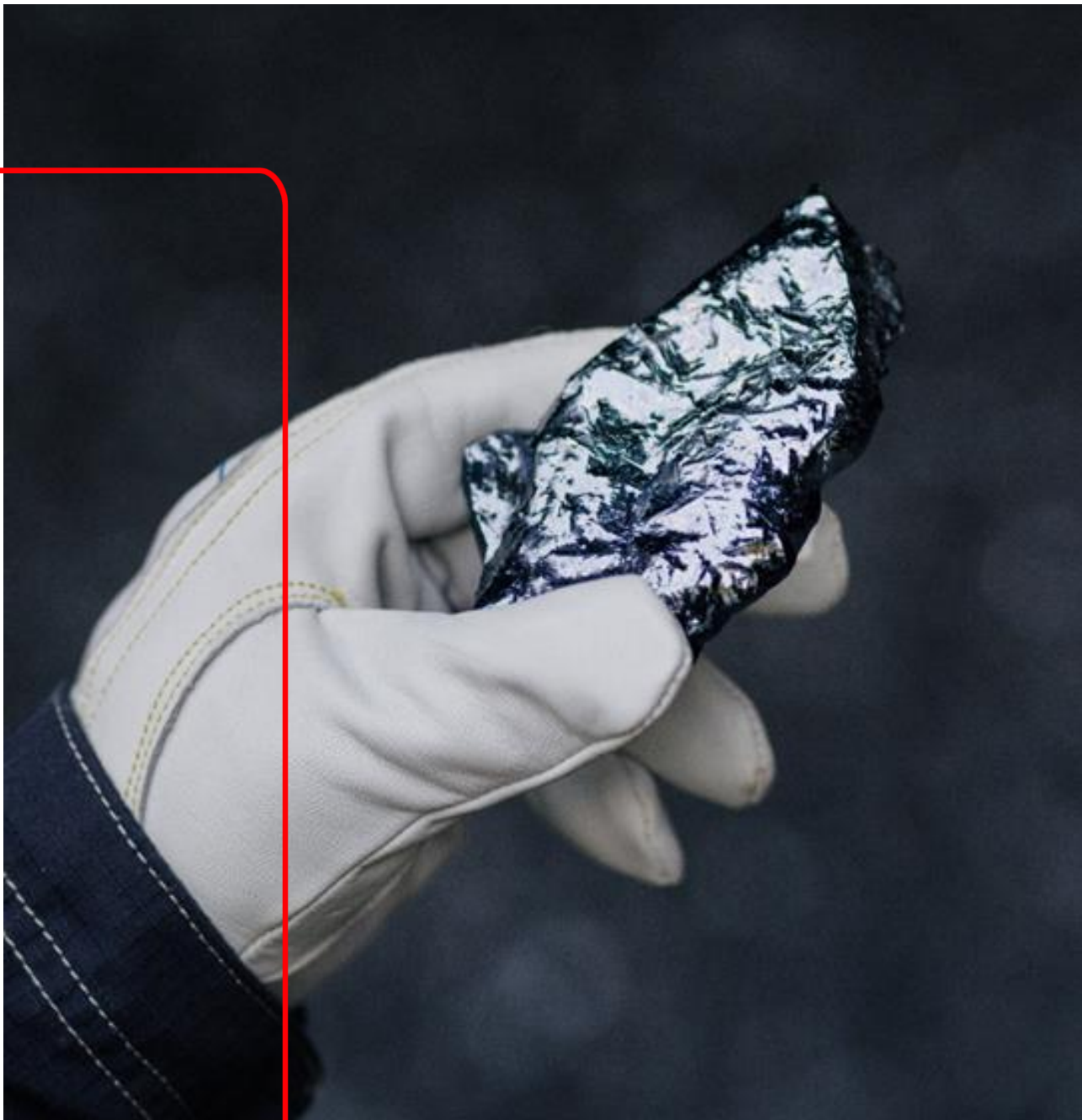




Fourth quarter results 2024



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Elkem initiates strategic review of the Silicones division

Elkem ASA has initiated a strategic review of the Silicones division. The review is initiated with a target to streamline Elkem, as well as to enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions.

The decision by the company to initiate the strategic review follows a thorough review of the growth and return prospects of Elkem, as well as its capital allocation strategy and the market dynamics in the silicones business.

The Silicones division has been reclassified in the accounts as discontinued operations and assets held for sale, following the strategic review decision.

The tables and reporting segments in this report reflect the combined results of the three divisions, including Silicones. Silicones continues to be followed up as an integrated part of Elkem Group and included in corporate management's reporting and responsibility until a sales agreement has been reached.

Note 14 shows the reconciliation of Elkem Group figures with Elkem continuing operations, Silicones division, and respective eliminations.

Highlights 4th quarter 2024

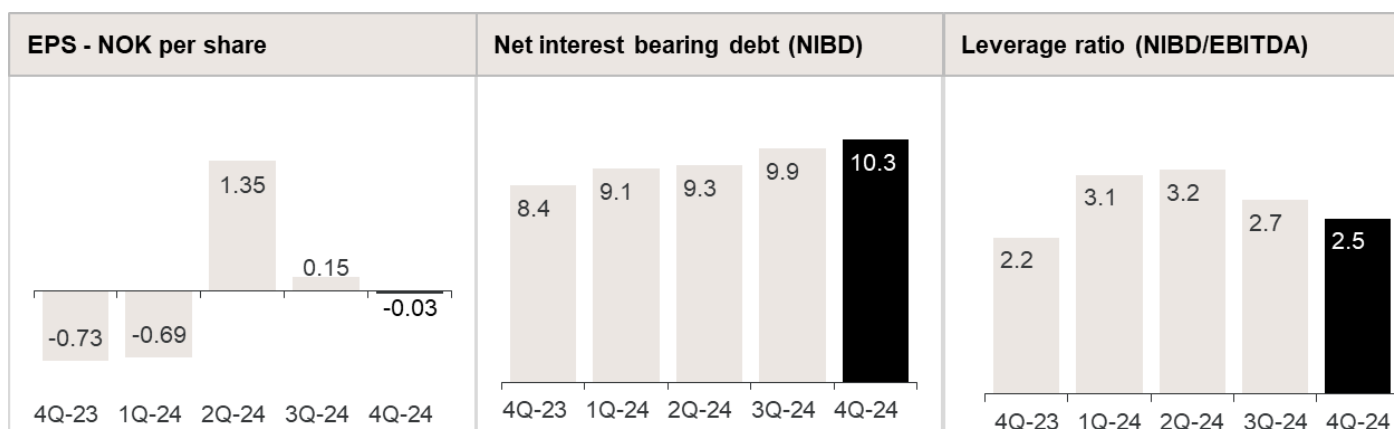
- Elkem has initiated a strategic review to streamline the company and accelerate growth in Silicon Products and Carbon Solutions.
- EBITDA in the fourth quarter was NOK 1,161 million, giving an EBITDA margin of 14%.
- Silicones delivered the best result since the third quarter 2022, driven by operational improvements and higher sales volume.
- Silicon Products delivered a good result, but was slightly down due to low sales volume and a weak ferrosilicon market.
- Carbon Solutions delivered a strong quarterly result.
- Earnings per share (EPS) was NOK 0.77 in 2024. The board proposes a dividend of NOK 0.30 per share.

Key figures

<i>(NOK million, except where specified)</i>	4Q 2024	4Q 2023	YTD 2024	YTD 2023	FY 2023
Total operating income	8,498	8,131	33,004	34,760	34,760
EBITDA	1,161	632	4,146	3,771	3,771
EBITDA margin (%)	14%	8%	13%	11%	11%
EBIT ⁽¹⁾	360	-111	1,294	1,365	1,365
Profit (loss) for the period ⁽²⁾	-18	-461	488	72	72
Earning per share (EPS) <i>(NOK per share)</i>	-0.03	-0.73	0.77	0.11	0.11
Equity ratio (%)	49%	48%	49%	48%	48%
Net interest-bearing debt (NIBD)	10,327	8,373	10,327	8,373	8,373
Cash flow from operations	318	805	1,484	3,027	3,027
ROCE - annualised (%)	4%	-1%	4%	4%	4%

(1) Operating profit before other items and hedge adjustments

(2) Owners of the parent's share of profit (loss)



Fourth quarter 2024 – Improved Silicones profitability and strategic review initiated

Elkem's EBITDA for the fourth quarter 2024 was NOK 1,161 million, up from NOK 632 million in the corresponding quarter last year. Elkem remained resilient amid challenging market conditions, due to good cost positions and a strong asset base. Improved results in 2024 were driven by Elkem's improvement and capex reduction programme, which exceeded targets. The board proposes a dividend of NOK 0.30 per share.

Elkem's total operating income for the fourth quarter 2024 was NOK 8,498 million, an increase of 5% compared to the fourth quarter 2023. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was NOK 1,161 million, up 84% from the corresponding quarter last year. Earnings per share (EPS) was NOK -0.03 in the quarter, and NOK 0.77 year-to-date. The board proposes a dividend of NOK 0.30 per share.

The Silicones division delivered the best result since the third quarter 2022, driven by operational improvements and higher sales volume. Silicones markets remain challenging, due to weak market sentiment and Chinese overcapacity. The Silicon Products and Carbon Solutions divisions delivered improved results compared to the corresponding quarter last year, despite continued weak markets.

In 2024, Elkem introduced a comprehensive improvement programme to counter weak macro-economic conditions and challenging markets. The programme delivered good results, exceeding targets. The target was to improve EBITDA by at least NOK 1.5 billion and to reduce capital expenditures by NOK 2.0 billion compared to 2023. In 2024, Elkem realised EBITDA improvements of NOK 1.7 billion and capital expenditures were reduced by NOK 2.2 billion.

