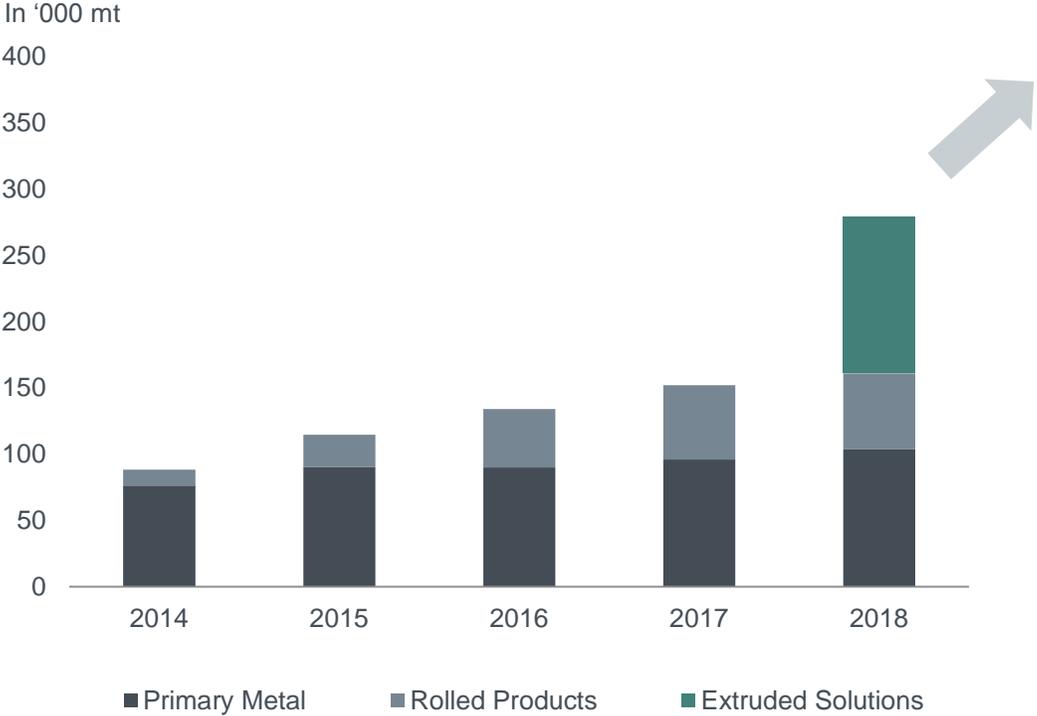


Potential production values

# Growing in recycling – expanding CIRCAL portfolio

Competence, technology,  
integrated value chain

Recycled post-consumer scrap 2014-2018\*



\* Total post-consumer scrap – only a certain amount currently utilized in the CIRCAL product





**Lifting profitability,  
driving sustainability**

## Key priorities

- Targeted capital allocation
  - Deliver on improvement programs
  - Cash focus through strict capital discipline
  - Proactive measures in challenging markets
  - Maintain investment grade credit rating
  - 10% return target over the cycle
- 
- Safe and efficient operations
  - Differentiate through sustainable products
  - 30% reduction in CO<sub>2</sub> emissions

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# Ambitions and targets

## Shareholder, financial and hedging policy

### Overall risk management strategy

Volatility managed by strong balance sheet and relative positioning

Operational improvement programs: improving efficiency, strengthening margins

Diversified business

### Investment grade credit rating

Committed to investment grade credit rating

Financial ratio targets over the cycle

- Funds from operations / Adjusted net cash (debt) > 40%
- Adjusted net cash (debt) / Equity < 55%

Strong liquidity

### Dividend policy

Dividend policy

- 40% payout ratio of Net income over the cycle
- Dividend of NOK 1.25 per share to be considered as floor

Dividend payment for 2019 suspended in light of current market conditions and uncertainty<sup>1</sup>

### Hedging policy

Fluctuating with the market; primarily exposed to LME and USD

Upstream cyclicalities balanced with more stable earnings downstream

Flexibility to hedge LME or currency in certain cases

### Funding policy

Centralized funding, aiming at diversified sources and smooth maturity profile

Part-owned subsidiaries according to ownership share, on equal terms with other owners

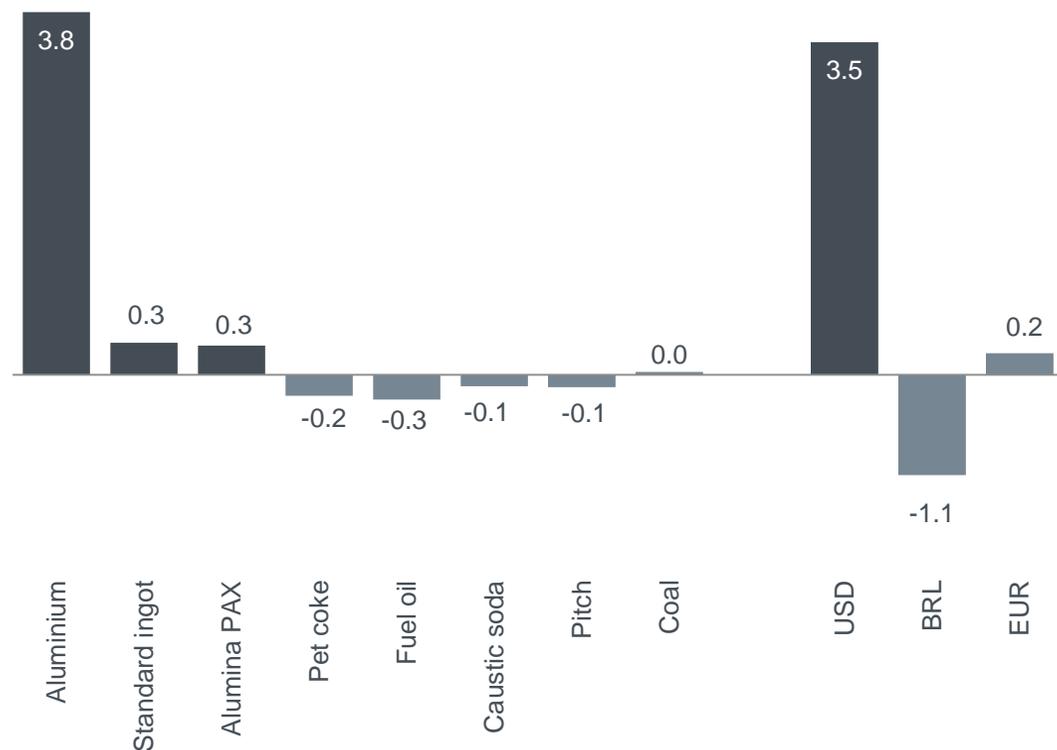
Project financing depending on situation

