



Annual report **2025**

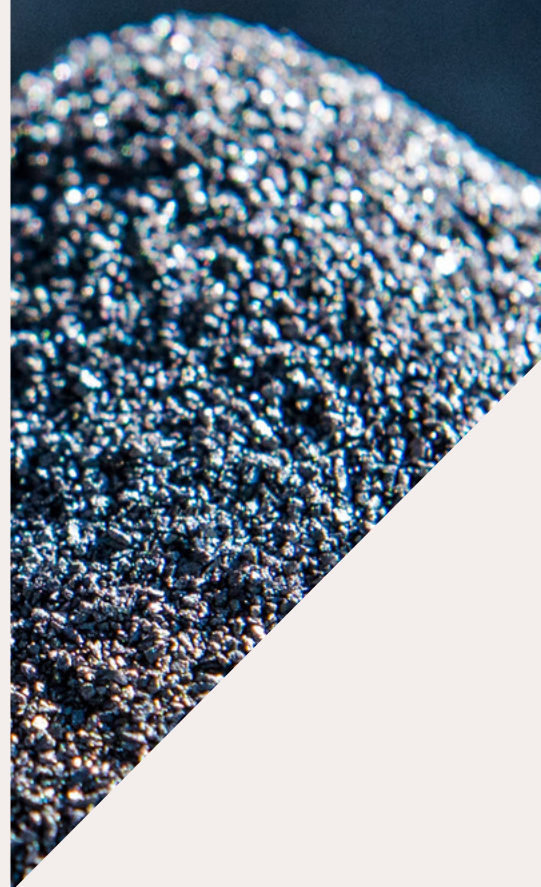


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This is Elkem



30.8

NOK billion total
operating income

11%

EBITDA margin

0

net zero emissions
by 2050

Who we are and what we do

Elkem is a world-leading supplier of advanced silicon-based materials shaping a better and more sustainable future.

The group produces silicon products, carbon solutions, and silicones by combining natural raw materials, renewable energy, and human resourcefulness. Elkem helps customers develop and improve products that are essential for the green and digital transitions, such as electric mobility, digital communication, health and personal care, as well as smarter, more sustainable cities.

With a strong track record since 1904, Elkem's global team of around 7 000 people has a joint commitment to stakeholders: Delivering your potential. Elkem is listed on the Oslo Stock Exchange (ticker: ELK) where it is part of the OBX® ESG Index, a selection of 40 companies demonstrating best environmental, social, and governance (ESG) practices.

One Elkem, three divisions

Elkem is organised into three divisions, which produce silicon products, carbon solutions, and silicones. These materials are essential to making products that people use in their daily lives and serve as necessary components for sustainable solutions for the future, spanning digital communication, health and personal care, green mobility, and energy.

Elkem is committed to achieving profitable growth through strong cost and competitive market positions, leveraging integrated and regionalised value chains. The group places a strong emphasis on innovation and research and development (R&D) to enable a higher degree of product specialisation, creating greater value to its customers.





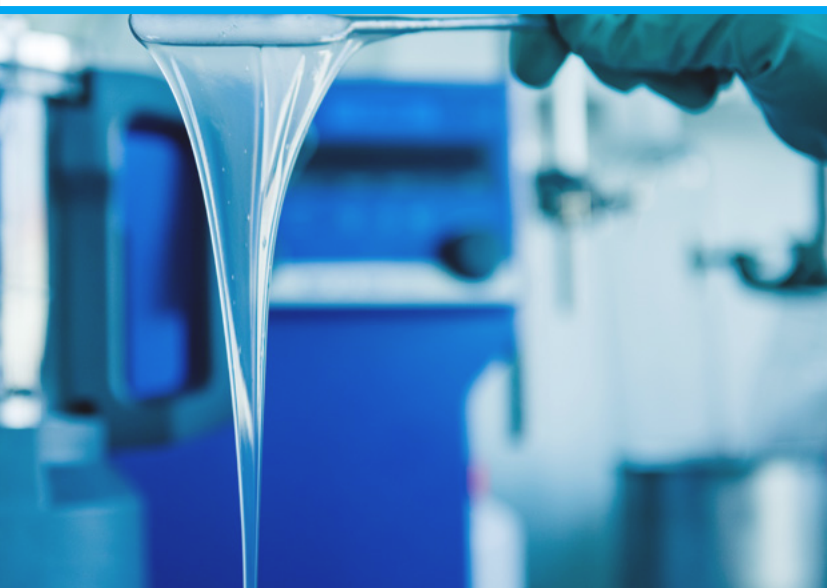
Silicon Products

A leading producer of silicon-based materials, including silicon, ferrosilicon, specialty alloys based on ferrosilicon, and Elkem Microsilica®



Carbon Solutions

A leading producer of speciality carbon products in various metallurgical smelting processes and in primary aluminium industries



Silicones

A fully integrated producer from silicon metal to upstream siloxanes and downstream silicone specialities

A collection of milestones



1904

Elkem was founded

1918

Söderberg electrode technology patented for the first time



1951

World's largest ferrosilicon smelter put into operation at Fiskaa

1913

Elkem listed on the Oslo Stock Exchange



1944

First trial batch of silicones in Lyon, France



1964

First production of Silgrain® silicon at Bremanger



1978

First production of silicones at Xinghuo, China



2005-2011

Orkla acquires Elkem in 2005 and de-lists the company. Sells Elkem to China National Bluestar in 2011

2023

World's first carbon capture pilot inaugurated at Elkem's smelter in Rana, Norway

1981

Union Carbide Ferroalloys Division acquired



2018

Elkem re-listed on Oslo Stock Exchange

2025

Elkem ranks among the top five global silicones producers and is the top producer of silicon and foundry alloys in Western markets and the only global producer of carbon products

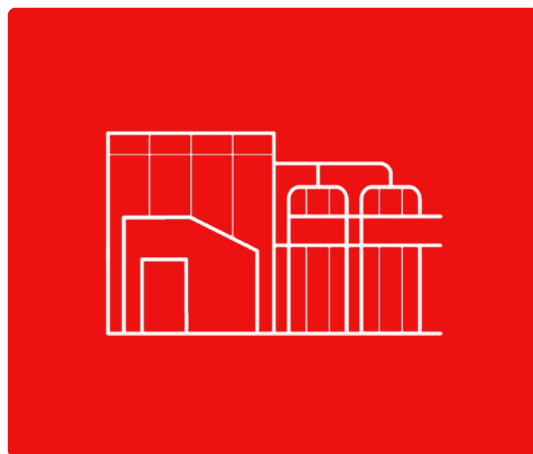
Elkem's value chain

Quartz mining



Quartzite extraction

Smelters producing silicon-based products



Other input factors



Renewable
hydropower



Carbon and
biocarbon



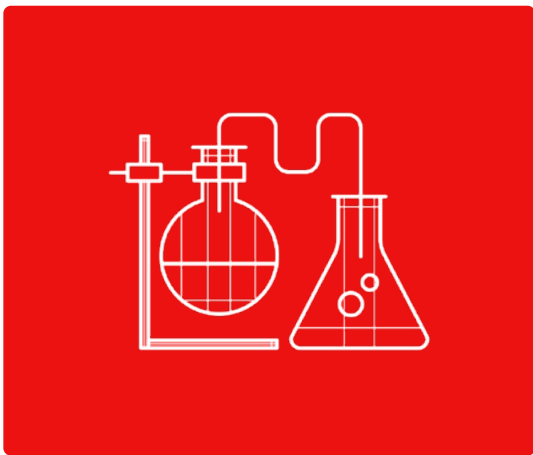
Heat and
energy recovery

Possible CO₂ capture and
storage

Electrode
paste

← Research and innovation throughout value chain →

Silicones plants



Output

Silicones

End markets include automotive, construction, electronics, health care, personal care, textiles

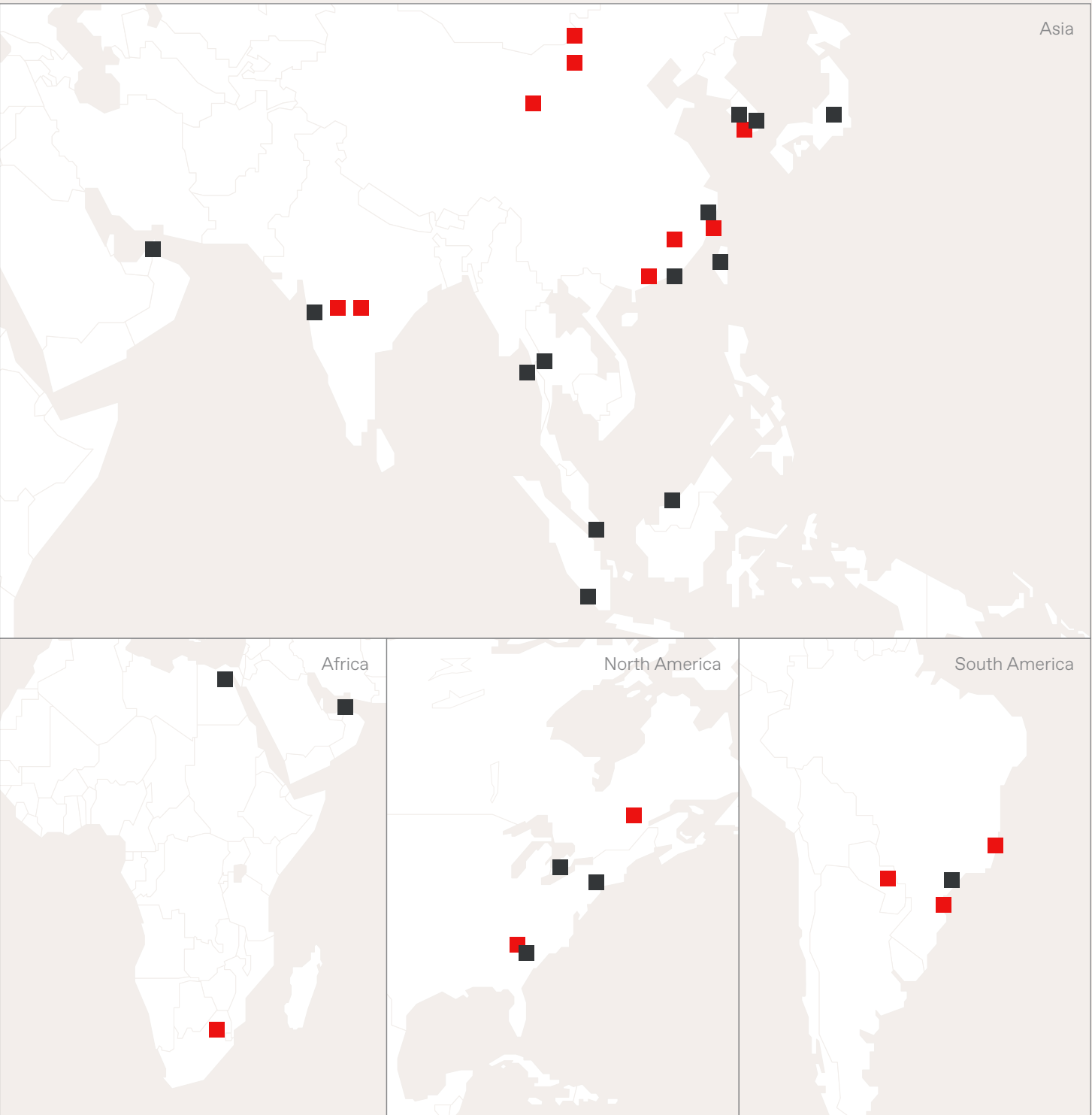
Carbon solutions

End markets include aluminium, ferroalloys, iron foundries, silicon

Silicon products

End markets include automotive, construction, electronics, refractories, specialty steel, solar and wind turbines

- Production site
- Sales office
- Headquarters



A leading global provider of silicon-based advanced materials

Our mission

To produce advanced silicon-based materials shaping a better and more sustainable future

- Elkem's materials are essential to most products used in daily life, such as digital communication, health and personal care, green mobility, and transportation, as well as renewable energy and power. Elkem's products are therefore critical to the green and digital transition, enabling sustainable solutions for the future.
- Elkem's goal is to create value through profitable and sustainable growth. We aim to develop our business in accordance with the UN Sustainable Development Goals and to reduce emissions to reach climate neutral production.

Our purpose

Delivering your potential

- Elkem's team of professionals is dedicated to developing innovative, high-quality, specialised solutions to unleash the potential of our customers.
- We believe that the long-term megatrends will drive growth in demand for advanced materials, including silicon, carbon solutions, and silicones.

Our values

Involvement
Respect
Precision
Continuous improvement

- Involvement commits people. We believe that our employees closest to the production processes are best positioned to identify problems and opportunities, and to find solutions. By involving colleagues, customers, and other stakeholders, and by being transparent and committed to teamwork, we increase our ability to learn and develop new solutions.
- We respect the law, the environment, our employees, colleagues, customers, suppliers, owners, local communities, and different cultures. Respect is about being fair, open, and honest, trusting your colleagues and partners and appreciating diversity.
- Commitment to precision expresses itself through our work to develop and follow standards of best practice and safe and stable production. By establishing work and safety standards, we can measure and continuously improve our performance.
- We know that the value chain can always be improved. We do this through experimenting, using new technologies, and looking for ways to eliminate waste. Continuous improvement means that we are always looking for improvement potential, keeping an open mind and always ready to learn and share our knowledge.

Our corporate strategy

Dual-play growth

- Driving growth and value creation in all three divisions
- Securing supply chain resilience through geographical diversification

>5%

growth per year

>15%

EBITDA margin per year



Green leadership

- Cutting emissions and resource-use to reach climate-neutral production
- Enabling the green transition through the supply of critical materials

25%

reduction CO₂ (2022-2030)

0

net zero by 2050

Divisions

Silicon Products

- Strengthen leading cost positions
- Reduce CO₂ emissions and energy consumption
- Pursue organic growth and bolt-on acquisitions

Carbon Solutions

- Further improve profitability through operational excellence
- Expand our green product portfolio
- Pursue organic growth and bolt-on acquisitions

Silicones

- Improve underlying profitability and value creation
- Accelerate product specialisation and the drive towards a circular economy
- Pursue selective growth initiatives



Year in review



CEO letter

Solid operational performance and strategic progress amid a challenging market

While 2025 continued to present a challenging market environment, Elkem's diversified business model, strong operational execution, and relentless cost focus enabled us to maintain our market positions and progress on our strategic priorities.

Dear Elkem shareholder,

The year 2025 was marked by the prolonged downturn our industry has faced over the past three years. Lower economic activity in key markets, persistent global overcapacity, and the reshaping of global trade have been the order of the day.

Drawing on Elkem's 120-year legacy, we were able to demonstrate resilience and agility, focusing on areas within our control. Through rigorous operational execution, cost management, innovation, and targeted sales optimisation, we were able to moderate the impact of the adverse market conditions on Elkem's profitability.

A rapidly shifting geopolitical landscape

As an industrial major with operations and customers across five continents, the rapidly shifting landscape of global trade continues to impact Elkem. The increasing fragmentation of the world economy—driven by protectionism, geopolitical tensions, and shifting regulatory frameworks—has introduced greater uncertainty and complexity to our operating environment.

Examples of this include the EU's decision to introduce safeguard measures on imports of certain ferroalloys from third countries, including Norway and Iceland, and the US' introduction of countervailing duties on silicon metal imports from Norway. These measures underscore the increasing politicisation of international trade.

Elkem remains focused on supply reliability, capital discipline, and operational excellence to mitigate this volatility.

Strategic review and portfolio focus

At the start of 2025, we initiated a strategic review of the Silicones division to streamline Elkem and to enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions.

On 13 February 2026, we announced the agreement to sell the majority of the Silicones division to Bluestar. The transaction will be settled through the redemption of Bluestar's shares in Elkem. Thus, once the transaction has been completed by May 2026, Bluestar will no longer hold any Elkem shares.

Elkem will be a focused metals and materials producer. This allows us to pursue tailored strategies aligned with our divisions' unique strengths and respective market dynamics.

Divisional highlights

Taking the adverse market conditions and pricing pressures into account, Elkem's financial results for the year were relatively good, supported by robust operational performance and cost improvements across all divisions.

The Silicon Products division was able to maintain high capacity utilisation throughout the year, outperforming competitors in this regard. The division's specialty segments, as well as foundry alloys and Elkem Microsilica® reported strong results, maintaining both our market positions, and profitability.

Carbon Solutions reported solid margins supported by strong operational performance. EBITDA was impacted by lower demand and pricing pressure, but the division's diversified market exposure continued to contribute positively to the group's earnings stability.

The Silicones division delivered improved results due to enhanced cost efficiency and higher sales volumes in China. The division's Asia Pacific operations, in particular, were able to maintain high capacity utilisation, supported by improved productivity and lower cost at the expanded Xinghuo facility in China. Increased focus on high-margin specialty products further contributed to offset commodity price pressure.

Health, safety, and environment (HSE)

Safety remains a non-negotiable priority for Elkem. We believe that all injuries are preventable and have a zero-harm philosophy throughout our operations.

In recent years, we introduced a revised HSE improvement system, which is delivering encouraging results. The actual number of recorded incidents went down in 2025. However, despite our efforts to create a safe working environment, the group experienced three tragic fatalities in 2025—one at the Carbon China facility in Ningxia, China and two following an explosion at a Silicones R&D pilot workshop in Lyon, France.

These incidents had a profound impact across the organisation. We have done our utmost to support the families and loved ones of our colleagues who passed away and who were injured. Comprehensive investigations into each accident have been conducted, and corrective actions are being implemented across all sites. Strengthening process safety, improving risk controls, and increasing competence development are key focus areas going forward.

Sustainability and innovation

Sustainability is firmly embedded across our entire value chain and business strategy. Our climate strategy is built on two core pillars: reducing CO₂ and other emissions and supplying critical materials essential for the green transition.

We maintain our long-term ambition to reduce, and ultimately eliminate, fossil CO₂ emissions from our smelting operations. Across our value chain, we systematically target emission reductions, waste minimisation, and resource efficiency, in the shift towards a low-carbon economy. Many of our projects in this area are supported with public funding, notably from the EU, Norway, France, and China. Such public-private partnerships, supported by favourable framework conditions, are key to accelerating the transition to clean technologies.

Our dedication to ESG is reflected in consistently strong external ratings. In 2025, we were awarded a Gold rating from EcoVadis, positioning Elkem among the top five per cent of companies assessed globally.

Behind these top ratings lie a number of pioneering R&D projects. In 2025 we made significant steps within circularity: our project aiming to develop green products through the recycling of slag and silicon materials was awarded NOK 33 million from Innovation Norway. The project aims to reduce CO₂ emissions and promote a circular economy for materials used in the automotive and construction industry.

Also in the space of circularity, our new range of recycled silicones for the label industry developed at the Saint-Fons research centre in France is groundbreaking work, for which we were awarded the Business Intelligence Group's Sustainable Product of the Year award.

The successful trials of Elkem Carbon's PAH-free electrode paste at two silicomanganese and ferromanganese furnaces are also worth mentioning. The new product ELSEP® G electrode paste is proving to be an excellent replacement.

We continue to invest in innovation and digitalisation to drive future growth and operational excellence. These efforts contribute to Elkem's position as an industry leader in sustainable practices, ensuring long-term value generation for all stakeholders, while enabling the twin green and digital transition.

A transformational year ahead

2026 will be a transformational year for Elkem. The completion of the Silicones transaction will allow us to restructure the group into a more focused, capital efficient metals and materials producer with a simplified portfolio and improved strategic clarity.

Our priorities for the year include:

- Completing the Silicones transaction and ensuring a smooth transition
- Strengthening profitability through operational excellence and disciplined cost control
- Continuing targeted investments in energy efficiency, digitalisation, and decarbonisation
- Maintaining a strong balance sheet and strict capital allocation discipline

Elkem's resilience, long-term positioning, and commitment to sustainable value creation give us confidence as we enter the next chapter of the group's development.

Thank you for your continued support.

Sincerely,



Helge Aasen
CEO, Elkem ASA



2025 in brief

1Q 2025

- Elkem initiated a strategic review to sell the Silicones division in order to streamline the group and redirect capital towards accelerating growth in the Silicon Products and Carbon Solutions divisions.
- In February, Elkem received top ratings from CDP with A on Forest and Water for 2024. In December, CDP again recognised Elkem with A ratings on Forest and Water for 2025.
- Elkem won the 2025 Ringier Technology Innovation Award for BLUESIL™ LSR 3935, an innovative liquid silicone rubber that ensures long-term waterproofing of high-voltage connectors in battery packs of hybrid and electric vehicles.

2Q 2025

- Elkem and partners NCL (North Sea Container Line AS) and MPC Container Ships, inaugurated the first of two low-emission container feeder vessels in Norway, to enable more effective and environmentally-friendly transportation of critical metals and materials to Europe.
- Elkem was awarded NOK 33 million from Innovation Norway to pilot green products using recycled slag and silicon for the automotive and construction industries. The aim of the project is to cut CO₂ emissions and boost circular economy through research and piloting low-emission materials.
- Elkem signed a new long-term power contract of 300 GWh/yr in the NO4 price area, supporting Elkem's plant in Salten. The contract period is from 2028 to the end of 2037.



Elkem Salten

Market conditions remained challenging in 2025, affecting sales prices and demand for most of Elkem's products. Elkem responded by enhancing operations, optimising sales and innovation, cutting costs, and reducing investments to strengthen financial results.

3Q 2025

- Elkem was informed that the Norwegian Ministry of Climate and Environment (KLD) had concluded in favour of Elkem in a complaint regarding EU Emissions Trading System (ETS) allowances. KLD stated that Norwegian silicon and ferrosilicon producers were unequally treated compared to EU producers in the allocation of free emission allowances.
- Elkem entered an exclusive sales process for the Silicones division with Bluestar.
- Elkem announced the successful validation of a new mechanical recycling pathway for silicone rubber, reinforcing its circularity leadership.
- Elkem earned Gold rating for sustainability transparency from EcoVadis, one of the world's largest and most trusted providers of business sustainability ratings.

4Q 2025

- The EU implemented safeguard measures for ferrosilicon and foundry alloys, aimed at raising prices and protecting internal production within the EU. Norway and Iceland were not exempted from the measures, which include country-specific tariff rate quotas and duties.
- The US imposed countervailing duties (CVD) on silicon imported from several countries, including Norway, with a preliminary CVD rate of 16.87 per cent.
- Elkem introduced the new biocompatible, electro-conductive SILBIONE™ Liquid Silicone Rubber for advanced healthcare devices.



Key figures

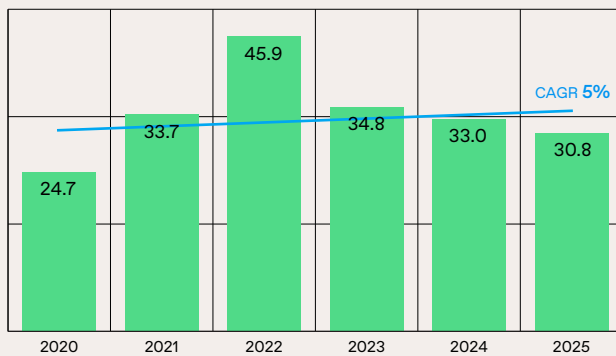
	Unit	2025	2024	2023	2022	2021	2020	2019	2018
Total operating income	NOK million	30 806	33 004	34 760	45 898	33 717	24 691	22 668	25 230
Operating income growth	Per cent	(7%)	(5%)	(24%)	36%	37%	9%	(10%)	20%
EBITDA	NOK million	3 440	4 191	3 771	12 925	7 791	2 675	2 656	5 793
EBIT	NOK million	699	1 339	1 365	10 898	5 899	948	1 189	4 522
Profit (loss) for the period	NOK million	(584)	577	170	9 642	4 664	278	897	3 367
Cash flow from operations	NOK million	1 779	1 529	3 027	9 551	4 100	1 513	2 133	4 031
Reinvestments in % of DBA	Per cent	58%	77%	102%	84%	91%	81%	80%	84%
Total assets	NOK million	47 481	53 432	50 500	52 781	41 850	30 888	29 004	31 129
Net interest-bearing debt	NOK million	11 883	10 327	8 373	1 280	3 341	7 327	5 106	2 101
Debt leverage	Ratio	3.5	2.5	2.2	0.1	0.4	2.7	1.9	0.4
Equity	NOK million	24 026	26 020	24 458	28 773	19 874	12 635	12 952	13 722
Equity share	Per cent	51%	49%	48%	55%	47%	41%	45%	44%
Return on capital employed (ROCE)	Per cent	2%	5%	4%	40%	26%	5%	7%	26%
Earnings per share (EPS)	NOK	(1.05)	0.77	0.11	15.09	7.49	0.41	1.47	5.74
Number of employees	Number	7 032	7 262	7 436	7 372	7 074	6 856	6 370	6 280
Total recordable injury rate H1+H2	Ratio	3.6	3.5	3.0	3.2	3.7	2.3	2.2	2.2
NO _x emissions	Tonnes	5 490	5 460	5 830	6 519	8 932	6 610	6 718	6 280
Total CO ₂ emissions (scope 1, 2 and 3)*	Million tonnes	11.94	11.53	9.84	10.74	11.60	10.27	-	-
Energy consumption	TWh	7.12	7.15	7.27	6.54	6.54	6.40	6.01	6.23

*Total scope not reported before 2020.

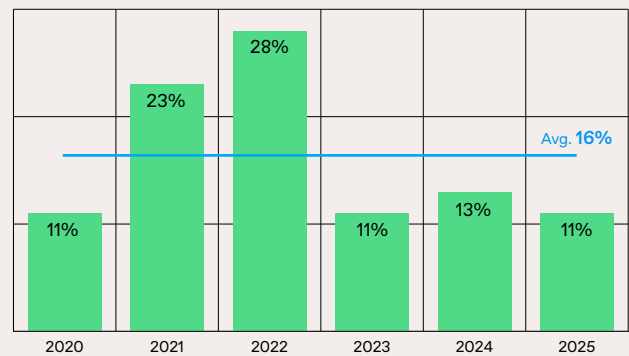


Elkem's historical performance on key figures

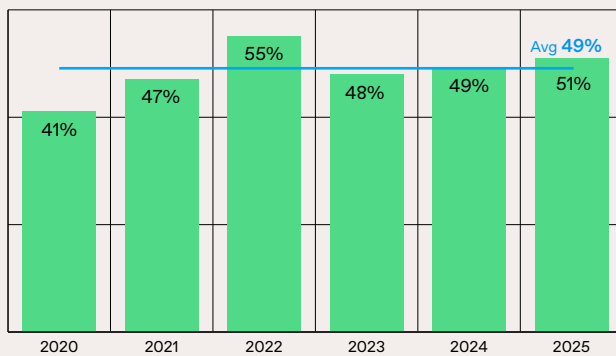
Operating income
NOK million



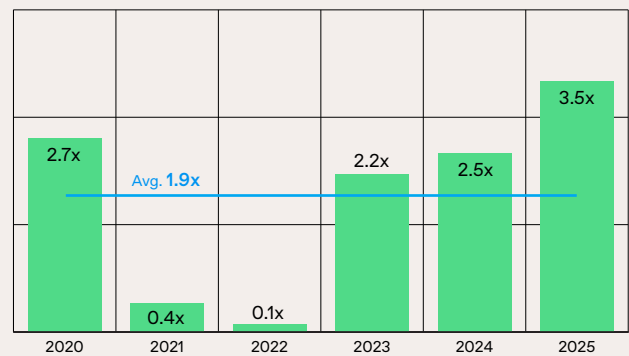
EBITDA margin
Per cent



Equity ratio
Per cent



Leverage ratio
Ratio



Silicon Products

Leading supplier of critical materials



13.7

NOK billion total operating income

42%

of group sales*

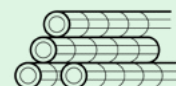
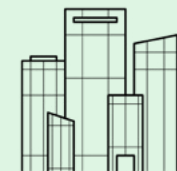
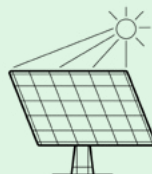
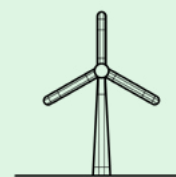
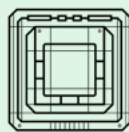
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main production sites

- Norway: Salten, Thamshavn, Rana, Bremanger, Bjølvefossen, Tana
- Iceland: Grundartangi
- China: Shizuishan
- India: Nagpur
- Paraguay: Limpio
- Canada: Chicoutimi
- Spain: Erimsa (various locations)

End markets

- Automotive
- Construction/industrial equipment
- Electronics
- Specialty steel
- Solar and wind turbines
- Refractories
- Oil and gas



Elkem is a leading producer of silicon-based materials, including silicon, ferrosilicon, foundry alloys based on ferrosilicon, and Elkem Microsilica®.

Silicon has several favourable chemical and physical properties, including semiconductivity, making it critical for numerous industrial and electronic applications. Silicon is used in silicones, aluminium alloys, and polysilicon. Ferrosilicon is used in the steel industry, with Elkem's specialty grades primarily employed in the production of electrical steel for motors and power network components, supporting the electrification. Foundry alloys are used in the production of iron castings to improve their properties such as tensile strength, ductility, and impact properties. Elkem Microsilica® is a process product of silicon and ferrosilicon production and is used in construction, refractories, and oil and gas production.

The division's growth is driven by key mega trends, such as the green transition, digital communications, and smarter and more sustainable cities. The main markets

are automotive, construction, electronics, and renewable energy sectors. Recent tariffs and trade sanctions have impacted market access and trade flows. Elkem's broad geographic reach and integrated value chains help mitigate these impacts, though policy changes continue to introduce uncertainty.

Elkem has low-cost positions driven by scale and operational excellence, as well as strong market positions in specialty niches based on deep application knowledge and close customer relationships.

The division's strategy is to strengthen its leading cost positions and pursue selected organic growth initiatives and opportunities for bolt-on acquisitions. In addition, the target is to reduce carbon emissions and energy consumption throughout the value chain. In 2025, the main focus has been to further improve the division's good cost positions to mitigate challenging markets characterised by weak demand and low sales prices.

	2025	2024	2023	2022	2021
Total operating income (in NOK million)	13 681	15 506	17 836	24 489	14 789
EBITDA (in NOK million)	1 517	2 864	3 304	10 226	3 704
EBITDA margin (in %)	11%	18%	19%	42%	25%
Number of employees	2 129	2 114	2 070	1 958	1 904
Sales volume (thousands metric tonnes)	434	422	462	522	566

*Share of group sales from external customers ex. Other

Carbon Solutions

A leading provider of specialised products for metallurgical industries



3.3

NOK billion total operating income

10%

of group sales*

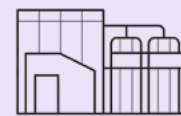
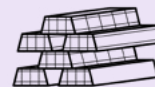
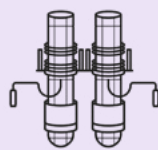
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main production sites

- Norway: Kristiansand
- Slovakia: Žiar nad Hronom
- Brazil: Serra (Carboindustrial and Carboderivados)
- South Africa: Emalahleni
- China: Shizuishan

End markets

- Ferroalloys
- Silicon
- Aluminium
- Iron foundries
- Steel



Elkem is a global player in specialty carbon products for metallurgical smelting and primary aluminium industries. Elkem's Søderberg electrode paste is the most common electrode system used in submerged arc furnaces to ensure that the raw material reaches the required process temperatures. The Søderberg electrode technology has more than 100 years of successful technology leadership. The technology and carbon products are used by producers of silicon, ferrosilicon, ferrochromium, ferronickel, ferromanganese, silicomanganese, calcium carbide, and copper and platinum matte. Elkem's ramming paste is used to seal the cathode part of aluminium reduction cells, avoiding metal leakage during operation.

The main market drivers are linked to the production of steel and ferroalloys critical for the green transition, transportation, and construction. High-quality electrodes and ramming pastes are critical for customers to ensure stable and reliable production processes.

The division's strategy is to further strengthen profitability through operational excellence, develop selective growth projects organically and through acquisitions, and to expand its green product portfolio.

Market conditions in 2025 have continued to be challenging for metallurgical industries, leading to production curtailments in several customer segments. This has negatively impacted the demand for Carbon Solutions' products. The division has concentrated on cost improvements and operational excellence and has maintained good results thanks to its strong market positions and geographical presence.

	2025	2024	2023	2022	2021
Total operating income (in NOK million)	3 272	3 649	4 210	3 752	2 176
EBITDA (in NOK million)	908	1 131	1 286	1 166	508
EBITDA margin (in %)	28%	31%	31%	31%	23%
Number of employees	425	455	454	401	395
Sales volume (thousands metric tonnes)	261	274	279	302	294

*Share of group sales from external customers ex. Other

Silicones

Improved results from enhanced cost positions



14.9

NOK billion total
operating income

48%

of group sales*

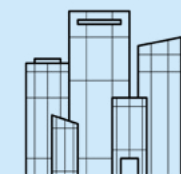
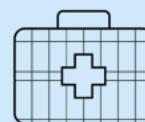
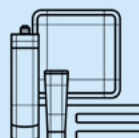
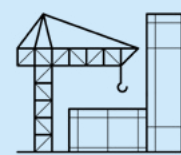
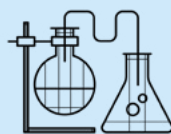
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main production sites

- China: Xinghuo, Shanghai, Zhongshan, Yongdeng (silicon)
- France: Roussillon, Saint-Fons, Salaise-sur Sanne
- Italy: Caronno
- Spain: Santa Perpetua
- USA: York
- Brazil: Joinville
- India: Pune
- Korea: Gunsan

End markets

- Construction
- Automotive
- Chemical formulators
- Personal care
- Healthcare
- Paper and film release
- Silicone rubber
- Textile



Elkem is a global leader in fully integrated silicone manufacturing, from silicon metal to upstream siloxane and downstream silicone specialties. Silicones can take many forms, such as solids, liquids, semi-viscous pastes, foams, oils, and rubber, and are known for their flexibility and their resistance to moisture, chemicals, heat, cold, and ultraviolet radiation. Due to these versatile properties, silicones are widely used across various products and industries, including manufactured goods, construction materials, electronics, consumer, and medical items.

Silicones can be encountered every day in several areas, including in personal care products, in cars, in medical applications such as gels on wound dressing, and in sealing and insulating materials in electrical equipment.

The main growth drivers are the green transition and the rise of middle class worldwide to serve markets such as electrification of transportation, electronics, and healthcare.

The division's key strategic focus is to improve profitability and value creation through continuous cost improvement and accelerated product specialisation. The division has completed expansion projects in China in 2024 and in France in 2025. These projects have significantly strengthened the division's cost positions and explains the improved financial performance in 2025 compared to the previous two years.

In 2025, Elkem initiated a strategic review of the Silicones division to streamline Elkem and to enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions. At 13 February 2026, Elkem announced the agreement to sell the majority of the Silicones division to Bluestar.

	2025	2024	2023	2022	2021
Total operating income (in NOK million)	14 941	15 091	14 163	19 288	17 429
EBITDA (in NOK million)	1 095	521	(605)	2 022	3 672
EBITDA margin (in %)	7%	3%	(4%)	10%	21%
Number of employees	4 107	4 335	4 525	4 637	4 395
Sales volume (thousands metric tonnes)	443	388	332	394	409

*Share of group sales from external customers ex. Other

The Elkem share

NOK 19.5 bn

Elkem's market capitalisation as at 31 December 2025

16 731

shareholders as at 31 December 2025

639.4

million shares

Elkem aims to be an attractive investment for shareholders by delivering sustained growth and competitive profitability through the cycle.

- Elkem ASA is a public limited company. The share is listed on the Oslo Stock Exchange and the ticker code is ELK.
- Elkem ASA was re-listed on the Oslo Stock Exchange at 22 March 2018.
- Elkem ASA has one share class with 639 441 378 ordinary shares, each with a nominal value of NOK 5.
- All shares have equal rights and are freely transferable. Each share grants the holder one vote and there are no structures granting disproportionate voting rights.
- Bluestar Elkem International Co. Ltd. SA, owned by China National Bluestar is the majority shareholder with 52.9 per cent.
- Ten analysts are covering Elkem, providing market updates and estimates for Elkem's financial development.

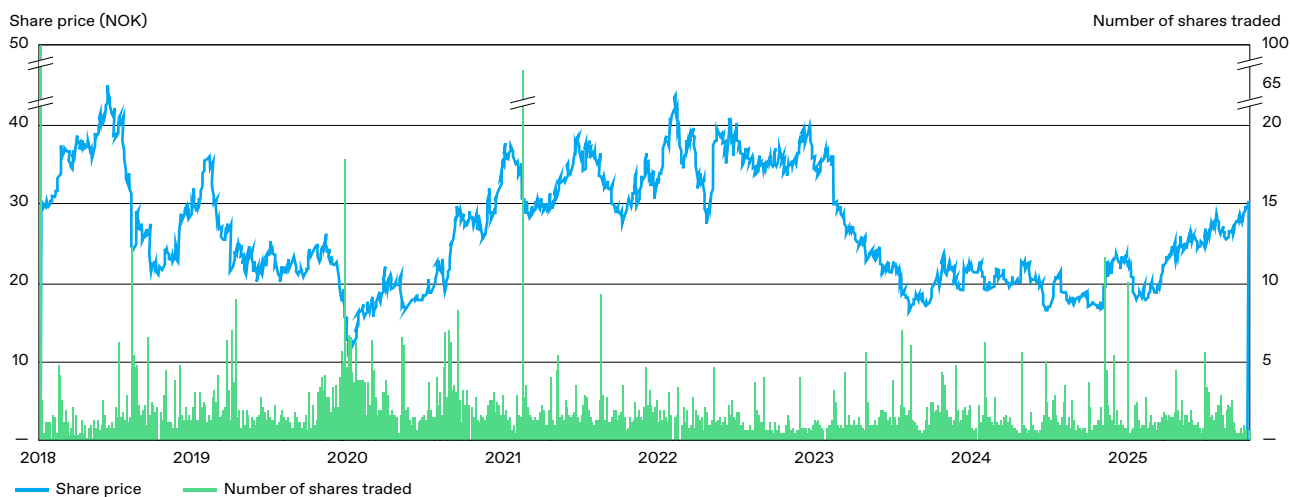
Elkem intends to pay dividends reflecting the underlying earnings and cash flow and will target a dividend pay-out ratio of 30-50 per cent of the group's profit for the year. The proposed dividend for 2025, subject to approval from the annual general meeting in 2026, is NOK 0.0 per share.

	2025	2024	2023	2022	2021	2020	2019	2018
Earnings per share (NOK)	(1.05)	0.77	0.11	15.09	7.49	0.41	1.47	5.74
Dividend per share (NOK)	0.00	0.30	0.00	6.00	3.00	0.15	0.60	2.60
Date proposed	12.02.2026	12.02.2025	08.02.2024	08.02.2023	09.02.2022	09.02.2021	12.02.2020	11.02.2019
Date of approval	30.04.2026	30.04.2025	18.04.2024	28.04.2023	27.04.2022	27.04.2021	08.05.2020	30.04.2019
Ex date	04.05.2025	02.05.2025	19.04.2024	02.05.2023	28.04.2022	28.04.2021	11.02.2020	02.05.2019
Pay-out ratio	0%	39%	0%	40%	40%	37%	41%	45%
Dividend yield	0%	1%	0%	17%	9%	1%	2%	8%

Elkem's financial targets

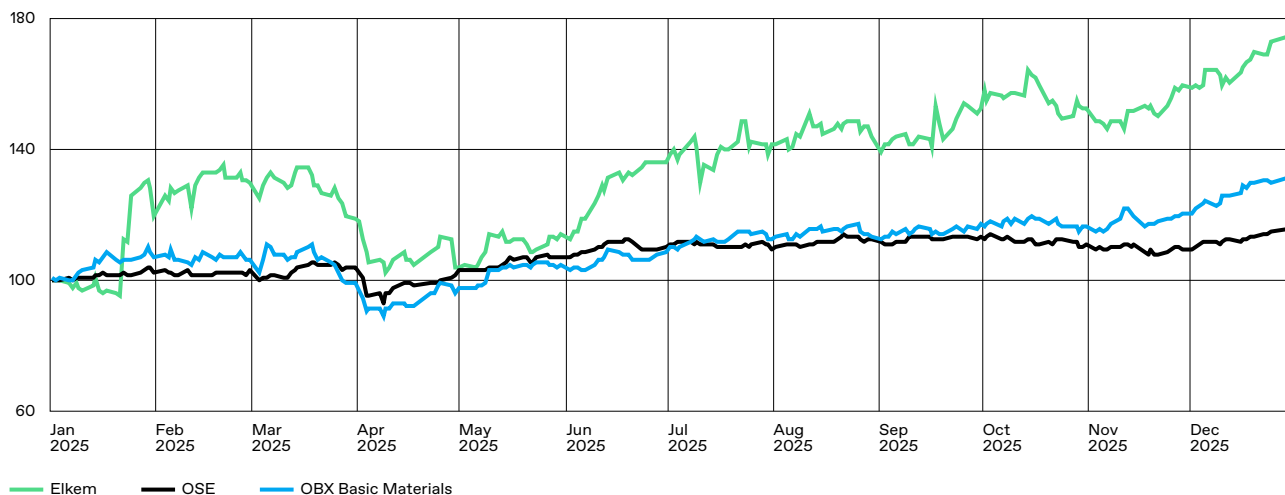
Target metric	Targets	Comments
Revenue growth	5 - 10%	Grow faster than market through specialisation, organic growth, and acquisitions
EBITDA margin	15 - 20%	Target average margin through the economic cycle
Reinvestments % of D&A	80 - 90%	Ensure appropriate and disciplined capital allocation following long-term plans
Debt leverage ratio	1.0x - 2.0x	Ensure efficient and robust capital structure
Dividend target	30 - 50% of group profit	Stable and predictable over time

Share data



	2018	2019	2020	2021	2022	2023	2024	2025
Share price high (NOK)	45.00	36.12	29.60	38.50	43.66	39.88	23.58	30.48
Share price low (NOK)	21.07	20.18	11.20	25.68	27.34	16.50	16.59	16.58
Share price avg (NOK)	34.00	25.12	20.40	32.20	35.60	26.90	20.19	23.50
Share price year-end (NOK)	22.20	24.76	28.38	29.82	35.20	21.16	17.52	30.48
Volume (# of million shares)	342.11	369.57	303.73	438.75	290.21	267.01	280.82	298.29
Turnover (NOK million)	10 506.95	9 438.91	6 114.49	14 103.00	10 324.89	6 779.64	5 677.87	6 932.01
Market cap year-end (NOK million)	12.90	14.39	16.50	19.07	22.51	13.53	11.20	19.49

Share price performance compared to Oslo Stock Exchange and OBX Basic Materials (indexed)



Name	Holding	Stake	Change from 2024 (%)	Citizenship
China National Bluestar	338 338 536	52.91%	0% —	China
Folketrygdfondet	25 032 189	3.91%	(8%) ↓	Norway
DNB Asset Management	20 289 638	3.17%	28% ↑	Norway
Nordea Funds	20 175 466	3.16%	175% ↑	Finland
Must Invest	19 630 095	3.07%	0% —	Norway
Pareto Asset Management	16 766 326	2.62%	(1%) ↓	Norway
Vanguard	11 276 501	1.76%	2% ↑	United States
Arctic Asset Management	8 411 232	1.32%	17% ↑	Norway
Dimensional Fund Advisors	7 364 203	1.15%	23% ↑	United States
First Fondene	7 061 782	1.10%	27% ↑	Norway
BlackRock	6 974 931	1.09%	22% ↑	United States
Storebrand Verdipapirfond	6 042 649	0.94%	(64%) ↓	Norway
Kvantia AS (Andenæsgruppen)	5 362 428	0.84%	New —	Norway
Elkem ASA	5 221 900	0.82%	(1%) ↓	Norway
Eika Kapitalforvaltning	4 917 608	0.77%	New —	Norway
Forsvarets Personellservice	4 578 300	0.72%	0% —	Norway
SR-Forvaltning	4 219 467	0.66%	New —	Norway
Perestroika	3 596 490	0.56%	New —	Norway
Handelsbanken Fonder	3 383 005	0.53%	New —	Sweden
ODIN Verdipapirfond	3 015 701	0.47%	New —	Norway
Total 20 largest shareholders	521 658 447	81.57%		

Holding size (number of shares)	Number of shares	Share of capital
1-100	154 744	0.0%
101-500	1 128 144	0.2%
501-1000	1 757 235	0.3%
5001-10 000	17 574 399	2.7%
10 001-100 000	34 273 688	5.4%
100 001 - 1 000 000	42 337 069	6.6%
> 1 000 000	548 559 012	85.8%



Board of directors' report

Solid operations, disciplined capital allocation, and strategic progress in a prolonged market downturn

Elkem delivered strong operational performance in a challenging year marked by continued weak demand, pricing pressure in all regions, and a shifting trade environment. The group has maintained strong cost control and a disciplined investment portfolio. The strategic review progressed according to plan and is expected to be completed during the first half of 2026. Elkem is well positioned to deliver attractive financial results as the market improves.

Macroeconomic conditions remained weak throughout 2025, with low industrial activity, continued overcapacity of upstream silicones in China, weak demand from automotive and steel, in particular in Europe, and heightened uncertainty from protectionist measures. The EU implemented safeguard measures on ferrosilicon and foundry alloys in the fourth quarter, while the US announced preliminary countervailing duties on silicon imports from several countries, including Norway. These factors have contributed to weaker silicones prices in China and weaker silicon and ferrosilicon prices in the EU, compared to 2024. To mitigate the adverse market conditions, Elkem continued to implement cost-reduction measures and execute operational improvements. High-capacity utilisation compared with peers, robust furnace performance, and disciplined maintenance spending supported stable operations in a turbulent environment. These initiatives, combined with strict investment prioritisation, helped reduce the negative impact of market headwinds on profitability.

At the beginning of 2025, Elkem initiated a strategic review of the Silicones division with the objective of streamlining the group and reallocating capital to accelerate growth in Silicon Products and Carbon Solutions. At 13 February 2026, Elkem announced an agreement to sell the majority of its Silicones division to Bluestar to be settled with all Elkem shares held by Bluestar.

The transaction was approved by the extraordinary general meeting at 9 March 2026. Subject to customary closing conditions, the transaction is expected to close by May 2026. Consistent with this process, the Silicones division has been classified as discontinued operations and assets held for sale in the financial statements.

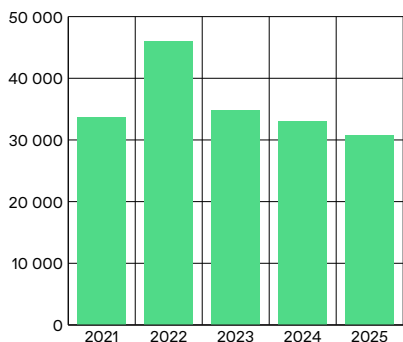
The board of directors believes that the long-term underlying growth and development prospects remain positive for Elkem and is of the opinion that Elkem has a solid asset base and financial capability to support further growth, creating value for all stakeholders.

Elkem's consolidated operating income decreased by 7 per cent year on year to NOK 30 806 million in 2025. EBITDA* ended at NOK 3 440 million in 2025, resulting in an EBITDA margin of 11 per cent compared to 13 per cent in 2024. The leverage ratio** was 3.5x as at 31 December 2025. This is above the leverage target of 1.0x-2.0x over the cycle and is a consequence of the weak results and higher debt levels. Given the weak results driven by the prolonged market downturn, Elkem continues to focus on cost control and disciplined investment prioritisation, while maintaining and further developing attractive market positions. Elkem is thus well positioned to realise attractive financial results when markets recover.

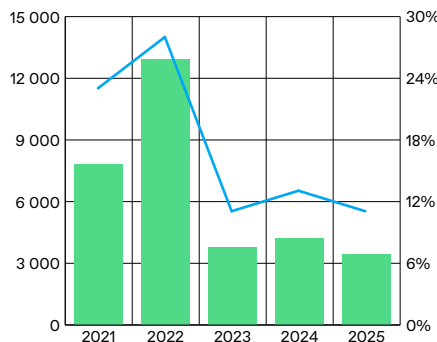
**EBITDA commented under APM section*

***Leverage ratio commented under APM section*

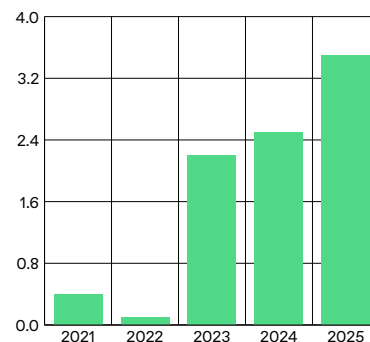
Operating income
NOK million



EBITDA and EBITDA margin
NOK million and per cent



Leverage ratio
Ratio



Elkem's policy is to pay a dividend of 30-50 per cent of the parent company's share of profit for the year. The board of directors has proposed to the annual general meeting a zero dividend payment for 2025, in line with the dividend policy.

Safety remains a non-negotiable priority for Elkem. The board upholds the view that all injuries are preventable and maintains a zero-harm philosophy across all operations. In 2025, despite strengthened HSE systems and training, Elkem experienced three tragic fatalities, one at Carbon China in Ningxia and two following an explosion at a Silicones pilot workshop in Lyon, France. Elkem has supported affected families and colleagues, conducted comprehensive investigations, and is implementing corrective actions. The board remains fully engaged in overseeing the implementation of lessons learned and ensuring accountability for improvements.

Environmental, social, and governance (ESG) activities enable Elkem to operate in an environmentally responsible and socially sustainable manner in the production of advanced silicon-based materials. Elkem continues to pursue its global climate roadmap, targeting a 32 per cent reduction in the average product-group carbon footprint by 2030 and carbon-neutral production globally by 2050. The ambition is to reinforce the group's position as a leader in the green transition by reducing emissions, supporting low-carbon value chains, and contributing to circular economies. In addition, strong social and governance principles underpin efforts to foster a diverse workforce grounded in respect and an inclusive culture, and to safeguard human rights throughout the value chain.

Key business developments 2025

Capacity growth and operational optimisation

Elkem aims to deliver revenue growth of 5-10 per cent per year through the cycle, supported by organic growth initiatives and acquisitions. Since 2020, the compound annual growth rate has been slightly below 5 per cent with an EBITDA margin of 16 per cent on average.

During the year, Elkem prioritised the completion of ongoing expansion initiatives, projects with short payback, and the optimisation of its production capabilities by maintaining high utilisation:

- Elkem completed the capacity expansion in Brazil during 2025 following an investment of around NOK 200 million. The project increased productivity and efficiency at the plant and delivered profitability in line with targets. The expansion increased production capacity by 40 per cent.
- During the first half of 2025, Elkem ramped up the silicones expansion in France. The upgraded facilities have a total silox capacity of 110 kilotonnes annually. The new capacity improves the plant's cost position.
- In addition to the expansion projects, Elkem prioritised projects that improved productivity and maintenance investments, including Silicones downstream specialisation in China, the relining of furnaces at Rana in Norway and in Iceland, the upgrade of furnace filters, and technical and digital upgrades supporting operational efficiencies.



Actions to support profitability

Key initiatives have been implemented during the year to strengthen shareholder value by executing profitability improvements, thereby positioning Elkem for attractive margins when markets improve.

- To mitigate the prolonged market downturn, Elkem continued its focus on cost discipline through manning reductions, operational efficiency initiatives, and margin optimisation. In addition, Elkem reduced investments in 2025 compared to 2024.
- In the second quarter, Elkem signed a long-term power purchase agreement with NTE for 2028–2037, securing renewable electricity in Norway's NO4 price area to support operations at the Salten plant in Norway. The agreement strengthens Elkem's long-term power portfolio, covering part of its annual 3.5 TWh consumption in Norway. Renewable energy is essential for producing low-CO₂ silicon and supports Elkem's goal of net zero emissions by 2050.
- Elkem has spent considerable time and effort to advocate for equal treatment for Norwegian industry in the allocation of free emission allowances under EU ETS. In July, Norway's Ministry of Climate and Environment upheld Elkem's complaint regarding unequal allocation of free EU ETS allowances for 2021–2025. Elkem therefore expects to receive additional allowances, which will help level competition and lower future CO₂ quota costs.

People and safety at the core of ESG and green leadership

Elkem's people and their safety form the foundation of the group's operations, supported by responsible and sustainable practices grounded in operational excellence. Elkem strives to be an attractive employer and aims to lead the green transition by contributing actively to emission reductions.

- Elkem is engaged in several initiatives throughout the value chain to reduce emissions. Through North Sea Container Line AS, which is 50 per cent owned by Elkem, the group is deploying two dual-fuel methanol 1 300 TEU container ships, which trade between Norway and Rotterdam.
- Elkem received NOK 33 million from Innovation Norway to pilot green products made from recycled slag and silicon for use in the automotive and construction sectors, aiming to cut CO₂ emissions and support circular material flows.
- Elkem received a Gold rating for sustainability transparency from EcoVadis, one of the world's leading providers of business sustainability assessments. In December, CDP recognised Elkem with A ratings on Forest and Water for 2025.
- Elkem aims to cut its fossil CO₂ emissions by 25 per cent from 2020 to 2030 and increase the share of products that support the green transition, improving its average product carbon footprint by 32 per cent. The group's long-term ambition is to reach net zero emissions by 2050.

About Elkem

Established in 1904, Elkem is one of the world's leading providers of advanced silicon-based materials shaping a better and more sustainable future. The company is headquartered in Oslo, Norway, and is listed on the Oslo Stock Exchange (ticker code: ELK). Elkem has more than 7 000 full-time equivalents (FTE), 31 main production sites and an extensive network of sales offices worldwide. In 2025, Elkem had a total operating income of NOK 30 806 million. To learn more, please visit elkem.com.

Elkem's mission is to provide advanced silicon-based materials shaping a better and more sustainable future. The board of directors believes that a safe and environmentally responsible business model is a prerequisite for value creation. With a highly competent organisation, well-invested assets, attractive market positions and select growth initiatives, Elkem is committed to creating value for all stakeholders.

Elkem is a fully-integrated producer with operations throughout the silicon value chain from quartz to silicon and downstream silicone specialities, as well as speciality ferrosilicon alloys and carbon materials. In recent years, Elkem has organised its operations into three business divisions: Silicon Products, a provider of silicon, ferrosilicon, foundry alloys, Elkem Microsilica®, and related speciality products; Carbon Solutions, a supplier of electrode paste and speciality products to the ferroalloys, silicon, and aluminium industries; and Silicones, a fully-integrated silicones producer. A strategic review of the Silicones division was initiated in early 2025, and Elkem announced an exclusive sales process for the division's assets in September 2025.

The **Silicon Products** division is a world-leading supplier of silicon, ferrosilicon, foundry alloys, Elkem Microsilica®, and other speciality products. The Silicon Products division represents 42 per cent of the group's total operating income. Silicon Products has about 2 100 FTEs and has plants in Norway, Iceland, Canada, India, Paraguay, and China, and quartz mines in Norway and Spain.

Silicon possesses a unique combination of physical and chemical properties that make it a cornerstone of modern industry. As such, it has a wide range of applications, predominantly as an alloying material for aluminium and in the production of silicones and polysilicon for electronics and solar cells. Ferrosilicon and foundry alloys are used in the steel industry and the iron foundry industry, respectively. The Silicon Products division serves customers in several end markets, ranging from

chemicals, aluminium, electronics, automotive, speciality steel segments, solar, construction, refractories, military equipment, and oil and gas. China has been the largest growth market for silicon in recent years, however the material is critical for the green and digital transition in Europe and the United States.

The **Carbon Solutions** division is the world-leading supplier of electrode paste, prebaked electrodes and speciality products to the ferroalloys, silicon, and aluminium industries. The division has approximately 400 FTEs, with plants in Norway, South Africa, Brazil, Malaysia, Slovakia, and China. The Carbon Solutions division represents 10 per cent of Elkem's operating income from external customers. The steel and aluminium industries account for a significant portion of the division's end-user applications and, as a result, drive the demand dynamics in the industry.

The **Silicones** division is one of the world's leading fully-integrated silicone companies, with approximately 4 100 FTEs and a global footprint. The division has research and innovation (R&I) centres in Europe and Asia, sales offices worldwide, and plants in China, France, Italy, Spain, the US, Brazil, India, and South Korea. The Silicones division represents 48 per cent of the group's total operating income.

The markets for the Silicones division's products are large and growing. Demand is driven by megatrends, such as the green transition, digitalisation and energy demand growth. The Silicones division serves diverse markets, from electric cars to construction, via electronics, aerospace, healthcare, personal care, packaging, airbag coating, and more. Elkem has a comprehensive range of silicone products (> 5 000 stock keeping units) with leading market positions in engineering elastomers for EVs, coatings for packaging, hygiene and baking paper, and airbag coatings.

Financial performance

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU) and effective at 31 December 2025.

The analysis in this section reflects the combined results of the three divisions, including Silicones. Note 38 shows the reconciliation of Elkem group figures with Elkem continued operations, the Silicones division, and respective eliminations.

Consolidated profit and loss statement

Consolidated operating income for the Elkem group amounted to NOK 30 806 million compared to NOK 33 004 million in 2024. The 7 per cent decrease was driven by lower sales prices. Operating income for the Silicon Products division decreased by 12 per cent due to negative price development for silicon and ferrosilicon driven by weaker demand, countered partially by higher sales volumes. Carbon Solutions' operating income decreased by 10 per cent, driven by lower sales volumes. The Silicones division saw a 1 per cent decrease in operating income, driven by lower sales prices countered partially by 14 per cent higher sales volumes, primarily in China.

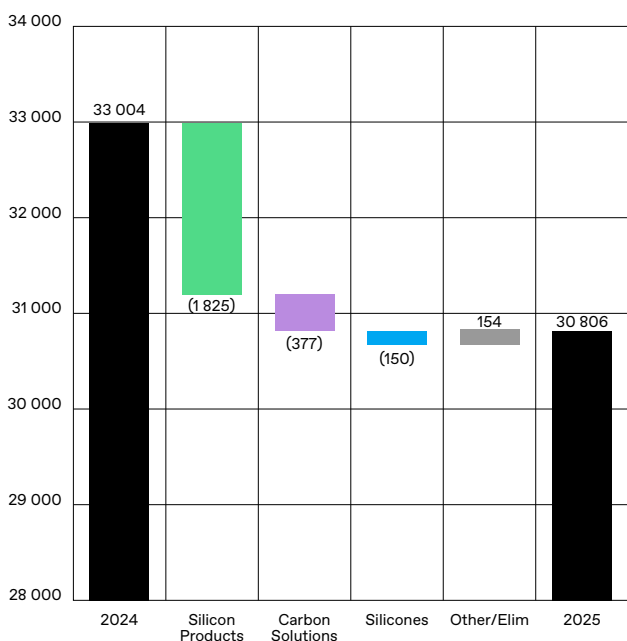
Consolidated EBITDA ended at NOK 3 440 million compared to NOK 4 191 million in 2024. The corresponding margin declined from 13 per cent in 2024 to 11 per cent in 2025. EBITDA fell year on year, driven by weaker EBITDA results from Silicon Products and Carbon Solutions, as a result of lower sales prices and sales volumes respectively. Silicones improved EBITDA through comprehensive margin improvement initiatives and higher sales volumes. We refer to "Divisions' business performance" for further descriptions.

Consolidated operating profit was NOK 525 million in 2025 compared to NOK 712 million in 2024, a decrease of NOK 188 million, explained mainly by decreased EBITDA of NOK 751 million, countered by reduced amortisation, depreciation and impairment losses, and positive contributions from other items. Amortisation and depreciation were NOK 2 659 million in 2025 compared to NOK 2 674 million in 2024. The decrease in amortisation and depreciation is attributed to lower investment levels in 2025. Impairment losses were NOK 82 million in 2025 compared to NOK 178 million in 2024. Impairment losses were related to write-downs of assets, primarily in the Silicones division. Other items were positive NOK 91 million in 2025 compared to negative NOK 460 million in 2024. Other items effect in 2025 are largely related to currency exchange hedge gains, embedded EUR derivatives in power contracts, and restructuring expenses primarily in the Silicones division.

Consolidated profit before income tax ended at negative NOK 381 million for the year, compared to positive NOK 47 million in 2024.

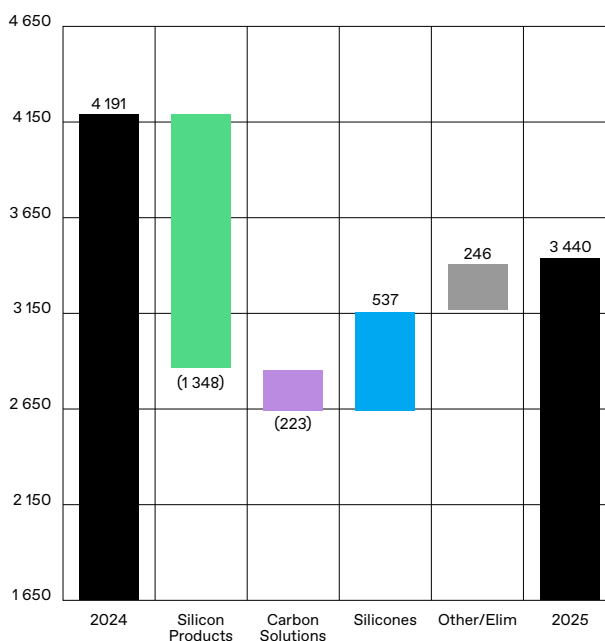
Operating income

NOK million



EBITDA

NOK million



Net financial items were negative NOK 905 million in 2025 compared to negative NOK 665 million in 2024. The share of profit from equity-accounted financial investments was zero in 2025 compared to negative NOK 143 million in 2024. Finance income was NOK 85 million, and the foreign exchange loss was NOK 284 million in 2025 compared to NOK 147 million and positive NOK 247 million in 2024, respectively. Finance expenses were NOK 707 million compared to NOK 916 million in 2024 driven by lower interest rate charges despite a higher interest-bearing debt level.

The consolidated profit for the year was NOK 584 million, after NOK 203 million in tax expense. The tax expenses was driven by positive results in most countries whereas negative results in France and China are not capitalised as deferred tax assets.

The main items recognised in the consolidated statement of other comprehensive income are related to cash flow hedges (foreign currency hedges and power price hedges) and currency translation differences. These items had a net loss of NOK 1 142 million for 2025, compared to a net income of NOK 1 100 million in 2024.

The share of consolidated profit attributable to shareholders of Elkem ASA was negative NOK 668 million, resulting in basic earnings per share of negative NOK 1.05 per share in 2025 compared to positive NOK 0.77 per share in 2024.

The total comprehensive income for the year was negative NOK 1 726 million in 2025 compared to positive NOK 1 677 million in 2024.

Divisions' business performance

The Silicon Products division had an operating income in 2025 of NOK 13 681 million (NOK 15 506 million in 2024). EBITDA was NOK 1 517 million in 2025 compared to NOK 2 864 million in 2024. EBITDA fell during the year mainly due to lower sales prices countered partially by increased sales volumes and lower raw material cost. During 2025 sales prices developed negatively in Europe on continued weak demand and imports of low-priced volume from China. Silicon and ferrosilicon sales prices were on average 22 per cent and 6 per cent lower, respectively, in 2025 compared to 2024. Sales volumes increased from 422 kilotonnes in 2024 to 434 kilotonnes in 2025 driven by higher production.

The Carbon Solutions' division had an operating income in 2025 of NOK 3 272 million (NOK 3 649 million in 2024). EBITDA was NOK 908 million in 2025 compared to NOK

1 131 million in 2024. The reduced EBITDA was mainly due to lower sales volumes and lower sales prices. Sales volumes decreased by 5 per cent from 274 kilotonnes in 2024 to 261 kilotonnes in 2025.

The Silicones division had an operating income in 2025 of NOK 14 941 million (NOK 15 091 million in 2024). EBITDA was positive NOK 1 095 million in 2025 compared to NOK 521 million in 2024. The EBITDA improvement was driven by higher sales volumes and comprehensive margin improvement initiatives, partially countered by weaker sales prices. DMC market index prices in China fell from a 10-year low level in December 2024 to a new low level in September 2025 and averaged 13 per cent lower in 2025 compared with 2024 level. Prices overall were weak as a result of lower demand in all regions and overcapacity in China. Sales volumes increased by 14 per cent year on year from 388 thousand metric tons in 2024 to 443 thousand mt in 2025 supported by the new capacity completed last year in China.

Cash flow and statement of financial position

Cash flow from operating activities (IFRS) was NOK 1 176 million for the year, compared to NOK 2 030 million in 2024. Positive cash flow contribution from EBITDA (NOK 3 440 million) was reduced by operating losses from discontinued operations (NOK 782 million), increased working capital (NOK 138 million), changes in fair value of derivatives (NOK 107 million), changes in provisions, bills receivable and other (NOK 821 million), interest payments made (NOK 684 million), and income taxes paid (NOK 436 million). This was countered partially by gains from equity accounted investments (NOK 13 million) and interest payments received (NOK 84 million).

In 2025, amortisation, depreciation, and impairment decreased compared to 2024 levels, due to lower investment levels in 2025 compared to relatively high investments in the preceding years. During 2025, Elkem reduced investment levels to mitigate the negative impact from the prolonged market downturn.

Changes in working capital were negative year on year, primarily due to reduced accounts payable partially countered by reduced accounts receivable and inventories. Management continues to maintain a strong focus on working capital optimisation. Key initiatives include aligning production and sales forecasts through rigorous planning, optimising minimum and maximum stock levels, accelerating the sale of slow-moving inventories, strengthening follow-up on credit terms with customers and suppliers, and refining the group's factoring arrangements.

Cash flow from investing activities amounted to negative NOK 2 248 million for the year, compared to negative NOK 3 303 million in 2024. Elkem invested NOK 1 536 million in maintenance, environment, health and safety, and productivity improvement initiatives during the year. In addition, Elkem had NOK 328 million in strategic investments. The cash flow from investing activities in 2025 is mainly explained by investments in Carbon Solutions' expansion project in Brazil, Silicon Product's expansion of specialisation materials capacity at Bremanger in Norway, and the Silicones division's downstream initiatives, and continuous maintenance and improvement investments at selected plants in all divisions.

Cash flow from financing activities was negative NOK 921 million, compared to positive NOK 737 million in 2024. The negative cash flow from financing activities in 2025 was mainly related to new interest-bearing loans and borrowings of NOK 691 million, countered by payment of interest-bearing loans and borrowings of NOK 1 186 million, dividends paid to non-controlling interests of NOK 85 million, dividends paid to owners of NOK 190 million, and payment of lease liabilities of NOK 151 million.

Change in cash and cash equivalents was negative NOK 1 993 million for the year.

Elkem's financial position remained solid at the end of 2025. The group's equity ratio ended at 51 per cent at the end of the year, an increase from 49 per cent last year. The leverage ratio for the group increased from 2.5x in 2024 to 3.5x at the end of 2025 due to higher net interest-bearing debt* (NIBD) and lower EBITDA.

The board of directors considers the group's strong underlying competitive position and solid equity ratio to provide a sound foundation for supporting further profitable growth.

Total interest-bearing liabilities were NOK 11 970 million as of 31 December 2025, of which NOK 2 322 million matures in 2026. Cash and cash equivalents amounted to NOK 2 694 million in addition to NOK 6 658 million in undrawn credit facilities. NIBD amounted to NOK 11 883 million as of 31 December 2025. The board views the group's cash and financial position to be strong.

Going concern

The board of directors considers Elkem capable of continuing its operations for the foreseeable future and confirms that the financial statements are prepared on a going-concern basis. It further concludes that the group has sufficient equity and liquidity to meet its obligations.

Strategic priorities

The board of directors reviews Elkem's strategy annually, evaluating strategic priorities and financial scenarios based on industry trends, market development, and other framework conditions.

In January 2025, Elkem announced that it had initiated a strategic review of the Silicones division, with the purpose to streamline Elkem and enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions. The decision followed 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.

Elkem's current strategic goals include dual-play growth and green leadership. Dual-play growth means to drive growth and value creation in all three divisions while securing supply chain resilience through geographical diversification. Green leadership means that Elkem is cutting emissions and resource use to reach climate-neutral production, and enabling the green transition through the supply of critical materials.

To support its strategic goals, Elkem will focus on operational excellence, digitalisation, people development, and ESG (environmental, social, and governance). In addition, Elkem's divisions will focus on developing and maintaining sustainable low-cost positions. Together these initiatives comprise the group's strategic priorities to secure profitable and sustainable growth.

The demand for Elkem's products is expected to be driven by global megatrends, creating opportunities based on the group's broad geographic presence and solid cost and market positions. Current strategic targets include to deliver growth by more than 5 per cent annually, with an EBITDA margin over the cycle of at least 15 per cent.

*See APM section



Elkem aims to maintain an investment grade profile and targets a leverage ratio, defined as net interest-bearing debt to EBITDA, at the level of 1.0-2.0x, based on earnings over the business cycle. As at 31 December 2025, the leverage ratio was 3.5x. The board of directors' target is to ensure a leverage ratio in line with policy over the business cycle.

Elkem's dividend policy aims to align dividend distributions with the underlying earnings and cash flow of the group, targeting a dividend payout ratio of 30-50 per cent of the group's annual profit.

Research and innovation (R&I) is key to Elkem's strategy on sustainable growth and specialisation

Elkem devotes considerable effort and resources to R&I activities, with approximately 3.5 per cent of 2025 revenues dedicated to new products and new processes, including technical support to customers. Through this investment, and with around 550 researchers working globally across 14 R&I and application centres, the R&I teams filed 83 patents across the world in 2025 and got 93 patent registrations. New products introduced less than five years ago represent 15 per cent of Elkem's revenue.

R&I efforts are key to creating and developing innovative products that meet new needs in the market, including demand for environmentally-friendly products and energy-efficient production technologies. Optimising the global value chain is at the heart of the projects managed by Elkem and is a key part of Elkem's strategy.

Elkem's R&I facilities within chemistry and new chemicals, new materials and supporting laboratories, play a crucial role in our customers' success. Elkem's R&I efforts contribute to the development of new products with tailored properties for high-end markets, new additives for process aids, or reinforced materials and support with critical analysis information needed for troubleshooting. Elkem's R&I is also important to support Elkem's ambitions related to specialisation and growth, to meet demand stemming from global megatrends.

Open innovation and collaborative mindset

Through several national and European collaborative projects conducted with start-ups, small and medium-sized enterprises, groups, academics, and clusters, Elkem is recognised for its open and innovative culture. Elkem aims to be at the forefront of new technologies in five prioritised areas:

- Energy efficiency and CO₂ emission reductions, notably by replacing fossil coal with biomass in the production of silicon and ferrosilicon alloys
- Circular economy, mainly through recycling (including waste and end-of-life) and eco-design (products and processes)
- New materials, including 3D printing and additive manufacturing processes, battery cells and batteries, and lightweight materials
- R&I digitalisation, processes and new materials modelling to speed up the capture of value
- Technology scouting, to better anticipate the future needs of our customers and markets

Highlights from 2025 include:

- Focus on energy efficiency and CO₂ emission reductions
 - Elkem, together with NCL (North Sea Container Line AS) and MPC Container Ships ASA, invested in two container feeder vessels that can run on bio-methanol. Both ships began operating in 2025, enabling more effective and environmentally-friendly transportation of goods and critical metals and materials from Norway to European markets. The containers, NCL VESTLAND and NCL NORDLAND, are the first ships powered with bio-methanol in operations in Norway. Elkem owns 40 per cent of NCL.
- Focus on 3D printing and new materials:
 - Elkem expanded its portfolio of silicone solutions in 2025, ranging from the BLUESIL™ Textile Coating Silicone solutions that bring added insulation and protection to industrial fabrics such as welding blankets, insulation panels, and personal protective equipment, to new high-performance, low-cyclic silicone solutions for safer and more sustainable cosmetics.
 - Elkem won an award at the "2025 Plastic Industry - Ringier Technology Innovation Awards" in Shanghai for its breakthrough achievements with the BLUESIL™ LSR 3935 technology. This is an innovative liquid silicone rubber product used for long-term waterproofing of high-voltage connectors in new energy vehicles, which is resistant even under high-temperature ageing conditions.

- Focus on climate strategy and circular economy:
 - In France, Elkem's team launched two additions in 2025 to the SILCOLEASE® range for release liners, which are 100 per cent recycled silicone-based, solvent-free products that deliver identical technical performance to their non-recycled counterparts. They are the first commercial products from Elkem's state-of-the-art chemical recycling pilot unit in Saint Fons, France.
 - Elkem was awarded NOK 33 million from Innovation Norway for the development of green products through the recycling of slag and silicon materials. The project aims to materially reduce CO₂ emissions and promote a circular economy for materials used in the automotive and construction industry. The research team is working on developing cement alternatives from slag from Elkem's ferrosilicon smelters, with a CO₂ footprint of less than a third of that of the average standard for cement. In addition, the project has a target of achieving recycling rates of over 50 per cent in new products, utilising secondary silicon sources.
- Technology scouting to better anticipate the future needs of our customers and markets:
 - Elkem served as a pilot customer for MOMEK Group's TappingMate, an industrial robot which automates the processes for tapping molten metal from smelting furnaces by using various tools, machine vision, sensors, and other automation equipment. The robot has been successfully put to use at Elkem's smelter at Rana in Norway, creating a better working environment for employees, and reducing emissions.

To maintain and develop this technological edge, Elkem is evolving through internal projects and the support of collaborative platforms, such as:

- The pilot facility at Elkem's corporate R&I centre in Kristiansand, Norway, is an important asset for both process and product development. The partnership with the Norwegian Catapult Centre, Future Materials, and new collaborative projects, national and European, has further strengthened the position of the centre.

R&I initiatives and expansion

At Elkem's production sites, new applications are developed and supported by laboratory expertise and analysis to ensure that the latest technologies and capabilities are used. The working methodology is used across all segments and markets, to optimise the customer or market interaction. Elkem's also contributes with its know-how, data, and expertise to new research centres being established.

- In 2021, Elkem's new R&I centre ATRION opened at the Saint-Fons site in Lyon, France, at the heart of the so-called "Chemistry Valley" to reinforce innovation within Elkem and open innovation together with external partners. The state-of-the-art R&I centre is dedicated to the Silicones division and brings together more than 100 researchers.
- In 2024, Elkem inaugurated the enlarged Flagship Asia-Pacific R&I Center in Shanghai with four new application centers for E-mobility, bioscience, coating, and 3D printing, to develop high-performance products and promote the innovative development of the industry. The centre supports customers in the Asia-Pacific region, improve their innovation capabilities, accelerate the development of new products and applications, and seize emerging opportunities for advanced silicone products and technologies in the region.
- In 2025, Elkem announced it would be a partner in the Norwegian Centre on AI for Decisions, one of six national AI centres supported by the Research Council of Norway's (Norges forskningsråd) NOK 1 billion investment in artificial intelligence. This interdisciplinary collaboration, led by Norwegian University of Science and Technology (NTNU), will seek to develop AI that can support high-impact decisions across energy, health, logistics, and manufacturing. By combining different AI techniques to interpret sensor data from physical processes in industry and critical infrastructure, the centre will explore how AI can be used for responsible, reliable decision-making in areas where precision and trust are critical.



Sustainability: Environmental, social, and governance (ESG)

Elkem, as a signatory to the UN Global Compact, is committed to developing its business in alignment with the UN Sustainable Development Goals and the objectives of the Paris Climate Agreement. Safe and environmentally responsible production is of importance to the group. Through close collaboration with customers and partners, Elkem develops solutions that address both current needs and future challenges, recognising the essential role of responsible business practices across the value chain.

Elkem reports in accordance with the Corporate Sustainability Reporting Directive (CSRD). Material topics have been identified through a double materiality assessment, covering areas where Elkem has significant impacts on society and the environment, as well as topics that are financially material to the group. The material topics identified include climate change (ESRS E1), pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity and ecosystems (ESRS E4), resource use and circular economy (ESRS E5), own workforce (ESRS S1), workers in the value chain (ESRS S2), affected communities (ESRS S3), and business conduct (ESRS G1).

