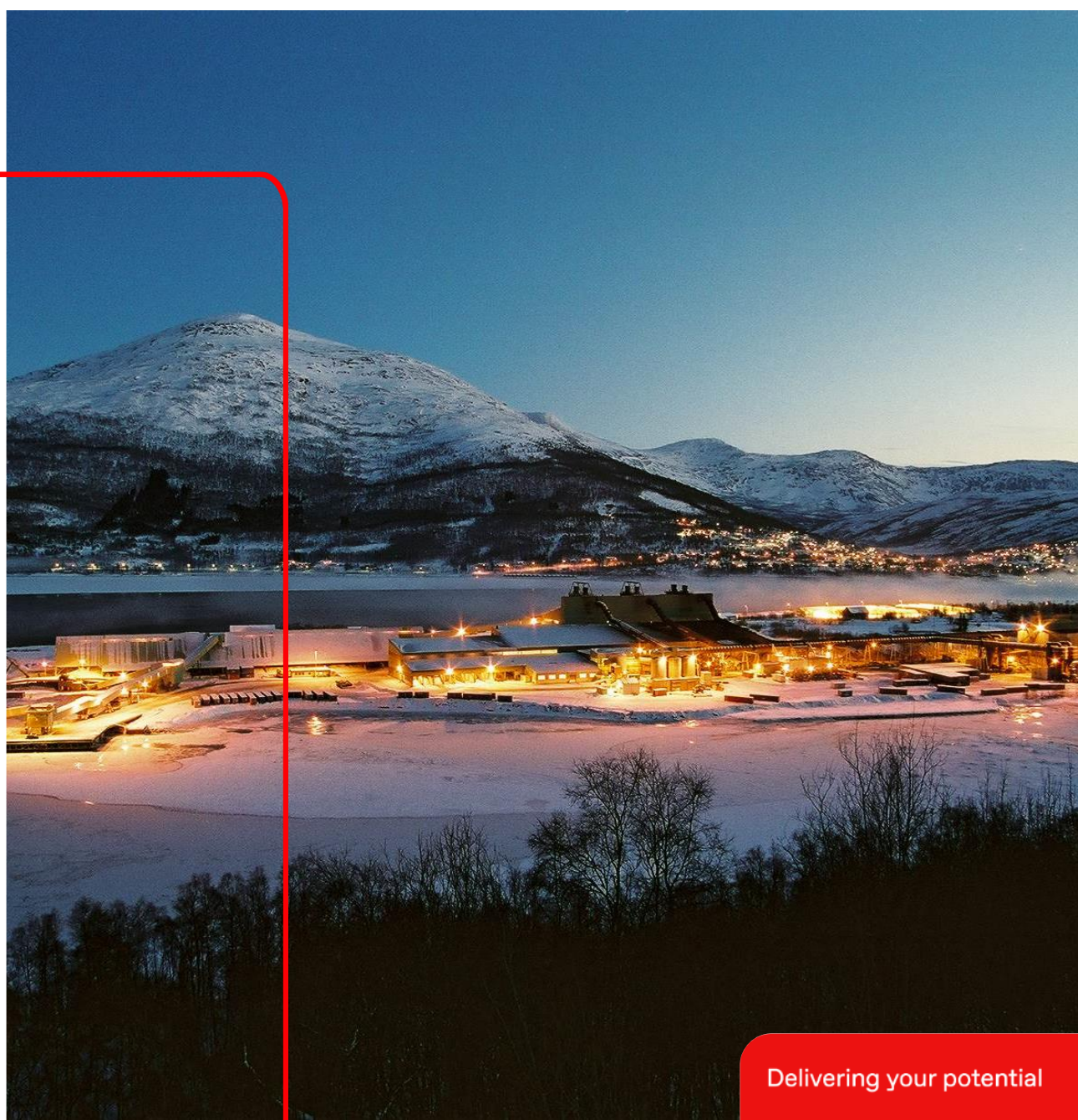




Third quarter results 2024



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Highlights 3rd quarter 2024

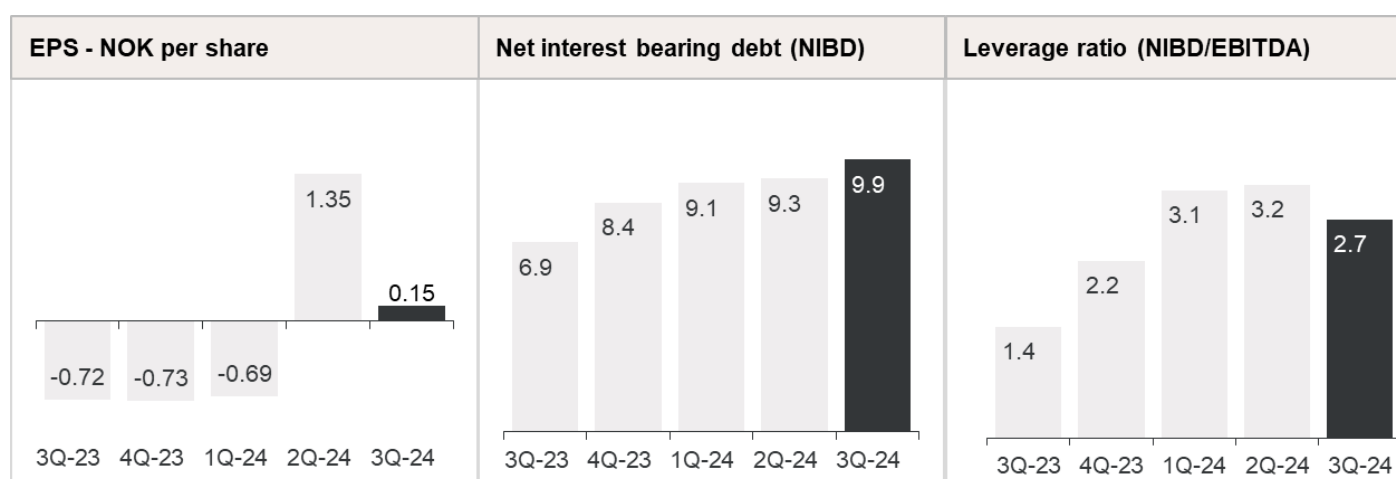
- Elkem's EBITDA was NOK 1,235 million in the third quarter 2024, the highest since first quarter 2023.
- The improvement in EBITDA was mainly driven by Silicones, and explained by higher sales volumes and operational improvements. Silicon Products delivered improved results, despite lower sales volume.
- Carbon Solutions was also impacted by low sales volume, but continue to deliver excellent results.
- In September, Elkem successfully raised new bond loans of NOK 1,500 million with tenors of 3, 5 and 7 years.