1) Subject to approval by the annual general meeting in May 2020

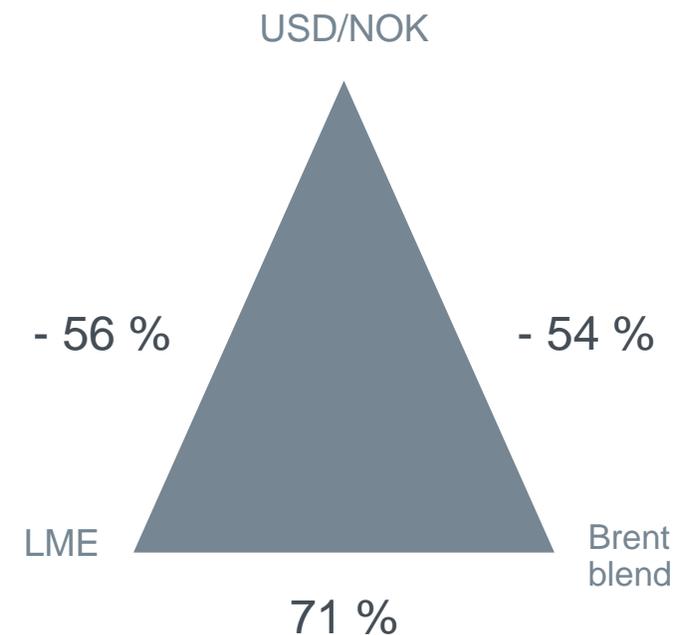
# Hydro's underlying exposures

Historical correlations between commodities and currencies reduce volatility in earnings

Underlying EBIT commodity and currency sensitivities +10%<sup>1</sup>  
(NOK million)



Cross-correlations between currencies and commodities  
Monthly correlations 1994-2020

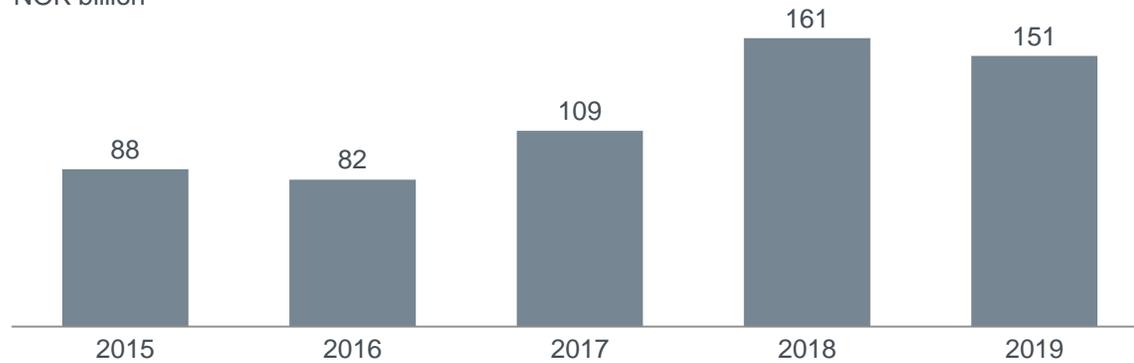


<sup>1</sup>) Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q419 realized prices as a starting point LME USD 1 760 per mt, standard ingot premium 145 USD/mt, PAX 285 USD/mt, fuel oil USD 470 per mt, petroleum coke USD 235 per mt, pitch 630 EUR/t, caustic soda USD 240 per mt, coal USD 50 per mt, USD/NOK 9.47, BRL/NOK 2.13, EUR/NOK 10.46