Elkem announced in January 2025 that it has initiated a strategic review of the Silicones division. The purpose of the review is to streamline Elkem and enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions. The decision follows a thorough review of the growth and return prospects of Elkem, as well as its capital allocation strategy and the market dynamics in the silicones business. The Silicones division has been reclassified in the accounts as discontinuing operations and assets held for sale, following the strategic review decision.

In December 2024, Elkem and Hafslund entered into a long-term power agreement for the period 2028 to 2035. The annual contract volume is approximately 400 GWh, with delivery in the NO3 price area. Elkem is now well-positioned with long-term power contracts in Norway with at least 75% of the electricity consumption secured at competitive rates until end of 2029.

Sustainability is an integrated part of Elkem's strategy. In February 2025, Elkem was awarded top score of A on Forest and Water Security, and B on Climate Change by CDP. The A scores are a recognition of Elkem's environmental transparency and commitment to corporate social responsibility, and reflects the efforts we make in our operations and along our supply chain.

The group's equity as at 31 December 2024 amounted to NOK 26,020 million, which gave a ratio of equity to total assets of 49%. Net interest-bearing debt was NOK 10,327 million, which gave a ratio of net interest-bearing debt to EBITDA of 2.5x. Elkem had cash and cash equivalents of NOK 6,070 million as at 31 December 2024, and undrawn credit lines of more than NOK 6,000 million.

Elkem continues to benefit from the effects of the 2024 improvement programme. The focus on operational improvements will continue as markets are characterised by high uncertainty going into 2025. Silicones markets are expected to remain stable and Elkem will benefit from new, improved capacity in China and France. First quarter will, however, be impacted by Chinese New Year and maintenance work. The Silicon Products division benefits from strong cost and market positions but is curtailing production in Iceland due to the power situation, and in Norway due to maintenance. The Carbon Solutions division continues to take advantage of strong market positions and geographical diversification, but customer-announced capacity reductions will affect first quarter sales volume.

Financial review

Group results

KEY FIGURES	4Q 2024	4Q 2023	YTD 2024	YTD 2023	FY 2023
<i>NOK million</i>					
Total operating income	8,498	8,131	33,004	34,760	34,760
EBITDA	1,161	632	4,146	3,771	3,771
EBIT	360	-111	1,294	1,365	1,365
Other items	-159	84	-460	516	516
Net financial items	-69	-261	-522	-668	-668
Profit (loss) before income tax	97	-351	47	951	951
Tax	-104	-90	530	-781	-781
Profit (loss) for the period	-7	-440	577	170	170

Quarter

Elkem group had total operating income of NOK 8,498 million in 4Q-2024, which was up 5% from NOK 8,131 million in 4Q-2023. The Silicones division reported increased operating income mainly explained by higher sales volume, whilst this was partly offset by lower operating income from Silicon Products.

The group's EBITDA for 4Q-2024 was NOK 1,161 million, which was up from NOK 632 million in the corresponding quarter last year. All three divisions reported higher EBITDA compared to the fourth quarter 2023. The increase for Silicones was mainly due to higher sales volume driven by the new production line in China, operational improvements and lower raw material costs. Silicon Products reported increased EBITDA in 4Q-2024, mainly due to lower raw material costs and improved product sales mix. Carbon Solutions reported a good result, up 14% compared to 4Q-2023, due to positive product sales mix and lower raw material costs, partly offset by lower sales prices.

EBIT for 4Q-2024 was NOK 360 million, up from NOK -111 million in 4Q-2023.

Other items include fair value changes from commodity contracts, gains (losses) on embedded derivatives in power contracts, value changes from currency forward contracts and other income and expenses. Other items amounted NOK -159 million in 4Q-2024, consisting of losses on power and currency derivatives MNOK -121, restructuring expenses MNOK -31, net other items MNOK -21, and currency gains of MNOK 14.

Net financial items were NOK -69 million in 4Q-2024, compared to NOK -261 million in 4Q-2023. Net interest expenses amounted to NOK -207 million, an increase from NOK -170 million in the corresponding quarter last year. Gains on foreign exchange amounted to NOK 153 million, compared to losses of NOK -89 million in 4Q-2023. The foreign exchange losses in 4Q-2024 were mainly explained by negative translation effects on external loans. Other financial losses amounted to NOK -15 million.

Profit before income tax was NOK 97 million in 4Q-2024 compared to a loss of NOK -351 million in 4Q-2023.

Tax expenses in 4Q-2024 amounted to NOK -104 million, which exceeded profit before tax. This was explained by low taxable income for subsidiaries of the Silicones division.

Loss for the period was NOK -7 million, compared to a loss of NOK -440 million in 4Q-2023. Owners of the parent's share of profit was NOK -18 million, which gave earnings per share (EPS) of NOK -0.03 in 4Q-2024.

Year to date

The group's total operating income was NOK 33,004 million YTD-2024, which was down 5% compared to YTD-2023. EBITDA YTD-2024 amounted to NOK 4,146 million, which was up 10% from NOK 3,771 million YTD-2023. Improved results were mainly driven by Elkem's EBITDA improvement programme, countered by lower sales prices for commodities silicones products, silicon and ferrosilicon. Earnings per share (EPS) amounted to NOK 0.77 YTD-2024.

Cash flow

CASH FLOW FROM OPERATIONS	4Q 2024	4Q 2023	YTD 2024	YTD 2023	FY 2023
<i>NOK million</i>					
EBIT	360	-111	1,294	1,365	1,365
Amortisation, depreciation and impairment	801	743	2,852	2,406	2,406
Changes in working capital	96	873	-629	1,584	1,584
Reinvestments	-937	-699	-2,061	-2,351	-2,351
Equity accounted investments	-2	-1	27	22	22
Cash flow from operations	318	805	1,484	3,027	3,027
Other cash flow items	-863	-2,246	-2,020	-6,044	-6,044
Change in cash and cash equivalents	-545	-1,441	-536	-3,017	-3,017

Elkem's internal cash flow measure is defined and described in the APM appendix to the report.

Quarter

Cash flow from operations was NOK 318 million in 4Q-2024, compared to NOK 805 million in 4Q-2023. The reduction in cash flow from operations was explained by weaker working capital changes due to higher inventories.

Reinvestments were NOK -937 million in 4Q-2024, which amounted to 122% of depreciation and amortisation (D&A). Strategic investments were included in other cash flow items and amounted to NOK 227 million, down from NOK 799 million in 4Q-2023. The strategic investments in 4Q-2024 mainly consisted of the silicones project in France and Carbon Solutions' expansion project in Brazil. Other cash flow items in 4Q-2024 included interest payments and repayment of maturing loans.

Change in cash and cash equivalents was NOK -545 million in 4Q-2024. Currency exchange differences were NOK 94 million. As at 31 December 2024, the total cash and cash equivalents amounted to NOK 6.070 million, down from 6.521 million as at 30 September 2024.

Year to date

Cash flow from operations amounted to NOK 1,484 million YTD-2024, down from NOK 3,027 million YTD-2023, mainly explained by and negative working capital changes. Elkem's reinvestment target is 80-90% of depreciation and amortisation (D&A). Reinvestments YTD-2024 were NOK 2,061 million, which amounted to 77% of D&A. Strategic investments amounted to NOK 957 million YTD-2024.

Financial position

FINANCIAL POSITION	YTD 2024	YTD 2023	FY 2023
Total equity (NOK million)	26,020	24,458	24,458
Equity ratio (%)	49%	48%	48%
EPS (NOK per share)	0.77	0.11	0.11
Net interest bearing debt (NOK million) ⁽¹⁾	10,327	8,373	8,373
Leverage ratio based on LTM EBITDA (ratio)	2.5	2.2	2.2

¹⁾ Consists of interest-bearing liabilities reduced with cash and cash equivalents.

Quarter and year to date

Elkem's equity as at 31 December 2024 was NOK 26,020 million, up NOK 1,562 million from 31 December 2023. Profit for the period YTD-2024 was NOK 577 million, while other changes in equity were NOK 985 million, mainly consisting of effects recognised through other comprehensive income.

The equity ratio as at 31 December 2024 was 49%. Compared to year-end 2023, the equity ratio was up from 48%, mainly explained by profit for the period and effects recognised through other comprehensive income.

Net-interest bearing debt as at 31 December 2024 was NOK 10,327 million, which was up by NOK 1,954 million from NOK 8,373 million 31 December 2023. The leverage ratio was 2.5x as at 31 December 2024.

Segments

Silicones

KEY FIGURES	4Q 2024	4Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	4,129	3,388	15,091	14,163	14,163
EBITDA	376	68	521	-605	-605
EBITDA margin	9%	2%	3%	-4%	-4%
Sales volume (thousand mt)	112	79	388	332	332

Quarter

The Silicones division had total operating income of NOK 4,129 million in 4Q-2024 up 22% from NOK 3,388 million in 4Q-2023. Increased operating income was explained by higher sales volume, partly countered by lower commodity sales prices.

EBITDA for 4Q-2024 was NOK 376 million, substantially up from up from EBITDA of NOK 68 million in the fourth quarter last year. Improved EBITDA was explained by higher sales volume, mainly driven by the new production line in China, operational improvements and lower raw material costs.

Sales volume up in all regions. Higher sale of speciality products despite weak markets.

Year to date

The Silicones division reported total operating income of NOK 15,091 million YTD-2024, which was 7% higher than YTD-2023. The EBITDA was NOK 521million YTD-2024, which was an improvement compared to NOK -605 million YTD-2023. Improved results in 2024 were mainly explained by operational improvements and higher sales volume.

Silicon Products

KEY FIGURES	4Q 2024	4Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	3,748	4,130	15,506	17,836	17,836
EBITDA	624	401	2,864	3,304	3,304
EBITDA margin	17%	10%	18%	19%	19%
Sales volume (thousand mt) ¹⁾	98	121	422	462	462

1) Excluding Microsilica and quartz

Quarter

Silicon Products had total operating income of NOK 3,748 million in 4Q-2024, which was down 9% from NOK 4,130 million in 4Q-2023. Lower operating income was mainly explained by lower sales volume.

