



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	899 286 952
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HYDRO EXTRUDED SOLUTIONS AS
Forretningsadresse:	Drammensveien 264 0283 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
-------------------------	-------------------------

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Erik Fossum
Dato for fastsettelse av årsregnskapet:	23.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2, 13	611 989 000	1 120 170 000
Annen driftsinntekt		5 863 000	1 981 000
Sum inntekter		617 852 000	1 122 151 000
Kostnader			
Lønnskostnad	3, 4	107 844 000	82 309 000
Avskrivning	5	316 000	11 647 000
Annen driftskostnad	3	792 462 000	1 254 704 000
Sum kostnader		900 622 000	1 348 660 000
Driftsresultat		-282 771 000	-226 509 000
Finansinntekter og finanskostnader			
Annen finansinntekt		1 153 368 000	487 437 000
Sum finansinntekter		1 153 368 000	487 437 000
Annen finanskostnad		140 116 000	540 822 000
Sum finanskostnader		140 116 000	540 822 000
Netto finans	6	1 013 253 000	-53 385 000
Ordinært resultat før skattekostnad		730 482 000	-279 894 000
Skattekostnad på ordinært resultat	7	3 003 000	-30 133 000
Ordinært resultat etter skattekostnad		727 479 000	-249 760 000
Årsresultat		727 479 000	-249 760 000
Overføringer og disponeringer			
Ordinært utbytte	12	1 300 000 000	1 050 000 000
Konsernbidrag	12	-87 360 000	54 600 000
Overføringer annen egenkapital	12	-485 161 000	-1 354 360 000
Sum overføringer og disponeringer		727 479 000	-249 760 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	5	526 000	842 000
Sum varige driftsmidler		526 000	842 000
Finansielle anleggsmidler			
Investering i datterselskap	8	9 375 253 000	9 385 063 000
Lån til foretak i samme konsern	9	8 258 964 000	8 432 806 000
Sum finansielle anleggsmidler		17 634 217 000	17 817 869 000
Sum anleggsmidler		17 634 743 000	17 818 711 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer på selskap i samme konsern	13	257 581 000	281 660 000
Kundefordringer		877 607 000	307 808 000
Andre fordringer	11	3 346 000	36 799 000
Konsernfordringer	13	620 026 000	26 148 000
Sum fordringer		880 953 000	344 607 000
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende			14 000
Sum omløpsmidler		880 953 000	344 621 000
SUM EIENDELER		18 515 695 000	18 163 332 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
Innskutt egenkapital			
Aksjekapital	12	400 000 000	400 000 000
Overkurs	12	11 511 590 000	11 511 590 000
Sum innskutt egenkapital		11 911 590 000	11 911 590 000
Opptjent egenkapital			
Avsatt utbytte	13	1 300 000 000	1 050 000 000
Annen egenkapital			-76 854 000
Annen egenkapital		-575 882 000	-76 854 000
Udekket tap		-575 882 000	
Sum opptjent egenkapital	12	-575 882 000	-76 854 000
Sum egenkapital		11 335 708 000	11 834 737 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4	75 176 000	53 417 000
Utsatt skatt	7	223 947 000	198 908 000
Andre avsetninger for forpliktelser	11	30 791 000	34 650 000
Sum avsetninger for forpliktelser		329 913 000	286 974 000
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	10	5 295 951 000	4 562 996 000
Sum annen langsiktig gjeld		5 295 951 000	4 562 996 000
Sum langsiktig gjeld		5 625 865 000	4 849 971 000
Kortsiktig gjeld			
Leverandørgjeld	13	66 549 000	98 909 000
Betalbar skatt	7	5 797 000	8 297 000
Kortsiktig konserngjeld	13	21 608 000	176 962 000
Annen kortsiktig gjeld	11	160 170 000	144 457 000
Sum kortsiktig gjeld		1 554 124 000	1 478 625 000
Sum gjeld		7 179 987 000	6 328 595 000
SUM EGENKAPITAL OG GJELD		18 515 695 000	18 163 332 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 458817

Enheten

Organisasjonsnummer: 899 286 952
Organisasjonsform: Aksjeselskap
Foretaksnavn: HYDRO EXTRUDED SOLUTIONS AS
Forretningsadresse: Drammensveien 264
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Erik Fossum
Dato for fastsettelse av årsregnskapet: 23.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.06.2022



Organisasjonsnr: 899 286 952
HYDRO EXTRUDED SOLUTIONS AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2, 13	611 989 000	1 120 170 000
Annen driftsinntekt		5 863 000	1 981 000
Sum inntekter		617 852 000	1 122 151 000
Kostnader			
Lønnskostnad	3, 4	107 844 000	82 309 000
Avskrivning	5	316 000	11 647 000
Annen driftskostnad	3	792 462 000	1 254 704 000
Sum kostnader		900 622 000	1 348 660 000
Driftsresultat		-282 771 000	-226 509 000
Finansinntekter og finanskostnader			
Annen finansinntekt		1 153 368 000	487 437 000
Sum finansinntekter		1 153 368 000	487 437 000
Annen finanskostnad		140 116 000	540 822 000
Sum finanskostnader		140 116 000	540 822 000
Netto finans	6	1 013 253 000	-53 385 000
Ordinært resultat før skattekostnad			
Skattekostnad på ordinært resultat	7	3 003 000	-30 133 000
Ordinært resultat etter skattekostnad		727 479 000	-249 760 000
Årsresultat		727 479 000	-249 760 000
Overføringer og disponeringer			
Ordinært utbytte	12	1 300 000 000	1 050 000 000
Konsernbidrag	12	-87 360 000	54 600 000
Overføringer annen egenkapital	12	-485 161 000	-1 354 360 000
Sum overføringer og disponeringer		727 479 000	-249 760 000



Organisasjonsnr: 899 286 952
HYDRO EXTRUDED SOLUTIONS AS

BALANSE

Beløp i: NOK **Note** **2021** **2020**

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Varige driftsmidler

Tomter, bygninger og
annen fast eiendom

5

526 000

842 000

Sum varige driftsmidler

526 000

842 000

Finansielle anleggsmidler

Investering i datterselskap

8 9 375 253 000

9 385 063 000

Lån til foretak i samme

konsern

9

8 258 964 000

8 432 806 000

Sum finansielle

anleggsmidler

17 634 217 000

17 817 869 000

Sum anleggsmidler

17 634 743 000

17 818 711 000

Omløpsmidler

Varer

Fordringer

Kundefordringer på
selskap i samme konsern

13

257 581 000

281 660 000

Kundefordringer

877 607 000

307 808 000

Andre fordringer

11

3 346 000

36 799 000

Konsernfordringer

13

620 026 000

26 148 000

Sum fordringer

880 953 000

344 607 000

**Bankinnskudd, kontanter
og lignende**

Sum bankinnskudd,

kontanter og lignende

14 000

Sum omløpsmidler

880 953 000

344 621 000

SUM EIENDELER

18 515 695 000

18 163 332 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital

12

400 000 000

400 000 000

Overkurs

12

11 511 590 000

11 511 590 000

Sum innskutt egenkapital

11 911 590 000

11 911 590 000

Opptjent egenkapital



Avsatt utbytte	13	1 300 000 000	1 050 000 000
Annen egenkapital			-76 854 000
Annen egenkapital		-575 882 000	-76 854 000
Udekket tap		-575 882 000	
Sum opptjent egenkapital	12	-575 882 000	-76 854 000
Sum egenkapital		11 335 708 000	11 834 737 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4	75 176 000	53 417 000
Utsatt skatt	7	223 947 000	198 908 000
Andre avsetninger for forpliktelser	11	30 791 000	34 650 000
Sum avsetninger for forpliktelser		329 913 000	286 974 000
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	10	5 295 951 000	4 562 996 000
Sum annen langsiktig gjeld		5 295 951 000	4 562 996 000
Sum langsiktig gjeld		5 625 865 000	4 849 971 000
Kortsiktig gjeld			
Leverandørgjeld	13	66 549 000	98 909 000
Betalbar skatt	7	5 797 000	8 297 000
Kortsiktig konserngjeld	13	21 608 000	176 962 000
Annen kortsiktig gjeld	11	160 170 000	144 457 000
Sum kortsiktig gjeld		1 554 124 000	1 478 625 000
Sum gjeld		7 179 987 000	6 328 595 000
SUM EGENKAPITAL OG GJELD		18 515 695 000	18 163 332 000



Organisasjonsnr: 899 286 952
HYDRO EXTRUDED SOLUTIONS AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
------------------------------	---------------	------------------	--------------------

<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
------------	-------------------	----------------------	--

Note

3

Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	83090369000.	52137105000.
	00	00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	14525610000.	22584580000.
	00	00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	10557785000.	79479040000.
	00	0
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	108173764000	82669589000.
	.00	00

Average number of full-time employees was 51 in 2021 and 49 in 2020.