For more detailed information on Elkem's management of these material topics, reference is made to the sustainability statement (previously the ESG report), which describes the group's commitments, actions, and performance related to environmental, social, and governance matters. The chapters on own workforce and workers in the value chain are prepared in accordance with the Norwegian Transparency Act (2021), the UK Modern Slavery Act (2015), and the Forced Labour in Canadian Supply Chains Act (2023). The sustainability statement forms an integral part of the annual report, has been subject to independent third-party verification, and is available on pages 168–171.

Health, safety, and environment (HSE)

HSE forms the foundation of Elkem's business, consistently holding the top priority. Guided by a zero-harm philosophy, our HSE management system, FORUS, is methodically implemented to progress toward this paramount goal.

The safety of our employees stands as the cornerstone of our philosophy. The group firmly believes that Elkem's operations can be conducted without harm to employees and individuals. Elkem allocates significant resources to hazard identification and the implementation of suitable measures, aiming to reduce risks to an acceptable level.

This ensures that all employees and contractors working at Elkem can conclude their tasks as healthy as when they commenced.

Even though safety is a priority at Elkem, three fatalities and one life-changing injury occurred in two separate accidents in China and France. These accidents highlight the importance of ensuring that all employees understand that safety should always take precedence over all other activities.

Elkem's commitment to a safe workplace remains the top priority. The total injury rate for own employees per million working hours was 3.6 in 2025 compared to 3.5 in 2024, while for contractors it was 3.7 in 2025 compared to 5.7 in 2024. Elkem made significant efforts to improve its health, safety, and environment (HSE) practices through the implementation of the advanced and upgraded version of the FORUS programme in 2025. This upgraded HSE initiative aimed to improve awareness, precision, and follow-up of safe behaviour across all operations. The programme included comprehensive training sessions covering essential topics related to the lifesaving rules and FORUS introductions. A comprehensive understanding of the health and safety risks has the highest priority in the group, and the understanding is founded on critical process control combined with a culture of precision and continuous improvement.

For detailed insights into Elkem's management system, reporting, safety metrics, and organisational and value chain follow-up, consult the chapter on own workforce in the sustainability statement on pages 135-145.

Elkem's total greenhouse gas emissions increased by 3.5 per cent on a location-based basis in 2025. The group's scope 1 emissions decreased by 3.45 per cent, mainly as a result of lower production levels and the impact of planned maintenance activities. Scope 2 emissions (location-based) decreased by 9.75 per cent compared to the previous year.

In 2025, the share of biocarbon used in production increased, primarily due to changes in the production mix. As a result, the biogenic share of Elkem's total emissions increased from 19 per cent to 21 per cent. Increasing the use of biocarbon reductants is key to reduce Elkem's emissions. Access to sufficient volumes of certified biocarbon is expected to remain challenging in the coming years. Consequently, continued research and development related to carbon capture and storage (CCS) and carbon capture and utilisation (CCU) are expected to be key measures for reducing Elkem's absolute emissions over the long term.

Further information on emissions performance and the group's climate-related measures is provided in the climate change section of the sustainability statement on pages 103-113.

Diversity, inclusion, and equality

Elkem is committed to fostering equal opportunities within a diverse and inclusive working environment. The group values the uniqueness of every individual and expects all employees to act in accordance with these principles and Elkem's four core values. Human capital is considered Elkem's most important asset, and the diversity of backgrounds, experiences, knowledge, and capabilities contributes significantly to the group's culture, performance, and long-term value creation. Elkem has zero tolerance for discrimination or harassment.

To support diversity, equality, and inclusion (DEI), Elkem has established policies and practices applicable across the organisation. These include the Code of conduct, the Human rights policy, the People policy, and global standard procedures covering recruitment, working conditions, promotions, competence development, onboarding and offboarding, and protection against harassment.

Elkem's DEI vision is to build a workplace where diversity is embraced, equity is ensured, and inclusion is actively fostered, enabling employees to feel engaged, valued, and a sense of belonging. Promoting DEI supports the attraction and retention of talent, strengthens competitiveness and profitability, and enhances Elkem's ability to deliver market-leading products and services in a responsible and sustainable manner.

Governance

The board of directors acknowledges the significance of good corporate governance. The goal is to ensure equal treatment and protection of all shareholders' interests, compliance with laws and regulations, and adherence to high ethical and social standards.

Elkem is subject to corporate governance reporting requirements under section 2-9 of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 of the continuing obligations of stock exchange-listed companies.

Elkem's board consists of 11 persons as of 31 December 2025, of which eight are shareholder-elected and three are elected by and among the group's employees. Four of the shareholder-elected board members represent the majority shareholder, while the other four shareholder-

elected members are independent. Elkem had 11 board meetings in 2025. A detailed overview of the board members' attendance may be found in the board of directors' report on salary and other remuneration to leading personnel in Elkem.

The board of directors' report on corporate governance can be found on page 56 in this report and is an integral part of the Board of directors' report.

Risk management

Elkem's board and management maintain a robust approach to risk management, integrating it as a key part of the group's corporate governance structure to monitor the risk profile and ensure that adequate risk management processes are in place.

To effectively monitor the group's risk profile and confirm the adequacy of the risk management procedures, Elkem conducts an annual risk mapping process. This process involves interviews with representatives from divisions and corporate staff functions. Each risk factor is assessed based on internal and external conditions, considering factors such as perceived likelihood, estimated financial impact, time horizon, and mitigating activities. By identifying key risks for each division and corporate function, the board and management obtain a comprehensive understanding of the risk picture and financial risk tolerance. A summary of this risk analysis can be found on page 68 of this annual report.

Evaluating climate-related risks and opportunities is a key part of Elkem's approach to risk management, covering both transitional and physical risks. Elkem's production facilities are typically situated near the coast or rivers, or within urban or local communities. Higher temperatures and extreme weather could disrupt operations and damage assets. Each business unit has assessed its exposure to climate change in accordance with the Corporate Sustainability Reporting Directive (CSRD). Elkem is committed to reducing its environmental impact by sourcing raw materials sustainably, using renewable energy, energy recovery projects, reducing dust and NO_x emissions, and incorporating biogenic reduction agents in smelting processes. The group also prioritises recycling and cutting waste.

In recent years, rare and unpredictable events called "black swans" have led to major crises, such as the 2008 global financial crash and the Covid-19 pandemic. These examples show the importance of general risk preparedness, strong supply chains, and maintaining a

stable financial position. To address these risks, Elkem has concentrated on developing a resilient and geographically diverse supply chain and ensuring a robust financial position.

Geopolitical tensions, sanctions, and changing regulatory framework conditions continue to impact Elkem, and have introduced greater uncertainty and complexity to our operating environment. Examples of this include the EU's decision to introduce safeguard measures on imports of certain ferroalloys from third countries, including Norway and Iceland, and the US' introduction of countervailing duties on silicon metal imports from Norway. Elkem's regionalised value chains have enabled us to respond to the changing market conditions, and the group has actively engaged with relevant authorities to promote stable and predictable operating conditions. In addition, Elkem monitors sanctions lists and trade restrictions to ensure compliance.

Elkem's financial results have been influenced by macroeconomic factors, such as slow growth, high inflation, and increased interest rates, all of which have reduced demand in industries like construction and automotive. To address these challenges, Elkem carefully monitors market trends and maintains strong cost management. Its integrated value chain also provides production flexibility across various product lines, allowing the group to better manage periods of economic downturn.

Elkem's working environment involves substantial inherent risks, such as potential injuries, fires, and explosions linked to high-temperature smelting and chemical production processes. The safety of our employees and contractors is a main priority, and Elkem uses considerable resources to prevent hazards and reduce risks to an acceptable level. This includes safety instructions, training, physical protection, and adherence to Elkem Business System (EBS) principles.

Elkem operates globally and faces several financial risks, such as currency, interest rate, liquidity, and counterparty risks. Its earnings, cash flow, and equity can be affected by changes in exchange rates. To manage this, Elkem uses a set cash flow hedging programme to limit the impact of currency fluctuations. Additionally, the company balances its foreign exchange exposure by holding loans in foreign currencies that correspond to its underlying assets.

Liquidity risk refers to a company's capability to meet its financial obligations. Elkem has strong cash reserves, substantial undrawn credit facilities, and stable long-term financing. At year-end 2025, Elkem complied with all covenant requirements in its loan agreements. Elkem holds an investment-grade rating of BBB- from Scope. Scope placed the rating under review for a possible upgrade following Elkem's announcement of the strategic review for the Silicones division. Elkem is dedicated to maintaining an investment-grade profile, aiming for a leverage ratio of 1.0–2.0x over the business cycle.

Counterparty credit risk is managed by monitoring the receivables portfolio and using credit insurance and payment conditions. Elkem's financial transactions and deposits are conducted with established and reputable banks.

Elkem has established a liability insurance policy covering all current, former, and future members of the board of directors as well as its officers. The policy provides protection against pure financial losses, including defence costs, that the insured individuals are legally obligated to pay resulting from or associated with claims. The liability insurance extends to cover any financial losses incurred by Elkem and its subsidiaries due to securities claims and indemnified claims against the board of directors and its officers.

See note 31 in the financial statements for more details on financial risk.

Financial reporting process

Elkem has established robust routines to ensure that the financial statements are prepared in accordance with applicable laws, regulations, and adopted accounting policies. These routines are documented in internal reporting manuals, which are updated regularly to reflect changes in accounting standards and principles.

The group's financial reporting plan includes defined controls and review procedures to secure the consistency and accuracy of reported figures. Financial information is consolidated and subject to systematic controls at several levels within the respective divisions, ensuring a high standard of reliability in the group's financial reporting.

The audit committee reviews the quarterly, half-year, and annual reports, with particular attention to key accounting matters such as provisions and liabilities, significant estimates and judgements, and other issues that may materially affect the financial statements. The committee also oversees Elkem's ESG and climate-related reporting.

Meetings are attended by the external auditors, together with representatives from management and the finance organisation, ensuring a thorough and well-informed review process.

Future prospects

In January 2025, Elkem announced that it had initiated a strategic review of the Silicones division, with the purpose to streamline Elkem and enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions. The decision followed a comprehensive assessment of Elkem's growth and return prospects, capital allocation priorities, and the market dynamics affecting the global silicones industry.

At 13 February 2026, Elkem signed an agreement to transfer the majority of its Silicones division to Bluestar. This transaction will be settled through the cancellation of 338 338 536 Elkem shares currently held by Bluestar and was approved by an extraordinary general meeting at 9 March 2026. Subject to customary closing conditions, completion is expected during the second quarter of 2026 and after the release of Elkem's annual report.

The transaction will not affect the 2025 financial statements. Upon closing, the book value of the transferred assets will be derecognised against equity, with no gain or loss recognised in the statement of profit or loss.

Following completion, Elkem will have a more focused portfolio centred on Silicon Products and Carbon Solutions, which strengthens its strategic flexibility and long-term value creation potential.

Market conditions remained challenging through 2025, characterised by weak demand, lower sales prices, and continued geopolitical uncertainty with intensified trade barriers. In the near term, Silicon Products is still experiencing weak demand, although the division is benefitting from ongoing cost improvements and higher ferrosilicon prices. Carbon Solutions expects a slight improvement in sales volumes, but overall demand remains weak. In the Silicones division, Chinese producers have recently succeeded in raising sales prices, but underlying demand continues to be soft; the division is expected to benefit from the higher price levels if they are sustained. Potential trade regulations and protective measures are expected to influence Elkem's markets going forward.

Despite near-term uncertainty, the board of directors continues to view Elkem's fundamentals and long-term prospects as strong. The group benefits from a skilled global organisation, a cost-competitive and well-integrated business model, and a solid operational platform. Elkem aims to strengthen its position in both Eastern and Western markets, focusing on financially attractive opportunities while closely monitoring geopolitical developments and potential trade restrictions. Climate-related regulations and the global shift toward lower-emission solutions continue to influence market conditions. Elkem is well positioned to meet these requirements through its high share of renewable energy and its targeted climate ambitions.

Elkem's financial position is considered to be good at the end of the year with a robust equity ratio and strong liquidity position.

Elkem ASA

Elkem ASA is the parent company of the Elkem group. The company's accounts have been presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway. The accounts are prepared on the basis of a going concern assumption.

For Elkem ASA, the operating income amounted to NOK 8 461 million in 2025 compared to NOK 9 710 million in 2024. The operating profit ended at NOK 131 million in 2025, compared to NOK 181 million in 2024.

The net change in cash and cash equivalents amounted to NOK 1 262 million negative. Cash flow from operating activities amounted to NOK 550 million negative, investing activities of NOK 523 million positive, and negative cash flow from financing activities of NOK 1 236 million.

Elkem ASA's equity was NOK 18 617 million at the end of 2025. The equity ratio* ended at 53 per cent. Profit for the year was NOK 2 900 million. The net interest-bearing liabilities amounted to NOK 9 221 million per 31 December 2025. Cash and cash equivalents amounted to NOK 1 468 million.

Allocation of 2025 net profit

The board of directors proposes that the profit for the year be transferred to retained earnings. In light of the strategic review and prevailing market conditions, the board proposes that no dividend be distributed for the year. In total the board of directors proposes the following allocation (in NOK million):

Profit for the year to retained earnings	NOK 2 900 million
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The board of directors of Elkem ASA
Oslo, 10 March 2026



Bo Li
Chair



Dag Jakob Opedal
Vice chair



Olivier Tillette de Clermont-Tonnerre
Board member



Wei Yao
Board member



Dachuan Dong
Board member



Grace Tang
Board member



Nathalie Brunelle
Board member



Marianne Elisabeth Johnsen
Board member



Terje Andre Hanssen
Board member



Marianne Færøyvik
Board member



Thomas Eggan
Board member



Helge Aasen
CEO, Elkem ASA

*See Note 26 Interest-bearing liabilities



Board of directors



Bo Li
Chair



Dag Jakob Opedal
Vice chair



Marianne Elisabeth Johnsen
Board member



Olivier Tillette de Clermont-Tonnerre
Board member



Wei Yao
Board member



Dachuan Dong
Board member



Grace Tang
Board member



Nathalie Brunelle
Board member



Marianne Færøyvik
Board member



Terje Andre Hanssen
Board member



Thomas Eggan
Board member

For more information, please see elkem.com.

Corporate management



Helge Aasen
Chief executive officer



Morten Viga
Chief financial officer



Katja Lehland
SVP human resources



Håvard Moe
SVP technology



Morten Magnus Voll
SVP strategy & business
development



Sandy Chen
SVP Silicones



Inge Grubben-Strømnes
SVP Silicon Products



Luiz Simao
SVP Carbon Solutions



Louis Vovelle*
SVP innovation & R&D



Asbjørn Søvik**
SVP green ventures & digital

For more information, please see elkem.com.

*Louis Vovelle retired from Elkem in February 2025.

**Asbjørn Søvik stepped out of corporate management in October 2025.

Corporate governance

The board of directors' report on corporate governance

Good corporate governance builds trust and creates value for shareholders, employees, and other stakeholders. Elkem values strong relationships with society and all affected groups, and aims to maintain high standards in environmental, social, and governance (ESG) criteria. This report, along with the sustainability statement, annual report, and website, documents Elkem's activities and results.

Elkem is subject to corporate governance reporting requirements according to section 2-9 of the Norwegian Accounting Act and the Continuing obligations of stock exchange listed companies at the Oslo Stock Exchange. Elkem's board of directors endorses "The Norwegian Code of Practice for Corporate Governance" (the "Code"), most recently revised on 25 August 2025 and issued by the Norwegian Corporate Governance Policy Board (NCGB). This report follows the system used in the Code, and forms part of the board of directors' report.

Elkem generally follows the recommendations set out in the Code, but has deviations in the following sections:

→ Section 3: The board of directors' authorisation to increase the share capital corresponding to 10 per cent of the current share capital can be used for several purposes, to ensure flexibility and the ability to act quickly. Pursuant to the Code, such authorisation should be intended for a defined purpose.

→ Section 6: Voting on members to the board of directors and the nomination committee takes place as a combined vote. In 2025, decisive considerations were made for re-elections due to the ongoing strategic review of the Silicones division, which further underlined the aspect of totality in the nominations and a combined vote. Pursuant to the Code the shareholders should be able to vote on each individual candidate nominated for election.

→ Section 7: The nomination committee justifies its proposals combined, and not separately for each board member pursuant to the Code. The nomination committee focuses on the combined qualifications and experience, as well as diversification of background and gender.

1. Implementation and reporting on corporate governance

Elkem's corporate governance policy is based on the Code, and as such designed to establish a basis for good corporate governance to support achievement of the company's core objectives, strategies, and risk profile on behalf of its shareholders, including the achievement of sustainable profitability.

Elkem believes good corporate governance involves openness and trustful cooperation between all parties involved in the group: the shareholders, the board of directors and executive management, employees, customers, suppliers, public authorities, and society in general.

By pursuing the principles of corporate governance, the board of directors and management contribute to achieving open communication, equal rights for all shareholders, and good control and corporate governance mechanisms. The board of directors assesses and discusses Elkem's corporate governance policy, strategy, and risk profile on a yearly basis.

Elkem aspires to comply with the recommendations of the Code. If the Code is deviated from, the deviation is described and explained in the relevant section of this statement. A summary of the deviations is also provided above.

No deviations from the Code.

2. Business

Founded in 1904, Elkem is one of the world's leading suppliers of advanced silicon-based materials. The company produces silicones, silicon products, and carbon solutions by combining natural raw materials, renewable energy, and human resourcefulness. Elkem's mission is to provide advanced silicon-based materials shaping a better and more sustainable future, and to help our customers to create and improve essential innovations like electric mobility, digital communications, health and personal care, as well as smarter, more sustainable cities.

Elkem is a signatory to the UN Global Compact and applies sustainability in line with the principles of the UN Global Compact. Elkem is committed to develop its business in support of the ambitions of the Paris Climate Agreement and the UN Sustainable Development Goals (SDGs).

Elkem's business scope is described in section 3 of the articles of association:

→ The object of the company is to develop and engage in industry, mining, trade and transportation, as well as exploration and exploitation of natural resources. The company may also develop, acquire, and exploit patents, inventions, and technical know-how. The company may participate directly or indirectly, or by other means, in companies engaged in activities outlined above, or in activities that promote or support such objects.

Elkem's main strategic goals are dual play growth and green leadership. Dual-play growth means to drive growth and value creation in all three divisions while securing supply chain resilience through geographical diversification. Green leadership means that Elkem is cutting emissions and resource use to reach climate-neutral production and enabling the green transition through supply of critical materials. To support its strategic goals, Elkem will focus on operational excellence, digitalisation, people development, and ESG (environmental, social, and governance). In addition, Elkem's divisions will focus on developing and maintaining sustainable low-cost positions. Together these initiatives comprise the group's strategic and operational goals to secure profitable and sustainable growth.

Elkem operates in capital intensive and cyclical industries and has 31 main production sites and an extensive network of sales offices around the world. While this gives competitive strengths, it also gives exposure to a range of risk factors. The board of directors has defined goals and strategies for the business and has a clear focus on risk management to create value for the company's shareholders.

Macroeconomic conditions have been weak during the past years, and the board of directors has focused on actions to mitigate negative impact on Elkem by reducing costs and investments. In addition, Elkem has initiated a strategic review to sell the Silicones division in order to streamline the company and redirect capital towards accelerating growth in the Silicon Products and Carbon Solutions divisions. Elkem is confident that the potential transaction will represent the best possible outcome for the Silicones division as well as the company, benefiting all stakeholders. More details on risk management principles and an overview of Elkem's main risks are presented in the annual report. See also section 10 below.



Risk management and internal control systems are in place to manage operational risks. The company aims to maintain a sound financial profile with a robust capital structure. The target, based on earnings over the business cycle, is to have a leverage ratio of 1.0x-2.0x, defined as net interest-bearing debt to EBITDA.

Sustainability is central in Elkem's business strategy. Elkem defines sustainability work as continuous efforts to maximise the positive impact on the environment and societies, as well as to minimise any negative impact.

Elkem has implemented guidelines and procedures in accordance with section 2-9 of the Accounting Act, including a code of conduct, a policy on anti-corruption, and CSR policies. Elkem's ESG sustainability report is integrated into the annual report for 2025.

Elkem's objectives, strategy, risk profile, and financial targets are evaluated by the board of directors on an annual basis. The board also reviews the group's performance in ESG, evaluates the climate risks and opportunities, and makes regular assessments to ensure compliance and high-quality standards.

No deviations from the Code.

3. Equity and dividends

As at 31 December 2025, the group's equity was NOK 24 026 million, which is equivalent to 51 per cent of total assets. The total issued share capital of Elkem amounted to NOK 3 197 206 890 divided into 639 441 378 shares, each with a nominal value of NOK 5.

Elkem aims to maintain an investment grade profile and targets a leverage ratio, defined as net interest-bearing debt to EBITDA, at the level of 1.0 - 2.0x, based on earnings over the business cycle. As at 31 December 2025, the leverage ratio was 3.5x. This higher ratio reflects the weak market sentiment characterised by low demand and reduced sales prices. The board of directors' target is to ensure a leverage ratio in line with policy over the business cycle. In addition, Elkem aims to keep a robust liquidity reserve and a smooth maturity profile on its loan portfolio to mitigate financing and liquidity risk. As at 31 December 2025, available cash and cash equivalents amounted to NOK 3 806 million, providing a strong liquidity position. In addition, Elkem has undrawn credit facilities amounting to NOK 6 658 million. The board of directors considers Elkem's capital structure, including equity and debt structure, to be appropriate to the company's objective, strategy, and risk profile.

Elkem's dividend policy aims to align dividend distributions with the underlying earnings and cash flow of the group, targeting a dividend pay-out ratio of 30-50 per cent of the group's annual profit.

The board of directors proposes not to distribute a dividend for the financial year 2025. The board of directors has not been granted any authorisation to approve distribution of dividends.

At the annual general meeting on 30 April 2025, the board of directors was granted the following authorisations:

→ To ensure that the board of directors has financial flexibility and to enable quick access to the market in the event of an acquisition with shares as settlement or for general corporate purposes, the board of directors was granted an authorisation to increase the company's share capital by up to NOK 319 720 689 corresponding to 10 per cent of the company's current share capital. To exercise the authorisation in the best possible commercial manner, it may be relevant in certain situations to make a private placement of shares directed at certain named persons and/ or enterprises. It may also be appropriate to use the authorisation in the event of acquisition of business/ assets with shares as settlement. It was therefore approved that the board of directors was authorised to deviate from the shareholders' preferential rights when using the authorisation. The authorisation covers share capital increases against contribution in kind and share capital increase in connections with mergers. The authorisation is valid until the annual general meeting in 2026, but no longer than to and including 30 June 2026. This authorisation was not utilised in the financial year ended 31 December 2025.

→ In order to allow the board of directors to utilise the mechanisms permitted by the Norwegian Public Limited Liability Companies Act to acquire treasury shares, the board of directors was granted an authorisation to acquire shares in the company, with a nominal value of up to NOK 319 720 689, equal to 10 per cent of the current share capital. The authorisation can be used to fulfil the company's obligations in connection with acquisitions, incentive arrangements for employees, fulfilment of earn-out arrangements, sale of shares to strengthen the company's equity, or deletion of shares. 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 2026, but no longer than to and including 30 June 2026. This authorisation was not utilised in the financial year ended 31 December 2025.

Deviations from the Code: The board of directors' authorisation to increase the share capital with an amount up to NOK 319 720 689, corresponding to 10 per cent of the current share capital can be used for several purposes. Elkem believes that this authorisation is important in order to allow the board of directors, in the interest of time, to act quickly in connection with a transaction or other corporate events where it is in the shareholders and Elkem's interest to increase the share capital.

4. Equal treatment of shareholders

All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently. In line with the 2025 NUES recommendation, the board clarifies that if a resolution is made to increase the share capital where shareholders' pre-emptive rights are set aside, the rationale for such deviation will be specifically explained in the stock exchange announcement disclosing the capital increase. The explanation will address how the principle of equal treatment of shareholders is safeguarded.

No deviations from the Code.

5. Shares and negotiability

The shares in Elkem are freely negotiable and there are no restrictions on any party's ability to own, trade or vote for the share in the company. Elkem has only one class of shares. Each share grants the holder one vote and there are no structures granting disproportionate voting rights.

No deviations from the Code.

6. General meetings

The board of directors will ensure that the company's shareholders can participate and cast their vote in the general meetings, including through electronic attendance and voting.

The annual general meeting in 2025 was held as a digital meeting. The shareholders could attend the general meeting through a live webcast and submit questions relating to the items on the agenda and cast their votes in real time. The webcast was organised by DNB Bank ASA, Elkem's registrar in the Central Security Depository, Verdipapirsentralen ASA (Euronext Securities Oslo), and its subcontractor.

The board of directors will further ensure that:

- notices for the general meetings are sent to all shareholders individually, or to their depository banks, at least 21 days in advance, that all matters to be considered by the meeting are specified, and that relevant documents are made available on the company's website;
- the resolutions and any supporting documentation are sufficiently detailed, comprehensive, and specific, allowing shareholders to understand and form a view on all matters to be considered at the general meeting;

- the CEO, the chair of the board of directors, and the chair of the nomination committee attend the general meeting; and
- the general meeting is able to elect an independent chair for the general meeting.

The articles of association of Elkem do not specify a deadline for shareholders to give notice of their attendance at the general meeting. The board of directors may still encourage shareholders to give such notice within a set deadline. A shareholder holding shares through a nominee account must, however, notify Elkem two days prior to the date of the general meeting (unless the board of directors has included a shorter notification deadline in the notice for the general meeting).

Shareholders who are unable to participate in the general meeting will be given the opportunity to vote by proxy or through written voting in a period prior to the general meeting. The company will in this respect provide information on the procedure and prepare a proxy form/ written voting form.

The company will nominate a person to act as proxy.

All board members and members of the nomination committee are encouraged, but not obliged, to participate in the annual general meeting. The chair of the board was represented by the vice chair at the annual general meeting in 2025, due to the unavailability of the chair.

Elkem has chosen not to follow the recommendation to vote separately on each candidate nominated for the board of directors and the nomination committee. The process of the nomination committee is focused on the combined qualification and experience of the proposed members to the board of directors and the nomination committee, and the voting was therefore carried out as a combined vote. In 2025, decisive considerations were made for re-elections due to the ongoing strategic review of the Silicones business, which further underlined the aspect of totality in the nominations and a combined vote.

Deviations from the Code: Voting on members to the board of directors and the nomination committee takes place as a combined vote.

7. Nomination committee

According to section 7 of Elkem's articles of association, the company shall have a nomination committee consisting of two or three members in accordance with the decision of the general meeting. The members of the nomination committee are elected by the annual general meeting. The general meeting has also approved guidelines for the duties of the nomination committee, elected the chairperson, and determined the remuneration of the members of the committee.

As of 31 December in 2025 the nomination committee comprises the following members:

- **Sverre S. Tysland** / Chair / Practicing lawyer / Independent / Re-elected in 2024 for a term of office of two (2) years until the annual general meeting in 2026
- **Lingxiao Liu** / Committee member / HR Director of China National Bluestar (Group) Co, representing the majority shareholder / Elected in 2024 for a term of office until the annual general meeting in 2026
- **Anne Grete Dalane** / Committee member / Vice President Improvement Project Finance in Yara International ASA / Independent / Re-elected in 2025 for a term of office of two (2) years until the annual general meeting in 2027

The members of the nomination committee have been elected to take into account the interests of shareholders in general, and to consider and ensure compliance with the guidelines in section 9 of the Code regarding the composition and independence of the board of directors. The nomination committee does not include members of the board of directors or the executive management.

Shareholders are informed about how they can propose candidates to the board of directors and the nomination committee. Information on the procedure and deadlines for submitting proposals is available on the company's website.

The nomination committee shall make recommendations to the general meeting for the election of shareholder elected board members and members of the nomination committee, and the remuneration for the board of directors and the nomination committee. When nominating shareholder representatives to the board of directors, the nomination committee presents relevant information about the candidates, together with an evaluation of their independence.

In connection with the nomination committee's work with proposing candidates, and to ensure that the candidates represent a broad group of the company's shareholders, the nomination committee is in contact with the board of directors, the CEO, and major shareholders. The nomination committee will consider holding individual discussions with each member of the board of directors, and furthermore, ensure that the board of directors is composed to comply with legal requirements and the Code.

The nomination committee has justified its proposal for the board of directors. While the nomination committee presents relevant information about each candidate separately, the nomination committee focuses on the combined qualifications and experience of the proposed members of the board of directors when presenting its proposal to the general meeting. Information on how to propose candidates is available on Elkem's webpage.

Deviations from the Code: The nomination committee justifies its proposals combined and not separately for each board member.

8. Board of directors: composition and independence

As of 31 December 2025, the board of directors of Elkem comprised 11 members, of which eight members, including the chair, are shareholder elected. The remaining three members are elected by and among the company's employees. The board of directors of Elkem comprise of the following persons:

- **Bo Li** / Chair / Representing the majority shareholder / Re-elected in 2025 for a period of two (2) years until the company's annual general meeting in 2027;
- **Dag Jakob Opedal** / Vice chair / Independent / Re-elected in 2025 for a term of office of one (1) year until the company's annual general meeting in 2026;
- **Olivier Tillet de Clermont-Tonnerre** / Board member / Representing the majority shareholder / Re-elected in 2024 for a term of office of two (2) years until the company's annual general meeting in 2026;
- **Nathalie Brunelle** / Board member / Independent / Re-elected in 2024 for a term of two (2) years until the company's annual general meeting in 2026;
- **Wei Yao** / Board member / Representing the majority shareholder / Elected in 2024 as new board member until the company's annual general meeting in 2026;
- **Grace Tang** / Board member / Independent / Re-elected in 2025 for a term of one (1) year until the company's annual general meeting in 2026;
- **Marianne Elisabeth Johnsen** / Board member / Independent / Re-elected in 2025 for a term of office of one (1) year until the company's annual general meeting in 2026;
- **Dachuan Dong** / Board member / Representing the majority shareholder / Elected in 2024 as new board member until the company's annual general meeting in 2026;
- **Terje Andre Hanssen** / Board member / Elected by and from the employees / Elected for a term of office until the annual general meeting in 2026;
- **Marianne Færøyvik** / Board member / Elected by and from the employees / Elected for a term of office until the annual general meeting in 2026 and;
- **Thomas Eggan** / Board member / Elected by and from the employees / Elected for a term of office until the annual general meeting in 2026.

The composition of the board of directors is considered to attend to the common interests of all shareholders and meet the company's need for expertise, capacity, and diversity. Four of the board members are women, and none of the members of the company's executive management are members of the board of directors.

The board of directors is composed so that it can act independently of any special interests. The majority of the shareholder elected board members are independent of the executive management and material business connections of the company.

Further, four out of the current eight shareholder elected board members are independent of the company's majority shareholder. Further information on each of the board members is presented at elkem.com and information on their record of attendance at board meetings can be found in the board of directors' report on salary and other remuneration for leading personnel for 2025.

Members of the board of directors are encouraged to own shares in the company, however, with caution not to let this encourage a short-term approach which is not in the best interests of the company and its shareholders over the longer term. As of 31 December 2025, the following board members owned shares in the company: Olivier Tillette de Clermont-Tonnerre (15 517 shares), Dag Jakob Opedal (40 000 shares through Alcaran AS), and Marianne Færøyvik (4 950 shares).

No deviations from the Code.

9. The work of the board of directors

The board of directors' work follows an annual plan, with a particular focus on objectives, strategy, and implementation. The plan is evaluated and approved around the beginning of each calendar year. The board of directors also annually evaluates its performance and expertise, the evaluation is presented to the nomination committee.

The board of directors has implemented instructions for the board of directors and the executive management, which are focused on determining the allocation of internal responsibilities and duties. The objectives, responsibilities, and functions of the board of directors and the CEO are in compliance with rules and standards applicable to the group and are described in the company's annual report. The board of directors has also implemented procedures to ensure that members of the board of directors and executive personnel make the company aware of any material interests they may have to be considered by the board of directors. The board of directors will also be chaired by some other member of the board if the board is to consider matters of a material character in which the chair of the board is, or has been, personally involved.

The board of directors held 11 board meetings in 2025. Most board members have attended all board meetings during their terms of office, and the overall attendance rate was 95 per cent. The instructions for the board of directors state how agreements with related parties shall be handled. In the event of a material transaction between the company and its shareholders, a shareholder's parent company, members of the board, executive management, or closely related parties of any such parties, the board will arrange for a valuation to be obtained from an independent third party. Agreements with related parties will be disclosed in the directors' annual report.

The board of directors has established an audit committee and a remuneration committee.

No deviations from the Code.

The audit committee

The board of directors has established an audit committee which is a working committee for the board of directors, preparing matters and acting in an advisory capacity. The audit committee is responsible for overseeing the financial and sustainability reporting and disclosure. The audit committee assists the board of directors with assessments of the integrity of the company's financial statements, financial reporting processes, internal controls, risk management, and performance of the external auditor.

The audit committee is responsible for preparatory work and supervision related to the board's management of sustainability and non-financial reporting, internal control over sustainability and non-financial reporting, and sustainability-related risk management.

The board of directors has issued instructions for the work of the audit committee, and the duties and composition of the committee are in compliance with the Norwegian Public Limited Liability Companies Act. The members of the audit committee are elected by and amongst the members of the board of directors for a term of up to two years and comprised the following persons as of 31 December 2025:

- Dag Jakob Opedal / Chair / Independent
- Grace Tang / Member / Independent
- Wei Yao / Member / Representing the majority shareholder

The committee members have the overall competence required to fulfil their duties based on the organisation and operations of the group, at least one member of the audit committee is competent in respect of finance and audit. The majority of the members are independent.

No deviations from the Code.

The remuneration committee

The board of directors has appointed a remuneration committee which comprised the following persons as of 31 December 2025:

- Bo Li / Chairperson / Representing the majority shareholder
- Olivier Tillette de Clermont-Tonnerre / Member / Representing the majority shareholder
- Marianne Elisabeth Johnsen / Member / Independent

The remuneration committee is a preparatory and advisory committee for the board of directors in questions relating to the company's compensation of the executive management. The purpose of the remuneration committee is to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. The remuneration committee puts forth a recommendation for the board of directors' guidelines for remuneration to senior executives in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act.

The members of the remuneration committee are elected by and amongst the members of the board of directors for a term of up to two years and are independent of the company's executive management.

The board of directors has issued instructions for the work of the remuneration committee.

No deviations from the Code.

10. Risk management and internal control

It is ultimately the responsibility of the board of directors to ensure that the company has sound and appropriate internal control systems and risk management systems reflecting the extent and nature of the company's activities. Sound risk management is an important tool to create trust, ensure a good environment, health and safety standards, and enhance value creation.

Evaluation of climate-related risks and opportunities is an important part of Elkem's overall risk management processes. As part of this work, Elkem has prepared a global climate roadmap targeting reductions of absolute CO₂ emissions and of the group's relative product carbon footprint. Elkem is reporting on climate risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) implemented by the EU. Evaluation of climate related risks has been implemented as an integrated part of Elkem's yearly risk assessment. Elkem complies with all laws and regulations that apply to the group's business activities. The group's Code of conduct sets out the overall ethical guidelines, which apply to all Elkem employees, members of the board of directors, as well as those acting on Elkem's behalf.

The company has a comprehensive set of relevant corporate manuals and procedures, which provide detailed descriptions of procedures covering all aspects of managing the operational business. The procedures and manuals are continuously revised to reflect best practice derived from experience or adopted through regulations. The company's compliance programme has been reviewed by a third party, which validated a strong level of compliance maturity. A visible and accessible channel for reporting misconduct (whistleblower) is in place.



The board of directors conducts annual reviews of the company's most important areas of exposure to risk and such areas' internal control arrangements. A summary of the main risks is presented in the annual report. The board of directors describes the main features of the company's internal control and risk management systems connected to the company's financial reporting in the company's annual report. This covers the culture of control, risk assessment, controlling activities and information, communication, and follow-up. The board of directors is obliged to ensure that it is updated on the company's financial situation, and to continuously evaluate whether the company's equity and liquidity are adequate in terms of the risk from, and the scope of, the company's activities. The board of directors shall immediately take necessary actions if it is demonstrated at any time that the company's capital or liquidity is inadequate. The company focuses on frequent and relevant management reporting to the board of directors. The reports contain matters related to health and safety, market development, operations, and financial performance. The purpose is to ensure that the board of directors has sufficient information for decision-making and is able to respond quickly to changing conditions or important incidents. Board meetings are held regularly, and management reports are provided to the board on a monthly basis.

No deviations from the Code.

11. Remuneration of the board of directors

The remuneration to the board of directors is determined by the shareholders at the annual general meeting based on a proposal from the nomination committee. The level of remuneration to the board of directors is considered to reflect an international level and the board of directors' responsibility, expertise, the complexity of the company and its business, as well as time spent and the level of activity in both the board of directors and any board committees.

The remuneration of the board of directors is not linked to the company's performance, and Elkem does not grant share options to its members of the board of directors.

The board members, or companies associated with board members, have not been engaged in specific assignments for the company in addition to their appointments as members of the board of directors.

The remunerations for the period from May 2025 until the annual general meeting in 2026 are as follows:

Board of directors:

→ Chair: NOK 1 030 630

→ Vice chair: NOK 772 972

→ Board members: NOK 515 315

→ Observers: NOK 257 657

Audit committee and remuneration committee:

→ Leader: NOK 185 514

→ Member: NOK 123 675

The total compensation to members of the board of directors is disclosed in the board of directors' report on salary and other remuneration for leading personnel for 2025.

No deviations from the Code.

12. Salary and other remuneration for executive personnel

The board of directors prepares guidelines for the remuneration of executive management. These guidelines include the main principles for the company's remuneration policy and contributes to Elkem's commercial strategy, long-term interests, and financial viability, which align the interests of the shareholders and the executive management. The guidelines were communicated to the annual general meeting in 2023 and will be presented to the annual general meeting every four years, or if there should be substantial changes. A report on the salary and other remuneration to the executive management will be prepared in accordance with the rules of the Norwegian Public Companies Act and relevant regulations.

No deviations from the Code.

13. Information and communications

Elkem is under an obligation to continuously provide its shareholders, the Oslo Stock Exchange, and the financial markets in general with timely and precise financial and other information about the company and its operations. Relevant information is given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange, and investor presentations in accordance with what is deemed appropriate from time to time. Elkem maintains an open and proactive policy for investor relations and gives regular presentations in connection with annual and quarterly results. The goal is that Elkem's information work shall be in accordance with best practice at all times and all communications with shareholders shall be in compliance with the provisions of applicable laws and regulations and in consideration of the principle of equal treatment of the company's shareholders.

Investor contact/investor relations (IR) activities are conducted in accordance with the IR policy and by the IR team only. The IR team comprises the CEO, the CFO and the vice president for finance and investor relations.

The company publishes an annual electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, and payment of dividends, if applicable.

In addition to the board of directors' dialogue with the company's shareholders at general meetings, the board of directors promotes suitable arrangements for shareholders to communicate with the company at other times. The board of directors has delegated this task to the IR team. Elkem has held regular investor meetings in connection with each of the quarterly presentations in 2025 and attended several investor conferences. The IR team has conducted meetings with both domestic and international investors from for example the United Kingdom, the United States, Germany, France, Switzerland, and Benelux. The plan is to arrange regular investor meetings and capital market updates when considered expedient, in order to keep the market updated on the company's development, goals, and strategies.

No deviations from the Code.

14. Take-overs

Elkem has one major shareholder controlling 52.9 per cent of the shares as of 31 December 2024. Elkem has not been subject to any takeover bids in 2025.

In the event of a takeover bid, the board of directors and executive management each have an individual responsibility to ensure that the company's shareholders are treated equally and that there are no unnecessary interruptions to the company's business activities.

The board of directors has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer. In the event of a takeover process, the board of directors shall abide by the principles of the Code, and also ensure that the following take place:

- the board of directors will not seek to hinder or obstruct any takeover offer for the company's operations or shares unless they have valid and particular reasons for doing so;
- the board of directors shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover offer unless this is approved by the general meeting following announcement of the offer;
- the board of directors shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the company;
- the board of directors shall not enter into an agreement with any offeror that limits the company's ability to arrange other offers for the company's shares, unless it is self-evident that such an agreement is in the common interest of the company and its shareholders;
- the board of directors and executive management shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- the board of directors must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a takeover offer, the board of directors will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This includes obtaining a valuation from an independent expert. On this basis, the board of directors will make a recommendation as to whether or not the shareholders should accept the offer.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the board of directors to ensure equal treatment of all shareholders. The board of directors shall strive to ensure that neither inside information about the company, nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished.

There are no other written guidelines for procedures to be followed in the event of a takeover offer. The company has not found it appropriate to draw up any explicit basic principles for Elkem's conduct in the event of a takeover offer, other than the actions described above. The board of directors otherwise concurs with what is stated in the Code regarding this issue.

No deviations from the Code.

The board of directors of Elkem ASA
Oslo, 10 March 2026



Bo Li
Chair



Dag Jakob Opedal
Vice chair



Olivier Tillet de Clermont-Tonnerre
Board member



Wei Yao
Board member



Dachuan Dong
Board member



Grace Tang
Board member



Nathalie Brunelle
Board member



Marianne Elisabeth Johnsen
Board member



Terje Andre Hanssen
Board member



Marianne Færøyvik
Board member



Thomas Eggan
Board member



Helge Aasen
CEO, Elkem ASA

15. Auditor

The board of directors is responsible for ensuring that the board and the audit committee are provided with sufficient insight into the work of the auditor. In this regard, the board of directors ensured that the auditor submitted the main features of the plan for the audit of the company to the audit committee in 2025. Further, the board of directors invited the auditor to participate in the board meeting that dealt with the annual accounts and the sustainability report. At these meetings, the auditor (i) reported on any material changes in the company's accounting principles and key aspects of the audit and the ESG attestation, (ii) commented on any material estimated accounting figures, and (iii) reported all material matters on which there has been disagreement between the auditor and the executive management of the company.

Once a year, the board of directors reviews the company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement. In this regard, a review of the company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement, was carried out by the board of directors in 2025.

In order to ensure the auditor's independence of the company's executive management, the board of directors has established guidelines in respect of the use of the auditor by the management for services other than the audit.

No deviations from the Code.



Risk



Overview of main risk areas

Elkem's board and management have implemented a thorough approach to risk management that is central to the group's corporate governance, aiming to build trust and to enhance value creation. To monitor the group's risk profile and to ensure that adequate risk management processes are in place, Elkem carries out an annual risk mapping process based on interviews with divisions and corporate staff functions.

By identifying the top risks for each division and corporate function, the board and management gain a thorough understanding of the group's risk profile and financial risk tolerance.

Risks are assessed based on internal and external factors, including estimated likelihood, projected financial impact, time horizon, and mitigating activities. These risks are distributed among five main categories that align with Elkem's value chain: strategic risks, financial risks, raw material risks, production and process risks, and market and product risks. Individual risks are consolidated into ten group risks.

Risk assessments related to climate and ESG (environmental, social and governance) are incorporated within these five categories, reflecting their potential impact on strategic positioning, raw material sourcing, end-markets, and financial performance. Additional information can be found in the sustainability statement.

The board is responsible for overseeing the group's risk management activities, and line management is responsible for risk monitoring and handling of the day-to-day activities.

A summary of the consolidated group risks is presented on the following pages.

Risk descriptions

1. Black swan

A “black swan” is a rare, unpredictable event with major impacts, such as the 2008 global financial crisis or the Covid-19 pandemic. These events highlight the need for general risk preparedness, resilient supply chains, and a strong financial position. Elkem’s global operations could expose the group to unforeseen risks on a local, regional, and global level.

Elkem’s key mitigating actions include fostering a strong and competent organisation to proactively manage changing conditions, having strong and regionally independent value chains, and keeping a robust financial position to minimise the risk of financial distress.

2. Geopolitical tensions and sanction risks

Geopolitical tensions and sanction risks have increased in recent years. Tariffs and trade sanctions could impact Elkem’s trade flows through access to raw materials and/or attractive end-markets. There is also a risk that Elkem, or its business partners, could inadvertently engage with sanctioned parties, leading to business disruptions or other legal proceedings.

Elkem operates independent value chains in Europe and Asia, reducing reliance on inter-regional shipments of raw materials, intermediaries, or finished goods. This reduces the exposure to trade restrictions and tariffs. Elkem carefully monitors prevailing sanction lists and trade-related restrictions to ensure compliance and to avoid activities with sanctioned entities or individuals.

3. Trade restrictions and tariffs

Elkem has global operations which expose the group to increasing trade restrictions and tariffs. Recent examples include EU safeguards, countervailing duties (CVD) in the US, and anti-involution measures in China. These measures may have positive or negative implications for Elkem.

Elkem aims to mitigate the negative effects by combining strategic and operational measures. These measures include keeping regionally independent value chains and strategic sourcing to reduce volatility and manage contractual risks. The management keeps open communication with relevant stakeholders to promote fair and equal treatment. Maintaining a sound financial position is also one of the measures to mitigate adverse impacts of trade and tariff risks.

4. Macroeconomic conditions

Elkem has been exposed to adverse macroeconomic conditions during 2023-2025, negatively impacting the group's financial performance. High inflation combined with high interest rates has resulted in slow growth, particularly in EU with weak demand from key industrial sectors such as construction and automotive.

Market conditions are closely monitored to ensure adequate and timely response to changes. Elkem aims to mitigate macroeconomic downturns through its global presence and integrated value chains, and by maintaining its attractive cost positions through operational excellence and a lean manufacturing model. Elkem is actively working to ensure adequate financing and liquidity reserves to manage fluctuations in earnings.

5. Sales volume and prices

Elkem's sales volume and sales prices may vary depending on the economic conditions and the competitive environment. This constitutes one of the main risks affecting the group's financial performance. Commodity sales prices have traditionally been volatile, depending on economic cycles and changes in demand. In addition, sales volumes and prices are impacted by industry conditions and the capacity situation. The silicones, silicon, and ferrosilicon related markets have in general been characterised by oversupply combined with weak demand during 2025. This has led to historic low prices.

Elkem seeks to mitigate this risk by securing good cost positions and by developing a diversified and specialised product portfolio. In addition, Elkem has diverse and long-term customer relationships and a global presence. Elkem's integrated value chain also offers flexibility to extract value through the value chain. As a result of the group's strong cost positions, Elkem has managed to maintain good sales volumes despite weak markets.

6. Regulatory framework conditions

Elkem's global operations could be exposed to changes in regulatory framework conditions. Examples of such conditions are regulations related to the environment and CO₂, product-related regulations, anti-dumping duties, export taxes, export control, sanctions, and electrical power regulations. Changes to regulatory framework conditions could negatively affect the group's competitive position, profitability, and market access. Elkem seeks to manage and mitigate these risks by securing supply chain resilience through diverse geographical presence and integrated value chains. In addition, Elkem is closely monitoring the regulatory landscape to ensure that the group complies with new requirements.

7. Cyber and IT risk

Virtually all business-related activities, including sales, production systems, planning, procurement, and financial management rely heavily on IT systems. Increased digitalisation offers opportunities to enhance efficiency and optimise operations but also increases the vulnerability to cyber incidents. The financial impact of an IT or cyber incident could be significant, and the operations could be severely halted. Many companies have experienced significant operational disturbances and losses from cyberattacks.

Elkem maintains strong IT security procedures supported by mandatory training of employees, segmentation of systems, up-to-date equipment, frequent software updates, and contingency plans. In addition, Elkem has cyber insurance in place to mitigate the financial impact in case of an incident.

8. Health and safety

Elkem's operations and working environment include a significant inherent risk of injuries and even fatalities. This is due to high temperature smelting processes, advanced chemical processes, potential leakages of hazardous substances, and other potential hazards. Elkem has a zero-harm philosophy and targets zero injuries. However, despite our efforts to create a safe working environment, the group experienced three tragic fatalities in 2025– one at the Carbon China facility in Ningxia, China and two following an explosion at a Silicones pilot workshop in Lyon, France. These tragic incidents highlight the importance of continuous improvement in safety culture, risk awareness, and preventive measures. In 2023, there was a major fire at the Salten plant which caused material damage and production losses, although fortunately no injuries.

Elkem invests significant resources in identifying hazards and implementing measures to prevent incidents and reduce risk to an acceptable level. These measures include safety instructions, training, physical safeguards, and strict adherence to Elkem Business System (EBS) principles. In 2025, Elkem upgraded and advanced its HSE programme named FORUS to improve awareness, precision and follow-up of safe behaviour in operations. Processes have also been initiated to improve fire safety at Elkem's plants. Insurance and risk survey programmes are in place to mitigate risks and financial exposure.

9. Compliance and legal risks

Elkem has operations in many countries, including countries ranked high on indices for corruption and human rights violations. This carries an inherent risk of unacceptable business behaviour through corruption, breach of competition law, breach of sanctions, human-rights breaches, or other unethical activities, either by employees or business partners. Additionally, legal and litigation risks may arise from contractual obligations or issues related to intellectual property. The negative reputational and financial impact could be material.

Elkem has a high focus on compliance and internal control and has strengthened these functions in recent years through ethical guidelines and mandatory training of all employees. The group's compliance programme has been reviewed by a third party, which validated a strong level of compliance maturity. A visible and accessible channel for reporting misconduct (whistleblowing) is in place. Insurance coverage is in place for directors and officers, employment practices, liability, and crime.

10. Environment and climate

Climate risks comprise transition and physical risks. Elkem's production facilities are generally located close to sea or river, or near cities or local communities. Rising temperatures and extreme weather events may cause business interruptions and damages to assets and are thus monitored continually. Exposure to climate change has been assessed for each business unit according to the requirements in the Corporate Sustainability Reporting Directive (CSRD). To mitigate transitional risks, Elkem seeks to ensure a sustainable business model by reducing emissions and ensuring compliance with regulations. Sustainable sourcing of raw materials and increased use of biogenic materials are key initiatives to reduce fossil carbon emissions from the production processes. Elkem is also working on energy recovery and efficiency.

Long-term initiatives include research and development of carbon capture projects to eliminate direct CO₂ emissions from the production process. Recycling and reduction of waste are also key focus areas and an integrated part of Elkem Business System (EBS).

Sustainability statement

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Sustainability statement

Elkem's approach to sustainability



Elkem's products are foundational to a low-carbon society and essential for the green transition. They support various sectors, including renewable energy, energy storage, mobility solutions, infrastructure improvements, digitalisation, and healthcare. At the core of Elkem are our people and our commitment to safe, sustainable operations, conducted responsibly and with excellence.

Elkem develops silicon products, carbon solutions, and silicones by combining natural raw materials, renewable energy, and human resourcefulness. The production requires significant amounts of energy, and a key component of our low CO₂ footprint is due to most of our silicon production being located in areas where hydropower being readily available. Still, the production of silicon requires reductants to free the silicon from the quartzite. This, in addition to our scope 2 and scope 3 emissions, is the reason why Elkem focuses on improving

production efficiency and reducing emissions. Climate change is one of our material topics, together with other key topics such as HSE, water management, circularity, and more. Our material topics are categorised into environmental, social and governance areas.

In the following sections, we will describe how we identify, manage, and mitigate our impact, risks, and opportunities related to the topics identified in the double materiality analysis.

Sustainability foundation: Material topics

Elkem follows the principles, requirements, and guidelines of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

<p><i>Environmental</i></p> <p>Climate action</p> <ul style="list-style-type: none"> → Climate change (ESRS E1) → Pollution (ESRS E2) → Water and marine resources (ESRS E3) → Biodiversity and ecosystems (ESRS E4) → Resource use and circular economy (ESRS E5) 	<p><i>Social</i></p> <p>Safety first</p> <ul style="list-style-type: none"> → Own workforce (ESRS S1) → Workers in the value chain (ESRS S2) → Affected communities (ESRS S3) 	<p><i>Governance</i></p> <p>Responsible business partner</p> <ul style="list-style-type: none"> → Business conduct (ESRS G1)
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General disclosures

Elkem's 2025 sustainability disclosures are prepared in accordance with the European Sustainability Reporting Standards (ESRS), as issued by the European Financial Reporting Advisory Group (EFRAG), and aligned with the Corporate Sustainability Reporting Directive (CSRD). These standards ensure transparency, comparability, and accountability across environmental, social, and governance (ESG) dimensions.

All data points presented in the E, S, and G sections have been evaluated through Elkem's double materiality assessment (DMA). This process identifies both financial and impact materiality, guiding our prioritisation of topics. For details on the scope limitations and methodology of our DMA, please refer to the dedicated section in this report.

Greenhouse gas (GHG) emissions data—covering scope 1, 2, and 3—is reported in accordance with the Greenhouse Gas Protocol. Scope 3 reporting includes categories 1–7, 11, and 12. Elkem also discloses data on grievances received, supply chain screening, and audit results, reflecting our commitment to responsible sourcing and stakeholder engagement.

This report covers the fiscal year 2025, and ESG data is consolidated using the same principles as our financial statements. The consolidated dataset includes the parent company Elkem ASA and its controlled subsidiaries. Associates and joint ventures are excluded from the consolidated ESG metrics unless otherwise specified in the accounting policies accompanying each data point.

Statutory compliance and regulatory alignment

Elkem's sustainability statement complies with the Norwegian Accounting Act, the Norwegian Equality and Anti-Discrimination Act, the UK Modern Slavery Act 2015, and the Norwegian Transparency Act 2021. Relevant disclosures are included in the chapters Own workforce, Workers in the value chain, and Affected communities.

In 2024, Elkem restructured its sustainability disclosures to align with the Corporate Sustainability Reporting Directive (CSRD) implementation timeline and the applicable European Sustainability Reporting Standards (ESRS). This transition enhances our ability to meet evolving regulatory expectations and stakeholder demands. Elkem continues to report and disclose according to the requirements of the CSRD and relevant ESRSs.

As TCFD has been phased out, Elkem's reporting should also be in accordance with the disclosure requirements with regard to climate risk outlined in IFRS 2.

Accounting estimates and judgements

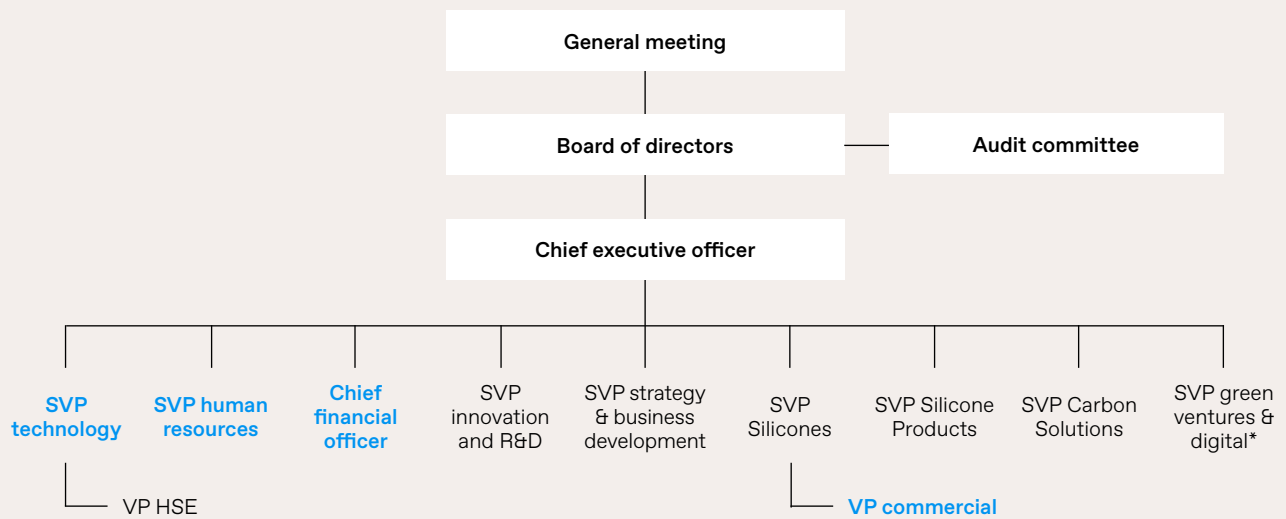
Certain ESG metrics, such as taxonomy KPIs and scope 3 emissions, are based on estimates and judgements. These are regularly reviewed and updated based on experience, regulatory developments, and methodological improvements. Changes in estimates are recognised in the reporting period in which they occur. Judgements are also applied when interpreting and implementing accounting policies. For further details, please refer to the ESG data tables and accompanying notes.

Restatement thresholds

Adjustments to financial data follow the principles outlined in our financial statements. For ESG data, restatements are made based on materiality and relevance. All restated data points are clearly marked and explained.

External assurance

Elkem's 2025 sustainability statement has undergone limited assurance by KPMG, in accordance with CSRD requirements. The auditor's assurance report is available on page 168.



ESG and sustainability governance structure
 Functions marked in blue are members of the ESG steering committee

*SVP Green ventures & digital stepped out of management in October 2025, and will not be replaced

Governance GOV-1, GOV-2, GOV-3

The board's commitment to ESG and sustainability

Environmental, social, and governance (ESG) considerations, along with sustainability, are embedded in Elkem's overarching business strategy and are collectively overseen by the board of directors. ESG-related risks and opportunities are regularly included on the board's meeting agenda. Several board members have industry experience, and are familiar with relevant sustainability challenges.

Each year, the board conducts a strategic process that includes a comprehensive evaluation of the group's ESG strategy. Detailed updates on ESG performance and initiatives are consistently presented during board meetings and reporting sessions.

The audit committee plays a key role in preparing the board for oversight of sustainability and non-financial reporting. It is responsible for reviewing internal controls, monitoring sustainability-related risk management, and tracking Elkem's performance in external sustainability ratings. These efforts help ensure robust governance and transparency in ESG and non-financial disclosures.

In addition, the board performs an annual self-assessment covering its overall performance, competence, and effectiveness. This includes a review of board

composition, individual member contributions, group dynamics, agenda management, and preparation processes. The assessment also evaluates the board's alignment with current and emerging strategic objectives and regulatory requirements.

Management and operational oversight

At Elkem, the CEO holds overall operational responsibility for ESG and sustainability, acting under the direction and oversight of the board of directors. Day-to-day management of ESG-related activities is led by the CFO, who chairs the ESG steering committee, a dedicated management body composed of members from corporate leadership with specific ESG responsibilities. The committee operates on behalf of the CEO and plays a central role in driving Elkem's sustainability agenda.

The board approves the group's business strategy and corporate governance policy, establishing the framework for strategic direction and oversight. Within this framework, the ESG steering committee meets quarterly to review progress, discuss key issues, and propose actions aligned with the strategy. It also monitors the development of key performance indicators (KPIs) and recommends strategic adjustments to the board when necessary.



Implementation of the ESG strategy is carried out by Elkem's business units and divisions. The ESG steering committee includes senior management and invites subject-matter experts to contribute to discussions and decisions on critical ESG topics. The mandate and composition of the committee are explained in the section on governing documents.

The ESG office serves as the main coordinator of ESG efforts across the organisation. Reporting to the ESG steering committee, it works closely with business units and divisions to advise on sustainability issues, set targets, and drive continuous improvement. As part of the Elkem Business System (EBS), the ESG office emphasises the principle that "what gets measured gets managed," focusing on the development and refinement of KPIs monitored by corporate management.

Sustainability-related performance in incentive schemes GOV-3

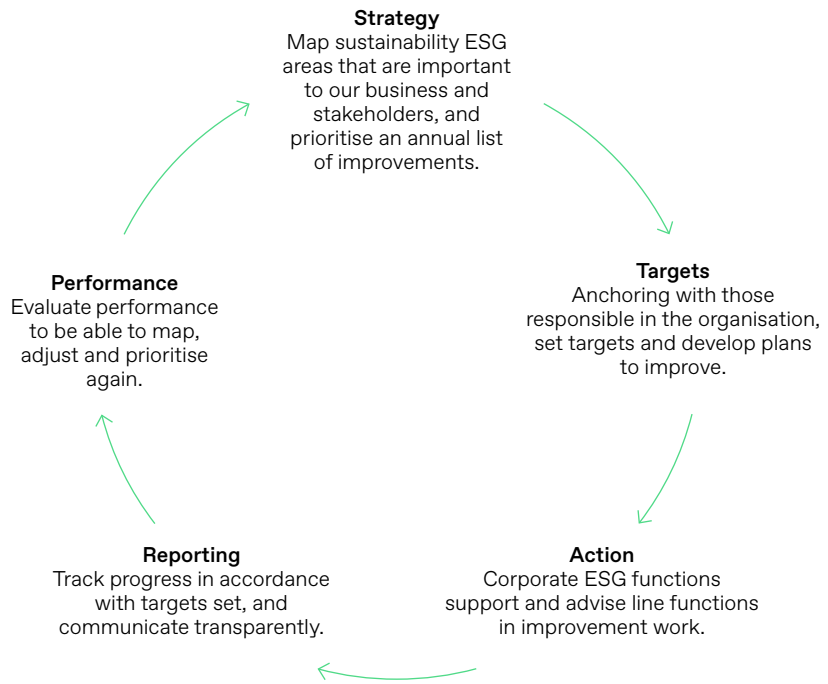
The CEO and group management receive performance-based compensation linked to predefined metrics aligned with their respective areas of responsibility. Short-term incentives (STI) are capped at 100 per cent of the CEO's base salary and 50 per cent for other members of corporate management.

Group management is assessed on progress and achievement of ESG-related targets, including the transition plan approved by the board. This progress is validated through performance on selected ESG ratings*. ESG-related target achievement accounts for 1.5 per cent of the variable bonus for group management.

For 2025, corporate management's bonus structure aligns with the CEO's metrics, including compliance and sustainability. Additional criteria include completion of compliance training by employees to strengthen the compliance culture and reduce the risk of substantiated misconduct cases.

For a detailed overview of remuneration practices, please refer to the board of directors' report on salary and other remuneration for senior executives in 2025.

*The prioritised ESG ratings are Carbon Disclosure Project's (CDP) scoring of Elkem, S&P's Corporate Sustainability Assessment, and EcoVadis.



Management and operational oversight

Governing documents

E1-2, E2-1, E3-1, E4-2, E5-1, S1-1, S2-1, S3-1, G1-1

Elkem's governing documents establish the guiding principles for the group's business conduct. Central to these documents are the Code of conduct and the Governance policy. All policies are available [on our website](#).

The **Governance policy** provides direction for common objectives, commitments, and behaviours, defining principles and commitments for Elkem's governing processes while allocating roles and responsibilities within the group's functions. This policy imposes mandatory requirements on all Elkem group companies and operational units, irrespective of division and geography.

Most group policies are available online, and all governing documentation is available to employees on our intranet. Each policy owner formulates an implementation plan tailored to specific target groups based on roles and responsibilities. To ensure consistency in responsible business conduct across all activities and relationships, all governing documents must align with the Code of conduct.

The **Code of conduct** is a cornerstone of Elkem's culture, defining our business conduct based on honesty and respect. It mandates compliance with all applicable laws and regulations, upholding ethical standards, and respecting the dignity and rights of individuals

globally. Where local laws differ from the Code of conduct, the highest standard will be applied. The Code of conduct outlines Elkem's ethical guidelines, ensuring all representatives act ethically, exercising good judgment and care. It serves as a framework for responsible conduct, supplemented by detailed policies and procedures. All governing documents must align with the Code of conduct, and it is reinforced by various group policies, procedures, and supporting documentation.

The **People policy** outlines the principles, objectives, and commitments related to the people processes within Elkem. It aims to ensure standardised HR procedures across all business units, supporting employees throughout their employment lifecycle. The policy emphasises a sustainable working environment, equality, inclusion, and respect for human rights. It covers various aspects such as recruitment, competency development, employment terms, diversity, and work-life balance. The policy also details the roles and responsibilities for implementation, monitoring, and correction of HR practices, ensuring compliance with both global and local regulations.

Key components include the recruitment process, which prioritises internal candidates and requires HR involvement in all stages, and the competency development cycle, which focuses on continuous improvement and regular feedback. The policy also addresses employment terms, promoting diversity and inclusion, and ensuring fair

treatment and equal opportunities for all employees. Additionally, it includes guidelines for handling exits, maintaining employee data privacy, and ensuring a safe and respectful working environment. The policy is reviewed annually to remain current and relevant, with amendments approved by the CEO.

The **Elkem Health, safety, and environment (HSE) policy** outlines the group's commitment to maintaining a safe and healthy working environment while minimising environmental impact. It emphasises continuous improvement, risk management, and adherence to local and international regulations. The policy includes principles such as Elkem's "zero-harm philosophy" and the use of the FORUS HSE system to ensure consistent safety practices across all operations. It also highlights the importance of sustainability, with goals aligned with the Paris Climate Agreement to achieve net zero emissions by 2050, and focuses on energy efficiency, biodiversity conservation, and responsible resource management.

The policy assigns clear roles and responsibilities for HSE management, from the group CEO to individual employees, ensuring accountability at all levels. It mandates regular risk assessments, compliance monitoring, and corrective actions to address any non-compliance. The policy also includes specific commitments to sustainable practices, such as waste reduction, circular economy principles, and supply chain management. Overall, the HSE policy aims to integrate health, safety, and environmental considerations into all aspects of Elkem's operations, promoting a culture of continuous improvement and sustainability.

The **Speak up policy** at Elkem outlines the process for reporting suspected violations of the group's Code of conduct and how these reports are managed. It encourages employees and stakeholders to report issues such as bribery, fraud, discrimination, and environmental violations, ensuring reports are handled confidentially and professionally. The policy applies globally and provides multiple reporting channels, including anonymous options. It emphasises good faith reporting, protection against retaliation, and the importance of privacy for both the reporter and the subject of the report. The policy aims to maintain ethical standards and improve business practices through transparent and responsible conduct.

Elkem's **Code of conduct for business partners** aligns with international standards and outlines expectations for ethical business practices, human rights, workers' rights, and environmental protection. It mandates compliance with laws, prohibits corruption, and promotes fair

treatment and safe working conditions. Business partners must also minimise environmental impact and ensure their own partners adhere to similar standards. The policy includes provisions for audits and encourages reporting of misconduct through a confidential channel. By partnering with Elkem, businesses commit to these principles, ensuring responsible and sustainable operations.

The **Elkem Human rights programme** outlines the group's commitment to supporting and respecting internationally recognised human and labour rights. It applies to all employees, directors, and majority-owned subsidiaries. The programme includes governance structures, human rights due diligence, risk assessments, communication strategies, training, third-party risk management, and monitoring and reporting mechanisms. It emphasises continuous improvement and adherence to international guidelines, such as those from the UN and OECD. The programme also includes mechanisms for whistleblowing, grievance handling, and regular audits to ensure compliance and address any human rights concerns effectively.

The **Elkem Anti-corruption compliance programme** outlines the group's zero-tolerance approach to corruption and facilitation payments, applicable to all employees, directors, and majority-owned subsidiaries. It includes adherence to international and national anti-corruption laws, risk assessments, training, and strict procedures for gifts, hospitality, and third-party interactions. The programme emphasises the importance of reporting concerns through the Speak up channel, conducting due diligence on third parties, and maintaining accurate records. It also details the roles and responsibilities of management and employees in preventing, detecting, and responding to corruption, with regular monitoring and audits to ensure compliance.

Elkem's **Procurement policy** regulates all procurement activities to ensure effective processes and risk management globally. It applies to all employees and organisational units, promoting strong governance, competition, sustainable practices, and supplier management. The policy outlines principles for sourcing, contracting, and supplier management, emphasising transparency, integrity, due diligence, and compliance with internal controls and international standards. Elkem will implement sustainable procurement practices and manage its supplier relationships in accordance with the UN Guiding Principles on Business and Human Rights, aiming to optimise total cost of ownership, reduce risks, and support Elkem's long-term competitive position.

Elkem's **Raw material sourcing and qualification procedure** outlines the process for sourcing and qualifying raw materials, ensuring they meet the group's environmental, social, and governance commitments. It includes steps for market screening, integrity due diligence, pre-qualification audits, trial planning, process verification, and commercial contracting. The procedure emphasises compliance with internal controls, risk management, and supplier management, with all documentation stored in the Ivalua platform. It applies to all personnel involved in raw material procurement across Elkem's divisions and subsidiaries.

Elkem's **Corporate standard for sourcing of biocarbon** outlines the group's commitment to sustainable and ethical sourcing of wood and charcoal for silicon alloy production. It mandates the use of legally established and sustainably managed wood sources, ensures acceptable working conditions and respect for human rights, and enforces zero tolerance for corruption and legal non-compliance. The policy requires cooperation with NGOs and local authorities, regular audits, and adherence to international standards to maintain transparency and traceability throughout the biocarbon value chain.

Elkem's **Conflict minerals policy** ensures that the group sources minerals such as tin, tantalum, tungsten, cobalt, and gold responsibly, in alignment with the OECD Due Diligence Guidance. The policy prohibits procurement from conflict-affected areas to avoid supporting human rights abuses or environmental degradation.

Elkem's **Third-party risk management procedure** ensures that all third-party relationships are managed to mitigate risks related to corruption, human rights breaches, environmental impacts, and legal noncompliance. The procedure involves identifying, categorising, conducting due diligence, approving, and managing third parties throughout the business relationship. It applies to all Elkem employees and includes specific guidelines for different types of third parties, emphasising transparency, regular audits, and adherence to international standards and Elkem's internal policies.

The **Mandate for the ESG steering committee** outlines the responsibilities of the ESG steering committee. The ESG steering committee is an executive body reporting to the CEO, responsible for integrating environmental, social, and governance principles into Elkem's strategy and operations. Chaired by the CFO and composed of senior leaders, it oversees ESG performance, ensures compliance with frameworks, and drives preparation of the annual sustainability report. The committee meets

regularly to review progress, propose actions, and support external ratings, while day-to-day work is managed by the ESG office.

The **Communication and public affairs policy** outlines the principles, objectives, and commitments for managing communication and public affairs activities within the organisation. It emphasises open, honest, and accurate communication, with specific guidelines for authorised spokespersons and the handling of sensitive information. The policy applies to all employees and organisational units, detailing roles and responsibilities for implementation, monitoring, and corrective actions. It also includes guidelines for internal and external communication channels, social media use, and engagement with government and other stakeholders, ensuring alignment with Elkem's global communications strategy and compliance with relevant procedures and laws.

Elkem's **Sponsoring and donations procedure** ensures that all sponsorships, charitable donations, and community support activities align with the group's values and compliance policies. It includes guidelines on restricted organisations, conflict of interest, anti-corruption measures, and documentation requirements, with specific approval processes for contributions over EUR 5 000. The procedure promotes transparency, proper accounting, and due diligence to support ethical and compliant practices.

The group adheres to the principles outlined in "The Norwegian Code of Practice for Corporate Governance" issued by the Norwegian Corporate Governance Board ("NUES" or the "Code"). This Code aims to ensure that companies listed on regulated markets in Norway adhere to comprehensive corporate governance practices that go beyond legal requirements. For further details on Elkem's corporate governance, refer to the board of directors' report on corporate governance in the annual report.

This section covers all relevant governing documents requested in the different sections on the report. This includes references E1-2, E2-1, E3-1, E4-2, E5-1, S1-1, S2-1, S3-1, and G-1.

Statement on due diligence GOV-4

Elkem’s due diligence process is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We also seek to follow the OECD Due Diligence Guidance for Responsible Business Conduct. Our due diligence aims to address and prevent adverse impacts related to labour rights, human rights, environmental issues, bribery, corruption, and corporate governance.

Due diligence is carried out for all new business ventures, such as mergers, acquisitions, and joint ventures, and is particularly emphasised when engaging with business partners, including suppliers, agents, customers, and resellers. In these processes, we follow the steps recommended by the OECD.

Beyond assessing external ventures and partnerships, we integrate the same due diligence principles into our own operations and projects. This includes comprehensive assessments of environmental and social impacts across all projects and operations. We have conducted a group-wide double materiality assessment, a human rights risk assessment with an accompanying action plan, and a biodiversity risk assessment. Work is ongoing to develop an action plan and related initiatives for biodiversity.

Risk management and internal controls over sustainability reporting GOV-5

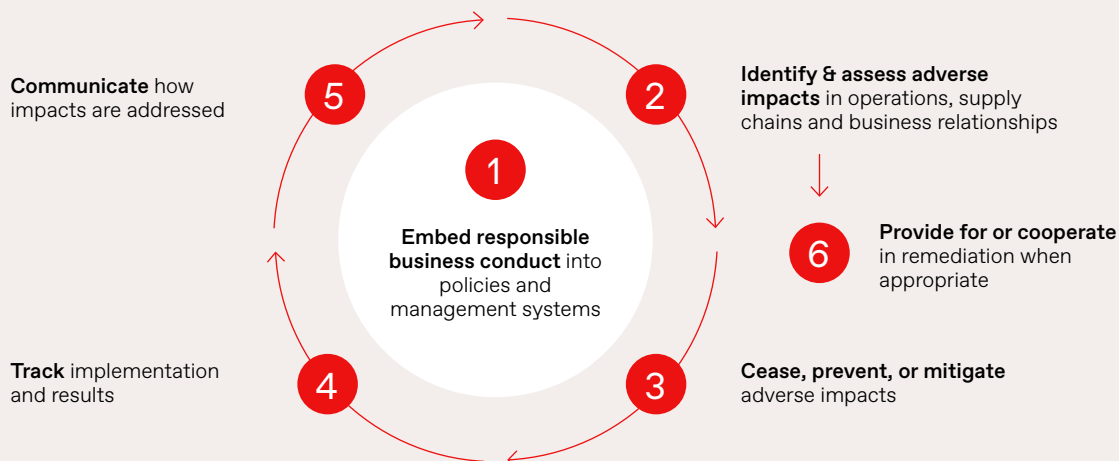
Elkem’s board and management consider risk management a core element of corporate governance, essential for trust and long-term value creation.

Management conducts an annual enterprise risk evaluation comprising the Elkem group. The risk assessments are based on interviews with divisions and corporate staff functions. Risks are evaluated according to internal and external conditions. The risk assessments include estimated financial impact, assessed likelihood, and risk mitigation activities. A summary of all principal risks is reported to the board and included in the annual report.

Risks are categorised into five main areas, strategic, financial, raw material, production and process, and market and product, structured along the value chain. Environmental, social, and governance (ESG) risks, including climate-related risks, are integrated into these categories as they influence strategic positioning, raw material supply, end-markets, and financial performance. Elkem follows the IFRS S2 (previously Task Force on Climate-related Financial Disclosures (TCFD)) and CSRD recommendations for climate risk reporting. The climate risk assessment is reviewed and updated annually. Biodiversity risks are also assessed at regular intervals, but monitored continuously for our mining sites. An annual summary of climate risks are included in the Enterprise risk analysis presentation to the board.

The board regularly reviews ESG-related risks and opportunities, evaluates the ESG strategy annually, and receives comprehensive updates on ESG performance. The audit committee ensures effective procedures and internal controls for sustainability and non-financial reporting. The board also conducts annual assessments

Elkem’s ESG due diligence process



of its performance and competence to ensure alignment with governance policies.

The CEO oversees ESG operations, supported by the CFO-led ESG steering committee, which meets quarterly to review progress and propose strategic actions. The ESG steering committee is a key component in Elkem's internal control on sustainability related topics as the committee will address deviance from targets and policies. The mandate of the ESG steering committee is formalised in appendix J "Mandate for the ESG steering committee" within the Governance policy.

Internal control over sustainability topics is embedded in line management. The corporate internal control function support corporate management and the internal control and internal audit committee in their responsibilities related to design of an adequate internal control system and compliance with internal regulations, described and deployed through group governing documents. The instructions of the function are formalised in appendix K "Instructions for corporate internal control" within the Governance policy.

In addition to the annual enterprise risk review, Elkem conducts a double materiality analysis (DMA) covering sustainability-related risks and impacts. Results are discussed in the topical sections ESRS E1-E5, S1-S3, and G1.