Key figures

<i>(NOK million, except where specified)</i>	3Q 2024	3Q 2023	YTD 2024	YTD 2023	FY 2023
Total operating income	8,056	7,831	24,506	26,629	34,760
EBITDA	1,235	535	2,985	3,139	3,771
EBITDA margin (%)	15%	7%	12%	12%	11%
EBIT ⁽¹⁾	554	-18	934	1,476	1,365
Profit (loss) for the period ⁽²⁾	92	-456	507	533	72
Earning per share (EPS) <i>(NOK per share)</i>	0.15	-0.72	0.80	0.84	0.11
Equity ratio (%)	49%	48%	49%	48%	48%
Net interest-bearing debt (NIBD)	9,939	6,921	9,939	6,921	8,373
Cash flow from operations	32	978	1,165	2,222	3,027
ROCE - annualised (%)	7%	0%	4%	6%	4%

(1) Operating profit before other items and hedge adjustments

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



Third quarter 2024 – Elkem continues to improve profitability despite weak markets

Elkem reported an EBITDA of NOK 1,235 million in the third quarter 2024, the highest since the first quarter 2023. The improved result was mainly driven by higher sales volume and operational improvements in the Silicones division.

Elkem's total operating income for the third quarter 2024 was NOK 8,056 million, an increase of 3% compared to the third quarter 2023. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was NOK 1,235 million, which was the highest since the first quarter 2023. Earnings per share (EPS) was NOK 0.15 in the quarter, and NOK 0.80 year-to-date.

While key markets remain weak, Elkem continues to strengthen profitability. The Silicones division improved results in the third quarter mainly due to higher sales volume, operational improvements and positive effects from the new production line in China, delivering an EBITDA contribution of NOK 75 million in the quarter. Silicones markets remain challenging, but Chinese sales prices for commodity products was improving and Elkem implemented price increases on its speciality grades. The Silicon Products division delivered good results, despite low sales volume in the quarter. The Carbon Solutions division was also impacted by low sales volume but continue to deliver excellent results.

Sustainability is an integrated part of Elkem's strategy. In August, Elkem was awarded Platinum rating from EcoVadis, a globally trusted provider of business sustainability ratings. The Platinum rating is awarded to the top 1% of global companies. This rating is a recognition of our commitment to corporate social responsibility and reflects the efforts we make in our operations and along our supply chain.

Elkem is committed to reducing CO₂ emissions from its production process and is researching a groundbreaking concept for silicon production. The concept involves capturing and recycling the carbon in the process off-gas and reusing it in the production process. The project received a NOK 31 million grant from Enova earlier this year, and NOK 20 million in funding from the EU in October, as part of a Horizon Europe project.

Elkem has introduced a comprehensive improvement programme to counter weak macro-economic conditions and challenging markets. The programme is delivering good results. The target is to improve EBITDA by at least NOK 1.5 billion and to reduce capital expenditures by NOK 2.0 billion compared to 2023. By the end of the third quarter, Elkem had realised EBITDA improvements of NOK 1.0 billion, with an estimated full-year effect of NOK 1.4 billion for 2024. Elkem's capital expenditures amounted to NOK 1.9 billion by the end of the third quarter, ahead of target.

The group's equity as at 30 September 2024 amounted to NOK 25,689 million, which gave a ratio of equity to total assets of 49%. Net interest-bearing debt was NOK 9,939 million, which gave a ratio of net interest-bearing debt to EBITDA of 2.7x. Elkem has reclassified bank bills in China with effect from 1 July 2024. Bank bills are deemed to be part of the operational activities linked to the product cycle and hence no longer included in interest-bearing debt. This change has positively impacted the leverage ratio by 0.3x. Elkem had cash and cash equivalents of NOK 6,521 million as at 30 September 2024, and undrawn credit lines of more than NOK 6,000 million. In September, Elkem successfully issued NOK 1,500 million of new senior unsecured bonds with tenors of 3, 5 and 7 years. The bond proceeds will mainly be used to refinance debt falling due in 2024 and 2025.

While the market sentiment continues to be relatively weak, Elkem benefits from strong cost and market positions, and well-defined improvement programmes. The Silicones markets are still challenging, however the division expects to continue benefitting from the EBITDA improvement programme and higher sales volume. The Silicon Products division expects relatively stable market conditions, but somewhat lower realised sales prices in the fourth quarter. The Carbon Solutions division expects stable performance, taking advantage of strong market positions and geographical diversification.

Financial review

Group results

KEY FIGURES	3Q 2024	3Q 2023	YTD 2024	YTD 2023	FY 2023
<i>NOK million</i>					
Total operating income	8,056	7,831	24,506	26,629	34,760
EBITDA	1,235	535	2,985	3,139	3,771
EBIT	554	-18	934	1,476	1,365
Other items	-68	-158	-302	432	516
Net financial items	-197	-115	-453	-406	-668
Profit (loss) before income tax	273	-338	-50	1,302	951
Tax	-155	-95	634	-691	-781
Profit (loss) for the period	117	-434	584	610	170

Quarter

Elkem group had total operating income of NOK 8,056 million in 3Q-2024, which was up 3% from NOK 7,831 million in 3Q-2023. The Silicones division reported increased operating income mainly explained by higher sales volume, but this was partly offset by lower operating income from Silicon Products and Carbon Solutions, mainly explained by lower sales prices for these two divisions.

The group's EBITDA for 3Q-2024 was NOK 1,235 million, which was up 131% compared to the corresponding quarter last year. Both the Silicones division and the Silicon Products division reported higher EBITDA compared to third quarter 2023. The increase for Silicones was mainly due to higher sales volume, operational improvements and positive effects from the new production line in China. The new production line in China generated an EBITDA contribution of NOK 75 million in the quarter. Silicon Products reported increased EBITDA in 3Q-2024. The corresponding quarter last year was negatively impacted by NOK 220 million related to inventory write downs and changes to the CO₂ compensation scheme. Carbon Solutions reported excellent results but was down compared to 3Q-2023 due to lower sales prices, which was partly offset by favourable currency movements and lower raw material costs.

EBIT for 3Q-2024 was NOK 554 million, up from NOK -18 million in 3Q-2023.

Other items include fair value changes from commodity contracts, gains (losses) on embedded derivatives in power contracts, value changes from currency forward contracts and other income and expenses. Other items amounted to NOK -68 million in 3Q-2024, mainly consisting of losses on power and currency derivatives NOK -35 million and restructuring expenses NOK -54 million, partly countered by currency gains on working capital items NOK 12 million, and net other items of NOK 9 million.