Note

Ytelser til ledende personer

Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
----------------	-------------	---------------------	----------------------

The members of the board and the managing director are employees of the Hydro Group, and as such receive remuneration from their



respective employers. They do not receive any remuneration directly from Hydro Extruded Solutions AS in their capacity as a board member or managing director.

Auditor fee: Audit fees to KPMG expensed in 2021 and 2020 amounted to NOK 121 thousand and NOK 178 thousand, respectively. Fees for audit related services in 2020 amounted to NOK 37 thousand is included in the amount above. All amounts are exclusive of VAT.

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

As of year-end, the managing director and board chairperson did not have any loans outstanding from the Company or the parent company. Other board members had no loans outstanding at the end of 2021.

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Hydro Extruded Solutions AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Hydro Extruded Solutions AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Pennco Dokumentnøkkel: NDIL6-WWLLX-YQYUJ2-7YNNWO-0KIBI-632FI



necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 23 May 2022
KPMG AS

Monica Hansen
State Authorised Public Accountant



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Monica Hansen

Partner

På vegne av: KPMG AS

Serienummer: 9578-5999-4-1810180

IP: 80.232.xxx.xxx

2022-05-23 18:45:26 UTC



Monica Hansen

Statsautorisert revisor

På vegne av: KPMG AS

Serienummer: 9578-5999-4-1810180

IP: 80.232.xxx.xxx

2022-05-23 18:45:26 UTC



Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>

Penneo Dokumentnøkkel: NDIL6-WWLY1-QYUJ2-7YNNW0-0KIB1-G32F1



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Annual report 2021

Board of directors' report

Annual accounts

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

Auditors' report



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Board of directors' report 2021

Hydro Extruded Solutions AS

Adress: Drammensveien 264, 0283 OSLO

Org.nr: 899286952 MVA

Hydro Extruded Solutions AS (former Sapa AS) ("the company") was established on September 1st, 2013 as a joint venture between Hydro and Orkla by merging Hydro's Extruded Products division with Sapa's Profiles, Building Systems, and Tubes businesses. Hydro acquired Orkla's 50% share in Sapa on October 2, 2017, giving Hydro full ownership of the company. Since then, the company is a wholly owned subsidiary of Hydro Aluminium AS, which is a wholly owned subsidiary of Norsk Hydro ASA ("Hydro").

The company, including its global subsidiaries, became a new business area in Hydro, called Hydro Extrusions, after the acquisition of Orkla's 50% share. The company, through its management services, investments in its subsidiaries, associates and joint ventures, develops, manufactures and markets value-added profiles, profile-based building systems, and tubing solutions for automotive and heating, ventilation, air conditioning & refrigeration (HVAC&R) applications in lightweight aluminium. The company's leading position is maintained through the unique combination of local expertise, a global network, and R&D capabilities. Due to subsequent intragroup restructuring, the company currently also owns a limited number of subsidiaries within Hydro's other business areas, primarily re-smelt operations within Metal Markets.

The company is a limited liability company incorporated in Oslo, Drammensveien 264, Vækerø. The activities at the head office include the Hydro Extrusions business area executive management and business area level staff functions that carry out assignments for the subsidiaries and charge the subsidiaries for these services in accordance with the intra-group service charge principles. The revenues from these activities are presented on the line for "Revenues from group companies" in the income statement.

Hydro Extruded Solutions AS is included in Norsk Hydro ASA's consolidated financial statements as one of its business areas, Hydro Extrusions. According to the Norwegian Accounting Act § 3-7, consolidated financial statements are not prepared for Hydro Extruded Solutions AS. Further information about the underlying operations of the new business area in Hydro, Hydro Extrusions, can be found in Norsk Hydro ASA's Annual Report for 2021, available on the internet at www.hydro.com.

Norsk Hydro ASA has signed a board liability insurance under which Hydro Extruded Solutions AS is covered, including the potential personal liability of board members and managers for actions or omissions (in the capacity and performance of their positions as a board member or chairman of the company), including expenses for legal assistance.

Financial results

Revenues decreased from NOK 1 120 million in 2020 to NOK 612 million in 2021, the decrease is partly related to high revenues in 2020 as they included the credit insurance related to 2019 Cyber-attack. Revenues are solely from other group companies as return for management services rendered, including executive management, risk management, IS/IT, accounting and controlling, communication, EHS, HR, business development and other business area level services.

Operating loss for Hydro Extruded Solutions AS amounted to NOK 283 million for the year, compared to a loss of NOK 227 million in 2020. The operating result for the Hydro Extrusions business area can be found in Hydro's consolidated financial statement.

Net financial result for 2021 was NOK 1 013 million compared to NOK -53 million in 2020.

Income tax expense amounted to NOK 3 million in 2021, compared to NOK -30 million in 2020. See also note 8 Income taxes.

In total, net income in 2021 was NOK 727 million compared to NOK -250 million in 2020. The net income is by large

Page 2



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

driven by dividend and interest from the company's subsidiaries.

Equity ratio as of December 31, 2021 was 60 (65) percent and is considered satisfactory.

Net cash provided by operating activities for the year amounted to about NOK -24 million compared to NOK 192 million in 2020.

Shareholders' equity amounted to NOK 11 336 million at the end of 2021 (11 835). Shareholders' equity was increased by NOK 714 million (-99) from total comprehensive income for the year. Shareholders' equity was also increased by NOK 87 (-55) from Group contribution provided 2021 and reduced by NOK 1 300 million (1 050) from suggested dividend to Hydro Aluminium AS.

Market outlook

Demand for extrusions rebounded strongly in both Europe and North America throughout 2021 as economic activity picked up in both regions following the severe slowdown in 2020 amid Covid-19. The demand growth was particularly strong in transport and industrial segments such as electrical and machinery and equipment. The building and construction segment saw a more stable development throughout the year, supported by strong residential demand driven by refurbishing. However, the pandemic continued to influence the extrusion industry in 2021, particularly related to supply chain constraints. A predominant example was the lack of semiconductors in the transport sector which subdued automotive production and negatively impacted extrusion shipments in the second half of the year.

In total for 2021, demand is estimated to have increased by 12 percent compared to 2020 in Europe, while North American demand is estimated to have increased 17 percent over the same time period.

Risk

Hydro Extruded Solutions AS faces a wide range of risks and uncertainties within its business operations and in the global marketplace. In addition, the company is exposed to changing economic and market conditions within the geographic regions where it operates.

Risk management in Hydro Extruded Solutions AS is based on the principle that risk evaluation is an integral part of all business activities, designed to enable achievement of strategic and operational targets. The main responsibility of risk management resides with the business units, however some risks are coordinated by corporate and business area functions utilizing established policies and procedures for active and coordinated risk management. The overall risk management system and environment are subject to regularly review and evaluation.