Strategy, business model, and value chain

SBM-1

Elkem's strategy is founded on dual-play growth and green leadership, aiming to deliver sustainable value creation across all three divisions while ensuring supply chain resilience through geographical diversification. The group has set ambitious targets, including five per cent annual growth and a 25 per cent reduction in scope 1 and 2 CO₂ emissions by 2030, reinforcing its position as an industry leader in low-carbon solutions and a key contributor to the green transition. The strategy emphasises balanced geographical growth and cost improvements in Silicones, selective growth combined with lower carbon emissions in Silicon Products, and maintaining sustainable low-cost positions in Carbon Solutions. Elkem also targets a 15 per cent EBITDA margin annually and net zero emissions by 2050.

The climate roadmap, Elkem's transition plan, supports these ambitions by aiming for climate-neutral production across the entire value chain by 2050, with an interim goal of reducing absolute scope 1 and 2 emissions by 25 per cent and the product carbon footprint by 32 per cent from 2022 to 2030*. This roadmap is built on three pillars: reducing emissions, supplying advanced materials for the green transition, and enabling circular economies. Elkem has already achieved an 11 per cent reduction in total greenhouse gas emissions from 2022 to 2025, while the product footprint has increased by 30 per cent in the same period due to changes in sourcing.

As a leading provider of advanced silicon-based materials, Elkem plays a critical role in enabling low-carbon technologies such as electric vehicles, renewable energy, and energy storage. Its products, including silicone solutions for EV battery protection and high-purity ferrosilicon for electrical steel, enhance the performance and sustainability of these applications. The growing demand for solar panels, batteries, and other low-carbon technologies is expected to drive further growth in Elkem's product segments.

Elkem is committed to reducing its environmental impact through improved water and waste management, reducing local emissions to air, increasing recycling both in its operations and with customers, and developing eco-designed products. The group is also expanding into new green markets such as battery materials and biomass. These efforts are aligned with global sustainability goals and reinforce Elkem's role in securing key materials for the green transition, contributing to a more sustainable future.

In January 2025, Elkem announced a strategic review of the Silicones division. At 13 February 2026, Elkem announced an agreement to sell the majority of its Silicones division to Bluestar to be settled with all Elkem shares held by Bluestar.

The transaction was approved by the extraordinary general meeting at 9 March 2026. Subject to customary closing conditions, the transaction is expected to close by May 2026. A potential full review of Elkem's material assessment, climate strategy, and transition plan is contingent upon completion of the transaction.

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*This is a revised version of the strategy and transition plan launched in 2021. The revision is due to the reporting requirements of CSRD, and included a new baseline (2022) and a shorter timeframe (from 2022 to 2030).



Interests and views of stakeholders SBM-2

Engaging with stakeholders is essential for Elkem to understand expectations, identify key issues, and assess potential impacts. Through regular dialogue, Elkem addresses social, health, safety, environmental, and economic concerns, ensuring that stakeholder perspectives inform action plans and are integrated into sustainability reporting. The group is committed to acting ethically and transparently, fostering a common understanding, and integrity in decision-making.

Elkem’s stakeholder engagement spans a wide range of groups, including employee unions, works councils, local communities, NGOs, suppliers, business partners, customers, and industry associations. The group also collaborates with sustainability experts and maintains active dialogue with authorities, banks, and investors regarding sustainability commitments and progress.

Engagement takes place at both corporate and business levels through local meetings, bilateral discussions, multi-stakeholder forums, and participation in industry associations. All business areas maintain structured forums for dialogue between management and employee representatives. Insights gathered from these interactions play a critical role in shaping Elkem’s double materiality analysis and guiding the group’s overall strategy.



Key stakeholders



Business model and value chain

Elkem's business model and value chain focus on producing advanced silicon-based materials and are centred on the production and supply of advanced silicon-based materials. The group operates across the entire value chain, from raw material extraction to the production of specialised products.

Here are the key components:

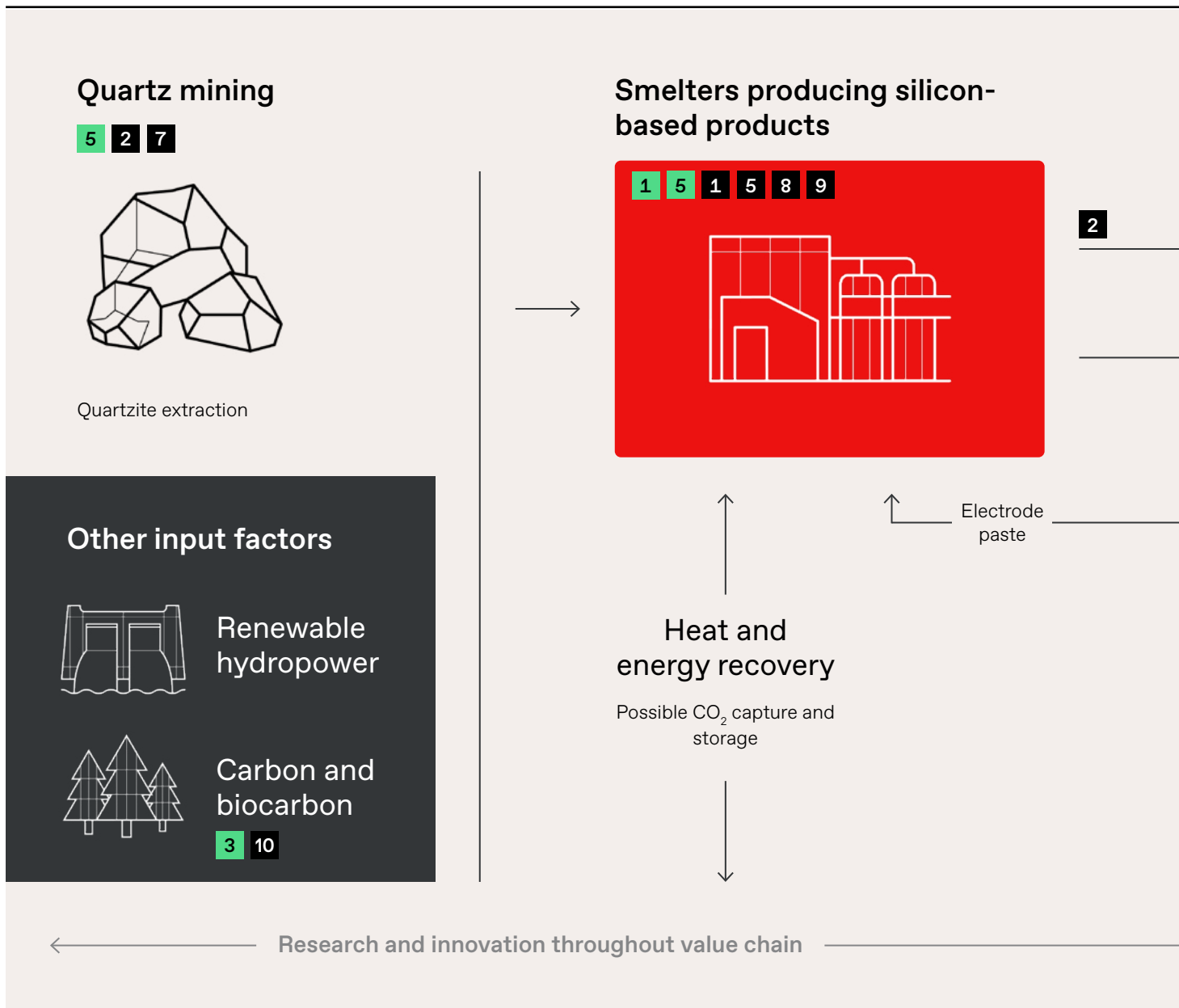
- 1. Raw material sourcing:** Elkem sources, extracts, and refines high-quality raw materials such as quartz, coal, and wood, which are essential for producing silicon and its derivatives.
- 2. Production process:** The group operates state-of-the-art manufacturing facilities to produce silicon, silicones, and carbon solutions. This includes refining raw materials and transforming them into high-purity silicon and specialised products.
- 3. Specialisation and customisation:** Elkem develops customised products tailored to the needs of various industries, including renewable energy, electronics, automotive, and construction. This specialisation allows Elkem to meet specific customer requirements and market demands.
- 4. Sustainability focus:** A core aspect of Elkem's business model is its commitment to sustainability. The group emphasises reducing CO₂ emissions and implementing sustainable practices throughout its operations. This includes energy-efficient production methods and recycling initiatives.
- 5. Innovation and R&D:** Elkem invests significantly in research and development to drive innovation. This focus on R&D helps the group develop new products, improve existing ones, and enhance production processes, ensuring it remains at the forefront of technological advancements.
- 6. Integrated value chain:** By controlling the entire value chain, from raw material extraction to the production of finished goods—Elkem ensures high standards of quality, efficiency, and sustainability. This integration also allows for better cost management and responsiveness to market changes.

Elkem's business model is designed to create value for stakeholders by delivering high-quality, sustainable products while maintaining a strong focus on innovation and environmental responsibility.

Key impacts in Elkem's value chain

Positive impacts

- 1** Production in areas where renewable energy is abundant
- 2** Silicon and silicones are enablers for the green transition, and help reduce emissions and generate energy savings
- 3** Sustainably sourced, and certified, biocarbon reduces emissions (SO₂) and does not deplete nature's ability to absorb CO₂ emissions
- 4** Circularity in production reduces the product impact
- 5** Elkem sites create jobs and education opportunities, and Elkem is often a cornerstone employer



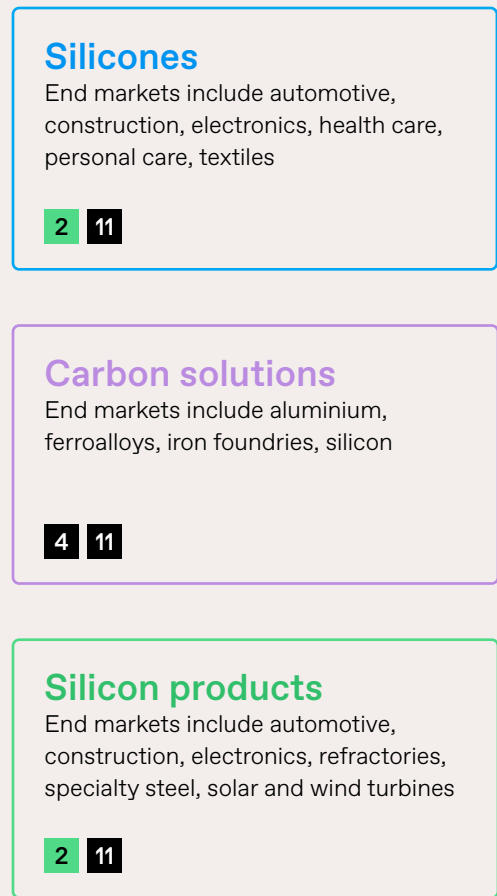
Negative impacts

- 1** Use of reductants in the production of silicon results in CO₂ emissions
- 2** Transportation of raw materials and products results in emissions
- 3** Energy consumption results in scope 2 emissions in China
- 4** Hazardous chemicals in production pose a risk to biodiversity if not managed properly
- 5** Local emissions of SO₂, NO_x, and dust from production
- 6** Water consumption in silicones production
- 7** Mining operations use land area, and pose a risk to biodiversity through pollution, waste, and noise
- 8** Production involves hazardous operations, moving equipment, and working at height
- 9** Risk of exposure to hazardous substances
- 10** Risk of forced labour and child labour in the value chain
- 11** Risk of corruption and sanction-breaking dealings

Silicones plants

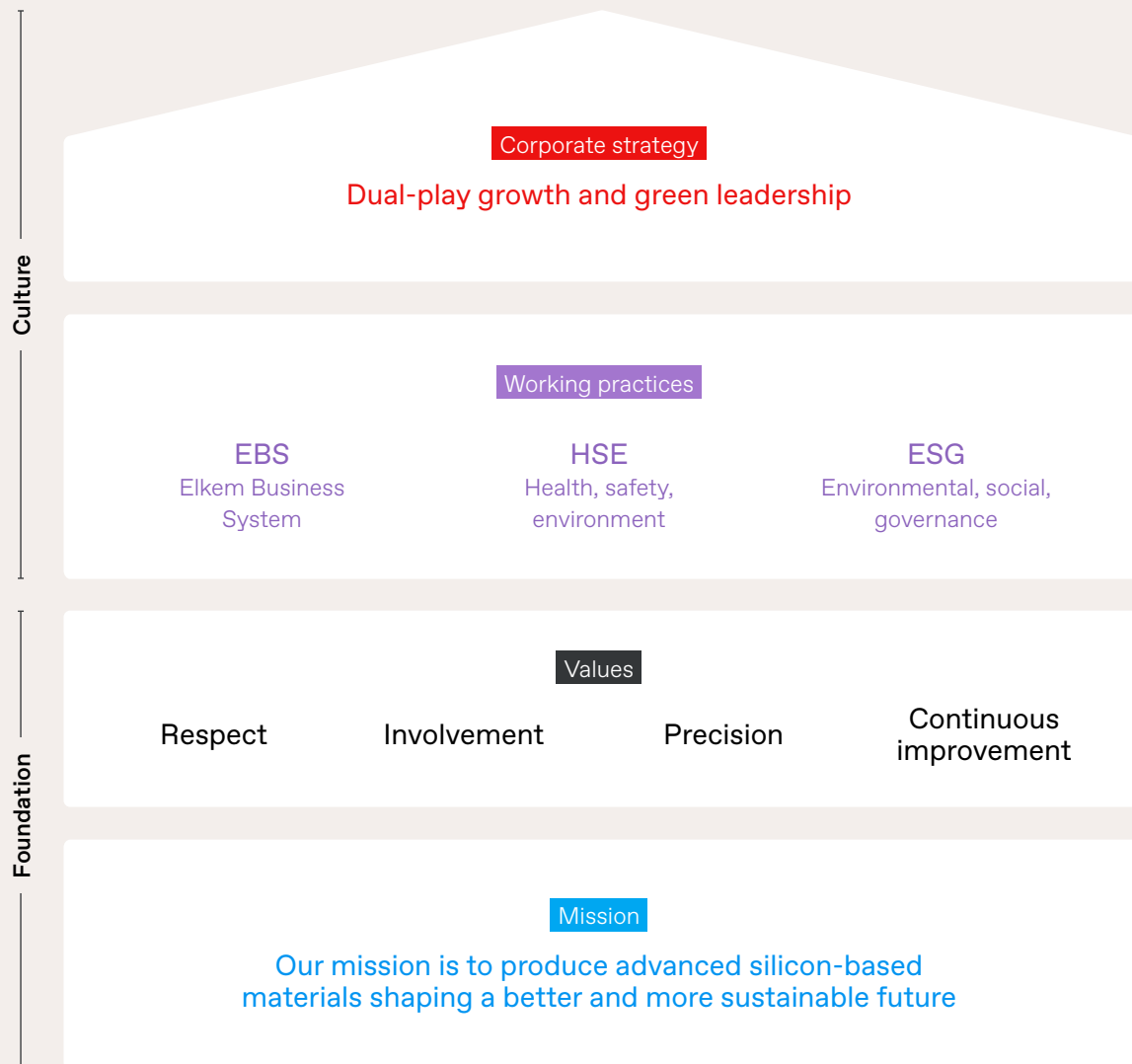


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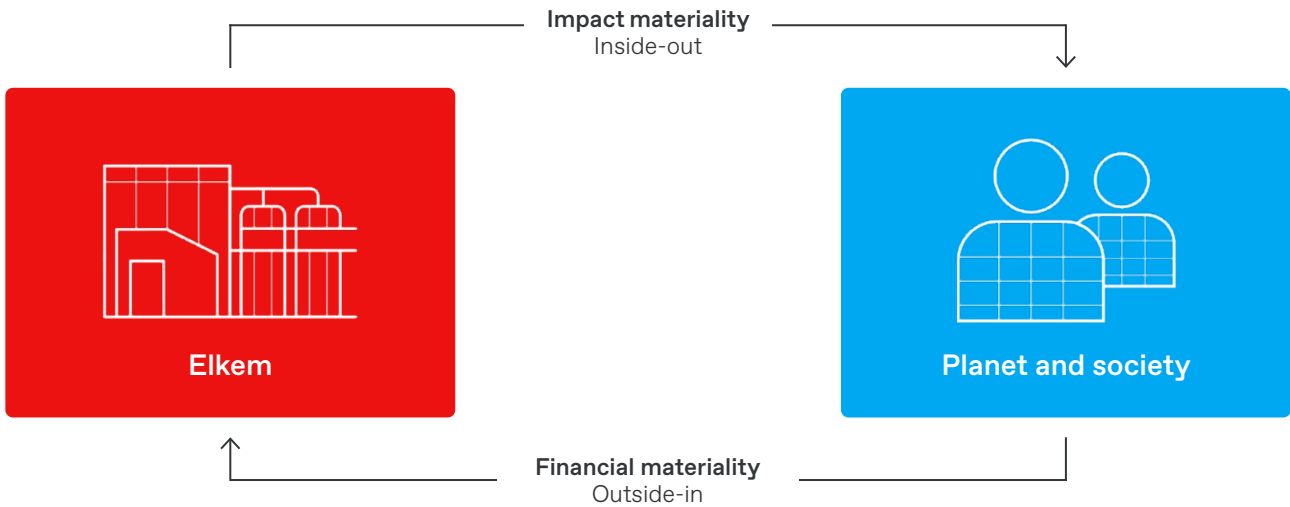


The Elkem house

The Elkem House serves as a visual representation of the fundamental components of Elkem’s business model. At its core, our mission and values form the foundation for our working practices and defines our organisational culture. These elements, mission, values, and working practices, combine to strengthen and advance our corporate strategy.



The Elkem house



Double materiality approach

Double materiality assessment – Material impacts, risks, and opportunities SBM-3, IRO-1

The cornerstone of Elkem's sustainability approach is the double materiality assessment (DMA), conducted in line with ESRS requirements. This methodology evaluates both impact materiality, which considers Elkem's effects on the environment and society, and financial materiality, which assesses how sustainability-related factors affect Elkem's business.

Our process began with an inside-out impact assessment of Elkem's environmental and social effects across operations and the value chain, building on previous evaluations of sustainability impacts. In parallel, we carried out an outside-in financial assessment of sustainability-related risks and opportunities facing the group. Where possible, these assessments were quantified and complemented by qualitative analysis. Given the complexity of measuring sustainability-related risks, this year's efforts focused primarily on impact materiality.

Due to the comprehensive ESRS principles and requirements, stakeholder involvement was limited to internal subject-matter experts. To validate and calibrate the results, we performed a light update of our previous materiality assessment using the former approach, serving as a proxy for external stakeholder input and helping us reflect stakeholder interests and views relevant to our business.

We believe the outcome presented below offers a true and fair representation of Elkem's material impacts, risks, and opportunities, while acknowledging certain methodological limitations. The following pages provide detailed insights into the results of our double materiality assessment and the process applied.

Double materiality analysis results

We have identified our impacts on the environment and society through an impact materiality assessment, as well as the sustainability-related risks we face through a financial materiality assessment. The results, aggregated by ESRS topic, indicate that all main topics, apart from consumers and end-users (S4), are material to Elkem. As Elkem only sells business-to-business, it has little direct impact on consumers. Since the different ESRSs have several sub-topics and sub-sub-topics, these have been assessed, and not all sub-topics are material to Elkem.

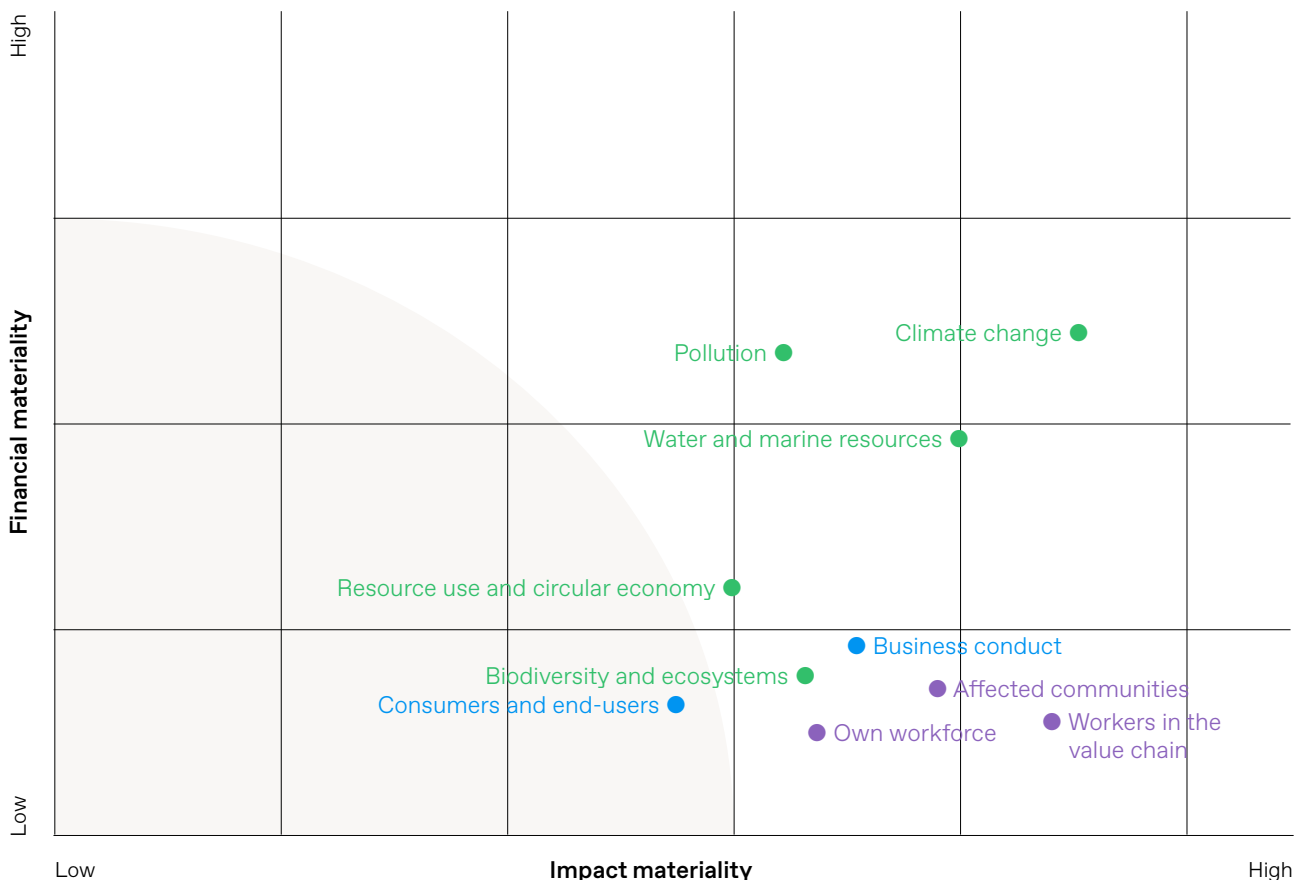
Given the nature of Elkem's operations, the environmental risks and impacts in E1, E2, and E3 are especially important to Elkem. We have significant emissions, consumption, and use of energy and water, and the potential and actual impact of local emissions and pollutants are important to mitigate. These topics are also related to transitional risks related to regulation changes and emission costs.

Own workforce, and especially HSE, is a topic that does not rank very high on financial impact, but it is still a key topic for Elkem. This is an area where we have invested significant resources and time to improve our performance. This is a tendency that we find when analysing several of the topics. The financial impact, meaning the outside-in impact, is limited, but we still consider it important, and we acknowledge that there is considerable risk, and some opportunities, related to these topics.

The material impacts, risks, and opportunities (IROs) are disclosed in the various chapters on the material topics (ESRS E1, E2, E3, E4, E5, S1, S2, S3, and G1). Here we also go into detail on how these IROs shape our actions, investments, and how they are integrated into our business model.

Methodology

All assessed impacts and risks have been aligned with the relevant topical ESRS standards. We have assessed whether the topics have an actual or a potential impact, what stakeholder would be affected, the relevant time horizon, irremediability, scale, scope, and likelihood. This has given us an impact score. We have applied a similar approach for our positive impacts. For the opportunities we have mapped the topics, the source of the opportunity, time horizon, financial impact, and likelihood. We have assessed the value chain where required, or we have deemed it prudent.



Double materiality matrix



Sustainable Development Goals (SDGs)

Elkem is a signatory to the UN Global Compact and applies sustainability in line with the principles of the UN Global Compact. Elkem is committed to develop its business in support of the ambitions of the Paris Climate Agreement and the UN Sustainable Development Goals (SDGs). Elkem's sustainability strategy is aligned with the United Nations Sustainable Development Goals, with particular emphasis on SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production), and SDG 13 (Climate action). These goals are embedded throughout our disclosures under the European Sustainability Reporting Standards (ESRS).

SDG 8 – Decent work and economic growth

Elkem promotes safe, inclusive, and fair working conditions across its global operations, as detailed in ESRS S1, S2, and S3. Our approach includes strong health and safety management systems, continuous workforce development, and respect for human rights in our own operations and throughout the value chain. We strive to create long-term economic value while ensuring that growth is socially responsible and benefits employees, suppliers, and local communities.

SDG 12 – Responsible consumption and production

Our commitment to resource efficiency and circularity is reflected in ESRS E2, E3, E4, E5, S1, and S2. Elkem works to minimise environmental impacts through responsible sourcing of raw materials, reducing waste, and improving water and energy efficiency. We actively engage suppliers to uphold sustainability standards and implement measures to reduce hazardous substances and promote recycling. These actions support a more sustainable production model and responsible consumption patterns across our markets.

SDG 13 – Climate action

Climate responsibility is a cornerstone of Elkem's strategy, as outlined in ESRS E1 and E2. We have set ambitious targets to reduce greenhouse gas emissions in line with global climate goals and are implementing a comprehensive climate roadmap to achieve these objectives. Our efforts include transitioning to renewable energy, improving energy efficiency, and developing low-carbon technologies. Through these initiatives, Elkem contributes to mitigating climate change and building resilience in our operations and value chain.

Disclosure requirements in ESRS covered by the sustainability statement IRO-2

Standard		Pages
ESRS E1	Climate change	103-113
ESRS E2	Pollution	114-117
ESRS E3	Water and marine resources	118-121
ESRS E4	Biodiversity and ecosystems	122-126
ESRS E5	Resource use and circular economy	128-132
ESRS S1	Own workforce	135-145
ESRS S2	Workers in the value chain	146-151
ESRS S3	Affected communities	152-163
ESRS G1	Business conduct	159-163

Disclosure of topics assessed not to be material

Standard		Explanation
ESRS S4	Consumers and end-users	ESRS S4 is omitted and assessed as not material to Elkem. Elkem sells its goods to other companies who in turn produce consumer goods. Thus, we have deemed our direct impact on consumers and end-users as non-existent, and our possibility to affect our indirect impact as very limited. This means that the associated risks and opportunities are also limited.

Minimum disclosure requirements – policies, actions, metrics, and targets

MDR-P, MDR-A, MDR-M, MDR-T

All policies, actions, metrics and targets relevant to the different topics are described in the different sections covering ESRS 2 (policies): E1, E2, E3, E4, E5, S1, S2, S3, and G1.



Statement on the EU taxonomy for sustainable economic activities

The EU taxonomy is a classification framework for environmentally sustainable economic activities, aiming to direct investments toward initiatives that support the EU's climate and environmental objectives for 2050 and the European Green Deal.

As the strategic review of the Silicones division was ongoing during the assessment of the EU taxonomy, no further mapping of alignment has been made. Silicone production is still not defined in the EU taxonomy and lacks threshold values, which limits Elkem's eligibility and alignment.

The EU taxonomy

The regulation specifies six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

Activities are taxonomy-eligible if listed in the European Commission's delegated acts, regardless of technical criteria. Non-eligible activities are those not described in these acts. Taxonomy-aligned activities meet technical criteria, do no significant harm (DNSH), and comply with minimum safeguards (including human rights, labour rights, consumer interests, anti-corruption, taxation, and fair competition).

Scope

Elkem is within the scope of the EU taxonomy regulation, applying to large public interest entities with more than 500 employees. Elkem's financial year runs from 1 January to 31 December, and taxonomy disclosures in this report cover the period 1 January 2025 to 31 December 2025. For 2025, companies must report eligibility against all six environmental objectives.

Disclosure requirements

Companies must report performance indicators on net turnover, capital expenditure (CapEx), and operational expenditure (OpEx) for both taxonomy-eligible and taxonomy-aligned activities across the environmental objectives.

Elkem's taxonomy-eligible and taxonomy-aligned activities

The following section details the percentage of Elkem's net turnover, CapEx, and OpEx attributed to activities eligible for the EU taxonomy and aligned with its six environmental goals, for the 2025 reporting period.

Taxonomy-eligible activities

- **3.17 Manufacture of plastics in primary form**
Silicone products are considered eligible under NACE code C20.16. Relevant objectives: climate change mitigation and adaptation. Please note that revenue from silicones are kept out of the taxonomy report due to the strategic review.
- **3.1 Manufacture of renewable energy technologies**
Ferrosilicon and foundry alloys for wind power equipment qualify as eligible. Relevant objectives: climate change mitigation and adaptation.
- **3.6 Manufacture of other low carbon technologies**
Elkem Microsilica® reduces carbon impact in cement production, meeting the definition for this activity. Relevant objectives: climate change mitigation and adaptation.

Assessment of taxonomy alignment

Many upstream products are non-eligible, as they are not described in the Delegated Acts. Silicon-based advanced materials are essential to the green transition, with silicon metal on the EU's 2023 list of critical raw materials. Since the EU taxonomy does not cover silicon-based materials, Elkem's assessment of aligned activities is limited. Elkem has conducted initial assessments to determine eligibility and has expanded its review of alignment. Activities that are not assessed as core and material are excluded from the 2025 reporting.

3.17 Manufacture of plastics in primary form

- **Substantial contribution**
Silicones derived partly from silicon metal produced with biocarbon qualify as aligned for climate change mitigation.
- **DNSH**
Elkem has reviewed activities against DNSH criteria and identified areas needing further evaluation. As of the reporting date, Elkem reports zero alignment with DNSH.

3.1 Manufacture of renewable energy technologies

- **Substantial contribution**
This activity complies with the criteria.
- **DNSH**
The DNSH assessment is ongoing; zero alignment reported.

3.6 Manufacture of other low carbon technologies

- **Substantial contribution**
Elkem Microsilica® improves concrete durability and reduces carbon footprint. A life cycle analysis (LCA) has been performed but is not yet third-party verified; therefore, not aligned.
- **DNSH**
DNSH assessment is ongoing; zero alignment is reported.

Minimum safeguards

Elkem's compliance with minimum safeguards covers human rights, anti-corruption, taxation, and fair competition:

- **Human rights**
Elkem follows a six-step approach based on the UNGPs and OECD guidelines, with regular internal reviews and remedial actions as needed. The human rights programme is available on Elkem's website and detailed in the annual ESG report, fulfilling the requirements of the Norwegian Transparency Act.
- **Corruption and bribery**
Elkem has implemented a risk-based anti-corruption programme, with mandatory training and zero tolerance communicated to all partners.
- **Taxation**
Elkem's tax strategy is transparent, sustainable, and embedded in risk management, overseen by qualified experts.
- **Fair competition**
Compliance with competition laws is ensured through guidelines, training, and a culture promoting fair market practices.

KPIs and accounting policy



OpEx KPI

2025

Economic activities (1)	Code (2)(a)	OpEx (3)	Proportion of OpEx, 2025 (4)	Substantial contribution criteria						DNSH criteria (Do no significant harm)						Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)			
A. Taxonomy-eligible activities																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%	
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%	
of which transitional		0	0%	0%													0%	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				(f)	(f)	(f)	(f)	(f)	(f)									
3.17 Manufacture of plastics in primary form	CCM	0	0.0%														(40%)	
3.1 Manufacture of renewable energy technologies	CCM	0	0.0%														1%	
3.6 Manufacture of other low carbon technologies	CCM	44	4.2%														1%	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		44	4.2%	42%	0%	0%	0%	0%	0%								(38%)	
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		44	4.2%	42%	0%	0%	0%	0%	0%									
B. OpEx Taxonomy-non-eligible activities		991	95.8%															
Total		1035	100%															



CapEx KPI

2025

Economic activities (1)	Code (2)(a)	CapEx (3)	Proportion of CapEx, 2025 (4)	Substantial contribution criteria						DNSH criteria (Do no significant harm)						Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
of which transitional		0	0%	0%													0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				(f)	(f)	(f)	(f)	(f)	(f)										
3.17 Manufacture of plastics in primary form	CCM	0	0.0%														(40%)		
3.1 Manufacture of renewable energy technologies	CCM	44	3.3%														1%		
3.6 Manufacture of other low carbon technologies	CCM	12	0.9%														1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		56	4.2%	42%	0%	0%	0%	0%	0%								(38%)		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)"		56	4.2%	42%	0%	0%	0%	0%	0%										
B. CapEx Taxonomy-non-eligible activities		1261	95.8%																
Total		1317	100%																

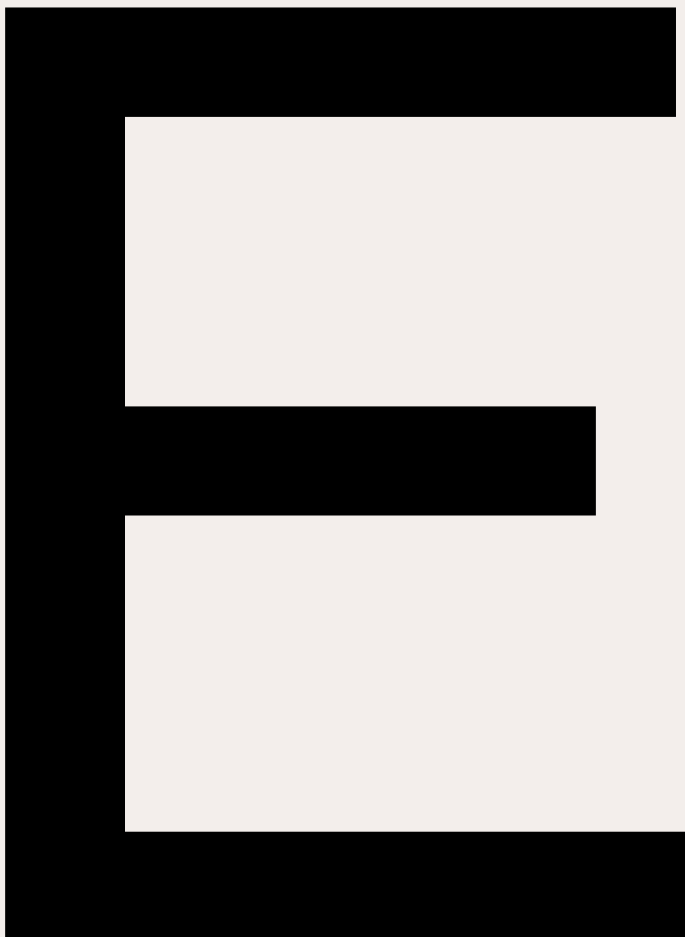
Nuclear and fossil gas related activities

Row	Nuclear related activities	Elkem
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Environmental

Social

Governance



ESRS E1

Climate change

As an operator in the process industry, Elkem recognises the critical importance of its environmental footprint, particularly greenhouse gas (GHG) emissions. Converting quartz to silicon is highly energy-intensive and relies on carbon sources such as fossil coal, charcoal, and wood chips, which result in emissions of CO₂, NO_x, SO₂, and dust. While the CO₂ emissions are inherent to the chemical reactions of the production process, Elkem is committed to reducing its fossil CO₂ footprint by increasing the share of renewable carbon and renewable energy and developing innovative production methods.

In alignment with the Paris Climate Agreement goal to limit global warming to well below 2°C, Elkem's strategy focuses on improving material and energy efficiency, replacing fossil carbon with biocarbon, and developing carbon-neutral smelting technologies.

Material impacts, risks, and opportunities - Resilience of strategy and business model

ESRS 2, SBM-3

Elkem's operations influence the climate both directly and indirectly. Scope 1 emissions arise from the use of carbon-based reduction agents in the smelting process, generating CO₂ emissions. In addition, the significant electricity demand for furnace operations contributes to scope 2 emissions. However, Elkem's silicon production is largely located in regions with abundant renewable energy, primarily hydropower, which helps reduce overall climate impact. We also recognise the broader effects of our value chain, from upstream sourcing of raw materials to downstream applications of our products in carbon-intensive industries.

At the same time, Elkem's products play a vital role in enabling the green transition. Our silicone solutions provide reliable protection for EV batteries, while silicon-enhanced aluminium supports lightweight, energy-efficient vehicles. We supply high-purity ferrosilicon for electrical steel used in EVs, wind turbines, and power infrastructure. Additionally, our Elkem Microsilica® brand improves concrete sustainability, and we deliver cost-effective materials for durable photovoltaic panels.

Climate-related risks and opportunities are fully integrated into Elkem's governance and strategic processes. Oversight of climate strategy rests with the board of directors, which conducts annual reviews of climate risks and opportunities as part of the overall business strategy.

ESRS topic: E1 Climate change
Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Climate change adaptation								
Climate change mitigation	Use of reductants in production of silicones results in CO ₂ -emissions	Actual	Yes	Yes	Negative	High	Short	OO, VC
	Use of coal in various in own products (e.g. carbon paste), and used in value chain (e.g. steel, aluminium)	Actual	Yes	Yes	Negative	High	Short	OO, VC
	Transportation of quartz and other purchased goods	Actual	Yes	Yes	Negative	High	Short	OO, VC
	Silicon and related products (Si, FeSi, Elkem Microsilica®) are used in high-emitting products (e.g. concrete, steel, aluminium)	Actual	Yes	Yes	Negative	High	Short	VC
	Production of silicon is mainly based in regions (Norway, Iceland, Paraguay) where renewable energy is abundant	Actual	Yes	Yes	Positive	High	Short	VC
	Silicon and silicone products are enablers for the green transition and help reduce emissions through other technologies and products (e.g. EV production, more sustainable construction, renewable power construction and infrastructure)	Actual	Yes	Yes	Positive	High	Short	VC
Energy	Production of silicon and silicones is energy intensive	Actual	Yes	Yes	Negative	High	Short	OO
	The use of silicones, siloxanes and silanes generates energy savings and reductions in greenhouse gas emissions that exceed the impacts of production and end-of-life disposal. The durability makes silicone result in less waste over time.	Actual	Yes	Yes	Positive	High	Short	VC

¹ Based on irremediability, scale, scope, and likelihood
² Own operations (OO) or value chain (VC)

The audit committee supervises sustainability reporting and monitors progress towards emission reduction targets. Risk management spans short-, medium-, and long-term horizons and addresses both transition and physical risks. The CFO presents comprehensive risk assessments, including climate factors, at board meetings. Risks are categorised as low, medium, or high based on probability and potential financial impact on EBIT, cash flow, and equity, enabling informed decisions across time horizons.

Transition risks primarily relate to regulatory changes in emissions trading systems (ETS) and carbon pricing mechanisms, given the inherent CO₂ emissions from silicon production. Technological risks, such as shifts in demand driven by EU taxonomy requirements, are also relevant. Elkem mitigates these risks by increasing biocarbon use, developing low-GHG technologies, and exploring carbon capture and storage (CCS). Conversely, the green transition creates significant opportunities. Our advanced silicon-based materials position Elkem to benefit from growing demand for EVs, energy storage, and renewable power. Products such as EV battery components, silicone insulation, and low-carbon graphite enable us to support decarbonisation while expanding market share.



Transitional risks

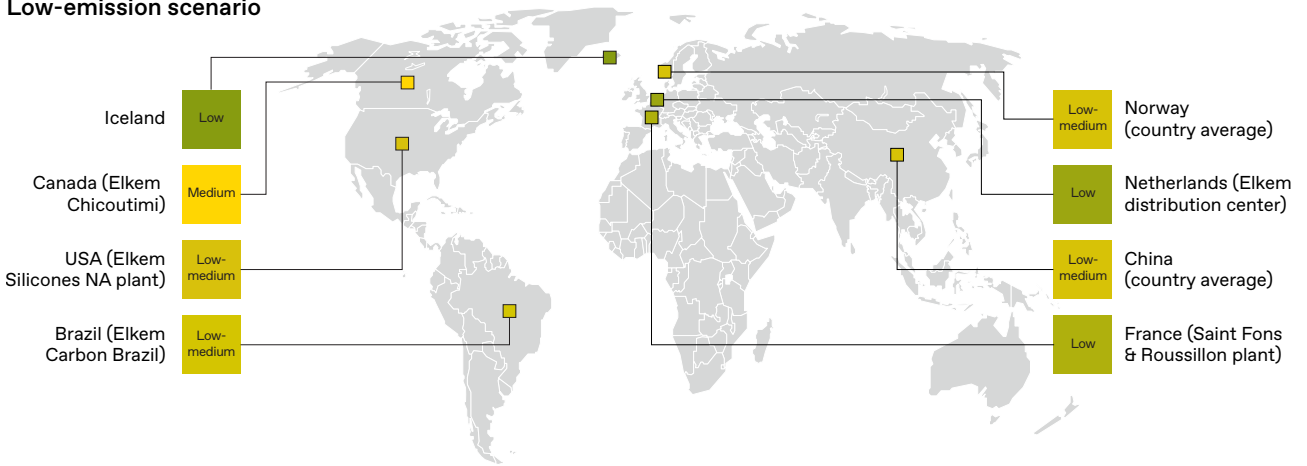
Risk type	Probability	Potential financial impact	Time horizon	Description	Mitigation
Regulatory	High	Medium	Short	Elkem produces silicon and ferrosilicon in Norway and Iceland and silicones in France, all under the EU's emission trading system (ETS). Changes in free allowances or higher prices may raise Elkem's direct costs. In China, Elkem has silicon and silicones production, and the evolving quota system could potentially increase operational costs. The introduction of CBAM will also pose challenges to Elkem as we compete in a global market.	Increase the share of biocarbon as a reduction agent in silicon production
Technological	Medium	High	Medium	Elkem faces potential impacts from the EU taxonomy, requiring technological upgrades for sustainability. Global efforts to reduce fossil GHG emissions could diminish Elkem's product attractiveness, leading to substitutes. The cost of transitioning to low-emission technologies such as CCS, is significant. Additionally, reliance on coal and char as reduction agents poses a risk due to potential scarcity, affecting access to critical raw materials.	Reinforce efforts to reduce energy consumption, reduce GHG emissions, and continue to develop products that enable GHG emission reductions Increase the share of biocarbon as a reduction agent Continue research and development of CCS and CCU
Political	High	Medium	Short	Political instability, and uncertainty related to framework conditions, such as the CO ₂ compensation scheme, may increase the costs for Elkem.	Efforts to explain Elkem's competitive situation through industrial organisations (i.e. Norsk Industri, Eurometaux).
Market	Medium	Medium	Medium	Increased cost of lower-emitting raw materials, such as certified biocarbon, lower emitting coal and iron, due to increased demand (i.e. biocarbon) as more companies compete over the same sources.	Develop good relationships with reliable suppliers
Market	Medium	High	Medium	Electrification of our society may lead to an increase in demand and thus result in increased power prices, and this will affect all Elkem's locations.	
Regulatory	Low	Low	Short	More regulatory requirements and directives to follow resulting in increased operational costs to monitor and meet requirements.	

Transitional opportunity

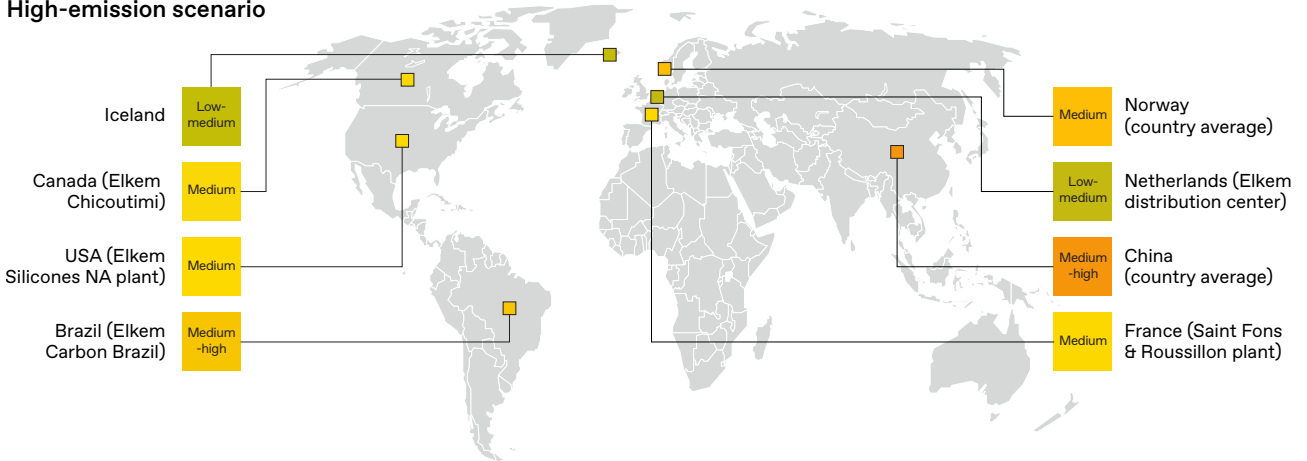
Risk type	Probability	Potential financial impact	Time horizon	Description	Mitigation
Products and services	High	High	Short	<p>Silicon is vital for EV performance and safety. Silicones, derived from silicon, provide insulation, sealing, and fire protection for battery packs and electronics, with EVs using about four times more silicone than conventional cars. In batteries, silicon is added to lithium-ion anodes to boost energy density and reduce charging time. Silicon alloys strengthen lightweight structures, while coatings and ceramics improve durability and thermal management.</p> <p>In power electronics, silicon carbide (SiC) semiconductors in inverters and chargers deliver higher efficiency, faster switching, and better thermal performance, enabling fast charging and extended range. Emerging trends include silicon anode batteries and recycling initiatives, reinforcing silicon's role as a key enabler of sustainable mobility.</p>	<p>Elkem is capitalising on the EV opportunity by supplying critical silicon-based materials and solutions across the EV value chain. The group provides advanced silicones for battery pack encapsulation, thermal management, wire and cable insulation, and sealing – areas where EVs use roughly four times more silicones than ICE cars. It also delivers silicon and high-purity ferrosilicon that strengthen lightweight aluminium parts and feed electrical steel used in e-motors, plus specialty inputs for components like ceramic brake discs and heat exchangers. On the battery side, Elkem has developed and qualified materials for battery and wiring insulation and has pursued innovations around higher-performance anodes (while previously incubating low-mission anode technology through Vianode). In parallel, Elkem advances a circular approach, leveraging by-products such as Elkem Microsilica® and exploring silicone recycling, to lower footprints for automotive customers. Together, these capabilities position Elkem as a key materials partner enabling safer packs, lighter structures, and more efficient powertrains in EVs.</p>
Products and services	High	High	Medium	<p>Circular economy and increased recycling and reuse. In silicones production there are opportunities to recycle silicones in order to reduce emissions, up to as much as 65 per cent. By-products from silicon production also represent an opportunity for Elkem.</p>	<p>Elkem is exploring the possibilities to recycle silicone through projects such as REPOS and RENOV</p> <p>Elkem is looking into opportunities to increase the use of recycled packaging materials and the reuse of wooden pallets used in transport</p> <p>Elkem has developed products such as Elkem Microsilica®, a by-product from silicon production, that makes concrete less brittle and increases the lifespan of concrete constructions.</p> <p>Elkem has increased its use of biocarbon as a reduction agent in the silicon production, and the biogenic share of emissions was 21 per cent in 2025.</p> <p>Elkem was awarded NOK 33 million from Innovation Norway to develop low-emission products that support a circular economy in the automotive and construction industries.</p>
Products and services	High	Medium	Short	<p>Increased demand for renewable power, power storage, electrification, and improvement of electrical infrastructure.</p>	<p>Elkem supplies products that enable these developments to aid in the transition to a more sustainable society, and one of Elkem's goals is green leadership that entails growing our deliveries to these sectors.</p>
Technology	Medium	Low	Long	<p>Most of Elkem's silicon production is located in industrial clusters in Norway, which are suitable for installation of CCS facilities, and there is a positive sentiment towards CCS in Norway.</p>	<p>Elkem continues its research on CCS to assess new and more cost-effective options.</p>

Overview of physical climate risk

Low-emission scenario



High-emission scenario



The maps shows an average country score for all risks across both time horizons, with each risk weighted equally. The values in this heatmap exclude the metrics related to sea level rise, storm surge, and river flood. These metrics are based on a location specific assessments note related to emission scenarios or time horizons.



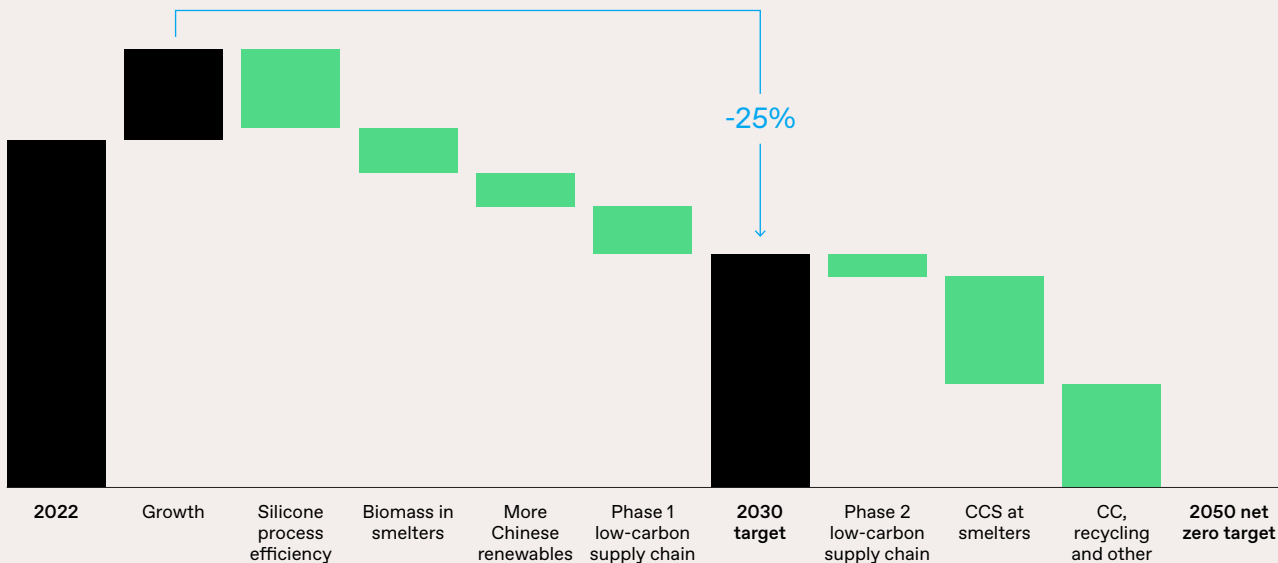
Physical climate risks have been systematically assessed since Elkem’s first TCFD report in 2021, with regular updates informed by research and tools such as the World Bank Group’s Climate Change Knowledge Portal. As the TCFD has been disbanded, Elkem now looks to CSRD and IFRS S2 to guide climate risk related disclosure. The disclosure in climate risk adheres to IFRS S2 as it describes how governance and strategy relate to climate risk (ESRS 2), and the risks and opportunities management and emissions disclosure are addressed in this chapter.

The annual review of the physical climate risk for Elkem sites revealed no changes in temperature and precipitation patterns, or in the frequency and severity of extreme weather events that warrants investments or changes to site infrastructure. Long-term planning incorporates hypothetical scenarios, including 2°C and 4°C global warming pathways. Elkem is looking to

further develop the scenario analysis using ArcGIS. These steps, combined with continuous monitoring of weather patterns and temperatures at the sites, ensures sound management of physical climate risks.

Water access is a key physical risk for certain operations. In France, prolonged dry periods have prompted government directives allowing restrictions on industrial water withdrawal, though Elkem’s site has not yet been affected. We continue to monitor developments closely. In Brazil, drought-related water scarcity remains a concern, and we are actively assessing measures to ensure operational resilience. Using World Resources Institute’s (WRI) Water Risk Atlas tool ‘Aqueduct, we have identified the sites located in areas with water stress. These are Carbon Ningxia (CN), Foundry Ningxia (CN), Tianjin (CN), Chakan (IN), Nagpur (IN), York (US), Ferroveld (ZA) and Santa Perpetua (ES). We monitor these sites as well and report water consumption for these separately under ESRS E3.

Elkem's transition plan



Transition plan for climate change mitigation E1-1

Elkem's climate roadmap is aligned with the Paris Climate Agreement goal of limiting global warming to well below 2°C. The group targets a 25 per cent reduction in scope 1 and 2 emissions by 2030 compared to 2022 levels, equivalent to approximately 840 000 tonnes CO₂e. In addition, Elkem aims to reduce the carbon intensity of its main products by 32 per cent over the same period, with a long-term ambition of achieving net zero by 2050. To reach these goals, Elkem is implementing key decarbonisation levers, including transitioning to biomass in smelting processes, reducing emissions across the supply chain, increasing renewable energy use in China, and deploying carbon capture and storage (CCS).

Elkem introduced its global climate roadmap and transition plan in 2021*, aligned with its strategy of green leadership. By 2025, the group has continued to advance these efforts. From 2022 to 2025, scope 1 emissions were reduced by 19 per cent (460 000 tonnes CO₂e), while scope 2 emissions increased by 11 per cent (110 000 tonnes CO₂e) due to higher production, and outsourcing of steam production, at our Xinghou plant. The roadmap focuses on three pillars: reducing fossil CO₂ emissions, supplying materials for the green transition, and enabling circular economies.

Beyond reducing its own emissions, Elkem is expanding its supply of advanced materials critical to a sustainable economy. Demand for silicon and electrical steel, essential for renewable energy, energy storage, and electric vehicles, is growing, and Elkem is well positioned to meet it. Key contributions include silicone solutions for EV battery protection, silicon alloys for vehicle electrification, and high-purity ferrosilicon for electrical steel, along with innovations that enhance photovoltaic panel durability and improve concrete structures. Elkem is also committed to water and waste management improvements, recycling initiatives, and developing products based on circular economy principles. For example, Elkem Microsilica® is widely used in major construction projects, and Elkem is working on reducing the carbon footprint of silicones by over 65 per cent through chemical recycling.

Elkem's absolute CO₂ reduction target—25 per cent by 2030 for scope 1 and 2—is complemented by a 32 per cent reduction in carbon intensity for its main products. This intensity target covers scope 1, scope 2, and upstream scope 3 emissions for two key product categories: upstream production of silicones (siloxane) and tapped silicon and ferrosilicon metal. These categories represented 93 per cent of Elkem's operating income in 2022. Carbon intensity is measured in CO₂e per kilogram of product

*The current transition plan and targets are a revision of the transition launched in 2021. The revision was done to comply with the requirements in CSRD. We have adjusted the baseline year to 2022 and the target year to 2030, but staying on the same absolute emissions linear reduction trajectory and target.

produced. The intensity, or the product group carbon footprint (PGCF), was 9 kilograms CO₂e per kilogram of product in 2025.

Scope 3 reductions will be achieved through supply chain decarbonisation, primarily in raw material sourcing and efficiency. While market conditions have made sourcing challenging, improved value chain data is enabling better target design and follow-up. Elkem was planning to launch an absolute scope 3 target in 2025, but this has been postponed due to the strategic review (see ESRS 2 for more information).

Description of methodologies and significant assumptions used to define the target [E1-2 MDR-T 80f](#)

Elkem's GHG emission intensity targets are defined using methodologies aligned with the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Scope 2 Guidance, applied consistently across reporting periods. The targets cover scope 1 and scope 2 emissions, and, where relevant, are complemented by product-level carbon intensity metrics that reflect material scope 3 emissions along the value chain. Emissions are expressed in CO₂-equivalents, and intensity is calculated as kilograms CO₂e per kilogram of product, ensuring comparability over time. Scope 2 emissions are calculated on a location-based basis, reflecting the physical emission intensity of electricity and steam consumed. Key assumptions include stable organisational and operational boundaries, the use of recognised emission factors, and recalculations only in the event of material structural or methodological changes, in line with ESRS requirements.

Confirmation that the target is based on conclusive scientific evidence [E1-2 MDR-T 80g](#)

Elkem's scope 1 and scope 2 emission reduction and intensity targets are designed to be consistent with climate science and the objectives of the Paris Climate Agreement, aiming to limit global temperature increase to well below 2°C. The targets reflect de-carbonisation pathways that are consistent with science-based transition trajectories for energy-intensive industries, taking into account Elkem's industrial footprint, regional energy systems, and transition risks. The level of ambition is informed by internal scenario analyses assessing feasible annual reduction rates and abatement levers, rather than short-term activity effects. For product carbon intensity, improvements are supported by life-cycle-based analyses to ensure that reductions reflect real emission decreases across the value chain. Elkem continues to assess the conditions for extending science-based target setting to scope 3 emissions, in line with evolving scientific guidance and data availability.

Policies related to climate change mitigation and adaptation [E1-2](#)

Elkem's policies address climate mitigation through GHG emissions reduction, adaptation to climate impacts, and promoting energy efficiency and renewable energy. The group's emissions reduction policy emphasises replacing fossil-based reduction materials with biocarbon. Additionally, policies support circular economy, aligning with EU critical raw material priorities for products like silicon. Please refer to the section on governing documents under ESRS 2 for more details.

Actions and resources in relation to climate policies [E1-3](#)

Elkem is actively implementing initiatives to improve energy efficiency and reduce its environmental footprint. A major focus is upgrading existing facilities and equipment, including replacing outdated electrical motors with high-efficiency models equipped with variable frequency drives. At the Xinghuo site, Elkem has transitioned from inefficient coal boilers to cogeneration technology, reducing coal consumption while expanding siloxane capacity at a lower energy intensity.

Another important initiative is energy recovery from processes that generate surplus heat. Elkem has been a pioneer in waste heat utilisation since the 1970s, using recovered heat for district heating, steam for production processes, and generating electricity. This approach significantly improves energy efficiency and reduces the overall environmental impact.

Elkem is also advancing innovative projects to cut CO₂ emissions, such as the Elkem Sicalo[®] project, which aims for zero emissions by 2050. The project seeks to create a CO₂-free silicon production process, involving a carbon looping concept that captures and recycles carbon emissions from the silicon furnace, eliminating the need for external carbon as a reductant and aiming for net zero emissions in silicon production. Conducted in collaboration with SINTEF and supported by the Research Council of Norway and the EU, the project involves medium-scale pilot testing and the development of new technologies to eliminate CO₂ emissions in silicon production.

In 2025, Elkem invested NOK 14.7 million in Sicalo and received NOK 15.4 million in government grants. The group also pursued several other research projects to reduce greenhouse gas emissions, with total spending of NOK 15.2 million in 2025.

In Q2 2025, Elkem completed a concept (FEL2) study on energy recovery from excess heat and carbon capture and storage for its site in Mo i Rana, Norway, together with the neighbouring company Ferroglobe, aiming to capture in total 412 kilotonnes of CO₂ per annum. The study concluded on that the project is technically feasible, though the economic feasibility is dependent on frame conditions, which today are not in place.

To replace fossil carbon sources, Elkem is working toward achieving a 50 per cent biocarbon share in smelting operations by 2031. The group is actively sourcing sustainable and financially viable biocarbon, including pioneering production technologies in Canada that utilise sawmill residues. All biocarbon is sourced in compliance with certification schemes such as FSC, SFI, SVLK, and PEFC. In 2025, the biogenic share of emissions was 21 per cent, reflecting ongoing efforts to scale up supply. Operating expenses related to the transition from fossil to biocarbon reductants have amounted to NOK 3 275 million over the past four years.

Elkem has received NOK 33 million from Innovation Norway to develop low-emission products that support a circular economy in the automotive and construction industries. The project will be piloted at the Fiskaa site in southern Norway, where Elkem is applying the “three Rs”, reduce, reuse, recycle, at industrial scale:

- **Reduce:** By-products from silicon production will be used to develop a cement alternative with a carbon footprint about one-third that of traditional cement.
- **Reuse:** Silicon from old solar panels will be repurposed into new alloys for the aluminium industry. We are also reusing equipment and expertise from the former REC Solar site to accelerate testing.
- **Recycle:** Slag and other by-products will be transformed into valuable construction materials.

Powered by Norwegian hydropower and collaborative innovation, the project supports Norwegian and European climate goals. Looking ahead, Elkem will continue to increase the share of biocarbon in its smelters, improve the efficiency of silicones production, reduce supply chain emissions, explore carbon capture opportunities at its smelting facilities, and focus on circular product innovation for the construction and automotive industries.

Targets for climate change mitigation and adaptation ^{E1-4}

Elkem’s climate targets address both absolute greenhouse gas emissions and the carbon intensity of its main products. By 2030, the group aims to reduce scope 1 and 2 emissions by 25 per cent compared to 2022 levels and achieve a 32 per cent reduction in the carbon intensity of its core product portfolio. Elkem had planned to establish an absolute scope 3 emissions target in 2025, but this has been postponed due to the strategic review.

Energy consumption and mix ^{E1-5}

Elkem’s total energy consumption in 2025 amounted to 7 121 GWh, with the majority sourced from regions where renewable power is abundant. All smelting facilities, except one in China, operate on renewable electricity (Norway, Iceland, Canada, and Paraguay). The group continues to implement energy-saving measures, focusing on reducing fossil fuel use and adopting more efficient production technologies. Energy intensity per net revenue is monitored annually, with a clear ambition to enhance efficiency in high-impact areas such as silicon and ferrosilicon production.

Energy-intensive processes remain a defining feature of Elkem’s value chain, particularly in the production of silicon, ferrosilicon, and foundry alloys using high-temperature electric arc furnaces. While these processes present both impacts and risks, they also create opportunities. Elkem is a frontrunner in waste heat recovery, converting excess heat into valuable resources. Recovered heat is utilised for district heating, steam for industrial processes, and electricity generation.

In 2025, Elkem recovered 928 GWh of energy from its facilities, up from 738 GWh in 2024. As mentioned in E1-3, Elkem completed, in Q2 2025, a concept (FEL2) study on energy recovery from excess heat and carbon capture and storage for its site in Mo i Rana Norway, together with the neighbouring company Ferroglobe. The combined energy recovery and carbon capture project will deliver a net increase in district heating and electricity than today, all while powering the totality of the carbon capture and liquefaction. Elkem has a target to increase energy recovery year on year, and from 2024 to 2025 the energy recovery increased by 26 per cent.

Energy consumption and mix

Energy consumption and mix (scope 2 market based reporting)	2025	2024	2023	<i>Base year</i> 2022	Development vs. base year
Fuel consumption from coal and coal products (GWh)	-	-	694	852	
Fuel consumption from crude oil and petroleum products (GWh)	84	88	83	77	9%
Fuel consumption from natural gas (GWh)	415	497	434	499	(17%)
Fuel consumption from other fossil sources (GWh)	-	-	-	1	
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (GWh)	4 780	5 101	4 717	3 913	22%
Total fossil energy consumption (GWh) (calculated as the sum of lines 1 to 5)	5 279	5 686	5 928	5 341	(1%)
Consumption from nuclear sources (GWh)	886	558	766	1139	(22%)
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (GWh)	0	0.35	0.21	-	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (GWh)	955	909	578	1 543	(38%)
The consumption of self-generated non-fuel renewable energy (GWh)	-	-	-	-	
Total renewable energy consumption (GWh) (calculated as the sum of lines 8 to 10)	955	909	578	1 543	(38%)
Total energy consumption (GWh) (calculated as the sum of lines 6, 7 and 11)	7 121	7 153	7 272	8 024	(11%)
Share of fossil sources in total energy consumption (%)	74%	79%	82%	67%	11%
Share of consumption from nuclear sources in total energy consumption (%)	12%	8%	11%	14%	(11%)
Share of renewable sources in total energy consumption (%)	13%	13%	8%	19%	(29%)
Energy consumption and mix (scope 2 location based reporting)					
Total fossil energy consumption (GWh)	2 281	2 434	2363	2593	(12%)
Consumption from nuclear sources (GWh)	104	112	102	105	(1%)
Total renewable energy consumption (GWh)	4 736	4 607	4807	5325	(11%)
Share of fossil sources in total energy consumption (%)	32%	34%	32%	32%	0%
Share of consumption from nuclear sources in total energy consumption (%)	1%	2%	1%	1%	46%
Share of renewable sources in total energy consumption (%)	67%	64%	66%	66%	1%
Share of renewable electricity in total electricity consumption*	82%	80%	82%	81%	1%
Energy recovery (GWh)*	928	738	995	892	4%
Energy recovery percent of total energy consumption*	13%	10%	14%	11%	19%
Energy intensity based on net revenue (MWh/Net revenue NOK)	0.00023	0.00022	0.0002	0.00017	

*These are Elkem specific KPIs.

Gross scopes 1, 2, and 3 and total GHG emissions ^{E1-6}

Scope 1 emissions, primarily from smelting operations, accounted for approximately 90 per cent of Elkem's direct emissions in 2025. Combined scope 1 and scope 2 location-based emissions totalled 3.01 million tonnes of CO₂e, reflecting a reduction of 11 per cent compared to the 2022 base year, mainly due to changes in activity levels at

major production sites. Scope 2 emissions are calculated using location-specific emission factors, notably for electricity consumption in China. Scope 3 emissions, reported since 2021, cover all relevant categories, including purchased goods and services, transportation, and end-of-life treatment of products.

Gross scopes 1, 2, and 3 GHG emissions

	Retrospective				Development vs. base year		Milestones and targets		
	2025	2024	2023	Base year 2022			2030 target	2050 target	Annual % target / base year
Scope 1 emissions									
Gross scope 1 GHG emissions (million tonnes CO ₂ e)	1.96	2.03	2.21	2.42	-19%	Decrease driven by the decommissioning of the Xinghuo coal fired boilers in 2023 and reduced activity at some smelters	1.82	0	-3.10%
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	79%	69%	62%	67%	12%	Increase driven by the decommissioning of the Xinghuo coal fired boilers in 2023 and changes of activity levels at different smelters			
Biogenic CO ₂ share of total scope 1 emissions	21%	19%	20%	20%	5%	Increase driven principally by the decommissioning of the Xinghuo coal fired boilers in 2023	47%		
Scope 2 GHG emissions									
Gross location-based scope 2 GHG emissions (million tonnes CO ₂ e)	1.05	1.16	0.83	0.94	11%	Increase driven by the start of the Xinghuo external cogen plant in 2023	0.71	0	-3.10%
Gross market-based scope 2 GHG emissions (million tonnes CO ₂ e)	3.19	3.42	2.89	2.64	21%				
Scope 3 GHG emissions									
Gross scope 3 GHG emissions (million tonnes CO ₂ e)	8.93	8.34	6.81	7.38	21%	Increase			
Scope 3 biogenic CO ₂ (uptake and removals) (million tonnes CO ₂ e)	0.47					First year disclosing			
Total scope 3 GHG emissions including biogenic CO ₂ (million tonnes CO ₂ e)	9.40					First year disclosing			
Total GHG emissions									
Total GHG emissions (location based) (million tonnes CO ₂ e)	11.94	11.53	9.85	10.74	11%	Increase			
Total GHG emissions (market based) (million tonnes CO ₂ e)	14.55	13.79	11.91	12.44	13%	Increase			
Product Group Carbon Footprint (PGCF) (kg CO ₂ e/kg product)	9.0	8.9	8	6.9	30%		4.8		
GHG Intensity based on net revenue (location based) (tonnes CO ₂ e/Net revenue NOK)	0.00039	0.00035	0.00028	0.00023					
GHG Intensity based on net revenue (market based) (tonnes CO ₂ e/Net revenue NOK)	0.00047	0.00042	0.00034	0.00027					

GHG removals and carbon credits [E1-7](#)

While Elkem's core strategy focuses on reducing emissions at source, the group also assesses opportunities related to carbon credits and greenhouse gas (GHG) removal projects. Current initiatives include advancing research on carbon capture and storage (CCS), and carbon capture and utilisation (CCU), for smelting operations and scaling up the use of sustainable biocarbon. All carbon credits adhere to recognised third-party verification standards to ensure credibility and transparency.

Internal carbon pricing [E1-8](#)

Elkem applies an internal carbon price to incorporate the true cost of emissions into decision-making. This mechanism is aligned with prevailing market prices, ensuring that our internal pricing reflects current market conditions and the real alternative cost of reducing carbon emissions. By using the market price, we leverage the collective insight of market participants rather than relying on the perspective of a single analyst, thereby ensuring a robust and credible approach to carbon valuation.

Financial effects of climate-related risks and opportunities [E1-9](#)

Climate-related risks, such as changes in energy policy, may affect Elkem's long-term financial position. At the same time, the growing demand for green materials creates significant opportunities for revenue growth. Elkem expects cost savings through enhanced energy efficiency and increased reliance on renewable energy, while anticipating higher revenues from low-carbon products, including materials for electric vehicles and eco-designed silicones. Quantitative assessments of these financial impacts are ongoing.

None of Elkem's assets are currently considered exposed to material physical climate risks, and no site improvements or operational changes have been required to address such risks. Transitional risks related to our assets are detailed in the section on climate risk.

Elkem's climate roadmap, policy framework, and annual disclosures reflect our commitment to transparency and alignment with ESRS E1 standards. Our strategy and targets for climate neutrality by 2050 ensure compliance with EU regulations and support global climate objectives.



Pollution

Pollution of air, soil, and water is a key environmental aspect of Elkem's operations and is closely monitored across all sites. Local emissions are inherent to several core production processes and are therefore considered material to the group. Reducing and controlling these emissions is a strategic priority, as they can affect both employee health and surrounding ecosystems.

Elkem is committed to continuous improvement and to implementing measures that minimise emissions and mitigate their impact on people and nature.

Material pollution-related impacts, risks, and opportunities IRO-1

Elkem's operations and products depend on specific raw materials and industrial processes where emissions to air, water, and soil can occur. These emissions originate primarily from the raw materials used and are subject to strict permitting and continuous monitoring. Pollutants such as heavy metals and polycyclic aromatic hydrocarbons (PAHs) are regulated under international and local frameworks, requiring robust control measures. For example, the production of carbon products involves raw materials that inherently contain hazardous substances, necessitating stringent mitigation actions to minimise environmental impact.

Elkem systematically identifies and assesses pollution-related impacts, risks, and opportunities in line with ESRS E2 and IRO-1. This includes leveraging scientific research, collaborating across the value chain, and maintaining

proactive compliance with evolving regulations. Engagement in regional and international industry associations enables Elkem to anticipate regulatory developments and emerging standards. Through this process, the group gains a clear understanding of both negative environmental impacts and potential positive contributions of its products and processes.

Key risks include regulatory non-compliance, reputational damage, and operational disruptions. Conversely, opportunities arise from growing market demand for sustainable practices and products aligned with environmental standards. By addressing these risks and pursuing innovation, Elkem aims to reduce pollution-related impacts while creating value for stakeholders and the environment. In addition to supplying critical materials for the green transition, Elkem actively supports customers with expertise to improve production efficiency and sustainability.

ESRS topic: E2 Pollution Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Pollution of water	Tailings from mining operations polluting water bodies.	Potential	Yes	Yes	Negative	Low	Short	OO, VC
	Production of carbon products use raw materials that contain hazardous substances (e.g. heavy metals, PAHs) that can pollute water bodies if not managed properly.	Actual	Yes	Yes	Negative	Medium	Short	OO
	The process to produce silicones involves substantial quantities of water effluent that is treated before discharge to remove residuals from the process (e.g. COD). If not managed properly, this could lead to anaerobic conditions, which are harmful to fish and biota.	Potential	Yes	Yes	Negative	Medium	Short	OO
Pollution of air	Use of fossil based reductants in production of silicon and carbon products result in local emissions of SO ₂ , NO _x and dust.	Actual	Yes	Yes	Negative	High	Short	OO
	Local emissions of SO ₂ and NO _x can lead to acid rain.	Potential	Yes	Yes	Negative	Low	Short	OO
	If not handled correctly, silicon powder can result in diseases. The severity depending on levels of crystalline silica, and exposure.	Potential	Yes	Yes	Negative	Low	Long	OO
Pollution of soil	Silicon products are often combined with graphite, that are produced in China. The air pollution from the mines impact the drinking water, the air quality etc. and impact the biodiversity in the area. The mines are shown to damage crops.	Potential	Yes	Yes	Negative	Low	Medium	VC
Substances of very high concern	PAHs released from coke manufacturing, sintering, iron making, casting, mold poring and cooling, and steel making, causing health issues to downstream workers. Health issues depend on the levels and exposure.	Potential	Yes	Yes	Negative	Low	Short	VC
	Cyclotetrasiloxane (D4) from silicone products ends up and accumulating in nature, compromising ecosystems.	Actual	Yes	Yes	Negative	Low	Long	VC
	Improper management of D4, D5 and D6 leads to soil contamination and water pollution, due to strong absorbing potential to organic matter.	Potential	Yes	Yes	Negative	Medium	Long	OO

¹ Based on irremediability, scale, scope, and likelihood

² Own operations (OO) or value chain (VC)

Policies related to pollution E2-1

The HSE principles in Elkem highlight our pollution strategy: “Focus on hazard identification, risk analysis, action implementation through understanding and removing causes.” Please refer to the section on governing documents under ESRS 2 for more details.

Actions and resources related to pollution E2-2

Local air emissions are systematically monitored to ensure compliance with public permits. At applicable sites, 17 parameters related to air emissions are reported quarterly to the corporate HSE function. Site HSE managers are responsible for collecting and submitting this data, which is reviewed by the corporate HSE team and escalated

to the vice president HSE for oversight. This structured process ensures transparency and adherence to regulatory requirements.

Elkem maintains strict compliance with chemical product regulations globally, covering registrations, authorisations, safety data sheets (SDS), and labelling. All SDS are prepared in accordance with the UN Globally Harmonised System (GHS) of classification and labelling of chemicals. Products must meet technical, regulatory, health, and environmental standards in every market, with additional requirements for applications involving food, water, or healthcare. With a portfolio of more than 4 000 products, regulatory and product compliance is a core priority.

The group continuously monitors its product portfolio for substances of very high concern (SVHC) that are subject to current or emerging regulatory requirements or associated with specific risks. Management plans are regularly reviewed to define risks and mitigation measures for each identified SVHC. Actions include substitution where feasible, phasing out substances posing unacceptable risks, or limiting exposure when substitution is not possible. No SVHCs listed on REACH Annex XIV are intentionally added to Elkem’s silicon or ferroalloy products.

