



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 919 095 849
Organisasjonsform: Aksjeselskap
Foretaksnavn: ELKEM SILICONES SCANDINAVIA AS
Forretningsadresse: Drammensveien 169
0277 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten Tverå
Dato for fastsettelse av årsregnskapet: 28.08.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 15.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue		94 735 081	100 260 495
Other income		2 045 767	5 178 748
Sum inntekter	1, 2	96 780 848	105 439 243
Kostnader			
Raw materials and consumables used	2, 3	87 263 177	92 500 209
Employee benefits expense	4		
Other expenses	2, 4	6 460 546	6 732 170
Sum kostnader		93 723 723	99 232 379
Driftsresultat		3 057 125	6 206 864
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	2	255 038	214 202
Sum finansinntekter		255 038	214 202
Other financial expenses		178 659	72 647
Sum finanskostnader		178 659	72 647
Netto finans		76 379	141 555
Ordinært resultat før skattekostnad		3 133 504	6 348 419
Income tax expense	5	690 056	1 396 429
Ordinært resultat etter skattekostnad		2 443 448	4 951 990
Årsresultat		2 443 448	4 951 990
Årsresultat etter minoritetsinteresser		2 443 448	4 951 990
Totalresultat		2 443 448	4 951 990
Overføringer og disponeringer			
Ordinært utbytte	6	23 000 000	
Avgitt konsernbidrag	6		216 060



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Other equity	6	2 443 448	4 735 930
Transferred from other equity	6	-23 000 000	
Sum overføringer og disponeringer		2 443 448	4 951 990



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	1 045	1 045
Sum immaterielle eiendeler		1 045	1 045
Sum anleggsmidler		1 045	1 045
Omløpsmidler			
Varer			
Sum varer	7	8 425 420	1 485 804
Fordringer			
Accounts receivables		1 083 004	
Other short-term receivables	8	39 016 475	42 390 289
Sum fordringer		40 099 479	42 390 289
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		94 260	221 153
Sum bankinnskudd, kontanter og lignende		94 260	221 153
Sum omløpsmidler		48 619 159	44 097 246
SUM EIENDELER		48 620 204	44 098 291
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6	100 000	100 000
Sum innskutt egenkapital		100 000	100 000
Opptjent egenkapital			
Other equity	6	6 616 592	27 173 144
Sum opptjent egenkapital		6 616 592	27 173 144



Balanse

Beløp i: NOK	Note	2022	2021
Sum egenkapital		6 716 592	27 273 144
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	8	326 003	690 607
Tax payable	5	690 056	1 331 534
Public duties payable		1 965 584	4 367 567
Utbytte		23 000 000	
Other current liabilities	8	15 921 969	10 435 439
Sum kortsiktig gjeld		41 903 612	16 825 147
Sum gjeld		41 903 612	16 825 147
SUM EGENKAPITAL OG GJELD		48 620 204	44 098 291



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	17.10.2017	26.10.2017
Telefon	Deres referanse	Vår referanse
90076012	Merete Ø. Kristensen	2017/1111334

ELKEM AS
Postboks 334 Skøyen
0213 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Elkem Silicones Scandinavia AS, org.nr. 919 095 849

Vi viser til deres brev av 17. oktober 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Elkem Silicones Scandinavia AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Elkem Silicones Scandinavia AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra deres søknad gjengis:

Selskapet er en del av et stort internasjonalt konsern som har sin ultimate eier i Kina. Selskapets morselskap er Elkem AS, et norsk selskap. Det sitter imidlertid ingen norske representanter fra Elkem AS i styret til Elkem Silicones Scandinavia AS. Samtlige styremedlemmer er utenlandske.

Elkem AS har også dispensasjon og leverer sitt konsernregnskap på engelsk.

Selskapet opererer i dag som et salgskontor som selger varer til kunder i hele Skandinavia, Finland og Island. Det er således viktig at selskapets kunder kan innhente et regnskap på engelsk.

Alt varekjøp er internt kjøp fra øvrige konsernselskaper i Europa.

Konsernspråket er engelsk.

En norsk oversettelse vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er en del av et utenlandsk konsern, med ultimater i Kina. Eierkretsen er begrenset. Det norske morselskapet har allerede fått innvilget dispensasjon til å benytte engelsk språk. Videre er det vektlagt at selskapets arbeidsspråk er engelsk og at bransjespråket der selskapet opererer er engelsk. Det forutsettes at ingen av de øvrige regnskapsbrukerne blir vesentlig negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Kopi til:
ELKEM SILICONES SCANDINAVIA AS Postboks 334 Skøyen 0213 OSLO



2017/1111334 Side 3 av 3

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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To the General Meeting of Elkem Silicones Scandinavia AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Elkem Silicones Scandinavia AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

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Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodo	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

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Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Oslo, 31 August 2023
KPMG AS

Øyvind Skorgevik
State Authorised Public Accountant
(This document is signed electronically)

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Øyvind Skorgevik

Statsautorisert revisor

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Financial Statements 2022

Elkem Silicones Scandinavia AS

Board of Directors report
Auditors Report
Profit and loss statement
Balance sheet
Notes



Org.nr.: 919 095 849



The board of directors' report 2022 for Elkem Silicones Scandinavia AS

Operations and locations

Elkem Silicones Scandinavia AS (ES Scandinavia) is engaged in the import and sale of silicone-based polymers and Chemical products. Goods are shipped directly from the producer to the end customer. The production of goods takes place in Lyon, France. The company's customers are located in Norway and Sweden.