The EBITDA for Silicon Products was NOK 624 million in 4Q-2024, up 56% from the fourth quarter last year. Improved EBITDA was mainly explained by lower raw material costs and improved product sales mix. The corresponding quarter last year was negatively impacted by the fire at Salten and maintenance stops.

The market demand was weak, particularly from aluminium and steel markets.

Year to date

The Silicon Products division reported total operating income of NOK 15,506 million YTD-2024, which was 13% down from YTD-2023. The division reported an EBITDA of NOK 2,864 million, down 13% from NOK 3,304 million YTD-2023, mainly due to lower sales prices and lower sales volume.

Carbon Solutions

KEY FIGURES	4Q 2024	4Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	923	923	3,649	4,210	4,210
EBITDA	281	247	1,131	1,286	1,286
EBITDA margin	30%	27%	31%	31%	31%
Sales volume (thousand mt)	67	65	274	279	279

Quarter

Carbon Solutions reported total operating income of NOK 923 million in 4Q-2024, unchanged from 4Q-2023. Slightly higher sales volume in the quarter was offset by lower sales prices.

The EBITDA for 4Q-2024 amounted to NOK 281 million, up 14% from NOK 247 million in the corresponding quarter last year. Higher EBITDA was mainly explained by positive product sales mix and lower raw material costs, partly offset by lower sales prices.

The sales volume was slightly higher than the fourth quarter last year. Continued low demand as customers take out capacity due to challenging markets.

Year to date

Carbon Solutions reported total operating income of NOK 2,726 million YTD-2024, which was down 17% compared to YTD-2023. EBITDA YTD-2024 was NOK 850 million, down 18% from NOK 1,039 million YTD-2023. The reduction was mainly due to lower sales volume, partly offset by lower raw material costs.

Outlook for the first quarter 2025

Elkem continues to benefit from the effects of the 2024 improvement programme. The focus on operational improvements will continue as markets are characterised by high uncertainty going into 2025. Silicones markets are expected to remain stable and Elkem will benefit from new, improved capacity in China and France. First quarter will, however, be impacted by Chinese New Year and maintenance work. The Silicon Products division benefits from strong cost and market positions but is curtailing production in Iceland due to the power situation, and in Norway due to maintenance. The Carbon Solutions division continues to take advantage of strong market positions and geographical diversification, but customer-announced capacity reductions will affect first quarter sales volume.

Interim financial statements

Condensed consolidated statement of profit or loss (unaudited)

Amounts in NOK million	Note	Fourth quarter		Year to date	
		2024	2023 ¹⁾	2024	2023 ¹⁾
Revenue	2	4,299	4,858	17,810	21,134
Other operating income	2	296	87	1,066	331
Share of profit(loss) from equity accounted investments	2	(0)	9	(6)	44
Total operating income		4,595	4,954	18,870	21,510
Raw materials and energy		(1,965)	(2,670)	(8,313)	(10,825)
Employee benefit expenses		(732)	(674)	(2,766)	(2,662)
Other operating expenses		(1,145)	(1,166)	(4,283)	(4,173)
Amortisation and depreciation	4,5,6	(257)	(233)	(931)	(844)
Impairment loss	4,5,6	(35)	(22)	(168)	(25)
Other items	8	(121)	165	(316)	596
Operating profit (loss)		339	353	2,094	3,577
Share of profit(loss) from equity accounted financial investment		-	(16)	(143)	(63)
Finance Income	9	31	38	107	137
Foreign exchange gains (losses)	9	153	(89)	247	(106)
Finance expenses	9	(199)	(205)	(778)	(666)
Profit (loss) before income tax		324	80	1,526	2,879
Income tax (expenses) benefits		(77)	(95)	588	(781)
Profit (loss) for the year from continuing operations		247	(15)	2,115	2,097
Profit (loss) for the year from discontinued operations		(254)	(425)	(1,538)	(1,927)
Profit (loss) for the period		(7)	(440)	577	170
Attributable to:					
Non-controlling interests' share of profit (loss)		12	21	89	98
Owners of the parent's share of profit (loss)		(18)	(461)	488	72

¹⁾ See note 13 Change in presentation

Earnings per share		Fourth quarter		Year to date	
		2024	2023	2024	2023
Basic earnings per share in NOK		(0.03)	(0.73)	0.77	0.11
Diluted earnings per share in NOK		(0.03)	(0.73)	0.77	0.11
Weighted average number of outstanding shares (million)	12	634	634	634	635
Weighted average number of outstanding shares diluted (million)	12	634	634	634	636

Condensed consolidated statement of comprehensive income (unaudited)

Amounts in NOK million	Fourth quarter		Year to date	
	2024	2023	2024	2023
Profit (loss) for the period	(7)	(440)	577	170
Remeasurement of defined benefit pension plans	8	(19)	8	(19)
Tax effects on remeasurements of defined benefit pension plans	(1)	4	(1)	4
Changes in fair value of equity instruments	(0)	1	2	3
Total items that will not be reclassified to profit or loss	7	(14)	9	(12)
Currency translation differences	491	(411)	1,154	476
Hedging of net investment in foreign operations	(5)	(1)	(128)	(199)
Tax effects hedging of net investment in foreign operations	1	0	28	44
Cash flow hedges	(113)	134	43	(1,125)
Tax effects on cash flow hedges	25	(29)	(9)	247
Share of other comprehensive income (loss) from equity accounted investments	0	(12)	4	3
Total items that may be reclassified to profit or loss	399	(319)	1,091	(554)
Other comprehensive income, net of tax	406	(332)	1,100	(566)
Total comprehensive income	399	(773)	1,677	(396)
Attributable to:				
Non-controlling interests' share of comprehensive income	17	18	98	102
Owners of the parent's share of comprehensive income	383	(790)	1,579	(498)
Total comprehensive income	399	(773)	1,677	(396)

Condensed consolidated statement of financial position (unaudited)

Amounts in NOK million	Note	31 December 2024	31 December 2023
ASSETS			
Property, plant and equipment	4	8,405	22,754
Right-of-use assets	5	403	854
Other Intangible assets	6	216	1,458
Goodwill	6	329	1,015
Deferred tax assets		738	134
Equity accounted investments		230	1,296
Derivatives	11	1,012	977
Other assets		985	556
Total non-current assets		12,320	29,045
Inventories	7	6,038	9,018
Trade receivables		1,960	3,209
Derivatives	11	267	411
Other assets		1,254	2,062
Restricted deposits	10	7	388
Cash and Cash equivalents	10	4,397	6,367
Total current assets		13,923	21,455
Assets classified as held for sale	14	27,189	-
TOTAL ASSETS		53,432	50,500
EQUITY AND LIABILITIES			
Paid-in capital	12	3,502	3,498
Retained earnings		22,410	20,827
Non-controlling interests		109	133
Total equity		26,020	24,458
Interest-bearing liabilities	10	11,817	13,509
Deferred tax liabilities		238	935
Employee benefits obligations		238	507
Derivatives	11	485	235
Provisions and other liabilities		267	279
Total non-current liabilities		13,045	15,465
Trade payables		2,076	5,281
Income tax payables		106	240
Interest-bearing liabilities	10	1,090	1,231
Bills payable		-	1,466
Employee benefit obligations		471	912
Derivatives	11	140	66
Provisions and other liabilities		815	1,381
Total current liabilities		4,698	10,576
Liabilities classified as held for sale	14	9,668	-
TOTAL EQUITY AND LIABILITIES		53,432	50,500

Condensed consolidated statement of cash flows (unaudited)

Amounts in NOK million	Note	Fourth quarter		Year to date	
		2024	2023 ¹⁾	2024	2023 ¹⁾
Operating profit (loss)		339	353	2,094	3,577
Operating profit (loss) - discontinued operations		(174)	(426)	(1,382)	(1,895)
Amortisation, depreciation and impairment	4,5,6	801	743	2,852	2,406
Changes in working capital		96	873	(629)	1,584
Equity accounted investments		(2)	(1)	27	22
Changes fair value of derivatives		171	(112)	475	(59)
Changes in provisions, bills and other		(198)	(371)	(27)	(47)
Interest payments received		40	52	119	179
Interest payments made		(276)	(257)	(885)	(716)
Income taxes paid		(68)	(1,189)	(614)	(2,281)
Cash flow from operating activities		730	(335)	2,030	2,769
Investments in property, plant and equipment and intangible assets	4,5,6	(1,008)	(977)	(3,334)	(4,856)
Business combinations	3	-	-	-	(152)
Payment of contingent consideration related to acquisitions (IFRS 3)		-	-	-	(38)
Acquisition/capital contribution of/to equity accounted investments		-	(27)	(4)	(329)
Disposal of equity accounted investments		-	-	10	-
Other investments / sales		11	7	26	76
Cash flow from investing activities		(996)	(997)	(3,303)	(5,299)
Dividends paid to non-controlling interests		(68)	(24)	(123)	(104)
Dividends paid to owners		-	-	-	(3,815)
Net sale (purchase) of treasury shares	12	-	-	5	(8)
Payment of lease liabilities		(39)	(97)	(143)	(209)
New interest-bearing loans and borrowings		276	98	2,470	3,911
Payment of interest-bearing loans and borrowings		(446)	(86)	(1,474)	(262)
Cash flow from financing activities		(278)	(108)	737	(487)
Change in cash and cash equivalents		(545)	(1,441)	(536)	(3,017)
Currency exchange differences		94	(97)	238	129
Cash and cash equivalents opening balance		6,521	7,905	6,367	9,255
Cash and cash equivalents closing balance		6,070	6,367	6,070	6,367
Of which cash and cash equivalents in assets held for sale at the end of the period	14	1,673	-	1,673	-
Of which cash and cash equivalents in continuing operations at the end of the period		4,397	6,367	4,397	6,367

¹⁾ See note 10 Change in presentation

Condensed consolidated statement of changes in equity (unaudited)

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2023	3,498	20,827	24,325	133	24,458
Profit (loss) for the period	-	488	488	89	577
Other comprehensive income	-	1,090	1,090	10	1,100
Total comprehensive income	-	1,579	1,579	98	1,677
Share-based payments	2	-	2	-	2
Net movement treasury shares (note 12)	1	4	5	-	5
Dividends to equity holders	-	-	-	(123)	(123)
Closing balance 31 December 2024	3,502	22,410	25,911	109	26,020

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2022	6,228	22,412	28,639	134	28,773
Profit (loss) for the period	-	72	72	98	170
Other comprehensive income	-	(570)	(570)	4	(566)
Total comprehensive income	-	(498)	(498)	102	(396)
Share-based payments	8	-	8	-	8
Net movement treasury shares (note 12)	(3)	(5)	(8)	-	(8)
Dividends to equity holders	(2,734)	(1,081)	(3,815)	(104)	(3,919)
Closing balance 31 December 2023	3,498	20,827	24,325	133	24,458

Notes to the condensed consolidated financial statements

Note 1 General information, basis for preparation and judgements, estimates and assumptions

Elkem ASA is a limited liability company located in Norway and whose shares are publicly traded at Oslo Stock Exchange. Elkem ASA's condensed consolidated financial statements for the fourth quarter of 2024 were approved at the meeting of the board of directors on 11 February 2024.

