



First quarter results 2022



Delivering your potential

Contents

Highlights 1 st quarter 2022.....	3
Key figures.....	3
All time high results	4
Financial review.....	5
Group results	5
Cash flow	6
Financial position	6
Segments.....	7
Silicones.....	7
Silicon Products	7
Carbon Solutions	7
Outlook for the second quarter 2022.....	8
Condensed consolidated interim statement of profit or loss (unaudited)	9
Condensed consolidated statement of comprehensive income (unaudited)	10
Condensed consolidated interim statement of financial position (unaudited)	11
Condensed consolidated interim statement of cash flows (unaudited)	12
Condensed consolidated interim statement of changes in equity (unaudited).....	13
Notes to the condensed consolidated interim financial statements	14
Note 1 General information, basis for preparation and judgements, estimates and assumptions	14
Note 2 Operating segments.....	14
Note 3 Changes in composition of the group.....	16
Note 4 Fixed assets, right-of-use assets, goodwill and intangible assets	17
Note 5 Other items.....	18
Note 6 Finance income and expenses	19
Note 7 Interest-bearing assets and liabilities	19
Note 8 Cash flow hedging.....	20
Note 9 Number of shares.....	21
Note 10 Events after the reporting period.....	21
Appendix - Alternative performance measures (APMs)	22

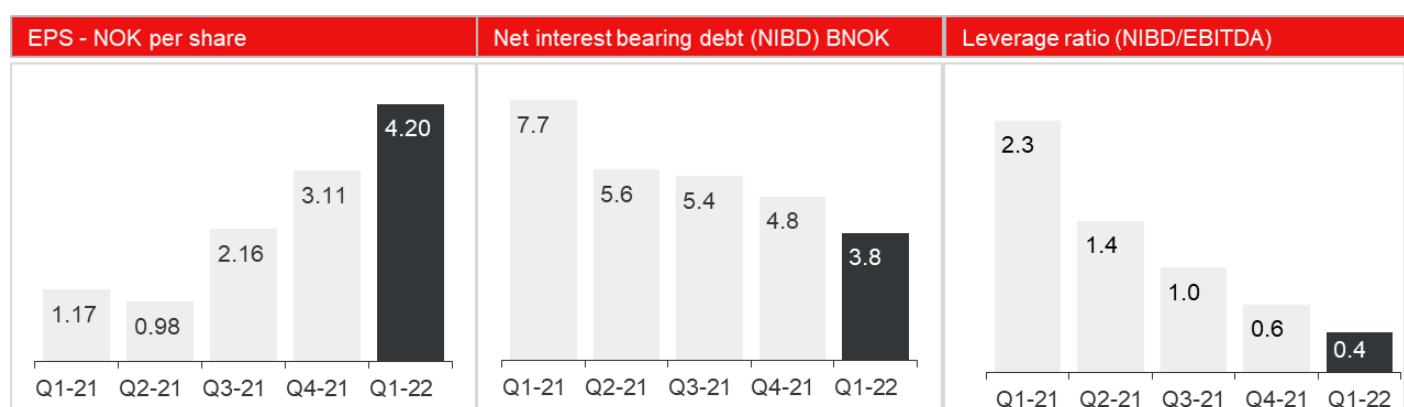
Highlights 1st quarter 2022

- Elkem's results again reached all-time high, especially driven by strong performance in Silicon Products and Carbon Solutions.
- General value chain conditions are challenging due to high energy costs, raw material constraints and transportation problems, but Elkem's strong integrated business model provides competitive advantage.
- Elkem announced a partnership with Hydro and Altor on 6 April to accelerate the growth of Vianode, a producer of sustainable battery materials.
- Elkem will build a flagship R&I centre in Shanghai to meet the growing demand for advanced silicone products and technologies.

Key figures

<i>(NOK million, except where specified)</i>	1Q 2022	1Q 2021	YTD 2022	YTD 2021	FY 2021
Total operating income	11,876	7,193	11,876	7,193	33,717
EBITDA	3,875	1,231	3,875	1,231	7,791
EBITDA margin (%)	33 %	17 %	33 %	17 %	23 %
EBIT	3,399	806	3,399	806	5,899
Profit (loss) for the period ⁽¹⁾	2,658	684	2,658	684	4,628
Earning per share (EPS) <i>(NOK per share)</i>	4.20	1.17	4.20	1.17	7.49
Equity ratio (%)	51 %	41 %	51 %	41 %	47 %
Net interest-bearing debt (NIBD)	3,756	7,668	3,756	7,668	4,827
Cash flow from operations	2,798	589	2,798	589	4,100
ROCE - annualised (%)	53 %	16 %	53 %	16 %	27 %

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



All time high results

In the first quarter 2022, Elkem's results again reached all-time high, especially driven by strong performance in Silicon Products and Carbon Solutions. Elkem has benefitted from high prices and good demand in key markets. Broader industry conditions also include challenges due to high energy costs, raw material constraints and transportation problems, but Elkem's strong integrated business model has provided a competitive advantage.

Elkem's total operating income for the first quarter 2022 was NOK 11,876 million, which was all-time high and up 65% from the corresponding quarter last year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 3,875 million in the quarter, compared to NOK 1,231 million in the first quarter 2021. Earnings per share (EPS) was NOK 4.20 in the quarter.

Elkem has benefitted from high prices and good demand in key markets. The energy crisis in Europe has led to capacity curtailments among silicon and ferrosilicon producers. This has resulted in tight market conditions. In addition, the industry has been impacted by raw material constraints and transportation problems, resulting in general cost pressure and higher sales prices. Elkem's integrated business model has ensured good access to critical raw materials and relatively stable costs. Consequently, Elkem has been able to generate record results.

On 6 April 2022, Elkem announced a partnership with Hydro and Altor to accelerate the growth of Vianode, a producer of sustainable battery materials. Hydro and Altor will each have 30% ownership in Vianode, while Elkem will retain 40% ownership. The transaction is subject to formal and regulatory approvals. Vianode has developed a range of synthetic graphite products for batteries with unique performance characteristics and produced with significantly lower CO₂ emissions than today's standard materials. An investment decision for a potential first-phase plant at Herøya, Norway, is expected in the first half of 2022. This investment is estimated to around NOK 2 billion and is pending clarifications related to framework conditions.