The main office is based in Oslo.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2023 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Future challenges

Elkem Silicones Scandinavia reached a good level of business throughout 2022, even if the revenues is slightly below 2021, due to decrease in the demand on the Release Coating market (-14,9% of volume vs 2021).

The expectation for 2023 has been revised downsized due to a global recession and the company is implementing a program to boost sales by building new opportunities with the prospects.

Comments related to the financial statements

The Company's revenues decreased from NOK 105,4 mill. in 2021 to NOK 96.8 mill. in 2022.

Operating profit in 2021 was NOK 6,2 mill. compared to NOK 3.1 mill. in 2022.

Total assets at year-end amounted to NOK 48.6 mill. compared to NOK 44,1 mill. last year.

The equity ratio including the proposed dividend was 14,1 % as of 31.12.2022, compared to 61.8 % the year before.

Financial risk

The company buys and sells goods in EUR and has therefore a limited exchange rate risk.

Market risk

Market risk arises when a company is subject to adverse sales conditions due to either increased competition in the marketplace, adverse demand conditions within the market, or the inability to develop markets or position products to service targeted customers. ES Scandinavia is exposed to limited market risk because the company doesn't meet the conditions above.

Credit risk

ES Scandinavia works closely with Elkem Silicones France. ES France bears the credit risk related to its customers' credit default and compensates ES Scandinavia in case of credit default of its customers.

In addition, ES Scandinavia benefits from credit insurance contracts which are negotiated by ES France and binding all parties of European entities. As a result, ES Scandinavia is exposed to limited credit risk.

Insurance for members of the Board

The Company has signed an insurance policy for members of the Board of Directors and the general manager for their potential liability towards the company and third-parties, The insurance covers any financial loss, including lawyers fees, which the insured person is liable to pay due to any historical, current and future liability. The insurance also covers any loss the company may incur due to indemnification against the Board of Directors.

The working environment and the employees

ES Scandinavia subcontracts 3 people that benefits from the working conditions and advantages of Elkem ASA.

No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

The working environment is considered to be good, and efforts for improvements are made on an ongoing basis.

Equal opportunities

The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent



gender discrimination regarding salary, promotion and recruiting. The Group has traditionally recruited from environments equally dominated by both men and women.

The company has two subcontracted females and one subcontracting man employee during fiscal year 2022.

Discrimination

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Group's aim is to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilize the various functions. For employees or new applicants with reduced functional ability, individual arrangements of workplace and responsibility are made.

As part of the work to adjust physical arrangements, door openers at all exit doors have been installed.

Environmental report and Report on work on fundamental human rights and decent working conditions

The company sells chemicals. Some of which may have a polluting effect on the environment in the event of improper use. However, these products are subject to strict health, safety and environmental practices.

Elkem Scandinavia AS belong to Elkem ASA (HQ) who has strong commitment in ESG policy. Elkem received lot of "gratification" from certified organism. The engagement of Elkem in the future is to continue and strengthened its ESG commitment.

As part of the Elkem ASA Group the company is included in the Sustainability report provided by Elkem ASA. The report also contains the report on work on fundamental human rights and decent working conditions. The report can be found on the website of Elkem ASA, www.elkem.com

Allocation of net income

The profit for the year was NOK 2 443 448. The board propose to transfer the profit to retained earnings.

The board of directors proposes to distribute NOK 115 000,00 per share corresponding to NOK 23 000 000,00 as dividend distributed from retained earnings.

Oslo, 28.08.2023

Morten Magnus Voll
Chairman of the Board

Sean Patrick Duffy
Board member



PROFIT AND LOSS ACCOUNTS

ELKEM SILICONES SCANDINAVIA AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2022	2021
Revenue		94 735 081	100 260 495
Other income		2 045 767	5 178 748
Total income	1, 2	96 780 848	105 439 243
Raw materials and consumables used	2, 3	87 263 177	92 500 209
Other expenses	2, 4	6 460 546	6 732 170
Total expenses		93 723 723	99 232 379
Operating profit		3 057 125	6 206 864
FINANCIAL INCOME AND EXPENSES			
Interest income from group companies	2	255 038	214 202
Other financial expenses		178 659	72 647
Net financial items		76 379	141 555
Net profit before tax		3 133 504	6 348 419
Income tax expense	5	690 056	1 396 429
Net profit after tax		2 443 448	4 951 990
Net profit or loss		2 443 448	4 951 990
ATTRIBUTABLE TO			
Ordinary dividend	6	23 000 000	0
Intra-group contribution given	6	0	216 060
Other equity	6	2 443 448	4 735 930
Transferred from other equity	6	23 000 000	0
Total		2 443 448	4 951 990