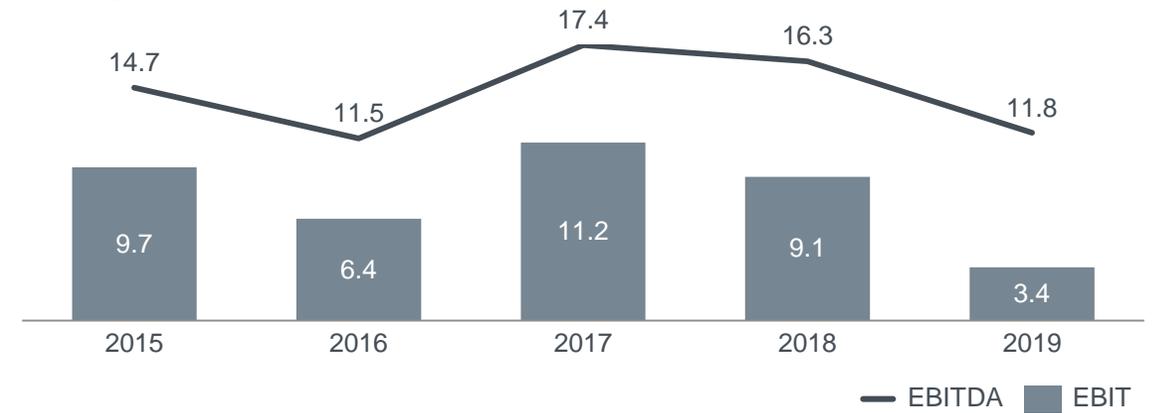
# Key financials



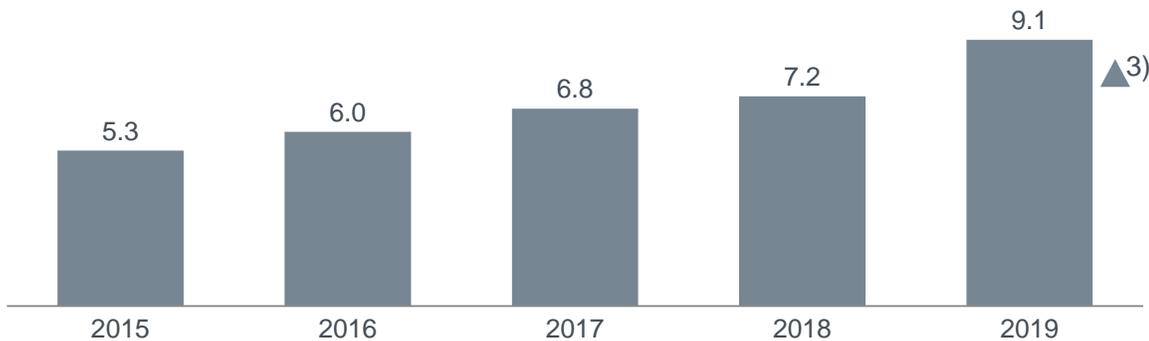
Revenue  
NOK billion



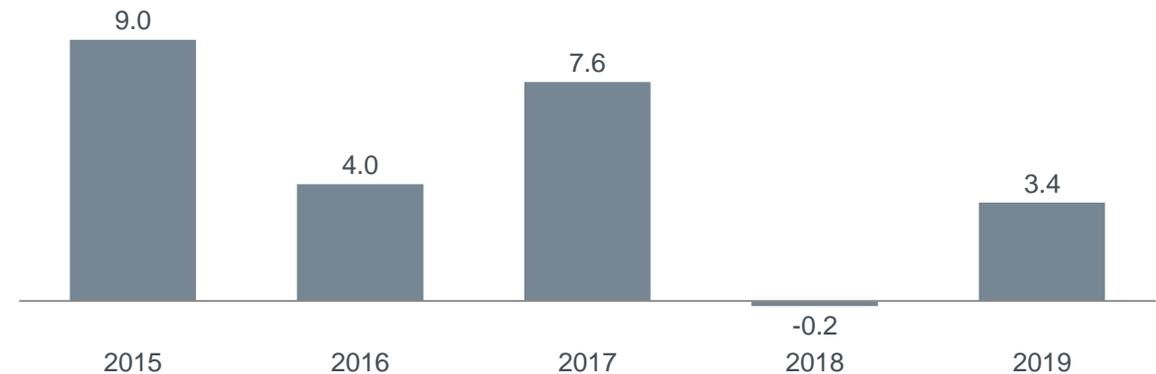
Underlying EBIT and EBITDA  
NOK billion



Capital expenditure <sup>1</sup>  
NOK billion



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



Note: The Extruded Solutions segment includes the business acquired as a 100 percent owned subsidiary in fourth quarter 2017 (Sapa). Prior to this, Hydro's 50% share was reported as an equity accounted investment

1) Net cash used in investing activities, less proceeds from /purchases of short-term investments. Excluding the Sapa acquisition (NOK 11 billion)