Pollution

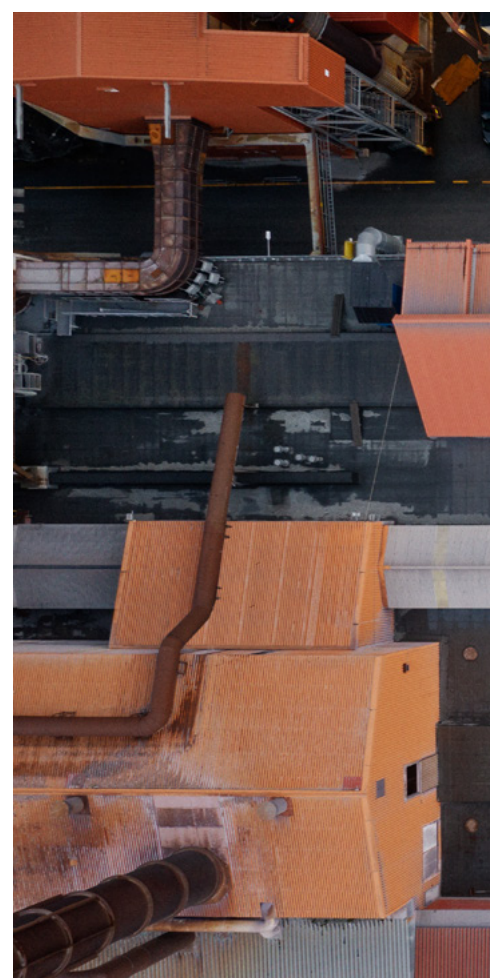
	Metric	2025	2024	2023
Dust to air	Tonnes	878.0	789.0	1 012.0
SO ₂ to air	Tonnes	5 822.0	6 440.0	6 700.0
NO _x to air	Tonnes	5 490.0	5 460.0	5 830.0
COD to water	Tonnes	248.0	238.0	237.0
PAH to air*	Kg	960.0	686.2	
PAH to water*	Kg	15.6	35.5	
Nickel to water*	Kg	90.0	43.3	
HFC-134 to air*	Kg	20.0	2 900.0	
HCFC to air*	Kg	2 810.0	619.6	
Copper to air*	Kg	162.0	136.0	
Copper to water*	Kg	207.3	126.4	
Chrome to water*	Kg	156.4	110.2	
Arsenic to air*	Kg	92.0	65.2	
Arsenic to water*	Kg	15.7	7.1	

*Reportable emissions

Targets related to pollution E2-3

Elkem will develop new targets related to pollution in 2026. The previous voluntary target has been to:

- Reduce dust by 30 per cent by 2025 from baseline year 2015 (1 970 metric tonnes). In 2025, Elkem’s dust emissions is reduced by 55.4 per cent, and new targets will be considered after strategic review is concluded.
- Reduce SO₂ emissions by 3 000 tonnes from baseline year 2015 (7 392 metric tonnes). By 2025 we have reduced SO₂ emissions by 21.2 per cent. The development is closely linked to the introduction of biocarbon reductants.
- Elkem has reduced its NO_x emissions by 22.1 per cent since the baseline year of 2015 (7 049 tonnes). New targets will be considered after strategic review is concluded.
- Elkem has a target of full discharge permit compliance, meaning no significant spills to water.



Pollution of air, water, and soil [E2-4](#)

Previous variations in emissions are primarily tied to production volume changes inherent to the process, influenced by raw material quality, process control, and investments in filtration or scrubber systems, all regulated by public permits. All production sites with emissions to air/water are ISO 14001 certified and subject to regularly third-party audits and control.

Substances of concern and substances of very high concern [E2-5](#)

A vital part of the European REACH regulation (Regulation (EC) 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals) is the identification and authorisation of substances of very high concern (SVHC). The European Chemicals Agency ECHA regularly updates its SVHC candidate list for authorisation.

Elkem has three main product areas where SVHC occur:

→ *In carbon products:* High-temperature coal tar pitch (CAS no. 65996-93-2) is used as an intermediate in the production of Søderberg electrode paste. The pitch is transformed into coke in the following process.

→ *In silicones:* D4, D5, and D6 are key intermediates (building blocks) in the production of silicones-based polymers. In addition, some other essential SVHC substances are used under strict conditions in a limited number of products.

→ *In silicon products and ferroalloys:* These are made from natural raw materials, such as quartz, carbon, and iron oxide, which often contain trace amounts of heavy metals. Cadmium and lead are listed as SVHC, but their concentrations in Elkem's products are far below the generic threshold limit value of 0.1 per cent weight per weight and do not trigger regulatory action.

The only exception is Søderberg electrode paste from the Carbon Solutions division, which is used as an intermediate and which is as such exempted from authorisation requirements. Elkem Carbon is successfully developing alternative products with new and safe binders.



Water and marine resources

Elkem recognises the importance of efficient water and marine resource management as part of its responsibility as a leading provider of advanced silicon-based materials. While Elkem's production processes have limited direct water consumption, the group is indirectly dependent on water through its use of hydropower and upstream activities.

Elkem is committed to maintaining a sustainable water footprint across its operations and value chain, ensuring responsible sourcing, compliance with local regulations, and continuous improvement to minimise environmental impact.

Material water and marine resources-related impacts, risks, and opportunities IRO-1

Water is a critical resource for Elkem's production processes, and the group is indirectly dependent on water through its reliance on hydropower, which accounts for over 80 per cent of electricity consumption. Ensuring a sustainable water footprint is therefore essential. Water-related challenges vary across Elkem's value chain, with the main focus on preventing hazardous discharges and managing cooling water to minimise impacts on marine ecosystems. As water is a key component in silicone production, prolonged droughts in production regions could pose operational risks.

Elkem operates in areas with water stress, but these sites represent less than 0.2 per cent of total water withdrawals. Nevertheless, Elkem works to minimise water use and ensure proper discharge treatment at all sites. The group uses the WWF Water Risk Filter and the Aqueduct tool from World Resource Institute annually to assess water stress at existing and potential new sites and conducts scenario analyses in line with CSRD and the Commission Delegated Regulation (EU, 2022/1288).

While most major production sites are located in water-abundant regions, the primary environmental risk relates to water discharge. Elkem maintains stringent water management practices, including monitoring and treatment systems to comply with permits and reduce harmful substances. Violations of water quality or marine conservation regulations could lead to reputational damage, community conflicts, and health risks for workers. Financial impacts may arise from stricter regulations, increased treatment costs, or technology upgrades. Climate change-related droughts and water rationing could disrupt production and supply chains, while water stress at supplier locations may affect raw material availability and pricing.

Elkem identifies significant opportunities to strengthen stakeholder trust through transparent water management, improve resource efficiency, and advance innovative water treatment solutions. The expansion project at the Xinghuo plant in China integrates advanced water handling systems designed to optimise efficiency and reduce freshwater dependency. These measures enhance



ESRS topic: E3 Water and marine resources at Elkem
Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Water consumption	Water is a component in the production of silicone products. Water consumption in areas more prone to prolonged periods of drought, and in areas where water can be scarce could have a negative impact on surroundings and access to water.	Potential	Yes	Yes	Negative	Medium	Medium	OO

¹ Based on irremediability, scale, scope, and likelihood
² Own operations (OO) or value chain (VC)

operational resilience by ensuring stable production even under water scarcity conditions, reducing exposure to physical climate risks, and safeguarding critical processes against disruptions. At the same time, Elkem’s approach to water stewardship extends beyond compliance, focusing on responsible sourcing, minimising impacts on local ecosystems, and contributing to biodiversity protection. By embedding water efficiency and risk management into its value chain, Elkem supports long-term sustainability objectives while reinforcing its role as a trusted partner in global supply chains.

Policies related to water and marine resources
E3-1

Elkem is committed to responsible consumption of water and marine resources. Water and marine resources-related policies focus on driving Elkem’s overall consumption down, providing facilities that adhere to the UNICEF WASH principle and continuously making sure that no deviations occur in any of Elkem’s sites globally. Furthermore, policies outline water maintenance and

effective waste-water discharge to ensure that Elkem is always compliant with applicable effluent and discharge regulations wherever it operates.

Elkem has outlined our commitments for sustainable water stewardship in our HSE and Elkem corporate policies. Please refer to the section on governing documents under ESRS 2 for more details.

Actions and resources related to water and marine resources
E3-2

Recognising water as a vital shared resource, Elkem has established programmes to strengthen corporate water stewardship across its operations. The group monitors water withdrawal, consumption, and discharge to ensure responsible management and compliance with regulatory requirements. Most production units are located in water-abundant regions, which is essential for both process needs and hydropower-based electricity. As mentioned, a few sites in north-east China, South Africa, and India are situated in water-stressed areas.

In these areas, Elkem applies water-saving measures, conducts systematic risk assessments, and limits withdrawals to minimise impact, and has reduced water consumption by 74 per cent over the last five years.

All Elkem sites provide free potable water and sanitary facilities for employees and contractors, with showers and changing rooms available where required, thus adhering to the UNICEF WASH principle. Working uniforms are supplied and cleaned by the group to maintain hygiene standards. Indirect water use in the value chain is under ongoing evaluation, with particular attention to the role of hydroelectric power as a key energy source for Elkem's smelters. While developments in water reservoirs are monitored as part of physical climate risk mapping, this is currently assessed as a low-risk factor.

Key enablers to attain strategic water-related goals include:

- Substitution of raw materials
- Implementation of good housekeeping practices
- Continuous development of new processes and production technology
- An advanced control programme incorporating environmental monitoring
- Wastewater treatment and reduction through recycling or reuse
- Transparency, including participation in CDP Water (A obtained for 2025)

Targets related to water and marine resources
E3-3

Ensuring Elkem's commitment to safe and sustainable water management, KPIs and targets are continuously implemented and updated with regard to water consumption, water pollution, the provision of WASH facilities, and compliance with applicable regulations. Elkem follows the outlines of the Sustainable Development Goal 6: Clean water and sanitation, and the Sustainable Development Goal 12: Sustainable consumption and production.

Key targets for water consumption:

- Reduce water used per unit of produced silicones by 12 per cent by 2031 from baseline year 2020. Production of silicones accounts for 71 per cent of Elkem's total water consumption
- Reduce water consumption in areas at material water risk by 20 per cent from 2020 to 2031*

—
*This is an internal Elkem KPI.

The target is aimed at water withdrawals at Elkem sites in Roussillon, Saint-Fons, and Xinghuo per tonne silox produced. In 2024, an increase in production capacity at site Xinghuo, without a corresponding increase in water withdrawals, shows Elkem's commitment to increasing water efficiency and driving down overall consumption. The effect of this is evident in 2025.

Elkem has implemented targets that include having fully functioning WASH services on all Elkem facilities, and at all sites adhere to production permits on thresholds for discharge pollutants. Any non-compliance with these targets is treated as an HSE deviation, reported, and corrected in accordance with Elkem's internal procedures.

Water consumption E3-4

Elkem's primary water consumption is linked to silicone production, representing 71 per cent of total withdrawals.

- Freshwater intensity for silicone production decreased by 22 per cent in 2025 to 67.8 m3 per ton silox compared to the 2020 base year value of 87.3 m3 per ton silox, mainly driven by improved water efficiency in Xinghuo.
- Elkem achieved a CDP Water Security score of A in 2025, maintaining the score from 2024.

Freshwater is used as a raw material in silicone production, for cooling equipment and products, cleaning, and emergency preparedness. The majority of usage falls under raw material and cooling, requiring high-quality water to prevent contamination, corrosion, and clogging. Water withdrawals and discharges are monitored and reported quarterly to corporate, using in-line meters or capacity-based calculations. In water-scarce regions, withdrawals are managed by third-party suppliers. Cooling water is returned to its source at similar quality.

All sites comply with discharge permits and report 17 parameters quarterly. The most critical discharges include:

- **COD (Chemical Oxygen Demand):** Managed through process control, infrastructure maintenance, and on-site treatment. COD is reported in the chapter on pollution (ESRS E2).
- **Silicone cyclics (D4, D5, D6):** Controlled via spill prevention, process optimisation, R&D collaboration, and major investments in China to replace cyclic materials.

→ **PAHs (Polycyclic Aromatic Hydrocarbons):**
 Originating from coal-tar pitch in carbon products, mitigated through process control, water treatment, and R&D on alternative binders.

Elkem determines its water withdrawal and discharge figures using a combination of direct measurement, sampling with extrapolation, and best estimate calculations. Direct measurement is the primary method

and accounts for the majority of reported data, ensuring a high level of accuracy and consistency across sites. Sampling and extrapolation are applied only where continuous measurement is not feasible, while estimates are used in limited cases supported by operational knowledge and historical performance. This blended approach enables reliable, comparable water records that meet reporting requirements and reflect Elkem's commitment to robust environmental data management

Water consumption

	Metric	2025	2024	2023	Development
Withdrawal					
Withdrawal of fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Megalitres	43 859	46 358	39 385	(5.4%)
Withdrawal of groundwater – renewable	Megalitres	2 948	3 059	2 321	(3.6%)
Withdrawal from third party sources	Megalitres	25 941	28 064	38 931	(7.6%)
Total freshwater withdrawal	Megalitres	72 748	77 481	80 636	(6.1%)
Discharge					
Discharge of cooling water	Megalitres	61 217	63 848	60 423	(4.1%)
Discharge of process water	Megalitres	6 861	6 684	7 766	2.7%
Discharge to fresh surface water	Megalitres	8 618	8 537	4 621	0.9%
Discharge to brackish water or seawater	Megalitres	19 231	19 208	36 961	0.1%
Discharge to third-party destinations	Megalitres	40 229	42 787	13 416	(6.0%)
Total water discharge	Megalitres	68 078	70 532	70 923	(3.5%)
Total water consumption (fresh water)	Megalitres	4 671	6 949	9 713	(32.8%)

*Sea water used for cooling purposes only is excluded from the reporting

Water measurement methods

	Direct measurements		Sampling and extrapolation		Best estimates	
	2025	2024	2025	2024	2025	2024
Water withdrawals	68%	69%	0%	1%	32%	30%
Water discharges	57%	56%	1%	0%	43%	44%

Water consumption

	2025	2024	2023	2020 (base year)	% change vs. base year	Comment
Fresh water withdrawal m3 per ton Silox	67.8	82.9	94.3	87.3	(22%)	Target achieved
Water consumption in areas at material water risk <i>Internal Elkem KPI, defined as the water consumption of Carbon Ningxia, Foundry Ningxia, Yongdeng, and Nagpur*</i>	180	530	596	706	(74%)	Target achieved

*According to Commission Delegated Regulation (EU) 2022/1288: (13) 'areas of high water stress' means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool 'Aquaduct'. For Elkem this gives the following sites: Carbon Ningxia, Ferroveld, Tianjin, Foundry Ningxia, Nagpur, Chakan, York, Santa-Perpetua, and Shanghai.

Biodiversity and ecosystems

Elkem recognises the vital role of biodiversity and environmental stewardship in securing a sustainable future. With operations across diverse ecosystems, the group is committed to proactively managing biodiversity impacts and addressing ecosystem challenges throughout its entire value chain.

Material impacts, risks, and opportunities, and their interaction with strategy and business model E4 SBM-3

Elkem works to deepen its understanding of biodiversity-related impacts, risks, and opportunities across its operations and value chain. While some sites are located near key biodiversity areas, none are within protected zones. Core industrial activities, such as quartz mining, high-temperature calcination and smelting, and chemical production, carry potential biodiversity risks, primarily through emissions, resource use, and accidental incidents. Pollution of air, soil, and water has historically been a concern but is strictly regulated and has been consistently reduced over decades. Today, the main risks are linked to operational incidents such as fires or chemical spills.

Quartz mining

Environmental and biodiversity risk assessments are integral to mining permit applications, and Elkem excludes protected areas from operations. Monitoring programmes track emissions to air and water, as well as impacts on soil, vegetation, and landscapes. While quartz mining presents inherent biodiversity risks, its ecological footprint is comparatively lower than that of other mining practices. Key risks include water and terrestrial ecosystem disturbances, GHG emissions, soil contamination, and solid waste generation. Elkem's sustainable mining practices have been recognised

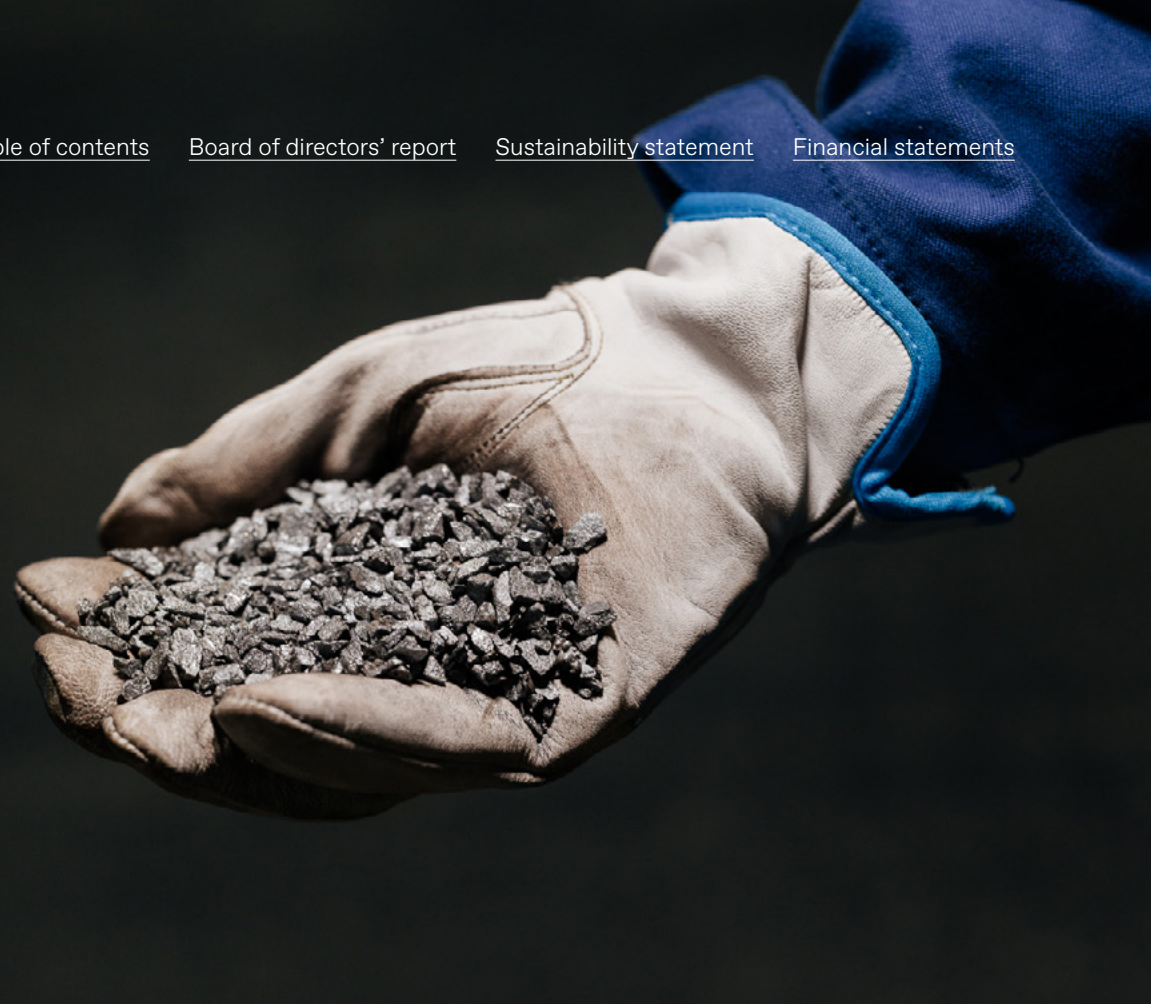
internationally, and the group adheres to IMA-Europe's sustainability charter and the Towards Sustainable Mining Initiative. Annual contributions to restoration funds ensure post-mining rehabilitation.

Smelting and calcination

Smelting and calcination processes can affect biodiversity through SO₂, NO_x, dust emissions, noise, and heat. The radius of impact is limited, and advanced emission control technologies are deployed to mitigate risks. Major biodiversity concerns relate to operational incidents, which are addressed through strict safety and emergency protocols.

Chemical production

Silicone production involves biodiversity risks associated with water withdrawal, process water discharge, and potential release of hazardous air pollutants (HAPs) and persistent organic pollutants (POPs) during accidents. Elkem mitigates these risks through rigorous water management, chemical safety protocols, and biodiversity risk assessments for new plants. Collaboration with local authorities and biodiversity experts ensures minimal environmental impact. Elkem aligns with the Responsible Care Global Charter and actively engages in scientific research through Silicones Europe.

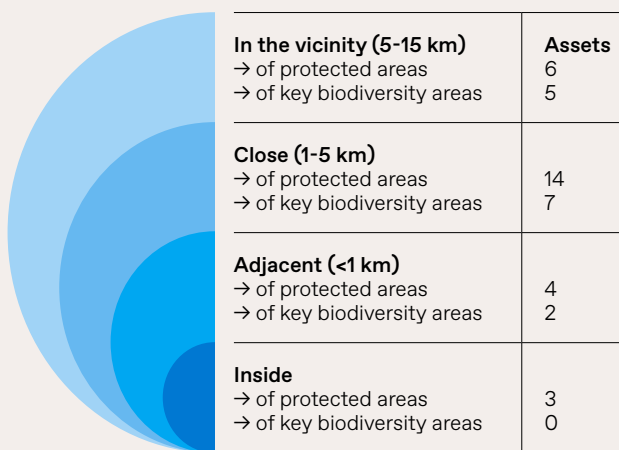


ESRS topic: E4 Biodiversity and ecosystems
Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Direct impact drivers of biodiversity loss	If not managed properly Elkem's intervention with nature, through mining operations, could impact biodiversity at sites. The negative impact on the local biodiversity and ecosystems can come from heavy metals, noise, light pollution, waste, effluent etc.	Potential	Yes	Yes	Negative	Low	Short	OO
	If not sourced from trusted and certified sources the use of biocarbon can have an indirect negative impact on biodiversity and soil quality through deforestation.	Potential	Yes	Yes	Negative	Low	Short	VC
	Hydropower production can have adverse effects on marine life in rivers and lakes if production has large fluctuations. Installation of new hydropower will also effect biodiversity.	Potential	Yes	No	Negative	Medium	Short	VC
	Effluent and spills of hazardous substances may cause harm to ecosystems through pollution or bioaccumulation. E.g. accumulation of heavy metals from silicon production and mining, toxic by-products from carbon solutions, and hydrogen chloride from hydrolysis and cyclosiloxanes from silicone production.	Potential	Yes	Yes	Negative	Low	Short	OO, VC
	Local emissions of SO ₂ , NO _x and dust can damage surrounding areas and ecosystems.	Actual	Yes	Yes	Negative	Low	Short	OO

¹ Based on irremediability, scale, scope, and likelihood

² Own operations (OO) or value chain (VC)



If several protected areas (PA) or Key Biodiversity Areas (KBA) are present within a proximity category around a given asset or operation, they are counted as one. If a given PA or KBA are within proximity categories for several assets or operations, it is counted in for each of these assets or operations.

Closure planning

Although site closures are rare, Elkem integrates closure planning early in the site lifecycle. Plans include short-, medium-, and long-term measures to rehabilitate land and minimise impacts on water, soil, habitats, and landscape stability.

Value chain

Biodiversity considerations extend across Elkem's value chain. Upstream, the group emphasises sustainable biocarbon sourcing, wood, wood waste, and charcoal, aligned with international standards to prevent deforestation, ecosystem conversion, and soil degradation. Risks related to coal and char sourcing are managed through strict supplier assessments. Downstream, Elkem works to minimise biodiversity impacts while enabling positive contributions, such as products that replace resource-intensive materials, extend product lifespans, and support customer sustainability initiatives.

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities [E4 IRO-1](#)

Elkem systematically identifies and assesses biodiversity-related impacts, risks, and opportunities across its operations. In 2023, the Integrated Biodiversity Risk Assessment Tool (IBAT) expanded reporting to include proximity to protected areas and key biodiversity areas (KBAs). Data were collected at 5 km, 15 km, and 50 km intervals for all sites, prioritising those with the highest exposure to protected species, proximity to sensitive ecosystems, and preparedness to manage biodiversity risks. Focus sites have been identified where risks are most significant, primarily linked to carbon solutions, silicon and silicone production, and mining. For security reasons, specific site locations are not disclosed.

While silicon and silicone production can negatively impact biodiversity through emissions and water use, Elkem has implemented measures to reduce SO₂, NO_x, and dust emissions and improve water management.

Mining operations present risks related to land use and tailings, though these are limited due to the nature of quartz mining and managed through strict controls. Incident risks remain for sites handling hazardous substances, and mitigation actions are in place to avoid or minimise impacts. Focus sites include locations in Norway, France, and Brazil, with ongoing monitoring at remaining sites.

Continual updates and advanced mapping

To ensure up-to-date biodiversity risk management, Elkem uses ArcGIS-based mapping integrated with IBAT data. This approach enables continuous updates on proximity to protected areas and KBAs and supports field studies for validation. By leveraging geospatial analysis, Elkem can identify emerging risks, prioritise mitigation actions, and maintain compliance with evolving biodiversity standards. Dedicated resources oversee mapping and stakeholder engagement, including dialogue with local communities. For example, Elkem's agreement with reindeer grazing district 7 (Rákkonjårga) in Tana, Norway, facilitates mining expansion while safeguarding biodiversity in one of the world's largest quartzite deposits.

Transition plan on biodiversity and ecosystems in strategy and business model

E4-1

Industrial processes inherently affect biodiversity through emissions to air, water, and soil. Elkem complies with all applicable regulations and continuously implements measures to mitigate and reduce these impacts. Most production facilities are located near rivers, coastal regions, or urban areas, making stringent environmental safeguards essential. The group also acknowledges the potential risk of incidents, such as fires or chemical spills, which could negatively impact surrounding ecosystems. To address these risks, Elkem applies strict pollution control and emergency response protocols.

Elkem's approach is grounded in the mitigation hierarchy, prioritising avoidance and reduction of impacts, followed by restoration where feasible. These principles are embedded in operational practices and have delivered measurable improvements over time. While Elkem's business model is generally resilient to biodiversity and ecosystem changes, given its limited dependence on vulnerable natural resources, the group recognises its responsibility to minimise negative impacts and enhance positive contributions.

Policies related to biodiversity and ecosystems

E4-2

Elkem has an HSE and sustainability policy covering biodiversity and ecosystem. For sourcing of biocarbon, a separate policy document is available. Please refer to the section on governing documents under ESRS 2 for more details.

Actions and resources related to biodiversity and ecosystems

E4-3

Elkem is implementing a range of actions to identify, mitigate, and manage biodiversity and ecosystem impacts across its operations and value chain:

→ **Mapping and risk assessment**

To strengthen biodiversity risk management, Elkem uses advanced geospatial tools such as ArcGIS combined with IBAT data to map potential impacts from existing and future mining operations. This approach enables real-time updates on proximity to protected areas and key biodiversity areas (KBAs) and supports field studies for validation. Dedicated resources oversee this process and maintain active dialogue with local stakeholders to ensure responsible land use and ecosystem protection.

→ **Water efficiency improvements**

Elkem continues to invest in water stewardship initiatives, including advanced water handling systems at the Xinghuo plant in China. These upgrades aim to reduce freshwater dependency and improve overall water efficiency, thereby mitigating physical climate risks and biodiversity impacts associated with water scarcity.

→ **Emission reduction and spill prevention**

Aligned with the commitments outlined in the ESRS E2 chapter, Elkem prioritises minimising local emissions and preventing pollutant spills across its operations. Actions include deploying advanced emission control technologies to reduce SO₂, NO_x, and dust emissions, implementing rigorous chemical safety protocols, and maintaining emergency preparedness plans to address potential incidents. These measures are supported by continuous monitoring and maintenance programmes to ensure compliance and reduce ecological risks.

Through these initiatives, Elkem demonstrates its commitment to proactive biodiversity management, operational resilience, and sustainable development.

Targets related to biodiversity and ecosystems ^{E4-4}

Elkem is committed to achieving zero net loss of biodiversity in new projects, including mining operations. This ambition aligns with the EU Biodiversity Strategy for 2030, which focuses on preventing and restoring biodiversity loss, and with Goal A of the Kunming-Montreal Global Biodiversity Framework (GBF), aimed at halting biodiversity decline globally.

Our approach incorporates ecological thresholds and prioritises reducing pollutants such as PAHs (Polycyclic Aromatic Hydrocarbons) and VOCs (Volatile Organic Compounds), which can accumulate in ecosystems and adversely affect biodiversity. Guided by the precautionary principle, Elkem implements preventive actions to mitigate these risks before they materialise.

The mitigation hierarchy forms the foundation of our strategy, emphasising avoidance and minimisation of impacts as the most effective means of protecting biodiversity. These principles are integrated throughout our operations, including mine and plant closures, where restoration and rehabilitation efforts are key. At present, Elkem does not engage in biodiversity offsets but focuses on preventive and restorative measures to minimise impacts.

Strategic review and target setting

Elkem is currently conducting a strategic review of its Silicones division (please see ESRS 2). As part of this process, we have postponed setting additional biodiversity-related targets to ensure alignment with long-term business objectives and global frameworks. Once the review is complete, Elkem will update its biodiversity strategy and define clear, measurable targets that reflect both operational realities and stakeholder expectations.

These actions, guided by the mitigation hierarchy and precautionary approach, reinforce Elkem's commitment to sustainable development and biodiversity conservation, ensuring that our operations contribute to halting biodiversity loss.

Impact metrics related to biodiversity and ecosystems ^{E4-5}

Elkem has several sites near protected and key biodiversity areas, increasing exposure to biodiversity risk. To address this, we focus on securing sites, reducing incident risk, and minimising negative impacts through strict compliance with effluent and emission regulations (see ESRS E2). High-risk sites have been identified, and mapping of impacts from land use and local emissions is ongoing. Elkem is committed to achieving zero net loss of biodiversity in all new projects, including mining operations. Following the closure of the strategic review to transfer the majority of the Silicones division to Bluestar, we will update our biodiversity approach and develop clear targets and metrics to strengthen risk management and align with global biodiversity goals.





Resource use and circular economy

Circularity is one of Elkem's three core pillars in the green transition. Through the Elkem Business System (EBS), we apply a zero-waste philosophy that prioritises efficient resource use, minimisation of waste generation, and the reuse, recycling, or sale of residual materials. These efforts are fully aligned with circular economy principles and support our ambition to reduce environmental impact across the value chain.

Elkem continues to explore innovative opportunities for recycling and product reuse, reinforcing our commitment to sustainable production and resource efficiency.

Material impacts, risks, and opportunities related to resource use and circular economy

IRO-1

Elkem's value chain spans multiple process flows, including mining, high-temperature calcining, smelting, and chemical processing. These activities create diverse impacts, risks, and opportunities related to resource use and circularity. Our R&D teams continuously explore ways to reduce waste and improve resource efficiency, key priorities for achieving emission reduction targets and enabling customers to meet their sustainability goals.

Quartz

Quartz is extracted from mountain seams using explosives or from riverbeds with diggers, followed by washing, crushing, and sizing without hazardous chemicals. Waste streams include tailings and off-spec material, most of which are repurposed for mine restoration or sold as by-products such as construction sands and gravels. Some off-spec quartz is used for site rehabilitation, and Elkem is investigating alternative uses for sands in agriculture and sports.

Carbon production

Carbon production involves high-temperature treatment of anthracite and petroleum coke to create pastes for metallurgical smelting. Off-spec production and degraded raw materials are largely reprocessed into new batches, while remaining waste is sent to certified suppliers for hazardous waste treatment.

Elkem has successfully developed and tested a coal tar pitch-free solution called ELSEP® G electrode paste, and this represents a significant step forward for the smelter industry as coal tar pitch (CTPht) is categorised as a substance of very high concern (SVHC) due to its carcinogenic and mutagenic properties.

Shipment and packaging

Primary raw materials are shipped in bulk, minimising packaging needs. Finished products use big bags or pallets designed for multiple reuse cycles.

ESRS topic: E5 Resource use and circular economy

Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Waste	Improper handling of material at the end of life, causing hazardous waste to end up in landfills (causing probable damage to environment and local communities).	Potential	Yes	Yes	Negative	Low	Short	OO
	Improper handling of waste resources leads to inefficient use of materials and more impact on environment.	Actual	Yes	Yes	Negative	Medium	Short	OO
Resource inflow, including resource use	Increasing the share of sustainably sourced, and certified, biocarbon as a reductant in the silicon production, reduces the environmental impact of the production (reducing emission of SO ₂) and ensuring that Elkem does not contribute to deforestation or conversion.	Actual	Yes	Yes	Positive	Low	Short	OO, VC
	Circular product innovation to develop low-emission products that support a circular economy in the automotive and construction industries. By-products from Elkem's silicon and ferrosilicon production, as well as silicon from old solar panels, will be repurposed or reused to develop alternative products for downstream industries.	Potential (in progress)				Positive		

¹ Based on irremediability, scale, scope, and likelihood

² Own operations (OO) or value chain (VC)

Hazard classification

Degraded raw materials and off-spec products may contain CTPht binders, classified as substances of very high concern.

Silicon smelting

Silicon smelting transforms quartz and carbon into silicon through high-temperature reactions, followed by alloying, crushing, and sizing for electronics, foundry, and chemical industries. Key waste streams include degraded raw materials, smelting slag, off-gas particles, and fines. Since the 1970s, Elkem has pioneered off-gas capture, converting waste into valuable products, 150 000 tonnes annually. Utilisation of other waste streams has increased significantly, recovering over 100 000 tonnes per year for reuse or sale, reducing costs and creating new solutions.

Shipment and packaging

Most raw materials are shipped in bulk; finished products use big bags on reusable pallets.

Hazard classification

Major waste streams are non-hazardous; hazardous materials from post-smelting processes are sent to certified disposal providers

Silicone formulation

Silicone production involves complex chemical processes generating hazardous and non-hazardous waste streams, including acid water, solvents, hydrolysis by-products, sludge, and waste masses. Waste reduction is embedded in annual objectives and improvement plans.

Shipment and packaging

Significant packaging is required for raw materials and finished products, with reuse and recycling of IBCs, pallets, and drums prioritised.

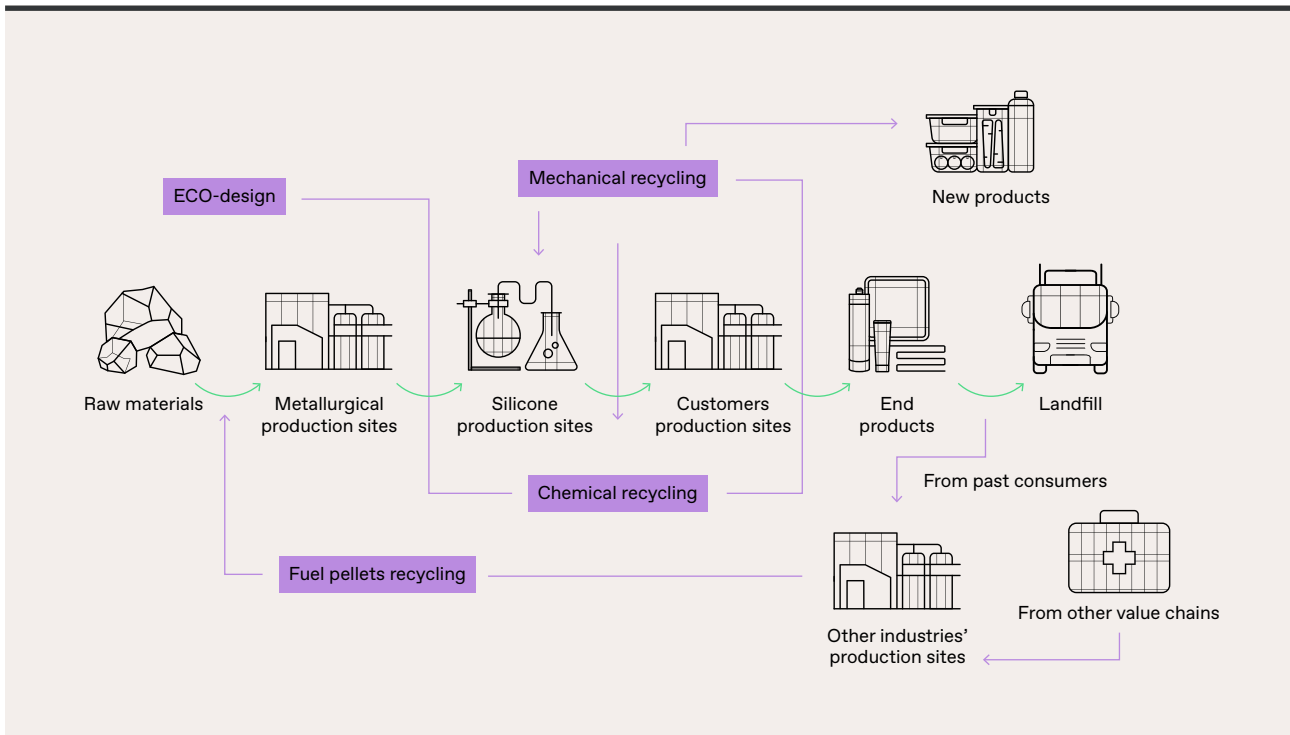
Hazard classification

A substantial portion of waste is hazardous and treated on-site (incineration, neutralisation, reuse) or sent to certified providers for destruction.

Recycling – mechanical or chemical – remains a focus for increasing circularity. While end-of-life recycling for silicones is challenging due to their durability, Elkem prioritises recycling waste from its own processes.

Generic waste streams

Generic waste streams include used oil from vehicles and equipment and packaging from sourced goods. Each site applies dedicated sorting systems and delivers waste to approved providers for recycling or reuse wherever possible.



Policies related to resource use and circular economy E5-1

Please refer to the section on governing documents under ESRS 2 for more details on our policies related to resource use and circular economy.

Actions and resources related to resource use and circular economy E5-2

At the core, all Elkem units are required to maintain an updated HSE management system that includes documented processes, risk assessments, applicable regulatory requirements, and controls demonstrating compliance. This framework covers waste-related risks and establishes the expectation that each site documents its activities, identifies waste-related hazards, and implements measures to keep those risks at an acceptable level.

Elkem is committed to invest in sustainable and renewable sources. Developing a three R’s culture to reduce, reuse, and recycle will be key to protecting and preserving rare resources. Our research and innovation teams are already integrating eco-design principles into current and future projects, with significant successes from bio-based solutions, design for recycling projects, and reprocessing services.

Elkem is committed to enabling circular economies as a core pillar of its green transition. Across our value chain, we focus on enhancing resource efficiency, minimising

waste, and collaborating with customers on circular designs and materials that extend product lifespans.

Biocarbon

A key initiative is the integration of biocarbon into silicon and ferrosilicon production to reduce reliance on fossil reductants. By using a higher share of biomass-based reductants, SO₂ emissions are reduced. Furthermore, if the biomass is sourced from certified sources, we introduce circularity as the biomass is from waste or from sustainable forestry.

Packaging

Elkem has implemented measures to minimise packaging waste through process improvements focused on reduction, reuse, and recycling. In line with the EU Packaging Directive, we have introduced big bags containing at least 30 per cent recycled polypropylene (rPP), cutting the carbon footprint by around 15 per cent annually. This initiative, developed with Accon, includes a closed-loop recycling system and advanced bio-water treatment technology to ensure quality and sustainability.

Additionally, the DISH programme promotes pallet reuse and repair, reducing the need for new materials. At Elkem Nagpur in India, this approach repurposes about 6 000 pallets annually, demonstrating our commitment to circular solutions and resource efficiency.

Waste becomes products: Circularity and innovation at Elkem

Elkem prioritises eco-design principles throughout its products and processes, embedding environmental considerations from concept to end-of-life. By collaborating closely with customers and researchers, Elkem applies the three R's of the circular economy, reduce, reuse, and recycle, recognising that up to 80% of a product's environmental impact is determined at the design stage. This approach minimises material and energy consumption while maximising resource efficiency.

A key milestone is the launch of Sircle™ in 2025, Elkem Silicones' dedicated trademark for circular silicone solutions. Sircle™ identifies products designed and manufactured with reduced fossil resources, reflecting Elkem's ambition to lead in circularity. The initiative began with in-house industrial waste and is expanding to include broader silicone waste streams, diverting valuable materials from incineration and landfill. Sircle™ will be progressively featured across communications, product literature, and a dedicated platform for lower CO₂ footprint and circular silicone solutions.

Elkem's SILCOLEASE™ RE range exemplifies this commitment, having been recognised as "Sustainability Product of the Year" by the Business Intelligence Group. SILCOLEASE™ RE is the first commercially available, fully recycled, silicone-based, solvent-free release liner technology for the label and tape markets. Developed through collaborative research and supported by France 2030 and NextGenerationEU, it achieves a carbon footprint of just 1.1 kg CO₂e per kg, significantly below the industry average. The technology enables customers to advance their environmental strategies without compromising performance, and its scalable pilot line at Saint-Fons, France, supports early commercial deployment.

BRIQSIL™ is another example of Elkem's innovation in material reuse. This ferrosilicon substitute is crafted from fine materials generated during quartz and coal processing. The durable briquettes are designed to withstand handling and transportation and are reintegrated into furnaces, boosting production efficiency while significantly reducing associated waste.

Elkem Microsilica®, also known as silica fume, is a byproduct of the carbothermic reduction of high-purity quartz in electric arc furnaces. Originally considered a residual product and emitted into the air until the 1980s, Elkem pioneered the capture and transformation of microsilica into a valuable resource. Today, Elkem Microsilica® is used globally as a performance-enhancing additive in concrete and construction materials, contributing to the strength and durability of some of the world's tallest buildings and longest bridges. By turning what was once waste into a sought-after product, Elkem has set a benchmark for industrial symbiosis and resource efficiency.

In 2024, Elkem successfully scaled its chemical silicone waste upcycling project from laboratory to pilot unit, enabling high conversion rates and lower emissions. The Elkem Sicalo® project, another milestone, explores carbon capture and reuse as a reductant in silicon production, further closing the loop on resource use.

In August 2025, Elkem was awarded a grant of NOK 32.8 million by Innovation Norway to develop green products through the recycling of slag and silicon materials.

Through these initiatives, Elkem demonstrates leadership in the circular economy, turning waste into valuable products and advancing towards a more sustainable, low-carbon future.

Targets related to resource use and circular economy E5-3

Elkem is committed to advancing sustainability through ambitious biocarbon and waste management targets.

- By 2031, the group aims to achieve a 50 per cent biocarbon share at its smelters, ensuring that 100 per cent of the biocarbon used annually is sourced from verified, deforestation-free suppliers.
- For waste management, Elkem targets a year-on-year reduction of 10 per cent in hazardous waste sent to landfill and waste to disposal, alongside a 10 per cent annual increase in waste recycled.

In 2025, Elkem achieved a 57 per cent reduction in hazardous waste to landfill compared to the previous year. The group increased the amount of waste recycled by 18 per cent, and while we saw a marginal decrease in hazardous waste recycled, 27 per cent of non-hazardous waste was recycled. These substantial shifts reflect both improved data quality and dedicated efforts to reduce and recycle waste. Overall, Elkem recorded a notable decrease in total waste generated in 2025.

ESRS E5

Reducing the carbon footprint per product remains a key objective, with a strong focus on recycling and reusing existing materials. Specific product-level targets are under development as Elkem continues to enhance its sustainability strategy.

Elkem keeps records of waste by systematically tracking waste streams at site level. This includes documenting waste generated and handled on site, recording all waste delivered to external waste management providers, registering by products that are sold for reuse, and accounting for waste that is recycled. Together, these records ensure full traceability of waste flows and support Elkem's broader commitments to waste reduction, circularity, and responsible disposal.

Resource inflows ^{E5-4}

Biocarbon as a reductant is a key tool for Elkem to reduce scope 1 emissions. By sourcing deforestation and conversion free biomass and using this as a reductant we reduce the need for fossil-based carbon reductants and reduce our emissions. In 2024, the biogene share of scope 1 emissions slipped to 19 per cent, from 20 per cent in 2023, due to shifts in production.

Certified biocarbon

100 per cent since 2022. In 2025, 100 per cent of the biocarbon was based on verified sources as deforestation-free. 94 per cent of the biocarbon was under certification schemes (FSC/PEFC/ SFI/SVLK), while the remaining six per cent were followed up with regular audits including traceability checks.

Resource outflows ^{E5-5}

Elkem has a product line of about 4 000 products, and no metric currently exists for the number of products designed according to circular principles. However, most of our products are results of our three main product divisions, which implement circular principles. The results will be reflected in our product carbon footprint over time.

Resource use and circular economy

	Metric	2025	2024	2023	2022 (base year)	Development vs. previous year
Total waste generated	tonnes	343 724	348 243	353 992	462 745	(1%)
Non-recycled waste	tonnes	85 228	111 595	123 337	121 225	(24%)
Non-hazardous waste to landfill	tonnes	28 325	53 407	55 163	45 273	(47%)
Hazardous waste to landfill	tonnes	1 116	2 617	7 781	6 301	(57%)
Non-hazardous waste to incineration	tonnes	2 025	3 173	1 718	2 485	(36%)
Hazardous waste to incineration	tonnes	53 761	52 397	58 674	67 166	3%
Recycled waste	tonnes	41 215	34 788	70 825	74 784	18%
Non-hazardous waste recycled	tonnes	30 393	23 860	65 071	65 386	27%
Hazardous waste recycled	tonnes	10 823	10 928	5 754	9 398	(1%)
By-products excl. Elkem Microsilica®, sold to customers	tonnes	105 888	90 171	53 503	129 318	17%
Elkem Microsilica® sold to customers	tonnes	111 393	111 689	106 327	137 418	0%
Total recycled waste, incl. by-products and Elkem Microsilica®	tonnes	258 497	236 648	230 655	341 520	9%
Percentage of non-recycled waste	%	25%	32%	35%	26%	(23%)
Mining activities (Quartz rock fines for landscape restoration)	tonnes	423 217	400 964	332 717	354 456	6%
Total waste including mining activities	tonnes	766 941	672 449	686 709	817 201	14%

Changes in waste tonnages are linked principally to changes in business activity

Environmental

Social

Governance



ESRS S1

Own workforce

Elkem's people are its most valuable asset, and the group remains committed to fostering a strong, inclusive culture built on safety, equity, empowerment, and continuous improvement. Organisational optimisation, competency development, and performance management are key drivers of growth, supported by respect, involvement, and a focus on lifelong learning.

Health and safety are at the core of Elkem's operations, guided by a zero-harm philosophy and systematic HSE practices. Despite Elkem's strong emphasis on safety, three fatalities and one life-changing injury occurred in two separate incidents in China and France. These tragedies underscore the critical need to ensure that every employee understands that safety must always come before any other task or priority. While the total recordable injury rate (TRIR) for employees remained stable, we are encouraged by a decline in the TRIR for contractors, reflecting the impact of proactive HSE work and dedicated follow-up at sites.

Elkem continues to strengthen preventive measures and embed safety into every aspect of its operations. Diversity and inclusion remain central to Elkem's culture, driving innovation, collaboration, and customer focus. Through these efforts, Elkem strives to create a workplace where every employee feels valued, empowered, and safe.

Material impacts, risks, and opportunities - resilience of strategy and business model

S1, SBM-3

Elkem’s operations involve handling and storage of hazardous substances and performing hazardous tasks such as smelting, moving equipment, and working at height. These activities carry potential negative impacts for employees and contractors, including injuries or, in the worst case, fatalities. While the impact score for these risks is low, the irremediability and scale (gravity of impact) are assessed as high or highest. The scope and likelihood of severe injuries or fatalities remain very low. In the unlikely event of child or forced labour in operations, the impact would be severe; however, Elkem maintains strict controls and has not identified any such cases.

On the positive side, Elkem offers a stable, secure, and flexible workplace, with opportunities for career growth and competency development. Direct involvement in decisions affecting individual work is highly valued and

actively encouraged. As many of Elkem’s operations are hazardous, health and safety risks are among the most critical, including working at height, exposure to hazardous substances, and moving equipment. Adequate training is a key mitigating factor, alongside a strong safety culture that depends on reliable reporting of incidents and near misses. Failure to report represents an additional risk. Continuous development of FORUS, Elkem’s HSE management system, is essential to strengthening these controls.

The number of recordable injuries decreased from the previous year, indicating that improvements in training and heightened awareness among employees and contractors have already contributed to better performance in 2025. Notably, the total recordable injury rate (TRIP) for contractors has declined, reflecting the impact of targeted training and proactive HSE measures. Sharing learnings from injuries and high-risk incidents enables Elkem to prevent recurrence

ESRS topic: S1 Own workforce Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Working conditions	Various parts of Elkem’s production processes involve hazardous substances that may cause damage or health issues, depending on exposure, for employees, contractors, and local communities. E.g. silica dust and heavy metals from silicon production, coal tar pitch (carbon solutions), VOC, methyl chloride, and chlorosiloxanes from silicone production.	Potential	Yes	Yes	Negative	Low	Short (injuries) and long (health issues)	OO
	Elkem’s production processes often involve hazardous operations, moving equipment, and working at height. This represents a potential negative impact on employees and contractors through injuries or fatalities.	Potential	Yes	Yes	Negative	Low	Short	OO
	Secure employment and flexible workplace for our employees	Actual	Yes	Yes	Positive	High	Short	OO
	Career development and progression through competency development, development discussions, and leadership development	Actual	Yes	Yes	Positive	High	Short	OO
	Child or forced labour in own operations through contractors	Potential	Yes	Yes	Negative	Low	Short	OO

¹ Based on irremediability, scale, scope, and likelihood
² Own operations (OO) or value chain (VC)

and embed best practices across the organisation. Continued implementation of FORUS, Elkem's global HSE management system, provides a strong foundation for ongoing HSE improvements and offers an opportunity for Elkem to differentiate itself from competitors.

Additional risks include the availability of qualified personnel, particularly in rural locations, and the challenge of replacing an aging workforce in some units. Loss of critical knowledge and difficulty in attracting skilled replacements underscore the importance of retaining talent and investing in internal competency development. Elkem's global footprint offers opportunities for employees willing to relocate, supporting both retention and career progression. Compliance risks related to HSE regulations and Elkem's Code of conduct could result in fines or reputational damage. These risks are mitigated through continuous, risk-based training and a robust internal compliance function.

Elkem invests in leadership development at all levels globally, enhancing performance and motivation while maintaining a strong focus on diversity and inclusion. These efforts are key to attracting and retaining talent and contribute to improved team performance and employee well-being. Looking ahead, Elkem remains committed to its zero-harm ambition and will continue to strengthen digital tools and training programmes to embed safety and sustainability into every aspect of its operations.

Policies related to own workforce [S1-1](#)

Topics related to our workforce are covered in our People policy, our HSE policy, our Code of conduct, and related procedures. Please refer to the section on governing documents in the chapter on ESRS 2.

Health and safety [S1-5, S1-14](#)

Elkem's production activities involve inherently high risks, including high-temperature smelting and hazardous chemicals. The group is committed to a zero-harm philosophy, prioritising the health and safety of employees and contractors across all operations.

Each site operates under a tailored HSE organisation, overseen by a Divisional HSE structure and ultimately by the corporate vice president for HSE. Regular audits ensure compliance with internal standards and regulatory requirements. Elkem invests significantly in training for employees and contractors, supported by comprehensive risk management systems.

In 2025, Elkem advanced the development and implementation of the FORUS HSE management system, aimed at strengthening awareness of HSE principles. The



rollout of training programmes and alignment with life saving rules have contributed to a continued reduction in injury severity. The organisation continues to assess the effectiveness of the implementation of the FORUS system through continuous assessments and audits to ensure continuous improvement in the system and the focus areas for the year. The alignment of HSE training through the learning management system ensures that the organisation can target training to the high-risk areas and the employees that work in these areas.

Despite these efforts, Elkem experienced a tragic fatal accident at one of its sites in 2025, where an employee was struck by a forklift. The incident was thoroughly investigated by the corporate HSE team and the plant organisation. Findings reinforced the critical importance of pedestrian segregation from vehicles in all areas at all times, as mandated by Life Saving Rule No. 9. Lessons learned have been shared across all sites to prevent recurrence. The use of automated pedestrian safety systems has been mandated and installed on the forklifts in the organisation.

Elkem experienced a tragic accident at the Saint Fons Sud site in France on 22 December, when an explosion in the pilot workshop (APIL) resulted in the loss of two colleagues. Two additional colleagues were seriously injured, with one sustaining life-changing injuries and remaining in intensive care in the days following the incident. The event had a profound impact across the organisation and reinforced the critical importance of ensuring that safety always comes before any task or operational priority.

Employees

Work-related injuries	Metric	2025	2024	2023	2022	2021
Fatalities	Absolute numbers	3	0	0	0	0
	Rate	0.22	0	0	0	0
High-consequence work-related injuries	Absolute numbers	4	0	0	1	0
	Rate	0.3	0	0	0.1	0
Lost workday injuries	Absolute numbers	26	20	11	13	21
	Rate	1.9	1.3	0.7	0.9	1.5
Other recordable injuries	Absolute numbers	22	32	31	31	30
	Rate	1.6	2.1	2.2	2.2	2.2
Total recordable injuries	Absolute numbers	48	52	42	44	51
	Rate	3.6	3.5	3	3.2	3.7
Hours worked	Number	13 355 694	15 042 063	14 216 585	13 936 109	13 706 429

Contractors

Work-related injuries	Metric	2025	2024	2023	2022	2021
Fatalities	Absolute numbers	0	0	4	2	0
	Rate	0	0	0.4	0.3	0
High-consequence work-related injuries	Absolute numbers	0	0	4	2	0
	Rate	0	0	0.4	0.3	0
Lost workday injuries	Absolute numbers	2	12	24	14	7
	Rate	0.6	2.6	2.1	2.4	1.5
Other recordable injuries	Absolute numbers	11	13	14	9	10
	Rate	3.1	2.8	1.3	1.4	2.1
Total recordable injuries	Absolute numbers	13	25	38	22	17
	Rate	3.7	5.4	3.4	3.8	3.5
Hours worked	Number	3 505 501	4 596 943	11 176 605	5 722 932	4 797 159

Collective bargaining coverage

	Employees EEA		Employees non-EEA		Total	
	2025	2024	2025	2024	2025	2024
Coverage rate	71%	71%	12%	12%	39%	39%



Elkem maintains strict reporting and investigation procedures for all incidents, ensuring transparency, accountability, and continuous improvement, and the December 2025 accident was still under internal and external investigation when Elkem's annual report 2025 was finalised in February 2026. These measures reflect Elkem's unwavering commitment to protecting people and fostering a safe workplace.

Processes to engage with own workforce

S1-2, S1-3, S1-5, S1-13

Health and safety on site, along with the well-being and development of our people, are core priorities for Elkem. To engage employees on these topics, Elkem applies a range of tools designed to mitigate risks and negative impacts while capitalising on opportunities for improvement. The group emphasises active employee involvement in health and safety management and expects its workforce to contribute to maintaining a safe and healthy workplace. This commitment is reinforced through tailored HSE organisations at each site, comprehensive training programmes, and the FORUS HSE management system, which requires all employees to complete both basic and role-specific training. These measures ensure that employees understand workplace hazards and how to mitigate them. Regular audits, internal self-assessments, and continuous improvement initiatives further strengthen this approach.

On the organisational side, Elkem values its employees as its most critical asset and focuses on building one group culture through the Elkem Business System (EBS). Leadership development at all levels, continuous competency building, and standardised global leadership

programmes are complemented by diverse professional training opportunities delivered through digital and physical channels. Employees are encouraged to take ownership of their learning, supported by a global learning management system. Development discussions between leaders and employees provide a framework for feedback, goal setting, and identifying growth needs. Elkem's People policy ensures consistent HR practices, while EBS fosters a culture of continuous improvement, flexibility, work-life balance, and strong diversity, equity, and inclusion principles.

Beyond training and safety measures, Elkem promotes engagement through employee representation on the Board of Directors, open dialogue and negotiations with unions, and internal communication channels such as intranet and town hall meetings. A global Speak up channel allows employees to report suspected violations of Elkem's Code of conduct anonymously, without fear of retaliation, ensuring privacy for all parties. Details of this process are outlined in Elkem's Speak up policy, referenced in ESRS 2 governing documents.

All data reported is extracted from different HR systems, and compiled and quality assured by the HR department and SVP for HR.

Collective bargaining coverage and social dialogue S1-8

All employees are free to join unions, and 39 per cent of the global workforce is covered by collective bargaining agreements that define salary and working conditions. See the table on the right for coverage in each region.

Training and skills development

	Metric	Female			Male			Total		
		2025	2024	2023	2025	2024	2023	2025	2024	2023
Percentage of employees that participated in regular performance and career development reviews	%	-	-	-	-	-	-	94%	96%	78%
Average number of training hours per employee	Hours	12.1	23.5	7.4	10.7	18.3	9.8	11	19.3	9
Participation in internal leadership development programmes	%	22%	37.5%	25%	78%	62.5%	75%	100%	100%	100%

Training and skills development metrics

S1-5, S1-13

Percentage of employees participating in regular performance and career development reviews

This metric reflects Elkem’s commitment to engaging its workforce in structured performance and career development discussions. A high participation rate demonstrates that employees are actively involved in evaluating their performance, setting goals, and planning career paths. Such engagement fosters job satisfaction, aligns individual objectives with organisational priorities, and drives overall performance. Consistent participation across gender categories and disclosure statuses underscores Elkem’s dedication to inclusivity and equal opportunities for growth.

Average number of training hours per employee and non-employee

This indicator measures the average time invested in training and development activities. An increase in training hours signals Elkem’s focus on continuous learning and skill enhancement, enabling employees to maintain high competency levels, improve job performance, and adapt to evolving business requirements.

Elkem leadership programmes

Elkem’s leadership programmes aim to strengthen diversity by ensuring broad geographical representation and age distribution, and by increasing the share of female participants. The group believes that diverse leadership teams contribute to better decision-making, higher engagement, and improved well-being. Promoting gender diversity in leadership is also essential for career development and talent retention, ensuring that Elkem builds a strong and inclusive leadership pipeline for the future.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-4, S1-5

Elkem is committed to a zero-harm philosophy, aiming to reduce frequency rates by 10 per cent from the 2022 baseline and ensuring that all site personnel meet the required training hours for their job level. On the organisational side, we target 100 per cent completion of annual development discussions, which serve as the primary mechanism for providing and receiving feedback on employee and leader performance, setting goals aligned with organisational priorities, and planning individual development and career progression. In addition, Elkem has established specific targets to strengthen diversity, equity, and inclusion across the group.

Workforce distribution

Balanced gender distribution: Elkem strives to increase the proportion of women in the total workforce and across all leadership levels. Our goal is to achieve a gender balance where female representation in leadership reflects the overall workforce composition.

Age distribution: We aim to maintain a balanced age profile across the workforce, including blue- and white-collar positions and management teams, ensuring a diversity of perspectives and experiences.

Nationality distribution: Elkem is committed to fostering a culturally diverse workforce, emphasising inclusion and global collaboration.



Recruitment

Diverse applicant pool: We seek to attract a broader and more diverse group of applicants, with a particular focus on increasing female candidates. Where data is available, we actively monitor the proportion of female applicants.

Unbiased recruitment: Elkem ensures that recruitment decisions are objective and fair, providing equal opportunities for all candidates and supporting diversity within teams.

Internal mobility: Through our global HR system, we track and analyse internal recruitment and promotions to ensure employees have opportunities for growth and career development.

Succession planning

Systematic development of female leaders: Elkem aims to identify female successors for each corporate and divisional management position, ensuring a strong pipeline of future female leaders.

Critical position planning (CPP): We continue to strengthen our CPP process for strategic workforce planning and competency development, building a robust bench of future leaders and enhancing diversity within the talent pool.

Training

Mandatory training: Our target is 100 per cent completion of all mandatory training programmes.

Human and organisational performance (HOP) and safety leadership: We aim to increase leaders' competence in fostering a strong safety culture, tracking completion rates for relevant training programmes.

Elkem leadership programmes: We are committed to increasing female participation and overall diversity in all internal leadership programmes.

Introduction to FORUS (Elkem HSE system): Our goal is full completion of the FORUS Introduction programme across the organisation. The next phase is the targeted training of the Life Saving Rule awareness programme to relevant groups of employees across the organisation. Further to this will be the theoretical and on the job competence training that is under development and will be rolled out during 2026.

Turnover

Elkem conducts detailed turnover analyses to understand trends across units, including gender distribution among leavers, years of service, and average age. These insights help us address retention challenges proactively.

Pay equity

We are dedicated to promoting pay equity at all levels. Regular pay equity audits and external benchmarks help identify and address disparities, ensuring a fair and inclusive workplace where all employees feel valued and compensated equitably.

Health and well-being

Elkem aims to achieve high engagement scores on dimensions related to employee satisfaction and organisational health. Targets include reducing both short-term and long-term sick leave, supporting overall well-being and productivity.

These targets reflect Elkem's commitment to fostering a culture of continuous improvement, professional development, and inclusivity. By prioritising health and safety, promoting diversity, and investing in training and career development, we aim to enhance employee engagement, satisfaction, and organisational performance.

Our workforce

	Metric	2025	2024	2023	2022
Female share					
In the group	%	25%	25.4%	25.1%	25%
In the management (corporate mgmt, div. mgmt, plant mgmt)	%	21%	27%	24%	30%
Among all leaders with personnel responsibility	%	27%	27%	25%	22%
In the Elkem leadership -programmes	%	22%	38%	32%	36%
In the global technical trainee programmes	%	33%	41%	31%	38%
Among blue collar	%	16%	17%	14%	17%
Among white collar	%	36%	36%	32%	35%
Among part time workers	%	64%	44%	42%	31%
Among temporary workers	%	28%	31%	27%	25%
Among new hires	%	26%	33%	30%	26%
Among leavers	%	28%	31%	29%	27%
Parental leave - average women (Norway only)	Weeks	41.8	39	37.3	38.3
Parental leave - average men (Norway only)	Weeks	17.6	18.6	21	17.5
Age distribution, employees					
< 30 years of age	%	15%	16%	17%	16%
30 - 50	%	57%	55%	53%	56%
> 50	%	28%	29%	30%	28%
Age distribution, managers					
< 30 years of age	%	2%	2%	2%	3%
30 - 50	%	60%	60%	56%	59%
> 50	%	38%	38%	42%	38%
Salary: CEO to median employee in Norway	ratio	11:1	11:1	11:1	10:1

Other key KPIs

	Metric	2025	2024	2023	2022
Turnover rate	%	7.7%	6.7%	4.5%	6%
Blue collar / operators	%	60%	59%	55%	59%
White collar / staff	%	40%	41%	45%	41%
Temporary hire rate (%) to permanent employment	%	5%	4%	5.5%	5%
Part time workers rate (%) to permanent employment	%	2%	2%	3.9%	1%
Development discussions	%	94%	96%	78%	89%

Contractors

	Metric	2025	2024	2023	2022
Europe (EMEA)	Number	137	149	96	125
Asia (APAC)	Number	135	167	160	171
Americas (AMER)	Number	23	26	27	35
Africa (EMEA)	Number	0	0	0	0
Total	Number	295	342	283	331

Regions

	APAC	EMEA	AMER	Total
Number of employees	3082	3039	879	7000
Number of permanent employees	3071	2706	803	6580
Number of temporary employees	11	105	72	188
Number of non-guaranteed hours employees	0	228	4	232
Number of full-time employees	3070	2574	799	6443
Number of part-time employees	1	131	4	136

Explanation

- **Number of permanent employees:** These are employees who have an ongoing employment contract with the group, typically without a predetermined end date. They usually receive full benefits and job security.
- **Number of temporary employees:** These employees are hired for a specific period or project. Their employment has a set end date, and they might not receive the same benefits as permanent employees.
- **Number of non-guaranteed hours employees:** These employees do not have a fixed number of working hours guaranteed by their contract. Their work hours can vary based on the group's needs, and they are often called in as needed.
- **Number of full-time employees:** These employees work the full number of hours defined as full-time by the group, typically around 35-40 hours per week. They usually receive full benefits.
- **Number of part-time employees:** These employees work fewer hours than full-time employees, often less than 35 hours per week. They may receive partial benefits depending on the group's policies.

Elkem employs persons with disabilities (S1-12), but we do not collect this kind of data nor report on the number of individuals with disabilities. Our office spaces are adapted to be used by persons with disabilities, and in Norway we follow the requirements in the Norwegian Equality and Anti-Discrimination Act and other relevant requirements. The same applies for other countries where Elkem operates, i.e. we always comply with local rules and regulations. Some of the operations at our production sites are exempt from the requirements due to the nature of the operations and are thus not suitable for persons with disabilities.



ESRS S1



Adequate wages, social protection, remuneration metrics, and incidents and complaints S1-10, S1-11, S1-16, S1-17

Elkem strives to offer competitive salaries aligned with local market standards, without positioning itself as a leading pay provider. To ensure fairness, annual reviews of base salaries are conducted, supported by surveys that verify equal pay for equal responsibilities. Additional compensation elements, such as bonus programmes, follow established corporate guidelines.

All employees, including part-time and temporary staff, receive written documentation detailing their compensation, benefits, and working hours. This documentation complies with national legislation, industry standards (whichever provides greater protection), and internal agreements. Employees are guaranteed at least one day off in every seven-day period. Full-time employees must receive wages and benefits sufficient to cover basic needs such as food, clothing, and housing. Pension and insurance coverage are provided in accordance with local legal requirements.

For more information on Elkem's efforts to ensure a safe working environment, please refer to the sections on health, safety, and environment (HSE). Details of our pay gap analysis for Norway can be found in the ARP report.

Incidents and complaints

	2025	2024	Note/comment
Number of substantiated incidents of discrimination	0	0	
Number of complaints filed through channels for own workers to raise concerns	45	26	Total number of cases registered in Speak Up case management system from 1 January 2025 to 31 December 2025. Includes both unsubstantiated and fully or partially substantiated cases.
Number of severe human rights issues and incidents connected to own workforce	0	0	
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0	0	No mention of "Elkem" in the OECD Database of Specific Instances

Workers in the value chain

Responsible sourcing is a strategic priority for Elkem. Elkem purchases raw materials, energy, goods, and services from more than 16 000 suppliers worldwide, and solid management of the value chain is key to reduce the risk of breaches of our Code of conduct for business partners.

Material impacts, risks, and opportunities, and their interaction with strategy and business model S2-1, S2-SBM3

There are potential negative impacts related to Elkem's operations that could affect workers throughout our value chain. Elkem operates globally, with a value chain extending into regions where human rights violations can be systemic and widespread. Although the number of raw material suppliers is relatively small, the associated spend is substantial, and this category carries higher risk levels. Given the nature of the raw materials we source, there is an inherent risk of health, safety, and environmental (HSE) incidents, as well as violations of workers' rights, including child or forced labour.

The mining and processing of quartz and other raw materials can lead to land degradation, water pollution, and biodiversity loss if not conducted responsibly. These impacts are compounded by the energy-intensive nature of silicon production, which contributes significantly to greenhouse gas emissions and exposes the industry to tightening climate regulations and carbon compliance requirements.

In addition, Elkem engages independent contractors across its sites—a practice that has proven to present significant HSE risks. For further details on contractor-related HSE risks and data, please refer to the section on ESRS S1: Own workforce.

Supply chain resilience is another concern. Dependence on key raw materials sourced from limited geographic regions creates vulnerability to geopolitical instability, trade restrictions, and logistical disruptions. In addition, operations in remote areas can affect local communities, raising issues such as displacement, cultural heritage preservation, and potential social tensions.

Finally, sourcing from high-risk jurisdictions introduces governance challenges, including exposure to sanctions, bribery, corruption, and weak regulatory frameworks. These risks underscore the importance of robust due diligence, transparent practices, and proactive engagement with stakeholders to ensure sustainable and ethical sourcing across the value chain. More information on governance risks can be found in the section on ESRS G1: Business conduct.

Despite these challenges, Elkem's production also presents significant opportunities for advancing sustainability and creating long-term value. By implementing responsible mining and processing practices, Elkem can minimise environmental impacts while strengthening its licence to operate. Investments in energy efficiency and low-carbon technologies offer the potential to reduce greenhouse gas emissions, improve compliance with climate regulations, and position Elkem as a leader in the transition to a low-carbon economy.

ESRS topic: S2 Workers in the value chain
Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Working conditions	Mining of quartz and coal could lead to third-party workers developing health issues (i.e. silicosis and black lungs) due to inhalation of silica dust or float coal	Potential	Yes	No	Negative	Medium	Long	VC
	Improper handling of hazardous materials and substances in transport or handling at suppliers may lead to incidents that can cause harm	Potential	Yes	No	Negative	Medium	Short	VC
	Chinese internal migrant construction workers are often informally employed, and have no right to collective bargaining	Actual	Yes	No	Negative	High	Short	VC
Other work-related rights	Downstream violations of workers' rights in the construction industry (downstream)	Potential	Yes	No	Negative	Medium	Short	VC
	Child labour or forced labour in Elkem's upstream or downstream value chain	Potential	Yes	No	Negative	Medium	Medium	VC

¹ Based on irremediability, scale, scope, and likelihood

² Own operations (OO) or value chain (VC)

Diversifying supply sources and building strategic partnerships can enhance resilience against geopolitical and logistical disruptions, while fostering innovation and shared sustainability goals. Engagement with local communities provides an opportunity to create positive social impact through employment, infrastructure development, and respect for cultural heritage.

Finally, robust governance frameworks and transparent sourcing practices can mitigate corruption risks and reinforce trust among stakeholders. These measures not only reduce exposure to ESG-related risks but also create competitive advantage in a market increasingly driven by sustainability performance.

Policies related to value chain workers S2-1

Elkem's policies and statements regarding value chain workers are supported by multiple governing documents including the Code of conduct, HSE policy, Third-party risk management procedure, and Human rights programme. Our Code of conduct and Code of conduct for business partners are aligned with the UN Guiding Principles on Business and Human Rights and are based upon internationally recognised standards, including the ILO Declaration on Fundamental Principles and Rights at Work. They communicate our expectation for suppliers and contractors to uphold fair employment practices, including offering transparent employment contracts, complying with standards for minimum living wage,

complying with maximum working hours, minimum age standards, and recognising the rights to organise and bargain collectively where legally permitted. Please refer to the section on governing documents under ESRS 2 for more details.

Processes for engaging with value chain workers about impacts S2-2

We recognise the responsibility of businesses to respect human rights and remain dedicated to the UN Declaration and International Conventions on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the ILO's core conventions, and applicable local legislation in the countries where we operate. Elkem's approach to human rights due diligence is guided by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

To mitigate the risks arising from our supply chain, Elkem has implemented robust measures, including integrity due diligence for raw material suppliers (intermediaries and producers), pre-qualification audits, and on-site visits for critical raw material suppliers. Elkem aims to audit its most critical raw material suppliers prior to purchasing. The purpose of the pre-qualification audit is to verify that the potential supplier meets Elkem's Code of conduct requirements, including ensuring the supplier maintains ethical and legally compliant business practices, respects



human rights, and acts in accordance with the applicable statutory and international standards relating to environmental and climate protection.

Elkem maintains regular engagement with suppliers to reinforce its expectations and commitment to ethical practices throughout the value chain. Health and safety remain essential components of labour rights for Elkem's suppliers and customers, reflecting the inherent risks of the industry. The group enforces stringent HSE standards, particularly for high-risk suppliers.

When working with high-risk suppliers, Elkem conducts supplier audits according to an annual audit plan. In cases of non-compliance, the group issues warnings and requires immediate corrective actions. Persistent violations are addressed decisively through improvement plans, financial penalties, or contract termination. These measures underscore Elkem's dedication to upholding a responsible and sustainable value chain.

The head of the compliance function is responsible for the development and maintenance of Elkem's Human rights programme. Elkem's procurement council shapes and implements the group's global procurement and logistics strategy, policies, and procedures. The corporate compliance team works closely with procurement teams in all divisions to integrate human rights due diligence into supplier management procedures and processes. Elkem has also allocated a dedicated resource to ensure the sourcing of certified and deforestation-free biocarbon. These efforts reflect Elkem's proactive approach to embedding sustainability and ethical practices across its value chain.

Processes to remediate negative impacts and channels for value chain workers to raise concerns S2-3

Elkem is dedicated to fostering trust with stakeholders and addressing concerns related to our operations. Elkem's grievance mechanism is designed for individuals and communities affected by our plants, projects, or other business activities worldwide. This mechanism enables stakeholders to provide feedback or raise concerns that are not related to compliance with the Elkem Code of conduct. The grievance mechanism is managed by Elkem's environmental, social, and governance (ESG) team, which coordinates with relevant parts of the organisation to resolve issues effectively. Each grievance is monitored and followed up by the ESG team to ensure timely and appropriate resolution.

The Speak up channel is a secure reporting platform for external and internal parties to report potential noncompliance with Elkem's Code of conduct. This channel is hosted by an independent external supplier, ensuring anonymity for whistleblowers. Investigations related to Speak Up channel reports are led by Elkem's Head of Investigations and are conducted following strict confidentiality protocols. The Speak up channel is available in multiple Elkem languages, and available to both internal and external parties.

Elkem strongly encourages stakeholders to report any behaviour that violates our ethical guidelines. The group is fully committed to protecting whistleblowers from retaliation and ensures all reports are handled with confidentiality. Any incidents or investigations revealing practices that could lead to human rights violations trigger corrective actions, including updates to governing documents, introduction of new internal controls, enhanced training, and adjustments to roles and responsibilities. Our processes ensure that remedial action is taken promptly in the event of an acute human rights violation and, if necessary, compensation is provided to affected individuals.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions S2-4

Elkem has previously engaged independent third-party advisors to conduct a comprehensive human rights risk assessment to evaluate the effectiveness of existing due diligence processes. The results of this assessment confirmed that Elkem faces a high inherent risk of adversely affecting human rights due to the nature of

its operations, geographic footprint, and the size and complexity of its supply chain.

The review concluded that Elkem has strong systems and processes to manage risks within its own operations. However, the main gap identified was the absence of a global supplier management system, which limits the ability to apply a systematic, risk-based approach to human rights risks in the supply chain. The advisors further recommended more structured training and awareness initiatives across the organisation.

To address these findings, Elkem has taken several steps, including updates to training materials, and targeted awareness efforts towards personnel in positions with high risk exposure.

Most importantly, in 2024, Elkem introduced a global supplier relationship management (SRM) system, marking a significant advancement in responsible sourcing. This platform enables systematic, risk-based supplier qualification and follow-up, streamlines screening processes, standardises vetting procedures across divisions and jurisdictions, and monitors compliance throughout the entire contract lifecycle. It also enforces our requirement for all new suppliers to sign our Code of conduct for business partners or demonstrate equivalent internal standards. By integrating these capabilities, the SRM system has greatly strengthened Elkem's ability to identify human rights risks and prioritising areas of highest impact.

Throughout 2025, the implementation of the SRM system has progressed further, providing Elkem with a much deeper understanding of supply chain risks and the group's exposure through selected suppliers. The system now supports structured and detailed follow-up of high-risk suppliers, as well as those where audits have uncovered issues requiring corrective action. This enhanced visibility and control represent a critical step toward mitigating risks and ensuring accountability across Elkem's global supply base. We use the SRM to comply with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), including "Workers in the value chain" (ESRS S2).

Raw material extraction carries high environmental and social risks, and Elkem mitigates these through a combination of governance measures and industry collaboration. All new raw material suppliers are subject to an integrity due diligence (IDD) by the corporate compliance department. If a supplier is a trader, we trace the product back to the original producer; both are covered by the IDD. Compliance registers all findings

arising from an IDD in Elkem's SRM system, and monitors closure of actions. Elkem's raw material procurement team is then responsible for responding to these findings in writing within pre-set deadlines, and upload supporting evidence where relevant. Once all actions arising from the IDD are completed, corporate compliance will assess and determine whether the actions taken are appropriate to manage the identified risks. If risks are not satisfactorily mitigated, the matter is escalated. Suppliers that represent an unacceptable risk of linking Elkem directly to human rights violations risk deactivation unless practices are improved.

In 2025, the corporate compliance department conducted 83 IDD's on raw material suppliers. 35 findings were related to Workers in the value chain (ESRS S2), such as concerns regarding labour standards compliance and investigation of labour infractions.

On-site audits are carried out for critical raw material suppliers, and all new raw material suppliers undergo pre-audits. Where pre-audits are not feasible, documented exemptions are granted based on clear criteria, such as security conditions, low risk and criticality, or equivalent third-party certifications like ISO or EcoVadis. The raw material supplier audit checklist includes checkpoints aligned with the requirements codified in the Code of conduct for business partners. Findings from supplier audits are also followed up through action plans in the SRM. If severe breaches of human rights or the Code of conduct for business partners occur, Elkem follows up rigorously and discontinues purchases if improvements are not achieved.

Elkem actively promotes sustainable mining practices through initiatives such as Towards Sustainable Mining, via Norsk Bergindustri, and IMA-Europe, driving continuous improvement in environmental and social performance. The group also prioritises sourcing certified raw materials, including biocarbon verified as deforestation-free, protecting indigenous peoples and affected communities.