Specialisation and innovation are key parts of Elkem's strategy. In 2021, 26% of the sales by the Silicones division were generated from new products launched in the past five years. The Silicones Xinghuo expansion project in China is expected to generate additional NOK 5 billion of sales from downstream specialisation by 2030. To reach this target, Elkem has resolved to invest approximately NOK 150 million in a flagship R&I centre for the Asia-Pacific region in Shanghai. The new R&I centre will house several application centres addressing the development trends in key industries such as high-performance silicone products for EVs, medical devices, cosmetics, coating materials for textile, leather and airbags, and products for 3D printing.

In the first quarter, Elkem was awarded the Platinum rating on sustainability transparency from EcoVadis, one of the world's largest and most trusted providers of business sustainability ratings. This positions Elkem among the top 1% of the companies evaluated worldwide. Sustainability is an integrated part of Elkem's business strategy.

The Russian invasion of Ukraine continues. Elkem's first priority is to ensure the health and safety of our people and business partners and to make sure we comply with international sanctions. Elkem does not have any plants or own employees in Ukraine or Russia, and the sales to these countries constituted very limited parts of Elkem's revenues in 2021. The situation is not expected to directly impact Elkem's operations. Our hearts and minds are with the people affected.

The group's equity as at 31 March 2022 amounted to NOK 22,853 million, which gave a ratio of equity to total assets of 51%. Net interest-bearing debt was NOK 3,756 million, which gave a ratio of net interest-bearing debt to EBITDA of 0.4x. Elkem had cash and cash equivalents of NOK 8,127 million as at 31 March 2022 and undrawn credit lines of more than NOK 3,000 million.

Elkem continues to see strong demand going into the second quarter, explained by strong market positions, and robust and integrated value chains. In Silicones, Elkem's operations in EMEA and US will gradually benefit from somewhat lower silicon prices. In APAC, covid restrictions in China could impact demand. Silicon Products will however continue to benefit from strong demand and high prices. The contract prices for silicon will be somewhat down compared to the first quarter 2022, but remaining at highly attractive levels. Carbon Solutions continues to benefit from strong steel and ferroalloys markets outside China but could be exposed to raw material and transportation constraints.

Financial review

Group results

KEY FIGURES	1Q 2022	1Q 2021	YTD 2022	YTD 2021	FY 2021
<i>MNOK except where indicated otherwise</i>					
Total operating income	11,876	7,193	11,876	7,193	33,717
EBITDA	3,875	1,231	3,875	1,231	7,791
EBIT	3,399	806	3,399	806	5,899
Other items	-23	-63	-23	-63	-114
Net financial items	32	57	32	57	6
Profit (loss) before income tax	3,401	824	3,401	824	5,827
Tax	-732	-133	-732	-133	-1,163
Profit (loss) for the period	2,670	691	2,670	691	4,664

Quarter and year to date

Elkem group had total operating income of NOK 11,876 million in 1Q-2022, which was up 65% from NOK 7,193 million in 1Q-2021. All three divisions increased their operating income, mainly explained by higher sales prices.

The group's EBITDA for 1Q-2022 was NOK 3,875 million, which was up 215% from NOK 1,231 million in the corresponding quarter last year. Increased EBITDA was particularly driven by Silicon Products, but also Carbon Solutions reported all-time high EBITDA. The EBITDA was mainly driven by higher sales prices but increased raw material costs were partly offsetting the higher sales prices for all divisions.

EBIT for 1Q-2022 was NOK 3,399 million, up from NOK 806 million in 1Q-2021.

Other items include fair value changes from commodity contracts, gains (losses) on embedded derivatives in power contracts, value changes from currency forward contracts and other income and expenses. Other items amounted to NOK -23 million in 1Q-2022, mainly related to a loss of NOK -17 million recycled from other comprehensive income related to an interest rate hedge following the acquisition of the remaining 50% of Salten Energigjenvinning. The hedge has subsequently been terminated. Net loss from derivatives and other amounted to NOK -6 million.

Net financial items were NOK 32 million in 1Q-2022, compared to NOK 57 million in 1Q-2021. Net interest expenses amounted to NOK -41 million, which was down from NOK -58 million in the corresponding quarter last year, mainly due to higher interest income. Gains on foreign exchange amounted to NOK 78 million, compared to NOK 123 million in 1Q-2021. The foreign exchange gains in 1Q-2022 was explained by positive translation effects on external loans in EUR. Other financial expenses amounted to NOK -5 million.

Profit before income tax was NOK 3,401 million in 1Q-2022 compared to NOK 824 million in 1Q-2021.

Tax expenses in the quarter was NOK -732 million, giving a tax rate for the quarter of 22%.

Profit for the period was NOK 2,670 million, compared to NOK 691 million in 1Q-2021. Owners of the parent's share of profit was NOK 2,658 million, which gave earnings per share of NOK 4.20 in 1Q-2022.

Cash flow

CASH FLOW FROM OPERATIONS	1Q 2022	1Q 2021	YTD 2022	YTD 2021	FY 2021
<i>NOK million</i>					
Operating profit (loss) before other items	3,399	806	3,399	806	5,899
Amortisation, depreciation and impairment	476	425	476	425	1,892
Changes in working capital	-804	-395	-804	-395	-2,020
Reinvestments	-256	-259	-256	-259	-1,657
Equity accounted investments	-17	13	-17	13	-15
Cash flow from operations	2,798	589	2,798	589	4,100
Other cash flow items	-1,688	458	-1,688	458	-316
Change in cash and cash equivalents	1,110	1,047	1,110	1,047	3,784

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

Quarter and year to date

Cash flow from operations was NOK 2,798 million in 1Q-2022, compared to NOK 589 million in 1Q-2021. Increased cash flow from operations was explained by higher operating profit. The working capital increased by NOK 804 million, mainly due to higher prices for raw materials and finished goods.