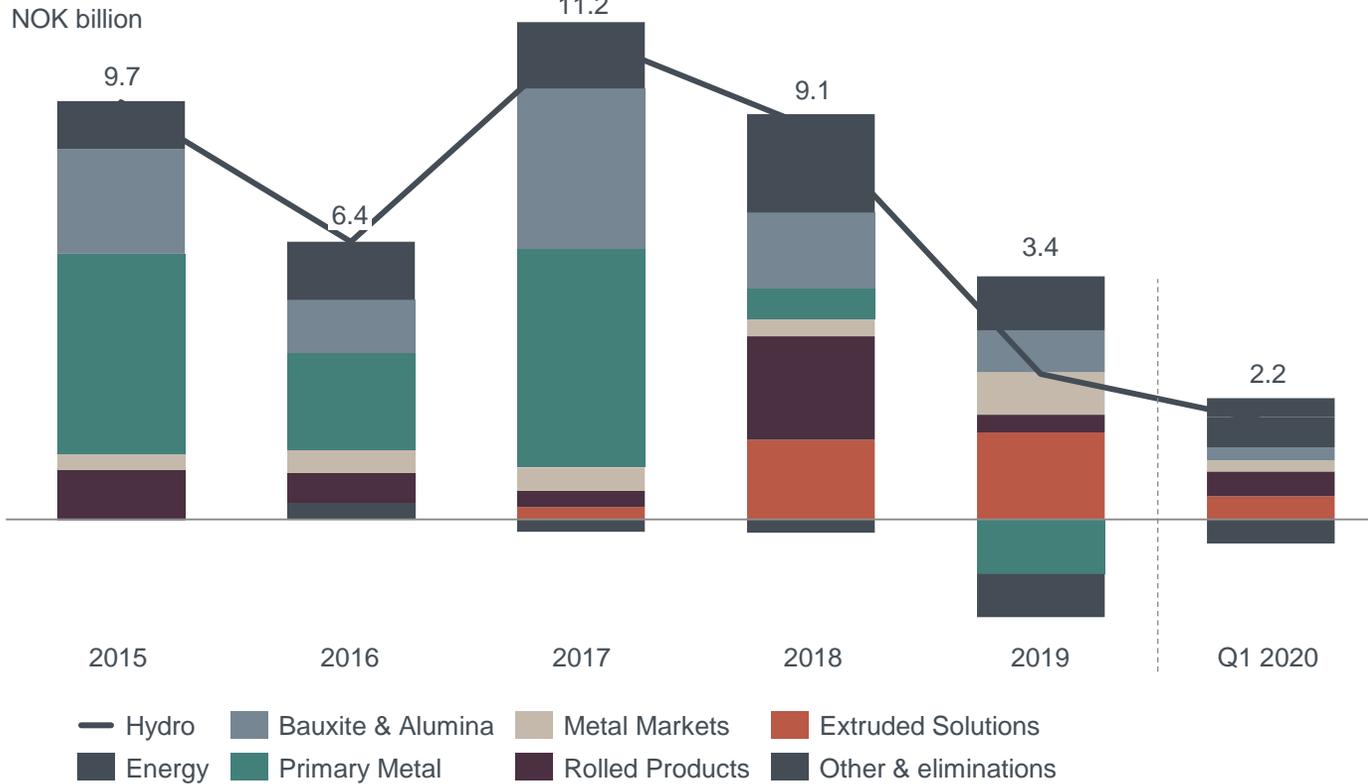
2) Free cash flow = Net cash provided by operating activities – Capital expenditure. Free cash flow in 2018 negatively impacted by Alunorte curtailment, Section 232 and trade tariff changes, sanctions against Rusal

3) 2020 estimate after capex freeze

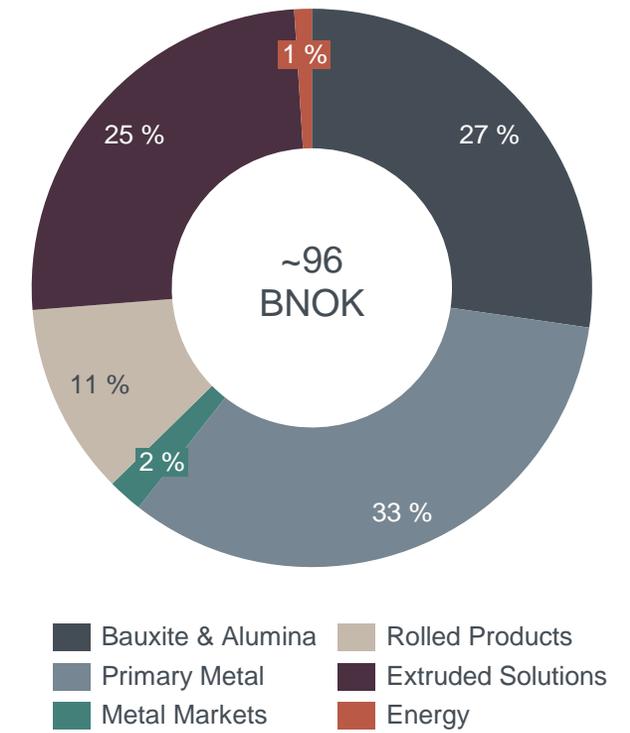
# Key financials per business area



Underlying EBIT by business area



Capital employed by business area <sup>1</sup>



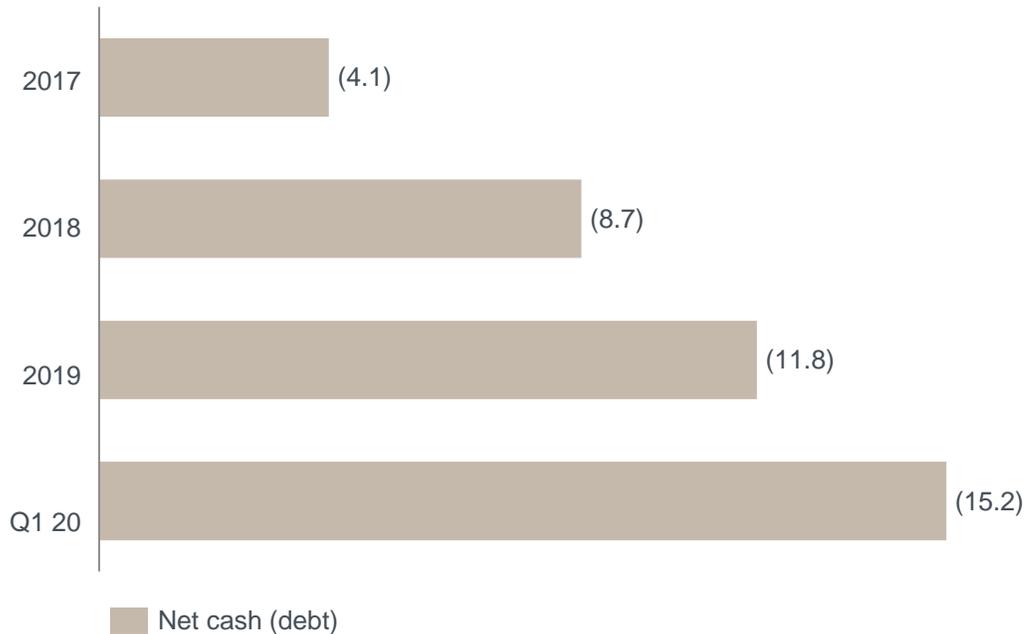
1) December 31, 2019. The split per business area excludes Other & Eliminations