Basis for preparation

The condensed consolidated interim financial statements comprise Elkem ASA and its subsidiaries (Elkem/the Group) and the Group's investments in associates and interests in joint arrangements.

Elkem's interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS®) as endorsed by the European Union. The condensed interim statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements in Elkem's Annual Report for 2023. The accounting policies applied are consistent with those applied in the annual consolidated financial statements 2023. The principle for presentation of grants related to income is changed from other operating income to net presentation where the grants are deducted from the expenses for which the grants have compensated in the statement of profit or loss. See note 13 Change in presentation.

In March 2024 the Norwegian government and the parties representing the industry agreed on a revised CO2 compensation scheme. The new scheme has a cap of NOK 7 billion in annual compensation to the industry. The cap will be KPI adjusted annually. In the new scheme 40 % of compensation will be dependent on investments in climate and energy efficiency measures by the recipients. The plan is that the final wording of the updated regulation will be approved by the Norwegian parliament during 2024. It has been assessed that there is reasonable assurance that Elkem will continue to receive CO2 compensation and fulfil the requirements to receive full compensation including the 40 % conditioned by climate and energy efficiency measures. It is also assessed that the main purpose of the scheme is to compensate for the CO2 cost included in the power prices and the estimated compensation will therefore continue to be included in the statement of profit and loss as a reduction to raw materials and energy for production. An updated assessment will be made when the final wording of the updated regulation is ready.

On 23 January 2025 the group announced its intention to perform a strategic review of the Silicones business area, and it initiated an active program to locate a buyer for the Elkem Silicones operating segment. At the end of the fourth quarter it was assessed that Elkem Silicones meets the criteria for held for sale. Elkem Silicones operating segment represents a major line of business and per 31 December 2024 a sale is regarded to be highly probable to occur within one year. Elkem Silicones operating segment is held for sale and is therefore classified as discontinued operations in the 2024 financial statement. See note 14 Held for sale and discontinued operations.

The interim financial statements are unaudited. The presentation currency of Elkem is NOK (Norwegian krone). All financial information is presented in NOK million, unless otherwise stated. One or more columns included in the interim report may not add up to the total due to rounding.

Judgements, estimates and assumptions

The preparation of consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions each reporting period.

The main judgements, estimates and assumptions are described in the annual consolidated financial statements for 2023 (note 3).

Judgements and estimates related to asset held for sale and discontinued operations are included in note 14 Held for sale and discontinued operations

Note 2 Operating segments

Elkem has three reportable segments; Silicones, Silicon Products and Carbon Solutions. In fourth quarter 2024 the Silicones segment was assessed to meet the criteria for held for sale and discontinued operations. However, the segment will continue to be followed up by the chief operating decision maker in the same manner as before the reclassification. The Silicones operating segment will therefore continue to be included in the segment disclosure. Please refer to note 14 Held for sale and discontinued operations.

- **The Silicones division** produces and sells a range of silicone-based products across various sub-sectors including release coatings, engineering elastomers, healthcare products, specialty fluids, emulsions and resins.
- **The Silicon Products division** produces various grades of metallurgical silicon, ferrosilicon, foundry alloys and microsilica for use in a wide range of end applications.

- **The Carbon Solutions division** produces carbon electrode materials, lining materials and specialty carbon products for metallurgical processes for the production of a range of metals.
- **Other** comprise Elkem group management and centralised functions within finance, logistics, power purchase, technology, digital office and strategic projects such as biocarbon.
- **Eliminations** comprise intersegment sales and profit. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties.

Elkem identifies its segments according to the organisation and reporting structure used by group management. Segments' performance are evaluated based on EBITDA and EBIT. EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items excluding hedge adjustments, impairment loss and amortisation and depreciation. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.

EBIT is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments and other items excluding hedge adjustments. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness. EBITDA and EBIT are not specified by IFRS Accounting Standards and therefore may not be comparable to apparently similar measures used by other companies.

Elkem's financing and taxes are managed on a group basis and are not allocated to operating segments.

Fourth quarter 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	4,040	3,281	816	(44)	-	8,092
Other revenue	49	19	4	26	-	98
Other operating income	9	269	11	16	-	306
Share of profit from equity accounted investments	2	(0)	0	0	-	2
Total operating income from external customers	4,100	3,569	830	(1)	-	8,498
Operating income from other segments	29	179	92	230	(531)	-
Total operating income	4,129	3,748	923	229	(531)	8,498
Operating expenses	(3,753)	(3,124)	(642)	(322)	504	(7,336)
EBITDA	376	624	281	(93)	(26)	1,161
EBIT	(133)	393	241	(114)	(26)	360

Fourth quarter 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total 1)
Revenue from sale of goods	3,380	3,798	839	(94)	-	7,923
Other revenue	(1)	47	3	55	-	105
Other operating income	7	80	1	5	-	93
Share of profit from equity accounted investments	1	0	-	9	-	10
Total operating income from external customers	3,387	3,925	844	(24)	-	8,131
Operating income from other segments	2	205	79	198	(484)	-
Total operating income	3,388	4,130	923	174	(484)	8,131
Operating expenses	(3,321)	(3,729)	(677)	(326)	553	(7,499)
EBITDA	68	401	247	(152)	69	632
EBIT	(420)	198	208	(165)	69	(111)

¹⁾ 2023 figures have been restated, see note 13

Year to date 31 December 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	14,871	13,548	3,243	(167)	-	31,495
Other revenue	109	76	16	226	-	427
Other operating income	20	1,023	26	17	-	1,086
Share of profit from equity accounted investments	2	(0)	0	(6)	-	(4)
Total operating income from external customers	15,003	14,647	3,285	70	-	33,004
Operating income from other segments	88	859	364	592	(1,903)	-
Total operating income	15,091	15,506	3,649	662	(1,903)	33,004
Operating expenses	(14,570)	(12,642)	(2,518)	(986)	1,857	(28,858)
EBITDA	521	2,864	1,131	(324)	(46)	4,146
EBIT	(1,233)	2,091	1,003	(521)	(46)	1,294

Year to date 31 December 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total 1)
Revenue from sale of goods	14,055	16,535	3,742	(401)	-	33,931
Other revenue	23	113	17	280	-	434
Other operating income	19	323	2	6	-	350
Share of profit from equity accounted investments	1	0	-	44	-	46
Total operating income from external customers	14,099	16,971	3,761	(71)	-	34,760
Operating income from other segments	63	865	450	506	(1,884)	-
Total operating income	14,163	17,836	4,210	436	(1,884)	34,760
Operating expenses	(14,768)	(14,532)	(2,924)	(968)	2,203	(30,989)
EBITDA	(605)	3,304	1,286	(532)	318	3,771
EBIT	(2,142)	2,610	1,164	(585)	318	1,365

¹⁾ 2023 figures have been restated, see note 13

Note 3 Changes in composition of the group

On 14 May 2024 Elkem acquired Elkem Testvirksomhet AS (previously REC Solar Norway AS) for USD 22 million (NOK 238 million). The transaction gives Elkem control of industrial areas and facilities in Norway, including areas next to Elkem's activities at Fiskaa in Kristiansand. The transaction is accounted for as an asset acquisition. IFRS allows two different approaches to accounting for an asset acquisition. Elkem have decided to first determine the individual transaction price for each identifiable asset and liability based on their relative fair value and subsequently apply the initial measurement requirements in applicable standards to each identifiable asset and liability. Any difference between the amount at which the asset and liability is initially measured and its individual transaction price is accounted for using the relevant requirements. NOK 245 million has been allocated to assets, whereof NOK 108 million to property, plant and equipment and NOK 128 million to deferred tax asset and NOK 7 million has been allocated to liabilities. The application of the initial measurement criteria for the respective assets and liabilities after the allocation of the purchase price has resulted in the following effects in the statement of profit and loss:

	Gain/(loss)
Other items	(27)
Finance income	11
Income tax (expenses) benefits	1,067
Total	1,052

The net loss in other items relate to remeasurement after initial recognition of operating items such as provisions, lease liabilities and right of use assets. Finance income relates to the remeasurement of financial instruments. The income tax benefits relate to the remeasurement of deferred tax asset originating from tax loss carry forwards and limitations on interest rate deductions. Deferred tax asset related to temporary differences of NOK 357 million has not been recognised. The impact from temporary differences will be recognised over the period it is reversed. Property, plant and equipment and inventory is measured at cost on initial recognition and therefore not subsequently remeasured.