Reinvestments were NOK 256 million in 1Q-2022, which amounted to 54% of depreciation and amortisation (D&A). Strategic investments were included in other cash flow items and amounted to NOK 341 million, up from NOK 184 million in 1Q-2021. The strategic investments were mainly related to the Silicones expansion projects. Other strategic investments include biocarbon and Vianode.

Change in cash and cash equivalents was NOK 1,110 million in 1Q-2022. Currency exchange differences was NOK -22 million. As at 31 March 2022 the total cash and cash equivalents amounted to NOK 8,127 million.

Financial position

FINANCIAL POSITION	1Q 2022	1Q 2021	FY 2021
Total equity (NOK million)	22,853	13,440	19,874
Equity ratio (%)	51 %	41 %	47 %
EPS (NOK per share)	4.20	1.17	7.49
Net interest bearing debt (NOK million) ⁽¹⁾	3,756	7,668	4,827
Leverage ratio based on LTM EBITDA (ratio)	0.4	2.3	0.6

¹⁾ Excluding receivables from related parties, loans to external parties, accrued interest income and non-current other restricted deposits

Quarter and year to date

Elkem's equity as at 31 March 2022 was NOK 22,853 million, up NOK 2,979 million from 31 December 2021. Profit for the period YTD-2022 was NOK 2,670 million. Other changes in equity were NOK 309 million.

The equity ratio as at 31 December 2021 was 51%. Compared to year-end 2021, the equity ratio was up from 47%. Adjusted for the dividend payment for 2021, the pro-forma equity would amount to NOK 21.0 billion, giving a pro-forma equity ratio of 49%.

Net-interest bearing debt as at 31 March 2022 was NOK 3,756 million, which was a reduction of NOK 1,071 million from 31 December 2021. The reduction was mainly explained by increase in cash and cash equivalents due to strong cash flow generation. The leverage ratio was 0.4x as at 31 March 2022. Adjusted for the dividend payment for 2021, the pro-forma NIBD would amount to NOK 5.7 billion, which gives a pro-forma leverage ratio of 0.5x.

Segments

Silicones

KEY FIGURES	1Q 2022	1Q 2021	YTD 2022	YTD 2021	FY 2021
<i>MNOK except where indicated otherwise</i>					
Total operating income	5,234	3,723	5,234	3,723	17,429
EBITDA	821	587	821	587	3,672
EBITDA margin	16 %	16 %	16 %	16 %	21 %
Sales volume (thousand mt)	99	107	99	107	409

Quarter and year to date

The Silicones division had total operating income of NOK 5,234 million in 1Q-2022 up 41% from NOK 3,723 million in 1Q-2021. The increase in operating income was driven by higher sales prices in all markets.

EBITDA for 1Q-2022 was NOK 821 million, up 40% from the first quarter last year. Improved EBITDA was explained by higher sales prices. However, increased sales prices were largely offset by cost increases, particularly for silicon.

The sales volumes in the quarter were strong, but somewhat down compared to the corresponding quarter last year. Elkem saw strong demand in all regions, but transportation was causing some delays.

Silicon Products

KEY FIGURES	1Q 2022	1Q 2021	YTD 2022	YTD 2021	FY 2021
<i>MNOK except where indicated otherwise</i>					
Total operating income	6,430	3,136	6,430	3,136	14,783
EBITDA	3,272	526	3,272	526	3,702
EBITDA margin	51 %	17 %	51 %	17 %	25 %
Sales volume (thousand mt) ¹⁾	130	132	130	132	502

1) Excluding Microsilica and quartz

Quarter and year to date

Silicon Products had total operating income of NOK 6,430 million in 1Q-2022, which was up 105% from 1Q-2021. The increase in operating income was mainly driven by high sales prices.

The EBITDA for Silicon Products was NOK 3,272 million in 1Q-2022, which was new all-time high, already approaching the full-year EBITDA for 2021. The strong EBITDA result was explained by higher sales prices, good production and strong cost position. There was an underlying industry cost pressure, but Elkem's cost positions was relatively stable.

Elkem continued to see strong demand, benefitting from robust value chains.

Carbon Solutions

KEY FIGURES	1Q 2022	1Q 2021	YTD 2022	YTD 2021	FY 2021
<i>MNOK except where indicated otherwise</i>					
Total operating income	727	486	727	486	2,176
EBITDA	194	121	194	121	508
EBITDA margin	27 %	25 %	27 %	25 %	23 %
Sales volume (thousand mt)	78	70	78	70	294

Quarter and year to date

Carbon Solutions reported total operating income of NOK 727 million in 1Q-2022, up 50% from 1Q-2021. The operating income reached all-time high in the quarter, explained by high sales volumes and improved sales prices.

The EBITDA for 1Q-2022 amounted to NOK 194 million, up 60% from NOK 121 million in the corresponding quarter last year. Improved EBITDA was explained by higher sales prices and higher sales volumes. General cost pressure and higher raw material costs were partly offsetting the increased sales prices.

Strong demand and good productivity were resulting in high sales volumes.

Outlook for the second quarter 2022

Elkem continues to see strong demand going into the second quarter, explained by strong market positions, and robust and integrated value chains.

In Silicones, Elkem's operations in EMEA and US will gradually benefit from somewhat lower silicon prices. In APAC, covid restrictions in China could impact demand.

Silicon Products will continue to benefit from good demand and high prices. Contract prices for silicon will be down compared to the first quarter 2022, but remaining at highly attractive levels.

Carbon Solutions continues to benefit from strong steel and ferroalloys markets outside China, but could be exposed to raw material and transportation constraints.