Hydro Extruded Solutions AS is financed through equity from its owner Hydro Aluminium AS and through loans from its ultimate parent company Norsk Hydro ASA. A deterioration of the Hydro groups' financial position or downgrade of the ultimate parent company's credit rating could increase the borrowing cost and cost of capital.

Control and procedures

Hydro Extruded Solutions AS follows the control procedures defined by its ultimate parent company. Hydro follows the Norwegian Code of Practice for Corporate Governance in its current version of 17 October 2018. A detailed description of this is presented at www.hydro.com/governance.

Research and development

The company's expenditures in research and development in Norway in 2021 totalled NOK 85 million (NOK 89 million). The company, including its subsidiaries, has an R&D organization with main locations in Finspång (Sweden) and Troy (USA), and smaller laboratory hubs in Tonder (Denmark), Rockledge (USA) and Suzhou (China); The R&D capability and activity are complemented by Application centers in several of the plant locations across the four business units constituting the business area.



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Work environment and employees

Hydro Extruded Solutions AS is committed to an inclusive work culture and appreciates and recognizes that all people are unique and valuable and must be respected for their individual abilities and views. The company does not accept any form of harassment or discrimination, including but not limited to any harassment or discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, disability, sexual orientation, marital status, or age. The company provides equal employment opportunities and treats all employees fairly and with respect. The company's employees and business units only use merit, qualifications and other professional criteria as basis for employee-related decisions at Hydro Extrusions business area, such as recruitment, training, compensation, and promotion. The company is also committed to developing programs and actions to encourage a diverse organization based on the principle of equal opportunities.

Hydro Extruded Solutions AS had 52 employees at the end of 2021, compared to 48 in 2020. At year end 2021 they were also hiring 76 workers full time. The Hydro Extrusions business areas had 20 405 employees at the end of 2021 compared to 19 213 employees at the end of 2020. Absence rate was 4,08 percent in 2021, compared to 4,32 percent in 2020. The share of women was 14 percent in Extruded Solutions' top management team and the overall share of female employees is 20 percent in the Hydro Extrusions business area. All employees receive total pay that is fair, competitive and in accordance with local industry standards. There is no identified gender pay differential for employees earning collectively negotiated wages. Pay conditions in the organization are reviewed on a regular basis.

We strives to offer an encouraging and stimulating environment, interesting career opportunities, and good working conditions to attract talents. There are several ongoing global people processes, which aim at reaching these ambitions.

Environment

Hydro Extruded Solutions AS believes in Environment, Health and Safety (EHS) excellence and that this will be achieved through the consistent implementation of the company's EHS Management System compliant with the ISO 14001 environmental standard, committed and visible leadership, and the full engagement of all employees in EHS activities. See more in 2021 environmental issues of Extruded Solutions business areas in Hydro's Annual Report for 2021.

The company's activities at the head office have insignificant influence on the external environment.

Integrity and human rights

Hydro's Integrity Program is the main tool to prevent corruption and human rights violations for Hydro Extruded Solutions AS. The program includes risk mapping, tools and training.

Our ultimate parent company uses the GRI Standards for voluntary reporting of sustainable development. This also includes all activities covered by Hydro Extruded Solutions AS from October 2, 2017. More information can be found at www.hydro.com/gri.

Going concern

According to Section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of a going concern.

Subsequent events

The risk of a future change in the value of the assets has clearly increased. The Russian invasion of Ukraine, slower Chinese growth, global supply-chain shortages, high energy prices, and concerns around high inflation and increasing interest rates continue to add uncertainty with regards to market projections for the subsidiaries. Global supply-chain shortages and disruptions continue to impact growth, and the invasion of Ukraine further impacts GDP growth rates. Key markets now face the highest inflation rates for decades



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

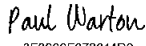
Allocation of net income

The Board of Directors has proposed the 2021 net income of NOK 728 million of Hydro Extruded Solutions to be attributed to:

Amounts in NOK millions. Year ended December 31.	2021
<i>Appropriation of net income and equity transfers</i>	
Group contribution received	87
Proposed dividend	(1 300)
Retained earnings	485
Total appropriation	(728)

Oslo, 23 May 2022

Board of Hydro Extruded Solutions AS


DocuSigned by:

3F2986F079044D9...
Paul Warton
Chairman of the Board

DocuSigned by:

49E5EC8613E8492...
Lars Michael Lönn
Board Member

DocuSigned by:

1EFF381E474549D...
Erik Fossum
Board Member

DocuSigned by:

2E3031906338489...
Tor Egil Skulstad
Board Member

DocuSigned by:

2272A1009889497...
Florian Nikolaus Krumbacher
Board Member

DocuSigned by:

E90C349767AD468...
Erika Ahlqvist
Managing Director



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Income statement

Amounts in NOK thousands	Note	2021	2020
Revenue			
Revenues from group companies	2, 13	611 989	1 120 170
Other operating income		5 863	1 981
Total revenue		<u>617 852</u>	<u>1 122 151</u>
Operating expenses			
Payroll expenses	3, 4	107 844	82 309
Depreciation of tangible and intangible fixed assets	5	316	11 647
Other operating expenses	3	792 462	1 254 704
Total operating expenses		<u>900 622</u>	<u>1 348 660</u>
Operating result		<u>-282 771</u>	<u>-226 509</u>
Financial income and expenses			
Other financial income		1 153 368	487 437
Other financial expenses		140 116	540 822
Net financial items	6	<u>1 013 253</u>	<u>-53 385</u>
Ordinary result before tax		<u>730 482</u>	<u>-279 894</u>
Tax on ordinary result	7	<u>3 003</u>	<u>-30 133</u>
Net profit or loss for the year		<u>727 479</u>	<u>-249 760</u>
Allocated as follows			
Proposed dividends	12	1 300 000	1 050 000
Group contribution	12	-87 360	54 600
Transferred to other equity	12	<u>-485 161</u>	<u>-1 354 360</u>
Total allocations		<u>727 479</u>	<u>-249 760</u>
Statement of comprehensive income			
Remeasurement gains (losses) on benefit plans		<u>-13 868</u>	<u>1 441</u>
Total comprehensive income, net of tax		<u>713 611</u>	<u>-248 319</u>



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Balance sheet as of December 31

Amounts in NOK thousands

	Note	2021	2020
Fixed assets			
<i>Tangible assets</i>			
Land, buildings and other real property	5	526	842
Total tangible assets		526	842
<i>Financial assets</i>			
Investments in subsidiaries	8	9 375 253	9 385 063
Loans to group companies	9	8 258 964	8 432 806
Total financial assets		17 634 217	17 817 869
Total fixed assets		17 634 743	17 818 711
Current assets			
<i>Receivables</i>			
Trade receivable from group companies	13	257 581	281 660
Other receivables from group companies	13	620 026	161 190
Other receivables	11,13	3 346	36 799
Total accounts receivable		880 953	479 649
Cash and cash equivalents		0	14
Total current assets		880 953	479 663
Total assets		18 515 695	18 298 373



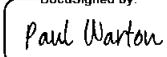
DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Balance sheet as of December 31