Note 4 Fixed assets

		Plant, buildings and other property	Machinery, equipment and motor vehicles	Office and other equipment	Construction in progress	Total
31 December 2024	Land					
Cost						
Opening balance	276	9,575	26,965	2,328	6,842	45,987
Additions	-	40	71	23	2,783	2,917
Transferred to/from CiP	4	450	4,308	1,381	(6,144)	-
Disposals	(0)	(20)	(144)	(23)	(6)	(194)
Assets classified as held for sale	(160)	(6,757)	(19,993)	(3,604)	(2,080)	(32,595)
Exchange differences	15	530	1,333	188	287	2,353
Closing balance	134	3,819	12,540	293	1,682	18,468
Accumulated depreciation						
Opening balance		(3,639)	(15,650)	(1,043)		(20,332)
Addition from continuing operations		(134)	(677)	(15)		(827)
Addition from discontinued operations		(194)	(992)	(288)		(1,475)
Disposals		16	118	23		157
Assets classified as held for sale		1,964	10,400	1,202		13,566
Exchange differences		(133)	(706)	(77)		(917)
Closing balance		(2,121)	(7,507)	(199)		(9,827)
Impairment losses						
Opening balance	(12)	(446)	(2,398)	(15)	(30)	(2,900)
Addition from continuing operations	-	(3)	(35)	(0)	(0)	(38)
Addition from discontinued operations	-	(1)	(9)	(0)	-	(10)
Disposals	-	3	17	0	0	20
Assets classified as held for sale	-	469	2,419	15	31	2,935
Exchange differences	(1)	(41)	(197)	(1)	(3)	(242)
Closing balance	(13)	(18)	(202)	(1)	(1)	(235)
Carrying amount						
Closing balance	121	1,680	4,831	92	1,681	8,405
31 December 2023	Land	Plant, buildings and other property	Machinery, equipment and motor vehicles	Office and other equipment	Construction in progress	Total
Cost						
Opening balance	233	8,957	25,406	1,078	5,022	40,696
Additions	0	14	97	22	4,883	5,016
Transferred to/from CiP	12	532	1,534	976	(3,053)	-
Reclassification	(1)	2	(286)	285	-	0
Business combinations	21	33	25	-	2	81
Disposals	-	(76)	(227)	(17)	(13)	(333)
Exchange differences	10	113	417	(15)	2	526
Closing balance	276	9,575	26,965	2,328	6,842	45,987
Accumulated depreciation						
Opening balance		(3,322)	(14,437)	(580)		(18,339)
Addition from continuing operations		(116)	(620)	(17)		(753)
Addition from discontinued operations		(203)	(819)	(191)		(1,213)
Reclassification		1	267	(268)		-
Disposals		40	204	16		260
Exchange differences		(39)	(245)	(2)		(287)
Closing balance		(3,639)	(15,650)	(1,043)		(20,332)
Impairment losses						
Opening balance	(11)	(435)	(2,358)	(1)	(30)	(2,836)
Addition from continuing operations	-	(0)	(24)	-	(0)	(25)
Addition from discontinued operations	-	(13)	(56)	-	-	(69)
Reclassification	-	(9)	22	(14)	-	-
Disposals	-	10	18	0	1	29
Exchange differences	(1)	1	1	0	0	1
Closing balance	(12)	(446)	(2,398)	(15)	(30)	(2,900)
Carrying amount						
Closing balance	264	5,490	8,917	1,271	6,812	22,754

Note 5 Right-of-use assets

			Machinery, equipment and motor vehicles	Office and other equipment	Total
31 December 2024	Land	Plant and buildings			
Cost					
Opening balance	397	733	153	2	1,285
Additions / lease modifications / remeasurements	8	78	60	0	148
Partial or full termination of agreements	-	(53)	(41)	(2)	(96)
Assets classified as held for sale	(378)	(260)	(143)	(0)	(782)
Exchange differences	33	25	7	0	65
Closing balance	60	523	36	0	619
Accumulated depreciation					
Opening balance	(80)	(258)	(92)	(2)	(431)
Addition from continuing operations	(6)	(52)	(9)	-	(68)
Addition from discontinued operations	(8)	(42)	(36)	(0)	(87)
Partial or full termination of agreements	-	48	36	2	86
Assets classified as held for sale	81	143	84	0	308
Exchange differences	(7)	(12)	(4)	(0)	(23)
Closing balance	(20)	(174)	(22)	(0)	(216)
Impairment losses					
Opening balance	-	-	-	-	-
Closing balance	-	-	-	-	-
Carrying amount					
Closing balance	40	349	14	0	403

			Machinery, equipment and motor vehicles	Office and other equipment	Total
31 December 2023	Land	Plant and buildings			
Cost					
Opening balance	326	659	150	2	1,138
Additions / lease modifications / remeasurements	73	95	57	-	225
Partial or full termination of agreements	-	(30)	(63)	-	(93)
Exchange differences	(3)	9	9	0	15
Closing balance	397	733	153	2	1,285
Accumulated depreciation					
Opening balance	(70)	(191)	(96)	(1)	(359)
Addition from continuing operations	(2)	(45)	(4)	(0)	(52)
Addition from discontinued operations	(7)	(48)	(34)	(0)	(90)
Partial or full termination of agreements	-	30	48	-	77
Exchange differences	0	(3)	(6)	(0)	(9)
Closing balance	(80)	(258)	(92)	(2)	(431)
Impairment losses					
Opening balance	-	-	-	-	-
Closing balance	-	-	-	-	-
Carrying amount					
Closing balance	317	476	61	0	854

Note 6 Intangible assets

31 December 2024	Goodwill	Land use rights	Technology and licences	Software	Development	Other intangible	Intangible assets under construction	Total other intangible assets
Cost								
Opening balance	1,015	116	911	714	1,030	384	407	3,563
Additions	-	-	0	12	-	-	88	100
Transferred to/from CiP	-	-	0	44	61	11	(116)	-
Disposals	-	-	-	(2)	-	-	-	(2)
Assets classified as held for sale	(756)	-	(945)	(490)	(1,152)	(333)	(201)	(3,121)
Exchange differences	70	6	56	31	61	24	14	192
Closing balance	329	121	23	309	-	86	193	732
Accumulated depreciation								
Opening balance		(65)	(654)	(514)	(711)	(159)		(2,103)
Addition from continuing operations		(2)	(1)	(25)	-	(8)		(35)
Addition from discontinued operations		-	(42)	(33)	(77)	(31)		(182)
Disposals		-	-	2	-	-		2
Assets classified as held for sale		-	712	335	826	173		2,045
Exchange differences		(3)	(38)	(22)	(39)	(10)		(112)
Closing balance		(70)	(23)	(257)	(0)	(35)		(385)
Impairment losses								
Opening balance	-	(1)	-	-	-	-	-	(1)
Addition from continuing operations	-	-	-	(1)	-	-	(129)	(130)
Exchange differences	-	(0)	-	-	-	-	0	(0)
Closing balance	-	(1)	-	(1)	-	-	(129)	(131)
Carrying amount								
Closing balance	329	50	0	51	(0)	51	64	216

Impairment losses are mainly related to impairment of Biocarbon NOK 129 million

31 December 2023	Goodwill	Land use rights	Technology and licences	Software	Development	Other intangible	Intangible assets under construction	Total other intangible assets
Cost								
Opening balance	984	108	868	627	880	350	377	3,209
Additions	-	-	-	17	-	-	183	200
Transferred from CiP	-	-	5	67	94	3	(170)	-
Business combinations	23	-	-	0	-	29	0	29
Disposals	-	-	-	(9)	-	-	-	(9)
Exchange differences	8	7	38	13	56	2	17	133
Closing balance	1,015	116	911	714	1,030	384	407	3,563
Accumulated depreciation								
Opening balance		(59)	(579)	(457)	(606)	(122)		(1,824)
Addition from continuing operations		(2)	(2)	(29)	-	(6)		(39)
Addition from discontinued operations		-	(41)	(28)	(65)	(31)		(166)
Disposals		-	-	9	-	-		9
Exchange differences		(4)	(32)	(9)	(40)	(0)		(84)
Closing balance		(65)	(654)	(514)	(711)	(159)		(2,103)
Impairment losses								
Opening balance	-	(1)	-	-	-	-	-	(1)
Exchange differences	-	(0)	-	-	-	-	-	(0)
Closing balance	-	(1)	-	-	-	-	-	(1)
Carrying amount								
Closing balance	1,015	49	257	200	319	225	407	1,458

Note 7 Inventories

	31 December 2024	31 December 2023
Raw materials	1,614	2,321
Semi-finished goods	570	466
Finished goods	3,162	5,147
Operating materials and spare parts	692	1,084
Total inventories	6,038	9,018
Provisions for write-down of inventories	(70)	(314)

Note 8 Other items

	Fourth quarter		Year to date	
	2024	2023	2024	2023
Change in fair value commodity contracts, interest element	(1)	(1)	(1)	(1)
Embedded EUR derivatives power contracts, interest element	(92)	99	(106)	(73)
Ineffectiveness and discontinuation on commodity cash flow hedges	(29)	55	(197)	357
Ineffectiveness on currency cash flow hedges	1	-	1	-
Change in fair value currency contracts	(1)	7	(5)	(26)
Operating foreign exchange gains (losses)	22	10	39	350
Total other gains (losses)	(100)	170	(269)	608
Dividends from other shares	2	3	3	3
Change in fair value from other shares measured at fair value through profit or loss	(7)	1	8	2
Gains (losses) on acquisition and disposal of subsidiaries	-	-	1	-
Restructuring expenses	(0)	-	(9)	-
Dismantling and environmental expenses	(1)	(4)	(1)	(4)
Other	(15)	(5)	(49)	(13)
Total other income (expenses)	(21)	(6)	(47)	(12)
Total other items	(121)	165	(316)	596