Net financial items were NOK -197 million in 3Q-2024, compared to NOK -115 million in 3Q-2023. Net interest expenses amounted to NOK -178 million, an increase from NOK -154 million in the corresponding quarter last year. Losses on foreign exchange amounted to NOK -23 million, compared to gains of NOK 43 million in 3Q-2023. The foreign exchange losses in 3Q-2024 were mainly explained by negative translation effects on external loans. Other financial gains amounted to NOK 4 million.

Profit before income tax was NOK 273 million in 3Q-2024 compared to a loss of NOK -338 million in 3Q-2023.

Tax expenses in 3Q-2024 amounted to NOK 155 million, which gave a tax rate of 57% in the quarter. This was explained by low taxable income for Silicones.

Profit for the period was NOK 117 million, compared to a loss of NOK -434 million in 3Q-2023. Owners of the parent's share of profit was NOK 92 million, which gave earnings per share (EPS) of NOK 0.15 in 3Q-2024.

Year to date

The group's total operating income was NOK 24,506 million YTD-2024, which was down 8% compared to YTD-2023. EBITDA YTD-2024 amounted to NOK 2,985 million, which was down 5% from NOK 3,139 million YTD-2023. Lower results were mainly explained by lower sales prices and lower sales volume, countered by Elkem's EBITDA improvement programme. Earnings per share (EPS) amounted to NOK 0.80 YTD-2024.

Cash flow

CASH FLOW FROM OPERATIONS	3Q 2024	3Q 2023	YTD 2024	YTD 2023	FY 2023
<i>NOK million</i>					
EBIT	554	-18	934	1,476	1,365
Amortisation, depreciation and impairment	681	553	2,051	1,663	2,406
Changes in working capital	-818	1,018	-725	711	1,584
Reinvestments	-381	-592	-1,123	-1,651	-2,351
Equity accounted investments	-4	17	29	23	22
Cash flow from operations	32	978	1,165	2,222	3,027
Other cash flow items	985	413	-1,156	-3,798	-6,044
Change in cash and cash equivalents	1,016	1,391	9	-1,576	-3,017

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

Quarter

Cash flow from operations was NOK 32 million in 3Q-2024, compared to NOK 978 million in 3Q-2023. The reduction in cash flow from operations was explained by negative working capital changes due to higher inventories.

Reinvestments were NOK -381 million in 3Q-2024, which amounted to 56% of depreciation and amortisation (D&A). Strategic investments were included in other cash flow items and amounted to NOK 156 million, down from NOK 572 million in 3Q-2023. The strategic investments in 3Q-2024 mainly consisted of the silicones project in France and Carbon Solutions' expansion project in Brazil. Other cash flow items in 3Q-2024 included interest payments of NOK 171 million and proceeds from the bond financing of NOK 1,500 million.

Change in cash and cash equivalents was NOK 1,016 million in 3Q-2024. Currency exchange differences were NOK 62 million. As at 30 September 2024, the total cash and cash equivalents amounted to NOK 6,521 up from NOK 5,442 million as at 30 June 2024.

Year to date

Cash flow from operations amounted to NOK 1,165 million YTD-2024, down from NOK 2,222 million YTD-2023, mainly explained by lower EBIT and negative working capital changes. Elkem's reinvestment target is 80-90% of depreciation and amortisation (D&A). Reinvestments YTD-2024 were NOK 1,123 million, which amounted to 59% of D&A. Strategic investments amounted to NOK 730 million YTD-2024.

Financial position

FINANCIAL POSITION	YTD 2024	YTD 2023	FY 2023
Total equity (NOK million)	25,689	25,254	24,458
Equity ratio (%)	49%	48%	48%
EPS (NOK per share)	0.80	0.84	0.11
Net interest bearing debt (NOK million) ⁽¹⁾	9,939	6,921	8,373
Leverage ratio based on LTM EBITDA (ratio)	2.7	1.4	2.2

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

Quarter and year to date

Elkem's equity as at 30 September 2024 was NOK 25,689 million, up NOK 1,231 million from 31 December 2023. Profit for the period YTD-2024 was NOK 584 million, while other changes in equity were NOK 647 million, mainly consisting of effects recognised through other comprehensive income.

The equity ratio as at 30 September 2024 was 49%. Compared to year-end 2023, the equity ratio was up from 48%, mainly explained by profit for the period and effects recognised through other comprehensive income.

Net-interest bearing debt as at 30 September 2024 was NOK 9,939 million, which was up by NOK 1,566 million from NOK 8,373 million 31 December 2023. The leverage ratio was 2.7x as at 30 June 2024. Elkem has reclassified bank bills in China with effect from 1 July 2024. Bank bills are deemed to be part of the operational activities linked to the product cycle and hence no longer included in interest-bearing debt. This change has positively impacted the leverage ratio by 0.3x.

Segments

Silicones

KEY FIGURES	3Q 2024	3Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	3,843	3,190	10,962	10,775	14,163
EBITDA	202	-268	145	-672	-605
EBITDA margin	5%	-8%	1%	-6%	-4%
Sales volume (thousand mt)	105	77	276	253	332

Quarter

The Silicones division had total operating income of NOK 3,843 million in 3Q-2024 up 20% from NOK 3,190 million in 3Q-2023. Increased operating income was mainly explained by higher sales volume.

EBITDA for 3Q-2024 was NOK 202 million, up from up from a negative EBITDA of NOK -268 million in the third quarter last year. Improved EBITDA was mainly explained by higher sales volume, operational improvements and positive effects from the new production line in China.

The sales volume in the quarter was up in all regions compared to the third quarter last year.

Year to date

The Silicones division reported total operating income of NOK 10,962 million YTD-2024, which was 2% higher than YTD-2023. The EBITDA was NOK 145 million YTD-2024, which was an improvement compared to NOK -672 million YTD-2023. Improved results in 2024 were mainly explained by operational improvements and higher sales volume.

Silicon Products

KEY FIGURES	3Q 2024	3Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	3,643	3,955	11,758	13,706	17,836
EBITDA	821	526	2,240	2,903	3,304
EBITDA margin	23%	13%	19%	21%	19%
Sales volume (thousand mt) ¹⁾	96	108	324	341	462

1) Excluding Microsilica and quartz

Quarter

Silicon Products had total operating income of NOK 3,643 million in 3Q-2024, which was down 8% from NOK 3,955 million in 3Q-2023. Lower operating income was explained by lower sales prices and lower sales volume.