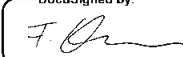
Amounts in NOK thousands	Note	2021	2020
Equity			
<i>Paid-in capital</i>			
Share capital	12	400 000	400 000
Share premium reserve	12	11 511 590	11 511 590
Total paid-in capital		<u>11 911 590</u>	<u>11 911 590</u>
<i>Retained earnings</i>			
Other equity		0	0
Uncovered losses		-575 882	-76 854
Total retained earnings	12	<u>-575 882</u>	<u>-76 854</u>
Total equity		<u>11 335 708</u>	<u>11 834 737</u>
Liabilities			
<i>Provisions</i>			
Pension liabilities	4	75 176	53 417
Deferred tax liability	7	223 947	198 908
Other provisions	11	30 791	34 650
Total provisions		<u>329 913</u>	<u>286 974</u>
<i>Other long-term liabilities</i>			
Other long-term liabilities	10	5 295 951	4 562 996
Total other long term liabilities		<u>5 295 951</u>	<u>4 562 996</u>
<i>Current liabilities</i>			
Trade creditors from group companies	13	66 549	98 909
Other liabilities to group companies	13	21 608	312 004
Dividends	13	1 300 000	1 050 000
Tax payable	7	5 797	8 297
Other short-term liabilities	11	160 170	144 457
Total current liabilities		<u>1 554 124</u>	<u>1 613 667</u>
Total liabilities		<u>7 179 987</u>	<u>6 463 637</u>
Total equity and liabilities		<u>18 515 695</u>	<u>18 298 373</u>

Oslo, 23 May 2022

DocuSigned by:

Paul Warton
Chairman of the Board

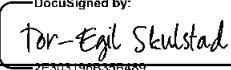
DocuSigned by:

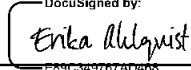
Erik Fossum
Board Member

DocuSigned by:

Florian Nikolaus Krumbacher
Board Member

DocuSigned by:

Lars Michael Lönn
Board Member

DocuSigned by:

Tor Egil Skulstad
Board Member

DocuSigned by:

Erika Ahlqvist
Managing Director



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Cash flow statement

Amounts in NOK thousands	Note	2021	2020
Cash flow from operating activities			
Ordinary result from tax		730 482	-279 894
Taxes paid		1 192	7 692
Depreciation and amortization		316	11 647
Impairment of fixed assets		0	199 914
Changes in inventories, trade receivables and trade payables		22 046	309 459
Changes in pension scheme assets/liabilities		-21 759	-2 446
Effect of changes in exchange rates		163 756	-165 451
Changes in other current balance sheet items		-919 901	110 919
Net cash flow from operating activities		<u>-23 867</u>	<u>191 840</u>
Cash flow from investing activities			
Purchase of investments in shares and joint ventures		0	-236 565
Net cash flow from investing activities		<u>0</u>	<u>-236 565</u>
Cash flow from financing activities			
Proceeds from issuance of long term debt		830 310	0
Proceeds from short term and long term receivables		251 779	227 665
Net payment of interest - receivables and payables		61 764	0
Dividends paid		-1 050 000	0
Group contribution received/paid		-70 000	-182 926
Net cash flow from financing activities		<u>23 853</u>	<u>44 739</u>
Net change in cash and cash equivalents		-14	14
Cash and cash equivalents as of 01.01		14	0
Cash and cash equivalents as of 31.12		<u>0</u>	<u>14</u>



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note - 1 Accounting Principles

The financial statements of Hydro Extruded Solutions AS (former Sapa AS) ("the Company") are prepared in accordance with the Norwegian accounting act and regulation on simplified application of international accounting standards (forskrift om forenklet anvendelse av internasjonale regnskapsstandarder forenklet IFRS). The company use the exemption rule in section 3-1, no. 3 when posting dividends before it is adopted.

The company is a limited liability company incorporated in Oslo, Drammensveien 264, Vækerø. The activities in the company include the Hydro Extrusions business area executive management and business area level staff functions that largely carry out assignments for the subsidiaries and charge the companies for these services in accordance with the intra-group service charge principles. The revenues from these activities are presented on the line for "Revenues from group companies" in the income statement.

The company is included in Norsk Hydro ASA's consolidated financial statements. Consolidated financial statements are not prepared for the company, according to the Norwegian Accounting Act. Additional information can be found in Norsk Hydro ASA's Annual Report on "hydro.com".

Financial statement preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates. Interest rates used for calculating net present values are rounded to the nearest 10 basis points for post-employment benefits, to the nearest 25 basis points for other non-financial assets and liabilities. As a result of rounding adjustments, the figures in one or more columns included in the financial statements may not add up to the total of that column.

Shares in subsidiaries, associates and jointly controlled entities

Shares in subsidiaries, associates and jointly controlled entities are presented according to the cost method. Dividend from subsidiaries is recognized in the year for which it is proposed by the subsidiary to the extent the company can control the decision of the subsidiary through its share holdings. Shares in subsidiaries, associates and jointly controlled entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and all other monetary instruments with a maturity of less than three months at the date of purchase.

Short-term investments

Short-term investments include bank deposits and all other monetary instruments with a maturity between three and twelve months at the date of purchase and current listed equity and debt securities held for trading and valued at fair value. The resulting unrealized holding gains, and losses are included in Financial income, net. Investment income is recognized when earned.

Property, plant and equipment

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment losses. According to IAS 36 Impairment of Assets, such assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment of long-lived assets is recognized when the recoverable amount determined as the higher of fair value less cost to sell or value in use of the asset or group of assets is less than the carrying value. The amount of the impairment is the difference between the carrying value and the recoverable amount. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

Intangible assets

Intangible assets acquired individually or as a group are recognized at fair value when acquired, in accordance with IAS 38 Intangible Assets. Intangible assets are amortized on a straight-line basis over their useful life and tested for impairment whenever indications of impairment are present.

Derivatives

Derivative financial instruments are marked to their market value with the resulting gain or loss reflected in the income statement. Unrealized gains and losses for commodity derivative instruments that are not traded on a liquid, regulated market, are netted within each separate portfolio and net unrealized gains are not recognized.

Realized and unrealized effects of all net settled derivative contracts, whether for trading purposes or hedging purposes (hedge accounting not applied) are presented in revenue.



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that the company will be required to settle the obligation, and a reliable estimate can be made of the amount, taking into account the risks and uncertainties. The provision is measured at the present value of the cash flows estimated to settle the obligation. Uncertain outcomes are measured as the expected value of reasonably possible outcomes.

Contingencies and guarantees

Hydro Extruded Solution AS recognizes a liability for the fair value of obligations it has undertaken in issuing guarantees. Contingencies are recognized in the financial statements when probable of occurrence and reliably estimable.

Income taxes

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Under the liability method, deferred tax assets and liabilities are measured based on the differences between the carrying values of assets and liabilities for financial reporting and their tax basis which are considered temporary in nature. Deferred income tax related to remeasurements of pension obligations are recognized directly in equity. The tax effect of equity transactions, excluded transfers to owners, is recognized as a part of the equity transaction and do not affect the income tax expense. Other changes in deferred income tax asset and liability balances during the year represent the deferred income tax expense. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates are enacted.

Receivables and liabilities

Receivables and liabilities are included on the balance sheets as current assets, and current liabilities if payment is agreed or expected to occur within one year after the end of the financial year. The current portion of long-term debt is included under current liabilities. Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful receivables.

Foreign currency transactions

The functional currency of the company is the Norwegian kroner, NOK. Realized and unrealized currency gains or losses on transactions are included in Financial income, net. Likewise, unrealized currency gains or losses on assets and liabilities denominated in a currency other than Norwegian kroner (NOK) are also included in Financial income, net.

Employee retirement plans

Pension costs are calculated in accordance with NRS 6 whereby employee retirement plans are measured as required by IAS 19 under Norwegian accounting regulations. The cost of pension benefits in defined benefit plans is determined using the projected unit credit method. Past service costs are recognized immediately in the income statement. The interest component of the periodic cost is included in Financial expense. Remeasurement gains and losses are recognized directly to equity.

Contributions to defined contribution plans are recognized in the income statement in the period in which they accrue.

Multiemployer defined benefit plans, where available information is insufficient to use, defined benefit accounting is accounted for as if the plan was a defined contribution plan.