Currently, Elkem works with approximately 1 200 raw material suppliers, of which about 200 are involved in the highest risk mining, processing, or forestry sectors. Of these 200 raw material suppliers, 72 per cent hold ISO certification and this is up from 25 per cent of suppliers in 2024.

Hazardous goods transportation is managed under strict safety protocols, including vehicle and equipment checks, speed and alcohol controls, and ISPS-compliant port security. All personnel receive comprehensive

Workers in the value chain

	2025	2024	2023	2022
Share of new suppliers subjected to assessment and prequalification screening	100%	100%	80%	100%
Share of new raw material suppliers subjected to supplier audit	60%	100%	50%	No audits due to Covid-19
Adverse human rights concerns in supply chain reported	1	0	0	0
Reported confirmed cases of child or forced labour	0	0	0	0
Number of cases reported through grievance mechanisms	2	5	1	6

*The Chinese silicone division is excluded from this percentage, and they represent the remaining 40 per cent.

safety training, and transport companies participate in emergency drills with plant fire brigades. International regulations, including UN Transport Regulations and IMO standards, govern all operations, ensuring compliance for packaged materials (IMDG), solid bulk cargoes (IMSBC), and bulk liquids (IBC).

Safety Data Sheets aligned with the UN Globally Harmonised System ensure safe product handling, and advanced document management systems in the Silicones division provide easy access to regulatory compliance information and certifications. To stay ahead of emerging regulations, Elkem actively participates in international trade associations and collaborates with customers and researchers to innovate sustainable solutions, including eco-design and safer alternatives to cyclic silicones (D4, D5, D6).

By embedding transparency, governance, and innovation across its value chain, Elkem strengthens its ability to mitigate risks and negative impacts while driving continuous improvement in human rights, environmental performance, and responsible sourcing.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S2-5

Elkem aims to assess and screen all suppliers, and all raw material suppliers are subject to audits. This is done to reduce the risk of breaches of our Code of conduct for business partners. In 2024, Elkem introduced a new supplier relations management system (SRM), to better manage our suppliers and the associated risks. 60 per cent of all new raw material suppliers were audited in 2025.

Elkem’s Code of conduct for business partners forms the foundation of our supplier compliance risk management. It outlines our expectations for supplier behaviour regarding human and labour rights, anti-corruption, health & safety (HSE), competition law, and adherence to international sanctions and trade controls.

Elkem chose to upload all our 16 515 suppliers to our SRM system. This ensures a single, reliable source of procurement information and strengthens our ability to monitor compliance. All these suppliers have been screened according to ESG criteria to identify high-risk suppliers.

All new suppliers must sign our Code of conduct for business partners or provide an equivalent approved by Elkem’s compliance department. Signed codes are stored in the SRM. Our goal is to have all “legacy” suppliers (those added before May 2024) also sign the Code of conduct for business partners, unless exempted for special cases (e.g. banks, public utilities).

16 515 suppliers is a large number. In 2025, our priority was to focus on suppliers at highest risk of breaching sanctions, human rights, or anti-corruption standards, especially those in countries on the UN’s Trade Sanctions Risk List. This high-risk group comprises 8 300 suppliers, including those providing raw materials, logistics, financial services, marketing, and other key operations.

Throughout 2025, our employees globally have been contacting our suppliers individually and requesting they sign. Those who refuse to sign are “deactivated” as suppliers in the SRM; therefore, no longer able to do business with Elkem.

To date, 41 per cent (3 500) of Elkem’s high-risk suppliers have signed our Code of conduct. All 600 suppliers to our plant in India have signed. 80 per cent of our high-risk suppliers in China have signed and the goal is 100 per cent. Overall, approximately 6 000 suppliers (36 per cent of all suppliers) have signed the Code of conduct for business partners.

This represents a significant global commitment to our fundamental values. Our efforts to ensure supplier compliance will continue in 2026 and beyond.



The Norwegian Transparency Act and similar legislation

The chapters Own workforce (ESRS S1) and Workers in the value chain (ESRS S2) have been developed to comply with the legal requirements to report/produce an annual statement as stated in the Forced Labour in Canadian Supply Chains Act (2023), the Norwegian Transparency Act (2021), and the UK Modern Slavery Act (2015). The reporting requirements apply to Elkem as an enterprise resident in Norway with total assets of more than NOK 35 million combined with, on average, more than 50 full-time employees, a supplier of goods with a total turnover of GBP 36 million or more in the UK, and as an entity engaged in producing, selling or distributing goods in Canada having with CAD 20 million or more in assets, CAD 40 million or more in revenue, and/or an average of 250 or more employees. The information is valid for Elkem ASA and its consolidated subsidiaries. The statement is approved and signed by the board of directors of the parent company Elkem ASA as part of their approval of the annual sustainability statement.

ESRS S3

Affected communities

As an international organisation with operations across multiple countries, Elkem recognises the importance of engaging with and understanding the local communities where it operates. As a cornerstone industrial operator in many regions, Elkem strives to create positive contributions while advocating for responsible business conduct and respect for human rights throughout its operations and value chain.

In addition to these commitments, Elkem acknowledges the critical importance of minimising its negative impact on local biodiversity and ecosystems, integrating environmental stewardship into its sustainability efforts to safeguard the natural surroundings of the communities it serves.



Interests and view of stakeholders ESRS 2 SBM-2

Elkem actively identifies and addresses the interests and concerns of stakeholders to ensure that its operations, strategies, and decisions reflect societal expectations and support responsible business conduct. This commitment is embedded in Elkem's approach to stakeholder engagement, which combines structured dialogue, grievance management, and targeted action plans to maintain trust and transparency. By integrating stakeholder perspectives into decision-making, Elkem strengthens its ability to deliver sustainable value and uphold its responsibilities under SBM-2.

Stakeholder engagement is carried out through several channels and practices, including:

- **Regular and scheduled meetings** with key stakeholders, such as biannual meetings with Sámi reindeer districts near mining operations
- **Ongoing dialogue with policymakers** through industry organisations like Norsk Industri and Eurometaux
- **Ad-hoc meetings and continuous dialogue** with investors, banks, and other financial stakeholders
- **Participation in workshops and forums** with peers and NGOs, such as participation in Prosess21 workshops on how to reduce emissions and facilitate sustainable transition, growth and value creation in the Norwegian process industry
- **Accessible grievance mechanisms**, including Elkem's Speak up channel, which is open to all stakeholders and ensures confidentiality and secure handling of concerns

In 2025, Elkem received two cases through its grievance mechanism, both were related to suppliers dissatisfied with commercial conditions or contract outcomes. All cases were investigated, and no further action was deemed necessary.

Identifying stakeholder interest, dialogue, and collaboration

Elkem maintains ongoing dialogue with a broad range of stakeholders, including employees, local communities, academic institutions, industry partners, and environmental organisations. Input is gathered through regular consultations, partnerships, and grievance mechanisms to identify material concerns such as climate change, resource efficiency, and community development. To address these concerns, Elkem fosters collaborative initiatives and partnerships that drive collective action and create tangible benefits for local communities.

Some examples from 2025:

- After severe monsoon damage, Elkem Nagpur provided equipment to restore roads, enabling forest rangers to resume patrols and protect tiger populations. The plant has since launched a seven-year reforestation project, planting over 2 000 trees to restore habitats and encourage the return of tigers, showing Elkem's commitment to biodiversity and wildlife protection in Nagpur, India.
- Elkem also invests in social development through the Wings Fly High project, which brings digital education to children in under-resourced schools near Nagpur. By transforming buses into mobile computer classrooms, the programme has delivered thousands of sessions, improved exam results, and helped hundreds of children return to school, with active involvement from Elkem employees and local volunteers.
- Elkem Thamshavn has been named "Apprenticeship Company of the Year 2025" at the Thams Conference, in recognition of its long-term commitment to apprentices and its positive impact on the local community. The group offers a wide range of apprenticeship programmes and is praised for fostering inclusion and well-being. As part of the award, Elkem Thamshavn donated a NOK 25 000 prize to Skattkammeret, supporting children and youth in the Orkland region.

ESRS topic: S3 Affected communities
Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Communities' economic, social, and cultural rights	Elkem plants are often cornerstone companies in small, underserved communities, and thus provide the basis to maintain the local communities	Actual	Yes	Yes	Positive	High	Long	OO, VC
	Elkem plants create new jobs in underserved communities, both through own operations and among suppliers or supporting sectors	Actual	Yes	Yes	Positive	High	Short	OO, VC
	Elkem sites represent significant tax contribution to underserved communities where Elkem is present, thus positively contributing to local communities	Actual	Yes	Yes	Positive	High	Long	OO, VC
	Human rights violations and rights of indigentous people are a potential negative impact through Elkem's sourcing, e.g. quartz mining, biocarbon sourcing, hydropower, by deforestation, land and resource use	Potential	Yes	Yes	Negative	Low	Short to VC medium	
	Poor water treatment at plants could negatively affect the water quality around the plant thus impacting local wildlife and the drinking water of local communities	Potential	Yes	Yes	Negative	Low	Short	OO

¹ Based on irremediability, scale, scope, and likelihood

² Own operations (OO) or value chain (VC)

Material impacts, risks, and opportunities related to affected communities IRO-1, SBM-3

Large-scale mining, smelting, and commercial operations, as identified in Elkem's double materiality assessment, carry significant risks for affected communities. These include the potential for pollution incidents—such as spills contaminating local water bodies or soil, and air emissions impacting public health and the environment. There are also social risks, such as disruption to traditional livelihoods, increased pressure on local infrastructure, and changes to the social fabric of communities. To address these challenges, Elkem implements robust risk management systems, including continuous environmental monitoring, emergency preparedness plans, and strict adherence to regulatory requirements. The group also prioritises transparent communication and active engagement with local stakeholders to identify concerns early and develop effective mitigation strategies. By fostering a culture of accountability and continuous improvement, Elkem aims to minimise negative impacts and build trust within the communities where it operates.

At the same time, Elkem recognises that its presence can create meaningful opportunities for local communities. By investing in education and vocational training, the group helps to build local skills and employability, supporting long-term economic development. Elkem also collaborates with community organisations to co-create projects that address shared priorities, such as environmental restoration, health initiatives, and cultural programmes. Furthermore, by supporting local infrastructure and promoting inclusive hiring practices, Elkem strives to be an employer of choice and a positive force for community well-being. Through these efforts, Elkem seeks not only to mitigate risks but also to generate lasting value for both the group and the communities it serves.

The results of our impact assessment can be found in the table above. For further details on Elkem's double materiality assessment, please refer to the section on general disclosures ESRS 2.



Policies related to affected communities S3-1

Relevant policies for affected communities are Elkem's HSE policy, our Speak up policy, the Communications and public affairs policy, and the Procedure for sponsoring and donations procedure. These, and other relevant policies, are described in detail in the section on governing documents under General disclosures (ESRS 2).

Processes for engaging with affected communities S3-2

Elkem maintains open channels for external stakeholders to communicate with both local sites and corporate offices, ensuring that concerns and feedback, whether positive or negative, are heard and addressed. The group is committed to minimising adverse impacts on affected communities and strives to foster positive outcomes wherever it operates. This commitment is reflected in Elkem's efforts to provide safe, stable employment and to contribute to the economic and social development of its employees and surrounding communities.

Recognising that each site has its own history and local context, Elkem adapts its stakeholder dialogue and community engagement accordingly. The nature and extent of involvement are tailored to local needs, ensuring that engagement is meaningful and responsive. When significant operational changes are planned, Elkem undertakes thorough stakeholder consultations to identify potential impacts and agree on appropriate mitigation measures. For example, in the case of the expansion of the quartzite mine in Tana, Norway, Elkem worked closely with local reindeer herding interests to reach a sustainable solution that balances industrial development with traditional livelihoods.

Elkem's supplier relationship management (SRM) system enables systematic, risk-based supplier qualification and follow-up, streamlines screening processes, standardises vetting procedures across divisions and jurisdictions, and monitors compliance throughout the entire contract lifecycle. It also enforces our requirement for all new suppliers to sign our Code of conduct for business partners or demonstrate equivalent internal standards.

In 2025, Elkem ran a supplier signing campaign focusing on suppliers at highest risk of breaching sanctions, human rights, or anti-corruption standards, particularly those suppliers registered in countries on the UN's Trade Sanctions Risk List. This high-risk group comprised 8 300 suppliers, including those providing raw materials, logistics, financial services, marketing, and other key operations. Throughout 2025, Elkem employees globally contacted suppliers individually, requesting they sign. Those who refused to sign were "deactivated" as suppliers; therefore, no longer able to do business with Elkem. Almost 4 000 (44 per cent) of Elkem's high-risk suppliers have now signed our Code of conduct or demonstrated equivalent internal standards. All 600 suppliers to our plant in Nagpur, India, have signed. 33 per cent of our high-risk suppliers in China have signed. In total, approximately 6 000 suppliers (34 per cent of all suppliers globally) have signed the Code of conduct.

All new raw material suppliers are subject to an integrity due diligence (IDD) investigation by corporate compliance before approval in the SRM. As part of the IDD, if a supplier is a trader, the product must be traced back to the original producer. We use the SRM to comply with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), including "Affected Communities" (ESRS S3)

Elkem's corporate compliance department registers all findings arising from an Integrity due diligence (IDD) in Elkem's SRM system, and monitors closure of actions. Elkem's raw material procurement team is then responsible for responding to these findings in writing within pre-set deadlines, and upload supporting evidence where relevant. Once all actions arising from the IDD are completed, corporate compliance will assess and determine whether the actions taken are appropriate to manage the identified risks. If risks are not satisfactorily mitigated, the matter is escalated.

In 2025, our compliance department registered four IDD-related findings related to "affected communities". Elkem's raw material procurement team was required to respond to the status of the supplier's relationship with and engagement with the local community. In one example, it was noted that our supplier had engaged

a doctor to visit the employees weekly, enabling easy access to medical assistance if required. The supplier had also set aside a room where employees could pray. Another supplier conducted consultative meetings with local communities about an expansion of the mine.

Through these practices, Elkem demonstrates its dedication to responsible business conduct and to building trust and long-term value in the communities where it operates.

Processes to remediate negative impacts and channels for affected communities to raise concerns ^{S3-3}

Communication responsibility in Elkem is structured so that only designated spokespersons, such as the chief executive officer, the chief financial officer, and the vice president for corporate communications & public affairs, and relevant managers, may speak on behalf of the group, ensuring consistent and aligned external messaging. Elkem plant managers are authorised to speak on behalf of their local plants, but this shall be in alignment with the global communications strategy and coordinated with the vice president for corporate communications & public affairs in advance. Dialogue with external stakeholders is done by various roles in the organisation, but it has to be in line with corporate guidelines and strategy.

Elkem provides accessible channels for both internal and external stakeholders to submit feedback and resolve issues. For detailed figures on grievances and reported cases of misconduct, please refer to the Business conduct section (ESRS G1). External stakeholders can confidentially raise concerns through a public grievance mechanism available on Elkem's website, while both internal and external parties have access to a secure Speak up channel for reporting misconduct or operational issues. All reports received through these mechanisms are managed by Elkem's ESG office and compliance department, which oversee the resolution process in collaboration with relevant teams. This structured approach ensures that every concern is addressed with the appropriate oversight and expertise, while ensuring privacy and protection for stakeholders at risk, reinforcing Elkem's commitment to responsible business conduct and transparency.

Taking action on material impacts on affected communities, approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions **S3-4**

Elkem has implemented tailored initiatives to address the diverse priorities of its stakeholders. The group's sustainability policy, introduced in 2023, sets clear goals for energy efficiency, biodiversity, water stewardship, and waste management. In Tana, Norway, Elkem engaged in extensive consultations with local reindeer herders to mitigate the impacts of a quartzite mine expansion, ensuring sustainable coexistence and respect for traditional livelihoods.

In India, Elkem Nagpur demonstrated its commitment to biodiversity and wildlife protection by providing equipment to restore roads after severe monsoon damage, enabling forest rangers to resume patrols and safeguard tiger populations. The plant has since launched a seven-year reforestation project, planting more than 2 000 trees to restore habitats and encourage the return of tigers.

Elkem also invests in social development through initiatives like the Wings Fly High project, which delivers digital education to children in under-resourced schools near Nagpur. By transforming buses into mobile computer classrooms, the programme has provided thousands of sessions, improved exam results, and helped hundreds of children return to school, with active involvement from Elkem employees and local volunteers. Community support remains a cornerstone of Elkem's approach. Programmes such as the Ferroveld learnerships in South Africa and the Colorir project in Brazil focus on education and skill-building, meeting local socio-economic needs while preparing future talent.

In Norway, Elkem Thamshavn was named "Apprenticeship Company of the Year 2025" at the Thams Conference, recognising its long-standing commitment to apprentices and its positive impact on the local community. The company offers a wide range of apprenticeship programmes and is praised for fostering inclusion and well-being. As part of the award, Elkem Thamshavn donated a NOK 25 000 prize to Skattkammeret, supporting children and youth in the Orkland region.

Finally, innovation remains central to Elkem's strategy. Collaborative projects such as Elkem Sicalo® and BioSIMS



align with stakeholder expectations for decarbonisation and a circular economy, underscoring Elkem's commitment to driving the green transition.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities **S3-5**

Elkem has no explicit targets related to engagement with affected communities, but has set targets to minimise negative impacts (see chapters on climate change, pollution, and water). Elkem manages its material impact by voluntary initiatives and maintaining strict compliance with environmental permits and regulations. Measures to prevent pollution of soil, air, and water are rigorously applied, and any deviations are addressed through established HSE processes. As a cornerstone employer in several locations, Elkem plays a vital role in local economies, providing jobs, tax revenue, and community support through programmes such as sponsorships for schools and sports teams. The group continuously works to strengthen dialogue and trust with communities and is exploring the establishment of outcome-oriented, time-bound targets to further enhance its commitment. Elkem's aim is to avoid conflicts with local communities, minimise negative impact, and promote strong communities.

Environmental

Social

Governance

G

ESRS G1

Business conduct

Elkem places strong emphasis on sound corporate governance as a foundation for value creation and stakeholder trust. The group upholds responsible economic practices, maintaining zero tolerance for corruption and ensuring strict compliance with international trade sanctions, anti-money laundering, and antitrust regulations. Guided by principles of honesty, respect, and integrity, Elkem is committed to conducting business responsibly and ethically in a global marketplace shaped by evolving regulatory requirements.

Role of administrative, supervisory, and management bodies GOV-1

Elkem's governance policy clearly defines the roles and responsibilities of its administrative, supervisory, and management bodies in line with the Norwegian Code of Practice for Corporate Governance. The general meeting, as Elkem's highest governing body, elects the board of directors and makes key decisions such as approving the annual report and determining dividends. The board sets the overall direction and strategy of the group, ensures compliance with governance principles, and supervises the management team to safeguard long-term value creation.

The board is supported by specialised committees: the nomination committee recommends candidates for the board and other key positions; the audit committee oversees financial reporting, internal controls, and risk management; and the remuneration committee advises on executive compensation to ensure alignment with shareholder interests.

Elkem's governance framework also includes the internal control and internal audit committee and the compliance committee. The internal control and internal audit

committee reviews governance processes, internal control systems, and risk management practices, reporting findings and recommendations to the audit committee and the board. The compliance committee monitors adherence to regulatory requirements, advises on compliance matters, and promotes a culture of integrity across the organisation.

Corporate governance at Elkem is closely linked to sustainability and ESG principles. The board integrates environmental, social, and governance considerations into strategic decision-making, ensuring that ethical standards, transparency, and accountability underpin all operations. This approach supports Elkem's commitment to responsible business conduct and sustainable growth in a global marketplace with evolving regulatory requirements.

Material impacts, risks, and opportunities related to business conduct IRO-1

Elkem operates global value chains, which inherently carry potential risks related to corruption, bribery, and economic misconduct. These risks are present across our supply chain, particularly in interactions with external distributors and sales agents. At the same time, Elkem

creates positive impact through robust governance and compliance practices. All employees receive comprehensive training, with tailored programmes for sales, procurement and other high-risk roles. The group maintains strong internal controls and dedicated compliance expertise at both corporate and operational levels. A confidential Speak up channel is available to all stakeholders, ensuring privacy for whistleblowers and subjects, and Elkem reports transparently on suspected misconduct. These measures form the foundation of a strong corporate culture aimed at reducing risk and negative impact.

Elkem faces several grouped risks that could affect operations and reputation. Increasing regulatory requirements for due diligence and transparency demand additional resources to monitor third-party relationships, including customers, intermediaries, and suppliers. Compliance with sanctions, trade regulations, financial crime legislation, and human rights laws is critical. Breaches could result in severe financial penalties or, in extreme cases, direct sanctions on Elkem. However, strong internal controls manage the risk reduces the residual risk level to medium.

Reputational and ethical risks also arise from growing stakeholder expectations for responsible sourcing. Management of such risk is further elaborated in the chapter “Workers in the value chain”.

Insufficient transparency in political engagement across markets could harm reputation, though this is considered low risk as Elkem primarily engages through transparent industry organisations. Operational and strategic risks include supply shortages if key suppliers fail screening or compliance requirements, and challenges posed by

stringent EU regulations that may create unfavourable framework conditions. These risks are assessed as medium due to their potential financial impact.

Together, these risks underscore the importance of robust governance, comprehensive risk management, and proactive stakeholder engagement to safeguard Elkem’s integrity and support sustainable growth.

Business conduct policies and corporate culture G1-1

Elkem’s governing documents establish clear principles for responsible business conduct across all entities. The Code of conduct and Governance policy are anchored at the highest level and approved by the board of directors. Operational management of compliance is overseen by the corporate compliance team, which provides employees and management with tools and guidance to ensure actions align with Elkem’s standards. These documents are described in detail under the ESRS 2 section on governing documents.

Elkem invests significantly in developing relevant and engaging compliance training for its workforce and board members. The training programme includes eLearning courses on the Code of conduct, onboarding modules for newcomers, and anti-corruption training covering high-risk areas such as gifts and hospitality, conflicts of interest, and sponsorships and donations. Many modules are available in multiple languages to reflect the group’s global presence.

Code of conduct training is mandatory for all office-based employees and new hires, while additional modules are required for specific roles based on risk exposure. Supported by a global learning platform and in-house

ESRS topic: G1 Business conduct Impacts

Sub-topic	Description	Actual or potential impact	Material impact	Financial impact	Positive or negative	Impact score ¹	Time-frame	Where in value chain ²
Corruption and bribery	Corruption taking place in our value chain, and thus contributing to shadow economies.	Potential	Yes	No	Negative	Medium	Short	VC
	Solid corporate culture and training reducing the risk of bribery, and established Speak up channels and policy protecting internal and external whistleblowers	Actual	Yes	Yes	Positive	Low	Short	OO, VC

¹ Based on irremediability, scale, scope, and likelihood

² Own operations (OO) or value chain (VC)

content development tools, Elkem delivers tailored, risk-based training designed to meet the needs of diverse employee groups.

To mitigate risks of anti-competitive behaviour, human rights breaches, or trade sanction violations, Elkem conducts assessments to identify high-risk jurisdictions and employee groups. Targeted eLearning and bespoke training sessions ensure compliance with established standards. Elkem's commitment is reinforced by dawn raid guidelines implemented across major sites and elearning is distributed to targeted employees and management.

Prevention and detection of corruption and bribery G1-1, G1-3

Elkem enforces a strict anti-bribery and corruption policy, particularly in jurisdictions with elevated risk. A risk-based approach underpins continuous improvement of anti-bribery measures, including regular risk assessments that guide both existing operations and new business ventures. This proactive stance reinforces Elkem's zero-tolerance policy and commitment to ethical business practices.

Recognising the importance of business partners in upholding high standards, Elkem requires agents, consultants, suppliers, and joint ventures to comply with its Code of conduct for business partners. In 2024, the group introduced a global supplier relationship management (SRM) platform to strengthen risk management and provide a robust framework for

evaluating and monitoring supplier relationships. In 2025, Elkem has focused on exploiting the opportunities provided by the SRM platform for improved supplier risk management. Details are provided in the "Workers in the value chain" chapter. We also advanced our efforts to mitigate the compliance risks associated with our distributors. We developed a more rigorous onboarding and approval process and enhanced our compliance monitoring of intermediaries. Starting in 2026, selected intermediaries will be enrolled in our training program, where they will receive comprehensive instruction in sanctions and anti-corruption measures.

Elkem fosters a culture of openness where employees and external stakeholders can report potential misconduct securely and without fear of retaliation. A professionally managed Speak up channel, hosted by a third party, enables confidential and anonymous reporting in multiple languages via web or telephone. The channel is open both for internal and external parties. Significant matters may be escalated to senior management or the audit committee, and Elkem maintains a strict zero-tolerance policy against retaliation. Elkem is committed to safeguarding anyone who raises concerns, and our Speak up framework ensures that whistleblowers are protected through strict confidentiality, the option to remain anonymous, and a zero-tolerance policy for retaliation, as set out in the Speak up and investigation procedure. All reported concerns are handled independently by corporate compliance, which operates outside the line-management hierarchy to

Prevention of corruption and bribery

Training module	Target group	Frequency	Course type	Number of people in target group 2025	Completion rate 2025
Introduction to Elkem's Code of conduct	All new employees	At start of employment with Elkem	Elearning (alternatively classroom for blue collar employees)	81 66	95.06%
Compliance awareness training to newcomers	All new white collar employees	At start of employment with Elkem	Elearning	112	85.71%
Code of conduct refresher	All current white collar employees	Twice a year	Elearning	2 856	99.72%
Anti-corruption academy 2025	Risk based target group	Twice a year	Elearning	1 123	99.02%
Elkem sanctions school	Risk based target group	One-off risk-based campaigns	Elearning	891	94.95%
Introduction to human rights	Risk based target group	Subsequent assignment to new employees meeting target group definition	Elearning	482	96.06%
Anti-trust	Risk based target group		Elearning	1051	96.19%

secure an objective and unbiased assessment of each case, and investigations follow a structured, fact-based methodology in accordance with the Work instruction for internal investigators. Dedicated investigators, separate from operational leadership, collect and analyse relevant information, document findings rigorously, and report outcomes only to those with a legitimate need to know, ensuring that every case is examined impartially and in full alignment with Elkem's compliance standards.

Elkem is equally committed to full compliance with tax laws across its global operations, emphasising transparency and constructive engagement with tax authorities. With a low-risk tolerance in tax planning, Elkem's tax function aligns with the group's risk management framework and undergoes annual reviews. External advisors are engaged when necessary to ensure adherence to legal requirements and maintain open relationships with authorities.

In 2025, Elkem reported no significant legal or regulatory violations resulting in material penalties. Significance is defined based on environmental impact, production continuity, and economic effects. Elkem maintains stringent internal controls to prevent non-compliance and confirms that all subsidiaries have adopted the governing documents approved by the board of directors.

Actions and resources related to business conduct G1-MDR-A

To address identified impacts and risks, Elkem has strengthened internal training and implemented robust internal controls supported by dedicated compliance resources. Our ambition is to continuously enhance the compliance programme in line with evolving regulatory requirements and best practices.

A key short-term priority is refining third-party risk management processes, with particular focus on high-risk intermediaries such as resellers, distributors, and sales agents. These efforts will build on our existing sanctions compliance programme and integrate anti-corruption controls, creating a holistic and streamlined approach for qualification, approval, and ongoing management of high-risk third parties.

The compliance team will collaborate closely with the procurement organisation to further enhance functionality within the SRM platform. Our goal is to strengthen risk-based supplier qualification and follow-up requirements to cover all relevant compliance risks, including sanctions, corruption, and human and labour rights. Improvements will be applied to all new suppliers and introduced gradually for legacy suppliers, taking a risk-based approach.

Our training programme will continue to evolve to deliver relevant and targeted content that increases effectiveness. In 2026, we will test out knowledge-based assignment of refresher compliance training, allowing for differentiation based on the learners' prior knowledge of the topic.

After five years of dedicated effort across the organisation, Elkem's compliance programme has reached a significant milestone, now recognised by Deloitte as one of the best among international peers. Since the initial audit in 2020, Elkem has advanced from an informal maturity level to "operationally effective" status, driven by strong leadership, technology-enabled controls, tailored training, and continuous improvement. Deloitte's latest audit commends Elkem's commitment and progress, highlighting the group as a benchmark in compliance. Elkem remains focused on further strengthening automation, risk assessment, and cross-functional collaboration to ensure continued resilience and effectiveness in a changing environment.

Incidents of corruption or bribery G1-4, G1-MDR-T

In 2025, significant efforts were made to increase awareness and usage of the Speak up channel. A new requirement for local management to report locally registered cases to corporate compliance was introduced to ensure group-wide learning and process improvements. Units are now also obligated to display the Speak up poster in common areas, and awareness campaigns have been directed towards all employees. The efforts have had the desired effect, with reported cases increasing from 2024 to 2025. The instances of suspected misconduct recorded in 2025 is listed in the table on the opposite page.

Political influence and lobbying activities G1-5

Elkem maintains active dialogue with government policymakers, media, civil society, non-governmental organisations, research institutions and international institutions to communicate its position on key industry issues. The group does not support political or religious organisations, nor individuals or groups outside recognised charities, and strictly prohibits contributions to discriminatory, harmful, or unlawful activities. All sponsorships and donations are governed by Elkem's Sponsoring and donations procedure and must comply with the Code of conduct and anti-corruption requirements. Exceptions are limited to small symbolic gestures related to employees' religious holidays, which follow the gifts and hospitality procedure. Elkem primarily represents its interests through industry organisations, and any engagement with external lobbyists is conducted transparently, in accordance with legal requirements, and

with prior approval from the vice president of corporate communications & public affairs, following the third-party risk management procedure. Every sponsorship and social contribution is subject to rigorous due diligence and must uphold Elkem's ethical standards and compliance commitments.

Payment practices G1-6

Elkem strives to pay all invoices within reasonable time. The key guideline is to pay the invoice within 45 days of it being issued. This is regardless of whether it is a large corporate supplier or an SME.

Incidents of misconduct

	Metric	2025	2024	2023	2022
Total number and nature of misconduct reports	Number		26	15	14
	Cases	<ul style="list-style-type: none"> → Company/professional code violation: 11 → Inappropriate workplace behaviour and harassment: 10 → HR case: 7 → Corruption and fraud: 6 → Conflict of interest: 5 → Competition law: 2 → Cyber security & data protection: 1 → HSE violation: 1 → Human rights violation: 1 → Sanction violation: 1 	<ul style="list-style-type: none"> → Inappropriate workplace behaviour and harassment: 13 → HSE violation: 2 → Corruption and fraud: 4 → Conflict of interest: 3 → Company/professional code violation: 3 → Sanction violation: 1 	<ul style="list-style-type: none"> → Company/professional code violation: 2 → Conflict of interest: 3 → Corruption and fraud: 4 → HSE violation: 1 → Inappropriate workplace behaviour and harassment: 2 → Rights and protection of individuals: 1 → HR case: 2 	
Number of confirmed cases of corruption and fraud	Number	0	1	1	6
Number of confirmed incidents in which employees were dismissed or disciplined for corruption	Number	0	1	0	2
Public legal cases regarding corruption brought against the organisation or its employees	Number	0	1	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Number	0	0	0	5

Membership fees

Organisation	Partnership/ Membership fee 2025
Norsk Industri	NOK 1 066 623
Eurometaux	EUR 63 251
Euroalliages	EUR 310 401
Miljøstiftelsen ZERO (Zero Emission Resource Organisation)	NOK 374 000
Silicones Europe/CEFIC Global	EUR 556 000
Silicones Council /SEHSC (American Chemistry Council)	EUR 932 000
SICOS (the French Syndicat des industries chimie fine et biotech)	EUR 25 473
Norsk Bergindustri	NOK 168 465

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KPMG AS
Dronning Eufemias gate 6A
P.O. Box 7000 Majorstuen
N-0306 Oslo

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

To the General Meeting of Elkem ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Elkem ASA (the "Group"), included in the section Sustainability Statement of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the chapter ESRS 2 General Disclosures, subsection Double Materiality Assessment - Material impacts, risks and opportunities; and
- compliance of the disclosures in the section Statement on the EU Taxonomy for Sustainable Economic Activities of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo Drammen Kristiansand Trondheim
Arendal Hamar Stavanger Tynset
Bergen



Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the section Double Materiality Assessment - Material impacts, risks and opportunities of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the section Statement on the EU Taxonomy for Sustainable Economic Activities of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the section Double Materiality Assessment - Material impacts, risks and opportunities.



Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. 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.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing selected parts of the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in the section Double Materiality Assessment - Material impacts, risks and opportunities.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
 - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;



- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 13 March 2026

KPMG AS

A handwritten signature in blue ink, appearing to read 'Stian Tørrestad'.

Stian Tørrestad
State Authorised Public Accountant – Sustainability Auditor

Financial statements

Elkem ASA Group

Financial statements

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Consolidated statement of profit or loss

Amounts in NOK million

1 January - 31 December	Note	2025	2024
Revenue	7	16 535	17 810
Other operating income	8	172	1 066
Share of profit (loss) from equity accounted investments	5	20	(6)
Total operating income	6	16 727	18 870
Raw materials and energy	10	(7 631)	(8 313)
Employee benefit expenses	11	(2 874)	(2 766)
Other operating expenses	13	(4 159)	(4 283)
Amortisation and depreciation	17, 18, 19	(1 008)	(931)
Impairment losses	17, 18, 19	(7)	(168)
Other items	14	258	(316)
Operating profit (loss)		1 307	2 094
Share of profit (loss) from equity accounted financial investments	5	-	(143)
Finance income	15	61	107
Foreign exchange gains (losses)	15	(284)	247
Finance expenses	15, 18	(549)	(778)
Profit (loss) before income tax		534	1 526
Income tax (expense) benefit	16	(149)	588
Profit (loss) for the year from continuing operations		385	2 115
Profit (loss) for the year from discontinued operations	38	(969)	(1 538)
Profit (loss) for the year		(584)	577
<i>Attributable to:</i>			
Non-controlling interest share of profit (loss)		84	89
Owners of the parent's share of profit (loss)		(668)	488
Earnings per share in NOK			
Basic	34	(1.05)	0.77
Diluted	34	(1.05)	0.77

Consolidated statement of comprehensive income

Amounts in NOK million

1 January - 31 December	Note	2025	2024
Profit (loss) for the year		(584)	577
Remeasurement of defined benefit pension plans	11	24	8
Tax effects on remeasurement of defined benefit pension plans	16	(2)	(1)
Change in fair value of equity instruments		8	2
Share of other comprehensive income (loss) from equity accounted investments	5	-	0
Total items that will not be reclassified to profit or loss		30	9
Currency translation differences		(1 214)	1 154
Hedging of net investment in foreign operations	30	(9)	(128)
Tax effects hedging of net investment in foreign operations	16	2	28
Cash flow hedges	30	109	29
Tax effects on cash flow hedges	16	(24)	(13)
Share of other comprehensive income (loss) from equity accounted investments	5	(4)	4
Total items that may be reclassified to profit or loss in subsequent periods		(1 140)	1 074
Cash flow hedges	30	(41)	14
Tax effects on cash flow hedges	16	9	3
Total reclassification adjustments for the period		(32)	17
Other comprehensive income (loss) for the year, net of tax		(1 142)	1 100
Total comprehensive income for the year		(1 726)	1 677
<i>Attributable to:</i>			
Non-controlling interest share of comprehensive income		81	98
Owners of the parent's share of comprehensive income		(1 807)	1 579
Total comprehensive income for the year		(1 726)	1 677

Consolidated statement of financial position

Amounts in NOK million

	Note	31.12.2025	31.12.2024
ASSETS			
Property, plant and equipment	17, 21	8 568	8 405
Right-of-use assets	18, 21	402	403
Other intangible assets	19, 21	164	216
Goodwill	20, 21	305	329
Deferred tax assets	16	942	738
Equity accounted investments	5	210	230
Derivatives	29, 30	981	1 012
Other assets	24	1 011	985
Total non-current assets		12 583	12 320
Inventories	22	5 959	6 038
Trade receivables	23	1 852	1 960
Derivatives	29, 30	285	267
Other assets	24	1 231	1 254
Restricted deposits	25	1	7
Cash and cash equivalents	25	2 694	4 397
Total current assets		12 021	13 923
Assets classified as held for sale	38	22 878	27 189
TOTAL ASSETS		47 481	53 432

Amounts in NOK million

	Note	31.12.2025	31.12.2024
EQUITY AND LIABILITIES			
Paid-in capital	33	3 508	3 502
Retained earnings		20 413	22 410
Non-controlling interest		104	109
Total equity		24 026	26 020
Non-current liabilities			
Interest-bearing liabilities	18, 26	9 648	11 817
Deferred tax liabilities	16	129	238
Employee benefit obligations	11	238	238
Derivatives	29, 30	350	485
Provisions and other liabilities	28	275	267
Total non-current liabilities		10 640	13 045
Current liabilities			
Trade payables		1 818	2 076
Income tax payables		43	106
Interest-bearing liabilities	18, 26	2 322	1 090
Employee benefit obligations	11	482	471
Derivatives	29, 30	115	140
Provisions and other liabilities	28	588	815
Total current liabilities		5 368	4 698
Liabilities classified as held for sale	38	7 447	9 668
TOTAL EQUITY AND LIABILITIES		47 481	53 432

Oslo, 10 March 2026



Bo Li
Chair



Dag Jakob Opedal
Vice chair



Olivier Tillet de Clermont-Tonnerre
Board member



Wei Yao
Board member



Dachuan Dong
Board member



Grace Tang
Board member



Nathalie Brunelle
Board member



Marianne Elisabeth Johnsen
Board member



Terje Andre Hanssen
Board member



Marianne Færøyvik
Board member



Thomas Eggan
Board member



Helge Aasen
CEO, Elkem ASA

Consolidated statement of cash flows

Amounts in NOK million

1 January - 31 December	Note	2025	2024
Operating profit (loss) from continuing operations	38	1 307	2 094
Operating profit (loss) from discontinued operations	38	(782)	(1 382)
Amortisation, depreciation and impairment losses	17, 18, 19	2 741	2 852
Changes in working capital	35	(138)	(629)
Equity accounted investments	5	13	27
Changes in fair value of derivatives		(107)	475
Changes in provisions, bills and other		(821)	(27)
Interest payments received		84	119
Interest payments made		(684)	(885)
Income taxes paid		(436)	(614)
Total cash flow from operating activities		1 176	2 030
Investments in property, plant and equipment and intangible assets	17, 19	(2 359)	(3 398)
Received investment grants	9	39	64
Proceeds from sale of property, plant and equipment	17, 19	71	17
Disposal of equity accounted investments	5	-	10
Acquisition of and capital contribution to equity accounted investments	5	-	(4)
Other investments / sales		1	9
Total cash flow from investing activities		(2 248)	(3 303)
Dividends paid to non-controlling interest		(85)	(123)
Dividends paid to owners of the parent	32	(190)	-
Net sale (purchase) of treasury shares	33	1	5
Payment of lease liabilities	18, 26	(151)	(143)
New interest-bearing loans and borrowings	26	691	2 470
Payment of interest-bearing loans and borrowings	26	(1 186)	(1 474)
Total cash flow from financing activities		(921)	737
Change in cash and cash equivalents		(1 993)	(536)
Currency translation differences		(271)	238
Cash and cash equivalents opening balance		6 070	6 367
Cash and cash equivalents closing balance		3 806	6 070
Of which cash and cash equivalents in assets held for sale	38	1 112	1 673
Of which cash and cash equivalents in continuing operations	25	2 694	4 397

Consolidated statement of changes in equity

Amounts in NOK million

2025	Share capital	Other paid-in capital	Total paid-in capital	Foreign currency translation reserve	Cash flow hedge reserve	Other retained earnings	Total retained earnings	Total owners share	Non-controlling interest	Total
Opening balance	3 197	305	3 502	3 275	(46)	19 181	22 410	25 911	109	26 020
Profit (loss) for the year	-	-	-	-	-	(668)	(668)	(668)	84	(584)
Other comprehensive income for the year	-	-	-	(1 217)	53	26	(1 139)	(1 139)	(4)	(1 142)
Total comprehensive income for the year	-	-	-	(1 217)	53	(642)	(1 807)	(1 807)	81	(1 726)
Share-based payments (note 12)	-	6	6	-	-	-	-	6	-	6
Net movement treasury shares (note 33)	-	0	0	-	-	1	1	1	-	1
Dividends to equity holders (note 32)	-	-	-	-	-	(190)	(190)	(190)	(85)	(276)
Closing balance	3 197	311	3 508	2 058	7	18 349	20 413	23 922	104	24 026

2024	Share capital	Other paid-in capital	Total paid-in capital	Foreign currency translation reserve	Cash flow hedge reserve	Other retained earnings	Total retained earnings	Total owners share	Non-controlling interest	Total
Opening balance	3 197	301	3 498	2 231	(79)	18 675	20 827	24 325	133	24 458
Profit (loss) for the year	-	-	-	-	-	488	488	488	89	577
Other comprehensive income for the year	-	-	-	1 044	33	13	1 090	1 090	10	1 100
Total comprehensive income for the year	-	-	-	1 044	33	501	1 579	1 579	98	1 677
Share-based payments (note 12)	-	2	2	-	-	-	-	2	-	2
Net movement treasury shares (note 33)	-	1	1	-	-	4	4	5	-	5
Dividends to equity holders (note 32)	-	-	-	-	-	-	-	-	(123)	(123)
Closing balance	3 197	305	3 502	3 275	(46)	19 181	22 410	25 911	109	26 020

Notes to the consolidated financial statements

Amounts in NOK million

1 General information

Elkem ASA is a limited liability company located in Norway, and its shares are publicly traded on Oslo Stock Exchange. Elkem ASA is owned 52.9 per cent by Bluestar Elkem International Co. Ltd S.A., Luxembourg, which is under the control of Sinochem Holdings Co., Ltd (Sinochem), a company registered and domiciled in China.

Elkem is one of the world's leading providers of advanced material solutions shaping a better and more sustainable future. The company develops silicones, silicon products, and carbon solutions by combining natural raw materials, renewable energy, and human ingenuity. Elkem helps its customers create and improve essential innovations like electric mobility, digital communications, health and personal care, as well as smarter and more sustainable cities. With a strong track record since 1904, its global team of more than 3 000 people has a joint commitment to stakeholders: Delivering your potential. In 2025, Elkem achieved an operating income of NOK 16 727 million.

The consolidated financial statements for Elkem ASA (hereafter Elkem or the group), including notes, for the year 2025 were authorised for issue by the board of directors of Elkem ASA at 10 March 2026.

At 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 Silicones division. At the end of 2024, it was assessed that the Silicones division meets the criteria for 'held for sale'. In February 2026, the group announced that an agreement to sell the majority of the Silicones division to Bluestar had been made, see note 39 Events after the reporting period. The Silicones division represents a major line of business and per 31 December 2024 a sale was regarded to be highly probable to occur within one year. As such, the Silicones division is presented as discontinued operations in the statement of profit and loss, and as held for sale in the statement of financial position in both the 2024 and 2025 financial statements. The statement of cash flows and some notes (including note 6 Operating segments and note 31 Financial risk) provide information for the entire Elkem group, including operations classified as discontinued (hereafter Elkem group total). Unless otherwise specified, notes related to the statement of profit or loss reflect continuing operations. See note 38 Assets held for sale and discontinued operations for further information.

2 Basis for preparing the consolidated financial statements

Compliance

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU) and effective at 31 December 2025. All accounting policies are used consistently by all subsidiaries in the consolidated financial statement.

Relevant financial reporting principles are described in each note to the consolidated financial statements.

Preparation of consolidated financial statements

The consolidated financial statements are prepared on a historical cost basis, with the exception of derivative financial instruments and other financial assets measured at fair value.

The presentation currency of Elkem is Norwegian krone (NOK). All financial information is presented in NOK million, unless otherwise stated. As a result of rounding adjustments, the amounts shown in one or more rows and columns included in the consolidated financial statements, may not add up to the total.

In text, the current year's figures are presented outside parentheses, followed by the comparative figures presented in parentheses.

The consolidated financial statements have been prepared under the going concern assumption.

Foreign currency translation

Each entity in the group determines its functional currency based on the economic environment in which it operates, and items included in the financial statements of each entity are measured using that functional currency. When preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognised in the functional currency, using the transaction date's currency rate.

Monetary items denominated in foreign currencies are translated to each entity's functional currency using the closing rate at the end of the reporting period, and any gains (losses) are reported in the statement of profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured. Currency gains (losses) related to operating activities, i.e. receivables, payables, cash, and cash equivalents for operating purposes, including current intragroup balances, are recognised as a part of other items. Currency effects recognised in finance income and expenses are only related to intra-group receivables and financing activities such as loans and lease liabilities.

Foreign currency differences are recognised in other comprehensive income for the following items:

- a financial asset or liability designated as a hedging instrument in a cash flow hedge, to the extent that the hedge is effective
- loans in foreign currencies designated as hedging instruments in a hedge of a net investment in a foreign operation

In consolidation of the statement of profit or loss and the statement of financial position, separate group entities with a functional currency other than the group's presentation currency are translated directly into the presentation currency as follows:

- Assets and liabilities are translated using the exchange rate at the end of the reporting period
- Income and expenses are translated using an average exchange rate per month
- Equity transactions, except for profit or loss for the period, are translated using the transaction date rates

All resulting exchange differences are booked as a separate component in other comprehensive income (OCI).

Any goodwill arising on acquisition of a foreign operation and any fair value adjustment to the carrying amount of assets and liabilities arising on the acquisition, are treated as assets and liabilities of the foreign operations. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation, is recognised in the statement of profit or loss.

Statement of cash flows

The statement of cash flows is prepared under the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash effect items. Interest received and paid and other financial expenses, such as bank guarantee expenses, are reported as part of operating activities. Net currency gains or losses related to financing activities are reported as part of financing activities. Dividends received from joint ventures and associates that do not operate within Elkem's main business areas are included in investing activities.

Dividend to shareholders

Dividend is recognised as a liability when the shareholders' right to payment is established, which is when the dividend is approved by the general meeting.

Changes in accounting policies and correction of material errors

Changes in accounting policies and correction of material errors are recognised retrospectively by restating the comparative amounts for the prior period presented, including the opening balance of the prior year.

Changes in accounting policy

Elkem has changed how the chief operating decision maker follows up realised derivative effects, which has effect for note 6 Operating segments and Elkem's Alternative Performance Measures (APMs). From 2025, all realised effects from derivatives not designated in a hedging relationship will be presented within operating expenses and included in Elkem's definition of normalised EBITDA. There is no change in the IFRS profit and loss statement. Comparative figures in note 6 Operating segments and impacted APMs have been restated for 2024.

New and revised standards - adopted

No new or revised standards have been adopted in 2025.

New standards, interpretations, and amendments - not yet effective

IFRS 18 will replace IAS 1 Presentation of financial statements, effective from 1 January 2027. The standard introduces new requirements with the intention to achieve better comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, the implementation will impact presentation and some disclosures. Management has analysed the implications of applying the new standard on the group's consolidated financial statements and expects the following three effects for Elkem:

- The statement of profit or loss will have to be changed, classifying income and expenses in one of five categories (operating, investing, financing, income tax, and discontinued operations) with accompanying new subtotals.
- To be able to comply with the new classification requirements in the statement of profit or loss, some of our present line-items will have to be disaggregated, thereby leading to the need for some new financial accounts - particularly regarding registration of foreign currency exchange effects.
- The newly introduced term "Management-defined Performance Measures" as a sub-group of our present Alternative Performance Measures, with accompanying notes disclosure requirements will have to be included in the financial statements.

Other implications of the implementation of IFRS 18 are expected to be minor. Elkem expects to use IFRS 18 when presenting the condensed interim financial statements from the first quarter of 2027, with retrospective implementation (restating the comparable figures for 2026).

3 Accounting estimates

The preparation of the consolidated financial statements according to IFRS requires management to make estimates and use assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Estimates are made based on customised models, and the applied assumptions are derived from historical experience, external sources of information, and other sources deemed reasonable under the current conditions and circumstances. Actual results may differ from these estimates.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions of reported estimates are recognised in the period in which the estimates are revised and in any future period affected. Changes in accounting estimates are recognised prospectively by including them in the statement of profit or loss in the period of the change and future periods if the change affects both.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in the following notes:

- Note 16 Taxes
- Note 21 Impairment assessments
- Note 28 Provisions and other liabilities
- Note 29 Financial assets and liabilities
- Note 38 Assets held for sale and discontinued operations

4 Composition of the group

Principle application and judgements

Consolidation

The consolidated financial statements include the financial statements of Elkem ASA and entities controlled directly or indirectly by Elkem ASA.

Business combinations

The acquisition method of accounting is used to account for business combinations made by the group.

IFRS 3 allows two different approaches to accounting for an asset acquisition. Elkem has 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.

Note 4 continued

Company	Functional currency	Country of incorporation	31.12.25 Equity interest	31.12.24 Equity interest	Owner
Elkania DA (Joint operation)	NOK	Norway	50%	50%	Elkem ASA
Elkem (Thailand) Co., Ltd.	THB	Thailand	100%	100%	Elkem ASA
Elkem Carbon (China) Co., Ltd.	CNY	China	100%	100%	Elkem Carbon Singapore Pte. Ltd.
Elkem Carbon AS	NOK	Norway	100%	100%	Elkem ASA
Elkem Carbon Malaysia Sdn. Bhd.	MYR	Malaysia	100%	100%	Elkem Carbon AS
Elkem Carbon Singapore Pte. Ltd.	SGD	Singapore	100%	100%	Elkem Carbon AS
Elkem Carbon Slovakia, a.s.	EUR	Slovakia	100%	100%	Elkem Carbon AS
Elkem Chartering Holding AS	NOK	Norway	80%	80%	Elkem ASA
Elkem Digital Office AS	NOK	Norway	100%	100%	Elkem ASA
Elkem Distribution Center B.V.	EUR	Netherlands	100%	100%	Elkem ASA
Elkem Dronfield Ltd.	GBP	United Kingdom	100%	100%	Elkem UK Holdings Ltd.
Elkem Egypt for Industry, Contracting & Trading S.A.E.	USD	Egypt	100%	100%	Elkem International AS
Elkem Ferroveld JV (Joint operation)	ZAR	South Africa	50%	50%	Elkem Carbon AS
Elkem Foundry (China) Co., Ltd.	CNY	China	100%	100%	Elkem ASA
Elkem GmbH	EUR	Germany	100%	100%	Elkem ASA
Elkem Iberia S.L.U	EUR	Spain	100%	100%	Elkem ASA
Elkem International AS	NOK	Norway	100%	100%	Elkem ASA
Elkem International Trade (Shanghai) Co., Ltd.	CNY	China	100%	100%	Elkem International AS
Elkem Ísland ehf.	NOK	Iceland	100%	100%	Elkem ASA
Elkem Japan K.K.	JPY	Japan	100%	100%	Elkem ASA
Elkem Korea Co., Ltd.	KRW	Republic of Korea	100%	100%	Elkem ASA
Elkem Ltd.	GBP	United Kingdom	100%	100%	Elkem UK Holdings Ltd.
Elkem Madencilik Metalurji Sanayi Ve Ticaret Ltd. STI	EUR	Turkey	100%	100%	Elkem International AS
Elkem Materials, Inc.	USD	USA	100%	100%	NEH LLC
Elkem Materials Processing (Tianjin) Co., Ltd.	CNY	China	100%	100%	Elkem ASA
Elkem Materials Processing Services BV	EUR	Netherlands	100%	100%	Elkem ASA
Elkem Materials South America Ltda.	BRL	Brazil	100%	100%	Elkem Materials, Inc.
Elkem Metal Canada Inc.	CAD	Canada	100%	100%	Elkem ASA
Elkem Milling Services GmbH	EUR	Germany	100%	100%	Elkem ASA
Elkem Nordic A.S.	DKK	Denmark	100%	100%	Elkem ASA
Elkem Oilfield Chemicals FZCO Ltd.	AED	UAE	51%	51%	Elkem ASA
Elkem Paraguay S.A.	USD	Paraguay	100%	100%	Elkem ASA ¹⁾
Elkem Participações Indústria e Comércio Limitada	BRL	Brazil	100%	100%	Elkem Carbon AS
Elkem Processing Services S.A.	EUR	Belgium	100%	100%	Elkem ASA
Elkem S.à r.l.	EUR	France	100%	100%	Elkem ASA
Elkem S.r.l.	EUR	Italy	100%	100%	Elkem ASA
Elkem Silicon Materials (Lanzhou) Co., Ltd.	CNY	China	100%	100%	Elkem ASA

Company	Functional currency	Country of incorporation	31.12.25 Equity interest	31.12.24 Equity interest	Owner
Elkem Silicon Product Development AS	NOK	Norway	100%	100%	Elkem ASA
Elkem Siliconas España S.A.U	EUR	Spain	100%	100%	Elkem ASA
Elkem Silicones (UK) Ltd.	GBP	United Kingdom	100%	100%	Elkem UK Holdings Ltd.
Elkem Silicones Brasil Ltda.	BRL	Brazil	100%	100%	Elkem ASA
Elkem Silicones Canada Corp.	CAD	Canada	100%	100%	Elkem ASA
Elkem Silicones Czech Republic, s.r.o.	CZK	Czech Republic	100%	100%	Elkem ASA
Elkem Silicones Finland OY	EUR	Finland	100%	100%	Elkem ASA
Elkem Silicones France SAS	EUR	France	100%	100%	Elkem ASA
Elkem Silicones Germany GmbH	EUR	Germany	100%	100%	Elkem ASA
Elkem Silicones Guangdong Co., Ltd.	CNY	China	100%	100%	Elkem ASA
Elkem Silicones Hong Kong Co., Ltd.	HKD	Hong Kong	100%	100%	Elkem ASA
Elkem Silicones Korea Co., Ltd.	KRW	Republic of Korea	100%	100%	Elkem ASA
Elkem Silicones Material Zhongshan Co., Ltd.	CNY	China	100%	100%	Elkem Silicones Guangdong Co., Ltd.
Elkem Silicones México S. De R.L. De C.V.	MXN	Mexico	100%	100%	Elkem ASA
Elkem Silicones Poland sp. z o.o.	PLN	Poland	100%	100%	Elkem ASA
Elkem Silicones Scandinavia AS	NOK	Norway	100%	100%	Elkem ASA
Elkem Silicones Services S.à r.l.	EUR	France	100%	100%	Elkem ASA
Elkem Silicones Shanghai Co., Ltd.	CNY	China	100%	100%	Elkem ASA
Elkem Silicones USA Corp.	USD	USA	100%	100%	Elkem ASA
Elkem Siliconi Italia S.r.l.	EUR	Italy	100%	100%	Elkem ASA
Elkem Singapore Materials Pte. Ltd.	SGD	Singapore	100%	100%	Elkem ASA
Elkem South Asia Private Limited	INR	India	100%	100%	Elkem ASA
Elkem UK Holdings Ltd.	GBP	United Kingdom	100%	100%	Elkem ASA
Elkem Uruguay S.A.	USD	Uruguay	100%	100%	Elkem ASA
Euro Nordic Logistics BV	EUR	Netherlands	80%	80%	Elkem Chartering Holding AS
Euro Nordic Netherlands BV	EUR	Netherlands	80%	80%	Euro Nordic Logistics BV
Explotación de Rocas Industriales y Minerales S.A. (ERIMSA)	EUR	Spain	100%	100%	Elkem ASA
Iniconce, S.L.	EUR	Spain	100%	100%	Explotación de Rocas Industriales y Minerales S.A.
Jiangxi Bluestar Xinghuo Silicones Co., Ltd.	CNY	China	100%	100%	Elkem ASA
NEH LLC	USD	USA	100%	100%	Elkem ASA
NorenoComercial Importada e Exportadora Limitada	BRL	Brazil	100%	100%	Elkem Participações Indústria e Comércio Limitada
Norsil, S.A.	EUR	Spain	100%	100%	Iniconce, S.L
Tifwer Trade S.A.	USD	Uruguay	100%	100%	Elkem Uruguay S.A.

1) Elkem ASA owns 79% and Elkem Uruguay S.A owns 21%

Changes in the composition of the group in 2025

Elkem has not made any acquisitions in 2025. See note 39 Events after the reporting period for information regarding a significant divestment in 2026.

Changes in composition of the group in 2024

At 14 May 2024 Elkem acquired Elkem Testvirksomhet AS (previously REC Solar Norway AS) for USD 22 million (NOK 238 million). Elkem Testvirksomhet AS was subsequently merged with Elkem ASA. 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. NOK 245 million has been allocated to assets, of which 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 for 2024:

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

The net loss in other items relates 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 are measured at cost on initial recognition and are for this reason not subsequently remeasured.

5 Equity accounted investments and joint operations

Principle application and judgements

Share of profit (loss) from investments in associates and joint ventures

Share of profit (loss) from investments in associates and joint ventures is presented in the statement of profit or loss depending on the purpose of the investments. Investments that are closely related to the group's main activities are presented as share of profit from equity accounted investments, included in total operating income. Investments in associates and joint ventures that do not operate within Elkem's main business areas are presented as share of profit from equity accounted financial investments. Judgement is applied in determining the category of investment.

Elkem has interests in the following joint arrangements and associates:

Name of entity	Business office	Country	Principal activities	Classification	% equity interest 2025	% equity interest 2024
Elkem Ferrovelde JV	Ferrobank Emalahleni	South Africa	Electrode paste production	Joint operation	50%	50%
Elkania DA	Hauge i Dalane	Norway	Microfine weighting material	Joint operation	50%	50%
North Sea Container Line AS	Haugesund	Norway	Shipping services	Joint venture	50%	50%
North-Sea Management AS	Haugesund	Norway	Shipping services	Joint venture	50%	50%
Klafi EHF	Grundartangi, Akranes	Iceland	Transportation / harbour services	Joint venture	50%	50%
Welderdate AS	Oslo	Norway	Robot welding systems	Joint venture	50%	50%
Jiangxi Guoxing Intelligence Energy Co. Ltd ¹⁾	Yangjialing	China	Energy production	Joint venture	-	35%
Jiangxi Ganjiang New District Silicones Innovative Research Center Ltd. ¹⁾	Ganjiang	China	Research center	Joint venture	-	30%
Euro Partnership BV	Moerdijk	Netherlands	Ship management services	Associate	50%	50%
Combined Cargo Warehousing BV	Moerdijk	Netherlands	Warehousing	Associate	33%	33%
Euro Nordic Agencies Belgium NV	Antwerpen	Belgium	Ship agencies services	Associate	50%	50%
EPB Chartering AS	Oslo	Norway	Deep sea charter services	Associate	25%	25%
Osiris GIE ¹⁾	Roussillon	France	Business supplies and equipment	Associate	-	25%
3Deus Dynamics SAS ¹⁾	Lyon	France	3D printing	Associate	-	21%
Future Materials AS	Grimstad	Norway	Marketing of research facilities	Associate	20%	20%

¹⁾ The joint arrangements and associates are held by discontinued operations

Note 5 continued

The share of equity interest is equal to Elkem's voting rights.

All of the entities above are classified to operate within Elkem's main business areas.

There is no quoted market price for any of these investments.

In February 2024 Elkem group sold its shares in Vianode AS, a synthetic graphite manufacturer for a total nominal amount of NOK 847 million to AV Anodos AS, a company controlled by Altor Equity Partners AS. NOK 10 million of the compensation was received at closing while the rest is tied to Vianode meeting two future milestones. See note 29 Financial assets and liabilities for more details regarding the receivable. The sale resulted in a loss on disposal of NOK 128 million.

See note 36 Related parties for commitments and transactions related to the joint ventures and associates.

Movements in equity accounted investments	2025			2024		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
Opening balance	81	149	230	1 054	242	1 296
Acquisition of and capital contribution to joint ventures	-	-	-	4	-	4
Disposal of shares	-	-	-	(759)	-	(759)
Dividend received	(3)	(32)	(36)	(7)	(17)	(23)
Share of profit (loss) from equity accounted investments from continuing operations	17	2	20	(8)	2	(6)
Share of profit (loss) from equity accounted investments from discontinued operations	-	-	-	4	-	4
Share of profit (loss) from equity accounted financial investments from continuing operations	-	-	-	(15)	-	(15)
Amortisation of excess value from equity accounted investments from discontinued operations	-	-	-	-	(2)	(2)
Gain (loss) on sales of shares	-	-	-	(128)	-	(128)
Part of other comprehensive income	-	(4)	(4)	0	4	4
Assets classified as held for sale	-	-	-	(69)	(88)	(157)
Currency translation differences	0	0	0	5	7	12
Closing balance	95	115	210	81	149	230

	2025	31.12.25	2024	31.12.24
	Share of profit	Carrying amount	Share of profit	Carrying amount
Share of profit (loss) and carrying amount for equity accounted investments				
North Sea Container Line AS	16	86	(10)	74
North-Sea Management AS	2	9	2	7
Klafi EHF	(1)	(0)	(0)	0
Weldermate AS	(0)	0	0	0
Vianode AS	-	-	(15)	-
Jiangxi Guoxing Intelligence Energy Co. Ltd	-	-	-	-
Jiangxi Ganjiang New District Silicones Innovative Research Center Ltd.	-	-	-	-
Euro Partnership BV	8	39	10	48
Combined Cargo Warehousing BV	2	6	(1)	4
Euro Nordic Agencies Belgium NV	2	8	1	6
EPB Chartering AS	(10)	62	(8)	91
Osiris GIE	-	-	-	-
3Deus Dynamics SAS	-	-	-	-
Future Materials AS	-	-	-	0
Total	20	210	(21)	230
Gain (loss) on disposal of equity accounted investments	-	-	(128)	-
Total	20	210	(149)	230

	2025	2024
Cash-flow from operations, equity accounted investments		
Share of profit (loss) from equity accounted investments from continuing operations	(20)	6
Share of profit (loss) from equity accounted investments from discontinued operations	-	(2)
Dividend received	36	23
Equity accounted investments	16	27

Note 5 continued

Summary of unaudited financial information for joint ventures on a 100% basis	Other	Total 2025	Vianode AS	Other	Total 2024
Current assets, including cash and cash equivalents NOK 93 million (NOK 73 million)	217	217	-	213	213
Non-current assets	38	38	-	18	18
Current liabilities, including current financial liabilities NOK 0 million (NOK 0 million)	62	62	-	67	67
Non-current liabilities, including non-current financial liabilities NOK 0 million (NOK 0 million)	2	2	-	2	2
Net assets/equity	191	191	-	162	162
Elkem's carrying amount	95	95	-	81	81
Total revenue	874	874	(0)	827	827
Total expenses, including depreciation and amortisation NOK 5 million (NOK 3 million) and other items	(839)	(839)	(35)	(848)	(884)
Financial income, including interest income NOK 2 million (NOK 10 million)	2	2	12	8	20
Financial expenses, including interest expenses NOK 0 million (NOK 2 million)	(0)	(0)	(4)	(0)	(4)
Tax expense	(1)	(1)	-	(2)	(2)
Total profit for the year	35	35	(27)	(16)	(43)
Other comprehensive income		-	0	-	0
Total comprehensive income	35	35	(27)	(16)	(43)
Elkem's share of profit for the year	17	17	(15)	(8)	(23)
Elkem's share of other comprehensive income	-	-	-	-	-

Summary of unaudited financial information for associates on a 100% basis	Total 2025	Total 2024
Revenue	23	25
Profit for the year	(13)	(12)
Other comprehensive income	(17)	16
Total comprehensive income	(30)	4
Elkem's share of profit for the year	2	2
Elkem's share of other comprehensive income	(4)	4
Net assets/equity	359	483
Elkem's carrying amount	115	149

6 Operating segments

Principle application

Operating segments are components of a business that are followed up and evaluated regularly by the chief operating decision maker, defined as the CEO, for the purpose of assessing performance and allocating resources. Elkem's operating segments represent separately managed business areas with unique products serving different markets. Elkem's operating segments are aligned with the three reporting segments.

Segment performance is evaluated based on normalised EBITDA and normalised EBIT, see definitions below. Elkem's financing and income tax are managed on group basis and are not allocated to operating segments.

Revenues are, in addition, disaggregated by geographical market based on the location of the customer.

Non-current assets by geographical areas are based on the location of the entity owning the assets.

The accounting policies applied in the segment reporting is consistent with the IFRS accounting policies applied for the group except for realised effects from hedge ineffectiveness and from the discontinuation of hedging, which are included in other items in the statement of profit and loss, but included in operating expenses in the segment reporting. This is because management follows up the operating segments including the impact of the realised effects from power contracts.

Lease payments under internal lease agreements are recognised as operating expenses on a straight-line basis over the lease term.

Elkem's operating segments

Elkem identifies its segments according to the organisation and reporting structure used by group management. Elkem has three reportable segments; Silicones, Silicon Products, and Carbon Solutions. In the fourth quarter of 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 38 Assets held for sale and discontinued operations. Elkem has signed an agreement to transfer the majority of its Silicones division to Bluestar, see note 39 Events after the reporting period.

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 Elkem 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. Elkem follows internationally accepted principles for transactions between related parties within the group. In general, Elkem seeks to use transaction-based methods (comparable uncontrolled price, transactional net margin method, cost plus and resale price method) in order to set the price for the transaction.

Note 6 continued

The main related party transactions between operating segments in Elkem can be divided as follows:

- Silicon Products' sale of metallurgical silicon to Silicones. Sales prices are based on sale to external customers and CRU prices.
- Carbon Solutions' sale of electrode paste and lining material to Silicon Products. Sales prices are based on prices to external customers.
- Other sale of management services e.g., logistics, procurement, financial services, technical support and R&D services. Prices are based on cost plus.

Major customers

Elkem has a range of customers, but no single customer amounts to 10 per cent or more of total operating income.

Main items by operating segment 2025	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods (note 7)	14 720	12 620	2 884	(142)	-	30 082
Other revenue (note 7)	81	68	12	354	-	514
Other operating income (note 8)	10	138	14	20	-	182
Share of profit from equity accounted investments (note 5)	7	(1)	(0)	21	-	27
Total operating income from external customers	14 818	12 825	2 910	252	-	30 806
Operating income from other segments	123	855	362	599	(1 939)	-
Total operating income	14 941	13 681	3 272	852	(1 939)	30 806
Operating expenses	(13 846)	(12 164)	(2 364)	(1 010)	2 019	(27 365)
Normalised EBITDA	1 095	1 517	908	(159)	80	3 440
Normalised EBIT	(632)	717	765	(231)	80	699
Cash flow from operations	914	120	841	(66)	(29)	1 779
Working capital	1 433	5 347	472	(147)	(47)	7 058
Capital employed	17 607	12 642	1 766	753	(47)	32 722
Reinvestments						(1 536)
Strategic investments						(328)
Movement CAPEX payables						(455)
Cash flow from investments in property, plant and equipment and intangible assets, including received investment grants						(2 319)

Main items by operating segment 2024	Silicones	Silicon Products	Carbon Solutions	Other ¹⁾	Eliminations	Total 1)
Revenue from sale of goods (note 7)	14 871	13 548	3 243	(167)	-	31 495
Other revenue (note 7)	109	76	16	226	-	427
Other operating income (note 8)	20	1 023	26	17	-	1 086
Share of profit from equity accounted investments (note 5)	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)	(941)	1 857	(28 813)
Normalised EBITDA	521	2 864	1 131	(279)	(46)	4 191
Normalised EBIT	(1 233)	2 091	1 003	(476)	(46)	1 339
Cash flow from operations	(426)	1 398	1 139	(618)	36	1 529
Working capital	1 938	5 019	521	(44)	(126)	7 308
Capital employed	19 612	12 178	1 754	960	(126)	34 377
Reinvestments						(2 061)
Strategic investments						(957)
Movement CAPEX payables						(317)
Cash flow from investments in property, plant and equipment and intangible assets, including received investment grants						(3 334)

1) Figures have been restated, see note 2 Basis for preparing the consolidated financial statements

Definitions

The segments' performance are evaluated based on normalised EBITDA and normalised EBIT.

Normalised EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expense) benefit, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items (but including realised gains and losses from hedge ineffectiveness and discontinuation of hedging), impairment losses, and amortisation and depreciation.

Normalised EBIT is defined as Elkem's profit (loss) for the period, less income tax (expense) benefit, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments and other items (but including realised gains and losses from hedge ineffectiveness and discontinuation of hedging).

Cash flow from operations comprises normalised EBITDA adjusted for reinvestments, changes in working capital and dividend received from equity accounted investments.

Reinvestments generally consist of 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.

Note 6 continued

Working capital is defined as accounts receivable, inventories, other current assets, accounts payable, current employee benefit obligations, and other current liabilities. Accounts receivables are defined as trade receivables less bills receivables. 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 CAPEX payables. 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.

The definitions are not specified by IFRS Accounting Standards and therefore may not be comparable to apparently similar definitions used by other companies.

Below is a reconciliation of profit (loss) for the year against normalised EBIT and normalised EBITDA:

2025	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						385
Income tax (expense) benefit						149
Finance expenses						549
Foreign exchange gains (losses)						284
Finance income						(61)
Share of profit from equity accounted financial investments						-
Other items						(258)
Realised effects from hedge ineffectiveness and discontinuation of hedging						266
Normalised EBIT from discontinued operations						(615)
Normalised EBIT	(632)	717	765	(231)	80	699
Impairment losses						7
Amortisation and depreciation						1 008
Amortisations, depreciations and impairment losses from discontinued operations						1 726
Normalised EBITDA	1 095	1 517	908	(159)	80	3 440

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
Realised effects from hedge ineffectiveness and discontinuation of hedging 1)						167
Normalised EBIT from discontinued operations						(1 237)
Normalised EBIT	(1 233)	2 091	(1 003)	(476)	(46)	1 339
Impairment losses						168
Amortisation and depreciation						931
Amortisations, depreciations and impairment losses from discontinued operations						1 754
Normalised EBITDA	521	2 864	1 131	(279)	(46)	4 191

1) Figures have been restated, see note 2 Basis for preparing the consolidated financial statements

Below is a reconciliation of working capital and capital employed:

Capital employed and working capital	31.12.25	31.12.24
Inventories	5 959	6 038
Trade receivables	1 852	1 960
Bills receivables	(283)	(269)
Accounts receivable	1 569	1 691
Other assets, current	1 231	1 254
Grants receivables	(774)	(576)
Tax receivables	(86)	(241)
Accrued interest	-	(0)
Other current assets included in working capital	370	436
Trade payables	1 818	2 076
Trade payables related to purchase of non-current assets	(149)	(184)
Accounts payables included in working capital	1 668	1 892
Employee benefit obligations	482	471

Note 6 continued

Capital employed and working capital	31.12.25	31.12.24
Provisions and other liabilities, current	588	815
Provisions, contingent considerations and contract obligations	(35)	(19)
Liabilities to related parties	-	(0)
Other current liabilities included in working capital	553	795
Working capital assets and liabilities as held for sale	1 864	2 302
Working capital	7 059	7 309
Property, plant and equipment	8 568	8 405
Right-of-use assets	402	403
Other intangible assets	164	216
Goodwill	305	329
Equity accounted investments	210	230
Grants payable	(16)	(17)
Trade payables- and prepayments related to purchase of non-current assets	(143)	(171)
Other capital employed effects assets and liabilities as held for sale	16 173	17 674
Capital employed	32 722	34 378

The table below show realised effects from Elkem's power and foreign exchange hedging programmes, including realised effects from hedge ineffectiveness and discontinuation of hedging, on the different group segments.

2025	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods (note 30)	-	31	-	(142)	-	(111)
Operating expenses (note 30)	-	89	1	207	-	297
Total realised effects from derivatives included in normalised EBITDA	-	120	1	65	-	186

2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods (note 30)	0	41	-	(166)	-	(125)
Operating expenses (note 30)	-	107	(9)	81	-	179
Total realised effects from derivatives included in normalised EBITDA	0	148	(9)	(85)	-	55

Total revenue by geographic market based on customer location	2025	2024
Norway	1 113	978
Other Nordic countries	901	862
United Kingdom	368	408
Germany	1 621	1 917
France	901	1 092
Italy	767	742
Poland	160	328
Spain	498	441
Other European countries	1 414	1 305
Europe	7 743	8 073

Total revenue by geographic market based on customer location	2025	2024
Africa	188	277
USA	2 099	2 309
Canada	215	177
Brazil	1 318	1 477
Other American countries	273	260
America	3 905	4 223
China	1 193	1 305
Japan	1 026	1 112
South Korea	254	329
India	988	1 049
Other Asian countries	1 258	1 448
Asia	4 719	5 243
Rest of the world	90	118
Total revenue before hedging effects	16 645	17 935
Realised effects from hedging programmes (note 30)	(111)	(125)
Total revenue	16 535	17 810

Non-current assets by geographic areas based on entity location	2025	2024
Norway	7 094	6 956
Other Nordic countries	932	1 045
United Kingdom	38	23
Germany	34	39
France	2	0
Italy	2	2
Spain	147	148
Other European countries	281	265
Europe	8 529	8 478
Africa	121	124
USA	113	129
Canada	474	548
Brazil	530	458
Other American countries	415	494
America	1 532	1 630
China	278	161
Japan	6	9
India	132	122
Other Asian countries	63	46
Asia	479	337
Total non-current assets	10 660	10 569

Non-current assets are presented less derivatives and deferred tax assets.

7 Revenue

Principle application

Revenue

Revenue is measured based on the consideration specified in a contract with a customer. Elkem recognises revenue when Elkem transfers control over a goods or service to a customer.

A five-step process is applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Sale of goods

Elkem's main performance obligation is related to sale of goods where the obligation is to deliver agreed volume of products with the agreed specification. Elkem has both short-term and long-term contracts. Short-term contracts, normally within one month, cover delivery of an agreed volume at market price at the date the order is placed. These types of contracts are most common for commodity products, such as sales of ferrosilicon and sales to customers in China. The long-term contracts cover a period of a few months and up to one year, where the prices normally are fixed within a volume range. Elkem has for sale of metallurgical silicon some contracts that cover a period longer than one year. In these contracts the prices are normally negotiated on an annual basis. Some of Elkem's sales contracts include an element of freight services, see separate section below for accounting policies.

Revenue is recognised when control of the goods is transferred to the customer, at an amount that reflects the consideration to which Elkem expects to be entitled in exchange for those goods. Control is transferred to the buyer, according to the agreed delivery term for each sale. Delivery terms are based on Incoterms® 2020 issued by International Chamber of Commerce, and the main terms are:

“F” terms, where the buyer arranges and pays for the main carriage. The risk is transferred to the buyer when the goods are handed to the carrier engaged by the buyer.

“C” terms, where the group arranges and pays for the main carriage but without assuming the risk of the main carriage. The risk is transferred to the buyer when the goods are handed over to the carrier engaged by the seller.

“D” terms, where the group arranges and pays for the carriage and retains the risk of the goods until delivery at the agreed destination. The ownership is transferred to the buyer upon arrival at the agreed destination, usually the purchaser's warehouse.

The goods are normally sold with standard warranties that the goods comply with the agreed-upon specifications. These standard warranties are accounted for using IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Elkem does not have any other significant obligations for returns or refunds.

Freight services included in sale of goods

Freight components included in sale of goods on incoterms “C” terms are considered as a separate performance obligation and recognised over the period the service is performed. Shipping and handling services that occur before the customer takes control of the goods for sales on “D” terms are considered to be part of fulfilling the sale of the goods and are presented as other operating expense.

Revenue from sale of services

Revenue from sale of services is recognised when the services have been provided. Sale of services are mainly related to management agreements with related parties based on a cost plus a margin and sale of shipping and handling related services.