The EBITDA for Silicon Products was NOK 821 million in 3Q-2024, up 56% from the third quarter last year. The corresponding quarter last year was negatively impacted by NOK 220 million related to inventory write downs and changes to the CO₂ compensation scheme. The insurance compensation for Elkem Salten has been included to reflect estimated operating losses compared to normal operations for the plant.

The market demand was still weak from the silicones, aluminium, and steel markets.

Year to date

The Silicon Products division reported total operating income of NOK 11,758 million YTD-2024, which was 14% lower than YTD-2023. The division reported an EBITDA of NOK 2,240 million, down 23% from NOK 2,903 million YTD-2023, mainly due to lower sales prices and lower sales volume.

Carbon Solutions

KEY FIGURES	3Q 2024	3Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	886	1,015	2,726	3,287	4,210
EBITDA	269	311	850	1,039	1,286
EBITDA margin	30%	31%	31%	32%	31%
Sales volume (thousand mt)	68	69	207	214	279

Quarter

Carbon Solutions reported total operating income of NOK 886 million in 3Q-2024, down 13% from NOK 1,015 million in 3Q-2023. Lower operating income was mainly explained by lower sales prices.

The EBITDA for 3Q-2024 amounted to NOK 269 million, down 14% from NOK 311 million in the corresponding quarter last year. Lower EBITDA was mainly explained by lower sales prices, partly offset by favourable currency movements and lower raw material costs.

The sales volume was in line with the third quarter last year. Low demand in certain regions was partly offset by multiregional presence, as a strong business model compensates for challenging markets.

Year to date

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

Outlook for the fourth quarter 2024

While the market sentiment continues to be relatively weak, Elkem benefits from strong cost and market positions, and well-defined improvement programmes. The Silicones markets are still challenging, however the division expects to continue benefitting from the EBITDA improvement programme and higher sales volume. The Silicon Products division expects relatively stable market conditions, but somewhat lower realised sales prices in the fourth quarter. The Carbon Solutions division expects stable performance, taking advantage of strong market positions and geographical diversification.

Interim financial statements

Condensed consolidated statement of profit or loss (unaudited)

Amounts in NOK million	Note	Third quarter		Year to date		Year
		2024	2023 ¹⁾	2024	2023 ¹⁾	2023 ¹⁾
Revenue	2	7,726	7,745	23,732	26,337	34,364
Other operating income	2	326	79	780	257	350
Share of profit(loss) from equity accounted investments	2	4	6	(6)	35	46
Total operating income		8,056	7,831	24,506	26,629	34,760
Raw materials and energy for production		(3,872)	(4,568)	(12,683)	(14,844)	(19,441)
Employee benefit expenses		(1,265)	(1,203)	(3,903)	(3,833)	(5,074)
Other operating expenses		(1,701)	(1,566)	(5,021)	(4,966)	(6,673)
Amortisation and depreciation	4	(678)	(553)	(1,909)	(1,660)	(2,312)
Impairment loss	4	(3)	(0)	(142)	(3)	(94)
Other items	5	(68)	(158)	(302)	432	516
Operating profit (loss)		470	(217)	547	1,755	1,682
Share of profit(loss) from equity accounted financial investment		-	(6)	(143)	(47)	(63)
Finance Income	6	40	40	107	128	182
Foreign exchange gains (losses)	6	(23)	43	94	(17)	(106)
Finance expenses	6	(214)	(198)	(654)	(518)	(743)
Profit (loss) before income tax		273	(338)	(50)	1,302	951
Income tax (expenses) benefits		(155)	(95)	634	(691)	(781)
Profit (loss) for the period		117	(434)	584	610	170
Attributable to:						
Non-controlling interests' share of profit (loss)		25	22	77	78	98
Owners of the parent's share of profit (loss)		92	(456)	507	533	72

¹⁾ See note 10 Change in presentation

Earnings per share		Third quarter		Year to date		Year
		2024	2023	2024	2023	2023
Basic earnings per share in NOK		0.15	(0.72)	0.80	0.84	0.11
Diluted earnings per share in NOK		0.15	(0.72)	0.80	0.84	0.11
Weighted average number of outstanding shares (million)	9	634	635	634	635	635
Weighted average number of outstanding shares diluted (million)	9	634	636	634	636	636

Condensed consolidated statement of comprehensive income (unaudited)

Amounts in NOK million	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
Profit (loss) for the period	117	(434)	584	610	170
Remeasurement of defined benefit pension plans	-	-	-	-	(19)
Tax effects on remeasurements of defined benefit pension plans	-	-	-	-	4
Changes in fair value of equity instruments	2	-	2	1	3
Total items that will not be reclassified to profit or loss	2	-	2	1	(12)
Currency translation differences	321	(418)	663	887	476
Hedging of net investment in foreign operations	(74)	133	(123)	(198)	(199)
Tax effects hedging of net investment in foreign operations	16	(29)	27	44	44
Cash flow hedges	(36)	(53)	156	(1,259)	(1,125)
Tax effects on cash flow hedges	8	12	(34)	277	247
Share of other comprehensive income (loss) from equity accounted investments	(1)	5	4	15	3
Total items that may be reclassified to profit or loss	234	(351)	692	(235)	(554)
Other comprehensive income, net of tax	236	(351)	694	(234)	(566)
Total comprehensive income	353	(785)	1,278	377	(396)
Attributable to:					
Non-controlling interests' share of comprehensive income	26	19	82	85	102
Owners of the parent's share of comprehensive income	327	(804)	1,196	292	(498)
Total comprehensive income	353	(785)	1,278	377	(396)

Condensed consolidated statement of financial position (unaudited)

Amounts in NOK million	Note	30 September 2024	30 September 2023	31 December 2023
ASSETS				
Property, plant and equipment	4	23,631	22,237	22,754
Right-of-use assets	4	861	843	854
Other Intangible assets	4	1,274	1,425	1,458
Goodwill	4	1,058	1,111	1,015
Deferred tax assets		727	166	134
Equity accounted investments		382	1,289	1,296
Derivatives	8	1,149	989	977
Other assets	6	1,364	622	556
Total non-current assets		30,445	28,681	29,045
Inventories		9,150	9,587	9,018
Trade receivables		3,560	3,593	3,209
Derivatives	8	310	300	411
Other assets		2,026	1,896	2,062
Restricted deposits		400	436	388
Cash and Cash equivalents		6,521	7,905	6,367
Total current assets		21,966	23,718	21,455
TOTAL ASSETS		52,411	52,399	50,500
EQUITY AND LIABILITIES				
Paid-in capital	9	3,502	3,497	3,498
Retained earnings		22,027	21,617	20,827
Non-controlling interests		160	139	133
Total equity		25,689	25,254	24,458
Interest-bearing liabilities	7	15,106	13,929	13,509
Deferred tax liabilities		398	876	935
Employee benefits obligations		536	523	507
Derivatives	8	402	315	235
Provisions and other liabilities		279	251	279
Total non-current liabilities		16,721	15,894	15,465
Trade payables		4,754	4,982	5,281
Income tax payables		148	1,516	240
Interest-bearing liabilities	7	1,354	897	1,231
Bills payable	8	1,570	1,622	1,466
Employee benefit obligations		904	894	912
Derivatives	7	119	125	66
Provisions and other liabilities		1,153	1,216	1,381
Total current liabilities		10,002	11,252	10,576
TOTAL EQUITY AND LIABILITIES		52,411	52,399	50,500