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note 2 - Operating revenues - operating and geographic segment information

The operating revenues for Hydro Extruded Solutions AS originate from the sale of management service to other group's companies.

	2021	2020
Norway	15 813	564 475
European Union	416 469	377 196
North America	119 536	100 533
Asia	15 188	41 216
Other	44 983	36 748
Revenues from group companies	<u>611 989</u>	<u>1 120 170</u>

Note 3 - Payroll expenses, number of employees and loans to employees and auditor's fee

	2021	2020
<i>Wage costs</i>		
Salaries	83 090	52 137
Payroll tax	14 526	22 585
Net periodic pension cost (Note 4)	10 558	7 948
Total payroll expenses	<u>108 174</u>	<u>82 670</u>

Average number of full-time employees was 50 in 2021 and 49 in 2020.

Management remuneration

The members of the board and the managing director are employees of the Hydro Group, and as such receive remuneration from their respective employers. They do not receive any remuneration directly from Hydro Extruded Solutions AS in their capacity as a board member or managing director.

Loans and security

As of year-end, the managing director and board chairperson did not have any loans outstanding from the Company or the parent company. Other board members had no loans outstanding at the end of 2021.

Auditor fee:

Audit fees to KPMG expensed in 2021 and 2020 amounted to NOK 121 thousand and NOK 178 thousand, respectively. Fees for audit related services in 2020 amounted to NOK 37 thousand is included in the amount above. All amounts are exclusive of VAT.



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note 4 – Pensions

Hydro Extruded Solutions AS has closed the main defined benefit plans for new members, and the majority of employees are now covered by a defined contribution plan that is based on salaries up to a maximum level subject to tax deduction. For additional salaries, employees earn retirement benefits in an unfunded contribution-based plan. The remaining employees are covered by defined benefit plans that offer benefits based on final salary level and the number of years in service and include benefits for dependents. Contributions to the plan providing benefits based on salaries up to a maximum level are subject to tax deduction. This plan is funded; all vested benefits are required by law to be funded for such plans. Benefits based on salaries above this level are covered by unfunded plans. The main funded plan is managed by Norsk Hydros Pensjonskasse, a separate, regulated legal entity. Hydro's pension plans supplement the public pension schemes in Norway. The plans comply with legal requirements for pension plans in Norway. Plans providing benefits for salary levels above the tax-deductible level have been closed for new members from January 1, 2017.

Hydro Extruded Solutions AS participates in a supplementary pension plan that entitles most its employees' life-long benefits in addition to other pension benefits. The benefits are financed through a pooled arrangement by private sector employers (avtalefestet pensjon, AFP), where also the Norwegian state contributes. The plan is a defined benefit plan with limited funding and the plan assets are not segregated. The information required to calculate the company's share of the plan in order to account for the plan as a defined benefit plan is not available from the plan administrator. Hydro Extruded Solutions AS therefore accounts for the plan as a defined contribution plan. The employer contributions are included in Multiemployer plans below.

	2021	2020
Benefits earned during the year	2 976	2 922
Defined contribution cost	6 561	4 040
Multi employer plans	641	600
Social security cost, aga	1 316	1 265
Net pension expenses	<u>11 494</u>	<u>8 827</u>
	2021	2020
Defined benefit obligation at beginning of year	53 417	50 971
Benefits earned during the year	3 396	3 307
Interest cost on prior period benefit obligation	905	1 170
Actuarial gain (loss)	17 779	-1 847
Benefits paid	-321	-184
Defined benefit obligation at end of year	<u>75 176</u>	<u>53 417</u>

Interest cost on prior period benefit obligations is 905 for 2021 and 1 170 for 2020.

	Cost	Obligation	Cost	Obligation
<i>Assumptions used to determine net periodic pension cost and pension obligation at end of year</i>	2021	2021	2020	2020
Discount rate	1,90 %	1,70 %	2,30 %	1,70 %
Expected salary increase	2,50 %	2,00 %	2,00 %	2,00 %
Expected pension increase	1,25 %	1,25 %	1,25 %	1,25 %

Mortality rate: K2013



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note 5 - Tangible assets

	Machinery and equipment	Total
Acquisition cost 01.01.	4 695	4 695
Acquisition cost 31.12.	4 695	4 695
Acc.depreciation 31.12.	-4 170	-4 170
Net carrying amount at 31.12.	526	526
Depreciation for the year	316	316
Depreciation	Linear	

Depreciation expenses are measured on a straight-line basis over the estimated useful life of the asset, ranging from 4 years for computers and peripheral equipment to 10 years for office fixtures.

Note 6 - Financial income and expense

	2021	2020
Dividends from subsidiaries and JV	751 940	154 120
Interest from group companies	164 739	250 319
Other interest income	6 979	17 077
Interest paid to group companies	-111 707	-90 303
Other interest expenses	-1 043	-15 091
Net foreign exchange gain(loss)	174 373	-169 593
Impair. loss on shares (BEX, TUS and AAC)	0	-199 914
Liquidation dividend	27 972	
Total	1 013 252	-53 385

Dividends:

In 2021 the company received NOK 146 million from Hydro Holding Austria GmbH, NOK 73 million from Hydro Extrusion Raeren SA, NOK 93 million from Hydro Building Systems Switzerland AG, NOK 51 million from Hydro Holding France SAS, NOK 302 million from Hydro Extruded Solutions AB and NOK 88 million from Hydro Building Systems Middle East WLL.

In 2020 the company received NOK 154 million from Hydro Holding Austria GmbH.

The company received NOK 28 million from Hydro Precision Tubing Seneffe SA as a liquidation dividend.



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note 7 - Income taxes

<i>Income tax expenses</i>	2021	2020
Tax payable/refundable	2 301	889
Too much/little allocated in previous year(s)	303	5 231
Change in deferred tax	25 039	-51 654
Tax-effect of group contribution	-24 640	15 400
Total income tax expense	<u>3 003</u>	<u>-30 133</u>
<i>Tax base estimation</i>	2021	2020
Ordinary result before tax	730 482	-279 894
Permanent differences	10 860	2 770
3 % of tax-free income according to "fritaksmetoden"	2 787	0
Tax-related income from general partnership-companies, NOKUS	65 834	75 057
Reversal of recognized dividends	-751 940	-154 120
Liquidation dividend BHY	-27 972	0
Change in temporary differences	-113 814	230 313
Remeasurement of benefit plans	-17 779	
General income	-101 542	74 040
Group contribution received	112 000	0
Group contribution	0	-70 000
Tax base	<u>10 458</u>	<u>4 040</u>
Tax payable	2 301	889
<i>Temporary differences outlined</i>	2021	2020
Fixed assets	-536	-521
Unrealized exchange gains (losses) on financial non-current assets and -liabilities 1)	1 158 531	1 012 379
Other current liabilities	-36 634	-34 650
Pension obligations	-75 176	-53 417
Unrealized gains (losses) on LME-derivatives	-2 701	-6 542
Provisions for restructuring	-18 135	-11 124
Provision for possible malus	-7 411	-2 000
Total	<u>1 017 939</u>	<u>904 126</u>
Deferred income tax liability (22%)	223 947	198 908
<i>Effective tax rate</i>	2021	
Expected income taxes, statutory tax rate 22%	160 706	
Tax effect due to remeasurement of benefit plans	3 911	
Too much/little allocated in previous year(s)	303	
Permanent differences (22%)	-161 917	
Income tax expense	<u>3 003</u>	
Effective tax rate	0,4 %	

1) Unrealized FX gain on non-current intercompany USD receivable is NOK 1,190 million, EUR receivables 161 NOK million, DKK receivables 91 NOK million. Unrealized loss on non-current intercompany EUR payables is NOK 190 million and USD payables NOK 94 million. See also note 11 Non-current intercompany receivables and note 12 Non-current intercompany payables.