Elkem ASA

Oslo, 26 April 2022

Condensed consolidated statement of comprehensive income (unaudited)

Amounts in NOK million	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
Profit (loss) for the period	2,670	691	2,670	691	4,664
Remeasurement of defined benefit pension plans	-	2	-	2	69
Tax effects on remeasurements of defined benefit pension plans	-	(0)	-	(0)	(10)
Change in fair value of equity instruments	-	-	-	-	3
Share of other comprehensive income (loss) from equity accounted companies	-	-	-	-	-
Total items that will not be reclassified to profit or loss	-	1	-	1	62
Currency translation differences	(102)	(206)	(102)	(206)	358
Hedging of net investment in foreign operations	77	132	77	132	130
Tax effects hedging of net investment in foreign operations	(17)	(29)	(17)	(29)	(29)
Cash flow hedges	402	272	402	272	697
Tax effects on cash flow hedges	(88)	(60)	(88)	(60)	(153)
Share of other comprehensive income (loss) from equity accounted companies	20	5	20	5	13
Total items that may be reclassified to profit or loss	293	114	293	114	1,016
Other comprehensive income, net of tax	293	116	293	116	1,078
Total comprehensive income	2,962	807	2,962	807	5,742
Attributable to:					
Non-controlling interests' share of comprehensive income	10	6	10	6	36
Owners of the parent's share of comprehensive income	2,952	801	2,952	801	5,706
Total comprehensive income	2,962	807	2,962	807	5,742

Condensed consolidated interim statement of financial position (unaudited)

Amounts in NOK million	Note	31 March 2022	31 March 2021	31 December 2021
ASSETS				
Property, plant and equipment	3	16,585	13,971	15,722
Right-of-use assets	3	1,001	875	1,017
Goodwill	3	934	909	941
Other intangible assets	3	1,661	1,330	1,602
Deferred tax assets		99	89	48
Investments in equity accounted companies		210	194	241
Derivatives	8	582	131	304
Other assets		502	363	478
Total non-current assets		21,574	17,861	20,353
Inventories		7,855	5,323	7,716
Trade receivables		4,742	3,324	4,297
Derivatives	8	401	165	283
Other assets		1,702	1,336	1,551
Restricted deposits	7	649	368	609
Cash and cash equivalents	7	8,127	4,183	7,040
Total current assets		23,477	14,700	21,497
TOTAL ASSETS		45,051	32,561	41,850
EQUITY AND LIABILITIES				
Paid-in capital	9	8,107	6,338	8,097
Retained earnings		14,651	7,001	11,692
Non-controlling interests		96	100	86
Total equity		22,853	13,440	19,874
Interest-bearing liabilities	7	8,508	8,332	8,409
Deferred tax liabilities		668	402	505
Employee benefit obligations		599	658	611
Derivatives	8	0	194	18
Provisions and other liabilities		186	325	182
Total non-current liabilities		9,961	9,910	9,724
Trade payables		4,290	3,452	4,614
Income tax payables		1,438	161	914
Interest-bearing liabilities	7	1,763	2,690	1,972
Bills payable	7	2,262	1,196	2,096
Employee benefit obligations		844	657	976
Derivatives	8	11	20	23
Provisions and other liabilities		1,629	1,035	1,657
Total current liabilities		12,237	9,210	12,252
TOTAL EQUITY AND LIABILITIES		45,051	32,561	41,850

Condensed consolidated interim statement of cash flows (unaudited)

Amounts in NOK million	Note	First quarter		Year to date		Year
		2022	2021	2022	2021	2021
Operating profit (loss)		3,376	743	3,376	743	5,785
Amortisation, depreciation and impairment	4	476	425	476	425	1,892
Changes in working capital		(804)	(395)	(804)	(395)	(2,020)
Equity accounted companies		(17)	13	(17)	13	(15)
Changes fair value of derivatives		(106)	43	(106)	43	(9)
Changes in provisions, bills receivables and other		(138)	221	(138)	221	(88)
Interest payments received		13	5	13	5	34
Interest payments made		(45)	(55)	(45)	(55)	(242)
Income taxes paid		(244)	(253)	(244)	(253)	(423)
Cash flow from operating activities		2,510	747	2,510	747	4,913
Investments in property, plant and equipment and intangible assets	4	(911)	(616)	(911)	(616)	(3,128)
Acquisition of subsidiaries, net of cash acquired	3	(84)	-	(84)	-	-
Payment of contingent consideration related to acquisitions (IFRS 3)		-	-	-	-	(78)
Other investments / sales		14	1	14	1	21
Cash flow from investing activities		(981)	(615)	(981)	(615)	(3,185)
Dividends paid to non-controlling interests		-	(14)	-	(14)	(58)
Dividends paid to owners		-	-	-	-	(96)
Capital increase		-	39	-	39	1,900
Net sale (purchase) of treasury shares		8	(36)	8	(36)	(278)
Net changes in bills payable and restricted deposits		164	99	164	99	709
Payment of lease liabilities		(24)	(32)	(24)	(32)	(118)
New interest-bearing loans and borrowings		282	1,544	282	1,544	3,177
Payment of interest-bearing loans and borrowings		(849)	(685)	(849)	(685)	(3,180)
Cash flow from financing activities		(419)	916	(419)	916	2,056
Change in cash and cash equivalents		1,110	1,047	1,110	1,047	3,784
Currency exchange differences		(22)	(19)	(22)	(19)	101
Cash and cash equivalents opening balance		7,040	3,154	7,040	3,154	3,154
Cash and cash equivalents closing balance		8,127	4,183	8,127	4,183	7,040

Condensed consolidated interim statement of changes in equity (unaudited)

Amounts in NOK million	Total paid in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Opening balance 1 January 2022	8,097	11,692	19,789	86	19,874
Profit (loss) for the period	-	2,658	2,658	11	2,670
Other comprehensive income	-	294	294	(1)	293
Total comprehensive income	-	2,952	2,952	10	2,962
Share-based payment	8	-	8	-	8
Net movement treasury shares (note 9)	2	6	8	-	8
Closing balance 31 March 2022	8,107	14,651	22,758	96	22,853

Amounts in NOK million	Total paid in capital	Total retained earnings	Total owners share	Non-controlling interest	Total
Opening balance 1 January 2021	6,296	6,232	12,527	108	12,635
Profit (loss) for the period	-	684	684	8	691
Other comprehensive income	-	117	117	(1)	116
Total comprehensive income	-	801	801	6	807
Share-based payment	8	-	8	-	8
Capital increase (note 9)	39	-	39	-	39
Net movement treasury shares (note 9)	(5)	(31)	(36)	-	(36)
Dividends to equity holders	-	-	-	(14)	(14)
Closing balance 31 March 2021	6,338	7,001	13,340	100	13,440