Note 9 Finance income and expenses

	Fourth quarter		Year to date	
	2024	2023	2024	2023
Interest income on loans and receivables	31	38	78	136
Fair value adjustments on financial instruments	-	-	16	-
Other financial income	0	(0)	12	1
Total finance income	31	38	107	137
Foreign exchange gains (losses)	153	(89)	247	(106)
Interest expenses on interest-bearing liabilities measured at amortised cost	(176)	(183)	(694)	(575)
Interest expenses from other items measured at amortised cost	(4)	(2)	(9)	(17)
Interest expenses on factoring agreements	(11)	(15)	(50)	(52)
Interest expenses on lease liabilities	(5)	(4)	(15)	(13)
Unwinding of discounted liabilities	(0)	(0)	(2)	(2)
Interest on net pension liabilities	(2)	0	(6)	(5)
Other financial expenses	(1)	(0)	(3)	(2)
Total finance expenses	(199)	(205)	(778)	(666)
Net Finance income (expenses)	(15)	(256)	(424)	(635)

Note 10 Interest-bearing assets and liabilities

	31 December 2024	31 December 2023
Lease liabilities	338	464
Loan agreements, other than bank	2,123	2,529
Loan agreements, bonds	3,500	2,750
Loan agreements, bank	5,856	7,767
Total non-current interest-bearing liabilities	11,817	13,509
Lease liabilities	67	125
Loan agreements, other than bank	0	414
Loan agreements, bonds	295	646
Loan agreements, bank	706	18
Accrued interest	23	28
Total current interest-bearing liabilities	1,090	1,231

Pledges and guaranteed liabilities

The main part of Elkem's interest-bearing liabilities are neither pledged nor guaranteed. The totals of liabilities that have pledged assets or guarantees related to them are stated below:

Pledged liabilities	31 December 2024	31 December 2023
Pledged liabilities	53	136

Elkem has been granted a temporary waiver of the interest cover ratio each of the quarters of 2024, and so that the applicable Interest cover ratio shall exceed 3.00:1.00 compared to prior ratio of 4.00:1.00. As at 31 December 2024 the interest cover ratio was 5.2.

Elkem's RCF is extended by one year to June 2029. The RCF remains undrawn.

Elkem has in September issued NOK 1,500 million of new senior unsecured bonds. NOK 400 million has been issued with a tenor of 3 years and a coupon of 3 month Nibor + 1.25 % per annum, NOK 800 million has been issued with a tenor of 5 years and a coupon of 3 month Nibor + 1.55 % per annum, and NOK 300 million has been issued with a tenor of 7 years and a coupon of 3 month Nibor + 1.75 % per annum. An interest rate swap agreement has been entered into to swap the NOK 800 million bond loan from floating interest rates to fixed interest rates of 4.88%. A swap agreement has been entered into to swap the NOK 400 million bond loan to a EUR 34 million loan with fixed interest rates of 3.72%.

Refer to note 23 Interest-bearing assets and liabilities in Elkem's Annual report for 2023 for more information.

Note 11 Cash flow hedging

Hedge Accounting

Elkem is applying hedge accounting for parts of its forward currency contracts, certain parts of EUR loans, for embedded EUR derivatives in power contracts, for certain power contracts and interest rate swap changing the interest from fixed to floating interest rate and from floating to fixed. Forward currency contracts and embedded derivatives are designated in a cash flow hedge to hedge currency fluctuations in highly probable future sales, mainly in USD and EUR. Power contracts are designated as hedging instruments in a cash flow hedge of price fluctuations for highly probable future purchases. Hence, the effective part of change in fair value of the hedging instruments is booked against OCI and booked as an adjustment to revenue and energy for production respectively, when realised.

Derivatives as at 31 December 2024

	Effects to be recycled from OCI						
	Nominal value	Fair value	Hereof recognised in OCI	Within 1 year	Within 2 years	Within 3 years	Within 4 years or more
Purchase contracts							
Forward currency contracts	2,406	25	17	9	8	-	-
Embedded EUR derivatives	7,002	(572)	(591)	(140)	(124)	(84)	(243)
Power contracts	2,127	1,182	496	81	84	80	252
Interest rate swap	301	19	18	3	3	4	7
Total derivatives		654	(59)	(46)	(28)	(1)	16

Hedge accounting is applied for some of the contracts / part of contracts.

	Fourth quarter		Year to date	
	2024	2023	2024	2023
Realised effects hedge accounting, recycled from OCI				
Realised effects from forward currency contracts, Revenue	10	(43)	10	(229)
Realised effects from embedded derivatives EUR, Revenue	(37)	(33)	(135)	(122)
Realised effects from EUR loans, Revenue	-	(8)	-	(15)
Realised effects from power contracts, Raw materials and energy for production	4	18	13	112
Realised effects hedge discontinuation, Other items	32	27	102	85
Realised effect interest rate swap, Finance expenses	(3)	(1)	(4)	(1)
Total realised hedging effects recycled from OCI	5	(40)	(14)	(170)

See note 25 Financial assets and liabilities, note 26 Hedging and note 27 Financial risk to the consolidated financial statements for the year ended 31 December 2023.

Note 12 Number of shares

The development in share capital and other paid-in equity is set out in the Condensed consolidated interim statement of changes in equity.

	Shares outstanding	Treasury shares	Total issued shares
<i>Numbers are whole numbers</i>			
Opening balance at 1 January 2024	633,890,288	5,551,090	639,441,378
Sale of treasury shares	279,190	(279,190)	-
Closing balance 31 December 2024	634,169,478	5,271,900	639,441,378

	Fourth quarter		Year to date	
	2024	2023	2024	2023
<i>Numbers are whole numbers</i>				
Weighted average number of shares outstanding	634,169,478	633,890,288	634,005,481	634,991,082
Effects of dilution from share-based payment	-	-	128,351	798,645
Weighted average number of outstanding shares diluted	634,169,478	633,890,288	634,133,832	635,789,727

In the annual general meeting held on 18 April 2024, the board of directors was granted an authorisation to repurchase the company's own shares within a total nominal value of up to NOK 319,720,689. The maximum amount that can be paid for each share is NOK 150 and the minimum is NOK 1. The authorisation is valid until the annual general meeting in 2025, but not later than 30 June 2025. The authorisation can be used to acquire shares as the board of directors deems appropriate, provided however, that acquisition of shares shall not be by subscription. Shares acquired under the authorisation may either be used to fulfil Elkem's obligations in connection with acquisitions, incentive arrangements for employees, fulfilment of earn-out arrangements, sale of shares to strengthen Elkem's equity or deletion of shares.

In the annual general meeting held on 18 April 2024, the board of directors was granted an authorisation to increase the company's share capital with an amount up to NOK 319,720,689 - corresponding to 10 % of the current share capital. The authorisation is valid until the annual general meeting in 2025, but not later than 30 June 2025. The authorisation can be used to cover share capital increases against contribution in kind and in connection with mergers.

Note 13 Change in presentation

Elkem has with effect from 1 January 2024 changed presentation of the items mentioned below;

- Presentation of grants related to income is changed from other operating income to net presentation where the grants are deducted from the expenses for which the grants have compensated in the statement of profit or loss.
- Presentation of capitalised salary of own developed fixed and intangible assets is changed from other operating expenses to employee benefit expenses in the statement of profit and loss.
- Presentation of changes in inventories of finished goods and work in progress for the activity cost part is changed from other operating expenses to raw materials and energy for production in the statement of profit and loss.

Elkem has with effect from 1 July 2024 changed presentation of the items mentioned below;

- Elkem has with effect from 1 July 2024 changed its definition of net interest-bearing debt (NIBD). Going forward bills payable net of restricted deposits, will be followed up as a part of managing Elkem's day-to-day liquidity positions. Bills payable are deemed to be part of the operational activities linked to the product cycle and hence no longer included in NIBD. As a consequence, bills payable and restricted deposits are moved from cash flow from financing activities to cash flow from operating activities, included in line-item changes in provisions, bills and other in the statement of cash flows.

The impact on comparable figures in the statement of profit or loss and statement of cash flows are shown in the tables below.

	YTD Q4 2024 before change	Impact grants	Impact capitalised salary	Impact changes in inventories	YTD Q4 2024 after change
Condensed consolidated statement of profit or loss					
Other operating income	1,711	(644)			1,066
Raw materials and energy for smelting	(9,024)	593		118	(8,313)
Employee benefit expenses	(2,807)	26	15		(2,766)
Other operating expenses	(4,175)	25	(15)	(118)	(4,283)
Operating profit (loss)	2,094	-	-	-	2,094

	Financial statement 2023	Impact grants	Impact capitalised salary	Impact changes in inventories	2023 restated
Condensed consolidated statement of profit or loss					
Other operating income	915	(584)			331
Raw materials and energy for smelting	(11,493)	550		118	(10,825)
Employee benefit expenses	(2,706)	20	25		(2,662)
Other operating expenses	(4,045)	14	(25)	(118)	(4,173)
Operating profit (loss)	1,682	-	-	-	1,682

	YTD Q4 2024 before change	Impact	YTD Q4 2024 after change
Condensed consolidated statement of cash flows			
Changes in provisions, bills and other	-	48	(27)
Net changes in bills payable and restricted deposits		21	-
Change in cash and cash equivalents	-	536	(536)

	Financial statement 2023	Impact	2023 restated
Condensed consolidated statement of cash flows			
Changes in provisions, bills and other	190	(237)	(47)
Net changes in bills payable and restricted deposits	(237)	237	-
Change in cash and cash equivalents	(3,017)	-	(3,017)

Note 14 Asset held for sale and discontinued operations

Accounting principles and judgements:

On 23 January 2025 the group announced its intention to perform a strategic review of the Silicones division. At the end of the fourth quarter, significant judgement has been applied to conclude that a sale is highly probable to occur within one year and that the held for sale criteria is met. Elkem Silicones is an operating segment and represents a major line of business per 31 December 2024. Silicones division is therefore classified as discontinued operations in the 2024 financial statement.

Continuing operations include internal transactions with the Silicones division that are expected to continue after the sale. This includes sale of goods from Elkem Silicon Products to Elkem Silicones. Financial income and expense are eliminated.