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note 8 - Investment in subsidiaries and associate

Company	Location	Share owners	Book value 31.12.2021
Hydro Extruded Solutions AB	Sweden	100 %	2 982 649
Hydro Holdings UK Limited	United Kingdom	100 %	1 953 834
Hydro Holding Austria GmbH	Austria	100 %	1 300 000
Hydro Holding France SAS	France	42 %	697 915
Technal Middle East W.L.L.	Kingdom of Bahrain	100 %	599 033
Hydro Extrusion Hungary Kft	Hungary	100 %	550 576
Hydro Holding Denmark A/S	Denmark	100 %	392 712
Hydro Precision Tubing Brasil S.A.	Brazil	100 %	429 053
Hydro Holding Singapore Pte. Ltd.	Singapore	100 %	150 000
Hydro Extrusion Raeren S.A.	Belgium	100 %	120 000
Hydro Yapi Sistem Sanayi VE Ticaret AS	Turkey	100 %	28 218
Hydro Extrusion Norway AS	Norway	100 %	74 480
Hydro Precision Tubing Argentina S.A.	Argentina	95 %	47 790
Hydro Building Systems Middle East FZE	United Arab Emirates	100 %	41 250
Hydro Building Systems Switzerland AG	Switzerland	100 %	6 743
Hydro Extrusion Eupen S.A.	Belgium	100 %	1 000
Total			9 375 253

Company	Location	Share owners	Book value 31.12.2020
Hydro Extruded Solutions AB	Sweden	100 %	2 982 649
Hydro Holdings UK Limited	United Kingdom	100 %	1 953 834
Hydro Holding Austria GmbH	Austria	100 %	1 300 000
Hydro Holding France SAS	France	42 %	697 915
Technal Middle East W.L.L.	Kingdom of Bahrain	100 %	599 033
Hydro Extrusion Hungary Kft	Hungary	100 %	550 576
Hydro Holding Denmark A/S	Denmark	100 %	392 712
Hydro Holding Singapore Pte. Ltd.	Singapore	100 %	150 000
Hydro Extrusion Raeren S.A.	Belgium	100 %	120 000
Hydro Yapi Sistem Sanayi VE Ticaret AS	Turkey	100 %	28 218
Hydro Extrusion Norway AS	Norway	100 %	74 480
Hydro Precision Tubing Argentina S.A.	Argentina	95 %	47 790
Hydro Building Systems Middle East FZE	United Arab Emirates	100 %	41 250
Hydro Precision Tubing Seneffe SA	Belgium	100 %	9 810
Hydro Building Systems Switzerland AG	Switzerland	100 %	6 743
Hydro Extrusion Eupen S.A.	Belgium	100 %	1 000
Hydro Precision Tubing Brasil SA	Brazil	100 %	429 053
Total			9 385 063

Note 9 - Non-current intercompany receivables

Non-current intercompany receivables in various currencies

Years ended December 31	2021	2020
USD	6 772 876	6 781 992
EUR	1 056 987	1 197 097
DKK	429 100	453 717
GBP		-
Total non-current intercompany receivables	8 258 964	8 432 806



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Maturity of non-current intercompany receivables including interest

	Principal	Interest	Total
2022	-	149 139	149 139
2023	1 532 181	208 026	1 740 206
2024	6 133 152	167 281	6 300 433
2025	429 100	4 761	433 861
2026	-	4 575	4 575
2027	164 531	4 587	169 119
2028	-	-	-
Total	8 258 964	538 369	8 797 333

Note 10 - Non-current intercompany payables

Non-current intercompany payables

Years ended December 31	2021	2020
USD	2 199 775	1 288 170
CAD	-	-
EUR	3 091 190	3 269 604
Total non-current intercompany payables	5 290 965	4 557 774

Repayments of non-current intercompany payables including interest

	Principal	Interest
2022	-	118 802
2027 and later	1 495 737	35 540
Total	1 495 737	154 342

Note 11 - Balance sheet items

	2021	2020
Prepaid expenses	2 105	24 597
Tax receivables	1 241	12 203
Total prepaid expenses and other current assets	3 346	36 799
Employee-related expense accrued (LT), Norwegian payroll	12 191	12 650
Employee-related expense accrued, employees outside of HES AS	18 600	22 000
Total non-current provisions	30 791	34 650
Trade payables, external	42 668	7 578
Employee-related taxes withheld	5 335	7 161
Employee-related expense accrued (ST), Norwegian payroll	32 655	40 768
Employee-related expense accrued, employees outside of HES AS	48 500	65 000
Other current liabilities	31 012	23 950
	160 170	144 457



DocuSign Envelope ID: 4044BE7A-F20E-4979-A4D0-13E848490E22

Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note 12 - Owners equity

	Share capital	Share premium reserve	Remeasurement postemployment benefit	Other equity	Total
Owners equity 31.12.	400 000	11 511 590	-2 734	-74 119	11 834 737
Owners equity 01.01.	400 000	11 511 590	-2 734	-74 119	11 834 737
Profit for the year	0	0	0	727 479	727 479
Additional dividend during the year	0	0	0	-1 300 000	-1 300 000
Received group contribution	0	0	0	87 360	87 360
Other changes	0	0	-13 868	0	-13 868
Owners equity 31.12.	400 000	11 511 590	-16 602	-559 280	11 335 708

Hydro Aluminium AS owns all the issued shares. Number of issued shares are 200 000 000. The par value of the share is NOK 2.

Note 13 - Related parties

Hydro Extruded Solutions AS is fully owned by Hydro Aluminium AS, which is fully owned by Norsk Hydro ASA. Thus Norsk Hydro ASA and its subsidiaries, associates and joint ventures are related parties. The Norwegian State's ownership in the parent company Norsk Hydro ASA represents significant influence. The State and companies controlled or influenced by the Norwegian State are therefore related parties.

Hydro Extruded Solutions AS allocates costs for the group's executive management, corporate staff services and shared services to subsidiaries and charge the companies for these services in accordance with the intra-group service charge principles set out by OECD. The terms of the company's transactions with related parties are based on the "arm's length" principle. According to the OECD principles, the most appropriate method to price the management services is the cost plus method. Except for pass-through cost, the company adds a 5 percent markup. The total amount allocated was NOK 612 in 2021 and NOK 1 120 million in 2020. Receivables related to such costs amounted to NOK 280 million and NOK 288 million per December 31, 2021 and 2020, respectively.

Hydro Extruded Solutions extends loans to subsidiaries, associates and jointly controlled entities at terms and conditions reflecting prevailing market conditions for corresponding transactions. The interest rate terms are based on the term of the loan agreement, company and country risk. See note 6 Financial income and expense for information on interest paid to and received from group companies and note 9 and 10 for information on non-current intercompany receivables and payables.

As of December 31, 2021, and 2020, Intercompany payables classified as current liabilities amount to NOK 1 388 million and NOK 1 461 million. The amount as of December 31, 2021 includes accrued dividend of NOK 1 300 million respectively NOK 1 050 million in 2020.

For information on transactions with employees and management, see note 3 Management remuneration, employee costs and auditor fees.