Amounts in NOK million	Total paid in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Opening balance 1 January 2021	6,296	6,232	12,527	108	12,635
Profit (loss) for the period	-	4,628	4,628	36	4,664
Other comprehensive income	-	1,079	1,079	(0)	1,078
Total comprehensive income	-	5,706	5,706	36	5,742
Share-based payment	28	-	28	-	28
Capital increase (note 9)	1,900	-	1,900	-	1,900
Net movement treasury shares (note 9)	(32)	(246)	(278)	-	(278)
Dividends to equity holders	(96)	-	(96)	(58)	(154)
Closing balance 31 December 2021	8,097	11,692	19,789	86	19,874

Notes to the condensed consolidated interim financial statements

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

Elkem ASA is a limited liability company located in Norway and whose shares are publicly traded at Oslo Stock Exchange. Elkem ASA's condensed consolidated financial statements for the first quarter of 2022 were approved at the meeting of the board of directors on 26 April 2022.

Basis for preparation

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

Elkem's interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The condensed interim statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements in Elkem's Annual Report for 2021. The accounting policies applied are consistent with those applied in the annual consolidated financial statements 2021.

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

Judgements, estimates and assumptions

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

The main judgements, estimates and assumptions are described in the annual consolidated financial statements for 2021 (note 3).

Note 2 Operating segments

Elkem has three reportable segments; Silicones, Silicon Products and Carbon Solutions.

- The **Silicones** division produces and sells a range of silicone-based products across various sub-sectors including release coatings, engineering elastomers, healthcare products, specialty fluids, emulsions and resins.
- The **Silicon Products** division produces various grades of metallurgical silicon, ferrosilicon, foundry alloys and microsilica for use in a wide range of end applications.
- The **Carbon Solutions** division produces carbon electrode materials, lining materials and specialty carbon products for metallurgical processes for the production of a range of metals.
- **Other** comprise Elkem group management and centralised functions within finance, logistics, power purchase, technology, digital office and strategic projects such as biocarbon and battery projects.
- **Eliminations** comprise intersegment sales and profit. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties.

Elkem identifies its segments according to the organisation and reporting structure used by group management. Segments performance are evaluated based on EBITDA and operating profit (loss) before other items (EBIT). EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items, impairment loss and amortisation and depreciation. Elkem's definition of EBITDA may be different from other companies.

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

First quarter 2022	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	5,185	5,753	663	(1)	-	11,599
Other revenue	6	21	5	51	-	84
Other operating income	29	135	1	4	-	168
Share of profit from equity accounted companies	0	-	-	25	-	25
Total operating income from external customers	5,220	5,909	669	78	-	11,876
Operating income from other segments	14	521	58	108	(701)	0
Total operating income	5,234	6,430	727	186	(701)	11,876
Operating expenses	(4,413)	(3,158)	(533)	(263)	365	(8,001)
EBITDA	821	3,272	194	(76)	(336)	3,875
Operating profit (loss) before other items (EBIT)	522	3,129	172	(88)	(336)	3,399

First quarter 2021	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	3,678	2,845	426	9	-	6,958
Other revenue	5	16	4	50	-	75
Other operating income	29	117	1	6	-	153
Share of profit from equity accounted companies	-	-	-	7	-	7
Total operating income from external customers	3,713	2,977	430	72	-	7,193
Operating income from other segments	10	159	56	101	(326)	-
Total operating income	3,723	3,136	486	174	(326)	7,193
Operating expenses	(3,136)	(2,610)	(366)	(192)	341	(5,963)
EBITDA	587	526	121	(18)	15	1,231
Operating profit (loss) before other items (EBIT)	332	393	100	(35)	15	806

Year to date 31 March 2022	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	5,185	5,753	663	(1)	-	11,599
Other revenue	6	21	5	51	-	84
Other operating income	29	135	1	4	-	168
Share of profit from equity accounted companies	0	-	-	25	-	25
Total operating income from external customers	5,220	5,909	669	78	-	11,876
Operating income from other segments	14	521	58	108	(701)	0
Total operating income	5,234	6,430	727	186	(701)	11,876
Operating expenses	(4,413)	(3,158)	(533)	(263)	365	(8,001)
EBITDA	821	3,272	194	(76)	(336)	3,875
Operating profit (loss) before other items (EBIT)	522	3,129	172	(88)	(336)	3,399

Year to date 31 March 2021	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	3,678	2,845	426	9	-	6,958
Other revenue	5	16	4	50	-	75
Other operating income	29	117	1	6	-	153
Share of profit from equity accounted companies	-	-	-	7	-	7
Total operating income from external customers	3,713	2,977	430	72	-	7,193
Operating income from other segments	10	159	56	101	(326)	-
Total operating income	3,723	3,136	486	174	(326)	7,193
Operating expenses	(3,136)	(2,610)	(366)	(192)	341	(5,963)
EBITDA	587	526	121	(18)	15	1,231
Operating profit (loss) before other items (EBIT)	332	393	100	(35)	15	806

Year 2021	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	17,206	13,557	1,917	64	-	32,743
Other revenue	43	96	21	179	-	340
Other operating income	117	422	5	41	-	586
Share of profit from equity accounted companies	0	(1)	-	51	-	49
Total operating income from external customers	17,366	14,074	1,943	335	-	33,717
Operating income from other segments	63	710	234	398	(1,404)	(0)
Total operating income	17,429	14,783	2,176	733	(1,404)	33,717
Operating expenses	(13,758)	(11,081)	(1,669)	(777)	1,358	(25,926)
EBITDA	3,672	3,702	508	(44)	(46)	7,791
Operating profit (loss) before other items (EBIT)	2,528	3,154	360	(97)	(46)	5,899

Note 3 Changes in composition of the group

31 January 2022 Elkem increased its ownership in Salten Energigjenvinning AS (SEAS) from 50% to 100% from Kvitebjørn Energi AS. Salten Energigjenvinning AS operates the Elkem Salten energy recovery plant. The investment in the energy recovery plant further strengthens Elkem's efforts to ensure environmentally friendly silicon and ferrosilicon production with the lowest possible emissions and lowest possible use of resources.