Condensed consolidated statement of cash flows (unaudited)

Amounts in NOK million	Note	Third quarter		Year to date		Year
		2024	2023 ¹⁾	2024	2023 ¹⁾	2023 ¹⁾
Operating profit (loss)		470	(217)	547	1,755	1,682
Operating profit (loss) - discontinued operations						
Amortisation, depreciation and impairment	4	681	553	2,051	1,663	2,406
Changes in working capital		(818)	1,018	(725)	711	1,584
Equity accounted investments		(4)	17	29	23	22
Changes fair value of derivatives		57	48	304	54	(59)
Changes in provisions, bills and other		151	(30)	171	324	(47)
Interest payments received		32	39	79	127	179
Interest payments made		(171)	(153)	(609)	(459)	(716)
Income taxes paid		(126)	(138)	(546)	(1,093)	(2,281)
Cash flow from operating activities		272	1,138	1,301	3,105	2,769
Investments in property, plant and equipment and intangible assets	4	(555)	(1,393)	(2,326)	(3,879)	(4,856)
Business combinations		-	(3)	-	(152)	(152)
Payment of contingent consideration related to acquisitions (IFRS 3)		-	(38)	-	(38)	(38)
Acquisition/capital contribution of/to equity accounted investments		-	-	(4)	(303)	(329)
Disposal of equity accounted investments		-	-	10	-	-
Other investments / sales		1	16	14	69	76
Cash flow from investing activities		(554)	(1,417)	(2,306)	(4,302)	(5,299)
Dividends paid to non-controlling interests		(19)	(28)	(55)	(80)	(104)
Dividends paid to owners		-	-	-	(3,815)	(3,815)
Net sale (purchase) of treasury shares	9	3	(44)	5	(8)	(8)
Payment of lease liabilities		(38)	(49)	(104)	(112)	(209)
New interest-bearing loans and borrowings		1,500	1,917	2,195	3,812	3,911
Payment of interest-bearing loans and borrowings		(149)	(125)	(1,027)	(176)	(262)
Cash flow from financing activities		1,298	1,671	1,015	(379)	(487)
Change in cash and cash equivalents		1,016	1,391	9	(1,576)	(3,017)
Currency exchange differences		62	(95)	144	226	129
Cash and cash equivalents opening balance		5,442	6,609	6,367	9,255	9,255
Cash and cash equivalents closing balance		6,521	7,905	6,521	7,905	6,367

¹⁾ See note 10 Change in presentation

Condensed consolidated statement of changes in equity (unaudited)

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2023	3,498	20,827	24,325	133	24,458
Profit (loss) for the period	-	507	507	77	584
Other comprehensive income	-	689	689	5	694
Total comprehensive income	-	1,196	1,196	82	1,278
Share-based payments	2	-	2	-	2
Net movement treasury shares (note 9)	1	4	5	-	5
Dividends to equity holders	-	-	-	(55)	(55)
Closing balance 30 September 2024	3,502	22,027	25,529	160	25,689

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2022	6,228	22,412	28,639	134	28,773
Profit (loss) for the period	-	533	533	78	610
Other comprehensive income	-	(241)	(241)	7	(234)
Total comprehensive income	-	292	292	85	377
Share-based payments	7	-	7	-	7
Net movement treasury shares (note 9)	(3)	(5)	(8)	-	(8)
Dividends to equity holders	(2,734)	(1,081)	(3,815)	(80)	(3,895)
Closing balance 30 September 2023	3,497	21,617	25,114	139	25,254

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2022	6,228	22,412	28,639	134	28,773
Profit (loss) for the period	-	72	72	98	170
Other comprehensive income	-	(570)	(570)	4	(566)
Total comprehensive income	-	(498)	(498)	102	(396)
Share-based payments	8	-	8	-	8
Net movement treasury shares (note 9)	(3)	(5)	(8)	-	(8)
Dividends to equity holders	(2,734)	(1,081)	(3,815)	(104)	(3,919)
Closing balance 31 December 2023	3,498	20,827	24,325	133	24,458

Notes to the condensed consolidated financial statements

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

Elkem ASA is a limited liability company located in Norway and whose shares are publicly traded at Oslo Stock Exchange. Elkem ASA's condensed consolidated financial statements for the third quarter of 2024 were approved at the meeting of the board of directors on 23 October 2024.

Basis for preparation

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

Elkem's interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS®) as endorsed by the European Union. The condensed interim statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements in Elkem's Annual Report for 2023. The accounting policies applied are consistent with those applied in the annual consolidated financial statements 2023. The principle for presentation of grants related to income is changed from other operating income to net presentation where the grants are deducted from the expenses for which the grants have compensated in the statement of profit or loss. See note 10 Change in presentation.

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

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

Judgements, estimates and assumptions

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

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

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.
- **Eliminations** comprise intersegment sales and profit. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties.

Elkem identifies its segments according to the organisation and reporting structure used by group management. Segments' performance are evaluated based on EBITDA and EBIT.