Details of revenue from contracts with customers 2025	Silicon Products	Carbon Solutions	Other	Total
Sale of goods, Silicon Products	12 588	-	0	12 589
Sale of goods, Carbon Solutions	-	2 884	-	2 884
Sale of goods to related parties ¹⁾	581	2	-	583
Revenue from energy recovery and other energy related income	26	0	221	248
Service agreements with related parties (note 36) ¹⁾	17	0	146	163
Other revenue from contracts with customers	40	12	128	180
Total revenue from contracts with customers	13 253	2 898	495	16 645
Realised effects from hedging programmes (note 30)	31	-	(142)	(111)
Total revenue	13 284	2 898	353	16 535

1) Includes revenue with discontinued operations

Details of revenue from contracts with customers 2024	Silicon Products	Carbon Solutions	Other	Total
Sale of goods, Silicon Products	13 507	-	(1)	13 506
Sale of goods, Carbon Solutions	-	3 243	-	3 243
Sale of goods to related parties ¹⁾	697	-	-	697
Revenue from energy recovery and other energy related income	31	0	75	106
Service agreements with related parties (note 36) ¹⁾	20	1	168	189
Other revenue from contracts with customers	45	15	133	193
Total revenue from contracts with customers	14 300	3 259	375	17 935
Realised effects from hedging programmes (note 30)	41	-	(166)	(125)
Total revenue	14 341	3 259	209	17 810

1) Includes revenue with discontinued operations

8 Other operating income

Principle application

Insurance settlements

Income from insurance settlements is recognised as other operating income when it is virtually certain that the group will receive the compensation. Expected cash flows from credit insurance contracts where such contracts are deemed to be an integral part of the sale transactions is presented net against impairment losses trade and other receivables, included in other operating expenses. See note 23 Trade receivables.

Sale of CO₂ emission allowances

Gain from sale of CO₂ emission allowances are recognised as other operating income when the allowances are delivered from Elkem's account in the EU ETS Union registry.

Details of other operating income	2025	2024
Sale of CO ₂ emission allowances	118	169
Gain on disposal of fixed assets	18	3
Insurance settlements	12	849
Other	25	46
Total other operating income	172	1 066

9 Grants

Principle application and judgements

CO₂ Compensation

Changes to the compensation scheme for 2024-2030 was presented in February 2024 and included in an updated regulation in December 2024. Elkem is still entitled to receive compensation under the updated scheme. The main changes from the previous compensation scheme is a cap on the total cost of the government grants and that 40 per cent of the compensation must be used for projects aiming to reduce CO₂ emissions and/or improving energy efficiency. Compliance with the condition can be achieved over multiple years, but no later than 2034.

Elkem has recognised its estimated share of the total compensation for 2025 and 2024 based on the power consumption at the Norwegian silicon product plants. Elkem has identified projects which are expected to be compliant with the requirements to qualify for the 40 per cent conditional compensation and have therefore recognised full compensation. As the grant partially compensates power costs, which are costs recognised as part of the cost price of inventory during the production process, the compensation is recognised in the statement of profit or loss when the produced goods are sold.

Grants related to expenses are presented in the statement of profit or loss as a reduction of raw materials and energy, employee benefit expenses or other operating expense over the periods necessary to match them with the cost they are intended to compensate.

Grants relating to property, plant and equipment (fixed assets) and intangible assets are deducted from the carrying amount of the asset and recognised in profit or loss as a reduction of the depreciation charge over the lifetime of the asset, or the impairment charge when applicable.

Non-monetary grants are measured at nominal value.

Details of grants 2025	Other operating income	Raw materials and energy	Employee benefit expenses	Other operating expenses	Amortisation and depreciation
R&D grants from government	1	-	37	49	-
Other government grants	7	17	6	7	-
CO ₂ compensation from the Norwegian Environment Agency	-	730	-	-	-
Grants related to investment projects	-	-	-	-	59
Total government grants	8	747	44	56	59

Details of grants 2024	Other operating income	Raw materials and energy	Employee benefit expenses	Other operating expenses	Amortisation and depreciation
R&D grants from government	1	-	21	23	-
Other government grants	7	-	5	2	-
CO ₂ compensation from the Norwegian Environment Agency	-	593	-	-	-
Grants related to investment projects	-	-	-	-	58
Total government grants	8	593	26	25	58

Balances related to grants	2025	2024
Grants receivable related to income (note 24)	774	576
Grants payable (note 28)	(20)	(17)
Grants, deferred income (note 28)	-	(0)

Details of grants recognised as a reduction of property, plant and equipment (fixed assets) and intangible assets	2025	2024
R&D grants from government	37	35
Other government grants	3	-
Total government grants	39	35

CO₂ emission allowances

CO₂ emission allowances allocated from the government are classified as grants, measured at nominal value (zero). The CO₂ allowance scheme pertains to the group's plants in Europe. If actual emissions exceed the number of allocated allowances, additional allowances must be purchased and the cost is included as a part of production cost of inventory. The final allocation of free allowances for the period 2026-2030 has not yet been decided by the authorities. Gain on sale of CO₂ emission allowances are included in other operating income.

Other

The remaining grants are mainly related to R&D projects.

10 Raw materials and energy

Principle application

Cost of production is presented in different lines in the statement of profit or loss based on nature, raw materials and energy, employee benefits, and other operating expenses. Energy for production comprise energy for smelting and processing machinery. Energy for light, heating, ventilation etc. is auxiliary power and is included in other operating expenses. Actual cost of conversion related to goods sold is reported net of change in cost of conversion in inventory and is included in the line item Raw materials and energy.

Raw materials and energy	2025	2024
Raw materials and energy for production	(8 112)	(8 591)
Change in inventories own production	481	278
Total raw materials and energy	(7 631)	(8 313)

11 Employee benefits

Principle application

Employee benefits

Employee benefits include both current and non-current benefits, and are expensed as incurred, together with any social security taxes applicable. Short-term benefits consist of wages and salaries, bonuses, holiday payments and other short-term benefits that are expected to be settled within 12 months after the reporting period. Long-term benefits consist mainly of jubilee and long-service benefits, post-employment benefits, and post-retirement benefits, not expected to be wholly settled within the next twelve months.

Defined contribution plans

Defined contribution plans comprise of arrangements where Elkem makes monthly contributions to the employees' pension plans, and where the future pensions are determined by the amount of the contributions and the return on the individual pension plan asset. The contributions are expensed as incurred and there is no further obligation related to the contribution plans. Prepaid contributions are recognised as an asset.

Defined benefit plans

Defined benefit plans are pension plans where Elkem is responsible for paying pensions at a certain level, based on employees' salaries when retiring. The cost from benefit plans is expensed over the period that the employees render services and become eligible to receive benefits. The net liability from defined benefit plans is recognised at present value of estimated future benefits earned by employees for their services, calculated separately for each plan.

Multi-employer defined benefit plans where available information is insufficient to be able to calculate each participant's obligation, are accounted for as contribution plans.

Employee benefit expenses	2025	2024
Salaries, holiday pay and variable compensation	(2 386)	(2 277)
Employer's national insurance contributions / social security tax	(325)	(318)
Pension expenses	(173)	(163)
Share-based payments (note 12)	0	(2)
Other payments / benefits	(53)	(48)
Grants	44	26
Capitalised employee benefit expenses on PPE development	20	15
Total employee benefit expenses	(2 874)	(2 766)
Average number of full-time equivalents	3 032	3 010

Remuneration to corporate management	2025	2024
Fixed compensation	(35)	(41)
Variable compensation - STI	(11)	(19)
Variable compensation - LTI	(2)	(1)
Other benefits	(4)	(2)
Pension benefits	(4)	(4)
Total remuneration to corporate management	(56)	(67)
Remuneration provided to the board of directors	(7)	(6)
Remuneration provided to the committee remuneration	(1)	(1)

For more details on the remuneration to corporate management see "Report on salary and other remuneration to leading personnel in Elkem ASA for the financial year 2025". The report is published on Elkem's website elkem.com.

Note 11 continued

Movements in equity accounted investments		2025		2024	
		Number of shares	Number of options	Number of shares	Number of options
Name	Position				
Helge Aasen	CEO	68 406	67 333	68 406	67 333
Morten Viga	CFO	46 896	300 000	46 896	300 000
Katja Lehland	SVP Human Resources	-	300 000	-	300 000
Asbjørn Søvik (until October 2025)	SVP Green Ventures & Digital	10 000	300 000	10 000	300 000
Håvard Moe	SVP Technology	10 000	300 000	10 000	300 000
Louis Vovelle (until January 2025)	SVP Innovation and R&D	6 896	300 000	6 896	300 000
Morten Magnus Voll	SVP Strategy and Business Development	10 384	150 000	10 384	150 000
Inge Grubben-Strømnes	SVP Silicon Products	35 189	300 000	35 189	300 000
Luiz Simao	SVP Carbon Solutions	22 000	300 000	22 000	300 000
Sandy Chen	Acting SVP Silicones	-	150 000	-	150 000
Li Bo (from April 2024) ¹⁾	Chair of the board	-	-	-	-
Dag Jakob Opedal	Vice chair of the board	40 000	-	40 000	-
Zhigang Hao (until October 2024) ¹⁾	Board member	-	-	-	-
Olivier Tillette de Clermont-Tonnerre ¹⁾	Board member	15 517	-	15 517	-
Dong Dachuan (from October 2024) ¹⁾	Board member	-	-	-	-
Yougen Ge (until October 2024) ¹⁾	Board member	-	-	-	-
Marianne Johnsen	Board member	-	-	-	-
Grace Tang	Board member	-	-	-	-
Nathalie Brunelle	Board member	-	-	-	-
Wei Yao (from October 2024) ¹⁾	Board member	-	-	-	-
Terje Andre Hanssen ²⁾	Board member	-	-	-	-
Marianne Færøyvik ²⁾	Board member	4 950	-	4 950	-
Thomas Eggan ²⁾	Board member	-	-	-	-

¹⁾ Representatives for the majority shareholder

²⁾ Employee representatives

Employee benefit assets and obligations	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Pension plan assets, net (note 24)	35	31	-	-
Pension contribution fund (note 24)	1	1	2	4
Total employee benefit assets	37	32	2	4
Salaries, holiday pay and variable compensation	-	-	417	403
Employer's national insurance contributions / social security tax	-	-	62	66
Pension plan obligations, net	217	219	-	-
Other benefit plans	21	20	2	2
Total employee benefit obligations	238	238	482	471

(a) Salaries, holiday pay and variable compensation

The obligations are related to incurred employee benefits, not paid.

(b) Pension plans

Elkem has both defined contribution and defined benefit plans. For defined contribution plans the cost is equal to Elkem's contribution to the employee's pension savings during the period. For defined benefit plans the cost is calculated based on actuarial valuation methods, taking assumptions related to the employee's salary, turnover, mortality, discount rate, etc. into consideration.

Defined contribution plans

Defined contribution plans are the main pension plan for Elkem's Norwegian entities, where the contribution to each individual pension plan is 5 per cent of annual salary up to 7.1G and 15 per cent of annual salary between 7.1-12G. 1G refers to the Norwegian national insurance scheme's basic amount, which is NOK 130 160 as at 1 May 2025. Pension on salary above 12G is not supported by external service providers and is therefore handled as a separate plan and included under defined benefit plans.

In addition, a Norwegian multi-employer early retirement scheme called AFP, where sufficient information to calculate each participant's pension obligation is not available, is accounted for as it is a defined contribution plan in accordance with the Ministry of Finance's conclusion. The participants in the pension plan are jointly responsible for 2/3 of the plan's pension obligation, the government is responsible for the remaining part. The pension premium in 2025 is 2.7 per cent of the employees' salary between 1 and 7.1G, covering this year's pension payments and contribution to a security fund for future pension obligations. The yearly premium for 2026 is set to 2.7 per cent.

Defined benefit plans

Defined benefit plans are pension plans where the group is responsible for paying pensions at a certain level, based on employees' salaries when retiring. The group has funded and unfunded benefit plans in Norway, France, Germany, UK, Canada, Japan, and South Africa. The pension scheme in UK and two of Canada's schemes are overfunded and are net in an asset position. The schemes that are underfunded and are net in a liability position as at 31 December 2025 are distributed as follows; Norway 53 per cent, Germany 25 per cent, Canada 15 per cent, and other countries 7 per cent. In Canada provisions are also made for medical insurance as well as pension benefit plans.

The Norwegian pension plans are unfunded and comprise pension on salaries above 12G, where the expense is 15 per cent of annual base salary that exceeds 12G plus interest on the individual calculated pension obligation, and some individual retirement schemes that are closed.

Breakdown of net pension expenses	2025	2024
Current service expenses	(20)	(20)
Administration expenses	(1)	(1)
Curtailments	(0)	0
Net pension expenses, defined benefit plans	(21)	(21)
Defined contribution plans	(127)	(119)
Early retirement scheme AFP (Norway)	(26)	(23)
Total pension expenses	(173)	(163)
In addition, interest expenses on net pension liabilities are recognised as a part of finance expenses	(6)	(6)

Note 11 continued

Net defined benefit obligations	2025	2024
Present value of funded pension obligations	(436)	(463)
Fair value of plan assets	472	494
Net funded pension obligations	35	31
Present value of unfunded pension obligations	(217)	(219)
Net value of funded and unfunded obligations	(181)	(188)

Movements	2025			2024		
	Defined benefit obligations	Defined benefit plan assets	Net pension plan obligations	Defined benefit obligations	Defined benefit plan assets	Net pension plan obligations
Opening balance	(682)	494	(188)	(813)	466	(347)
Current service cost and social contribution tax from continuing operations	(20)	-	(20)	(20)	-	(20)
Current service cost and social contribution tax from discontinued operations	-	-	-	(10)	-	(10)
Interest (expenses) income from continuing operations	(28)	22	(6)	(29)	22	(6)
Interest (expenses) income from discontinued operations	-	-	-	(5)	0	(5)
Administration cost from continuing operations	-	(1)	(1)	-	(1)	(1)
Administration cost from discontinued operations	-	-	-	-	-	-
Remeasurement gains / (losses)	(1)	15	14	(12)	20	8
Contributions from employer	-	6	6	-	3	3
Benefits paid	44	(33)	11	63	(36)	27
Curtailments from continuing operations	(0)	-	(0)	0	-	0
Curtailments from discontinued operations	-	-	-	-	-	-
Other changes	-	-	-	(6)	-	(6)
Liabilities classified as held for sale	-	-	-	181	-	181
Currency translation	33	(31)	2	(32)	20	(12)
Closing balance	(653)	471	(181)	(682)	494	(188)

Breakdown of pension plan assets	Distribution %	Fair value of plan assets	Distribution %	Fair value of plan assets
	31.12.25	31.12.25	31.12.24	31.12.24
Cash, cash equivalents and money market investments	7%	34	9%	47
Bonds	16%	77	15%	73
Shares	30%	140	32%	159
Property	37%	172	36%	179
Other plan assets	10%	48	7%	37
Total pension plan assets	100%	472	100%	494

	2025	2024
Actual return on plan assets	7%	43

In addition, some Norwegian entities have pension contribution funds, mainly based on excess pension assets from settlement of the defined benefit plans in 2010. The pension contribution funds are classified as non-current pension funds, except next year's expected contributions which are classified as current (see note 24 Other assets).

Principal assumptions used for the actuarial valuations in 2025 (2024)

	Norway	France	Canada	Germany	UK
Discount rate	4.4% (4.8%)	4.8% (4.8%)	3.6% (3.7%)	5.5% (4.8%)	5.5% (4.8%)
Expected rate of salary increase	- -	3.5% (3.5%)	- -	- -	na (na)
Annual regulation of pensions paid	2.3% (2.3%)	- -	2.0% (2.0%)	- -	na (na)

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each country.

Sensitivity on pension obligations based on changes in main actuarial assumptions

The defined benefit pension schemes expose Elkem to actuarial risk such as investment risk, interest rate risk, salary growth risk, mortality risk, and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities.

The sensitivity analysis below shows estimated effects in the defined pension obligation based on reasonable changes in the main assumptions. The calculations are based on a change in one assumption while holding all other assumptions constant. Negative amounts show an expected decrease in the net pension liability.

Assumptions	Discount rate		Life expectancy		Salary growth	
	0.5% increase	0.5% decrease	1 year increase	1 year decrease	0.5% increase	0.5% decrease
	2025: Effect on the pension obligation in NOK million	(32)	36	16	(17)	10
2024: Effect on the pension obligation in NOK million	(36)	40	18	(19)	12	(10)

As the group's main pension plans are defined contribution plans, there are no group policies for funding of the defined benefit plans. This is managed locally, based on the terms and status for the individual plan.

Expected contribution for the pension plans next year and average duration for the main defined benefit plans

	Norway	Canada	Germany	UK
Contribution to be paid to defined pension plans next year, in NOK million	9	12	4	-
Weighted average duration of the defined benefit obligations	6 years	15 years	10 years	11 years

(c) Other benefit plans

Other employee benefits consist of provisions related to jubilee and long-service benefits, and other post-employment benefits.

12 Share-based payments

Elkem's share option scheme

The group has in 2018 - 2021 granted share options to corporate management and selected key employees. Each option gives the right to acquire one share in Elkem ASA on exercise. In 2022 the Board decided to terminate the option scheme and replace it with a Long-term Bonus Scheme (LTBS). See the "Report on salary and other remuneration to leading personnel in Elkem ASA for the financial year 2024" for description of the LTBS. The previous granted options are still exercisable over the exercise period.

The share options vest annually in equal tranches over a three-year period following the date of grant, with one-third vesting each year. The options will expire two years after vesting, in total 5 years after the date of grant. No option holder may in any calendar year realise a total gain on exercise of options in excess of twice the option holder's base salary in the same calendar year, however provided that the maximum gain for Elkem's CEO shall be four times the CEO's base salary. See note 11 Employee benefits for an overview of options granted to Elkem's corporate management.

When the options are exercised, the corresponding number of shares are transferred to the employee. The proceeds received from the exercise of the options (net of any directly attributable transaction costs) are credited directly to equity.

Components of share-based payments employee benefit expenses	2025	2024
Share-based payment ¹⁾	-	(2)
Social security contribution	-	0
Total expenses related to share-based payments	-	(1)

1) The statement of changes in equity includes a share-based payment expense of NOK 6 million. In March 2025, the board of directors approved an extension of the option awards' expiry date in connection with the Strategic Review. This modification of the share-based payment arrangement resulted in an incremental expense, which has been recognised within discontinued operations.

Parameters connected to share options granted in years respectively	2021	2020	2019
Number of options granted	7 451 000	8 000 000	8 000 000
Date of Grant	29 July 2021	29 July 2020	29 July 2019
Exercise price (NOK)	31.20	19.10	23.53
Share price (NOK)	32.90	17.19	24.66
Expected lifetime*	3.34	3.12	3.12
Volatility*	34.4%	46.0%	35.8%
Interest rate*	0.9%	0.2%	1.3%
Dividend*	6.5%	6.5%	6.5%
FV per instrument*	5.19	2.95	4.08
Vesting conditions	Service	Service	Service

**Weighted average parameters of instruments*

Grant	Exercise price	31.12.25		31.12.24	
		Number of instruments outstanding	Remaining contractual life	Number of instruments outstanding	Remaining contractual life
2020 programme	19.10	1 850 000	0.50	2 150 000	0.58
2021 programme	31.20	3 867 333	0.54	4 667 333	1.08
Total outstanding		5 717 333	0.52	6 817 333	0.93

At March 20, 2025, the board of directors approved an extension of the option expiry date to a point in time following the completion of the transaction classified as held for sale. For valuation purposes, 30 June 2026 has been applied as the revised expiry date.

Quantity and weighted average prices

Overview of outstanding options	31.12.25		31.12.24	
	Number of instruments	Weighted average exercise price	Number of instruments	Weighted average exercise price
Outstanding options 1 January	6 817 333	27.38	7 614 520	27.07
Granted during the year	-	-	-	-
Exercised during the year	(50 000)	19.10	(279 190)	19.10
Forfeited during the year	(1 050 000)	28.31	-	0.00
Expired during the year	-	-	(517 997)	27.26
Outstanding options 31 December	5 717 333	27.28	6 817 333	27.38
Of which exercisable (vested)	5 717 333	27.28	6 817 333	27.38
Average share price at exercise date (NOK per share)		22.50		22.26

13 Other operating expenses

Details of operating expenses	2025	2024
Loss on disposal of fixed assets	(0)	(1)
Freight and commission expenses	(1 143)	(1 200)
Leasing short-term and low value contracts (note 18)	(56)	(55)
Machinery, equipment, spare parts and operating materials	(766)	(778)
External services ¹⁾	(1 351)	(1 415)
Insurance expenses	(133)	(130)
Impairment losses trade and other receivables	1	2
Grants	56	25
Other operating expenses	(767)	(731)
Total other operating expenses	(4 159)	(4 283)

¹⁾ Including services from auditor, see specification below

Research and development

During 2025, Elkem expensed NOK 416 million (NOK 294 million) related to research and innovation activities, which includes product and business development, technical customer support and improvement projects. In addition, Elkem group capitalised development expenses of NOK 0 million (NOK 45 million).

Grants relating to research and development amount to NOK 87 million (NOK 46 million). In addition NOK 37 million (NOK 35 million) is recognised as a reduction of intangible assets and NOK 3 million (NOK 0 million) is recognised as a reduction of property, plant and equipment,

Audit fees

KPMG is the group auditor of Elkem. The table below is including audit services for discontinued operations.

Fees to KPMG and other audit firms	2025	2024
KPMG		
Audit fee	(26)	(23)
Other assurance services	(8)	(1)
Tax services	-	(0)
Other services	(0)	-
Other audit firms		
Audit fee	(4)	(4)
Other assurance services	(0)	(0)
Tax services	(1)	(2)
Other services	(0)	(1)
Total fees to KPMG and other audit firms	(39)	(30)

14 Other items

Principle application and judgements

Other gains (losses)

Other gains (losses) consist of changes in fair value of financial instruments that are not designated as a part of a hedging relationship, any ineffective part of hedging relationships, effects from discontinuation of hedging and foreign exchange gains (losses) related to operating activities such as trade receivables, trade payables, bank accounts / overdrafts. Foreign exchange gains (losses) related to financing activities, mainly interest-bearing liabilities and group loans, are classified as a part of financial income and expenses.

Other income (expenses)

Other income (expenses) consist of transactions and events that are related to acquisition of business, gains / (losses) on disposal of businesses and restructuring programmes. In addition, performance incentives for Elkem employees related to such items. Cost related to liquidated / wound-up businesses, or updated regulations with retroactive effect related to events / periods before purchase of the business, e.g., environmental measures, are also included in other income and expenses.

Acquisition related costs may include both costs related to completed acquisitions, acquisitions in progress and cancelled projects.

Investments in equity instruments with an ownership below 20 per cent are normally classified as other shares. Dividends from such shares are recognised when shareholders' right to receive dividends is determined by the shareholder's meeting. Fair value changes related to listed companies classified as other shares are presented as other income (expenses). Fair value changes related to investments in unlisted companies classified as other shares are recognised in other comprehensive income. See note 24 Other assets.

Details of other items	2025	2024
Changes in fair value commodity contracts (note 29)	3	(1)
Net gains (losses) on embedded EUR derivatives power contracts (note 29)	127	(106)
Ineffectiveness on cash flow hedges (note 30)	223	(196)
Net foreign exchange gains (losses) - forward currency contracts	19	(5)
Operating foreign exchange gains (losses)	(80)	39
Total other gains (losses)	292	(269)
Dividends from other shares	6	3
Change in fair value from other shares measured at fair value through profit or loss	10	8
Restructuring expenses (note 28)	(23)	(9)
Dismantling and environmental expenses (note 28)	(26)	(1)
Other ¹⁾	(0)	(49)
Total other income (expenses)	(34)	(47)
Total other items	258	(316)

¹⁾ Mainly expenses related to business projects and acquisitions

15 Finance income and expenses

Principle application

Foreign exchange gains (losses) related to financing activities including group loans are classified as a part of financial income and expenses, and foreign exchange gains (losses) related to operations are classified as a part of other items.

Interest is capitalised as a part of the carrying amount of a self-constructed item of property, plant and equipment when the construction period takes a substantial period of time, meaning more than 9-12 months. Judgement is applied in determining if a project is expected to last for a substantial period of time.

Financial expenses also include interest on net pension liabilities, unwinding of the discount effect from provisions and contingent consideration from acquisition of subsidiaries, and interest on lease liabilities.

Interest expenses from factoring and supply finance agreements are presented as part of finance expenses.

Details of net finance income (expenses)	2025	2024
Interest income on loans and receivables	59	78
Fair value adjustments on financial instruments	-	16
Other financial income	1	12
Total finance income	61	107
Change in fair value derivatives	(30)	-
Net foreign exchange gains (losses) ¹⁾	(254)	247
Total foreign exchange gains (losses)	(284)	247
Interest expenses on interest-bearing liabilities measured at amortised cost	(481)	(694)
Interest expenses on lease liabilities (note 18)	(24)	(15)
Interest expenses from other items measured at amortised cost	(4)	(9)
Interest expenses on factoring agreements	(30)	(50)
Unwinding of discounted liabilities	(2)	(2)
Interest expenses on net pension liabilities (note 11)	(6)	(6)
Other financial expenses	(3)	(3)
Total finance expenses	(549)	(778)
Net finance income (expenses)	(772)	(424)

¹⁾ Some / part of loans are designated as a hedging instrument, hence the unrealised part of net foreign exchange gains (losses) are recognised against OCI, see note 30 Hedging.

16 Taxes

Principle application and judgements

Income taxes

Income tax (expense) benefit in the statement of profit or loss comprises current income tax, effects of changes in deferred tax positions in addition to penalties and interest related to income taxes.

Deferred tax assets

Deferred tax assets are not recognised for start-up projects and entities with longer periods of losses unless there is convincing evidence of recoverability. Elkem recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred asset to be recovered. For example, when start up projects becomes profitable, or the market condition has changed so the entity has longer periods with historic taxable profits and future forecasted taxable profits.

Judgement has been applied in the assessment of the probability of being able to apply the group's carry forward loss against future taxable profit. Based on the current facts and circumstances, Elkem has concluded that it is not probable that the carry forward loss will be applied against future profit within a reasonable period and have therefore not recognised a deferred tax asset. When assessing the recognition of deferred tax assets, a five-year historic performance is applied in order to determine if future profit is probable. All entities with carry forward loss have had negative taxable result this year. To reconsider and recognise deferred tax assets, an entity must experience stable taxable income for 3-5 years.

The exception from this is the tax loss carry forward acquired in the asset acquisition of Elkem Testvirksomhet (previously REC Solar Norway AS). Elkem Testvirksomhet was merged into Elkem ASA in November 2024. It is assessed that the tax loss carry forward can be applied towards taxable income in Elkem ASA and towards group contributions from other Norwegian entities, primarily Elkem Carbon AS.

Estimates

Part of the basis for recognising deferred tax assets is based on applying the loss carried forward against future taxable income, which requires use of estimates for calculating future taxable income.

When estimating uncertain tax positions, the most probable amount, including interest and penalties, is used because in most cases the outcome of the tax review is binary. See details on current uncertain tax positions below.

Income tax recognised in profit or loss	2025	2024
Profit (loss) before income tax	534	1 526
Current taxes	(475)	(455)
Deferred taxes	326	1 043
Total income tax (expense) benefit	(149)	588

Income taxes recognised in other comprehensive income (OCI)	2025	2024
Remeasurement of defined benefit pension plans	(2)	(1)
Hedging of net investment in foreign operations	2	28
Cash flow hedges	(15)	(9)
Total tax charged to OCI	(15)	18

Note 16 continued

Reconciliation of income tax (expense) benefit	2025	2024
Profit (loss) before income tax	534	1 526
Expected income taxes, 22% of profit before tax (22%)	(118)	(336)
Tax effects of		
Difference in tax rates for each individual jurisdiction	(67)	(22)
Preferential tax rates	6	5
Permanent differences		
Tax effects of income from Norwegian controlled foreign companies (NOKUS)	(21)	(23)
Tax effects share of profit (loss) from equity accounted investments	6	(17)
Tax effects non-taxable expenses	(7)	(15)
Tax effects on elimination items between continued and discontinued operations	(26)	(73)
Tax relief based on value of equity	17	7
Tax effects non-taxable income	34	20
Other effects		
Tax effects of changes in unrecognised deferred tax assets	81	1 060
Other current taxes	(42)	(4)
Previous year tax adjustment	(12)	(14)
Total income tax (expense) benefit	(149)	588
Effective tax rate	28%	(39%)

One company in China is taxed under the regulations for “High and new technology company” which mean that the tax rate is 15 per cent compared to the regular 25 per cent. The company has to confirm to the authorities every year that they fulfil the conditions for “High and new technology company” in order to apply the preferential tax rate.

Tax effect of non-taxable income is mainly related to R&D, additional R&D deduction and non-taxable R&D grants, and additional deduction on investments in fixed assets equipment.

Other current taxes relates mainly to taxes that are indirectly calculated based on profit (loss) before income tax and withholding taxes.

Tax effects of changes in unrecognised deferred tax assets are mainly the effect of recognising the tax assets coming from the acquired company Elkem Testvirksomhet (previously REC Solar Norway AS).

	31.12.25		31.12.24	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Deferred tax assets and deferred tax liabilities				
Property, plant and equipment and intangible assets	153	36	154	37
Pension liabilities	200	48	182	45
Trade receivables	5	2	8	2
Inventories	233	52	325	72
Provisions	275	72	249	65
Other differences	153	39	467	110
Interest restrictions	947	208	-	-
Tax losses carried forward	5 991	1 309	5 065	1 107
Gross deferred tax assets	7 957	1 766	6 449	1 437
Not capitalised deferred tax asset from tax loss carry forward	(253)	(49)	(242)	(45)
Unrecognised deferred tax assets other items	(1 444)	(318)	(1 623)	(357)
Recognised deferred tax assets	6 261	1 399	4 584	1 036
Netting		(457)		(297)
Net deferred tax assets		942		738
Derivatives including cash flow hedges	805	177	654	144
Property, plant and equipment and intangible assets	1 488	349	1 092	265
Inventories	194	42	72	16
Other differences	85	18	514	110
Gross deferred tax liabilities	2 572	586	2 332	535
Netting		(457)		(297)
Net deferred tax liabilities		129		238
Net deferred tax (liabilities) assets recognised		813		501

Unrecognised deferred tax assets other items are mainly related to property, plant and equipment and inventories. The tax assets are not recognised due to uncertainty regarding future taxable income and the long period for which the tax asset shall be amortised.

Movements in net deferred tax assets and deferred tax liabilities	2025	2024
Opening balance	501	(801)
Recognised in profit or loss for the year	326	1 043
Effect of assets acquisition (see note 4)	-	128
Recognised in other comprehensive income	(15)	18
Assets classified as held for sale	-	112
Currency translation differences	1	1
Closing balance	813	501

Note 16 continued

Tax losses carried forward 31 December 2025	Gross tax losses carried forward	Net tax losses carried forward	Unrecognised tax losses	Recognised deferred tax losses carried forward
Norway	5 722	1 259	-	1 259
Malaysia	27	7	(7)	-
Paraguay	112	11	(11)	-
Uruguay	107	27	(27)	-
France	6	2	(2)	-
Netherlands	4	1	(1)	-
Belgium	3	1	(1)	-
Turkey	3	1	(1)	-
Slovakia	7	2	-	2
Total tax losses to carried forward	5 991	1 309	(49)	1 260

Tax losses carried forward 31 December 2024	Gross tax losses carried forward	Net tax losses carried forward	Unrecognised tax losses	Recognised deferred tax losses carried forward
Norway	4 811	1 058	-	1 058
Malaysia	38	9	(9)	-
Paraguay	96	9	(9)	-
Uruguay	105	26	(26)	-
France	12	3	-	3
Slovakia	3	1	(1)	-
Total tax losses to carried forward	5 065	1 107	(45)	1 061

Tax losses carried forward by expiry date	31.12.25		31.12.24	
	Total unrecognised losses	Total recognised losses	Total unrecognised losses	Total recognised losses
Loss car.forw.which exp. within 1 year	(6)	-	-	-
Loss car.forw.which exp. within 2 years	(3)	-	(7)	-
Loss car.forw.which exp. within 3 years	-	-	(3)	-
Loss car.forw.which exp. within 4 years	-	-	-	-
Loss car.forw.which exp. within 5 years	-	-	-	-
Loss car.forw.which exp. within 5-10 years	(5)	-	-	-
Without maturity	(35)	(1 260)	(35)	1 061
Total tax losses carried forward	(49)	(1 260)	(45)	1 061

Pending tax issues with tax authorities

The Norwegian Tax Office decided in February 2021 to increase Elkem ASA's taxable income for the fiscal years 2016-2019 by in total NOK 781 million, which would have led to an increase in the income tax expense of NOK 181 million. The reassessments relate to loan arrangements / debt waiver agreements acquired by Elkem ASA in 2016 through the cross-border parent-subsidiary merger with Bluestar Silicones International Sarl. In 2025 the Appeals board for tax matters ruled in favour of Elkem and the income tax paid in 2021 included interest was refunded to Elkem. Interest income is recognised as part of other current taxes.

17 Property, plant and equipment

Principle application and judgements

Property, plant and equipment (PPE) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Initial cost includes expenditures that are directly attributable to the acquisition of the asset. In projects depending on new technology, all cost up to final investment decision is expensed when incurred. In projects using known technology the cost incurred in the preparation for the final investment decision is capitalised due to the close integration with the investment. This is for example relevant for relining of furnaces.

When substantial parts of an installation are replaced with a new component, the cost is capitalised. The replacement is substantial when the costs associated with the replacement account for more than approximately 70 per cent of the value of an equivalent new installation. Upon capitalisation, the carrying amount of the replaced part is derecognised.

Major periodic maintenance that is carried out less frequently than every year is capitalised and depreciated over the period until the next periodic maintenance. Major periodic maintenance typically requires curtailment of production during the maintenance period. Silicon products typically perform relining of a furnace approximately every 10th to 15th year, Silicones performs mainly biennial maintenance of production equipment, while maintenance within Carbon Solutions is mostly performed on a day-to-day basis. Costs related to restarting the production after major maintenance are expensed when incurred. Costs that do not relate to replacement of substantial parts or major periodic maintenance that is carried out less frequently than every year, are classified as "day-to-day servicing" and are expensed when incurred.

Property, plant and equipment also consists of spare parts that are expected to last for more than one year and are substantial in nature or may only be used in conjunction with one item of tangible fixed assets. Other spare parts are presented as part of inventory.

Depreciation is calculated based on estimated useful life and expected residual value for each item of PPE and is recognised in the statement of profit or loss using the straight-line method. Elkem has certain leases with local governments. Unless there are indications to the contrary, it is assumed that these leases are extended at expiry when determining the useful life of the assets situated on the land. Depreciation commences when the assets are ready for their intended use. Judgement is applied to determine the time when the asset is ready for intended use.

The main rule is to classify spare parts as inventory. However, major spare parts and stand-by equipment qualify as property, plant, and equipment when Elkem expects to use them during more than one period. Depreciation of major spare parts starts when the asset is recognised in the asset register.

Accounting principle application and judgements for impairment of assets, see note 21 Impairment assessments.

Note 17 continued

2025 Details of property, plant and equipment	Land	Buildings and other property	Plant, machinery, equipment and motor vehicles	Office and other equipment	Construction in progress	Total
Cost						
Opening balance	134	3 819	12 540	293	1 682	18 468
Additions	0	9	32	7	1 147	1 195
Transferred from CiP	2	314	1 407	8	(1 731)	-
Reclassification	(9)	9	-	-	-	-
Disposals	-	(1)	(89)	(4)	(18)	(112)
Currency translation differences	(6)	(35)	(158)	(7)	(3)	(209)
Closing balance	121	4 115	13 732	296	1 077	19 342
Accumulated depreciation						
Opening balance	-	(2 121)	(7 507)	(199)	-	(9 827)
Additions	-	(151)	(721)	(21)	-	(894)
Disposals	-	1	78	4	-	83
Currency translation differences	-	15	80	4	-	99
Closing balance	-	(2 256)	(8 072)	(212)	-	(10 539)
Impairment losses						
Opening balance	(13)	(18)	(202)	(1)	(1)	(235)
Additions	-	(0)	(2)	(0)	(2)	(5)
Disposals	-	-	2	0	2	5
Currency translation differences	(0)	0	1	0	-	1
Closing balance	(13)	(18)	(201)	(1)	(1)	(234)
Carrying amount						
Closing balance	109	1 841	5 460	83	1 076	8 568
Original cost of assets fully depreciated but still in use	0	1 194	5 241	93	-	6 528
Estimated useful life	Indefinite	5-50 years	3-50 years	3-20 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

There are no capitalised interest expenses in 2025.

2024 Details of property, plant and equipment	Land	Buildings and other property	Plant, machinery, equipment and motor vehicles	Office and other equipment	Construction in progress	Total
Cost						
Opening balance	276	9 575	26 965	2 328	6 842	45 987
Additions	-	40	71	23	2 783	2 917
Transferred 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)
Currency translation 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)
Additions from continuing operations		(134)	(677)	(15)		(827)
Additions 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
Currency translation 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)
Additions from continuing operations	-	(3)	(35)	(0)	(0)	(38)
Additions 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
Currency translation 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
Original cost of assets fully depreciated but still in use						
	0	1 919	4 903	97	-	6 919
Estimated useful life	Indefinite	5–50 years	3–50 years	3–20 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

Capitalised interest is NOK 44 million in 2024 mainly related to discontinued operations. The weighted average cost of capital for capitalisation of loan interest in 2024 is in the range of 2.6 per cent and 2.8 per cent per annum. Impairment losses from continuing operations in 2024 are primarily related to lining damage at Rana of NOK 35 million.

18 Leases

Principle application

Right-of-use assets are presented separately in the statement of financial position, whereas lease liabilities are presented in interest-bearing liabilities.

Elkem's policy in general is to own critical assets related to the production cycle, including production buildings and land where this is not controlled by the local government. The group's main lease contracts comprise office buildings and machinery / storage assets to be used at production sites. The less significant lease contracts comprise employee cars, machinery, and equipment.

Elkem applies a single recognition and measurement approach for all leases, except for:

- Lease contracts for which the lease term ends within 12 months as of the commencement date are not capitalised (short-term leases). Elkem's short-term lease commitments are related to rental of equipment in connection with maintenance or installation of new equipment.
- Lease contracts for which the underlying asset is of low value, mainly office equipment, are not capitalised.
- Lease of intangible assets are not capitalised.
- Lease payments on contracts that are not capitalised are recognised as other operating expenses on a straight-line basis over the lease term.

Right-of-use assets are subject to impairment assessments as described in note 21 Impairment assessments.

2025 Details of right-of-use assets	Land	Buildings and other property	Plant, machinery, equipment and motor vehicles	Office and other equipment	Total
Cost					
Opening balance	60	523	36	0	619
Additions / lease modifications / remeasurements	-	91	6	-	97
Partial or full termination of agreements	(5)	(36)	(7)	-	(48)
Currency translation differences	(3)	(5)	(0)	-	(8)
Closing balance	51	573	35	0	660
Accumulated depreciation					
Opening balance	(20)	(174)	(22)	(0)	(216)
Additions	(5)	(69)	(8)	-	(82)
Partial or full termination of agreements	5	26	6	-	36
Currency translation differences	1	3	0	-	4
Closing balance	(20)	(215)	(24)	(0)	(258)
Impairment losses					
Opening balance	-	-	-	-	-
Closing balance	-	-	-	-	-
Carrying amount					
Closing balance	32	359	11	0	402
Estimated useful life	1-99 years	1-25 years	1-7 years		
Depreciation plan	Straight-line	Straight-line	Straight-line		

2024 Details of right-of-use assets	Land	Buildings and other property	Plant, machinery, equipment and motor vehicles	Office and other equipment	Total
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)
Currency translation differences	33	25	7	0	65
Closing balance	60	523	36	0	619
Accumulated depreciation					
Opening balance	(80)	(258)	(92)	(2)	(431)
Additions from continuing operations	(6)	(52)	(9)	-	(68)
Additions 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
Currency translation 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	15	0	403
Estimated useful life	1-99 years	1-25 years	1-5 years	3-4 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	

Carrying amounts of lease liabilities and the movements during the period	2025	2024
Opening balance	405	589
Additions / lease modifications / remeasurements	97	148
Partial or full termination of agreements	(12)	(10)
Payments	(99)	(170)
Interest expenses on lease liabilities from continuing operations	24	15
Interest expenses on lease liabilities from discontinued operations	-	13
Liabilities classified as held for sale	-	(195)
Currency translation differences	(2)	17
Closing balance (note 26)	413	405

The maturity analysis of lease liabilities is disclosed in note 26 Interest-bearing liabilities.

Note 18 continued

Amounts recognised in consolidated statement of profit or loss	2025	2024
Depreciation of right-of-use assets	(82)	(68)
Interest expenses on lease liabilities (note 15)	(24)	(15)
Leasing expenses, short-term leases (note 13)	(54)	(53)
Leasing expenses, low value assets (note 13)	(1)	(2)
Leasing expenses, variable lease payments (note 13)	(0)	(1)
Total amount recognised in consolidated statement of profit or loss	(162)	(138)

19 Other intangible assets

Principle application and judgements

Judgement is used in determining when a project moves from the research phase to the development phase for internally developed intangible assets. To ensure consistent judgement, different activities are grouped in four different phases. Expenses incurred in phase 1 are classified as research and expensed directly to profit and loss. Expenses incurred in phase 2-4 are normally capitalised as long as the criteria for capitalisation are met. Phase 4 may also contain commercialisation/industrialisation of technology developed in phase 1-3 into full scale plants and judgement must be applied both in terms of separation between fixed and intangible assets as well as the correct starting point for depreciation. In general, depreciation of the intangible assets starts when the full-scale production facility is put into operation.

Expenditures related to research and development activities, see note 13 Other operating expenses.

Accounting principle application and judgements for impairment of assets, see note 21 Impairment assessments.

2025 Details of intangible assets	Land use rights	Technology and licences	Software	Development	Other intangible ¹⁾	Intangible assets under construction	Total other intangible assets
Cost							
Opening balance	121	23	309	-	86	193	732
Additions	0	-	21	-	0	4	25
Transferred from CiP	-	-	2	-	-	(2)	-
Disposals	-	(20)	(2)	-	(6)	(2)	(30)
Currency translation differences	0	(0)	(4)	-	(1)	(46)	(51)
Closing balance	122	2	326	-	79	147	676
Accumulated amortisation							
Opening balance	(70)	(23)	(257)	-	(35)	-	(385)
Additions	(4)	(0)	(20)	-	(8)	-	(32)
Disposals	-	20	1	-	4	-	25
Currency translation differences	(0)	0	3	-	0	-	4
Closing balance	(74)	(2)	(273)	-	(39)	-	(388)
Impairment losses							
Opening balance	(1)	-	(1)	-	-	(129)	(131)
Additions	-	-	-	-	(2)	-	(2)
Disposals	-	-	-	-	2	-	2
Currency translation differences	(0)	-	-	-	-	6	6
Closing balance	(1)	-	(1)	-	-	(122)	(124)
Carrying amount							
Closing balance	47	0	53	-	40	25	164

Estimated useful life	3–10 years	3–15 years	3–10 years	3–16 years	3–10 years
Amortisation plan	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line

1) Other intangible assets consists mainly of customer relationships.

Additions in 2025 consist mainly of software projects of NOK 21 million.

Note 19 continued

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

Estimated useful life	3–10 years	3–15 years	3–10 years	3–16 years	3–10 years
Amortisation plan	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line

1) Other intangible assets consists mainly of customer relationships.

Additions in 2024 consist mainly of capitalisation of development projects of NOK 45 million, mainly related to discontinued operations. Impairment losses in 2024 are mainly related to impairment of biocarbon NOK 129 million.

20 Goodwill

Principle application and judgements

If the fair value at the time of acquisition of the group's interest in the net assets of the acquired subsidiary exceeds the cost of the acquisition (negative goodwill), the differences are presented directly in the statement of profit or loss as other items. Judgement is applied in determining net identifiable assets and hence in determining the amount of goodwill.

Accounting principle application and judgement for impairment of assets, see Note 21 Impairment assessments.

Details of goodwill	2025	2024
Opening balance	329	1 015
Assets classified as held for sale	-	(756)
Currency translation differences	(24)	70
Closing balance	305	329

Origin of goodwill per CGU and operating segment 31 December 2025	Silicon Products	Carbon Solutions	Total
Elkem Rana AS	40	-	40
Elkem Nagpur	35	-	35
Elkem Oilfield Chemical FZCO Ltd.	24	-	24
Elkem Dronfield Ltd.	18	-	18
Elkem Materials Processing Services BV	0	-	0
Elkem Ferroveld JV	-	45	45
Elkem Carbon Slovakia a.s.	-	22	22
Elkem Participações Indústria e Comércio Limitada	-	8	8
Elkem Carbon (China) Co., Ltd.	-	1	1
NEH LLC	95	18	112
Total goodwill	212	94	305

Origin of goodwill per CGU and operating segment 31 December 2024	Silicon Products	Carbon Solutions	Total
Elkem Nagpur	42	-	42
Elkem Rana AS	40	-	40
Elkem Oilfield Chemical FZCO Ltd.	26	-	26
Elkem Dronfield Ltd.	19	-	19
Elkem Materials Processing Services BV	0	-	0
Elkem Ferroveld JV	-	45	45
Elkem Carbon Slovakia a.s.	-	22	22
Elkem Participações Indústria e Comércio Limitada	-	8	8
Elkem Carbon (China) Co., Ltd.	-	1	1
NEH LLC	107	20	126
Total goodwill	234	95	329

21 Impairment assessments

Principle application and judgements

This disclosure covers the impairment assessment for goodwill, intangible assets, property plant and equipment and right-of-use assets (non-current non-financial assets).

Impairment is recognised when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount. As a starting point Elkem uses the value in use method for estimating recoverable amount in an impairment test. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the strategic plan for the next five years and do not include restructuring activities that Elkem is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. An exception from this is ongoing projects with known technology where both future cash inflows and remaining investments are included.

A long-term growth rate is calculated and applied to project future cash flows after the fifth year to calculate the terminal value. If the value in use calculation indicates an impairment, the fair value less cost to sell will be estimated and the higher of this amount and the value in use is applied as the recoverable amount.

Judgement is applied by management in determining if an impairment trigger exists. Management assesses a wide range of quantitative and qualitative information before concluding on the trigger review. Triggers normally assessed in Elkem include:

- performance compared to budget since the last trigger review
- the expected development in sales prices and the cost of materials, employees and other operating expenses in both the short and medium term
- supply / demand balance
- regulatory changes and new technology
- competitive situation

There is significant judgment required to determine the CGU for impairment testing. For impairment testing of property, plant and equipment, intangible and right of use assets, the CGU is the lowest level that generates cash inflows independent of other assets. This can be both a single plant or a combination of plants depending on the facts and circumstances. For goodwill, the unit of testing is based on the lowest level where synergies are expected to be realised following a business combination and the CGU is determined to be the operating segments as presented in note 6 Operating segments.

Estimates

The value-in-use calculations are based on estimated future cash flows. The uncertainty in the cash flows relates to future prices for both key input factors in the production and market prices for the sale of Elkem's products. There is uncertainty regarding these factors both for the next 12 months and for the rest of the forecast period. There is also uncertainty in estimating replacement investments and the growth rate in the terminal value. The estimated future pre-tax cash flows are discounted using a discount rate before tax. The estimation uncertainty in the discount rate relates to the determination of the risk-free rate, the market risk premium and the beta. Elkem uses a beta per business segment and the beta is found using observable betas of comparable companies for each business segment. Elkem has performed sensitivity analyses for key drivers in the impairment test to reflect the uncertainty in the estimates.

Impairment assessment for non-current non-financial assets including goodwill

The impairment assessment for non-current non-financial assets is performed on two levels.

- For non-current non-financial assets other than goodwill a quarterly trigger assessment is performed for each of the separate CGUs within the three operating segments Silicones, Silicon Products, and Carbon Solutions. If a trigger is identified, an impairment assessment is performed for the CGU.

→ Goodwill acquired through business combinations is allocated to the operating segments Silicones, Silicon Products, and Carbon Solutions. Each of the operating segments consist of several CGUs, typically a plant or a group of plants. Impairment testing of goodwill is done annually, or more frequently if indicators exist, for the group of CGUs that is included in the respective operating segments.

At 23 January 2025 the group announced its intention to perform a strategic review of the Silicones division. At the end of 2024, the Silicones division was reclassified as held for sale and discontinued operations. Immediately before the reclassification 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. Please refer to note 38 Assets held for sale and discontinued operations for assumptions used in estimating fair value of the assets held for sale at 31 December 2025. The remainder of this disclosure for 2025 will cover the continuing operations in Elkem Silicon Products and Elkem Carbon Solutions divisions.

The following table gives an overview of carrying amount of total non-current non-financial assets and goodwill allocated to each of the operating segments. The table also includes the pre-tax discount rate for each operating segment.

Operating segment	31.12.25			31.12.24		
	Carrying amount	Of which goodwill	Pre-tax discount rate	Carrying amount	Of which goodwill	Pre-tax discount rate
Silicon Products	7 540	212	10.7%	7 447	234	11.1%
Carbon Solutions	1 327	94	10.1%	1 259	95	10.5%
Total	8 868	305		8 706	329	

Elkem analyses both quantitative and qualitative triggers that may indicate that a CGU is impaired. Quantitative indicators include Elkem's market capitalisation, return on capital employed compared to WACC and EBITDA margin compared to budget. Qualitative indicators include significant adverse changes in expected sales volumes or margins, raw material prices, power prices and supply and changes in regulations.

The impairment assessment for goodwill allocated to the operating segments and for the respective CGUs within the operating segments performed at year-end is covered for each operating segment below.

Discounted cash flow models are applied to determine the value in use for the operating segments. Key assumptions used in the calculation of value in use are sales prices and volumes, raw material prices and discount rates.

A range of important assumptions used in the impairment assessment is common for all GGUs/operating segments and are to large extent determined at the group level in relation with the budget and strategic forecast process. These assumptions are described below. In addition, certain assumptions such as sales prices, cost of materials and supply / demand balance are specific for the respective CGUs/operating segments. These assumptions are described within the below impairment assessments done for each operating segment and underlying CGUs.

Common assumptions for all operating segments

Financial forecasts

The 2026 budget is used together with the 2026-2030 strategic plan to prepare the forecasts which are used for the impairment assessment. 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.

Normalised 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 normalised EBITDA.

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 normalised EBITDA levels.

Capital expenditure ("Capex")

A normalised capex is assumed in the long run and are based on today's maintenance level and technology. Estimated capital expenditures do not include capital expenditures that significantly enhance the current performance, as such effects are not included in the cash flow projection. However, capex includes remaining investments on strategic projects in an advanced stage where only a small part of the total investment remains before start up.

Discount rates

The required rate of return is calculated by the WACC method. The cost of a company's equity and liabilities, weighted to reflect its target capital structure of 50:50, respectively, derive from its weighted average cost of capital. The WACC rates are based on 10-year risk-free interest rate for the relevant currency of the CGU. For the operating segments with cash inflows and outflows in different currencies these are translated to NOK in the goodwill impairment test and a NOK 10 year risk-free interest rate is used in the WACC. The rates are adjusted for inflation differential and country risk premium. The discount rates also consider the debt premium, market risk premium, corporate tax rate and asset beta. The WACC is adjusted for tax to determine a pre-tax rate that is used for discounting the estimated future cash flows.

Growth rates

The expected growth rates for a cash-generating unit (CGU) converge from its current level experienced over the last few years, to the long-term growth level in the market in which the entity operates. The growth rates used to extrapolate cash flow projections beyond the explicit forecast period are based on management's experience, assumptions in terms of market share and expectations for the market development in which the entity operates. Growth rate used in Elkem's DCF models is 1.5 per cent for Silicon Products and Carbon Solutions with a significant market exposure in Europe.

Currency rates and inflation

The value-in-use calculation is performed in the functional currency for the CGU. The currency rates used to translate future incomes and expenses in other currencies than the functional currency is based the currency rates used in the strategic planning process. These are also used when translating the cash inflows and outflows in the operating segments to NOK in the goodwill impairment test. The long-term inflation (CPI) is based on external predictions and reflect the CPI in which each CGU is located.

Climate related risk

The calculation of value in use reflects the expected development in both the cost of CO₂ quotas and the income from CO₂ compensation going forward, in line with the current regulatory framework. Outside of this, no climate related legislation has been passed at the current time that will impact the group. However, there is an expectation that any increase in cost due to new legislation will be covered by increased sales prices, full or partial compensation by incentive schemes or increased effectiveness resulting in limited impact on operating cash flows. See also the climate risk assessment in note 31 Financial risk.

Mandatory tests

Silicon Products and Carbon Solutions

For Elkem Silicon Products and Carbon Solutions the goodwill impairment test has been done based on approved business plans for the period 2026-2030 and a terminal value for the subsequent years. The estimated value in use exceeds the carrying amount.

Impairment assessment

Neither in 2024 nor 2025 did Elkem identify any triggers for CGU's within the Silicon Products or Carbon Solutions segments.

22 Inventories

Principle application and judgements

Inventory consists of raw materials, semi-finished goods and finished goods, in addition to operating materials and spare parts that do not meet the definition of property, plant and equipment. Raw materials, operating materials and spare parts are recognised at cost of purchase including transport and handling to their present location. Finished and semi-finished goods are measured at cost of raw materials, energy for production and cost of conversion up to the actual completion stage. Cost of conversion comprise operating expenses directly related to manufacturing of the products and an allocation of direct fixed operating expenses. Judgement is applied in determining the share of cost to be allocated to inventory from departments that perform both production and overhead related tasks.

The cost of CO₂ allowances that Elkem needs to purchase in addition to allowances received from the government, see note 9 Grants, are based on estimated production / emissions for the year. The cost is allocated to cost of conversion proportionally with estimated produced volumes over the year as the number of allocated allowances will not be revised unless there is a substantial change in the production level at the plants. The income from the Norwegian government related to the CO₂ compensation scheme is recognised in inventory based on estimated compensation per produced ton and accrued proportionally with produced volumes.

Entities within the group sell goods to other group entities, consequently finished goods from one entity become raw materials or semi-finished goods for another group entity. The classification of goods in the consolidated statement of financial position is based on the separate entity's classification.

The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Judgement is applied in determining normal level of production per plant, but is also aligned with comparable plants within the group.

Details of inventory	31.12.25			31.12.24		
	Cost price	Provision	Net total	Cost price	Provision	Net total
Raw materials	1 358	(1)	1 357	1 616	(1)	1 614
Semi-finished goods	890	(1)	889	570	-	570
Finished goods	3 092	(110)	2 982	3 227	(66)	3 162
Operating materials and spare parts	734	(3)	731	695	(4)	692
Total inventories	6 075	(116)	5 959	6 108	(71)	6 038

This year's change in provision for impairment of inventory, a loss of NOK 46 million (gain of NOK 30 million), is recognised as a part of raw materials and energy.

23 Trade receivables

Principle application and judgements

Trade and bills receivables are initially recognised at transaction price, which in most cases corresponds to their nominal amount. Elkem mainly has receivables without stated interest rate and no significant financing component and the trade and bills receivables are therefore subsequently measured at nominal amount, less any provision for expected credit loss. Judgement has been applied in assessing derecognition of trade receivables included in factoring arrangements.

When Elkem's Chinese entities sells goods to a customer a trade receivable is established. The customer can then issue a bank guaranteed bill that is used to settle the trade receivable. A bill receivable is transferable and can be used to pay trade payables (endorsed) or be settled in cash with a finance institution (discounted). Bills receivables are mainly bank acceptance bills that are guaranteed by a financial institution. The duration of a bill receivable is normally below 6 months.

Trade receivables are derecognised when settled, replaced by bills receivables or when transferred to a third party and Elkem has no further risk related to the receivable. Bills receivables are derecognised when they are settled on due date or when the risk and reward are transferred to a third party. Transferral to a third party can be done by discounting a bill receivable before due date or by endorsing the bill receivable, meaning that it is accepted by the supplier as payment for goods or services received. See below for details on the different agreements.

Elkem calculates the expected credit losses (ECL) for trade receivables and bills receivables in accordance with the simplified approach. All expected cash flows, including cash flows from credit insurance contracts where such contracts are deemed to be an integral part of the transactions, is taken into consideration. The assessment is based on historically experienced losses adjusted for forward-looking estimates on changes in risk / probability that credit losses will occur for the different customer groups /segments where applicable.

Details of trade receivables	31.12.25	31.12.24
Trade receivables	1 503	1 615
Trade receivables, related parties ¹⁾	91	105
Allowance for expected credit losses	(25)	(29)
Bills receivables	283	269
Total trade receivables	1 852	1 960

1) Includes trade receivables to discontinued operations

Elkem has entered into factoring agreements with a credit limit totalling EUR 100 million (EUR 100 million), NOK 1 184 million (NOK 1 179 million), to sell on continuing basis trade receivables that meet specific conditions. The agreements include a recourse clause for maximum 5-10 per cent, depending on the agreement, of the face value of the individual receivables sold. The non-recourse amount of the receivables sold is derecognised and the recourse amount is recognised as a current liability when the title to the receivables is transferred. As at 31 December 2025, NOK 43 million (NOK 53 million) is recognised as current liability (see note 28 Provisions and other liabilities). In addition, Elkem has entered into factoring agreements without recourse. Receivables that are sold without recourse are derecognised in its entirety when the title is transferred, as there is no remaining credit risk after transfer. As at 31 December 2025 NOK 791 million (NOK 1 182 million) of Elkem's trade receivables are derecognised under these agreements.

Bills receivables consist of NOK 283 million (NOK 267 million) bank acceptance bills and NOK 0 million (NOK 2 million) commercial acceptance bills.

A total of NOK 0 million (NOK 0 million) in unmatured bills receivables are endorsed to a third party where the final payment of the bill is guaranteed by a highly rated financial institution. Elkem will only suffer losses on an endorsed bill if the bank that have issued the bill or all companies that has endorsed the bill before Elkem goes bankrupt. These bills are derecognised as there is very low remaining credit risk related to endorsed bills.

Analysis of gross trade receivables by age, presented based on the due date	31.12.25	31.12.24
Not due	1 107	1 306
Overdue by:		
1-30 days	304	251
31-60 days	125	75
61-90 days	18	31
More than 90 days	40	57
Total trade receivables¹⁾	1 594	1 720

1) Bills receivables are not included in the ageing table

Movements in allowance for expected credit losses	2025	2024
Opening balance	(29)	(59)
Realised losses during the year / Received on earlier losses from continuing operations	3	(1)
Realised losses during the year / Received on earlier losses from discontinued operations	-	(0)
Provision for expected credit losses from continuing operations	(9)	(6)
Provision for expected credit losses from discontinued operations	-	(5)
Reversal of earlier provisions from continuing operations	10	7
Reversal of earlier provisions from discontinued operations	-	3
Assets classified as held for sale	-	40
Currency translation differences	1	(8)
Closing balance	(25)	(29)

Analysis of allowance for expected credit losses, presented based on related trade receivables	31.12.25	31.12.24
Not due	(5)	(6)
Overdue by:		
1-30 days	(0)	(0)
31-60 days	(0)	(0)
61-90 days	(1)	(1)
More than 90 days	(19)	(21)
Total allowance for expected credit losses	(25)	(29)

24 Other assets

Principle application and judgements

Other shares

Other shares consist of equity investments in both listed and unlisted companies. Shares in listed companies are measured at fair value through profit or loss with gains and losses presented in other items. Investments in equity instruments that do not have a quoted market price in an active market are classified as financial assets measured at fair value through other comprehensive income (OCI). Dividends from such investments are presented as other items in the statement of profit or loss.

Loans and receivables

Loans and receivables are non-derivative hold to collect financial assets with fixed or determinable payments that are not quoted in a regulated market. After initial recognition, they are recognised at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Judgement is applied in assessing the need for impairment on loans and receivables outside of trade and bills receivables and in determining the level of credit loss. Judgement is applied when determining the estimated expected credit loss on other receivables and prepayments. The judgement is based on experienced losses in the past and expectations about future economic conditions for the different counterparties. Elkem calculates the expected credit losses (ECL) for other receivables in accordance with the simplified approach. The assessment is based on historical experienced losses adjusted for forward-looking estimates on changes in risk / probability that credit losses will occur.

Details of other assets	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Other shares	52	36	-	-
Restricted deposits	62	60	-	-
Other deposits	8	9	-	-
Pension assets, defined benefits and contribution plans (note 11)	37	32	2	4
Prepayments for construction of fixed assets	6	13	-	-
Prepayments for goods and equipment	-	-	19	22
Prepayments for other expenses	17	-	89	82
Receivables from related parties, interest-bearing (note 37)	0	0	-	-
Grants receivable (note 9)	-	-	774	576
Value added tax	61	68	202	297
Corporate income tax receivables	-	-	86	241
Interest receivables	-	-	-	0
Other receivables	-	0	34	13
Assets at fair value through profit (loss)	765	765	-	-
Other assets	2	2	24	18
Total other assets	1 011	985	1 231	1 254

Provision for impairment included in total other assets, mainly prepayments.

Restricted deposits consist mainly of restricted deposits related to the ongoing tax litigation in Elkem's business in Brazil of NOK 3 million (NOK 11 million), see note 28 Provisions and other liabilities, and deposit for pension guarantee, related to unfunded pension liabilities for salaries above 12G, of NOK 42 million (NOK 37 million). Assets at fair value through profit (loss) relates to the sale of Vianode AS, see note 29 Financial assets and liabilities.

25 Cash and cash equivalents and restricted deposits

Principle application

Cash and cash equivalents

Deposits with a term of 3 months or less on acquisition are included. Bank overdrafts are presented within interest-bearing current liabilities in the statement of financial position. Deposits where the access is restricted for use by the bank (more than 3 months) are presented separately in the statement of financial position and excluded from cash and cash equivalents presented in the statement of cash flows.

Cash and cash equivalents

Cash pooling is used to secure availability and access to cash across the group. Due to local legislation, not all subsidiaries are able to participate in international cash pooling arrangements. As at 31 December, NOK 1 061 million (NOK 1 780 million) of Elkem's cash and cash equivalents of NOK 2 694 million (NOK 4 397 million) was outside Elkem's cash pooling arrangements and / or not held at Elkem ASA. It is mainly Canada, Singapore, and China that hold cash outside of Elkem's cash pooling arrangements.

26 Interest-bearing liabilities

Principle application

Lease liabilities

See note 18 Leases for accounting policies for right-of-use assets and lease liabilities.

Details of interest-bearing liabilities	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Lease liabilities (note 18)	342	338	71	67
Loan agreements, bank	5 892	5 856	20	-
Loan agreements, bonds	3 000	3 500	500	706
Loan agreements, other than bank	415	2 123	1 718	295
Accrued interest	-	-	12	23
Total interest-bearing liabilities	9 648	11 817	2 322	1 090

Interest-bearing liabilities by currency	31.12.25		31.12.24	
	Currency amount	NOK	Currency amount	NOK
EUR	687	8 129	711	8 386
USD	2	21	0	2
NOK	3 765	3 765	4 501	4 501
CNY	1	2	4	6
Other currencies	-	53	-	12
Total interest-bearing liabilities		11 970		12 907

Maturity of interest-bearing liabilities 31 December 2025	2026	2027	2028	2029	2030	2031 and later	Total
Lease liabilities	71	52	44	34	29	183	413
Loan agreements	2 239	6 820	1 414	800	-	300	11 573
Accrued interest	12	-	-	-	-	-	12
Total interest-bearing liabilities excluding prepaid loan fees	2 322	6 872	1 459	834	29	483	11 998
Prepaid loan fees							(28)
Total interest-bearing liabilities							11 970

Maturity of interest-bearing liabilities 31 December 2024	2025	2026	2027	2028	2029	2030 and later	Total
Lease liabilities	67	41	38	34	32	193	405
Loan agreements	1 001	2 210	6 796	1 413	800	300	12 519
Accrued interest	23						23
Total interest-bearing liabilities excluding prepaid loan fees	1 090	2 251	6 834	1 446	832	493	12 947
Prepaid loan fees							(41)
Total interest-bearing liabilities							12 907

Loan agreements

The main non-current loan agreements as at 31 December 2025 are granted to Elkem in Norway for financing of the group; a term loan with bank institutions, bond loans and series of loans in Schuldschein market (other than bank).

Loan agreements, bank

The term loan of EUR 500 million (EUR 500 million) is unsecured, but there are related covenants. As at 31 December 2025 the interest rate is 3.32 per cent. The term loan is linked to two sustainability KPIs, KPI 1 Lost Time Injury Rate and KPI 2 – Product Group Carbon Footprint. The margin of the RCF and term loan shall be reduced by 0.025 per cent if both KPIs are met, and increased by 0.025 per cent if none of the KPIs are met. If one KPI is met there shall be no change to the margin. Based on initial testing of the KPIs, the margin will increase with 0.025 per cent in 2026.

Elkem has entered into an interest swap agreement to swap the EUR 500 million loan from floating to fixed interest rate. As at 31 December 2025 the fair value of this swap is NOK 5 million (entered into in 2025).

Loan agreements, bonds

The series of issued bond loans listed on Oslo Stock Exchange is in the size of NOK 3 000 million (NOK 3 500 million) where of NOK 3 150 million (NOK 3 150 million) is registered as bonds with floating rate and NOK 350 million (NOK 350 million) is registered as a bond with fixed rate. The bond loans are unsecured and there are no related covenants. As of 31 December 2025 the interest rates are in the range of 5.36 per cent to 5.86 per cent.

Initially Elkem has entered into an interest swap agreement to swap the NOK 350 million bond from fixed to floating interest rate. Later Elkem has entered into a cross-currency swap agreement to SWAP the NOK 350 million bond to an EUR 30 million loan with fixed rate of 3.71 per cent. As at 31 December 2025 the net fair value of these swaps are NOK 0.3 million (NOK 1 million).

Initially Elkem has entered into an interest rate swap agreement to swap the NOK 800 million bond loan from floating interest rates to fixed interest rates of 4.88 per cent. Later Elkem has entered into a cross-currency swap agreement to SWAP the NOK 800 million bond to a EUR 69 million loan with fixed rate of 3.11 per cent. As at 31 December 2025 the net fair value of these swaps are NOK 2 million (NOK 21 million).

A swap agreement has also been entered into to swap the NOK 400 million bond loan to a EUR 34 million loan with fixed interest rates of 3.72 per cent. As at 31 December 2025 the fair value of this swap is negative NOK 3 million (negative NOK 2 million).

The bond loans are listed on Oslo Stock Exchange from January 2024, as at 31 December 2025 the fair value of the bond loans are positive NOK 40 million (positive NOK 2 million).

Loan agreements, other than bank

The series of loans issued in the Schuldschein market is of the size of EUR 35 million (EUR 180 million) with floating rate. The loan series is unsecured, but there are related covenants. As of 31 December 2025 the interest rates are 3.7 per cent.

Elkem has entered into an interest swap agreement to swap the loans of EUR 35 million from floating to fixed interest rates of 3.7 per cent. As at 31 December 2025 the fair value of these swaps are NOK 1 million (entered into in 2025).

Additionally Elkem has entered into an interest-swap agreement to swap the EUR 145 million loans that fall due in 2026 from floating to fixed interest rates of 3.5 per cent. As at 31 December 2025 the fair value of these swaps are NOK 3 million (entered into in 2025).

Note 26 continued

Credit facilities

As of 31 December 2025 the group is granted credit facilities of NOK 6 658 million. The facilities remain undrawn at 31 December 2025.

As of 31 December 2024 the group is granted credit facilities of NOK 6 519 million. The facilities remain undrawn at 31 December 2024.

The main revolving credit facilities are granted to Elkem ASA, but the facilities can be utilised by Elkem ASA and its subsidiaries. The main facilities amount to EUR 500 million, CNY 199 million and NOK 250 million respectively. See note 31 Financial risk, section (c) liquidity risk for more information.

Hedging

Some / part of loans are designated as a hedging instrument, see note 30 Hedging.

Loan covenant

Elkem has financial covenants related to part of its loan agreements in Norway. The financial covenants are calculated monthly, based on last 12 months figures of Elkem group total, and reported quarterly. Elkem is compliant with its covenants at the end of 2025 and 2024. Elkem initiated a waiver process in 2024, and got consent from the lenders' to reduce the interest cover covenant from 4.0x to 3.0x for each and every quarter of the 2024 financial year. In 2025 the interest cover covenant returned to 4.0x.

The covenants for the interest-bearing loan facilities in Norway relate to the financial performance of Elkem group total and are as specified in the table below.

Covenant Elkem related to drawn loan agreements of NOK 8 051 million (NOK 8 019 million) in Elkem ASA	31.12.25	Loan covenant	31.12.24	Loan covenant
Equity ratio	51%	> 30%	49%	> 30%
Interest cover ratio	6.1	> 4.00	5.2	> 3.00

Movements in interest-bearing liabilities 2025	Cash flows			Non-cash changes			Closing balance
	Opening balance	Receipts/ Payments	Additions, lease remeasurements, and terminations	Liabilities classified as held for sale	Reclassification	Currency translation differences	
Lease liabilities	338	-	85	-	(81)	(1)	342
Loan agreements	11 519	0	-	-	(2 217)	32	9 334
Total movements non-current	11 857	0	85	-	(2 298)	32	9 676
Lease liabilities	67	(75)	-	-	81	(1)	71
Loan agreements	1 001	(982)	-	-	2 217	3	2 239
Total movements current	1 068	(1 057)	-	-	2 298	2	2 310
Total	12 925	(1 057)	85	-	-	34	11 986

Movements in interest-bearing liabilities 2024	Cash flows			Non-cash changes			Closing balance
	Opening balance	Receipts/ Payments	Additions, lease modifications, remeasurements, and terminations	Liabilities classified as held for sale	Reclassification	Currency translation differences	
Lease liabilities	464	-	137	(129)	(147)	12	338
Loan agreements	13 091	2 118	-	(3 162)	(1 149)	620	11 519
Total movements non-current	13 555	2 118	137	(3 290)	(1 295)	632	11 857
Lease liabilities	125	(143)	-	(66)	147	5	67
Loan agreements	1 078	(1 121)	-	(130)	1 149	26	1 001
Total movements current	1 203	(1 264)	-	(197)	1 295	31	1 068
Total	14 758	854	137	(3 487)	-	663	12 925

27 Trade payables

Elkem has entered into supplier finance agreements with a carrying amount of NOK 123 million as at 31 December 2025 (113 million). Under the agreements, the suppliers have received payment. The duration is from six to twelve months. Range of payment due dates for comparable trade payables that are not part of an arrangement are from 5 to 60 days. The liabilities to the provider of the supplier financing is presented within trade payables in the statement of financial position, while the settlement to the provider of supplier financing is presented within changes in working capital in the statement of cash flows.

28 Provisions and other liabilities

Principle application

The cost of CO₂ allowances that Elkem needs to purchase in addition to allowances received from the government (see note 9 Grants), are based on estimated production / emissions for the year. The liability related to the purchase of allowances is accrued for using an average cost method with the assumption that the allowances received from the government is consumed evenly across the year. The provision for the purchase of necessary allowances is measured at the agreed purchase price for allowances purchased on forward contracts, while the provision for the remaining allowances is measured at market price at the reporting date.

Estimates

Elkem has several types of provisions due to its operations. Such liabilities are normally uncertain in timing and amount, and recognised amounts are estimates based on available information at the end of the reporting period. The estimated liability is based on expected cash flows necessary to settle the obligation, adjusted for any related risk and discounted by using the pre-tax interest applicable for the specific entity. The estimates are updated when new or updated information is available, or at a minimum at each reporting date. The actual outcome will differ from the estimate.

The estimate uncertainty primarily relates to environmental measures related to closed production sites and landfills. The potential outcome can vary within a relatively wide range depending on the final scope of the measures required and the cost of fulfilling the measures. In these cases, the estimated provision is made based on a combination of expert opinions and management's assessment of the known facts and circumstances.

Details of provision and other liabilities	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Employee withholding taxes and other public taxes	-	-	117	113
Value added tax	-	-	109	93
Prepayments	-	-	46	63
Liabilities to related parties (note 36)	-	-	-	0
Provisions	259	250	35	19
Accrued expenses	-	-	181	361
Grants, deferred income (note 9)	-	-	-	0
Grants payable (note 9)	16	17	3	-
Advances on export exchange contracts (ACC)	-	-	-	72
Recourse liabilities factoring agreement (note 23)	-	-	43	53
Settlement liabilities factoring agreements	-	-	24	31
Other liabilities	-	-	29	9
Total provisions and other liabilities	275	267	588	815

Elkem has for its Carbon Solutions operations in Brazil entered into Advances on foreign exchange contracts (ACC) with financial institutions. Under these contracts Elkem receives full or partial prepayments from the financial institution before the goods are shipped. The prepayments are used to finance imports of raw materials.

Movements in provision 2025	Restructuring	Site restoration	Environmental measures	Litigations	Customers	Other provisions	Total provisions
Opening balance	0	44	175	49	0	1	270
Additional provisions recognised	13	4	23	3	-	1	44
Used during the year	(2)	(4)	-	(1)	(0)	(0)	(7)
Reversal of provisions recognised	-	-	(4)	-	-	-	(4)
Foreign currency exchange differences	0	(0)	(8)	(0)	-	0	(8)
Closing balance	12	44	186	51	-	2	294
Hereof non-current	-	41	166	51	-	2	259
Hereof current	12	3	21	-	-	0	35
Closing balance	12	44	186	51	-	2	294

Movements in provision 2024	Restructuring	Site restoration	Environmental measures	Litigations	Customers	Other provisions	Total provisions
Opening balance	44	35	203	71	5	5	363
Additional provisions recognised from continuing operations	9	9	11	3	0	0	32
Additional provisions recognised from discontinued operations	130	-	-	-	8	10	148
Used during the year	(101)	(0)	(13)	(8)	(2)	(10)	(134)
Reversal of provisions recognised from continuing operations	-	-	(3)	-	-	-	(3)
Reversal of provisions recognised from discontinued operations	-	-	-	-	(1)	-	(1)
Liabilities classified as held for sale	(85)	-	(29)	(10)	(10)	(5)	(138)
Currency translation differences	4	0	5	(7)	0	0	3
Closing balance	0	44	175	49	0	1	270
Hereof non-current	-	38	163	49	-	1	250
Hereof current	0	6	12	1	0	0	19
Closing balance	0	44	175	49	0	1	270

Restructuring

The provision is related to Elkem's cost saving programme.

Site restoration

The site restoration provisions are related to the necessary site remediation work that Elkem will have to undertake in respect of its quartz mines.

Environmental measures

Elkem has worldwide operations representing potential exposure towards environmental consequences. Elkem has established clear procedures to minimise environmental emissions, well within public emission limits. The provisions relate to clean up costs for a closed down production site and landfills, mainly in Canada and Norway, and also estimated cost for clean-up cost of polluted soil and fjord in relation to production sites in Norway. Provisions are made for each case based on estimates that are quality assured by external parties. The increase in provision are mainly due to increased cost estimate for the work in Canada. The engineering work in Canada will start during 2026 and is expected to be finalised during the next 3-4 years by phases. For the other projects the timing of when the work will start is uncertain.

Litigations

The provisions due to litigation are mainly related to the Carbon Solutions operations in Brazil.

Federal tax cases in Brazil can take a substantial amount of time before resolution by the authorities, hence the time of settlement is uncertain. The main part of the provision is related to cases back to 2006. Provisions are made for each case based on the estimated amount expected to be paid, including interest and penalties. In accordance with Brazilian regulations, agreed amounts have been transferred to restricted bank accounts and are adjusted for interest. The restricted cash is recognised in other non-current assets, see note 24 Other assets.

Customers

The provisions are related to customer complaints, mainly in the Silicones division.

Contingent liabilities

Due to its operations Elkem could be included in criminal or civil proceedings related to, among others, product liability, environment, health and safety, anti-competitive, anti-corruption, trade sanctions or other similar laws or regulations or other forms of commercial disputes which could have a material adverse effect on Elkem. See section litigation above for ongoing cases and see note 16 Taxes for ongoing tax audits by authorities.