Note 14 - Guarantees

	2021	2020
Parent guarantees nominal amount	574 500	950 000
Total guarantees not recognized nominal amount	574 500	950 000
	2021	2020
Parent guarantees book value	695 544	689 566
Total guarantees not recognized booked value	695 544	689 566



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
11.12.2013

Vår dato
02.01.2014

Telefon
977 59 464

Deres referanse
Karl Eichinger

Vår referanse
2013/938063

SAPA AS
Postboks 81
0101 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Sapa AS, org.nr. 899 286 952

-) Vi viser til deres brev av 11. desember 2013 hvor det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Sapa AS, samt til tilleggsinformasjon i e-post av 18. desember 2013.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Sapa AS tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Sapa AS med datterselskaper tilbyr tjenester innen aluminiumekstrudering og aluminium baserte bygningssystemer og alt som henger naturlig sammen med dette. Selskapet har aktivitet i ca 40 land der omsetningen i Norge er oppgitt til å være ca 1,5 % av konsernets totale omsetning. Konsernets arbeidsspråk er engelsk. Konsernet opererer i sektorer, der engelsk er det klart dominerende språket. Selskapet er et joint venture der Hydro og Orkla eier 50 % hver. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk. Ettersom konsernets arbeidsspråk er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernets arbeidsspråk er engelsk og at konsernet opererer i sektorer der engelsk er det klart dominerende språket. Videre er det vektlagt at selskapets omsetning nesten utelukkende foregår i utlandet.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
Seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Note - 1 Accounting Principles

Note 2 - Operating revenues - operating and geographic segment information

The operating revenues for Hydro Extruded Solutions AS originate from the sale of management service to other group's companies.

	2021	2020
Norway	15 813	564 475
European Union	416 469	377 196
North America	119 536	100 533
Asia	15 188	41 216
Other	44 983	36 748
Revenues from group companies	<u>611 989</u>	<u>1 120 170</u>

Note 3 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2021	2020
Salaries	83 090	52 137
Payroll tax	14 526	22 585
Net periodic pension cost (Note 4)	10 558	7 948
Total payroll expenses	<u>108 174</u>	<u>82 670</u>

Average number of full-time employees was 51 in 2021 and 49 in 2020.

Management remuneration

The members of the board and the managing director are employees of the Hydro Group, and as such receive remuneration from their respective employers. They do not receive any remuneration directly from Hydro Extruded Solutions AS in their capacity as a board member or managing director.

Loans and security

As of year-end, the managing director and board chairperson did not have any loans outstanding from the Company or the parent company. Other board members had no loans outstanding at the end of 2021.

Auditor fee:

Audit fees to KPMG expensed in 2021 and 2020 amounted to NOK 121 thousand and NOK 178 thousand, respectively. Fees for audit related services in 2020 amounted to NOK 37 thousand is included in the amount above. All amounts are exclusive of VAT.

Note 4 - Pensions



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Amounts in NOK thousands

	2021	2020
Benefits earned during the year	2 976	2 922
Defined contribution cost	6 561	4 040
Multi employer plans	641	600
Social security cost, aga	1 316	1 265
Net pension expenses	<u>11 494</u>	<u>8 827</u>
	2021	2020
Defined benefit obligation at beginning of year	53 417	50 971
Benefits earned during the year	3 396	3 307
Interest cost on prior period benefit obligation	905	1 170
Actuarial gain (loss)	17 779	-1 847
Benefits paid	-321	-184
Defined benefit obligation at end of year	<u>75 176</u>	<u>53 417</u>

Interest cost on prior period benefit obligations is 905 for 2021 and 1 170 for 2020.

	Cost	Obligation	Cost	Obligation
<i>Assumptions used to determine net periodic pension cost and pension obligation at end of year</i>	2021	2021	2020	2020
Discount rate	1,90 %	1,70 %	2,30 %	1,70 %
Expected salary increase	2,50 %	2,00 %	2,00 %	2,00 %
Expected pension increase	1,25 %	1,25 %	1,25 %	1,25 %

Mortality rate: K2013

Note 5 - Tangible assets

Amounts in NOK thousands

	Machinery and equipment	Total
Acquisition cost 01.01.	4 695	4 695
Acquisition cost 31.12.	4 695	4 695
Acc.depreciation 31.12.	-4 170	-4 170
Net carrying amount at 31.12.	<u>526</u>	<u>526</u>



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Depreciation for the year	316	316
---------------------------	-----	-----

Depreciation	Linear
--------------	--------

Depreciation expenses are measured on a straight-line basis over the estimated useful life of the asset, ranging from 4 years for computers and peripheral equipment to 10 years for office fixtures.

Note 6 - Financial income and expense

	2021	2020
Dividends from subsidiaries and JV	751 940	154 120
Interest from group companies	164 739	250 319
Other interest income	6 979	17 077
Interest paid to group companies	-111 707	-90 303
Other interest expenses	-1 043	-15 091
Net foreign exchange gain(loss)	174 373	-169 593
Impair. loss on shares (BEX, TUS and AAC)	0	-199 914
Liquidation dividend	27 972	0
Total	<u>1 013 253</u>	<u>-53 385</u>

Dividends:

In 2021 the company received NOK 146 million from Hydro Holding Austria GmbH, NOK 73 million from Hydro Extrusion Raeren SA, NOK 93 million from Hydro Building Systems Switzerland AG, NOK 51 million from Hydro Holding France SAS, NOK 302 million from Hydro Extruded Solutions AB and NOK 89 million from Hydro Building Systems Middle East WLL.

In 2020 the company received NOK 154 million from Hydro Holding Austria GmbH.

The company received NOK 28 million from Hydro Precision Tubing Seneffe SA as a liquidation dividend.

Note 7 - Income taxes

Amounts in NOK thousands

<i>Income tax expenses</i>	2021	2020
Tax payable	-22 339	16 289
Too much/little allocated in previous year(s)	303	5 231
Change in deferred tax	25 039	-51 654
Total income tax expense	<u>3 003</u>	<u>-30 133</u>

<i>Tax base estimation</i>	2021	2020
Ordinary result before tax	730 482	-279 894
Permanent differences	10 860	2 770

Page 3



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Write-down on shares and other security expensed this year	0	199 914
Remeasurement of benefit plans	-17 779	0
3 % of tax-free income according to "fritaksmetoden"	2 787	0
Tax-related income from general partnership-companies, NOKUS	65 834	75 057
Reversal of recognized dividends	-751 940	-154 120
Liquidation dividend BHY	-27 972	0
Change in temporary differences	-113 813	230 313
General income	-101 542	74 040
Group contribution received	112 000	0
Group contribution	0	-70 000
Tax base	10 458	4 040
Tax payable	2 301	889
<i>Temporary differences outlined</i>	2021	2020
Fixed assets	-536	-521
Unrealized exchange gains (losses) on financial non-current assets and -liabilities 1)	1 158 531	1 012 379
Other current liabilities	-36 634	-34 650
Pension obligations	-75 176	-53 417
Unrealized gains (losses) on LME-derivatives	-2 701	-6 542
Provisions for restructuring	-18 135	-11 124
Provision for possible malus	-7 411	-2 000
Total	1 017 939	904 126
Deferred income tax liability (22%)	223 947	198 908
<i>Effective tax rate</i>	2021	
Expected income taxes, statutory tax rate 22%	160 706	
Too much/little allocated in previous year(s)	303	
Permanent differences (22%)	-158 006	
Income tax expense	3 003	
Effective tax rate	0,4 %	

1) Unrealized FX gain on non-current intercompany USD receivable is NOK 1,190 million, EUR receivables 161 NOK million, DKK receivables 91 NOK million. Unrealized loss on non-current intercompany EUR payables is NOK 190 million and USD payables NOK 94 million. See also note 11 Non-current intercompany receivables and note 12 Non-current intercompany payables.