# Net debt and Adjusted net debt positions

Adjusted net debt up due to higher net debt and pension liability

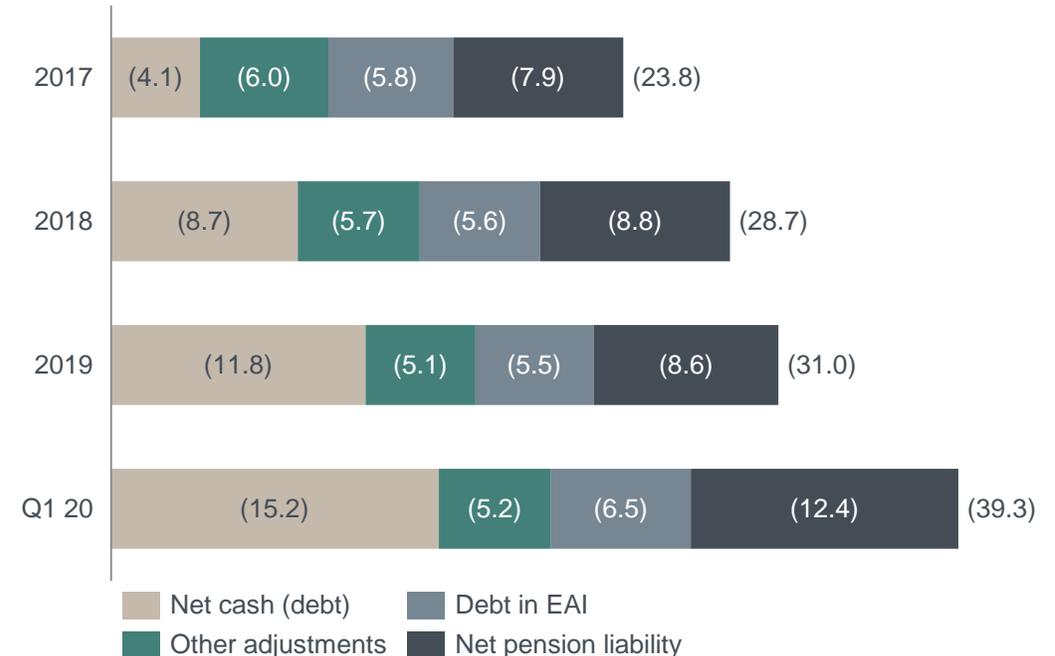
## Net cash (debt)

NOK billion



## Adjusted net cash (debt)

NOK billion



Note: Effective January 1, 2019, NOK 3.1 billion lease obligations was classified as interest-bearing debt according to IFRS16 Leases. The operational lease after tax adjustment included in "Other adjustments" in Adjusted net cash (debt) was discontinued at the same time (NOK 1.7 billion)

# Credit rating and key financial ratios development



## Stable investment grade credit rating

### Investment grade rating level and strong liquidity position

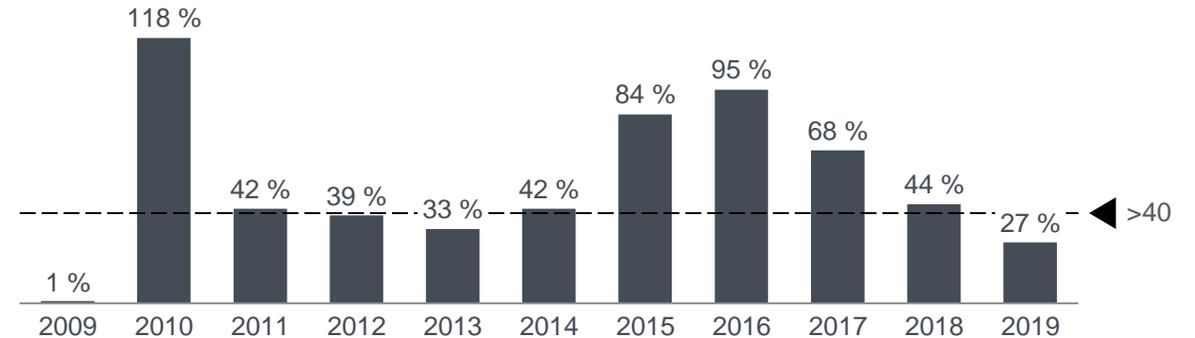
- Maintain investment-grade credit rating
  - Currently: BBB stable (S&P Global) & Baa3 negative (Moody's)
- Strong liquidity
  - NOK 13 billion cash & cash equivalent and short-term deposits per Q1 2020<sup>1)</sup>
  - USD 1.6 billion in multi-currency revolving credit facility maturing in November 2024, with two one-year extension options (currently undrawn)