The energy recovery plant has been built in partnership between Elkem and Kvitebjørn Energi. The total investment in the energy recovery plant has amounted to around NOK 1,163 million, financed through a NOK 350 million grant from Enova, significant external debt and some equity. The book value of Elkem's 50% share was NOK 47 million at 31 January 2022. The difference between the fair value and the book value of the 50% share results in a fair value gain of NOK 79 million. However, as the gain is considered to be completely related to an intercompany power purchase agreement the gain will be eliminated in Elkem Group. Also, a loss of NOK 17 million related to Elkem's share of the cash flow reserve from an interest rate hedge in SEAS was reclassified from other comprehensive income to other items in profit and loss as a result of the transaction (see note 5).

	Year-to-date 2022
Net cash outflow	
Cash transferred on acquisition	- 122
Cash and cash equivalents of the acquiree	38
Acquisition of subsidiaries, net of cash acquired	- 84

The table below summarise the total consideration and the provisional amounts recognised for assets acquired and liabilities assumed after the business combination:

Consideration	
Cash transferred on acquisition	122
Fair value of 50% pre-transaction ownership	122
Total consideration	244

	Carrying amount	Excess value	Fair value
Non-current assets	827	92	919
Current assets	51	-	51
Non-current liabilities	(737)	(20)	(758)
Current liabilities	(47)	-	(47)
Total identifiable net assets	93	72	165
Elimination of intercompany gain on acquisition	-	-	79
Total recognised	93	72	244

In the provisional purchase price allocation, the full excess value was allocated to property, plant and equipment, less deferred tax.

Note 4 Fixed assets, right-of-use assets, goodwill and intangible assets

31 March 2022	Property, plant and equipment	Right-of-use assets	Goodwill	Other intangible assets
Cost				
Opening balance	35,009	1,310	941	3,175
Additions	532	30	-	65
Reclassifications	(52)	-	-	55
Business combinations	911	-	-	-
Disposals	(82)	(21)	-	(0)
Currency translation differences	(228)	(7)	(8)	(51)
Closing balance	36,090	1,311	934	3,243
Accumulated depreciation				
Opening balance	(16,514)	(288)	-	(1,572)
Addition	(406)	(27)	-	(43)
Reclassifications	-	(3)	-	-
Disposals	54	10	-	0
Currency translation differences	101	3	-	33
Closing balance	(16,764)	(306)	-	(1,581)
Impairment losses				
Opening balance	(2,774)	(5)	-	(1)
Addition	(1)	-	-	-
Disposals	15	-	-	-
Currency translation differences	19	0	-	0
Closing balance	(2,740)	(5)	-	(1)
Net book value 31 March 2022	16,585	1,001	934	1,661

31 March 2021	Property, plant and equipment	Right-of-use assets	Goodwill	Other intangible assets
Cost				
Opening balance	31,759	1,087	919	2,753
Additions	358	34	-	81
Reclassifications	(2)	-	-	2
Disposals	(33)	(21)	-	(7)
Currency translation differences	(358)	(14)	(11)	(76)
Closing balance	31,725	1,085	909	2,753
Accumulated depreciation				
Opening balance	(15,043)	(212)	-	(1,433)
Addition	(348)	(30)	-	(42)
Reclassifications	-	-	-	-
Disposals	24	20	-	3
Currency translation differences	181	11	-	50
Closing balance	(15,186)	(211)	-	(1,422)
Impairment losses				
Opening balance	(2,584)	-	-	(1)
Addition	(1)	-	-	(4)
Disposals	5	-	-	4
Currency translation differences	13	-	-	0
Closing balance	(2,567)	-	-	(1)
Net book value 31 March 2021	13,971	875	909	1,330

31 December 2021	Property, plant and equipment	Right-of-use assets	Goodwill	Other intangible assets
Cost				
Opening balance	31,759	1,087	919	2,753
Additions	3,033	260	-	342
Reclassifications	(110)	-	-	118
Disposals	(328)	(51)	-	(9)
Currency translation differences	656	14	22	(28)
Closing balance	35,009	1,310	941	3,175
Accumulated depreciation				
Opening balance	(15,043)	(212)	-	(1,433)
Additions	(1,523)	(116)	-	(177)
Reclassifications	1	(7)	-	(1)
Disposals	255	49	-	5
Currency translation differences	(203)	(2)	-	35
Closing balance	(16,514)	(288)	-	(1,572)
Impairment losses				
Opening balance	(2,584)	-	-	(1)
Addition	(67)	(5)	-	(4)
Disposals	38	-	-	4
Currency translation differences	(160)	(0)	-	0
Closing balance	(2,774)	(5)	-	(1)
Net book value 31 December 2020	15,722	1,017	941	1,602

Note 5 Other items

	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
Change in fair value commodity contracts	(0)	5	(0)	5	(1)
Embedded EUR derivatives power contracts, interest element	20	(40)	20	(40)	3
Ineffectiveness on cash flow hedges	0	1	0	1	3
Net foreign exchange gains (losses) - forward currency contracts	36	9	36	9	14
Operating foreign exchange gains (losses)	(61)	(38)	(61)	(38)	20
Total other gains / (losses)	(5)	(63)	(5)	(63)	39
Dividends from other shares	0	1	0	1	3
Change in fair value from other shares measured at fair value through profit or loss	1	(1)	1	(1)	2
Gains (losses) on aquisition and disposal of subsidiaries ¹⁾	(17)	-	(17)	-	-
Restructuring expenses	-	-	-	-	41
Dismantling and environmental expenses	-	-	-	-	(181)
Other	(2)	0	(2)	0	(17)
Total other income / (expenses)	(18)	(0)	(18)	(0)	(153)
Total other items	(23)	(63)	(23)	(63)	(114)

¹⁾ Elkem's share of the cash flow reserve from an interest rate hedge in Salten Energigjenvinning is recycled from other comprehensive income to other items following the aquisition of the final 50 percent up to 100 percent of the shares in the company. Refer to note 3 for more information.