Note 8 - Investment in subsidiaries and associate

Share	Book value
-------	------------

Page 4



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Company	Location	owners	31.12.2021
Hydro Extruded Solutions AB	Sweden	100 %	2 982 649
Hydro Holdings UK Limited	United Kingdom	100 %	1 953 834
Hydro Holding Austria GmbH	Austria	100 %	1 300 000
Hydro Holding France SAS	France	42 %	697 915
Technal Middle East W.L.L.	Kingdom of Bahrain	100 %	599 033
Hydro Extrusion Hungary Kft	Hungary	100 %	550 576
Hydro Holding Denmark A/S	Denmark	100 %	392 712
Hydro Precision Tubing Brasil S.A.	Brazil	100 %	429 053
Hydro Holding Singapore Pte. Ltd.	Singapore	100 %	150 000
Hydro Extrusion Raeren S.A.	Belgium	100 %	120 000
Hydro Yapi Sistem Sanayi VE Ticaret AS	Turkey	100 %	28 218
Hydro Extrusion Norway AS	Norway	100 %	74 480
Hydro Precision Tubing Argentina S.A.	Argentina	95 %	47 790
Hydro Building Systems Middle East FZE	United Arab Emirates	100 %	41 250
Hydro Building Systems Switzerland AG	Switzerland	100 %	6 743
Hydro Extrusion Eupen S.A.	Belgium	100 %	1 000
Total			9 375 253

Company	Location	Share owners	Book value 31.12.2020
Hydro Extruded Solutions AB	Sweden	100 %	2 982 649
Hydro Holdings UK Limited	United Kingdom	100 %	1 953 834
Hydro Holding Austria GmbH	Austria	100 %	1 300 000
Hydro Holding France SAS	France	42 %	697 915
Technal Middle East W.L.L.	Kingdom of Bahrain	100 %	599 033
Hydro Extrusion Hungary Kft	Hungary	100 %	550 576
Hydro Holding Denmark A/S	Denmark	100 %	392 712
Hydro Holding Singapore Pte. Ltd.	Singapore	100 %	150 000
Hydro Extrusion Raeren S.A.	Belgium	100 %	120 000
Hydro Yapi Sistem Sanayi VE Ticaret AS	Turkey	100 %	28 218
Hydro Extrusion Norway AS	Norway	100 %	74 480
Hydro Precision Tubing Argentina S.A.	Argentina	95 %	47 790
Hydro Building Systems Middle East FZE	United Arab Emirates	100 %	41 250

Page 5



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Hydro Precision Tubing Seneffe SA	Belgium	100 %	9 810
Hydro Building Systems Switzerland AG	Switzerland	100 %	6 743
Hydro Extrusion Eupen S.A.	Belgium	100 %	1 000
Hydro Precision Tubing Brasil SA	Brazil	100 %	429 053
Total			9 385 063

Note 9 - Non-current intercompany receivables

Note 10 - Non-current intercompany payables

Note 11 - Balance sheet items

	2021	2020
Prepaid expenses	2 105	24 597
Tax receivables	1 241	12 203
Total prepaid expenses and other current assets	3 346	36 799
Employee-related expense accrued (LT), Norwegian payroll	12 191	12 650
Employee-related expense accrued, employees outside of HES AS	18 600	22 000
Total non-current provisions	30 791	34 650
Trade payables, external	42 668	7 578
Employee-related taxes withheld	5 335	7 161
Employee-related expense accrued (ST), Norwegian payroll	32 655	40 768
Employee-related expense accrued, employees outside of HES AS	48 500	65 000
Other current liabilities	31 012	23 950
	160 170	144 457

Note 12 - Owners equity

Amounts in NOK thousands

	Share capital	Share premium reserve	Remeasurement postemployment benefit	Other equity	Total
Owners equity 31.12.	400 000	11 511 590	-2 734	-74 119	11 834 737
Owners equity 01.01.	400 000	11 511 590	-2 734	-74 119	11 834 737
Profit for the year	0	0	0	727 479	727 479
Additional dividend during the year	0	0	0	-1 300 000	-1 300 000
Received group contribution	0	0	0	87 360	87 360
Other changes	0	0	-13 868	0	-13 868
Owners equity 31.12.	400 000	11 511 590	-16 602	-559 280	11 335 708

Page 6



Hydro Extruded Solutions AS

Notes to the accounts for 2021

Amounts in NOK thousands

Hydro Aluminium AS owns all the issued shares. Number of issued shares are 200 000 000. The par value of the share is NOK 2.

Note 13 - Related parties

Hydro Extruded Solutions AS is fully owned by Hydro Aluminium AS, which is fully owned by Norsk Hydro ASA. Thus Norsk Hydro ASA and its subsidiaries, associates and joint ventures are related parties. The Norwegian State's ownership in the parent company Norsk Hydro ASA represents significant influence. The State and companies controlled or influenced by the Norwegian State are therefore related parties.

Hydro Extruded Solutions AS allocates costs for the group's executive management, corporate staff services and shared services to subsidiaries and charge the companies for these services in accordance with the intra-group service charge principles set out by OECD. The terms of the company's transactions with related parties are based on the "arm's length" principle. According to the OECD principles, the most appropriate method to price the management services is the cost plus method. Except for pass-through cost, the company adds a 5 percent markup. The total amount allocated was NOK 612 in 2021 and NOK 1 120 million in 2020. Receivables related to such costs amounted to NOK 280 million and NOK 288 million per December 31, 2021 and 2020, respectively.

Hydro Extruded Solutions extends loans to subsidiaries, associates and jointly controlled entities at terms and conditions reflecting prevailing market conditions for corresponding transactions. The interest rate terms are based on the term of the loan agreement, company and country risk. See note 6 Financial income and expense for information on interest paid to and received from group companies and note 9 and 10 for information on non-current intercompany receivables and payables.

As of December 31, 2021, and 2020, Intercompany payables classified as current liabilities amount to NOK 1 693 million and NOK 1 461 million. The amount as of December 31, 2021 includes accrued dividend of NOK 1 300 million respectively NOK 1 050 million in 2020.

For information on transactions with employees and management, see note 3 Management remuneration, employee costs and auditor fees.

Note 14 - Guarantees

	2021	2020
Parent guarantees nominal amount	574 500	950 000
Total guarantees not recognized nominal amount	<u>574 500</u>	<u>950 000</u>
	2021	2020
Parent guarantees book value	695 544	689 566
Total guarantees not recognized booked value	<u>695 544</u>	<u>689 566</u>



Hydro Extruded Solutions AS

Cash flow statement

Amounts in NOK thousands	Note	2021	2020
Cash flow from operating activities			
Ordinary result from tax		730 482	-279 894
Taxes paid		1 192	7 692
Depreciation and amortization		316	11 647
Impairment of fixed assets		0	199 914
Changes in inventories, trade receivables and trade payables		22 046	309 459
Changes in pension scheme assets/liabilities		-21 759	-2 446
Effect of changes in exchange rates		163 756	-165 451
Changes in other current balance sheet items		-919 901	110 919
Net cash flow from operating activities		<u>-23 867</u>	<u>191 840</u>
Cash flow from investing activities			
Purchase of investments in shares and joint ventures		0	-236 565
Net cash flow from investing activities		<u>0</u>	<u>-236 565</u>
Cash flow from financing activities			
Proceeds from issuance of long term debt		830 310	0
Proceeds from short term and long term receivables		251 779	227 665
Net payment of interest - receivables and payables		61 764	0
Dividends paid		-1 050 000	0
Group contribution received/paid		-70 000	-182 926
Net cash flow from financing activities		<u>23 853</u>	<u>44 739</u>
Net change in cash and cash equivalents		-14	14
Cash and cash equivalents as of 01.01		<u>14</u>	<u>0</u>
Cash and cash equivalents as of 31.12		<u>0</u>	<u>14</u>



Hydro Extruded Solutions AS

Board of directors' report 2021

Hydro Extruded Solutions AS

Adress: Drammensveien 264, 0283 OSLO

Org.nr: 899286952 MVA

Oslo, 23 May 2022

Board of Hydro Extruded Solutions AS

Paul Warton
Chairman of the Board

Erik Fossum
Board Member

Florian Nikolaus Krumbacher
Board Member

Lars Michael Lönn
Board Member

Tor Egil Skulstad
Board Member

Erika Ahlqvist
Managing Director