Discontinued operations are still included in the segment reporting as it will continue to be followed up by the Chief operating decision maker in the same manner as before the reclassification. This will be continuously reviewed as the strategic review process progresses. Please refer to note 2 for segment disclosures.

Estimates

The calculations for fair value less cost to sell are based on estimated future cash flows. These cash flows are uncertain due to potential changes in the prices of key production input factors and the market prices of Elkem's products. This uncertainty affects both the next 12 months and the rest of the forecast period.

Additionally, there is uncertainty in estimating replacement investments and the growth rate for the terminal value. The estimated future pre-tax cash flows are discounted using a pre-tax discount rate. The uncertainty in this discount rate relates to the determination of the risk-free rate, the market risk premium and the beta. Elkem uses a beta specific to each business segment, found using observable betas of comparable companies for each business segment.

To address the uncertainty in these estimates, Elkem has conducted sensitivity analyses on key drivers in the fair value less cost to sell calculations

Profit and loss from discontinued operations:

Internal transactions are eliminated in the presentation of profit and loss from discontinued operations:

Amounts in NOK million	31/12/2024	31/12/2023
Revenue	14,113	13,230
Other operating income	20	19
Share of profit(loss) from equity accounted investments	2	1
Total operating income	14,134	13,250
Raw materials and energy	(8,718)	(8,615)
Employee benefit expenses	(2,469)	(2,413)
Other operating expenses	(2,431)	(2,500)
Amortisation and depreciation	(1,744)	(1,468)
Impairment loss	(10)	(69)
Other items	(145)	(80)
Operating profit (loss)	(1,382)	(1,895)
Finance Income	41	45
Finance expenses	(138)	(77)
Profit (loss) before income tax	(1,480)	(1,928)
Income tax (expenses) benefits	(58)	0
Profit (loss) for the year from discontinued operations	(1,538)	(1,927)

Cumulative income or expense recognised in other comprehensive income from discontinued operations

Amounts in NOK million	2024	2023
Exchange differences on translation of discontinued operations	2,048	1,333

Earnings per share - discontinued operations

	2024	2023
Basic earnings per share in NOK	(2.43)	(3.04)
Diluted earnings per share in NOK	(2.42)	(3.03)

Reconciliation between continuing and discontinued operations with Elkem group total:

The below table shows profit and loss from continuing operations, from the Silicones operating segment and eliminations booked in discontinued operations in order to show the profit and loss from Elkem group total

Amounts in NOK million	Continuing operations	Silicones operating segment	Eliminations in discontinued operations	Elkem group total
Revenue	17,810	15,069	(956)	31,922
Other operating income	1,066	20	(1)	1,086
Share of profit(loss) from equity accounted investments	(6)	2	-	(4)
Total operating income	18,870	15,091	(957)	33,004
Raw materials and energy	(8,313)	(9,439)	720	(17,032)
Employee benefit expenses	(2,766)	(2,469)	-	(5,234)
Other operating expenses	(4,283)	(2,663)	232	(6,714)
Amortisation and depreciation	(931)	(1,744)	-	(2,674)
Impairment loss	(168)	(10)	-	(178)
Other items	(316)	(145)	-	(460)
Operating profit (loss)	2,094	(1,377)	(5)	712
Share of profit(loss) from equity accounted financial investment	(143)	-	-	(143)
Finance Income	107	41	(0)	147
Foreign exchange gains (losses)	247	-	-	247
Finance expenses	(778)	(471)	332	(916)
Profit (loss) before income tax	1,526	(1,807)	328	47
Income tax (expenses) benefits	588	(58)	(0)	530
Profit (loss) for the year from continued operations	2,115	(1,865)	328	577

2023

Amounts in NOK million	Continuing operations	Silicones operating segment	Eliminations in discontinued operations	Elkem group total
Revenue	21,134	14,142	(912)	34,364
Other operating income	331	19	(1)	350
Share of profit(loss) from equity accounted investments	44	1	-	46
Total operating income	21,510	14,163	(912)	34,760
Raw materials and energy for production	(10,825)	(9,658)	1,042	(19,441)
Employee benefit expenses	(2,662)	(2,413)	-	(5,074)
Other operating expenses	(4,173)	(2,697)	197	(6,673)
Amortisation and depreciation	(844)	(1,468)	-	(2,312)
Impairment loss	(25)	(69)	-	(94)
Other items	596	(80)	-	516
Operating profit (loss)	3,577	(2,222)	327	1,682
Share of profit(loss) from equity accounted financial investment	(63)	0	-	(63)
Finance Income	137	46	(1)	182
Foreign exchange gains (losses)	(106)	0	-	(106)
Finance expenses	(666)	(358)	281	(743)
Profit (loss) before income tax	2,879	(2,534)	606	951
Income tax (expenses) benefits	(781)	0	0	(781)
Profit (loss) for the year from continued operations	2,097	(2,534)	606	170

Cash flows from discontinued operations

Cash flows from internal transactions are eliminated in discontinued operations.

Amounts in NOK million	Fourth quarter		Year to date	
	2024	2023	2024	2023
Net cash inflow from operating activities	245	(275)	262	41
Net cash inflow from investing activities	(454)	(359)	(1,734)	(3,235)
Net cash outflow from financing activities	242	(10)	769	1,131
Net increase (decrease) in cash generated from discontinued operations	32	(645)	(703)	(2,064)

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2024:

Amounts in NOK million	31 December 2024
Assets classified as held for sale	
Property, plant and equipment	16,095
Right of use assets	474
Other intangible assets	1,075
Goodwill	756
Deferred tax assets	36
Investments in equity accounted companies	157
Other assets	201
Total non-current assets	18,793
Inventories	3,783
Trade receivables	1,700
Other assets	891
Restricted deposits	350
Cash and cash equivalents	1,673
Total current assets	8,396
TOTAL ASSETS	27,189
Liabilities directly associated with assets classified as held for sale	
31 December 2024	
Interest-bearing liabilities	3,290
Deferred tax liabilities	137
Employee benefit obligations	292
Provisions and other liabilities	12
Total non-current liabilities	3,731
Trade payable	3,084
Income tax payables	52
Interest-bearing liabilities	200
Bills payable	1,549
Employee benefit obligations	530
Provisions and other liabilities	522
Total current liabilities	5,937
TOTAL LIABILITIES	9,668

Immediately before the re-presentation of the Silicones division as discontinued operations an impairment assessment was performed and no impairment loss was identified. Subsequent to the reclassification, the disposal group classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. An estimate of fair value less cost to sell of the disposal group has been performed, and no loss was recognised. In estimating fair value less cost to sell the income approach (discounted cash flow method) is used. Future cash flows are estimated using a combination of external and internal sources. In estimating future cash flows the following assumptions are used:

Key assumptions for fair value less cost to sell estimate

Financial performance 2024

Silicones markets remained challenging in 2024 due to weak market sentiment and Chinese overcapacity. The Chinese property market has been in a severe downturn since 2021. During the second half of 2024 there were some positive developments. The Chinese central bank announced its biggest stimulus package since the pandemic. Further, several producers, including Elkem announced global price increases for specialties which gave a positive impact on profitability. DMC prices in China showed a modest increase in the last two quarters of 2024. The EBITDA-margin for the Silicones segment in 2024 is 3.5 per cent and with an improving trend through the year. The 2024 EBITDA of NOK 521 million is an improvement from a negative EBITDA of NOK 605 million in 2023.

Financial forecasts 2025-2029

The 2025 budget and 2026-2029 strategic plan approved by the board is used as a basis for the forecasts which is used for the fair value estimate. When preparing the budget and strategic plan a range of both external and internal sources are considered. External sources include market reports and price indexes. Internal sources include agreed sales volumes for the period, the effect of implemented cost saving initiatives and planned investments and maintenance.

EBITDA level represents the operating profit (loss) before depreciation and amortisation. The key assumptions used in reaching the forecast figures are sales prices, total volume and product mix, operating costs, and productivity targets. See Note 6 Operating segments for Elkem's definition of EBITDA.

- External markets analysts expect continued challenging supply/demand balance both in China and globally for the next two years, before a gradual recovery towards the end of the forecast period resulting in a more balanced market
- The Silicon division capacity increase following strategic investments in China in the previous years was ramped up during 2024 and is performing better than target. The Silicon division production in France is expected to ramp up production during 2025 and reach full capacity during the first half of 2025. These new assets are expected to yield cost savings, more efficient production and an improved specialty ratio that will improve both absolute and stability in margins
- Cost saving programmes initiated in 2023 and continued in 2024 are expected to give permanent cost reductions through improved productivity and better process quality.
- A more balanced market, combined with an increased specialty ratio, results in improved average sales prices and combined with reduced cost leads to a gradually improving EBITDA-margin throughout the forecast period. Forecasted sales prices are based on a weighted average of sales prices for commodity and specialty volumes.

Other operating costs

These are estimated based on the current level and adjusted for expected inflation in the respective locations where the business is situated. Operating costs are also impacted by ongoing operational efficiency programmes. Changes to the outcome of these initiatives may affect future EBITDA levels.

Capital expenditure ("Capex")

A normalised capex is assumed in the long run and are based on today's maintenance level and technology. Capex includes remaining investments on strategic projects in an advanced stage where the projects are substantially commenced per 31.12.2024.

Discount rate

A weighted average cost of capital is used to discount the cash flows. The WACC is calculated by using a target capital structure of 50:50. The WACC is based on 10-year risk-free interest rate. Cash inflows and outflows in different currencies are translated to NOK and a NOK 10-year risk-free interest rate is used in the WACC. The discount rates also consider the debt premium, market risk premium, corporate tax rate and asset beta. For the Elkem Silicones division the cash flows have been discounted with a pre-tax rate of 10.5 per cent, derived from a WACC of 8,44%.

Growth rates and inflation

The expected growth rates converge from its current level to the long-term growth level in the markets in which the entity operates. The growth rates used to extrapolate cash flow projections in the terminal value are based on expected inflation in relevant markets, assumptions in terms of market share and expectations for the market development in which the entity operates.