Note 6 Finance income and expenses

	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
Interest income on loans and receivables	13	5	13	5	34
Other financial income	0	0	0	0	6
Total finance income	13	5	13	5	40
Foreign exchange gains (losses)	78	123	78	123	241
Interest expenses on interest-bearing liabilities measured at amortised cost	(41)	(51)	(41)	(51)	(206)
Interest expenses from other items measured at amortised cost	(7)	(5)	(7)	(5)	(23)
Interest expenses on lease liabilities	(8)	(7)	(8)	(7)	(26)
Capitalised interest expenses	2	1	2	1	5
Unwinding of discounted liabilities	(2)	(1)	(2)	(1)	(8)
Interest on net pension liabilities	(2)	(1)	(2)	(1)	(8)
Other financial expenses	(1)	(6)	(1)	(6)	(10)
Total finance expenses	(59)	(71)	(59)	(71)	(276)
Net Finance income (expenses)	32	57	32	57	6

Note 7 Interest-bearing assets and liabilities

	31 March 2022	31 March 2021	31 December 2021
Lease liabilities	672	554	685
Loans from external parties, other than bank	3,108	3,157	3,125
Bank financing	4,727	4,621	4,599
Total non-current interest-bearing debt	8,508	8,332	8,409
Lease liabilities	120	107	116
Loans from external parties, other than banks	1,228	1,958	1,264
Bank financing, current	388	592	572
Accrued interest	25	33	20
Total current interest-bearing debt	1,763	2,690	1,972
Bills payable, current	2,262	1,196	2,096
Restricted deposits bills payable, current	616	363	601
Net bills payable	1,646	833	1,494
Cash and cash equivalents	8,127	4,183	7,040
Other restricted deposits, current	33	5	8
Other restricted deposits, non-current	44	40	41
Receivables from related parties, non-current	1	1	1
Loans to external parties, non-current	8	8	8
Accrued interest income, current	0	1	1
Total other interest-bearing assets	8,214	4,238	7,099
Net interest-bearing assets / (liabilities)	(3,703)	(7,618)	(4,776)

Note 8 Cash flow hedging

Hedge Accounting

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

Derivatives as at 31 March 2022

	Nominal value	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
Purchase contracts							
Forward currency contracts	2,910	219	191	66	35	43	47
Embedded EUR derivatives	4,098	109	3	(2)	(2)	(2)	9
Power contracts ¹⁾	1,508	641	671	294	138	80	159
Warrants	3	3	-	-	-	-	-
Platinum contracts	4	0	0	0	-	-	-
Total derivatives		973	865	358	171	121	216
EUR loan designed as cash flow hedging instrument		104	(7)	(4)	(4)	-	-
Total			857	354	167	121	216

¹⁾ Hedge accounting is applied for some of the contracts / part of contracts.

Realised effects hedge accounting, recycled from OCI	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
Realised effects from forward currency contracts, Revenue	10	22	10	22	127
Realised effects from embedded derivatives EUR, Revenue	(3)	(9)	(3)	(9)	(31)
Realised effects from EUR loans, Revenue	-	0	0	0	(4)
Realised effects from power contracts, Raw materials and energy for production	199	31	199	31	315
Total realised hedging effects recycled from OCI	206	44	206	44	407

See note 25 Financial assets and liabilities, note 26 Hedging and note 27 Financial risk to the consolidated financial statements for the year ended 31 December 2021.

Note 9 Number of shares

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

	Shares outstanding	Treasury shares	Total issued shares
<i>Numbers are whole numbers</i>			
Opening balance at 1 January 2022	633,037,606	6,403,772	639,441,378
Sale of treasury shares	398,136	- 398,136	-
Closing balance 31 March 2022	633,435,742	6,005,636	639,441,378

	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
<i>Numbers are whole numbers</i>					
Weighted average number of shares outstanding	633,245,400	582,027,872	633,245,400	582,027,872	618,160,299
Effects of dilution from share-based payment	2,840,351	3,768,017	2,840,351	3,768,017	3,876,305
Weighted average number of outstanding shares diluted	636,085,751	585,795,889	636,085,751	585,795,889	622,036,604

In the annual general meeting held on 27 April 2021, the board of directors was granted an authorisation to repurchase the company's own shares within a total nominal value of up to NOK 291,492,672. 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 2022, but not later than 30 June 2022. 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.

In the annual general meeting held on 27 April 2021, the board of directors was granted an authorisation to increase the company's share capital with an amount up to NOK 291,492,672 - corresponding to 10 per cent of the current share capital. The authorisation is valid until the annual general meeting in 2022, but not later than 30 June 2022. The authorisation can be used to cover share capital increases against contribution in kind and in connection with mergers.

In the annual general meeting held on 27 April 2021, the board of directors was granted an authorisation to increase the share capital by up to NOK 40,000,000 to be used in connection with the issuance of new shares under share incentive scheme. The authorisation is valid until the annual general meeting in 2022, but not later than 30 June 2022. The authorisation does not cover capital increases against contribution in kind or capital increases in connection with mergers.

Note 10 Events after the reporting period

On April 6th Elkem, Hydro and Altor (Altor Fund V) announced a partnership with the intention to accelerate the growth of Elkem ASA's subsidiary Vianode AS, a producer of sustainable battery materials. An investment decision for a potential first-phase plant at Herøya, Norway, is expected in the first half of 2022.

The final outcome of the transaction will be that Hydro and Altor each will have 30% ownership in Vianode, while Elkem will retain a 40% ownership.

The transaction is subject to formal approval by all parties and regulatory approvals, including competition authorities.

Appendix - Alternative performance measures (APMs)

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

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

Elkem's financial APMs, EBITDA and EBIT

- EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items, impairment loss and amortisation and depreciation.
- EBITDA margin is defined as EBITDA divided by total operating income.
- EBIT, also referred to as operating profit (loss) before other items is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments and other items.