### Credit rating history

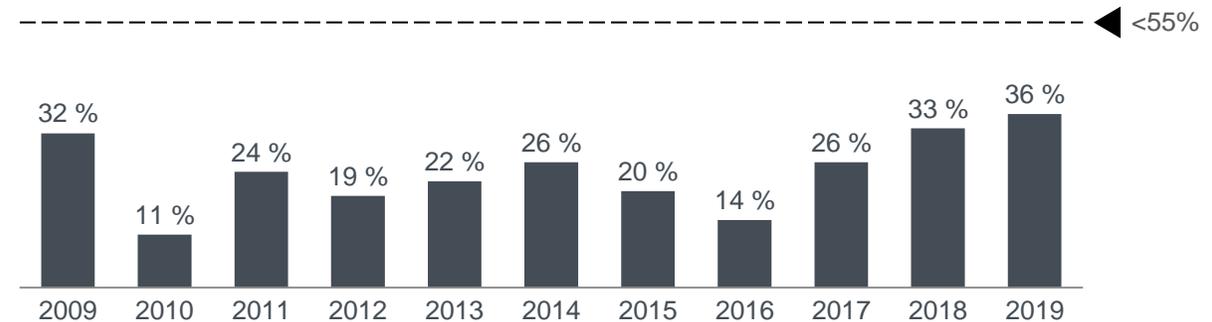


1) March 31, 2020. NOK 12.2 billion cash and cash equivalents plus NOK 0.8 billion in short term deposits (classified as short-term investments)

### Funds from operations / Adjusted net cash (debt)



### Adjusted net cash (debt) / Equity



# Diversified maturity profile and currency exposure



A new potential bond issue to strengthen liquidity and optimize the maturity profile

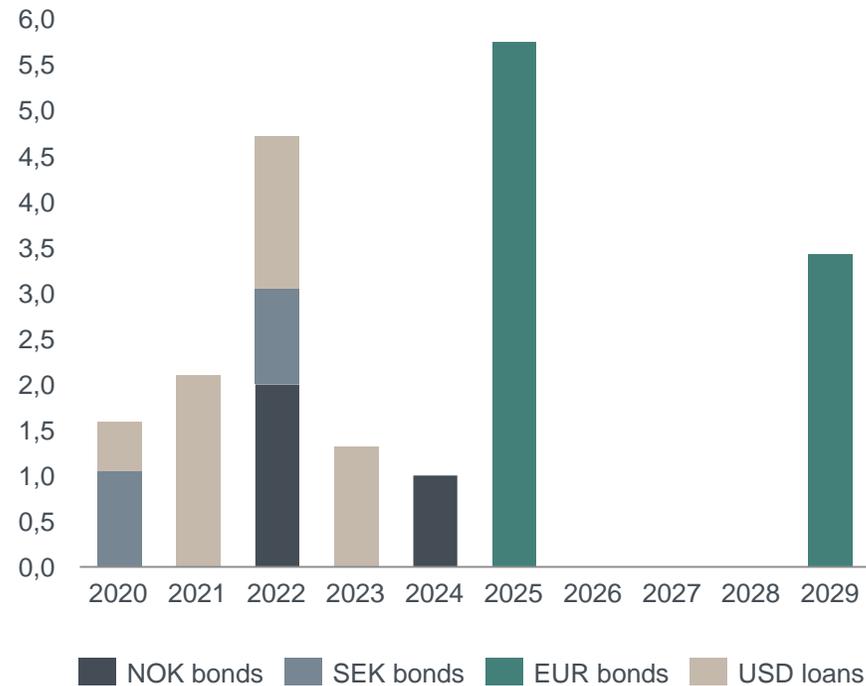
## Transaction rationale

- Funding for general corporate purposes and refinancing
- Strengthen liquidity
- Diversify maturity profile

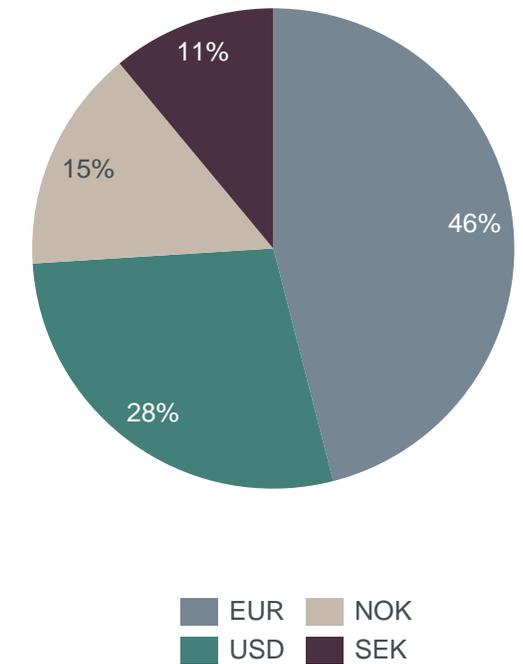
Source	NOK billion	Comment
<b>Long-term debt</b>	<b>24.3</b>	
Bonds	14.4	NOK, SEK, EUR
Brazil	5.4	USD denominated
Other bank loans	0.4	
Leases	4.1	
<b>Short-term debt</b>	<b>4.7</b>	
Brazil	3.3	USD export financing, normally rolled over
Other	1.4	Mainly bank loans
Revolving credit facility	0	USD 1.6 billion, currently undrawn. Maturity Nov.2024 with 2 years optional extension

## Maturity profile long-term debt<sup>1, 2</sup>

NOK billion



## Currency split long-term debt<sup>1, 2</sup>



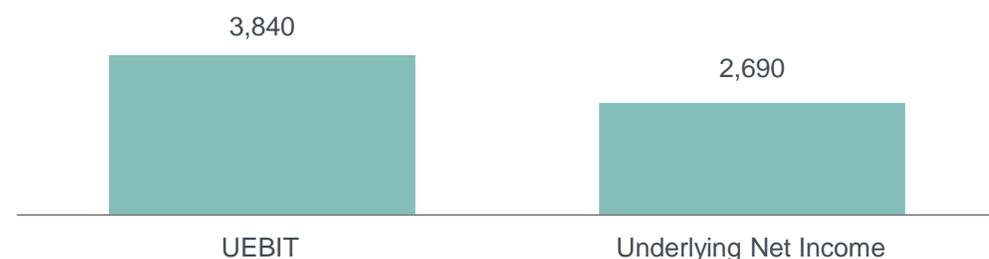
1) Excluding financial lease commitments and undrawn RCF  
 2) Exchange rate as of March 31, 2020: SEK/NOK 1.05, USD/NOK 10.51, EUR/NOK 11.51