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

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

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

Third quarter 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	3,806	3,060	804	(45)	-	7,625
Other revenue	11	15	2	74	-	101
Other operating income	7	318	1	0	-	326
Share of profit from equity accounted investments	-	-	-	4	-	4
Total operating income from external customers	3,824	3,393	806	33	-	8,056
Operating income from other segments	19	251	79	116	(465)	-
Total operating income	3,843	3,643	886	149	(465)	8,056
Operating expenses	(3,641)	(2,822)	(616)	(221)	479	(6,822)
EBITDA	202	821	269	(72)	14	1,235
EBIT	(249)	639	241	(91)	14	554

Third quarter 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total(1)
Revenue from sale of goods	3,157	3,692	885	(85)	-	7,648
Other revenue	5	9	5	79	-	98
Other operating income	9	69	0	1	-	79
Share of profit from equity accounted investments	-	-	-	6	-	6
Total operating income from external customers	3,170	3,770	890	1	-	7,831
Operating income from other segments	20	185	126	103	(433)	-
Total operating income	3,190	3,955	1,015	104	(433)	7,831
Operating expenses	(3,458)	(3,428)	(704)	(197)	492	(7,295)
EBITDA	(268)	526	311	(93)	59	535
EBIT	(618)	365	283	(106)	59	(18)

Year to date 30 September 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	10,832	10,267	2,427	(123)	-	23,403
Other revenue	61	57	12	200	-	329
Other operating income	11	754	16	0	-	780
Share of profit from equity accounted investments	-	-	-	(6)	-	(6)
Total operating income from external customers	10,903	11,078	2,455	71	-	24,506
Operating income from other segments	59	680	272	362	(1,373)	-
Total operating income	10,962	11,758	2,726	432	(1,373)	24,506
Operating expenses	(10,817)	(9,518)	(1,876)	(663)	1,353	(21,522)
EBITDA	145	2,240	850	(231)	(20)	2,985
EBIT	(1,100)	1,698	762	(407)	(20)	934

Year to date 30 September 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total1)
Revenue from sale of goods	10,676	12,737	2,902	(307)	-	26,008
Other revenue	24	66	14	225	-	329
Other operating income	13	243	1	1	-	257
Share of profit from equity accounted investments	0	-	-	35	-	35
Total operating income from external customers	10,713	13,046	2,917	(46)	-	26,629
Operating income from other segments	62	660	370	308	(1,400)	-
Total operating income	10,775	13,706	3,287	262	(1,400)	26,629
Operating expenses	(11,447)	(10,803)	(2,248)	(642)	1,650	(23,490)
EBITDA	(672)	2,903	1,039	(381)	250	3,139
EBIT	(1,722)	2,413	955	(420)	250	1,476

Year 2023	Silicones	Silicon Products ¹⁾	Carbon Solutions	Other	Eliminations	Total1)
Revenue from sale of goods	14,055	16,535	3,742	(401)	-	33,931
Other revenue	23	113	17	280	-	434
Other operating income	19	323	2	6	-	350
Share of profit from equity accounted investments	1	0	-	44	-	46
Total operating income from external customers	14,099	16,971	3,761	(71)	-	34,760
Operating income from other segments	63	865	450	506	(1,884)	-
Total operating income	14,163	17,836	4,210	436	(1,884)	34,760
Operating expenses	(14,768)	(14,532)	(2,924)	(968)	2,203	(30,989)
EBITDA	(605)	3,304	1,286	(532)	318	3,771
EBIT	(2,142)	2,610	1,164	(585)	318	1,365

¹⁾ 2023 figures have been restated, see note 10

Note 3 Changes in composition of the group

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

	Gain/(loss)
Other items	(30)
Finance income	11
Income tax (expenses) benefits	1,067
Total	1,049

The net loss in other items relate to remeasurement after initial recognition of operating items such as provisions, lease liabilities and right of use assets. Finance income relates to the remeasurement of financial instruments. The income tax benefits relate to the remeasurement of deferred tax asset originating from tax loss carry forwards and limitations on interest rate deductions. Deferred tax asset related to temporary differences of NOK 332 million has not been recognised. The impact from temporary differences will be recognised over the period it is reversed. Property, plant and equipment and inventory is measured at cost on initial recognition and therefore not subsequently remeasured.

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

30 September 2024	Property, plant and equipment	Right-of-use assets	Other intangible assets	Goodwill
Cost				
Opening balance	45,987	1,285	3,563	1,015
Additions	1,803	104	51	-
Disposals	(108)	(61)	(2)	-
Currency translation differences	1,428	40	143	43
Closing balance	49,109	1,367	3,754	1,058
Accumulated depreciation				
Opening balance	(20,332)	(431)	(2,103)	
Addition	(1,635)	(114)	(160)	
Disposals	96	53	2	
Currency translation differences	(563)	(14)	(88)	
Closing balance	(22,434)	(506)	(2,349)	
Impairment losses				
Opening balance	(2,900)	-	(1)	-
Addition	(12)	-	(130)	-
Disposals	7	-	-	-
Currency translation differences	(138)	-	(0)	-
Closing balance	(3,044)	-	(131)	-
Net book value 30 September 2024	23,631	861	1,274	1,058

30 September 2023	Property, plant and equipment	Right-of-use assets	Other intangible assets	Goodwill
Cost				
Opening balance	40,696	1,138	3,209	984
Additions	3,631	104	87	-
Reclassifications	(83)	55	28	-
Business combinations	14	-	0	98
Disposals	(118)	(81)	(6)	-
Currency translation differences	1,209	35	171	29
Closing balance	45,349	1,251	3,489	1,111
Accumulated depreciation				
Opening balance	(18,339)	(359)	(1,824)	
Addition	(1,410)	(104)	(147)	
Disposals	82	69	6	
Currency translation differences	(532)	(15)	(98)	
Closing balance	(20,198)	(408)	(2,063)	
Impairment losses				
Opening balance	(2,836)	-	(1)	-
Addition	(3)	-	-	-
Disposals	1	-	-	-
Currency translation differences	(76)	-	(0)	-
Closing balance	(2,914)	-	(1)	-
Net book value 30 September 2023	22,237	843	1,425	1,111

31 December 2023	Property, plant and equipment	Right-of-use assets	Other intangible assets	Goodwill
Cost				
Opening balance	40,696	1,138	3,209	984
Additions	5,016	225	200	-
Business combinations	81	-	29	23
Disposals	(333)	(93)	(9)	-
Currency translation differences	526	15	133	8
Closing balance	45,987	1,285	3,563	1,015
Accumulated depreciation				
Opening balance	(18,339)	(359)	(1,824)	
Additions	(1,967)	(141)	(205)	
Disposals	260	77	9	
Currency translation differences	(287)	(9)	(84)	
Closing balance	(20,332)	(431)	(2,103)	
Impairment losses				
Opening balance	(2,836)	-	(1)	-
Addition	(94)	-	-	-
Disposals	29	-	-	-
Currency translation differences	1	-	(0)	-
Closing balance	(2,900)	-	(1)	-
Net book value 31 December 2023	22,754	854	1,458	1,015