29 Financial assets and liabilities

Principle application and judgements

Financial assets

Non-derivative financial assets include trade receivables, restricted deposits and cash and cash equivalents.

Financial liabilities

Non-derivative financial liabilities include interest-bearing liabilities, bills payables and trade payables.

Embedded derivatives

Elkem has long-term power purchase contracts settled in Euro which is different from both Elkem and the counterparty's functional currency. The currency portion of these contracts is an embedded derivative and is recognised and presented as an independent derivative.

Commodity contracts within the scope of IFRS 9

Non-financial commodity contracts where the relevant commodity is readily convertible to cash and where the contracts are not for own use, fall within the scope of IFRS 9 Financial instruments - recognition and measurement. Elkem's principle is that power delivered in a different grid area than the grid area where the power is consumed will meet the own use criteria.

Elkem's main energy contracts meet the own use criteria except for two power contracts in Norway, where both derivatives are designated as hedging instrument in cash flow hedges.

Estimates

Estimates are used to estimate fair value for financial assets and liabilities where there are no listed prices or direct observable prices. Calculation of fair value is in such cases based on observable prices for similar contracts, as far as possible. For contracts with a duration beyond the period of observable prices, the assumptions are derived based on the latest observable data. Due to the current market situation in the energy market with very high prices and high volatility there is significant uncertainty in the estimation of forward power prices with direct impact on the value of the power contracts classified as financial instruments. The estimated value of the power contracts can be impacted by the changes in the power prices both within the next 12 months, but also in the period beyond 12 months. There is also uncertainty related to the discount rate used for discounting future cash flows and the expectation to the development in the consumer price index going forward.

See assumptions used at the balance sheet date in chapter (a) Fair value measurement below, and sensitivity of the main power contracts in note 31 Financial risk.

Assets by category 31 December 2025	Note	Assets at fair value through profit or loss	Assets at fair value - hedging instruments	Assets at fair value through other comprehensive income	Loans and receivables at amortised cost	Non- financial assets	Total
Derivatives, non-current		586	395	-	-	-	981
Other assets, non-current	24	790	-	27	62	131	1 011
Trade receivables	23	-	-	-	1 852	-	1 852
Derivatives, current		141	144	-	-	-	285
Other assets, current	24	-	-	-	34	1 197	1 231
Restricted deposits	25	-	-	-	1	-	1
Cash and cash equivalents	25	-	-	-	2 694	-	2 694
Total		1 517	538	27	4 642	1 328	8 054

Note 29 continued

Liabilities by category 31 December 2025	Note	Liabilities at fair value through profit or loss	Liabilities at fair value - hedging instruments	Liabilities at amortised cost	Non- financial liabilities	Total
Interest-bearing liabilities, non-current	26	-	-	9 648	-	9 648
Derivatives, non-current ¹⁾		(34)	384	-	-	350
Provisions and other liabilities, non-current	28	-	-	-	275	275
Trade payables	27	-	-	1 818	-	1 818
Interest-bearing liabilities, current	26	-	-	2 322	-	2 322
Derivatives, current ¹⁾		(30)	145	-	-	115
Provisions and other liabilities, current	28	-	-	281	307	588
Total		(64)	529	14 069	583	15 116

¹⁾ The group applies hedge accounting for certain currency contracts and certain parts of power contracts. The negative value reported as assets and liabilities at fair value is representing the value of parts of power contracts where hedge accounting is not applied.

Assets by category 31 December 2024	Note	Assets at fair value through profit or loss	Assets at fair value - hedging instruments	Assets at fair value through other comprehensive income	Loans and receivables at amortised cost	Non- financial assets	Total
Derivatives, non-current		572	440	-	-	-	1 012
Other assets, non-current	24	781	-	20	70	115	985
Trade receivables	23	-	-	-	1 960	-	1 960
Derivatives, current		130	137	-	-	-	267
Other assets, current	24	-	-	-	13	1 241	1 254
Restricted deposits	25	-	-	-	7	-	7
Cash and cash equivalents	25	-	-	-	4 397	-	4 397
Total		1 483	577	20	6 447	1 355	9 883

Liabilities by category 31 December 2024	Note	Liabilities at fair value through profit or loss	Liabilities at fair value - hedging instruments	Liabilities at amortised cost	Non- financial liabilities	Total
Interest-bearing liabilities, non-current	26	-	-	11 817	-	11 817
Derivatives, non-current		31	453	-	-	485
Provisions and other liabilities, non-current	28	-	-	-	267	267
Trade payables	27	-	-	2 076	-	2 076
Interest-bearing liabilities, current	26	-	-	1 090	-	1 090
Derivatives, current		(43)	183	-	-	140
Provisions and other liabilities, current	28	-	-	525	290	815
Total		(11)	636	15 508	557	16 689

¹⁾ The group applies hedge accounting for certain currency contracts and certain parts of power contracts. The negative value reported as assets and liabilities at fair value is representing the value of parts of power contracts where hedge accounting is not applied.

There are no material differences between fair value and the carrying amount for financial liabilities and financial assets at amortised cost.

(a) Fair value measurement

Elkem's financial instruments measured at fair value are categorised into three levels based on the inputs to the valuation techniques used to measure fair value.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and liabilities measured at fair value 31 December	Level 1	Level 2	Level 3	Total 2025	Level 1	Level 2	Level 3	Total 2024
Financial assets at fair value through profit or loss	25	(8)	1 501	1 517	15	16	1 451	1 483
Derivatives designated in a hedging relationship	-	62	476	538	-	81	496	577
Assets at fair value through other comprehensive income	-	-	27	27	-	-	20	20
Total assets	25	54	2 004	2 083	15	97	1 968	2 080
Financial liabilities at fair value through profit or loss	-	(64)	-	(64)	-	(11)	-	(11)
Derivatives designated in a hedging relationship	-	529	-	529	-	636	-	636
Total liabilities	-	465	-	465	-	625	-	625

Level 1:

Financial assets measured at level 1 apply to external quoted shares, which are measured based on the quoted prices.

Level 2:

Financial assets and liabilities measured at level 2 applies to forward currency contracts, interest rate swaps and embedded currency derivatives. The contracts are measured at fair value by estimating the future cash flows.

Level 3:

The financial assets and liabilities at fair value through profit or loss measured at level 3 consist of power derivative contracts, shares in unlisted companies and other assets measured at fair value through profit and loss.

When valuing the power contracts, observable data is used such as power price, currency rates, CPI and EPAD, when available. The power prices for long-term electricity contracts in Norway are not directly observable in the market for the whole contract length. Power prices on system level are observable until 2036 and EPAD prices are only observable for a relatively short time period. Valuation of the contracts for the remaining periods are based on the latest observable data adjusted for CPI, if relevant.

Overview of contracts and the assumptions used for assessment of fair value for the level 3 contracts

Power contract "30-øringen"

"30-øringen" power contract lasts until 31 December 2030 and the power from the contract is restricted to be used at Elkem ASA plants. For the years 2019 - 2020 the price under the contract was fixed except if the spot price at the relevant grid points exceeded a certain threshold, in which case the price equalled the spot price. For the last 10 years of the contract, starting 1 January 2021, the price is fixed based on the average spot price for the five years preceding 1 January 2021, adjusted for inflation. The fixed price and the threshold price are based on a start date and thereafter adjusted with inflation annually. Changes in fair value for the "30-øringen" contract was classified as other items before 1 January 2021. Due to the change in the contract price structure of the instrument from 2021, the contract is designated as a hedging instrument from 1 January 2021. This means that fair value changes from the effective part of the hedging relationship from 1 January 2021 initially are booked against OCI and subsequently recycled and recognised as raw materials and energy in the statement of profit or loss in the same period(s) as the hedged objects affect the profit or loss. The ineffective part of the hedging relationship is recognised in other items.

Power contract with Axpo

In February 2024, Elkem entered into a financial power contract with Axpo covering the period 2027 to 2035. The contract has been designated as hedging instrument in a cash flow hedge of highly probable future purchases, hence changes in fair value for the power contract are from the inception of the contract booked against OCI. Please refer to note 31 Hedging.

Assumptions for valuation of the contracts

- Discount rate: 5.71 per cent (5.60 per cent) p.a. for "30-øringen", 3.7 per cent (4.3 per cent) for Axpo. The assumptions are based on the estimated risk of the contract, including credit risk.
- Inflation: 2 per cent (2 per cent) p.a.
- Power prices: Market prices per 31 December 2025 until 2035.
- CfDs: 4-year average historic CfD prices based on Nord Pool prices for "30-øringen". For Axpo the implicit CFD at the contractual agreement date is used.
- Exchange rate EUR: Observable rates for the next 5 years, thereafter calculated rates based on long-term interest rates is used to translate estimated future power prices to NOK for "30-øringen" which is priced in NOK.

For external shares measured at level 3, book value of equity adjusted for excess values at purchase date is used as an approximation of fair value.

The Vianode receivable at fair value through profit and loss

In February 2024, Elkem sold its shares in Vianode AS, a synthetic graphite manufacturer for a total nominal amount of NOK 847 million to AV Anodos AS. NOK 10 million of the compensation was received at closing, while NOK 315 million (second instalment) and NOK 522 million (third instalment) are tied to Vianode meeting two future milestones relating to the building of a full-scale plant. Interest shall accrue on the second instalment if the due date is later than 30 June 2025 and for the third instalment 31 December 2027. At initial recognition, the present value of the receivable was estimated to NOK 749 million after the payment of the NOK 10 million. Vianode AS and AV Anodos AS are dependent on additional funding to be able to perform the investments necessary to meet the milestones required for the settlement of Elkem's receivable. If additional funding is not obtained, there is a risk of significant credit loss related to Elkem's receivable. As the value of the deferred payments is uncertain, Elkem monitors the situation closely. Considering the need for additional funding, market development and recent project development in Vianode available at year-end, Elkem has assessed that the fair value of the receivable is NOK 765 million. The receivable is measured at fair value through profit and loss and is included in Level 3.

Movements in fair value measurement level 3	2025	2024
Opening balance	1 968	1 229
Acquisition / business combinations	-	0
Transfer from investment in equity accounted investments	-	759
Change in fair value recognised in OCI, cash flow hedges	207	412
Hedge ineffectiveness	(94)	(338)
Disposal	(0)	-
Settlement / realised effects	(79)	(109)
Other changes in fair value through profit or loss, unrealised	3	15
Currency translation differences	(0)	0
Closing balance	2 004	1 968

(b) Details of financial instruments**Details of currency exchange contracts 31 December 2025**

	Purchase currency	Purchase ccy million	Sale currency	Sale ccy million	Type of instrument	Currency deal rate	Due	Fair value NOK	Notional amount ¹⁾ NOK
	NOK	25	USD	2	Fwd	11.3269	2026	3	22
	NOK	494	EUR	42	Fwd	11.8831	2026	1	493
	NOK	73	EUR	6	Fwd	12.2123	2027	1	71
	NOK	33	JPY	312	Fwd	0.1052	2027	13	20
	NOK	1 378	EUR	115	Fwd	11.9863	2026	1	1 362
	USD	1	JPY	100	Fwd	0.0065	2026	0	6
	NOK	821	EUR	75	Embedded	10.9640	2026	(79)	886
	NOK	6 588	EUR	556	Embedded	11.8526	2027-2035	(349)	6 580
Total fair value²⁾								(409)	

Details of currency exchange contracts 31 December 2024

	Purchase currency	Purchase ccy million	Sale currency	Sale ccy million	Type of instrument	Currency deal rate	Due	Fair value NOK	Notional amount ¹⁾ NOK
	NOK	1 864	EUR	159	Fwd	11.7621	2025	(20)	1 869
	NOK	201	JPY	1 954	Fwd	0.1028	2025	57	141
	NOK	33	JPY	312	Fwd	0.1052	2026	9	23
	NOK	375	USD	35	Fwd	10.7453	2025	(21)	396
	USD	1	JPY	101	Fwd	0.0068	2025	0	7
	NOK	818	EUR	76	Embedded	10.7941	2025	(89)	894
	NOK	5 984	EUR	518	Embedded	11.5528	2026-2035	(483)	6 108
Total fair value²⁾								(547)	

1) Notional value of the contracts, based on currency rates 31 December.

2) The spot element of forward currency contracts with duration more than 3 months are designated as hedging instruments in a cash flow hedge of highly probable future sales, hence this part is classified as "Derivatives used for hedging" in the table "Assets and liabilities classified by category" above. The interest element of these contracts and contracts of duration < 3 months are classified as "Assets/liabilities at fair value through profit or loss".

Details commodity contracts and interest rate swap within the scope of IFRS 9 31 December 2025

	Volume	Due	Fair value	Notional amount ³⁾
Commodity contracts Power	501 GWh	2026	244	184
Commodity contracts Power	3976 GWh	2027-2035	968	1 764
Interest rate swap	NOK 12 731 million	2026-2029	(2)	355
Total fair value contracts within scope of IFRS 9⁴⁾			1 209	

Details commodity contracts and interest rate swap within the scope of IFRS 9 31 December 2024

	Volume	Due	Fair value	Notional amount ³⁾
Commodity contracts Power	501 GWh	2025	196	177
Commodity contracts Power	4478 GWh	2026-2035	986	1 950
Interest rate swap	NOK 1 550 million	2025-2029	19	301
Total fair value contracts within scope of IFRS 9⁴⁾			1 201	

3) Notional value of underlying asset at the end of reporting period, calculated as volume * price * currency rate as at 31 December (if other currencies than NOK).

4) Certain power contracts are designated as hedging instruments, the remaining contracts / parts of contracts are classified as "Assets/liabilities at fair value through profit and loss".

Note 29 continued

(c) Offsetting

	Gross amount of financial assets	Gross amount of financial liabilities set off in the statement of financial position	Net amounts of financial assets recognised/presented	Financial instruments not set off in the statement of financial position	Cash collateral pledged	Net amount
Financial assets 31 December 2025						
Power contracts including embedded derivatives	1 211	-	1 211	-	-	1 211
Forward currency contracts	54	-	54	-	-	54
Total	1 265	-	1 265	-	-	1 265

	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented	Financial instruments not set off in the statement of financial position	Cash collateral pledged	Net amount
Financial liabilities 31 December 2025						
Power contracts including embedded derivatives	427	-	427	-	-	427
Forward currency contracts	38	-	38	-	-	38
Total	465	-	465	-	-	465

	Gross amount of financial assets	Gross amount of financial liabilities set off in the statement of financial position	Net amounts of financial assets recognised/presented	Financial instruments not set off in the statement of financial position	Cash collateral pledged	Net amount
Financial assets 31 December 2024						
Power contracts including embedded derivatives	1 182	-	1 182	-	-	1 182
Forward currency contracts	75	-	75	5	-	80
Total	1 257	-	1 257	5	-	1 262

	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented	Financial instruments not set off in the statement of financial position	Cash collateral pledged	Net amount
Financial liabilities 31 December 2024						
Power contracts including embedded derivatives	572	-	572	-	-	572
Forward currency contracts	50	-	50	5	-	54
Total	622	-	622	5	-	626

30 Hedging

Principle application and judgements

Elkem has applied IFRS 9 for hedge accounting. Elkem applies cash flow hedging and net investment hedging. Cash flow hedging is applied to two power contracts, interest rate swaps and for hedging of sales in foreign currency.

The "30-øringen" power contract is delivered in the power price area NO2 in the south of Norway but is used to hedge cash flows for all the Norwegian plants including plants in other power price areas. At initial hedge designation there was a strong economic relationship between the prices in the different price areas. However, due to the at times significant differences in prices between the price areas the last years, significant judgement is required to assess if there is still an economic relationship between the hedged item and the hedging instrument. There is an expectation that the price differences will be reduced over time due to for example grid improvements and changes in the supply/demand balance. Given the strict requirements in IFRS 9 for being allowed to discontinue hedging and the fact that the "30-øringen" is a long-term contract with expiry in 2030 it has been assessed that there is still an economic relationship between the hedging item and the hedged object.

Estimates

See disclosures describing estimation uncertainty for financial assets in note 29 Financial assets and liabilities.

Elkem's hedging instruments

Cash flow hedge

Elkem has forward currency contracts and embedded EUR derivatives in power contracts where the spot element is designated as hedging instruments and Elkem's highly probable future revenue in corresponding currencies is designated as the hedging objects in this hedging relationship, defined as a cash flow hedge. In addition, certain power derivative contracts, are designated as hedging instruments in a cash flow hedge of price fluctuations for highly probable future purchases. Hence, the effective part of changes in fair value of the financial instruments is booked against OCI, and recycled to profit or loss as an adjustment of revenue and power cost (included in raw materials and energy) when realised. The ineffective part of changes in the fair value of the financial instrument is recognised in other items in the statement of profit and loss. Elkem should primarily pursue a floating interest rate policy for long-term financing. Interest rate hedging will be considered in specific cases, e.g. when there is a need to protect financial covenants in loan agreements. In 2025 and 2024, Elkem entered into interest rate swaps to change from floating to fixed interest rates. For interest rate swaps designated for hedging, the effective part of changes in fair value of the financial instruments is booked against OCI, and recycled to profit or loss as an adjustment to interest expense when realised.

Net investment hedge

Elkem has a EUR 500 term loan. As of 1 January 2024, EUR 230 million of the loan was designated as a hedge of the net investment in the group's subsidiaries with EUR as functional currency. In June 2024 EUR 30 million was discontinued as a consequence of reduced value of net investments in euro, reducing the amount of the loan designated as a hedge of the net investment to EUR 200 million. The fair value and carrying amount of the borrowing designated as a hedge at 31 December 2025 was NOK 2 368 million (NOK 2 358 million). The foreign exchange loss of NOK 9 million (NOK 128 million) on translation of the borrowing from EUR to NOK at the end of the reporting period is recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the statement of changes in equity. There was no ineffectiveness recognised from the net investment hedge.

See note 32 Financial risk for Elkem's hedging policy.

Note 30 continued

Cash flow hedging instruments, by type	31.12.25	31.12.25	31.12.24	31.12.24
	Assets fair value	Liabilities fair value	Assets fair value	Liabilities fair value
Forward currency contracts	33	10	60	43
Financial power contracts	476	-	496	-
Power contracts embedded derivatives	-	516	-	591
Interest rate swap	29	3	21	3
Total hedging instruments	538	529	577	636
Less non-current portion:				
Forward currency contracts	1	0	8	-
Financial power contracts	380	-	415	-
Power contracts embedded derivatives	-	383	-	451
Interest rate swap	14	1	17	2
Current portion of hedging instruments	144	145	137	183

As at 31 December 2025 financial power contracts designated in a hedging relationship comprise 14 per cent of expected consumption in Norway in 2026, 21 per cent in the period 2027-2030, and 6 per cent from 2031-2035. Elkem has hedged approximately 11 per cent of the expected revenues in EUR for 2026 and for the years 2027-2037 EUR is hedged at a range gradually declining from 7-1 per cent.

Financial instruments 31 December 2025	Net fair value	Hereof recognised in OCI	Effects to be recycled from OCI			
			Within 1 year	Within 2 years	Within 3 years	Within 4 years or more
Forward currency contracts	19	23	22	1	-	-
Power contracts	1 211	476	96	98	92	190
Embedded EUR derivatives	(427)	(516)	(133)	(91)	(54)	(238)
Interest rate swaps	(2)	26	13	5	5	3
Total ¹⁾	800	9	(1)	13	43	(45)

Financial instruments 31 December 2025	Net fair value	Hereof recognised in OCI	Effects to be recycled from OCI			
			Within 1 year	Within 2 years	Within 3 years	Within 4 years or more
Forward currency contracts	25	17	9	8	-	-
Power contracts	1 182	496	81	84	80	252
Embedded EUR derivatives	(572)	(591)	(140)	(124)	(84)	(243)
Interest rate swaps	19	18	3	3	4	7
Total ¹⁾	654	(59)	(46)	(28)	(1)	16

¹⁾ Hedge accounting is applied for certain contracts and for parts of contracts.

Of total changes in fair value of power contracts designated as hedging instruments, a gain of NOK 223 million (loss of NOK 196 million) is recognised in profit or loss, and classified as other items (see note 14 Other items), due to ineffectiveness in the hedging relationship and discontinuation of hedging. The ineffectiveness on cash flow hedges primarily relates to Elkem's hedges of future power purchase. The ineffectiveness is caused by the extraordinary developments in the Norwegian power market with significant differences in prices between the different price areas. Consequently, the cumulative change in fair value of some of the hedging instruments are higher than the cumulative changes in the present value of the hedge items from the inception of the hedge. The difference between the two is the recognised as ineffectiveness. Of the gain of NOK 223 million (loss of NOK 196 million) recognised in 2025, a gain of NOK 33 million (loss of NOK 319 million) relates to hedge ineffectiveness caused by these price differences. In addition, Elkem has recognised a gain of NOK 61 million (NOK 102 million) related to discontinuation of power hedging caused by furnace curtailments in Norway and a gain of NOK 2 million (NOK 1 million) related to cash flow hedges of future sale of goods in currency.

Realised effects hedge accounting	31.12.25	31.12.24
Realised effects from forward currency contracts, recognised in revenue	26	10
Realised effects from embedded derivatives EUR, recognised in revenue	(137)	(135)
Realised effects from interest rate swap, recognised in finance expenses	59	(4)
Realised effects from power contracts, recognised in raw materials and energy	31	13
Realised effects hedge discontinuation, recognised in other items	61	102
Total realised effects hedge accounting	41	(14)

In addition, Elkem applies hedge accounting principles related to currency risk from a net investment in foreign operation, see note 26 Interest-bearing liabilities.

Movements in OCI related to hedging instruments

2025	Opening balance	Net change in fair value	Reclassified to P&L	Closing balance
Hedging of future sales, forward currency contracts	17	32	(26)	23
Hedging of future sales, embedded EUR derivatives in own use power contracts	(591)	(62)	137	(516)
Hedging of future need for power	496	72	(92)	476
Hedging of future interest expense	18	67	(59)	26
Total (before tax)	(59)	109	(41)	9

2024	Opening balance	Net change in fair value	Reclassified to P&L	Closing balance
Hedging of future sales, forward currency contracts	129	(102)	(10)	17
Hedging of future sales, embedded EUR derivatives in own use power contracts	(463)	(263)	135	(591)
Hedging of future need for power	220	391	(115)	496
Hedging of future interest expense	12	2	4	18
Total (before tax)	(102)	29	14	(59)

31 Financial risk

Elkem is exposed to (a) Market risk, defined as financial risk from fluctuations in market prices for finished goods, raw materials, currency exchange rates, and interest rates. In addition, Elkem is exposed to financial risks related to (b) Counterparty credit risk, (c) Liquidity risk and (d) Climate risk. This may have a considerable impact on Elkem's financial performance.

Elkem's principle is to organise resources close to the value chain. Risk management is an integrated part of Elkem's business activities, included in the line management's responsibility. Financial risk, including financing, liquidity, currency, interest rates, and counterparty risks, is generally managed centrally by treasury. Elkem has financial risk policies in place, approved by the board of directors.

Elkem's financial risk exposure and business performance are evaluated regularly, and the main risks are analysed in terms of impact, likelihood, and correlation. Based on the overall risk evaluation, Elkem may accept or seek to further reduce the risks arising from operational activities.

(a) Market risk

(i) Price risk

Commodity prices

Elkem is exposed to fluctuations in market prices for finished goods and raw materials. The market risk assessment is based on a holistic approach, as prices for Elkem's products tend to fluctuate with underlying macroeconomic conditions. The same dynamics tend to apply to prices for the main raw materials, giving Elkem a certain degree of natural hedging.

For the main upstream products and raw materials Elkem seeks to reduce the risk exposure by entering sales and purchase contracts for corresponding time periods and volumes. The goal is to partly offset changes in sales prices through changes in raw material costs.

A significant part of Elkem's sales consists of specialised products. These products have generally more stable pricing. Elkem's integrated value chain mitigates the supply chain and pricing risks and also gives flexibility to realise value at various levels through the value chain. Elkem aims to ensure sales volumes and raw material supply by entering into long-term customer relationships.

Power

Electric power is a key input factor and Elkem enters into long-term power contracts to reduce the future exposure to changes in power prices, particularly in Norway where electricity prices based on hydro power tend to have different pricing dynamics than for Elkem's products and other raw materials.

Normally all plants have covered their main future need for power by entering into power contracts, primarily classified as own use contracts according to IFRS 9, hence such contracts are off-balance. In addition to the own use contracts, certain financial power contracts are classified as derivatives and designated in a cash flow hedging relationship in accordance with IFRS (see notes 29 Financial assets and liabilities and 30 Hedging). For plants located in Norway, Elkem's policy is that a minimum 80 per cent of the expected power consumption shall be covered by fixed price contracts for current and next year. This includes both own use and derivative contracts at fair value. For the following periods, the ratio extends until 4 years ahead, declining with 10 percentage point per year ending at 50 per cent. Elkem currently fulfils this minimum hedge policy, and also has a substantial amount of contracts at fixed price for the period after 5 years. Optimisation of 24-hour-, seasonal-, and capacity utilisation variations is achieved by utilising financial and physical contracts that are traded bilaterally. The purpose of entering into long term power contracts is to reduce volatility in the power cost and to increase the predictability of the cost base. Fair value of commodity contracts is especially sensitive for future changes in energy prices.

Changes in fair value of commodity contracts, classified as financial instruments, reflect unrealised gains or losses, and are calculated as the difference between market price and contract price, discounted to present value. Valuations are based on market information where this is available, if not, valuations are based on estimated market price for non-observable parameters.

Valuation of the power contracts

The assumptions for the fair value measurement of power contracts are described in note 29 Financial assets and liabilities.

Sensitivity analysis - power contracts

Sensitivity on the "30-øringen" and Axpo contracts is as follows

Power contracts		31.12.25		31.12.24	
		Fair value	Adjusted NPV	Fair value	Adjusted NPV
Discount rate (used 5.71% (5.60%))	decrease with 3.5%-point	1 211	1 322	1 182	1 313
Discount rate (used 5.71% (5.60%))	increase with 3.5%-point	1 211	1 116	1 182	1 073
CPI (used 2.0%)	change to 1%	1 211	1 227	1 182	1 204
CPI (used 2.0%)	change to 3%	1 211	1 196	1 182	1 160
Power price	decrease 10%	1 211	931	1 182	904
Power price	increase 10%	1 211	1 492	1 182	1 461

(ii) Currency risk

Elkem has revenues and operating costs in various currencies. The prices of finished goods are to a large extent determined in international markets, primarily denominated in US dollar, Chinese yuan and Euro. This is partly offset by purchases of raw materials denominated in the same currencies. Elkem aims to establish natural hedging positions if this is possible and economically viable. Financial derivatives are then used to hedge the remaining net currency risk exposures. Elkem has net positive operating cash flows mainly in Euro, US dollar, Chinese yuan and Brazilian real. Due to the location of its plants, Elkem has net cost positions in certain other currencies, mainly Norwegian krone, but also Canadian dollar and Icelandic krona.

Elkem's policy is to hedge the net positive cash flows in foreign currencies against NOK to even out fluctuations in results and cash flow. The target is to hedge expected net cash flow for 0–3 months on a 90 per cent hedging ratio. Expected net cash flow for 4–12 months should be hedged on a rolling basis targeting a 45 per cent hedging ratio. The hedging ratio for 4–12 months may vary subject to internal approval. Chinese yuan (CNY) is not included in the hedging programme. Elkem has hedged Japanese yen until 2026, related to a long-term customer contract. Elkem uses hedge accounting for all cash flow hedges over 3 months. Embedded EUR derivatives in power contracts are included in the foreign exchange hedging programme. To ensure an effective hedge, according to the hedge accounting principles, the spot element of the forward currency contracts is designated as hedging instruments and highly probable future revenue as hedging object in a hedging relationship, covering the exposure beyond 3 months.

In 2025, Elkem realised a loss of NOK 111 million from the hedging programme (loss of NOK 125 million).

Elkem aims to mitigate the currency risk in the statement of financial position by keeping interest-bearing debt in the same currencies as the group's assets. Elkem has mainly interest-bearing debt in Euro, Chinese yuan and Norwegian krone.

Note 31 continued

Currency effects recognised in total comprehensive income for the year, excluding effects from cash flow hedging	2025	2024
Net foreign exchange gains (losses) - forward currency contracts - recognised in other items	19	(5)
Operating foreign exchange gains (losses) - recognised in other items	(80)	39
Net foreign currency exchange gains (losses) on financing activities - recognised in foreign exchange gains (losses)	(254)	247
Currency translation differences - recognised in other comprehensive income	(1 214)	1 154
Hedging of net investment in foreign operations - recognised in other comprehensive income	(9)	(128)
Total	(1 539)	1 307

Currency exposure

The amounts in the tables below are translated to NOK using exchange-rates against NOK as at 31 December.

Exchange rates against NOK per 31 December	2025	2024
USD	10.0714	11.3484
EUR	11.8394	11.7921
CNY	1.4401	1.5547
CAD	7.3554	7.8822

Currency exposure affecting statement of profit or loss

The tables show carrying amount of assets and liabilities for Elkem group total denominated in foreign currencies different from the entities functional currency, where changes in currency rates will affect profit and loss. The tables include notional amount of currency exchange contracts (see note 29 Financial assets and liabilities). Amounts are presented in NOK based on currency rates as at 31 December 2025.

31 December 2025	USD	EUR	CNY	CAD	NOK	Other	Total
Other non-current assets	-	-	-	-	-	-	-
Trade receivables	576	(19)	-	-	0	60	617
Other assets	-	-	-	-	-	-	-
Restricted deposits	-	-	-	-	-	-	-
Cash and cash equivalents	1 514	(761)	617	(102)	1	307	1 576
Total monetary assets	2 090	(780)	617	(102)	1	367	2 193
Interest-bearing liabilities	-	8 064	-	-	-	-	8 064
Other liabilities	-	-	-	-	-	-	-
Trade payables	305	222	2	(0)	0	53	581
Bills payables	-	-	-	-	-	-	-
Total monetary liabilities	305	8 285	2	(0)	0	53	8 645
Derivatives, notional value	22	9 392	-	-	-	20	9 434
Net currency exposure financial position	1 763	(18 457)	615	(102)	0	294	(15 886)

31 December 2024	USD	EUR	CNY	CAD	NOK	Other	Total
Other non-current assets	-	-	-	-	-	-	-
Trade receivables	627	(7)	-	-	-	96	715
Other assets	-	-	-	-	-	-	-
Restricted deposits	-	-	-	-	-	-	-
Cash and cash equivalents	709	1 293	(123)	(282)	0	358	1 955
Total monetary assets	1 336	1 285	(123)	(282)	0	454	2 670
Interest-bearing liabilities	-	8 714	-	-	-	-	8 714
Other liabilities	-	-	-	-	-	-	-
Trade payables	341	218	-	0	1	53	613
Bills payables	-	-	-	-	-	-	-
Total monetary liabilities	341	8 932	-	0	1	53	9 327
Derivatives, notional value	396	8 871	-	-	-	164	9 431
Net currency exposure financial position	599	(16 518)	(123)	(282)	(1)	237	(16 088)

Sensitivity on profit and loss from financial assets and liabilities

The following tables demonstrate the sensitivity to a reasonable possible change in EUR and USD exchange rates by 5 per cent, with all other variables held constant. The impact on Elkem group total's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives and embedded derivatives not designated for hedging. The impact on Elkem group total's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The impact on pre-tax equity would be booked against OCI and recycled through profit before tax, when the hedged items are realised. In addition the profit and loss will be affected by translation differences on intra group balances, mainly in EUR, USD and CNY.

Currency	Change in FX rate	31.12.25		31.12.24	
		Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
EUR	5%	(923)	(465)	(288)	(517)
EUR	(5%)	923	465	288	517
USD	5%	88	120	50	(20)
USD	(5%)	(88)	(120)	(50)	20

Currency exposure affecting currency translation differences / equity

The table shows Elkem group's total assets and liabilities denominated in the group's main currencies translated to NOK at the currency rates at 31 December and gives an overview of the group's total currency exposure that will affect currency translation differences both in the consolidated statement of comprehensive income and / or profit and loss.

Note 31 continued

31 December 2025	USD	EUR	CNY	CAD	NOK	Other	Total
Other non-current assets	63	163	25	35	898	28	1 212
Trade receivables	921	162	1 647	11	168	510	3 419
Other assets	49	167	219	20	969	210	1 633
Restricted deposits	-	-	95	-	0	-	95
Cash and cash equivalents	1 851	(535)	1 565	30	182	713	3 806
Total monetary assets	2 885	(44)	3 551	95	2 218	1 461	10 166
Asset non-monetary items	2 178	7 324	11 587	825	13 353	2 048	37 315
Total assets	5 063	7 281	15 138	921	15 571	3 509	47 481
Interest-bearing liabilities	21	8 129	3 721	-	3 765	53	15 689
Other liabilities	57	213	243	14	322	165	1 015
Trade payables	402	923	1 107	91	736	296	3 556
Bills payables	-	-	657	-	(0)	-	657
Total monetary liabilities	480	9 265	5 729	105	4 824	515	20 917
Liabilities non-monetary items	114	691	243	121	1 161	208	2 538
Total liabilities	595	9 956	5 972	226	5 985	722	23 455
31 December 2024	USD	EUR	CNY	CAD	NOK	Other	Total
Other non-current assets	68	166	23	31	849	50	1 186
Trade receivables	966	176	1 798	18	84	619	3 661
Other assets	57	196	592	13	1 023	263	2 144
Restricted deposits	1	-	356	-	0	-	356
Cash and cash equivalents	1 132	1 665	1 324	(72)	1 324	698	6 070
Total monetary assets	2 224	2 202	4 093	(11)	3 279	1 630	13 418
Asset non-monetary items	2 826	7 428	13 864	974	12 822	2 100	40 014
Total assets	5 050	9 631	17 957	963	16 102	3 730	53 432
Interest-bearing liabilities	2	8 386	3 448	-	4 501	60	16 397
Other liabilities	60	246	329	17	450	235	1 337
Trade payables	469	1 200	2 046	106	949	389	5 159
Bills payables	-	-	1 549	-	(0)	-	1 549
Total monetary liabilities	532	9 832	7 371	123	5 900	685	24 442
Liabilities non-monetary items	136	772	292	216	1 338	215	2 969
Total liabilities	668	10 605	7 663	338	7 238	900	27 411

(iii) Interest rate risk

Elkem's interest rate risk arises from interest-bearing liabilities granted by external financial institutions, factoring agreements (note 23 Trade receivables) and liabilities related to factoring agreements and advances on export exchange contracts (note 28 Provisions and other liabilities). In addition, Elkem has supplier finance agreements of NOK 123 million (NOK 113 million) classified as trade payables (note 27 Trade payables). Elkem's liabilities are mainly drawn in Euro, Chinese yuan and Norwegian krone.

Elkem's policy is to primarily have floating interest rates on its debt financing. Whilst this exposes the group to fluctuations in interest rates, the group will benefit from lower rates during economic downturns. The prices and sales volumes of Elkem's core products tend to correlate with general economic conditions. Interest rates remained low for several years due to a low-rate economic environment. However, from 2022 to 2025, interest rates have increased as many central banks hiked rates to control inflation. Due to the relatively higher interest-level in Norway compared to the Euro-area, Elkem has during 2025 entered into several short-term cross currency interest rate swaps, resulting in a relatively high share of fixed-rate liabilities. Also see note 29 Financial assets and liabilities.

Elkem has financial covenants related to part of its loan agreements in Norway. The financial covenants are calculated monthly, based on last 12 months figures of Elkem group total, and reported quarterly. Elkem is compliant with its covenants at the end of 2025 and 2024. Elkem initiated a waiver process in 2024, and got consent from the lenders' to reduce the interest cover covenant from 4.0x to 3.0x for each and every quarter of the 2024 financial year. In 2025 the interest cover covenant returned to be 4.0x. For more details on covenants, see note 26 Interest-bearing liabilities.

Elkem's continuing operations have the following items exposed to interest rate risk 31 December 2025

	Floating	Fixed	Total
Interest-bearing liabilities (note 26)	2 751	9 219	11 970
Derecognised trade receivables under factoring agreements (note 23)	791	-	791
Recourse liability factoring agreement (note 28)	43	-	43
Settlement liability factoring agreements (note 28)	24	-	24
Supplier finance agreements (note 27)	123	-	123
Cash and cash equivalents (note 25)	(2 694)	-	(2 694)
Restricted deposits (note 25)	(1)	-	(1)
Receivables from related parties (note 24)	(0)	-	(0)
Net exposure	1 038	9 219	10 257

Elkem's continuing operations have the following items exposed to interest rate risk 31 December 2024

	Floating	Fixed	Total
Interest-bearing liabilities (note 26)	11 707	1 200	12 907
Derecognised trade receivables under factoring agreements (note 23)	1 182	-	1 182
Advances on export exchange contracts (note 28)	72	-	72
Recourse liability factoring agreement (note 28)	53	-	53
Settlement liability factoring agreements (note 28)	31	-	31
Supplier finance agreements (note 27)	113	-	113
Cash and cash equivalents (note 25)	(4 397)	-	(4 397)
Restricted deposits (note 25)	(7)	-	(7)
Receivables from related parties (note 24)	(0)	-	(0)
Net exposure	8 753	1 200	9 953

Sensitivity

The interest rate sensitivity is based on a parallel shift in the interest rates that Elkem is exposed to. If interest rates had been 100 basis points higher for a full year, based on net debt as at 31 December 2025, with all other variables held constant, the profit (loss) for the year would have been NOK 8 million (NOK 68 million) lower.

(b) Counterparty credit risk

Credit risk is the risk of financial losses to the group if a customer or counterparty fails to meet contractual obligations. For Elkem, this arises mainly to trade receivable and financial trading counterparties.

Trade receivables are generally secured by credit insurance from a reputable credit insurance company. For customers where credit insurance cannot be obtained, other methods are generally used to secure the sales proceeds, such as prepayment, letter of credit, documentary credit, or guarantees. In particular, when sales are made in countries with a high political risk, or to remote customers, trade finance products are used to reduce the credit risk. Of Elkem's revenue outside China 85-95 per cent is covered by credit insurance or other trade finance tools.

Elkem realised credit losses of NOK 2.9 million (NOK 0.8 million) on trade receivables in 2025.

The maximum exposure to credit risk for trade receivables for the group is NOK 2 358 million as at 31 December 2025 (NOK 2 550 million).

Evaluation of financial counterparties is based on external credit ratings from Moody's and / or Standard and Poor's. The general policy is that financial counterparties should have a rating equal to, or higher than, A- (or the equivalent) from the rating agencies, but exceptions may be made on a case-by-case basis, mainly for local banks in emerging markets. Elkem has not had any losses in 2025 or 2024 related to financial counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. Elkem is exposed to liquidity risk related to its operations and financing.

Elkem's cash flow will fluctuate due to economic conditions and financial performance. In order to assess its future operational liquidity risk, short-term and long-term cash flow forecasts are provided. The short-term forecast is updated each week, and the long-term cash flow projection is updated each quarter.

In order to mitigate the operational liquidity risk, Elkem has cash and revolving credit facilities with banks. As at 31 December 2025, Elkem has unrestricted cash and cash equivalents of NOK 3 806 million (NOK 6 070 million). In addition, revolving credit facilities amount to NOK 10 810 million (NOK 9 459 million), of which NOK 6 681 million is undrawn (NOK 6 542 million).

The external loan agreements contain two financial covenants. The ratio of EBITDA to consolidated net interest payable, as defined herein, for each measurement period, where the period is calculated as the 12 months ending on the last day of a financial quarter, must exceed 4. Elkem initiated a waiver process in 2024, and got consent from the lenders to reduce the interest cover covenant from 4.0x to 3.0x for each and every quarter of the 2024 financial year. Additionally, the ratio of total equity to total assets must be more than 30 per cent at all times. Elkem complies with these covenants as at 31 December 2025 and also complied with the covenants as at 31 December 2024, see note 26 Interest-bearing liabilities.

The policy is to have cash equivalents and available credit facilities to cover known capital needs and generally not less than 10 per cent of annual total operating income. In addition, the policy is to ensure that the main credit facilities have a remaining maturity of at least 12 months. The maturity profile of the credit facilities as at 31 December 2025 for Elkem continued is shown in the table below.

Year / maturity	2029	Rolling +1 year	Total
Total amount of credit facilities	5 920	738	6 658

The table below analyses the Elkem group continuing's financial liabilities and assets into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, and the amounts are including interest payments.

31 December 2025	2026	2027	2028	2029	2030	2031 and later	Total	Carrying amount
Trade receivables	1 852	-	-	-	-	-	1 852	1 852
Derivative assets	289	279	280	284	285	29	1 446	1 265
Total assets	2 141	279	280	284	285	29	3 299	3 117
Trade payables	1 818	-	-	-	-	-	1 818	1 818
Derivative liabilities	114	74	47	51	47	225	557	465
Lease liabilities	71	67	57	45	38	206	484	413
Loan agreements	2 626	7 128	1 504	839	11	311	12 417	11 573
Total liabilities	4 628	7 269	1 608	935	95	742	15 276	14 269

31 December 2024	2025	2026	2027	2028	2029	2030 and later	Total	Carrying amount
Trade receivables	1 960	-	-	-	-	-	1 960	1 960
Derivative assets	272	243	247	261	279	199	1 501	1 279
Total assets	2 233	243	247	261	279	199	3 462	3 240
Trade payables	2 076	-	-	-	-	-	2 076	2 076
Derivative liabilities	141	94	85	56	62	312	750	625
Lease liabilities	67	54	49	43	40	216	468	405
Loan agreements	1 581	2 738	7 225	1 552	864	335	14 296	12 519
Total liabilities	3 865	2 886	7 358	1 651	966	863	17 590	15 625

(d) Climate risk

Governance

In Elkem, the responsibility for climate-related issues sits with the board, and the management of risks and opportunities related to climate is integrated into Elkem's overall business strategy. The audit committee has board-level responsibility related to managing sustainability, non-financial reporting, internal control, and sustainability-related risk. The CEO, supported by the CFO and SVP Technology, ensures daily operational responsibility for climate-related issues. Regular reporting to the board and proactive engagement with stakeholders, including investors and banks, are integral to Elkem's governance structure.

Strategy

Elkem's climate strategy spans short-, medium-, and long-term horizons, evaluating transition risks and opportunities. Recognising its role in the full silicon value chain, Elkem addresses specific climate risks tied to its carbon-intensive production process. Elkem has established its climate roadmap, which is the group's transition plan that outlines the initiatives and actions to be taken to meet the goal of the Paris Climate Agreement of well below 2°C temperature increase. Elkem proactively identifies climate impacts and pursues a dual-play growth strategy focused on reducing fossil CO₂ emissions and promoting circular economies. The climate roadmap integrates with Elkem's corporate strategy, emphasising its commitment to a sustainable future.

Risk management

Climate-related considerations are a key part of Elkem's risk management process, with a comprehensive assessment

presented annually to the board. The evaluation identifies potential financial impacts on Elkem's EBIT and equity within a 5 year timeframe. The risk mapping process categorises risks into strategic, financial, raw material, production and process, and market and product risks. Climate related risks can be split into transitional and physical climate risks. The key transitional risks include regulatory risks, such as changes in the framework for CO₂ quotas and CO₂ compensation. Elkem monitors physical climate risks through site-specific analyses, recognising the potential impact of climate change on its operations. Central physical climate risks for Elkem are drought and extreme weather events, but the effects differ from site to site. Elkem has not identified any immediate need for action related to the buildings and assets identified.

In addressing emission abatement project profitability, Elkem employs an internal carbon price aligned with market trends. Risks are categorised by financial impact (high, medium, low) and frequency (low, medium, high). As Elkem navigates climate-related challenges and opportunities, the group remains committed to responsible governance, sustainable strategies, and effective risk management practices.

Key risks and opportunities

Elkem's key transitional climate risk is changes to existing regulations and carbon pricing mechanisms, and the emergence of new regulations. Use of a carbon material is necessary when producing silicon and ferrosilicon, hence emissions of CO₂ is inevitable, resulting in significant scope 1 emissions. Elkem falls under the ambit of EU's emission trading system (ETS), and changes to the number of free allowances and pricing of quotas influence Elkem's cost of raw materials and energy for production. In addition, Elkem is eligible for CO₂ compensation in Norway for the implicit CO₂ quota costs in Norwegian electricity prices. 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 per cent of compensation will be dependent on investments in climate and energy efficiency measures by the recipients. 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 per cent conditioned by climate and energy efficiency measures.

Elkem is not covered by Carbon Border Adjustment Mechanism (CBAM) currently, but if Norway chooses to adopt CBAM, this would also affect Elkem, and there is significant concern that the scheme has shortcomings that would be unfavourable for Elkem when competing in global markets. To mitigate this risk, Elkem is working to reduce its CO₂ emissions through the use of biocarbon as a reductant, and research and testing of carbon capture technology.

China does not currently have a CO₂ emission trading system, but introduction of such a scheme could potentially increase operational costs.

Elkem's production sites face different levels of physical climate risk. Changes to severity and frequency of extreme weather could pose a risk to many of the sites, but the location and infrastructure mitigate this risk. Elkem has not identified any immediate need for action related to buildings and assets identified. Elkem is however, monitoring temperature increases, increased dry spells, ocean rise, and extreme weather events to secure assets and avoid business interruptions.

Elkem's opportunities related to climate change are significant. Elkem's products are a key component to the green transition, examples of this being silicones used in electric vehicles (EVs), silicones, silicon and foundry products used in renewable and nuclear energy production, and silicones and Elkem Microsilica® in construction. There is also a potential in recycling and reuse related to silicone production.

32 Capital management

Elkem focuses on having a balanced capital structure, which seeks to reflect the return requirements for the shareholders and the need for a strong financial position to facilitate the group's strategy for growth and specialisation. The target is to have a leverage between 1.0x and 2.0x over a cycle. The leverage ratio is defined as current and non-current interest-bearing liabilities, see note 26 Interest-bearing liabilities, reduced with cash and cash equivalents, see note 25 Cash and cash equivalents and restricted deposits, divided by normalised EBITDA, as defined in the APM section.

Elkem manages its financing and liquidity position to reduce liquidity risk and to ensure that the group can meet its financial obligations at all times. Elkem has centralised the responsibility for group financing and liquidity handling. The policy is to raise financing at parent company level, however, country specific exceptions may be made due to local legislation or currency restrictions. Loan maturities are subject to liquidity and refinancing risk and the group aims to have a long-term and smooth maturity profile on its loan portfolio.

Cash pooling is used to secure availability and access to cash across the group. Due to local legislation, not all subsidiaries are able to participate in international cash pooling arrangements. In these cases, repatriation of excess cash is mainly executed through dividend payments and intercompany deposits, while liquidity needs are covered through capital injections and intercompany loans. Liquidity forecasts are prepared and updated on a regular basis. The short-term forecasts are updated weekly. Elkem's cash position is reported on a daily basis and tracked against respective forecasts. The policy is that available liquidity reserves, defined as cash and cash equivalents and available long-term credit facilities, should exceed 10 per cent of total operating income.

Financial covenants are applicable in some of Elkem's loan agreements. Financial covenants, if required, are standardised across all loan agreements. Financial covenants and other financial policy targets are monitored monthly and included in Elkem's management reports. See note 26 Interest-bearing liabilities for more details on the current covenants.

Elkem intends to pay dividends reflecting the underlying earnings and cash flow. Elkem envisages a dividend pay-out ratio of 30-50 per cent based on profit for the year. When deciding the annual dividend level, Elkem's leverage, capital expenditure plans and financing requirements will be taken into consideration. Focus will also be on maintaining appropriate strategic flexibility. Due to the ongoing strategic review and the process leading up to the sale of the Silicones division, see note 38 Assets held for sale and discontinued operations, the Board has proposed zero payments of dividends for the financial year 2025. For the year 2024, Elkem paid NOK 0.3 per share in dividend, NOK 190 million in total.

At 31 December 2025, Elkem's equity was NOK 24 026 million, including non-controlling interest of NOK 104 million. The equity ratio was 51 per cent.

33 Number of shares

The development in share capital and other paid-in equity is set out in the consolidated statement of changes in equity. The largest shareholders are listed in note 22 Shareholders to the financial statement of Elkem ASA.

Number of shares	2025			2024		
	Shares outstanding	Treasury shares	Total issued shares	Shares outstanding	Treasury shares	Total issued shares
Beginning of the year	634 169 478	5 271 900	639 441 378	633 890 288	5 551 090	639 441 378
Increase in treasury shares	-	-	-	-	-	-
Sale of treasury shares	50 000	(50 000)	-	279 190	(279 190)	-
End of the year	634 219 478	5 221 900	639 441 378	634 169 478	5 271 900	639 441 378

The share capital of Elkem ASA is NOK 3 197 206 890 consisting of 639 441 378 shares of NOK 5 nominal value. Of this amount, Elkem ASA held 5 221 900 treasury shares, 0.8 per cent of total issued shares. Elkem has in 2025 sold 50 000 shares in connection with Elkem's share option scheme. The total consideration was NOK 1 million.

In the annual general meeting held at 30 April 2025, 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 2026, but not later than 30 June 2026. 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 at 30 April 2025, the board of directors was granted an authorisation to increase the company's share capital by an amount up to NOK 319 720 689 - corresponding to 10 per cent of the current share capital. The authorisation is valid until the annual general meeting in 2026, but not later than 30 June 2026. The authorisation can be used to cover share capital increases against contribution in kind and in connection with mergers.

34 Earnings per share

Principle application

The calculation of basic earnings per share (EPS) has been based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted EPS has been based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	2025	2024
Weighted average number of shares outstanding	634 197 568	634 005 481
Effects of dilution	387 716	128 351
Weighted average number of shares outstanding - diluted	634 585 284	634 133 832
Owners of the parent's share of profit (loss) (NOK million) from Elkem group total operations	(668)	488
Earnings per share (NOK)	(1.05)	0.77
Diluted earnings per share (NOK)	(1.05)	0.77
Owners of the parent's share of profit (loss) (NOK million) from continuing operations	301	2 026
Earnings per share (NOK)	0.47	3.20
Diluted earnings per share (NOK)	0.47	3.20
Owners of the parent's share of profit (loss) (NOK million) from discontinued operations	(969)	(1 538)
Earnings per share (NOK)	(1.53)	(2.43)
Diluted earnings per share (NOK)	(1.53)	(2.43)

35 Supplemental information to the consolidated statement of cash flows

The following table gives a detailed overview of changes in working capital in the statement of cash flows. Working capital is defined as accounts receivables, inventories, other current assets, accounts payables, current employee benefit obligations and other current liabilities. Accounts receivables are defined as trade receivables less bills receivables. 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 payables 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.

Changes in working capital	2025	2024
Changes in accounts receivable	29	13
Changes in inventories	627	(447)
Changes in other current assets	490	(97)
Changes in accounts payable	(954)	(45)
Changes in other current liabilities including employee benefit obligations	(330)	(53)
Total	(138)	(629)

36 Related parties

Related parties' relationships are defined to be entities outside Elkem group that are under control (either directly or indirectly), joint control or significant influence by the owners of Elkem. The related party disclosure includes transactions and balances with parties considered related to Elkem group total. A significant level of related party transactions and balances are with the Silicones segment, which is classified as discontinued operations.

Elkem ASA is owned 52.9 per cent by Bluestar Elkem International Co. Ltd S.A., Luxembourg, which is under control of Sinochem Holdings Co., Ltd (Sinochem), a company registered and domiciled in China. All companies under control by Sinochem are considered to be related parties, including among others China Blue Chemicals Ltd and Jiangxi Xinghuo Spaceflight New Material Co., Ltd.

Elkem also considers equity accounted investments as related parties.

The structure of Elkem group is disclosed in note 4 Composition of the group and note 5 Equity accounted investments and joint operations.

2025						
Transactions with related parties	Sale of goods	Purchase of goods	Sale of services¹⁾	Purchase of services	Interest income	Financial expenses
Bluestar Elkem International Co. Ltd S.A.	-	-	-	-	-	-
Joint ventures and associates	31	(473)	31	(217)	0	-
Related parties within Sinochem	111	(681)	2	(173)	-	-
Other related parties	1	(4)	-	(17)	-	-
Total	143	(1 158)	33	(408)	0	-

¹⁾ Including sub-lease

2024						
Transactions with related parties	Sale of goods	Purchase of goods	Sale of services¹⁾	Purchase of services	Interest income	Financial expenses
Bluestar Elkem International Co. Ltd S.A.	-	-	-	-	-	-
Joint ventures and associates	-	(202)	20	(192)	0	-
Related parties within Sinochem	130	(619)	1	(112)	-	-
Other related parties	4	(8)	-	(23)	-	-
Total	133	(830)	21	(327)	0	-

¹⁾ Including sub-lease

Note 36 continued

	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Balances with related parties				
Receivables from joint ventures and associates, interest-bearing	0	0	-	-
Receivables from joint ventures and associates, interest free	-	-	-	4
Receivables from related parties within Sinochem, interest free	-	-	3	10
Trade receivables, joint ventures and associates	-	-	16	18
Trade receivables, related parties within Sinochem	-	-	6	1
Liabilities to related parties within Sinochem, interest free	-	-	(2)	(14)
Trade payables, Bluestar Elkem Investment Co. Ltd. S.A	-	-	(48)	(48)
Trade payables, joint ventures and associates	-	-	(64)	(47)
Trade payables, related parties within Sinochem	-	-	(4)	(4)
Prepayments from joint ventures and associates	-	-	-	(3)
Prepayments from related parties within Sinochem	-	-	(0)	(1)
Net balances with related parties	0	0	(92)	(83)

Outstanding balances at year-end are unsecured, and the current receivables and payables are interest-free, with an exception of the non-current receivables. The interest rate for the non-current receivables to the joint ventures and associates are currently 3.0 per cent (3.0 per cent).

Information about main transactions with related parties

Related parties within Sinochem

- Sale of Silicones to China Bluestar International Chemical Ltd, Jiangxi Xinghuo Spaceflight New Material Co., Ltd, and other companies within Sinochem
- Purchase of raw materials from companies within Sinochem

Equity accounted investments

- Purchase of short and deep sea transport from North Sea Containerline AS and EPB Chartering AS
- Purchase of warehousing for Combined Cargo Warehousing BV
- Purchase of services related to steam from Jiangxi Guoxing Intelligence Energy Co. Ltd
- Purchase of services related to shared infrastructure such as laboratory analysis, IT and telephone, warehousing and purchase of basic chemistry products such as gas, nitrogen, compressed air from GIE Osiris

There are no other contingent liabilities or commitments related to the joint ventures and associates.

Key management personnel and board of directors

Information on transactions with key management personnel and /or their related parties, see note 11 Employee benefits and "Report on salary and other remuneration to leading personnel in Elkem ASA for the financial year 2025".

37 Pledge of assets and guarantees

Pledges

The main part of Elkem's interest-bearing liabilities are not pledged. Details of liabilities that have pledged assets or guarantees related to them are stated below.

Pledged liabilities	31.12.25	31.12.24
Pledged liabilities	44	53

Book value pledged assets	31.12.25	31.12.24
Machinery, equipment and motor vehicles	0	-
Accounts receivables	43	53

Elkem makes limited use of guarantees, see specification below.

Guarantee commitments	31.12.25	31.12.24
Guarantee commitment KLIF (Climate and Pollution Agency)	40	40
Guarantee commitment Prefet de l'Isere (The Prefect of the Isère Department)	190	-
Guarantee commitment tax cases Brazil	43	42

38 Assets held for sale and discontinued operations

Principle application and judgements

At 23 January 2025, the group announced its intention to perform a strategic review of the Silicones business area, and it initiated an active programme to locate a buyer for the Elkem Silicones operating segment. At the end of 2024, it was assessed that Silicones met the criteria held for sale. In February 2026, the group announced that an agreement to sell the majority of Elkem Silicones to Bluestar had been made (see note 39 Events after the reporting period). Elkem Silicones operating segment represents a major line of business and per 31 December 2024 a sale was regarded to be highly probable to occur within one year. As such, the Silicones operating segment is presented as discontinued operations in the statement of profit and loss, and as held for sale in the statement of financial position in both the 2024 and 2025 financial statements.

Continuing operations include internal transactions with the Silicones division that are expected to continue after the sale. This includes sale of goods from the Silicon Products division to the Silicones division. Financial income and expenses 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 6 Operating segments for segment disclosures.

Estimates

The calculations of 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.

Internal transactions are eliminated in the presentation of profit and loss from discontinued operations in the table below.

Profit and loss from discontinued operations	31.12.25	31.12.24
Revenue	14 062	14 113
Other operating income	10	20
Share of profit (loss) from equity accounted investments	7	2
Total operating income	14 079	14 134
Raw materials and energy	(8 636)	(8 718)
Employee benefit expenses	(2 327)	(2 469)
Other operating expenses	(2 003)	(2 431)
Amortisation and depreciation	(1 652)	(1 744)
Impairment loss	(75)	(10)
Other items	(167)	(145)
Operating profit (loss)	(782)	(1 382)
Finance Income	24	41
Foreign exchange gains (losses)	0	-
Finance expenses	(157)	(138)
Profit (loss) before income tax	(914)	(1 480)
Income tax (expenses) benefits	(54)	(58)
Profit (loss) for the year from discontinued operations	(969)	(1 538)
Cumulative income or expense recognised in other comprehensive income from discontinued operations	2025	2024
Exchange differences on translation of discontinued operations	1 388	2 048
Earnings per share - discontinued operations	2025	2024
Basic earnings per share in NOK	(1.53)	(2.43)
Diluted earnings per share in NOK	(1.53)	(2.42)

Note 38 continued

The below tables 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,

Reconciliation between continuing and discontinued operations with Elkem group total 2025	Continuing operations	Silicones operating segment	Eliminations in discontinued operations	Elkem group total
Revenue	16 535	14 924	(862)	30 596
Other operating income	172	10	(0)	182
Share of profit (loss) from equity accounted investments	20	7	-	27
Total operating income	16 727	14 941	(862)	30 806
Raw materials and energy	(7 631)	(9 254)	618	(16 267)
Employee benefit expenses	(2 874)	(2 327)	-	(5 201)
Other operating expenses	(4 159)	(2 265)	262	(6 163)
Amortisation and depreciation	(1 008)	(1 652)	-	(2 659)
Impairment loss	(7)	(75)	-	(82)
Other items	258	(167)	-	91
Operating profit (loss)	1 307	(799)	17	525
Finance Income	61	25	(1)	85
Foreign exchange gains (losses)	(284)	0	-	(284)
Finance expenses	(549)	(276)	120	(706)
Profit (loss) before income tax	534	(1 050)	136	(380)
Income tax (expenses) benefits	(149)	(54)	(1)	(203)
Profit (loss) for the year	385	(1 104)	135	(584)

Reconciliation between continuing and discontinued operations with Elkem group total 2024	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	2 115	(1 865)	328	577

Cash flows from internal transactions are eliminated in cash flows from discontinued operations in the below table.

Cash flows from discontinued operations	2025	2024
Net cash inflow from operating activities	483	262
Net cash inflow from investing activities	(1 082)	(1 734)
Net cash outflow from financing activities	410	769
Net increase (decrease) in cash generated from discontinued operations	(188)	(703)

Note 38 continued

Assets reclassified as held for sale in relation to the discontinued operation as at 31 December	2025	2024
Property, plant and equipment	14 320	16 095
Right of use assets	428	474
Other intangible assets	970	1 075
Goodwill	705	756
Deferred tax assets	25	36
Investments in equity accounted investments	155	157
Other assets	201	201
Total non-current assets	16 805	18 793
Inventories	2 896	3 783
Trade receivables	1 567	1 700
Other assets	403	891
Restricted deposits	95	350
Cash and cash equivalents	1 112	1 673
Total current assets	6 073	8 396
Total assets	22 878	27 189
Liabilities directly associated with assets classified as held for sale as at 31 December	2025	2024
Interest-bearing liabilities	3 071	3 290
Deferred tax liabilities	117	137
Employee benefit obligations	253	292
Provisions and other liabilities	14	12
Total non-current liabilities	3 454	3 731
Trade payable	1 738	3 084
Income tax payables	50	52
Interest-bearing liabilities	648	200
Bills payable	657	1 549
Employee benefit obligations	472	530
Provisions and other liabilities	427	522
Total current liabilities	3 992	5 937
Total liabilities	7 447	9 668

Impairment testing for the year ended 31 December 2025

For the year ended 31 December 2025, an estimate of fair value less cost to sell of the disposal group was prepared, and no loss was recognised. A signed agreement to transfer the majority of the Silicones division was signed 13 February with Bluestar, see note 39 Events after the reporting period. The final negotiations with Bluestar have been ongoing since September 2025. As at 31 December 2025 the most likely transaction structure was to settle the transaction with redemption of all Bluestar's shares in Elkem. When estimating the fair value less cost to sell, the income approach (discontinued cash flow method) was used, taking into account the actual bid.

When estimating the fair value, a valuation of both the assets that are transferred and the assets that are not transferred to Bluestar has been performed. The valuation of both groups of assets has been performed to be able to conclude that there is reasonable correspondence between the assets Elkem shall transfer and the agreed consideration. Future cash

flows were estimated using a combination of external and internal sources. In estimating future cash flows for 31.12.2025 for the Silicones division, the same assumptions was used for 2025 as are described below for 2024, updated as at 31.12.2025. For continuing operations, see Note 21 Impairment assessments.

For the Silicones division, Elkem has used a pre-tax WACC of 10.5 per cent and a growth rate of 2 per cent. For illustrational purposes, the table below show the effect on the calculated value in use if different assumptions were used (sensitivity analysis):

Sensitivity on value in use for Silicones division at 31.12.2025	EBITDA-margin increased with 1 %	EBITDA-margin decreased with 1 %	Pre-tax WACC increased with 2 %	Pre-tax WACC reduced with 2 %	Growth rate increased with 1 %	Growth rate reduced with 1 %
Change in value in use	2 545	(2 545)	(4 487)	7 252	2 296	(1 815)

Impairment testing for the year ended 31 December 2024

Immediately before the Silicones division was initially presented as discontinued operations, an impairment assessment was performed and no impairment loss was identified. Subsequently, 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. When estimating fair value less cost to sell the income approach (discounted cash flow method) was used. Future cash flows were estimated using a combination of external and internal sources. In estimating future cash flows the following assumptions were used:

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 normalised EBITDA-margin for the Silicones segment in 2024 was 3.5 per cent, and with an improving trend through the year. The 2024 normalised EBITDA of NOK 521 million is an improvement from a negative normalised 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 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.

Normalised 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 normalised 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 normalised EBITDA-margin throughout the forecast period. Forecasted sales prices are based on a weighted average of sales prices for commodity and specialty volumes.

Note 38 continued

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 normalised 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 December 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. 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 per cent.

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 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 normalised 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 amounting to NOK 17.5 billion as at 31 December 2024, and no reduction of the carrying amount to fair value less cost to sell has been 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 normalised EBITDA-margins are used in the steady state and applied in calculating the terminal value. The range can be summarised in the following matrix:

Amounts in NOK million

Sensitivity of fair value less cost to sell of discontinued operations	EBITDA-margin in steady state (in per cent)			
		17.5%	15.0%	12.7%
WACC (in per cent)	8.44%	21.1	17.1	13.3
	9.44%	17.9	14.5	11.4
	10.0%	16.4	13.4	10.5

39 Events after the reporting period

Principle application

Events after the reporting period

Events after the reporting period related to the group's financial position at the end of the reporting period, are considered in the financial statements. Events after the reporting period that have no effect on the group's financial position at the end of the reporting period, but will have effect on future financial position, are disclosed if the future effect is material.

At 13 February 2026, Elkem signed an agreement to transfer the majority of its Silicones division to Bluestar (the "Transaction"). The Transaction will be settled with all Elkem shares held by Bluestar through Bluestar Elkem Int.Co.LTD S.A, 338 338 536 shares. In the Transaction, Elkem will transfer all its shares in Elkem Siliconas España S.A.U, Elkem Silicones (UK) Ltd., Elkem Silicones Brasil Ltda., Elkem Silicones Canada Corp., Elkem Silicones Czech Republic, s.r.o., Elkem Silicones Finland OY, Elkem Silicones Germany GmbH, Elkem Silicones Hong Kong Co., Ltd., Elkem Silicones Korea Co., Ltd., Elkem Korea Co., LTD. , Elkem Silicones México S. De R.L. De C.V., Elkem Silicones Poland sp. z o.o., Elkem Silicones Scandinavia AS, Elkem Silicones Services S.à r.l., Elkem Silicones USA Corp., Elkem Siliconi Italia S.r.l., Elkem Silicones Shanghai Co., Ltd., Jiangxi Bluestar Xinghuo Silicone Co., Ltd., Elkem Silicones Guangdong Co., Ltd, Elkem Silicones Material Zhongshan Co., Ltd. and Elkem Silicones France SAS (collectively, the "Transferred silicones assets") to Bluestar.

At 6 February Elkem Silicones France SAS carved out its operations at the Roussillon plant (upstream Silicones) into a new legal entity, Elkem Testvirksomhet III SAS (Roussillon). Roussillon is owned by Elkem ASA and will together with the shares in Elkem Silicon Materials (Lanzhou) Co., Ltd. (Yongdeng) and the Silicones operation in India, a division of Elkem South Asia Private Limited, not be included in the Transaction (collectively, the "Retained silicones assets"). In addition, Elkem Silicones France SAS has distributed its shares in Osiris GIE and 3Deus Dynamics SAS as a dividend-in-kind to Elkem in February 2026. For Roussillon, Elkem has entered into a five-year supply agreement of upstream silicones to the downstream business to be acquired by Bluestar, ensuring economically viable operations.

The Transaction is conditional upon the approval by Elkem's general meeting in addition to waivers and approvals from Elkem's lenders and other customary approvals. Bluestar will not vote their Elkem shares on agenda items relating to the Transaction. The Transaction was approved by the extraordinary general meeting at 9 March 2026. Subject to the other closing conditions being satisfied or waived, the Transaction is expected to close during the second quarter 2026.

Accounting effects of the transaction

The Transaction did not occur prior to 31 December 2025, and the Transaction is therefore not recognised in the financial statements. The transaction is structured as a distribution of non-cash assets to owners, where the non-cash assets will be ultimately controlled by the same party before and after the distribution. At the effective date of the transaction, the book value of the Transferred silicones assets will be derecognised and adjusted against equity, representing the cancellation of 338 338 536 shares. No gains or losses will be recognised in the statement of profit or loss related to the derecognition of the Transferred assets.

Regarding the effect from the Transaction on the consolidated statement of profit or loss, it is considered that the information given in note 38 Assets held for sale and discontinued operations provides the best overview of the historical performance of the Transferred silicones assets. For Roussillon, Elkem has entered into a five-year supply agreement of upstream silicones to the downstream business to be acquired by Bluestar, as well as to a renowned third party, which will take effect upon the closing of the Transaction. For the Retained silicones assets, strategic alternatives are being explored.

The tables below are unaudited pro forma illustrations. The first table disaggregates the assets and liabilities currently presented as held for sale (see note 38 Assets held for sale and discontinued operations) into "Transferred net assets" and "Retained net assets" and the second table presents the consolidated statement of financial position as of 31 December 2025, as if the Transaction had occurred prior to 31 December 2025. The IFRS accounting policies adopted in the preparation of the unaudited pro forma consolidated statement of financial position are consistent with those disclosed in note 2 Basis for preparing the consolidated financial statements. Although the unaudited pro forma consolidated statement of financial position is based on estimates and assumptions based on current circumstances believed to be reasonable, actual outcome of the Transaction could materially differ from those presented herein.

Note 39 continued

Disaggregation of assets held for sale as at 31 December 2025 in conjunction with the Transaction (Unaudited)	Transferred silicones assets	Retained silicones assets	Assets held for sale as presented in note 38
Property, plant and equipment	12 082	2 238	14 320
Right of use assets	336	92	428
Other intangible assets	865	106	970
Goodwill	705	-	705
Deferred tax assets	24	1	25
Investments in equity accounted investments	66	88	155
Other assets	140	61	201
Total non-current assets	14 218	2 587	16 805
Inventories	2 373	523	2 896
Trade receivables	1 557	10	1 567
Other assets	384	19	403
Restricted deposits	95	-	95
Cash and cash equivalents	1 194	(82)	1 112
Total current assets	5 602	471	6 073
Total assets	19 820	3 057	22 878
Disaggregation of liabilities directly associated with assets held for sale as at 31 December 2025 in conjunction with the Transaction (Unaudited)	Transferred silicones liabilities	Retained silicones liabilities	Liabilities held for sale as presented in note 38
Interest-bearing liabilities	3 051	21	3 071
Deferred tax liabilities	117	0	117
Employee benefit obligations	253	-	253
Provisions and other liabilities	14	-	14
Total non-current liabilities	3 434	21	3 454
Trade payable	1 712	27	1 738
Income tax payables	50	0	50
Interest-bearing liabilities	646	2	648
Bills payable	657	-	657
Employee benefit obligations	396	76	472
Provisions and other liabilities	421	6	427
Total current liabilities	3 882	111	3 992
Total liabilities	7 315	131	7 447

Pro forma consolidated statement of financial position as at 31 December 2025, as if the Transaction had occurred prior to the balance sheet date (unaudited)	2025
Assets	
Property, plant and equipment	8 568
Other non-current assets	4 015
Total non-current assets	12 583
Other current assets	9 327
Cash and cash equivalents	2 694
Total current assets	12 021
Assets classified as held for sale	3 057
Total assets	27 661
Equity and liabilities	
Total owners' share	11 417
Non-controlling interest	104
Total equity	11 521
Non-current interest-bearing liabilities	9 648
Other non-current liabilities	992
Total non-current liabilities	10 640
Current interest-bearing liabilities	2 322
Other current liabilities	3 046
Total current liabilities	5 368
Liabilities classified as held for sale	131
Total equity and liabilities	27 661

Elkem ASA

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Income statement – Elkem ASA

Amounts in NOK million

1 January - 31 December	Note	2025	2024
Revenue	4	8 358	8 881
Other operating income	4	103	829
Total operating income		8 461	9 710
Raw materials and energy	6	(3 745)	(4 138)
Employee benefit expenses	7, 8	(1 580)	(1 480)
Other operating expenses	9	(2 863)	(2 918)
Other gains (losses) related to operating activities	11	382	(450)
Amortisation and depreciation	14, 15	(520)	(507)
Impairment losses	14, 15	(5)	(36)
Total operating expenses		(8 330)	(9 529)
Operating profit (loss)		131	181
Income from subsidiaries and associates	16	3 206	1 758
Income (loss) from joint ventures	17	-	(84)
Finance income	12	235	465
Foreign exchange gains (losses)	12	(305)	78
Finance expenses	12	(665)	(1 003)
Profit (loss) before income tax		2 602	1 395
Income tax (expenses) benefit	13	298	928
Profit (loss) for the year		2 900	2 323

Balance sheet – Elkem ASA

Amounts in NOK million

	Note	2025	2024
ASSETS			
Property, plant and equipment	14	5 319	5 144
Goodwill	15	4	8
Other intangible assets	15	73	73
Deferred tax assets	13	878	633
Investment in subsidiaries	16	16 730	16 729
Investment in joint ventures	17	-	-
Derivatives	25	981	1 012
Other assets	20	3 438	3 986
Total non-current assets		27 422	27 586
Inventories	18	2 979	2 685
Trade receivables	19	1 207	1 146
Derivatives	25	285	267
Other assets	20	2 016	1 723
Cash and cash equivalents	23	1 468	2 730
Total current assets		7 954	8 551
TOTAL ASSETS		35 376	36 136

Balance sheet – Elkem ASA

Amounts in NOK million

	Note	2025	2024
EQUITY AND LIABILITIES			
Paid-in capital	21.22	3 508	3 502
Retained earnings	21	15 109	12 163
Total equity		18 617	15 665
Interest-bearing liabilities	23	9 486	11 738
Deferred tax liabilities	13	-	-
Employee retirement benefits	8	107	100
Derivatives	25	350	485
Provisions and other liabilities	24	91	85
Total non-current liabilities		10 033	12 407
Trade payables		1 202	1 258
Income tax payables	13	56	-
Interest-bearing liabilities	23	4 708	5 684
Derivatives	25	115	140
Dividend	21	-	190
Provision and other liabilities	24	644	792
Total current liabilities		6 725	8 064
TOTAL EQUITY AND LIABILITIES		35 376	36 136

Oslo, 10 March 2026



Bo Li
Chair



Dag Jakob Opedal
Vice chair



Olivier Tillet de Clermont-Tonnerre
Board member



Wei Yao
Board member



Dachuan Dong
Board member



Grace Tang
Board member



Nathalie Brunelle
Board member



Marianne Elisabeth Johnsen
Board member



Terje Andre Hanssen
Board member



Marianne Færøyvik
Board member



Thomas Eggan
Board member



Helge Aasen
CEO, Elkem ASA

Cash flow statement – Elkem ASA

Amounts in NOK million

1 January - 31 December	Note	2025	2024
Operating profit (loss)		131	181
Changes in fair value of derivatives		(84)	587
Amortisation, depreciation and impairment losses	14, 15	524	543
Changes in working capital	29	(458)	(369)
Changes in provisions, pension obligations and other		(246)	158
Interest payments received		109	112
Interest payments made		(621)	(954)
Income taxes paid		95	(178)
Cash flow from operating activities		(550)	81
Investments in property, plant and equipment and intangible assets	14, 15	(742)	(879)
Received investment grants	5	3	-
Proceeds from sale of property, plant and equipment	14	34	1
Cash effect from merged companies	30	-	0
Acquisition and capital increase in subsidiaries	16	(0)	(238)
Proceeds from sale of joint ventures		-	10
Increase in loans to subsidiaries	23, 27	(16)	(10)
Repayment on loans to subsidiaries	23, 27	388	29
Dividend and group contribution	16	856	1 458
Other investments / sales		1	9
Cash flow from investing activities		523	381
Dividend paid to owners	21	(190)	0
Net sale (purchase) of treasury shares	21	1	5
New interest-bearing loans and borrowings	23	2	1 599
Repayment of interest-bearing loans and borrowings	23	(1 005)	(1 443)
New cash deposits to / from subsidiaries	23, 27	1 046	665
Repayment of cash deposits to / from subsidiaries	23, 27	(1 089)	(1 888)
Cash flow from financing activities		(1 236)	(1 062)
Change in cash and cash equivalents		(1 262)	(600)
Currency translation differences		0	0
Net change in cash and cash equivalents		(1 262)	(600)
Cash and cash equivalents opening balance	23	2 730	3 331
Cash and cash equivalents closing balance	23	1 468	2 730

Notes to the financial statements

Amounts in NOK million

1 General information

Elkem ASA is a limited liability company located in Norway, whose shares are publicly traded on Oslo Stock Exchange. The main activities are related to production and sale of silicon materials, ferrosilicon, specialty alloys for the foundry industry and Elkem Microsilica®. Elkem ASA is owned 52.9 per cent by Bluestar Elkem International Co. Ltd S.A., Luxembourg, which is under the control of Sinochem Holdings Co., Ltd (Sinochem), a company registered and domiciled in China.

The presentation currency of Elkem ASA is Norwegian krone (NOK). All financial information is presented in NOK million, unless otherwise stated. As a result of rounding adjustments, the amounts shown in one or more columns included in the financial statements may not add up to the total. In text the current year's figures are presented outside parentheses, followed by the comparative figures presented in parentheses.

2 Significant accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The accounts have been prepared under the going concern assumption.

Accounting estimates

In the event of uncertainty, the best estimate is applied, based on the information available when the financial statements are prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period for which the estimates are revised and in any future periods affected. See note 3 Accounting estimates.