Currency rates

The fair value calculation is performed in the presentation currency for the Silicones segment which is NOK. The currency rates used to translate future incomes and expenses in other currencies than the functional currency is based on the currency rates used in the strategic planning process.

Steady state 2030 and onwards

After the forecast period 2025-2029 the cash flows from operations are expected to reach a steady state. The steady state cash flows in 2030 is used to calculate the terminal value. An EBITDA-margin of 17.5 per cent and a growth rate of 2 per cent is estimated in the steady state.

The estimated fair value less cost of sale of Elkem Silicones is higher than the net value of Silicones assets and liabilities held for sale of NOK 17.5 billion at 31.12.2024, and no reduction of the carrying amount to fair value less cost to sell is recognised. There is significant uncertainty regarding the sales value of Elkem Silicones and therefore a range of fair values are presented to illustrate the sensitivity in the fair value. In estimating the range of values, the same cash flows has been used for the forecast period 2025-2029. However, different WACCs is used to discount estimated future cash flows and different EBITDA-margins is used in the steady state and applied in calculation the terminal value. The range can be summarised in the following matrix:

Sensitivity of fair value less cost to sell of discontinued operations

Amounts in NOK million		EBITDA-margin in steady state (in per cent)		
		17.5%	15.0%	12.7%
WACC(in per cent)	8.44%	21,149	17,055	13,289
	9.44%	17,908	14,531	11,424
	10.0%	16,439	13,384	10,573

Appendix - Alternative performance measures (APMs)

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). Elkem uses EBITDA and EBITDA margin to measure operating performance at the group and segment level. In particular, Management regards EBIT and EBITDA as useful performance measures at segment level because income tax, finance expenses, foreign exchange gains (losses), finance income, other items are managed on a group basis and are not allocated to each segment. Elkem uses Cash flow from operations to measure the segments cash flow performance, this measure is excluding items that are managed on a group level. Elkem uses ROCE, or return on capital employed as measures of the development of the group's return on capital. Elkem relies on these measures as part of its capital allocation strategy. Elkem uses net interest bearing debt less non-current interest-bearing assets / EBITDA as leverage ratio for measuring the group's financial flexibility and ability for step-change growth and acquisitions.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. Because companies calculate the APMs presented herein differently, Elkem's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

Elkem's financial APMs, EBITDA and EBIT

- EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items excluding hedge adjustments, impairment loss and amortisation and depreciation. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.
- EBITDA margin is defined as EBITDA divided by total operating income.
- EBIT, also referred to as operating profit (loss) before other items and hedge adjustments is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments and other items excluding hedge adjustments. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.

Below is a reconciliation of EBIT and EBITDA

Fourth quarter 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						247
Income tax (expense) benefit						77
Finance expenses						199
Foreign exchange gains (losses)						(153)
Finance income						(31)
Share of profit from equity accounted financial investments						-
Other items						121
Hedge adjustments						36
EBIT Discontinued operations						(136)
EBIT	(133)	393	241	(114)	(26)	360
Impairment losses						35
Amortisations and depreciations						257
Amortisations, depreciations and impairment losses discontinued operations						509
EBITDA	376	624	281	(93)	(26)	1,161

Fourth quarter 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						(15)
Income tax (expense) benefit						95
Finance expenses						205
Foreign exchange gains (losses)						89
Finance income						(38)
Share of profit from equity accounted financial investments						16
Other items						(165)
Hedge adjustments						46
EBIT Discontinued operations						(344)
EBIT	(420)	198	208	(165)	69	(111)
Impairment losses						22
Amortisations and depreciations						233
Amortisations, depreciations and impairment losses discontinued operations						488
EBITDA	68	401	247	(152)	69	632

Year to date 31 December 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						2,115
Income tax (expense) benefit						(588)
Finance expenses						778
Foreign exchange gains (losses)						(247)
Finance income						(107)
Share of profit from equity accounted financial investments						143
Other items						316
Hedge adjustments						122
EBIT Discontinued operations						(1,237)
EBIT	(1,233)	2,091	1,003	(521)	(46)	1,294
Impairment losses						168
Amortisations and depreciations						931
Amortisations, depreciations and impairment losses discontinued operations						1,754
EBITDA	521	2,864	1,131	(324)	(46)	4,146

Year to date 31 December 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						2,097
Income tax (expense) benefit						781
Finance expenses						666
Foreign exchange gains (losses)						106
Finance income						(137)
Share of profit from equity accounted financial investments						63
Other items						(596)
Hedge adjustments						199
EBIT Discontinued operations						(1,815)
EBIT	(2,142)	2,610	1,164	(585)	318	1,365
Impairment losses						25
Amortisations and depreciations						844
Amortisations, depreciations and impairment losses discontinued operations						1,537
EBITDA	(605)	3,304	1,286	(532)	318	3,771

Elkem's financial APMs, Leverage ratio

Elkem has with effect from 1 July 2024 changed its definition of net interest-bearing debt (NIBD). Going forward bills payable net of restricted deposits, will be followed up as a part of managing Elkem's day-to-day liquidity positions. Bills payable are deemed to be part of the operational activities linked to the product cycle and hence no longer included in NIBD. Bills payable and bills receivable will then have the same classification. Bills do not carry interest, and the change does not affect the interest-cover ratio.

- Net interest-bearing debt that is used to measure leverage ratio consists of current and non-current interest-bearing liabilities, reduced with cash and cash equivalents. Below a calculation of Elkem's leverage ratio.

	31 December 2024	31 December 2023
Interest-bearing liabilities	12,907	14,741
Cash and Cash equivalents	(4,397)	(6,367)
Interest-bearing liabilities, held-for-sale liabilities	3,490	-
Cash and Cash equivalents, held-for-sale assets	(1,673)	-
Net interest-bearing debt	10,327	8,373
EBITDA (LTM)	4,146	3,771
Leverage ratio	(2.5)	(2.2)

Elkem's financial APMs, ROCE

ROCE, Return on capital employed, is defined as EBIT divided by the average capital employed.

- Working capital is defined as accounts receivable, inventories, other current assets, accounts payable, current employee benefit obligations and other current liabilities. Accounts receivable are defined as trade receivables less bills receivable. Other current assets are defined as other current assets less current receivables to related parties, current interest-bearing receivables, tax receivables, grants receivable, assets at fair value through profit or loss and accrued interest income. Accounts payable are defined as trade payables less trade payables related to purchase of non-current assets. Other current liabilities are defined as provisions and other current liabilities less current provisions, contingent considerations, contract obligations and liabilities to related parties.
- Capital employed consists of working capital as defined above, property, plant and equipment, right-of-use assets, other intangible assets, goodwill, equity accounted investments, grants payable, trade payables and prepayments related to purchase of non-current assets.
- Average capital employed is defined as the average of the opening and ending balance of capital employed for the relevant reporting period.

Below is a reconciliation of working capital and capital employed, which are used to calculate ROCE:

Working capital bridge from statutory accounts to company definition

	31 December 2024	31 December 2023
Inventories	6,038	9,018
Trade receivables	1,960	3,209
Bills receivable	(269)	(823)
Accounts receivable	1,691	2,386
Other assets, current	1,254	2,062
Other receivables from related parties interest-free	-	(8)
Grants receivables	(576)	(671)
Tax receivables	(241)	(261)
Accrued interest	(0)	(0)
Other current assets included in working capital	436	1,122
Trade payables	2,076	5,281
Trade payables related to purchase of non-current assets	(184)	(1,313)
Accounts payable included in working capital	1,892	3,968
Employee benefit obligations	471	912
Provisions and other liabilities, current	815	1,381
Provisions, contingent considerations and contract obligations	(19)	(101)
Liabilities to related parties	-	(17)
Other current liabilities included in working capital	795	1,263
Working capital assets and liabilities as held for sale	2,302	-
Working capital Elkem group total	7,308	6,383
Property, plant and equipment	8,405	22,754
Right-of-use assets	403	854
Other Intangible assets	216	1,458
Goodwill	329	1,015
Equity accounted investments	230	1,296
Grants payable	(17)	(17)
Trade payables- and prepayments related to purchase of non-current assets	(171)	(1,295)
Other capital employed effects assets and liabilities as held for sale	17,674	-
Capital employed Elkem group total	34,377	32,449

Elkem's financial APMs. Cash flow from operations

- Cash flow from operations is defined as cash flow from operating activities, less income taxes paid, interest payments made, interest payments received, changes in provision, bills and other, changes in fair value of derivatives, other items (from the statement of profit or loss) excluding hedge adjustments. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.
- Reinvestments generally consist of maintenance capital expenditure to maintain existing activities or that involve investments designed to improve health, safety or the environment.
- Strategic investments generally consist of investments which result in capacity increases at Elkem's existing plants or that involve an investment made to meet demand in a new geographic or product area.

	Fourth quarter		Year to date	
	2024	2023	2024	2023
Reinvestments	(937)	(699)	(2,061)	(2,351)
Strategic investments	(227)	(799)	(957)	(2,866)
Periodisation ¹⁾	156	522	(317)	361
Investments in property, plant and equipment and intangible assets	(1,008)	(977)	(3,334)	(4,856)

¹⁾ Periodisation reflects the difference between payment date and accounting date of the investment.

	Fourth quarter		Year to date	
	2024	2023	2024	2023
Cash flow from operating activities	730	(335)	2,030	2,769
Income taxes paid	68	1,189	614	2,281
Interest payments made	276	257	885	716
Interest payments received	(40)	(52)	(119)	(179)
Changes in provisions, bills and other	198	371	27	47
Changes in fair value of derivatives	(171)	112	(475)	59
Other items	121	(165)	316	(596)
Other items from discontinued operations	38	81	145	80
Hedge adjustments	36	46	122	199
Reinvestments	(937)	(699)	(2,061)	(2,351)
Cash flow from operations	318	805	1,484	3,027