Note 5 Other items

	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
Change in fair value commodity contracts, interest element	(0)	(0)	(1)	(0)	(1)
Embedded EUR derivatives power contracts, interest element	(8)	(109)	(13)	(172)	(73)
Ineffectiveness and discontinuation on commodity cash flow hedges	(14)	91	(169)	302	357
Change in fair value currency contracts	(12)	26	(4)	(32)	(26)
Operating foreign exchange gains (losses)	12	(165)	9	342	308
Total other gains (losses)	(23)	(157)	(177)	439	566
Dividends from other shares	0	0	2	0	3
Change in fair value from other shares measured at fair value through profit or loss	10	(1)	15	1	6
Restructuring expenses ¹⁾	(54)	(0)	(107)	(0)	(43)
Dismantling and environmental expenses	-	-	0	-	(4)
Other	(1)	0	(35)	(7)	(13)
Total other income (expenses)	(45)	(1)	(124)	(7)	(50)
Total other items	(68)	(158)	(302)	432	516

¹⁾ Restructuring expenses in 2024 are related to cost saving programme in the Silicones division

Note 6 Finance income and expenses

	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
Interest income on loans and receivables	32	39	79	127	179
Fair value adjustments on financial instruments	8	-	16	-	-
Other financial income	0	0	12	1	3
Total finance income	40	40	107	128	182
Foreign exchange gains (losses)	(23)	43	94	(17)	(106)
Interest expenses on interest-bearing liabilities measured at amortised cost	(191)	(173)	(581)	(444)	(647)
Interest expenses from other items measured at amortised cost	(5)	(5)	(16)	(22)	(25)
Interest expenses on factoring agreements	(22)	(19)	(67)	(53)	(77)
Interest expenses on lease liabilities	(6)	(10)	(20)	(19)	(27)
Capitalised interest expenses	14	13	44	36	51
Unwinding of discounted liabilities	(1)	(1)	(3)	(4)	(5)
Interest on net pension liabilities	(3)	(3)	(8)	(10)	(11)
Other financial expenses	(1)	(1)	(2)	(2)	(2)
Total finance expenses	(214)	(198)	(654)	(518)	(743)
Net Finance income (expenses)	(197)	(115)	(453)	(406)	(668)

In March 2024, Elkem announced the decision to exit its financial investment in Vianode. Elkem received an up-front payment of MNOK 10 upon exiting its ownership. Elkem holds a claim for deferred payments, with a book value of MNOK 765, conditional upon specified development and financing milestones for Vianode. Based on recent market developments, Elkem considers that there is a risk that these conditions will not be met.

Note 7 Interest-bearing assets and liabilities

	30 September 2024	30 September 2023	31 December 2023
Lease liabilities	475	464	464
Loans from external parties, other than bank	5,912	5,692	5,279
Bank financing	8,719	7,773	7,767
Total non-current interest-bearing liabilities	15,106	13,929	13,509
Lease liabilities	118	108	125
Loans from external parties, other than bank	1,140	657	1,060
Bank financing, current	35	67	18
Accrued interest	62	66	28
Total current interest-bearing liabilities	1,354	897	1,231
Total interest-bearing liabilities	16,460	14,826	14,741

Elkem has been granted a temporary waiver of the Interest cover ratio for each of the quarters of 2024, and so that the applicable Interest cover ratio shall exceed 3.00:1.00 compared to prior ratio of 4.00:1.00. As at 30 September 2024 the interest cover ratio was 4.6.

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

Elkem has in September issued NOK 1,500 million of new senior unsecured bonds. NOK 400 million has been issued with a tenor of 3 years and a coupon of 3 month Nibor + 1.25 % per annum, NOK 800 million has been issued with a tenor of 5 years and a coupon of 3 month Nibor + 1.55 % per annum, and NOK 300 million has been issued with a tenor of 7 years and a coupon of 3 month Nibor + 1.75 % per annum. An interest rate swap agreement has been entered into to swap the NOK 800 million bond loan from floating interest rates to fixed interest rates of 4.88%. A swap agreement has been entered into to swap the NOK 400 bond loan to a EUR 34.0 million loan with fixed interest rates of 3.72%.

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

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

Derivatives as at 30 September 2024

	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	2,400	61	48	28	20	-	-
Embedded EUR derivatives	5,613	(492)	(615)	(139)	(126)	(93)	(258)
Power contracts	2,106	1,362	614	102	93	92	328
Interest rate swap	320	7	7	2	2	2	3
Platinum contracts	-	-	-	-	-	-	-
Total derivatives		939	54	(7)	(11)	0	72

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

Realised effects hedge accounting, recycled from OCI	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
Realised effects from forward currency contracts, Revenue	(2)	(49)	0	(186)	(229)
Realised effects from embedded derivatives EUR, Revenue	(36)	(28)	(98)	(89)	(122)
Realised effects from EUR loans, Revenue	-	-	-	(7)	(15)
Realised effects from Platinum contract, Revenue	0	0	0	1	1
Realised effects from power contracts, Raw materials and energy for production	0	4	9	94	112
Realised effects hedge discontinuation, Other items	8	3	71	58	85
Realised effect interest rate swap, Finance expenses	0	-	(1)	-	(1)
Total realised hedging effects recycled from OCI	(30)	(70)	(19)	(130)	(170)

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

Note 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 2024	633,890,288	5,551,090	639,441,378
Increase treasury shares	-	-	-
Sale of treasury shares	279,190	(279,190)	-
Closing balance 30 September 2024	634,169,478	5,271,900	639,441,378

	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
<i>Numbers are whole numbers</i>					
Weighted average number of shares outstanding	634,143,595	635,109,873	634,005,481	635,363,409	634,991,082
Effects of dilution from share-based payment	152,671	407,091	184,749	998,158	798,645
Weighted average number of outstanding shares diluted	634,296,266	635,516,964	634,190,230	636,361,567	635,789,727

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

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

Note 10 Change in presentation

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

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

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

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

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

Condensed consolidated statement of profit or loss	YTD Q3 2024	Impact grants	Impact capitalised salary	Impact changes in inventories	YTD Q3 2024 after change
	before change				
Other operating income	1,406	(625)			780
Raw materials and energy for smelting	(13,091)	466		(57)	(12,683)
Employee benefit expenses	(4,027)	64	60		(3,903)
Other operating expenses	(5,114)	96	(60)	57	(5,021)
Operating profit (loss)	547	-	-	-	547

Condensed consolidated statement of profit or loss	YTD Q3 2023	Impact grants	Impact capitalised salary	Impact changes in inventories	YTD Q3 2023 restated
Other operating income	737	(480)			257
Raw materials and energy for smelting	(15,382)	365		174	(14,844)
Employee benefit expenses	(3,958)	57	68		(3,833)
Other operating expenses	(4,783)	58	(68)	(174)	(4,966)
Operating profit (loss)	1,755	-	-	-	1,755

