

Elkem ASA – Bookbuilding successfully completed – Offer shares priced at NOK 29 per share

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Oslo, 21 March 2018. Elkem ASA ("Elkem", the "Company", OSE ticker code "ELK") announces the successful completion of the bookbuilding period for the initial public offering of shares in Elkem (the "Offering"), which was oversubscribed within the updated indicative price range on the full size of the Offering, including the over-allotment option.

In summary:

- The shares in the Offering are priced at NOK 29 per share. The price implies a market capitalization of Elkem of approximately NOK 16.86 billion.
- Elkem will issue 179,310,344 new shares in connection with the Offering (the "New Shares"), raising gross proceeds of approximately NOK 5,200 million. There will be in total 581,310,344 shares in issue following the issuance of the New Shares, and the New Shares will represent approximately 30.8% of the total shareholding in Elkem after the equity issue.
- Bluestar Elkem International Co., Ltd. S.A. (the "Selling Shareholder" or "Bluestar") will sell 42,500,000 shares in the Offering (the "Sale Shares"), representing approximately 7.3% of the shares of Elkem following the issuance of the New Shares. The Selling Shareholder will retain an ownership of approximately 61.8% in Elkem following the Offering, prior to the exercise of the over-allotment option granted by the Selling Shareholder, as further described below.
- The Managers (as defined below) have over-allotted 33,271,551 shares, representing approximately 15% of the number of New Shares issued and Sale Shares sold in the Offering, and exercised their option to borrow an equal amount of shares from the Selling Shareholder for the purpose facilitating such over-allotments. In case of full exercise of the over-allotment option (as described below) by the Managers, the Selling Shareholder's shareholding will be reduced to approximately 56.1%.
- After completion of the Offering, the free float of Elkem will be ~38% if the over-allotment option is not utilized and ~44% if the over-allotment option is utilized in full.
- Trading of the shares in Elkem on Oslo Børs will commence on 22 March 2018 on an "if issued/if sold" basis (conditional trading), as further described in the separate stock exchange notice regarding conditional trading to be published separately.

A total of 255,081,895 shares were allotted in the Offering (included over-allotted shares), of which approximately 99.4% of the shares in the Offering were allotted to investors in the institutional offering and approximately 0.6% of the shares were allotted to investors in the retail offering. Following the registration of the share capital increase pertaining to the New Shares, the share capital of Elkem will be NOK 2,906,551,720 divided into 581,310,344 shares, each with a nominal value of NOK 5. Elkem is expected to have approximately 900 shareholders as a result of the Offering.

Notification of allocated shares and the corresponding amount to be paid by investors are expected to be communicated to investors on 21 March 2018. Investors having access to investor services through their VPS account manager will be able to check the number of shares allocated to them from approximately 08:00 (CET) on 22 March 2018. The Managers may also be contacted for information regarding allocations.

As further described in the Company's prospectus dated 9 March 2018, the Selling Shareholder has granted the Managers with an over-allotment option, exercisable by Morgan Stanley & Co. International plc as stabilization manager within 30 calendar days from 22 March 2018 to cover over-allotments or other short positions in connection with the Offering. A separate disclosure will be issued by the stabilization manager regarding the over-allotment and stabilization activities.

ABG Sundal Collier ASA and Morgan Stanley & Co. International plc are acting as Joint Global Coordinators and Joint Bookrunners, Carnegie AS, Citigroup Global Markets Limited and Nordea Bank AB (publ), filial i Norge are acting as Joint Bookrunners, in connection with the IPO (collectively, the "Managers").

Advokatfirmaet Thommessen AS and Linklaters LLP are acting as legal counsels to Elkem and Bluestar. Advokatfirmaet Schjødt AS and Shearman & Sterling (London) LLP are acting as legal counsels to the Managers.

For further queries, please contact:

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About Elkem

Founded in 1904, Elkem is one of the world's leading suppliers of silicon-based advanced materials with operations throughout the entire value chain from quartz to specialty silicones, as well as attractive market positions in specialty ferrosilicon alloys and carbon materials. Headquartered in Oslo, the company's 27 production sites (including a plant under construction) and extensive network of sales offices and agents around the world ensure proximity to customers and access to attractive end markets. Elkem's over 6,000 skilled employees and significant R&D activities provide a solid basis for further technology-driven growth and optimization. Helge Aasen has been the CEO since 2009.

About Bluestar

Bluestar is a leading company in the new chemical materials, basic chemical engineering, animal nutrition and environmental science sectors. It is a subsidiary of China National Chemical Corporation, a state-owned company that is one of China's leading chemical companies.

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This announcement does not constitute a prospectus and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in the Company, except on the basis of information in any prospectus published by the Company in connection with the potential offering and admission of such securities to trading and official listing on Oslo Børs. Copies of any such offering memorandum will, following publication, be available from the Company's registered office.

The Managers and their affiliates are acting exclusively for the Company and no-one else in connection with the intended offering. They will not regard any other person as their respective clients in relation to the intended offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the intended offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the contemplated offering, the Managers and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the contemplated offering or otherwise. Accordingly, references in the prospectus, if published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such Managers and any of their affiliates acting as investors for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.