Foreign currency translation

Elkem ASA's functional currency is Norwegian krone (NOK). Transactions in currencies other than the Elkem ASA's functional currency are translated using the transaction date's currency rate. Monetary items in foreign currencies are presented at the exchange rate applicable on the balance sheet date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date fair value is measured. If the currency exposure of a transaction is designated as a part of a hedging relationship, realised effects from the associated hedging instrument are classified on the same line in the financial statements as the hedged transaction. Currency gains (losses) related to operating activities, i.e. receivables, payables, bank accounts for operating purposes, are classified as a part of other gains (losses) related to operating activities. Currency effects included in finance income and expenses are related to loans and dividends.

Revenue recognition

Sale of goods

Revenue is recognised when it is earned and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any taxes, rebates, and discounts. Expenses are recognised in the same period as the related revenue. When products are sold with warranties, the expected warranty amounts are recognised as expenses at the time of the sale, and are subsequently adjusted for any changes in estimates or actual outcome.

Revenue from sale of goods is recognised when the significant risk and reward of the ownership of the goods have passed to the buyer, according to the agreed delivery term for each sale. Delivery terms are based on Incoterms® 2020 issued by International Chamber of Commerce, and the main terms are:

- "F" terms, where the buyer arranges and pays for the main carriage. The risk and reward are passed to the buyer when the goods are handed over to the carrier engaged by the buyer.
- "C" terms, where Elkem ASA arranges and pays for the main carriage but without assuming the risk of the main carriage. The risk and reward are passed to the buyer when the goods are handed over to the carrier engaged by the seller.
- "D" terms, where Elkem ASA arranges and pays for the carriage and retains the risk and reward of the goods until delivery at agreed destination. The risk is transferred to the buyer upon arrival at agreed destination, usually the purchaser's warehouse.

Sale of power and revenue connected to energy recovery

Sale of electric power and revenue connected to energy recovery, mainly heat supply in form of steam and hot water, el-certificates, and el-tax, are recognised as revenue based on volume and price agreed with the customer. Revenue connected to energy recovery is mainly based on long-term contracts where the prices are regulated yearly based on changes in CPI or government-regulated prices, except for the el-certificates where the price is based on the observable market price at date of delivery.

Revenue from sale of services

Revenue from sale of services is recognised when the services have been provided. Sale of services are mainly related to management agreements with related parties, based on cost plus a margin.

Other

Income from insurance settlements are recognised when it is virtually certain that Elkem ASA will receive the compensation, and is recognised as other operating income. Cash flows from credit insurance contracts where such contracts are deemed to be an integral part of the sale transactions are presented net as reduction of impairment losses to assets / receivables, included in other operating expenses. Interest income is recognised on accrual basis. Dividends are recognised when Elkem ASA's right to receive dividends is determined by the shareholders' meeting. Group contributions are recognised in the year the subsidiary accrues the amount payable.

Grants

Grants are recognised when it is reasonably assured that the company will comply with the conditions attached to them and the grants will be received. Grants relating to cost of production of goods are recognised in profit or loss when the produced goods are sold. Grants relating to property, plant and equipment and intangible assets are deducted from the carrying amount of the asset, and recognised in the income statement over the lifetime of a depreciable asset by reducing the depreciation charge. Grants related to expenses are presented in the income statement as a reduction of raw materials and energy, employee benefit expenses or other operating expense over the periods necessary to match them with the cost they are intended to compensate.

Investment in subsidiaries, associates, and jointly controlled entities

Subsidiaries are companies in which Elkem ASA has controlling interests, normally obtained when Elkem ASA owns more than 50% of the shares.

Associates are those entities in which Elkem ASA has significant influence, but no control, over the financial and operating policy decisions. Significant influence is presumed to exist when Elkem ASA holds between 20 per cent and 50 per cent of the voting power of another entity. Jointly controlled entities are those entities over whose activities Elkem ASA has joint control, established by contractual agreement and requiring unanimous consent for decisions about the relevant activities.

Interests in subsidiaries and associates are recognised at cost less any write-down for impairment. Dividends and group contributions are recognised as income from subsidiaries and associates when Elkem ASA's right to receive dividends is determined by the shareholders' meeting. If dividends or group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

Joint ventures

Elkem ASA's interests in jointly controlled entities, which operates within Elkem ASA's main business areas (Silicon products), are accounted for using the gross method, meaning that the company's share of the income, expense, assets and liabilities are recognised. Elkem ASA combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the financial statements.

Elkem ASA's interests in joint controlled entities, which do not operate within Elkem ASA's main business areas, are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise Elkem's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. In cases where a joint venture's loss decreases the initially recognised cost to zero and additional funding is required, the carrying amount presented reflects Elkem's liability to finance the joint venture. Any liability to finance a joint venture is presented either as part of provisions and other liabilities, current, or netted against Elkem's receivables towards the joint venture.

Impairment of investment in subsidiaries, associates, and jointly controlled entities

Impairment loss is recognised if the carrying amount exceeds the recoverable amount and the impairment is not considered to be temporary. The recoverable amount is the higher of fair value less costs to sell, or its value in use. Value in use is the present value of the future cash flow expected to be derived from the asset or the cash generating unit to which it belongs, after taking into account all other relevant information. The impairment is reversed if the basis for the write-down is no longer present.

Intangible assets

Intangible assets are presented at cost less subsequent accumulated amortisation and accumulated impairment losses. Intangible assets with a finite useful life are amortised, using the straight-line method. The estimated useful life and amortisation method are reviewed at the end of each reporting period.

An intangible asset is derecognised on disposal, or when no future economic benefits from its use are expected to be derived. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An intangible asset arising from an internal development project is recognised if the company can demonstrate technical feasibility of completing the intangible asset, has intention to complete it, ability to use it, can demonstrate that it will generate probable future economic benefits and the cost can be reliably measured.

Property, plant and equipment

Property, plant and equipment are presented at cost, less accumulated depreciation and any accumulated impairment losses. Construction in progress is carried at cost, less any recognised impairment loss. Such assets are classified to the appropriate class of property, plant and equipment when completed and ready for its intended use. Significant parts of an item of property, plant and equipment, which have different useful life, are accounted for as separate items. Depreciation commences when the assets are ready for their intended use.

Initial cost includes expenditures that are directly attributable to the acquisition of the asset, cost of materials, direct labour, any other costs directly attributable to bringing the assets to working condition for their intended use, estimated dismantling or removal charges, and capitalised borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when future benefits are probable and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. Major periodic maintenance that is carried out less frequently than every year, is capitalised and depreciated over the period until the next periodic maintenance is performed. All other repairs and maintenance are charged to the income statement when incurred.

Property, plant and equipment also consists of spare parts that are expected to last for more than one year and are substantial in nature or may only be used in conjunction with one item of tangible fixed assets. Other spare parts are presented as part of inventory.

Depreciation is recognised using the straight-line method. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss from disposal or retirement is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the income statement.

Impairment of tangible and intangible assets

At the end of each reporting period, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the individual asset is estimated in order to determine the extent of the impairment loss. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the lowest possible cash generating unit to which the asset belongs is estimated. The recoverable amount is the higher of fair value less costs to sell, or its value in use. Value in use is the present value of the future cash flows expected to be derived from use of the cash generating unit, after taking into account all other relevant information. If an impairment loss for assets other than goodwill is recognised in a previous period, Elkem ASA assesses whether there are indications that the impairment may have decreased or no longer exists. If so, the impairment loss is reversed, based on an updated estimate of the recoverable amount, but not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset. Any impairment of goodwill is not reversed.

Leasing

Leases are classified as financial leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases and expenses are recognised as incurred.

Assets held under finance leases are initially recognised as assets at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a finance lease obligation. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the obligation.

Non-derivative financial assets and liabilities

A financial asset or a financial liability is recognised in the balance sheet when the entity becomes party to a contract. Assets to be acquired and liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services are recognised at the time one of the parties has performed under the agreement.

Financial assets are initially recognised in the balance sheet at fair value plus any transaction costs directly attributable to the acquisition or issue of the asset. Financial assets are derecognised once the right to future cash flows has expired or when all substantial risks and rewards related to control of the assets are transferred to a third party.

Financial assets with a maturity exceeding one year are classified as non-current financial assets. Short-term investments that do not meet the definitions of a cash equivalent, and financial assets with a maturity of less than one year, are classified as current financial assets. Non-current financial assets are recognised and subsequently measured at cost less any impairment loss, if the impairment is assessed not to be temporary.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in a regulated market. They are recognised at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process. An impairment loss is recognised when the carrying amount exceeds the estimated recoverable amount.

The category includes trade receivables, deposits, guarantees and loans. These assets are classified in the balance sheet as either other non-current assets or other current assets. Other current assets are receivables with maturity less than one year.

Trade and other receivables are recognised at nominal value less provisions for doubtful accounts.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term fluctuations in liquidity, rather than for investment purposes. Cash and cash equivalents comprise cash funds and short-term deposits with a term of 3 months or less on acquisition. Bank overdrafts are shown within current interest-bearing liabilities in the balance sheet. Elkem ASA's deposits and drawings within the group cash pool are netted by offsetting deposits against withdrawals.

The subsidiaries' deposits and drawings are classified as current assets / liabilities.

Derivative financial instruments

Currency derivatives are initially recognised at fair value on the date the derivative contracts are entered into, and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in the income statement immediately, unless when the derivative is designated and is effective as a hedging instrument. If the derivative is designated as a hedging instrument, timing of recognition in the income statement depends on the nature of the hedging relationship.

The part of commodity derivative contracts that do not qualify as hedging instruments and are not held for trading are booked at the lower of cost and fair value.

Embedded currency derivatives are separated from the host contract and booked at fair value, as an independent derivative.

Non-financial commodity contracts, where the relevant commodity is readily convertible to cash and where the contracts are for own use, are recognised in the balance sheet at cost and in the income statement on realisation. This applies to power purchase contracts intended for use in the plants' production processes.

Hedge accounting

Elkem ASA may designate certain derivatives as hedging instruments for fair value hedges and cash flow hedges. At the inception of the hedging relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Elkem ASA applies IFRS 9 Financial Instruments for all hedge accounting.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges, are recognised in equity and accumulated under the heading of retained earnings. Gains / losses recognised in equity are reclassified into the income statement in the same period(s) as the forecasted transaction occurs. The unrealised gains / losses relating to the ineffective portion is recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Inventories

Inventory consists of raw materials, semi-finished goods, and finished goods, in addition to operating materials and spare parts that do not meet the definition of property, plant and equipment. Inventories are recognised at the lowest of cost and net realisable value. The cost of inventory comprises the costs incurred in bringing the goods to their current condition and location, such as raw materials, energy for production, direct labour, other direct costs and production overhead costs based on normal capacity. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and variable selling expenses.

Cost of goods sold is included in different lines in the income statement based on nature; raw materials and energy for production, employee benefits and other operating expenses, for the remaining part.

The cost of CO₂ allowances that Elkem needs to purchase in addition to allowances received from the government (note 5 Grants), are based on estimated production / emissions for the year. The cost is allocated to cost of producing semi-finished and finished goods proportionally over the year, as the number of allocated allowances will not be revised unless there is a substantial change in the production level at the plants.

Taxation

Income taxes

Income tax (expenses) benefit in the income statement comprises current income tax and effects of changes in deferred tax positions. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities. Current tax payable includes any adjustment to tax payable in respect of previous years. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity. Income tax relating to items recognised directly in equity is also recognised in equity.

Uncertain tax positions are included when it is virtually certain that the tax position will be sustained in a tax review by the Norwegian Tax Office (NTO). Provisions are made at the amount expected to be paid or according to the decision by the NTO for cases where the NTO has reached a conclusion. The provision for cases where the NTO has reached a conclusion is reversed when it is virtually certain that the decision will be overruled, which is normally when the tax position is settled in favour of Elkem ASA and can no longer be appealed.

Deferred tax

Deferred tax assets and liabilities are calculated using the liability method with full allocation for all temporary differences between the tax base and the carrying amount of assets and liabilities in the financial statements, including tax losses carried forward. Deferred tax items are recognised in correlation to the underlying transaction either in the income statement or directly in equity.

Deferred tax assets are recognised in the balance sheet to the extent it is more likely than not that the tax assets will be utilised. The enacted tax rate at the end of the reporting period and undiscounted amounts are used. Deferred tax assets arising from tax losses are recognised when there is convincing evidence of recoverability. Deferred tax assets and liabilities items are offset if there is a legally enforceable right to offset current tax liabilities and assets.

Employee benefits

Employee benefits consist of wages and salaries, bonuses, holiday payments, share-based payments and other considerations paid in exchange for services rendered from employees, and are expensed as incurred together with any social security tax applicable.

Employee retirement benefits

Defined contribution plans

Defined contribution plans comprise arrangements whereby Elkem ASA makes monthly contributions to the employees' pension plans, and where the future pensions are determined by the amount of the contributions and the return on the individual pension plan asset. Payments related to the contribution plans are expensed as incurred, as a part of employee benefit expenses.

Defined benefit plans

Defined benefit plans are recognised at present value of future liabilities considered retained at the end of the reporting period, calculated separately for each plan. Social security tax related to pension payments is included in estimated pension liability. Plan assets are measured at fair value and deducted in calculating the net pension obligation. Actuarial assumptions are used to measure both the obligation and the expense and effects of changes in estimates due to financial and actuarial assumptions that are recognised in equity. Service costs are classified as part of employee benefit expenses, and net interest on pension liabilities / assets are presented as a part of finance expenses. Past service cost arising due to amendments in benefit plans are expensed as incurred.

Multi-employer defined benefit plans where available information is insufficient to be able to calculate each participant's obligation, are accounted for as contribution plans.

Share-based payment

The fair value of options granted under the share-based payment programme is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, Elkem ASA revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. Elkem ASA recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

Contingent assets and liabilities

Contingent liabilities are liabilities that are not recognised because they are possible obligations that have not yet been confirmed, or they are present obligations where an outflow of resources is not probable. Contingent assets are not recognised. Any significant contingent assets and liabilities are disclosed in the notes.

Events after the reporting period

Events after the reporting period related to Elkem ASA's financial position at the end of the reporting period, are considered in the financial statements. Events after the reporting period that have no effect on the company's financial position at the end of the reporting period, but will have effect on future financial position, are disclosed if the future effect is material.

3 Accounting estimates

In the event of uncertainty the best estimate is applied, based on the information available when the annual accounts are prepared.

Taxes

When estimating uncertain tax positions, the most probable amount, including interests and penalties, is used because in most cases the outcome of the tax review is binary. Part of the basis for recognising deferred tax assets is based on applying the loss carried forward against future taxable income for Elkem ASA, which requires use of estimates for calculating future taxable income. See details on current uncertain tax positions in note 13 Taxes.

Provisions and other liabilities

Elkem has several types of provisions due to its operations, see note 24 Provisions and other liabilities. Such liabilities are normally uncertain in timing and amount, and recognised amounts are estimates based on available information at the end of the reporting period. The estimated liability is based on expected cash flows necessary to settle the obligation, adjusted for any related risk and discounted by using the pre-tax interest applicable for Elkem ASA. The estimates are updated when new or updated information is available, or at a minimum at each reporting date. The actual outcome will differ from the estimate.

The estimate uncertainty primarily relates to environmental measures and site restoration expenses for closed production sites and landfills. The potential outcome can vary within a relatively wide range depending on the final scope of the measures required and the cost of fulfilling the measures. In these cases, the estimated provision is made based on a combination of expert opinions and management's assessment of the known facts and circumstances.

Financial instruments

Elkem ASA holds financial instruments such as forward currency contracts, interest rate swap and commodity derivative contracts, which are booked at fair value. For commodity contracts denominated in EUR, the embedded EUR derivative is separated from the host contract and booked at fair value. Hedge accounting is applied for these contracts. Fair value for the contracts is based on observable prices and assumptions derived from comparable instruments. For assumptions applied in fair value measurement of the contracts, see note 29 Financial assets and liabilities in the consolidated financial statement. Non-financial commodity contracts, where the relevant commodity is readily convertible to cash and where the contracts are for own use, are booked at the lower of cost and the estimated obligation if it is an onerous contract.

Net book value of contracts booked at fair value as at 31 December 2025 is in total positive NOK 800 million (positive NOK 654 million), see note 25 Financial instruments.

Impairment of investments in subsidiaries, associates, jointly controlled entities, and tangible and intangible assets

The value-in-use calculations are based on estimated future cash flows. The uncertainty in the cash flows relates to future prices for both key input factors in the production and market prices for the sale of Elkem's products. There is uncertainty regarding these factors both for the next 12 months and for the rest of the forecast period. There is also uncertainty in estimating replacement investments and the growth rate in the terminal value. The estimated future pre-tax cash flows are discounted using a discount rate before tax. The estimation uncertainty in the discount rate relates to the determination of the risk-free rate, the market risk premium and the beta. Elkem uses a beta per business segment and the beta is found using observable betas of comparable companies for each business segment.

4 Operating income

Operating income by type	2025	2024
Revenue from sale of goods, Silicon Products	5 844	6 402
Revenue from sale of goods to related parties	1 758	1 846
Other operating revenue	284	149
Other operating revenue to related parties	472	484
Total revenue	8 358	8 881
Grants (note 5)	1	1
Insurance settlement	2	815
Sale of CO ₂ quotas	45	-
Rental income	4	3
Rental income from related parties	25	8
Other	27	1
Total other operating income	103	829
Total operating income	8 461	9 710

Operating income by geographic market	2025	2024
Nordic countries	1 764	2 205
United Kingdom	332	375
Germany	1 231	1 320
France	814	1 041
Italy	486	482
Poland	134	133
Spain	276	312
Netherlands	83	63
Other European countries	909	994
Europe	6 029	6 926
Africa	23	20
North America	527	808
South America	120	124
America	646	932
China	246	213
Japan	489	403
South Korea	212	276
Other Asian countries	803	917
Asia	1 750	1 809
The rest of the world	11	23
Total operating income	8 461	9 710

5 Grants

Details of grants related to income 2025	Other operating income	Raw materials and energy	Employee benefit expenses	Other operating expenses	Amortisation and depreciation
R&D grants from government	0	-	29	15	-
Other government grants	0	-	6	7	-
CO ₂ compensation from the Norwegian Environment Agency	-	730	-	-	-
Grants related to investment projects	-	-	-	-	48
Total government grants	1	730	34	22	48

Details of grants related to income 2024	Other operating income	Raw materials and energy	Employee benefit expenses	Other operating expenses	Amortisation and depreciation
R&D grants from government	1	-	17	8	-
Other government grants	-	-	4	1	-
CO ₂ compensation from the Norwegian Environment Agency	-	593	-	-	-
Grants related to investment projects	-	-	-	-	48
Total government grants	1	593	20	9	48

Details of grants recognised as a reduction of property, plant and equipment (fixed assets) and intangible assets	2025	2024
Government grants, other	3	-
Total	3	-

Balances related to grants	2025	2024
Grants receivable related to fixed and intangible assets (note 20)	-	-
Grants receivable related to income (note 20)	746	571
Grants payable (note 24)	-	-
Grants, deferred income (note 24)	-	(0)

CO₂ allowances

CO₂ emission allowances allocated from the government are classified as grants, measured at nominal value (zero). If actual emissions exceed the number of allocated allowances, additional allowances must be purchased. The final allocation of free allowances for the period 2026-2030 has not yet been decided by the authorities.

CO₂ compensation

Changes to the compensation scheme for 2024-2030 was presented in February 2024 and included in an updated regulation in December 2024. Elkem is still entitled to receive compensation under the updated scheme. The main changes from the previous compensation scheme is a cap on the total cost of the government grant and that 40 per cent of the compensation must be used for projects aiming to reduce CO₂ emissions and/or improving energy efficiency. Compliance with the condition can be achieved over multiple years, but no later than 2034.

Elkem has recognised its estimated share of the total compensation for 2025 and 2024 based on the power consumption at the Norwegian silicon product plants. Elkem has identified projects that are expected to be compliant with the requirements to qualify for the 40 per cent conditional compensation, and has for this reason recognised full compensation. As the grant partially compensates power costs, which are costs recognised as part of the cost price of inventory during the production process, the compensation is recognised in the income statement when the produced goods are sold.

Other

The remaining grants are mainly related to R&D projects.

6 Raw materials and energy

Raw materials and energy	2025	2024
Raw materials expenses and energy for production	(4 251)	(4 259)
Change in inventories own production	506	121
Total raw materials and energy	(3 745)	(4 138)

7 Employee benefit expenses

Employee benefit expenses	2025	2024
Salaries, holiday pay and variable compensation	(1 339)	(1 234)
Employer's national insurance contributions / social security tax	(163)	(154)
Pension expenses (note 8)	(100)	(94)
Share-based payments	-	(1)
Other payments / benefits	(26)	(27)
Grants	34	20
Capitalised employee benefit expenses on PPE development	13	10
Total employee benefit expenses	(1 580)	(1 480)
Average number of full-time equivalents	1 423	1 386

For information concerning remuneration to management and share-based payments, see "Report on salary and other remuneration to leading personnel in Elkem ASA for the financial year 2025", note 11 Employee benefits and note 12 Share-based payments in the consolidated financial statements.

8 Employee retirement benefits

Defined contribution plans

Pension for employees in Elkem ASA are mainly covered by pension plans that are classified as contribution plans.

Elkem ASA's contributions to the employees' individual pension plan assets constitute 5 per cent of base salary up to 7.1 G and 15 per cent between 7.1 G and 12 G. G refers to the national insurance scheme's basic amount in Norway, amounting to NOK 130 160 as at 1 May 2025. Pension on salary above 12 G is not supported by external service providers and is therefore handled as a separate plan and included under defined benefit plans.

Elkem ASA participates in the early retirement scheme AFP. This is a multi-employer plan accounted for as a defined contribution plan, in accordance with the Ministry of Finance's conclusion. The participants in the pension plan are jointly responsible for 2/3 of the plan's pension obligation, the government is responsible for the remaining part. The yearly pension premium in 2025 is 2.7 per cent of the employee's salary between 1 and 7.1 G, covering this year's pension payments and contribution to a security fund for future pension obligations. The premium in per cent of salary for 2026 will also be 2.7 per cent. At 31 December 2025 there is 1 626 (1 672) participants below the age of 61 years in the scheme.

Defined benefit plans

The defined benefit pension plans are unfunded and comprise pension on salaries above 12 G, for which the expense is 15 per cent of annual base salary that exceeds 12 G plus interest on the individual calculated pension obligation, and some individual retirement schemes. The individual retirement schemes are closed.

Net interest is calculated based on pension liability at the start of the period multiplied by the discount rate and is presented as a part of finance expenses. Remeasurements of the defined benefit plans are recognised directly in equity.

The company's retirement schemes meet the minimum requirement of the Norwegian Act of Mandatory Occupational Pension.

Breakdown of pension expenses	2025	2024
Defined benefit plans	(4)	(4)
Defined contribution plans	(73)	(70)
Early retirement scheme (AFP)	(23)	(20)
Total pension expenses	(100)	(94)

Pension liabilities	31.12.2025	31.12.2024
Present value of pension obligations	(107)	(100)
Net value pension liabilities	(107)	(100)

Active participants in pension scheme for salary above 12 G	53	49
Retired participants	37	40

Changes in actuarial gains / (losses) recognised in equity / deferred tax	(5)	(8)
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Principal assumptions used for the actuarial valuation	2025	2024
Discount rate ¹⁾	4.4%	4.4%
Annual regulation of pensions paid	2.0%	2.3%

¹⁾ The discount rate is based on high quality corporate bonds reflecting the timing of the benefit payments.

9 Other operating expenses

Operating income by type	2025	2024
Distribution expenses	(578)	(613)
Commission expense sales	(86)	(90)
Machinery, tools, fixtures, and fittings	(458)	(491)
Repair, maintenance and other operating expenses	(280)	(337)
Other expenses (fees, transport, IT services, etc.)	(672)	(667)
Energy and fuel expenses	(108)	(107)
Leasing expenses (note 10)	(64)	(56)
Travel expenses	(24)	(37)
Loss on trade receivables	(1)	(2)
Grants	22	8
Miscellaneous manufacturing, administration and selling expenses	(613)	(527)
Total other operating expenses	(2 863)	(2 918)

During 2025, Elkem ASA expensed NOK 154 million (NOK 165 million) related to research and innovation activities, which includes product and business development, technical customer support, and improvement projects.

Grants received related to research and development amount to NOK 44 million (NOK 26 million). In addition NOK 3 million (NOK 0 million) is recognised as a reduction of property, plant and equipment.

Audit and other services	2025	2024
Audit fee	(12)	(8)
Other assurance services	(8)	(1)
Other services	(0)	-
Total fees to auditor	(20)	(9)

10 Operating lease

Operating lease	2025	2024
Leasing expenses, current year (note 9)	(64)	(56)
Minimum future lease payments due in accordance with non-cancellable operating lease contracts:		
Within one year	(28)	(42)
Within two years	(27)	(30)
Within three years	(26)	(27)
Over three years	(236)	(234)

Future leasing obligations are mainly related to rental of office buildings.

11 Other gains (losses) related to operating activities

Other gains (losses) related to operating activities	2025	2024
Changes in fair value commodity contracts (note 25)	3	(1)
Embedded EUR derivatives power contracts, interest element (note 25)	127	(106)
Ineffectiveness on cash flow hedges (note 25)	223	(199)
Net foreign exchange gains (losses) - forward currency contracts (note 25)	25	(106)
Operating foreign exchange gains (losses)	5	(39)
Total other gains (losses) related to operating activities	382	(450)

12 Finance income and expenses

Finance income and expenses	2025	2024
Interest income	64	59
Interest income from related parties (note 27)	161	370
Other financial income	10	36
Total finance income	235	465
Change in fair value derivatives	(30)	-
Net foreign exchange gains (losses)	(275)	78
Total foreign exchange gains (losses)	(305)	78
Interest expenses	(525)	(744)
Interest expenses to related parties (note 27)	(133)	(253)
Interest on net pension liabilities	(4)	(3)
Other financial expenses	(3)	(2)
Total finance expenses	(665)	(1 003)
Net finance income (expenses)	(735)	(460)

Foreign exchange gains (losses) in 2025 and 2024 are mainly related to the bank loans in EUR and loans to related parties in EUR, USD, and CNY.

13 Taxes

Income tax recognised in income statement	2025	2024
Current tax expenses	72	(115)
Deferred tax	258	1 051
Other taxes	(31)	(8)
Total income tax (expenses) benefit	298	928

Reconciliation of income tax (expenses) benefit	2025	2024
Profit before tax	2 602	1 395
Applicable tax rate Norway	22%	22%
Tax expense at applicable tax rate	(572)	(307)
Permanent differences		
Tax effects of income from Norwegian controlled foreign companies (NOKUS)	(21)	(23)
Tax effects share of profit (loss) from joint ventures	-	(18)
Dividend within the Tax exemption method	661	216
Change in non-capitalised deferred tax assets ¹⁾	47	1 087
Tax effects other permanent differences	10	(4)
Other effects		
Previous year tax adjustment	204	(15)
Other current taxes	(31)	(8)
Total income tax (expenses) benefit	298	928
Effective tax rate	(11%)	(67%)

1) The change in non-capitalised deferred tax assets in 2025 primarily relates to the remeasurement of deferred tax asset originating from the acquisition and subsequent merger of Elkem Testvirksomhet AS. Deferred tax assets are recognised when they are dissolved.

Pending tax issues with tax authorities

Elkem ASA has three debt waiver agreements with Elkem Silicones France SAS. The gross taxable value of these agreements as at 31 December 2025 is NOK 541 million (NOK 595 million), book value NOK 0. Elkem Silicones France SAS has not repaid anything under these agreement in 2025 or 2024. One of the original four agreements has expired in 2025. Elkem has previously assessed that the effect of repayment is tax exempted.

The Norwegian Tax Office (NTO) decided in February 2021 to increase Elkem ASA's taxable income for the fiscal years 2016-2019 by NOK 781 million, which increased the income tax expenses by NOK 181 million in 2020. The amount was paid in the first quarter of 2021. Elkem appealed the reassessment and in 2025 Elkem received a successful outcome, which is recorded as a negative tax expense in 2025. Elkem received a total refund amounting to NOK 207 million including interest.

Deferred tax assets and deferred tax liabilities	31.12.2025	31.12.2024
Derivatives	(177)	(143)
Property, plant, equipment and intangible assets	(131)	(33)
Pension liabilities	29	21
Trade receivable	2	3
Inventory	(26)	2
Provisions and other liabilities	9	79
Other differences	(5)	(3)
Interest deduction limitation	204	-
Tax loss carry forward	1 259	1 040
Not capitalised deferred tax on other items	(287)	(333)
Net deferred tax assets (liabilities)	878	633

Movement in net deferred tax assets (liabilities)	31.12.2025	31.12.2024
Opening balance	633	(514)
Charged to profit (loss)	258	1 051
Changes in deferred tax hedges charged to equity	(14)	(34)
Change in actuarial gains (losses) charged to equity	1	2
Effect of merger (note 30)	-	128
Closing balance	878	633

14 Property, plant and equipment

2025	Land	Buildings and other property	Plant, machinery, equipment and motor vehicles	Office and other equipment	Construction in progress	Total
Opening balance	9	1 080	3 010	30	1 015	5 144
Additions	-	8	3	-	683	693
Disposals	-	-	(0)	-	(15)	(15)
Transferred from CiP	-	238	723	3	(965)	-
Impairment losses	-	(0)	(2)	-	(2)	(5)
Depreciation	-	(101)	(391)	(6)	-	(498)
Closing balance	9	1 225	3 342	27	716	5 319
Historical cost	9	2 556	7 812	116	716	11 209
Accumulated depreciation	-	(1 326)	(4 368)	(89)	-	(5 783)
Accumulated impairment losses	(0)	(5)	(101)	(0)	-	(107)
Closing balance	9	1 225	3 342	27	716	5 319
Estimated useful life	Indefinite	5-40 years	3-30 years	3-20 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

2024	Land	Buildings and other property	Plant, machinery, equipment and motor vehicles	Office and other equipment	Construction in progress	Total
Opening balance	9	857	2 814	36	861	4 578
Additions	-	-	2	-	973	975
Disposals	(0)	-	-	-	-	(0)
Transferred from CiP	-	275	542	1	(819)	-
Merger (note 30)	-	37	72	0	-	108
Impairment losses	-	(3)	(32)	-	(0)	(35)
Depreciation	-	(87)	(388)	(8)	-	(482)
Closing balance	9	1 080	3 010	30	1 015	5 144
Historical cost	9	2 310	7 114	113	1 015	10 561
Accumulated depreciation	-	(1 225)	(4 003)	(83)	-	(5 311)
Accumulated impairment losses	(0)	(5)	(101)	(0)	-	(106)
Closing balance	9	1 080	3 010	30	1 015	5 144
Estimated useful life	Indefinite	5-40 years	3-30 years	3-20 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

Impairment losses in 2024 are primarily related to impairment as a result of lining damage at Rana of NOK 35 million.

15 Intangible assets and goodwill

2025	Goodwill	Software	Other intangible assets	Intangible assets under construction	Total intangible assets
Opening balance	8	31	20	22	73
Additions	-	17	-	2	19
Disposals	-	-	-	(2)	(2)
Transferred from CiP	-	-	-	-	-
Amortisation	(4)	(13)	(4)	-	(17)
Closing balance	4	35	16	22	73
Historical cost	40	255	42	22	319
Accumulated amortisation	(36)	(218)	(27)	-	(245)
Accumulated impairment losses	-	(1)	-	-	(1)
Closing balance	4	35	16	22	73
Estimated useful life	10 years	3-10 years	3-10 years		
Amortisation plan	Straight-line	Straight-line	Straight-line		

2024	Goodwill	Software	Other intangible assets	Intangible assets under construction	Total intangible assets
Opening balance	12	43	12	33	88
Additions	-	3	-	2	5
Transferred from CiP	-	3	11	(14)	-
Merger (note 30)	-	1	-	-	1
Impairment losses	-	(1)	-	-	(1)
Amortisation	(4)	(18)	(3)	-	(21)
Closing balance	8	31	20	22	73
Historical cost	40	238	42	22	303
Accumulated amortisation	(32)	(206)	(23)	-	(229)
Accumulated impairment losses	-	(1)	-	-	(1)
Closing balance	8	31	20	22	73
Estimated useful life	10 years	3-10 years	3-10 years		
Amortisation plan	Straight-line	Straight-line	Straight-line		

16 Investments in subsidiaries

Investment in subsidiaries of Elkem ASA	Country	Owner share Voting rights (%)	Carrying amount 31.12.2025	Carrying amount 31.12.2024
Elkem Carbon AS	Norway	100%	123	123
Elkem Chartering Holding AS	Norway	80%	1	1
Elkem Digital Office AS	Norway	100%	8	8
Elkem Distribution Center B.V.	Netherlands	100%	0	0
Elkem Foundry (China) Co., Ltd.	China	100%	66	66
Elkem GmbH	Germany	100%	1	1
Elkem Iberia S.L.U	Spain	100%	0	0
Elkem International AS	Norway	100%	5	5
Elkem International Trade (Shanghai) Co. Ltd. ¹⁾	China	11%	1	1
Elkem Ísland ehf.	Iceland	100%	785	785
Elkem Japan K.K	Japan	100%	0	0
Elkem Korea Co., Ltd.	Republic of Korea	100%	19	19
Elkem Madencilik Metalurji Sanayi Ve Ticaret Ltd. STI ¹⁾	Turkey	1%	0	0
Elkem Materials Processing (Tianjin) Co., Ltd.	China	100%	1	1
Elkem Materials Processing Services BV	Netherlands	100%	1	1
Elkem Metal Canada Inc.	Canada	100%	7	7
Elkem Milling Services GmbH	Germany	100%	12	12
Elkem Nordic A.S.	Denmark	100%	5	5
Elkem Oilfield Chemicals FZCO Ltd.	UAE	51%	13	13
Elkem Paraguay S.A. ¹⁾	Paraguay	79%	498	498
Elkem Processing Services S.A.	Belgium	100%	34	34
Elkem S.à.r.l.	France	100%	-	-
Elkem S.r.l.	Italy	100%	6	6
Elkem Silicon Materials (Lanzhou) Co., Ltd.	China	100%	1 033	1 033
Elkem Silicon Product Development AS	Norway	100%	8	8
Elkem Siliconas España S.A.U ²⁾	Spain	100%	125	125
Elkem Silicones Brasil Ltda. ²⁾	Brazil	100%	214	214
Elkem Silicones Canada Corp. ²⁾	Canada	100%	6	6
Elkem Silicones Czech Republic, s.r.o. ²⁾	Czech Republic	100%	2	2
Elkem Silicones Finland OY ²⁾	Finland	100%	5	5
Elkem Silicones France SAS ²⁾	France	100%	5 992	5 992
Elkem Silicones Germany GmbH ²⁾	Germany	100%	130	130
Elkem Silicones Guangdong Co., Ltd. ²⁾	China	100%	1 543	1 543
Elkem Silicones Hong Kong Co., Ltd. ²⁾	Hong Kong	100%	102	102
Elkem Silicones Korea Co., Ltd. ²⁾	Republic of Korea	100%	219	219
Elkem Silicones México S. De R.L. De C.V. ²⁾	Mexico	100%	5	5
Elkem Silicones Poland sp. z o.o. ²⁾	Poland	100%	4	4
Elkem Silicones Scandinavia AS ²⁾	Norway	100%	15	15
Elkem Silicones Services S.à.r.l ²⁾	France	100%	4	4

Investment in subsidiaries of Elkem ASA	Country	Owner share Voting rights (%)	Carrying amount 31.12.2025	Carrying amount 31.12.2024
Elkem Silicones Shanghai Co., Ltd. ²⁾	China	100%	109	109
Elkem Silicones USA Corp. ²⁾	USA	100%	261	261
Elkem Siliconi Italia S.r.l. ²⁾	Italy	100%	24	24
Elkem Singapore Materials Pte. Ltd.	Singapore	100%	0	0
Elkem South Asia Private Limited	India	100%	34	34
Elkem Testvirksomhet II S.a.r.l. ²⁾	Luxembourg	100%	0	-
Elkem Testvirksomhet III SAS	France	100%	0	-
Elkem (Thailand) Co., Ltd.	Thailand	100%	3	3
Elkem UK Holdings Ltd.	United Kingdom	100%	78	78
Elkem Uruguay S.A.	Uruguay	100%	33	33
Explotación de Rocas Industriales y Minerales S.A. (ERIMSA)	Spain	100%	80	80
Jiangxi Bluestar Xinghuo Silicones Co., Ltd. ²⁾	China	100%	5 015	5 015
NEH LLC	USA	100%	98	98
Total			16 730	16 729

¹⁾ Elkem ASA and a subsidiary own 100% of Elkem International Trade (Shanghai) Co. Ltd., Elkem Madencilik Metalurji Sanayi Ve Ticaret Ltd and Elkem Paraguay S.A.

²⁾ Subsidiaries held for sale. See note 31 Events after the reporting period.

On 14 May 2024 Elkem ASA acquired Elkem Testvirksomhet AS (previously REC Solar Norway AS) for USD 22 million (NOK 238 million). Elkem Testvirksomhet AS was subsequently merged with Elkem ASA. See note 30 Merger.

Impairment

For details see note 21 Impairment assessments and note 38 Assets held for sale and discontinued operations in the consolidated financial statement.

Income from investments in subsidiaries and associates	2025	2024
Dividends and group contributions from subsidiaries	3 191	1 748
Dividends from associates (note 20)	15	10
Total income from subsidiaries and associated companies	3 206	1 758

17 Investments in joint ventures

Joint venture	Company address	Country	Owner share Voting rights 2025	Owner share Voting rights 2024	Accounting method
Elkania DA	Hauge i Dalane	Norway	50%	50%	Gross method
Vianode AS	Oslo	Norway	-	-	Equity

In February 2024 Elkem ASA sold its shares in Vianode AS, a synthetic graphite manufacturer for a total nominal amount of NOK 847 million to AV Anodos AS. NOK 10 million of the compensation was received at closing, while the rest are tied to Vianode meeting two future milestones, see note 20 Other assets for more details regarding the receivable. The sale resulted in a loss on disposal of NOK 68 million.

Main figures for the investments accounted for by equity method. The figures show Elkem ASA's portion.

Total interests in joint ventures	2025	2024
Opening balance	-	843
Acquisition of shares and capital contribution	-	-
Sale of shares	-	(759)
Share of profit / (loss)	-	(15)
Share of other comprehensive income	-	0
Loss on sale of shares	-	(68)
Closing balance	-	0

Main figures for Elkania DA accounted for using the gross method, showing Elkem ASA's portion.

	31.12.2025	31.12.2024
Current assets	97	65
Non-current assets	22	25
Current liabilities	7	6
Non-current liabilities	-	0
Net assets	112	83
Total revenue	59	51
Total expenses	(32)	(33)
Financial items	2	1
Tax	-	-
Total profit (loss) for the year	29	19

18 Inventories

Inventories	31.12.2025	31.12.2024
Finished goods	1 237	1 107
Semi-finished goods	669	358
Raw materials	638	812
Operating materials and spare parts	434	408
Total inventories	2 979	2 685
Provision for write-down of inventories	102	38

19 Trade receivables

Trade receivables	31.12.2025	31.12.2024
Trade receivables	253	215
Trade receivables, related parties	963	945
Provision for doubtful accounts	(10)	(13)
Total trade receivables	1 207	1 146

Elkem ASA and its subsidiary Elkem Carbon AS have entered into a factoring agreement with a credit limit of EUR 100 million, NOK 1 184 million, to sell on continuing basis trade receivables that meet specific conditions. The agreement includes a recourse clause for maximum 5 per cent of the face value of the individual receivables sold. The non-recourse amount of the receivable sold is derecognised and the recourse amount is recognised as a current liability when the title to the receivables is transferred. As of 31 December 2025, NOK 41 million (NOK 51 million) is recognised as current liability, see note 24 Provisions and other liabilities. In addition, Elkem has entered into factoring agreements without recourse for some specific customers. Receivables that are sold without recourse are derecognised in its entirety when the title is transferred, as there is no remaining credit risk after transfer. As at 31 December 2025 NOK 664 million (NOK 778 million) of Elkem ASA's trade receivables is derecognised under these agreements.

Analysis of gross trade receivables by age, presented based on the due date	31.12.2025	31.12.2024
Not due	135	129
1 - 30 days	87	55
31 - 60 days	21	5
61 - 90 days	1	7
More than 90 days	9	19
Total trade receivables	253	215

Trade receivables are generally secured by credit insurance from a reputable credit insurance company. For customers where credit insurance cannot be obtained, other methods are generally used to secure the sales proceeds, such as prepayment, letter of credit, documentary credit or guarantees. In particular, when sales are made in countries with a high political risk, or to remote customers, trade finance products are used to reduce the credit risk.

Movements in allowance for expected credit losses	2025	2024
Opening balance	(13)	(13)
Losses during the year	5	2
New provisions	(8)	(4)
Reversed provisions	7	2
Closing balance	(10)	(13)

Analysis of allowance for expected credit losses, presented based on related trade receivables	2025	2024
Not due	(1)	(1)
Overdue by:		
1 - 30 days	-	(0)
31 - 60 days	(0)	(0)
61 - 90 days	(0)	(0)
More than 90 days	(8)	(12)
Total provisions for doubtful accounts	(10)	(13)

20 Other assets

Details of other assets	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Shares in associates ¹⁾	9	9	-	-
Other shares	26	17	-	-
Restricted deposits	57	47	-	-
Other deposits	0	0	-	-
Pension assets, defined benefits and contribution plans	-	-	2	3
Prepayments	6	-	69	67
Prepayments from related parties (note 27)	-	-	1	-
Loans and deposits to related parties, interest-bearing (note 27)	2 574	3 148	783	533
Receivables from related parties, interest free (note 27)	-	-	218	300
Grants receivable (note 5)	-	-	746	571
Value added tax	-	-	71	151
Interest receivable from related parties (note 27)	-	-	91	83
Other receivables	765	765	13	2
Other assets	-	0	22	13
Total other assets	3 438	3 986	2 016	1 723

1) Elkem ASA owns 25% of the shares in EPB Chartering AS and 20% of the shares in Future Materials AS. Elkem has received NOK 15 million (NOK 10 million) in dividends during 2025, see note 16 Investment in subsidiaries.

In February 2024 Elkem ASA sold its shares in Vianode AS, a synthetic graphite manufacturer for a total nominal amount of NOK 847 million to AV Anodos AS. NOK 10 million of the compensation was received at closing, while NOK 315 million (second instalment) and NOK 522 million (third instalment) are tied to Vianode meeting two future milestones relating to the building of a full-scale plant. Interest shall accrue on the second instalment if the due date is later than 30 June 2025 and for the third instalment 31 December 2027. At initial recognition, the present value of the receivable was estimated to NOK 749 million after the payment of the NOK 10 million.

Vianode AS and AV Anodos AS are dependent on additional funding to be able to perform the investments necessary to meet the milestones required for the settlement of Elkem's receivable. If additional funding is not obtained, there is a risk of significant credit loss related to Elkem's receivable. As the value of the deferred payments is uncertain, Elkem monitors the situation closely. Considering the need for additional funding, market development and recent project development in Vianode available at year-end, Elkem has assessed that the fair value of the receivable is NOK 765 million.

21 Equity

2025	Share capital	Other paid-in capital	Total paid-in capital	Retained earnings	Total equity
Opening balance	3 197	304	3 502	12 163	15 665
Profit for the year	-	-	-	2 900	2 900
Cash flow hedge	-	-	-	49	49
Share of items booked against equity from joint ventures	-	-	-	-	-
Remeasurement pension obligations gains (losses)	-	-	-	(4)	(4)
Currency translation differences	-	-	-	0	0
Share-based payments	-	6	6	-	6
Net movement treasury shares	-	0	0	1	1
Dividends	-	-	-	-	-
Closing balance	3 197	311	3 508	15 109	18 617

Share capital

The share capital of Elkem ASA is NOK 3 197 206 890 divided on 639 441 378 shares of NOK 5 nominal value. Elkem ASA held 5 221 900 treasury shares as at 31 December 2025. Each share has one vote.

Other paid-in capital

Other paid-in capital consists of par value of Elkem ASA's treasury shares negative NOK 26 million (negative NOK 26 million) and other capital contributions from owners (e.g. share-based payments).

Other retained earnings and dividends

Other retained earnings consist of all other net gains and losses not recognised elsewhere. In line with the dividend policy of Elkem the board of directors has proposed zero in dividends for the year 2025.

2024	Share capital	Other paid-in capital	Total paid-in capital	Retained earnings	Total equity
Opening balance	3 197	301	3 498	9 912	13 410
Profit for the year	-	-	-	2 323	2 323
Cash flow hedge	-	-	-	120	120
Share of items booked against equity from joint ventures	-	-	-	0	0
Remeasurement pension obligations gains (losses)	-	-	-	(7)	(7)
Currency translation differences	-	-	-	0	0
Share-based payments	-	2	2	-	2
Net movement treasury shares	-	1	1	4	5
Dividends	-	-	-	(190)	(190)
Closing balance	3 197	304	3 502	12 163	15 665

22 Shareholders

The table shows shareholders holding 1 per cent or more of the total 639 441 378 shares outstanding as at 31 December 2025, according to information in the Norwegian “securities registry system” (Verdipapirsentralen).

Name	Number of shares	Ownership
Bluestar Elkem International Co., Ltd. S.A.	338 338 536	52.9%
Folketrygdfondet	22 053 204	3.4%
Must Invest AS	19 630 095	3.1%
Pareto Aksje Norge Verdipapirfond	16 766 326	2.6%
J.P. Morgan SE ¹⁾	12 692 783	2.0%
DNB Asset Management	9 701 695	1.5%
Verdipapirfondet DNB Norge	6 170 254	1.0%
Total shareholders with ownership greater than 1%	425 352 893	66.5%

1) Nominee accounts

Information on shares held by key management personnel is included in “Report on salary and other remuneration to leading personnel in Elkem ASA for the financial year 2025” and note 11 Employee benefits in the consolidated financial statement.

23 Interest-bearing assets and liabilities

Interest-bearing liabilities	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Deposits from related parties (note 27)	179	260	2 478	4 660
Loan agreements, bank	5 892	5 856	-	-
Loan agreements, bonds	3 000	3 500	500	706
Loan agreements, other than bank	414	2 123	1 718	295
Accrued interest	-	-	12	23
Total interest-bearing liabilities	9 486	11 738	4 708	5 684
Interest-bearing assets				
Cash and cash equivalents	-	-	1 468	2 730
Restricted deposits	57	47	0	0
Loans to related parties (note 27)	2 574	3 148	-	-
Deposits to related parties (note 27)	-	-	783	533
Interest receivable from related parties (note 27)	-	-	91	83
Interest receivable from external parties	-	-	-	-
Total interest-bearing assets	2 631	3 195	2 342	3 347

Interest-bearing liabilities by currency	Currency amount	NOK 31.12.2025	Currency amount	NOK 31.12.2024
EUR	744	8 814	780	9 199
USD	161	1 617	149	1 688
NOK	3 295	3 295	6 183	6 183
Other currencies	-	468	-	352
Total interest-bearing liabilities		14 194		17 422

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the date of the balance sheet to the contractual maturity date. The amounts disclosed in the table are discounted.

Maturity of interest-bearing liabilities 31 December 2025	2026	2027	2028	2029	2030	2031 and later	Total
Loans from related parties	2 478	179	-	-	-	-	2 657
Loan agreements, bank	-	5 920	-	-	-	-	5 920
Loan agreements, bonds	500	900	1 000	800	-	300	3 500
Loan agreements, other than bank	1 718	-	414	-	-	-	2 133
Accrued interest	12	-	-	-	-	-	12
Total	4 708	6 999	1 414	800	-	300	14 222
Prepaid loan fees							(28)
Total interest-bearing liabilities							14 194

Maturity of interest-bearing liabilities 31 December 2024	2025	2026	2027	2028	2029	2030 and later	Total
Deposits from related parties	4 660	260	-	-	-	-	4 920
Loan agreements, bank	-	-	5 896	-	-	-	5 896
Loan agreements, bonds	706	500	900	1 000	800	300	4 206
Loan agreements, other than bank	295	1 710	-	413	-	-	2 417
Accrued interest	23	-	-	-	-	-	23
Total	5 684	2 470	6 796	1 413	800	300	17 462
Prepaid loan fees							(41)
Total interest-bearing liabilities							17 422

Loan agreements

The main non-current loan agreements as at 31 December 2025 are granted to Elkem ASA for financing of the group; a term loan with bank institutions, bond loans and series of loans in Schuldshain market (other than bank).

Loan agreements, bank

The term loan of EUR 500 million (EUR 500 million) is unsecured, but there are related covenants. As at 31 December 2025 the interest rate is 3.32 per cent. The term loan is linked to two sustainability KPIs, KPI 1 Lost Time Injury Rate and KPI 2 Product Group Carbon Footprint. The margin of the RCF and term loan shall be reduced by 0.025 per cent if both KPIs are met, and increased by 0.025 per cent if none of the KPIs are met. If one KPI is met there shall be no change to the margin. Based on initial testing of the KPI's the margin will increase with 0.025 per cent in 2026.

Elkem has entered into an interest swap agreement to swap the EUR 500 million loan from floating to fixed interest rate. As at 31 December 2025 the fair value of this swap is NOK 5 million (entered into in 2025).

Loan agreements, bonds

The series of issued bond loans listed on Oslo Stock Exchange is in the size of NOK 3 000 million (NOK 3 500 million) whereof NOK 3 150 million (NOK 3 150 million) is registered as bonds with floating rate and NOK 350 million (NOK 350 million) is registered as a bond with fixed rate. The bond loans are unsecured and there are no related covenants. As at 31 December 2025 the interest rates are in the range of 5.36 per cent to 5.86 per cent.

Initially, Elkem has entered into an interest swap agreement to swap the NOK 350 million bond from fixed to floating interest rate. Later Elkem has entered into a cross-currency swap agreement to swap the NOK 350 million bond to a EUR 30 million loan with a fixed rate of 3.71 per cent. As at 31 December 2025 the net fair value of these swaps are NOK 0.3 million (NOK 1 million).

Initially, Elkem has entered into an interest rate swap agreement to swap the NOK 800 million bond loan from floating interest rates to fixed interest rates of 4.88 per cent. Later Elkem has entered into a cross-currency swap agreement to swap the NOK 800 million bond to a EUR 69 million loan with a fixed rate of 3.11 per cent. As at 31 December 2025 the net fair value of these swaps are NOK 2 million (NOK 21 million).

A swap agreement has also been entered into to swap the NOK 400 million bond loan to a EUR 34 million loan with fixed interest rates of 3.72 per cent. As at 31 December 2025 the fair value of this swap is negative NOK 3 million (negative NOK 2 million).

The bond loans are listed on Oslo Stock Exchange from January 2024, as at 31 December 2025 the fair value of the bond loans are positive NOK 40 million (positive NOK 2 million).

Note 23 continued

Loan agreements, other than bank

The series of loans issued in the Schuldschein market is of the size of EUR 35 million (EUR 180 million) with floating rate. The loan series is unsecured, but there are related covenants. As at 31 December 2025 the interest rates are 3.7 per cent.

Elkem has entered into an interest swap agreement to swap the loans of EUR 35 million from floating to fixed interest rates of 3.7 per cent. As at 31 December 2025 the fair value of these swaps is NOK 1 million (entered into in 2025).

Additionally Elkem has entered into an interest-swap agreement to swap the EUR 145 million loans that fall due in 2026 from floating to fixed interest rates of 3.5 per cent. As at 31 December 2025 the fair value of these swaps is NOK 3 million (entered into in 2025).

Credit facilities

Elkem ASA is granted credit facilities of EUR 500 million (NOK 5 920 million) and NOK 250 million, a total of NOK 6 170 million in granted credit facilities. Both facilities remained undrawn at 31 December 2025 and 31 December 2024.

Covenants

The credit facilities and the bank financing in Elkem ASA contain financial covenants based on the consolidated financial statements of Elkem group total. In addition, parts of the loans from external parties, other than bank, contain financial covenants. The financial covenants are calculated monthly, based on last 12 months figures, and reported quarterly. In 2024 Elkem initiated a waiver process, and got consent from the lenders' to reduce the interest cover covenant from 4.0x to 3.0x for each and every quarter of the 2024 financial year. In 2025 the interest cover covenant returned to be 4.0x.

Covenants Elkem group	31.12.2025	Loan covenant	31.12.2024	Loan covenant
Equity ratio	51%	> 30%	49%	> 30%
Interest cover ratio	6.1	> 4.00	5.2	> 3.00

24 Provisions and other liabilities

Details of other assets	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Employee benefits	-	-	249	231
Employee withholding taxes, social security tax, and other public taxes	-	-	99	97
Value added tax	-	-	18	13
Prepayments from customers	-	-	13	11
Payables to related parties (note 27)	-	-	64	90
Provisions	54	48	23	18
Obligation to finance subsidiary	37	37	-	-
Accrued expenses	-	-	87	250
Deferred income, government grants	-	-	-	0
Recourse liability factoring agreement (note 19)	-	-	41	51
Settlement liability factoring agreements	-	-	24	31
Other liabilities	-	-	25	-
Total provisions and other liabilities	91	85	644	792

2025	Site restoration	Environmental measures	Restructuring	Total provisions
Opening balance	41	25	-	67
Additional provisions recognised	2	5	7	14
Used during the year	(3)	-	(0)	(3)
Closing balance	40	31	7	77
Hereof non-current	37	17	-	54
Hereof current	3	13	7	23
Closing balance	40	31	7	77

Movements in provision 2024	Site restoration	Environmental measures	Total provisions
Opening balance	34	20	53
Additional provisions recognised	8	11	18
Used during the year	-	(5)	(5)
Closing balance	41	25	67
Hereof non-current	35	13	48
Hereof current	6	12	18
Closing balance	41	25	67

Site restoration

The site restoration provisions are related to the necessary site remediation work that Elkem ASA will have to undertake in respect of its quartz mines.

Environmental measures

Elkem ASA has nationwide operations representing potential exposure towards environmental consequences. Elkem ASA has established clear procedures to minimise environmental emissions, well within public emission limits. The estimated provisions relate to estimated clean-up costs in connection with closed landfills.

Restructuring

The provision is related to Elkem's cost saving programme.

25 Financial instruments

Currency exchange contracts

Elkem ASA enters into forward currency contracts to mitigate Elkem group's foreign currency exposure. Hedge accounting is not applied, the contracts are classified as held for trading and booked at fair value in the income statement. Elkem ASA's Treasury department also offers internal currency hedging for major purchase / sale-contracts entered into by the subsidiaries. Such contracts cannot be designated in a hedging relationship, hence the changes in fair value are recognised in the income statement.

Elkem has embedded EUR derivatives in own use power contracts where the spot element is designated as hedging instruments in a cash flow hedge to hedge currency fluctuations in highly probable future sales, from 1 January 2016. Unrealised effects are from that date booked against equity and later reclassified to revenue when realised. Realised hedging effects from such derivatives in 2025 constitute a loss of NOK 137 million (loss of NOK 135 million).

Details of currency exchange contracts 31 December 2025

Purchase currency	Purchase ccy million	Sale currency	Sale ccy million	Type of instrument	Currency rate	Due	Fair value ¹⁾	Notional value ²⁾
NOK	25	USD	2	Fwd	11.327	2026	3	22
NOK	494	EUR	42	Fwd	11.883	2026	1	493
NOK	73	EUR	6	Fwd	12.212	2027	1	71
NOK	33	JPY	312	Fwd	0.105	2027	13	20
NOK	1 378	EUR	115	Fwd	11.986	2026	1	1 362
NOK	821	EUR	75	Embedded ³⁾	10.964	2026	(79)	886
NOK	6 588	EUR	556	Embedded ³⁾	11.853	2027-2035	(349)	6 580
Total fair value							(409)	

Details of currency exchange contracts 31 December 2024

Purchase currency	Purchase ccy million	Sale currency	Sale ccy million	Type of instrument	Currency rate	Due	Fair value ¹⁾	Notional value ²⁾
NOK	1 864	EUR	159	Fwd	11.762	2025	(20)	1 869
NOK	201	JPY	1 954	Fwd	0.103	2025	57	141
NOK	33	JPY	312	Fwd	0.105	2026	9	23
NOK	375	USD	35	Fwd	10.745	2025	(21)	396
NOK	818	EUR	76	Embedded ³⁾	10.794	2025	(89)	894
NOK	5 984	EUR	518	Embedded ³⁾	11.553	2025-2035	(483)	6 108
Total fair value							(547)	

1) The currency exchange contracts are measured at fair value based on the observed forward exchange rate for contracts with a corresponding maturity term, on the balance sheet date

2) Notional value of underlying asset, based on currency rates at 31 December

3) Embedded EUR derivatives in own use power contracts

Power contracts recognised at fair value

Elkem ASA enters into power derivative contracts to meet its need for power at the plants. These contracts are designated as hedging instruments in a cash flow hedge to mitigate price fluctuations in highly probable future need for power. The fair value of these contracts is based on observable nominal values for similar contracts, adjusted for interest effects.

The effective part of change in fair value of contracts designated in hedging relationships is booked temporarily in equity, and recycled to the income statement when the hedged items are realised. Realised effects from the hedging of future need for power are in 2025 a gain of NOK 31 million (gain of NOK 13 million), which is included in raw materials and energy for smelting. The ineffective part of change in fair value of contracts designated in hedging relationships is recognised as a part of other gains (losses) related to operating activities, see note 11 Other gains (losses) related to operating activities.

In addition, Elkem ASA holds power contracts, which are entered into and continue to be held for the purpose of the receipt of power. These contracts are booked at the lower of cost and fair value. As at 31 December 2025 the fair value of these contracts is higher than cost (zero).

Interest rate swap

Elkem should primarily pursue a floating interest rate policy for long-term financing. Interest rate hedging will be considered in specific cases, e.g. when there is a need to protect financial covenants in loan agreements. In 2025 and 2024, Elkem entered into interest rate swaps to change from floating to fixed interest rates. The effective part of changes in fair value of the financial instruments is booked against OCI, and recycled to the income statement as a regulatory interest expense when realised.

Details of fair value of power derivative contracts and interest rate swap 31 December 2025

	Volume	Due	Fair value	Notional amount ¹⁾
Commodity contracts Power	501 GWh	2026	244	184
Commodity contracts Power	3 976 GWh	2027-2035	968	1 764
Interest rate swap	NOK 12 685 million	2026-2029	(2)	341
Total fair value			1 209	

Details of fair value of power derivative contracts and interest rate swap 31 December 2024

	Volume	Due	Fair value	Notional amount ¹⁾
Commodity contracts Power	501 GWh	2025	196	177
Commodity contracts Power	4 478 GWh	2026-2035	986	1 950
Interest rate swaps	NOK 1 550 million	2025-2029	19	301
Total fair value			1 201	

¹⁾ Notional amount based on currency rates at 31 December.

26 Financial risk

Financial risk management in Elkem ASA is described in note 31 Financial risk, and capital management policies are described in note 32 Capital management, in the consolidated financial statement. Elkem ASA's use of derivative instruments are described in note 29 Financial assets and liabilities and note 30 Hedging. See note 26 Interest-bearing liabilities for details of credit facilities and maturity profile of interest-bearing liabilities. The exposure to credit risk is represented by the carrying amount of each class of financial assets, including derivative financial instruments, recorded in the balance sheet.

27 Related parties

Elkem ASA is owned 52.9 per cent by Bluestar Elkem International Co. Ltd S.A., Luxembourg, which is under control of Sinochem Holdings Co., Ltd (Sinochem), a company registered and domiciled in China. The structure of the Elkem group is disclosed in notes to the consolidated financial statement; in note 4 Composition of the group and note 5 Equity accounted investments and joint operations. Details of transactions between Elkem ASA and the parent company, subsidiaries, joint ventures and associates, and related parties within Sinochem are disclosed below.

2025	Sale of goods	Purchase of goods	Sale of services	Purchase of services	Interest income	Interest expenses
Bluestar Elkem International Co., Ltd. S.A.	-	-	-	-	-	-
Related parties within Sinochem	-	-	-	-	-	-
Subsidiaries	1 758	(1 086)	495	(554)	161	(133)
Joint ventures and associates	-	-	1	(109)	-	-
Total related parties transactions	1 758	(1 086)	496	(663)	161	(133)

2024	Sale of goods	Purchase of goods	Sale of services	Purchase of services	Interest income	Interest expenses
Bluestar Elkem International Co., Ltd. S.A.	-	-	-	-	-	-
Related parties within Sinochem	-	-	-	-	-	-
Subsidiaries	1 846	(1 005)	477	(518)	370	(253)
Joint ventures and associates	-	-	7	(119)	-	-
Total related parties transactions	1 846	(1 005)	484	(637)	370	(253)

Balances with related parties	Non-current		Current	
	31.12.25	31.12.24	31.12.25	31.12.24
Trade receivables, subsidiaries	-	-	963	945
Prepayments from subsidiaries	-	-	1	-
Loans to subsidiaries, interest-bearing	2 574	3 148	-	-
Deposits from subsidiaries, interest-bearing	-	-	783	533
Interest receivable from subsidiaries	-	-	91	83
Receivables from subsidiaries, interest-free	-	-	218	300
Deposits from subsidiaries, interest-bearing	(179)	(260)	(2 478)	(4 660)
Other payables to subsidiaries, interest free	-	-	(64)	(90)
Trade payables, subsidiaries	-	-	(303)	(297)
Trade payables, joint ventures and associates	-	-	(10)	(8)

Transactions with key management personnel

Information on transactions with key management personnel and /or their related parties, is included in "Report on salary and other remuneration to leading personnel in Elkem ASA for the financial year 2025" and note 11 Employee benefits in the consolidated financial statement.

Commitment with related parties

Elkem has no commitments to related parties.

Information about transactions between related parties

Elkem follows internationally accepted principles for transactions between related parties. In general, Elkem seeks to use transaction based methods (comparable uncontrolled price, cost plus and resale price method) in order to set the price for the transaction.

The majority of the transactions between related parties relate to products involving:

- Raw materials (quartz) from quarries to plants
- Metallurgical silicon to Silicones
- Electrode paste from Carbon plants to FeSi and Silicon plants
- Surplus raw materials between plants
- Ad-hoc supplies of finished goods to Elkem's internal distributors
- Purchase of short and deep-sea transport
- Sale of management and technology services
- Rent of plant facilities and related services
- Purchase of management services for the Silicones segment

Elkem's set-up for sales is based on an agent structure, rather than a distribution network. Elkem also owns companies sourcing key raw materials and other supplies from selected suppliers world-wide. In both activities above, the transaction between the related parties is a delivered service, either sales-service or sourcing-service. Additionally, Elkem has internal help chains that are established to serve several operating units more efficiently.

Elkem ASA has both non-current receivables and non-current payables to related parties. The intra-group loans are normally interest-bearing and interest is calculated based on interbank rates (for example NIBOR) and a margin.

28 Pledge of assets and guarantees

Guarantee commitments	31.12.2025	31.12.2024
Guarantees given on behalf of the operating plants regarding environmental obligations	40	40
Guarantees given on behalf of subsidiaries regarding financing	967	888
Guarantees given on behalf of subsidiaries regarding environmental obligations	190	-

As part of the factoring agreement parts of Elkem's trade receivables are pledged, see note 19 Trade receivables. The book value of the pledged assets and liabilities is NOK 41 million (NOK 51 million).

29 Supplemental information to the cash flow statement

The following table gives a detailed overview of changes in working capital in the cash flow statement. Working capital is defined as trade receivables, inventories, other current assets, accounts payable, current employee benefit obligations, and other current liabilities. Other current assets are defined as other current assets less current receivables to related parties, current interest-bearing receivables, tax receivables, grants receivable 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.

Changes in working capital	2025	2024
Changes in trade receivables	(60)	166
Changes in inventory	(294)	(263)
Changes in other current assets	59	(99)
Changes in accounts payable	(35)	(104)
Changes in other current liabilities including employee benefit obligations	(127)	(69)
Total	(458)	(369)

30 Merger

In 2024, Elkem ASA merged with its wholly-owned subsidiary Elkem Testvirksomhet AS, which was acquired at 14 May 2024. Elkem Testvirksomhet AS (former REC Solar Norway AS) controls industrial areas and production facilities as Fiskaa in Kristiansand and at Herøya.

As the merger was between parent and wholly-owned subsidiary, the merger was accounted for in accordance with the rules of group continuity, and no equity contribution was issued in the merger.

Net assets	Note	Total
Property, plant and equipment	14	108
Intangible assets	15	1
Deferred tax assets	13	128
Investments in subsidiaries		(238)
Other non-current assets		1
Total non-current assets		1
Inventories		3
Trade receivables		0
Other current assets		0
Cash and cash equivalents		0
Total current assets		4
Pension liabilities		(0)
Total non-current liabilities		(0)
Trade payables		(1)
Other current liabilities		(3)
Total current liabilities		(4)
Net assets / equity contributed in the merger	21	0

31 Events after the reporting period

At 13 February 2026, Elkem signed an agreement to transfer the majority of its Silicones division to Bluestar (the “Transaction”). The Transaction will be settled with all Elkem shares held by Bluestar through Bluestar Elkem Int.Co.LTD S.A, 338 338 536 shares. In the Transaction, Elkem will transfer all its shares in Elkem Siliconas España S.A.U, Elkem Silicones (UK) Ltd., Elkem Silicones Brasil Ltda., Elkem Silicones Canada Corp., Elkem Silicones Czech Republic, s.r.o., Elkem Silicones Finland OY, Elkem Silicones Germany GmbH, Elkem Silicones Hong Kong Co., Ltd., Elkem Silicones Korea Co., Ltd., Elkem Korea Co., LTD. , Elkem Silicones México S. De R.L. De C.V., Elkem Silicones Poland sp. z o.o., Elkem Silicones Scandinavia AS, Elkem Silicones Services S.à r.l., Elkem Silicones USA Corp., Elkem Siliconi Italia S.r.l., Elkem Silicones Shanghai Co., Ltd., Jiangxi Bluestar Xinghuo Silicone Co., Ltd., Elkem Silicones Guangdong Co., Ltd, Elkem Silicones Material Zhongshan Co., Ltd. and Elkem Silicones France SAS (collectively, the “Transferred silicones assets”) to Bluestar. Elkem Silicones (UK) Ltd. was owned by Elkem UK Holdings Ltd. as of 31 December 2025 and was distributed as dividend to Elkem ASA in 2026 due to the Transaction.

At 6 February Elkem Silicones France SAS carved out its operations at the Roussillon plant (upstream Silicones) into a new legal entity, Elkem Testvirksomhet III SAS (Roussillon). Roussillon is owned by Elkem ASA. In addition, Elkem Silicones France SAS has distributed its shares in Osiris GIE and 3Deus Dynamics SAS as a dividend-in-kind to Elkem ASA in February 2026.

The Transaction is conditional upon the approval by Elkem’s general meeting in addition to waivers and approvals from Elkem’s lenders and other customary approvals. Bluestar will not vote their Elkem shares on agenda items relating to the Transaction. The Transaction was approved by the extraordinary general meeting at 9 March 2026. Subject to the other closing conditions being satisfied or waived, the Transaction is expected to close during the second quarter 2026.

The transaction is structured as a distribution of non-cash assets to owners, where the assets will be ultimately controlled by the same party before and after the distribution. At the effective date of the transaction, the book value of the shares will be derecognised and adjusted against equity, representing the cancellation of 338 338 536 shares. No gains or losses will be recognised in the statement of profit or loss related to the sales transaction.

Declaration by the board of directors

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2025 have been prepared in accordance with applicable standards and give a true and fair view of the group and the company's assets, liabilities, financial position, and results of operations.

We confirm that the board of directors' report provides a true and fair view of the development and performance of the business and the position of the group and the company, together with a description of the key risks and uncertainty factors that they are facing.

Oslo, 10 March 2026



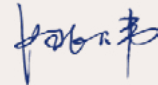
Bo Li
Chair



Dag Jakob Opedal
Vice chair



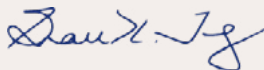
Olivier Tillet de Clermont-Tonnerre
Board member



Wei Yao
Board member



Dachuan Dong
Board member



Grace Tang
Board member



Nathalie Brunelle
Board member



Marianne Elisabeth Johnsen
Board member



Terje Andre Hanssen
Board member



Marianne Færøyvik
Board member



Thomas Eggan
Board member



Helge Aasen
CEO, Elkem ASA



KPMG AS
Dronning Eufemias gate 6A
P.O. Box 7000 Majorstuen
N-0306 Oslo

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

To the General Meeting of Elkem ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elkem ASA, which comprise:

- the financial statements of the parent company Elkem ASA (the Company), which comprise the balance sheet as at 31 December 2025, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Elkem ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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 and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with

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these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Elkem ASA for 10 years from the election by the general meeting of the shareholders on 20 April 2016 for the accounting year 2016.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value less cost to sell for assets held for sale and discontinued operations (Silicones division)

Refer to Note 3 *Accounting estimates* and Note 38 *Assets held for sale and discontinued operations*

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Market conditions for the Silicones division continued to be challenging in 2025, with low sales prices and decreased global demand, resulting in weak financial performance for the division.</p> <p>Following a strategic review of the Silicones division in January 2025, management reclassified the Silicones division as held for sale and discontinued operations in accordance with IFRS 5. As of 31 December 2025, the Silicones division is continued to be classified as held for sale and discontinued operations. In line with IFRS 5 management prepared an updated estimate of fair value less cost to sell of the disposal group.</p> <p>The net value of Silicones division's assets and liabilities as of 31 December 2025 is NOK 15 431 million.</p> <p>Fair value less cost to sell of the Silicones division was significant to our audit because of the size of the balances, the challenging market conditions experienced during 2025, as well as the significant estimation uncertainty in developing the estimates to determine the fair value. In addition, management's assessment process is complex and highly judgmental and is based on significant assumptions, mainly EBITDA margin, discount rate and terminal growth rate used.</p> <p>Based on management's assessment of the fair value less cost to sell, no impairment has been recognised for the year ended 31 December 2025.</p>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of management's controls over the process; • Assessing management's evaluation for whether the criteria are met for reclassifying the Silicones segment as held for sale and discontinued operations according to IFRS 5; • Performing retrospective reviews of the accuracy of management's estimate in terms of timing of cash flows and other assumptions where historical data is available; • Evaluating and challenging the forecasted cash flows including the timing of future cash flows applied in the model with reference to historical accuracy and approved business plans; • Evaluating key assumptions such as forecasted sales prices, sales volumes, discount rate and the EBITDA margin used in the terminal period with reference to external sources and other relevant benchmarks; • Evaluating the sensitivity of the estimate based on reasonable changes to key assumptions; • Assessing, with the assistance of our valuations specialists, the mathematical accuracy and methodological integrity of management's impairment model and the reasonableness of discount rate



	<p>applied with reference to relevant external sources; and</p> <ul style="list-style-type: none">• Evaluating the adequacy and appropriateness of the disclosures in the financial statements related to Assets held for sale and discontinued operations.
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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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 statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 skepticism 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 and the Group'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 and the Group'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 and the Group 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Elkem ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 549300CVBE06T0SH6T76-2025-12-31-1-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 13 March 2026

KPMG AS

Stian Tørrestad
State Authorised Public Accountant

Alternative Performance Measures

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 normalised EBITDA and normalised EBITDA-margin to measure operating performance at the group and segment level. In particular, management regards normalised EBIT and normalised EBITDA as useful performance measures at segment level because income tax, finance expenses, foreign exchange gains (losses), finance income and 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 / normalised 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, normalised EBITDA, and normalised EBIT

- Normalised 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 (loss) from equity accounted financial investments, other items excluding derivative adjustments, impairment loss, and amortisation and depreciation. Derivative 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 and realised effects from derivatives included in operating profit, but not designated in a hedging relationship. Derivatives not designated in a hedging relationship includes among others the interest element from currency forward contracts and embedded derivatives.
- Normalised EBITDA margin is defined as normalised EBITDA divided by total operating income.
- Normalised EBIT is defined as Elkem's profit (loss) for the period, less income tax (expense) benefit, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, and other items excluding derivative adjustments.

Below is a reconciliation of normalised EBIT and normalised EBITDA.

2025	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Profit (loss) for the year						385
Income tax (expense) benefit						149
Finance expenses						549
Foreign exchange gains (losses)						284
Finance income						(61)
Share of profit from equity accounted financial investments						-
Other items						(258)
Realised effects from hedge ineffectiveness and discontinuation of hedging						266
Normalised EBIT from discontinued operations						(615)
Normalised EBIT	(632)	717	765	(231)	80	699
Impairment losses						7
Amortisation and depreciation						1 008
Amortisations, depreciations, and impairment losses from discontinued operations						1 726
Normalised EBITDA	1 095	1 517	908	(159)	80	3 440
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2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
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
Realised effects from hedge ineffectiveness and discontinuation of hedging ¹⁾						167
Normalised EBIT from discontinued operations						(1 237)
Normalised EBIT	(1 233)	2 091	1 003	(476)	(46)	1 339
Impairment losses						168
Amortisation and depreciation						931
Amortisations, depreciations, and impairment losses from discontinued operations						1 754
Normalised EBITDA	521	2 864	1 131	(324)	(46)	4 191

¹⁾ Figures have been restated, see note 1 Basis for preparing the consolidated financial statements

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, (gains) losses on disposal of subsidiaries, changes in provisions, bills, and other, changes in fair value of derivatives, other items (from the statement of profit or loss), realised effects from hedge ineffectiveness and discontinuation of hedging and including reinvestments.
- 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.

Below is a split of the items included in investment in property, plant and equipment and intangible assets.

	2025	2024
Reinvestments	(1 536)	(2 061)
Strategic investments	(328)	(957)
Periodisations ¹⁾	(455)	(317)
Investments in property, plant and equipment and intangible assets	(2 319)	(3 334)

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

	2025	2024
Cash flow from operating activities	1 176	2 030
Income taxes paid	436	614
Interest payments made	684	885
Interest payments received	(84)	(119)
Changes in provisions, bills and other	821	27
Changes fair value of derivatives	107	(475)
Other items	(258)	316
Other items from discontinued operations	167	145
Realised effects from hedge ineffectiveness and discontinuation of hedging	266	167
Reinvestments	(1 536)	(2 061)
Cash flow from operations	1 779	1 529

Elkem's financial APMs, ROCE

- ROCE, Return on capital employed, is defined as normalised 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 receivables defined are 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 receivables, 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.

	31.12.25	31.12.24
Inventories	5 959	6 038
Trade receivables	1 852	1 960
Bills receivable	(283)	(269)
Accounts receivable	1 569	1 691
Other assets, current	1 231	1 254
Grants receivables	(774)	(576)
Tax receivables	(86)	(241)
Accrued interest	-	(0)
Other current assets included in working capital	370	436
Trade payables	1 818	2 076
Trade payables related to purchase of non-current assets	(149)	(184)
Accounts payables included in working capital	1 668	1 892
Employee benefit obligations	482	471
Provisions and other liabilities, current	588	815
Provisions, contingent considerations, and contract obligations	(35)	(19)
Liabilities to related parties	-	(0)
Other current liabilities included in working capital	553	795
Working capital assets and liabilities as held for sale	1 864	2 302
Working capital Elkem group total	7 059	7 309

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	31.12.25	31.12.24
Property, plant, and equipment	8 568	8 405
Right-of-use assets	402	403
Other intangible assets	164	216
Goodwill	305	329
Equity accounted investments	210	230
Grants payable	(16)	(17)
Trade payables- and prepayments related to purchase of non-current assets	(143)	(171)
Other capital employed effects assets and liabilities as held for sale	16 173	17 674
Capital employed	32 722	34 378

Elkem's financial APMs, Leverage 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.

	31.12.25	31.12.24
Leverage ratio		
Interest-bearing liabilities	11 970	12 907
Cash and cash equivalents	(2 694)	(4 397)
Interest-bearing liabilities as held for sale liabilities	3 719	3 490
Cash and cash equivalents as held for sale assets	(1 112)	(1 673)
Net interest-bearing debt	11 883	10 327
Normalised EBITDA	3 440	4 191
Leverage ratio	(3.5)	(2.5)

