



## **Elkem ASA – Contemplated private placement of up to approx. 56.5 million new shares**

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Oslo, 26 April 2021

Elkem ASA ("**Elkem**" or "the **Company**") announces a private placement of up to approx. 56.5 million new shares (the "**New Shares**") (the "**Private Placement**").

The net proceeds from the issuance of the New Shares in the Private Placement will be used to further strengthen the capacity to invest in growth initiatives to capture attractive silicones opportunities in line with Elkem's strategy, including the announced expansion project in Xinghou, as well as for general corporate purposes.

The Company has retained ABG Sundal Collier ASA ("**ABG**") and Morgan Stanley & Co. International plc as joint bookrunners in connection with the Private Placement (jointly the "**Managers**").

The Private Placement will be directed towards Norwegian and international investors, subject to applicable exemptions from relevant registration, filing and prospectus requirements, and subject to other applicable selling restrictions. The minimum application and allocation amount have been set to the NOK equivalent of EUR 100,000. The Company may however, at its sole discretion, allocate New Shares for amounts below EUR 100,000 to the extent exemptions from the prospectus requirements in accordance with applicable regulations, including the Norwegian Securities Trading Act and ancillary regulations, are available.

The offer price in the Private Placement will be determined by the board of directors of the Company (the "**Board**") following an accelerated bookbuilding process. The bookbuilding period for the Private Placement commences today, on 26 April 2021 at 16:30 CEST and is expected to close on 27 April 2021 at 08:00 CEST. The Company, after consultation with the Managers, reserves the right to at any time and in its sole discretion close or extend the bookbuilding period or to cancel the Private Placement in its entirety and for any reason. If the bookbuilding is shortened or extended, the other dates referred to herein may be changed correspondingly.

The Board has proposed that the Company's annual general meeting to be held on 27 April 2021 (the "**AGM**") resolves a dividend of NOK 0.15 per share (please see the Company's announcement made on 10 February 2021 for practical information relating to the proposed dividend). The shares allocated in the Private Placement will carry the right to receive such dividend, provided that the dividend is resolved by the AGM.

Completion of the Private Placement by delivery of the New Shares is subject to (i) the approval by the Board of the Private Placement including the Board resolving to issue the New Shares pursuant to an authorisation to increase the share capital granted by the Company's annual general meeting held on 8 May 2020, (ii) the placement agreement entered into by the Joint Bookrunners and the Company on 26 April 2021 not being terminated by the Managers in accordance with the terms thereof.

The Company reserves the right to cancel, and/or modify the terms of, the Private Placement at any time and for any reason prior to delivery of the New Shares. Neither the Company nor the Managers will be liable for any losses incurred by investors if the Private Placement is cancelled and/or modified, irrespective of the reason for such cancellation.

Allocation of the shares in the Private Placement will be determined after the expiry of the bookbuilding period, and the final allocation will be made by the Board at its sole discretion, following advice from the Managers. Delivery versus payment settlement of the New Shares will be facilitated by existing and unencumbered shares in the Company being borrowed by ABG (on behalf of the Managers) from Bluestar Elkem International Co. Ltd S.A pursuant to a share lending agreement between such parties and the Company. The shares will thus be tradable from allocation. The Managers will settle the share loan with new shares in the Company to be issued by a resolution of the Board pursuant to an authorisation granted by the annual general meeting held on 8 May 2020.

The Company will announce the exact number of New Shares to be issued in the Private Placement through a stock exchange notice expected to be published before opening of the trading on Oslo Stock Exchange on 27 April 2021.

Subject to completion of the Private Placement, the Company has agreed to a 90 days lock-up for the Company, subject to customary exemptions as well as relating share issuance under employee stock option and management remuneration plans.

The Board has considered the structure of the contemplated capital raise in light of the equal treatment obligations under the Norwegian Public Limited Companies Act, the Norwegian Securities Trading Act and the rules on equal treatment under Oslo Rule Book II for companies listed on the Oslo Stock Exchange and the Oslo Stock Exchange's Guidelines on the rule of equal treatment, and is of the opinion that the proposed Private Placement is in compliance with these requirements. By structuring the transaction as a private placement, the Company will be in a position to raise capital in an efficient manner, with a lower discount to the current trading price and with significantly lower completion risks compared to a rights issue. In addition, the Private Placement is subject to marketing through a publicly announced bookbuilding process and a market-based offer price should therefore be achieved. The Board also aims to widen and strengthen the Company's shareholder base by completing the transaction as a private placement. Furthermore, the number of New Shares to be issued in connection with the contemplated Private Placement will imply a limited dilution of existing shareholders. On this basis and based on an assessment of the current equity markets, the Board has considered the Private Placement to be in the common interest of the Company and its shareholders. As a consequence of the private placement structure, the shareholders' preferential rights to subscribe for the New Shares will be deviated from.

Advokatfirmaet Thommessen AS is acting as legal advisor to the Company in connection with the Private Placement and Advokatfirmaet Schjødt AS is acting as the Norwegian legal advisor to the Managers.

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This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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