# Appendix

# Significant exposure to commodity and currency fluctuations

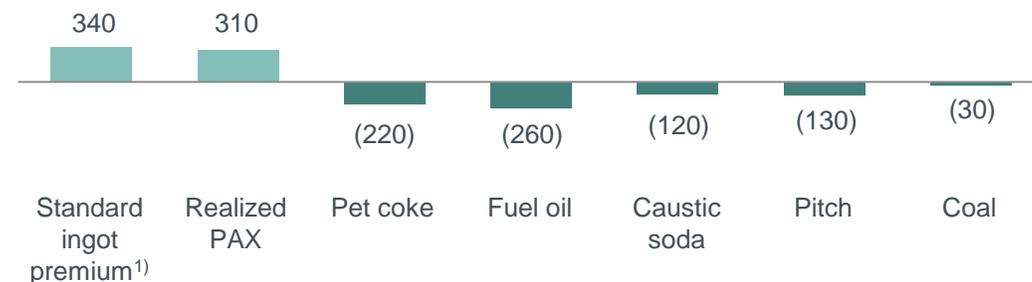
## Aluminium price sensitivity +10%

NOK million



## Other commodity prices, sensitivity +10% <sup>1)</sup>

NOK million



## Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
UEBIT	3 520	(1 060)	(230)

One-off reevaluation effect:

Financial items	(100)	870	(3 290)
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- Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q419 realized prices as a starting point LME USD 1 760 per mt, standard ingot premium 145 USD/mt, PAX 285 USD/mt, fuel oil USD 470 per mt, petroleum coke USD 235 per mt, pitch 630 EUR/t, caustic soda USD 240 per mt, coal USD 50 per mt, USD/NOK 9.47, BRL/NOK 2.13, EUR/NOK 10.46
- 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
- 2020 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as U EBIT sensitivity after 30% tax

1) Europe duty paid

# Income statements (consolidated)



NOK million	Q1 2020	Q1 2019	Year 2018	Year 2019
Revenue	38 124	37 583	159 377	149 766
Share of the profit (loss) in equity accounted investments	(4)	3	765	241
Other income, net	473	183	772	1 000
<b>Total revenue and income</b>	<b>38 594</b>	<b>37 769</b>	<b>160 913</b>	<b>151 007</b>
Raw material and energy expense	23 148	25 136	102 523	97 474
Employee benefit expense	6 361	6 023	23 176	24 871
Depreciation, amortization and impairment	2 186	2 095	7 369	8 572
Other expenses	12	3	19 167	912
	4 585	4 493		18 678
<b>Earnings before financial items and tax (EBIT)</b>	<b>2 301</b>	<b>20</b>	<b>8 679</b>	<b>499</b>
Financial income	34	63	255	365
Financial expense	(4 859)	(57)	(2 315)	(2 420)
Income (loss) before tax	(2 523)	26	6 619	(1 556)
Income taxes	498	(150)	(2 139)	(813)
<b>Net income (loss)</b>	<b>(2 025)</b>	<b>(124)</b>	<b>4 480</b>	<b>(2 370)</b>
Net income (loss) attributable to non-controlling interests	(214)	(134)	67	(558)
Net income (loss) attributable to Hydro shareholders	(1 811)	9	4 413	(1 811)
<b>Earnings per share attributable to Hydro shareholders</b>	<b>(0.88)</b>	<b>0</b>	<b>2.16</b>	<b>(0.88)</b>

NOK million	Q1 2020	Q1 2019	Year 2018	Year 2019
Net income (loss)	(2 025)	(124)	4 480	(2 370)
<b>Underlying net income (loss)</b>	<b>1 151</b>	<b>124</b>	<b>5 819</b>	<b>708</b>
Earnings per share	(0.88)	0	2.16	(0.88)
<b>Underlying earnings per share</b>	<b>0.55</b>	<b>0.13</b>	<b>2.75</b>	<b>0.52</b>

# Balance sheets (consolidated)



NOK million	Mar 31, 2020	Mar 31, 2019	Dec 31 2018	Dec 31 2019
Cash and cash equivalents	12 160	6 099	5 995	12 286
Short-term investments	1 641	1 274	975	969
Accounts receivable	24 539	23 542	20 527	18 959
Inventories	22 464	25 004	26 483	20 816
Other current assets	1 119	349	801	635
Property, plant and equipment	77 909	72 882	71 299	74 243
Intangible assets	12 649	11 133	11 443	11 501
Investments accounted for using the equity method	13 845	11 349	11 570	11 501
Prepaid pension	5 242	5 854	5 162	6 676
Other non-current assets	7 663	7 157	7 444	6 815
<b>Total assets</b>	<b>179 232</b>	<b>164 644</b>	<b>161 699</b>	<b>164 401</b>
Bank-loans and other interest-bearing short-term debt	7 728	8 913	8 543	6 157
Trade and other payables	21 558	22 146	20 381	18 692
Other current liabilities	4 771	4 674	5 630	4 842
Long-term debt	21 290	10 559	7 080	18 858
Provisions	6 892	5 673	5 707	6 515
Pension liabilities	19 893	15 981	15 648	17 099
Deferred tax liabilities	2 838	3 052	3 037	3 132
Other non-current liabilities	7 089	4 252	4 746	5 025
Equity attributable to Hydro shareholders	83 213	84 692	85 990	79 932
Non-controlling interests	3 959	4 703	4 936	4 148
<b>Total liabilities and equity</b>	<b>179 232</b>	<b>164 644</b>	<b>161 699</b>	<b>164 401</b>