Condensed consolidated statement of profit or loss	Financial statement 2023	Impact grants	Impact capitalised salary	Impact changes in inventories	2023 restated
Other operating income	1,135	(785)			350
Raw materials and energy for smelting	(20,401)	573		387	(19,441)
Employee benefit expenses	(5,253)	83	96		(5,074)
Other operating expenses	(6,319)	129	(96)	(387)	(6,673)
Operating profit (loss)	1,682	-	-	-	1,682

Condensed consolidated statement of cash flows	YTD Q3 2024 before change	Impact	YTD Q3 2024 after change
Changes in provisions, bills and other	129	41	171
Net changes in bills payable and restricted deposits	41	(41)	-
Change in cash and cash equivalents	9	-	9

Condensed consolidated statement of cash flows	YTD Q3 2023	Impact	YTD Q3 2023 restated
Changes in provisions, bills and other	450	(126)	324
Net changes in bills payable and restricted deposits	(126)	126	-
Change in cash and cash equivalents	(1,576)	-	(1,576)

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

Appendix - Alternative performance measures (APMs)

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

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

Elkem's financial APMs, EBITDA and EBIT

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

Below is a reconciliation of EBIT and EBITDA:

Third quarter 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						117
Income tax (expense) benefit						155
Finance expenses						214
Foreign exchange gains (losses)						23
Finance income						(40)
Share of profit from equity accounted financial investments						-
Other items						68
Hedge adjustments						16
EBIT	(249)	639	241	(91)	14	554
Impairment losses						3
Amortisations and depreciations						678
EBITDA	202	821	269	(72)	14	1,235

Third quarter 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						(434)
Income tax (expense) benefit						95
Finance expenses						198
Foreign exchange gains (losses)						(43)
Finance income						(40)
Share of profit from equity accounted financial investments						6
Other items						158
Hedge adjustments						42
EBIT	(618)	365	283	(106)	59	(18)
Impairment losses						0
Amortisations and depreciations						553
EBITDA	(268)	526	311	(93)	59	535

Year to date 30 September 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						584
Income tax (expense) benefit						(634)
Finance expenses						654
Foreign exchange gains (losses)						(94)
Finance income						(107)
Share of profit from equity accounted financial investments						143
Other items						302
Hedge adjustments						86
EBIT	(1,100)	1,698	762	(407)	(20)	934
Impairment losses						142
Amortisations and depreciations						1,909
EBITDA	145	2,240	850	(231)	(20)	2,985

Year to date 30 September 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						610
Income tax (expense) benefit						691
Finance expenses						518
Foreign exchange gains (losses)						17
Finance income						(128)
Share of profit from equity accounted financial investments						47
Other items						(432)
Hedge adjustments						153
EBIT	(1,722)	2,413	955	(420)	250	1,476
Impairment losses						3
Amortisations and depreciations						1,660
EBITDA	(672)	2,903	1,039	(381)	250	3,139

Year 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						170
Income tax (expense) benefit						781
Finance expenses						743
Foreign exchange gains (losses)						106
Finance income						(182)
Share of profit from equity accounted financial investments						63
Other items						(516)
Hedge adjustments						199
EBIT	(1,722)	2,413	955	(420)	250	1,365
Impairment losses						94
Amortisations and depreciations						2,312
EBITDA	(672)	2,903	1,039	(381)	250	3,771

Elkem's financial APMs, Leverage ratio

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

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

	30 September 2024	30 September 2023	31 December 2023
Interest-bearing liabilities	16,460	14,826	14,741
Cash and Cash equivalents	(6,521)	(7,905)	(6,367)
Net interest-bearing debt	9,939	6,921	8,373
EBITDA (LTM)	3,617	4,964	3,771
Leverage ratio	(2.7)	(1.4)	(2.2)

Elkem's financial APMs, ROCE

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

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

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

Working capital bridge from statutory accounts to company definition

	30 September 2024	30 September 2023	31 December 2023
Inventories	9,150	9,587	9,018
Trade receivables	3,560	3,593	3,209
Bills receivable	(920)	(725)	(823)
Accounts receivable	2,640	2,868	2,386
Other assets, current	2,026	1,896	2,062
Other receivables from related parties interest-free	(0)	(4)	(8)
Grants receivables	(519)	(480)	(671)
Tax receivables	(330)	(383)	(261)
Accrued interest	(0)	(0)	(0)
Other current assets included in working capital	1,177	1,028	1,122
Trade payables	4,754	4,982	5,281
Trade payables related to purchase of non-current assets	(895)	(882)	(1,313)
Accounts payable included in working capital	3,859	4,100	3,968
Employee benefit obligations	904	894	912
Provisions and other liabilities, current	1,153	1,216	1,381
Provisions, contingent considerations and contract obligations	(179)	(93)	(101)
Liabilities to related parties	(13)	(18)	(17)
Other current liabilities included in working capital	961	1,105	1,263
Working capital	7,243	7,384	6,383
Property, plant and equipment	23,631	22,237	22,754
Right-of-use assets	861	843	854
Other Intangible assets	1,274	1,425	1,458
Goodwill	1,058	1,111	1,015
Equity accounted investments	382	1,289	1,296
Grants payable	(21)	(17)	(17)
Trade payables- and prepayments related to purchase of non-current assets	(867)	(810)	(1,295)
Capital employed	33,561	33,460	32,449

Elkem's financial APMs, Cash flow from operations

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

	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
Reinvestments	(381)	(592)	(1,123)	(1,651)	(2,351)
Strategic investments	(156)	(572)	(730)	(2,067)	(2,866)
Periodisation ¹⁾	(18)	(229)	(473)	(161)	361
Investments in property, plant and equipment and intangible assets	(555)	(1,393)	(2,326)	(3,879)	(4,856)

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

	Third quarter		Year to date		Year
	2024	2023	2024	2023	2023
Cash flow from operating activities	272	1,138	1,301	3,105	2,769
Income taxes paid	126	138	546	1,093	2,281
Interest payments made	171	153	609	459	716
Interest payments received	(32)	(39)	(79)	(127)	(179)
Changes in provisions, bills and other	(151)	30	(171)	(324)	47
Changes in fair value of derivatives	(57)	(48)	(304)	(54)	59
Other items	68	158	302	(432)	(516)
Hedge adjustments	16	42	86	153	199
Reinvestments	(381)	(592)	(1,123)	(1,651)	(2,351)
Cash flow from operations	32	978	1,165	2,222	3,027