Below is a reconciliation of EBIT and EBITDA

First quarter 2022	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						2,670
Income tax (expense) benefit						732
Finance expenses						59
Foreign exchange gains (losses)						(78)
Finance income						(13)
Share of profit from equity accounted financial investments						6
Other items						23
EBIT	522	3,129	172	(88)	(336)	3,399
Impairment losses						1
Amortisations and depreciations						475
EBITDA	821	3,272	194	(76)	(336)	3,875

First quarter 2021	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						691
Income tax (expense) benefit						133
Finance expenses						71
Foreign exchange gains (losses)						(123)
Finance income						(5)
Share of profit from equity accounted financial investments						(25)
Other items						63
EBIT	332	393	100	(35)	15	806
Impairment losses						5
Amortisations and depreciations						420
EBITDA	587	526	121	(18)	15	1,231

Year to date 31 March 2022	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						2,670
Income tax (expense) benefit						732
Finance expenses						59
Foreign exchange gains (losses)						(78)
Finance income						(13)
Share of profit from equity accounted financial investments						6
Other items						23
EBIT	522	3,129	172	(88)	(336)	3,399
Impairment losses						1
Amortisations and depreciations						475
EBITDA	821	3,272	194	(76)	(336)	3,875

Year to date 31 March 2021	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						691
Income tax (expense) benefit						133
Finance expenses						71
Foreign exchange gains (losses)						(123)
Finance income						(5)
Share of profit from equity accounted financial investments						(25)
Other items						63
EBIT	332	393	100	(35)	15	806
Impairment losses						5
Amortisations and depreciations						420
EBITDA	587	526	121	(18)	15	1,231

Year 2021	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						4,664
Income tax (expense) benefit						1,163
Finance expenses						276
Foreign exchange gains (losses)						(241)
Finance income						(40)
Share of profit from equity accounted financial investments						(37)
Other items						114
EBIT	332	393	100	(35)	15	5,899
Impairment losses						76
Amortisations and depreciations						1,816
EBITDA	587	526	121	(18)	15	7,791

Elkem's financial APMs, Leverage ratio

- Net interest-bearing debt that is used to measured leverage ratio is excluding non-current other restricted deposits, receivables from related parties, loans to external parties and accrued interest income. These assets are not easily available to be used to finance the group's operations. Below a calculation of Elkem's leverage ratio.

	31 March 2022	31 March 2021	31 December 2021
Net interest-bearing assets / (liabilities)	(3,703)	(7,618)	(4,776)
Other restricted deposits, non-current	(44)	(40)	(41)
Receivables from related parties, non-current	(1)	(1)	(1)
Loans to external parties, non-current	(8)	(8)	(8)
Accrued interest income, current	(0)	(1)	(1)
Net interest-bearing debt	(3,756)	(7,668)	(4,827)
EBITDA (LTM)	10,435	3,324	7,791
Leverage ratio	0.4	2.3	0.6

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, pension obligations and other, changes in fair value commodity contracts, other items (from the statement of profit or loss) 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.

	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
Reinvestments	(256)	(259)	(256)	(259)	(1,657)
Strategic investments	(341)	(184)	(341)	(184)	(1,717)
Periodisation ¹⁾	(314)	(173)	(314)	(173)	245
Investments in property, plant and equipment and intangible assets	(911)	(616)	(911)	(616)	(3,128)

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

	First quarter		Year to date		Year
	2022	2021	2022	2021	2021
Cash flow from operating activities	2,510	747	2,510	747	4,913
Income taxes paid	244	253	244	253	423
Interest payments made	45	55	45	55	242
Interest payments received	(13)	(5)	(13)	(5)	(34)
Changes in provisions, bills receivables and other	138	(221)	138	(221)	88
Changes in fair value commodity contracts	106	(43)	106	(43)	9
Other items	23	63	23	63	114
Reinvestments	(256)	(259)	(256)	(259)	(1,657)
Cash flow from operations	2,798	589	2,798	589	4,100

Elkem's financial APMs, ROCE

- ROCE, Return on capital employed, is defined as EBIT divided by the average capital employed, where capital employed comprises working capital, property, plant and equipment, right-of-use assets, goodwill, other intangible assets, investments equity accounted companies and trade payables and prepayments related to purchase of non-current assets.
- Working capital is defined as accounts receivables, inventory, other current assets, accounts payable, 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 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, goodwill, other intangible assets, investments equity accounted companies, grants payable, trade payables and prepayments related to purchase of non-current assets.
- Average capital employed is defined as the average of the opening and ending balance of capital employed for the relevant reporting period.

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

Working capital bridge from statutory accounts to company definition

	31 March 2022	31 March 2021	31 December 2021
Inventories	7,855	5,323	7,716
Trade receivables	4,742	3,324	4,297
Bills receivable	(832)	(878)	(990)
Accounts receivable	3,910	2,446	3,307
Other assets, current	1,702	1,336	1,551
Other receivables from related parties interest-free	(5)	(0)	(1)
Grants receivables	(624)	(274)	(493)
Tax receivables	(260)	(303)	(237)
Assets at fair value through profit or loss	(14)	-	(14)
Accrued interest	(0)	(1)	(1)
Other current assets included in working capital	799	758	806
Trade payables	4,290	3,452	4,614
Trade payables related to purchase of non-current assets	(291)	(209)	(605)
Accounts payable included in working capital	3,999	3,244	4,008
Employee benefit obligations	844	657	976
Provisions and other liabilities, current	1,629	1,035	1,657
Provisions, contingent considerations and contract obligations	(319)	(275)	(454)
Liabilities to related parties	(30)	(15)	(32)
Other current liabilities included in working capital	1,280	744	1,172
Working capital	6,441	3,883	5,673
Property, plant and equipment	16,585	13,971	15,722
Right-of-use assets	1,001	875	1,017
Goodwill	934	909	941
Other intangible assets	1,661	1,330	1,602
Investments equity accounted companies	210	194	241
Grants payable	(15)	(15)	(15)
Trade payables- and prepayments related to purchase of non-current assets	(271)	(203)	(581)
Capital employed	26,546	20,944	24,599