# Cash flow statements (consolidated)



NOK million	Year 2017	Year 2018	Year 2019
Net income	9 184	4 323	(2 370)
Depreciation, amortization and impairment	6 162	7 369	9 485
Share of profit in equity accounted investments	(1 527)	(765)	(241)
Dividends received from equity accounted investments	2 247	1 219	222
Deferred taxes	(685)	(585)	(699)
Loss (gain) on sale of non-current assets	(2 046)	188	85
Net foreign exchange loss	875	1 303	1 204
Net sales of trading securities	57	187	95
Capitalized interest	(76)	(1)	(44)
Changes in assets and liabilities that provided (used) cash:			
Trade and other receivables	(554)	(1412)	1 869
Inventories	(1 518)	(5 599)	5 552
Trade and other payables	1 013	675	(1 812)
Commodity derivatives	322	(415)	(29)
Other items	893	538	(770)
<b>Net cash provided by operating activities</b>	<b>14 347</b>	<b>7 025</b>	<b>12 550</b>
Purchases of property, plant and equipment	(7 296)	(7 219)	(8 726)
Purchases of other long-term investments	(11 190)	(389)	(698)
Purchases of short-term investments	(5 094)	0	(52)
Proceeds from sales of property, plant and equipment	57	80	129
Investment grants received	636	333	60
Proceeds from sales of other long-term investments	49	(1)	96
Proceeds from sales of short-term investments	8 402	0	18
<b>Net cash used in investing activities</b>	<b>(14 436)</b>	<b>(7 196)</b>	<b>(9 173)</b>
Loan proceeds	15 271	7 057	15 881
Principal repayments	(10 917)	(5 984)	(10 090)
Net increase (decrease) in other short-term debt	2 515	(2 934)	(257)
Proceeds from shares issues	40	47	26
Dividends paid	(3 069)	(3 622)	(2 694)
<b>Net cash provided by (used in) financing activities</b>	<b>3 840</b>	<b>(5 436)</b>	<b>(5 436)</b>
Foreign currency effects on cash	269	(226)	3
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1 120</b>	<b>(5 833)</b>	<b>6 291</b>

# Cash flow statements quarterly (consolidated)



NOK million	Year 2019	Q1 2019	Q1 2020
Net income	(2 370)	(124)	(2 025)
Depreciation, amortization and impairment	9 485	2 098	2,199
Share of profit in equity accounted investments	(241)	(1 195)	1 188
<b>Net cash provided by operating activities</b>	<b>12 550</b>	<b>779</b>	<b>1 362</b>
Purchases of property, plant and equipment	(8 726)	( 1 631)	(1 505)
Purchases of other long-term investments	(698)	(19)	(64)
Purchases of short-term investments	(52)	(24)	(800)
Proceeds from sales of property, plant and equipment	129	59	318
Proceeds from sales of other long-term investments	60	-	-
<b>Net cash used in investing activities</b>	<b>(9 173)</b>	<b>(1 615)</b>	<b>(2 051)</b>
Loan proceeds	15 881	2 478	2 097
Principal repayments	(10 090)	(1 421)	(2 162)
Net increase (decrease) in other short-term debt	(257)	(58)	46
Proceeds from shares issues	26	10	5
Dividends paid	(2 694)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(5 436)</b>	<b>1 018</b>	<b>(14)</b>
Foreign currency effects on cash	3	(78)	557
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6 291</b>	<b>104</b>	<b>(126)</b>

# Main shareholders in Hydro



Stable shareholder structure; Norwegian government as the largest owner

## Hydro's 20 largest shareholders as of 27 April 2020

Ownership share

MINISTRY OF TRADE, INDUSTRY AND FISHERIES	34.26%
STATE STREET BANK AND TRUST COMP	6.08%
FOLKETRYGDFONDET	5.12%
CLEARSTREAM BANKING S.A.	2.35%
JPMORGAN CHASE BANK, N.A., LONDON	2.33%
VANGUARD INTERNATIONAL GROWTH FD	1.85%
BANQUE PICTET & CIE SA	1.62%
HSBC BANK PLC	1.31%
JPMORGAN CHASE BANK, N.A., LONDON	1.17%
NORSK HYDRO ASA	0.96%
STATE STREET BANK AND TRUST COMP	0.95%
STATE STREET BANK AND TRUST COMP	0.81%
THE NORTHERN TRUST COMP, LONDON BR	0.77%
RBC INVESTOR SERVICES TRUST	0.75%
VERDIPAPIRFONDET DNB NORGE	0.72%
KLP AKSJENORGE INDEKS	0.66%
JPMORGAN CHASE BANK, N.A., LONDON	0.62%
DANSKE INVEST NORSKE INSTIT. II.	0.56%
VPF DNB AM NORSKE AKSJER	0.55%
OSLO PENSJONSFORSIKRING AS	0.51%
<b>Total number owned by top 20</b>	<b>63.95%</b>

Source: The data is provided by Nasdaq through the Share register Analyses services. The data is obtained through the analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Hydro share register. Whilst every reasonable effort is made to verify all data, Nasdaq can not guarantee the accuracy of the analysis. The list is updated as of 27 April 2020



# Hydro

*We are aluminium*

