



## **Elkem ASA – Private Placement successfully completed**

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Oslo, 26 April 2021.

Reference is made to the stock exchange announcement by Elkem ASA ("**Elkem**" or the "**Company**") earlier today regarding a contemplated private placement of up to approx. 56.5 million new shares (the "**New Shares**") in the Company (the "**Private Placement**").

The Company is pleased to announce that the Private Placement has been successfully completed, raising approximately NOK 1,891 million in gross proceeds to the Company through the allocation of 56,456,034 New Shares at a price of NOK 33.50 per New Share. The Private Placement took place through an accelerated bookbuilding process managed by ABG Sundal Collier ASA ("**ABGSC**") and Morgan Stanley & Co. International plc (jointly, the "**Managers**") as joint bookrunners after close of market today, on 26 April 2021. The Private Placement attracted strong interest from high-quality institutional investors and the book was significantly oversubscribed.

Completion of the Private Placement and the issuance of the New Shares were resolved by the Board of Directors of the Company (the "**Board**") at a Board meeting held today, pursuant to an authorization to increase the share capital granted to the Board by the Company's annual general meeting on 8 May 2020. The Company's share capital following the Private Placement will be NOK 3,197,206,890 divided into 639,441,378 shares, each with a nominal value of NOK 5.

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 Xinghuo, as well as for general corporate purposes.

Delivery versus payment settlement of the New Shares will be facilitated by existing and unencumbered shares in the Company being borrowed by ABGSC (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 allocated in the Private Placement will thus be tradable from allocation. The Managers will settle the share loan with new shares in the Company to be issued pursuant to the resolution of the Board referred to above.

Completion of the Private Placement implies a deviation from the preemptive rights of the existing shareholders of the Company under the Norwegian Public Limited Companies Act. When resolving the issuance of the New Shares in the Private Placement, the Board considered this deviation and also the equal treatment obligations under the Norwegian Securities Trading Act, 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. The Board is of the opinion that there are sufficient grounds to deviate from the preemptive rights and that the Private Placement is in compliance with the equal treatment requirements. By structuring the transaction as a private placement, the Company was able 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, and strengthen the Company's shareholder base. Further, the number of New Shares to be issued in connection with the contemplated Private Placement implies a limited dilution of existing shareholders. The Board noted that the Company's majority shareholder, Bluestar Elkem International Co. Ltd S.A, is supportive to the transaction and the transaction structure, and did not participate in the Private Placement. The Company will not conduct a subsequent repair offering.

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.

For further information, please contact:

Odd-Geir Lyngstad, VP Finance & Investor Relations

Tel: +47 976 72 806

Email: odd-geir.lyngstad@elkem.no

Fredrik Norman, VP Corporate Communication and Public Affairs

Tel: +47 918 66 567

Email: fredrik.norman@elkem.no

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

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