BALANCE SHEET

ELKEM SILICONES SCANDINAVIA AS

ASSETS	Note	2022	2021
Deferred tax assets	5	1 045	1 045
Total intangible assets		1 045	1 045
Total non-current assets		1 045	1 045
CURRENT ASSETS			
Inventories	7	8 425 420	1 485 804
DEBTORS			
Accounts receivables		1 083 004	0
Other short-term receivables	8	39 016 475	42 390 289
Total receivables		40 099 479	42 390 289
Cash and cash equivalents		94 260	221 153
Total current assets		48 619 159	44 097 246
Total assets		48 620 204	44 098 291



BALANCE SHEET

ELKEM SILICONES SCANDINAVIA AS

EQUITY AND LIABILITIES	Note	2022	2021
PAID-IN CAPITAL			
Share capital	6	100 000	100 000
Total paid-up equity		100 000	100 000
RETAINED EARNINGS			
Other equity	6	6 616 592	27 173 144
Total retained earnings		6 616 592	27 173 144
Total equity		6 716 592	27 273 144
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	8	326 003	690 607
Tax payable	5	690 056	1 331 534
Public duties payable		1 965 584	4 367 567
Dividends		23 000 000	0
Other current liabilities	8	15 921 969	10 435 439
Total current liabilities		41 903 612	16 825 147
Total liabilities		41 903 612	16 825 147
Total equity and liabilities		48 620 204	44 098 291

Oslo, 28.08.2023

The board of Elkem Silicones Scandinavia AS

Sean Patrick Duffy
member of the board

Morten Magnus Voll
chairman of the board



INDIRECT CASH FLOW

ELKEM SILICONES SCANDINAVIA AS

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss before tax		3 133 504	6 348 419
Taxation paid		-1 331 534	0
Change in inventory		-6 939 616	-294 030
Change in accounts receivable		-1 083 004	621 333
Change in accounts payable		-364 604	-3 252 102
Change in other accrual items		6 735 361	2 800 663
Net cash flows from operating activities		150 107	6 224 283
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Group contributions		-277 000	-6 488 000
Net cash flows from financing activities		-277 000	-6 488 000
Net change in cash and cash equivalents		-126 893	-263 717
Cash and cash equivalents at the start of the period		221 153	484 871
Cash and cash equivalents at the end of the period		94 260	221 154



Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The accounts are prepared on the basis of a going concern assumption.

FOREIGN CURRENCY

Transactions in foreign currency are translated at the exchange rate prevailing at the end of the prior month. Monetary items in foreign currency are translated into Norwegian kroner using the exchange rate at the balance sheet date. Non-monetary items measured at historical rates expressed in foreign currency are translated into Norwegian kroner using the exchange rate at the time of the transaction. Non-monetary items measured at fair value expressed in foreign currency are translated at the exchange rate determined on the measurement date. Exchange rate changes are recognized in the accounting period under cost of sales as this is where exchange rate differences arise.

REVENUE

Sale of goods

Revenue is recognised when it is earned and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any taxes, rebates and discounts. Expenses are recognised in the same period as the related revenue. When products are sold with warranties, the expected warranty amounts are recognised as expenses at the time of the sale, and are subsequently adjusted for any changes in estimates or actual outcome. Revenue from sale of goods is recognised when the significant risk and reward of the ownership of the goods has passed to the buyer, according to the agreed delivery term for each sale. Delivery terms are based on Incoterms 2020 issued by International Chamber of Commerce.

Sale of services

Revenue from sale of services is recognised when the services have been provided. Sale of services are mainly related to management agreements with related parties, based on cost plus a margin.

TAX

The tax cost in the profit and loss comprises both payable tax for the period and changes in deferred tax. Deferred tax is calculated as 22 % of the basis of temporary differences between accounting and taxable values as well as tax losses brought forward. Temporary differences which can reverse in the same period are presented net.

RECOGNITION OF CURRENT ASSETS/LIABILITIES

Current assets and liabilities are made up of balances due within one year of the financial year end. Such assets/liabilities are recognised at the lower of cost and net realisable value.

Elkem Silicones Scandinavia participates in a group cash pool managed by Elkem Silicones France SAS. Deposits and drawings are classified as other short-term receivables / other current debt.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

RECEIVABLES

Trade and other receivables are recognised at nominal value less provisions for doubtful accounts. The company has entered into a factoring agreement. The factoring agreement includes a recourse clause for maximum 5% of the face value of the individual receivable sold under the agreement. 95% of the receivable under the agreement are derecognised and the recourse amount is booked as current liability.

CASHFLOW

The cashflow statement is prepared using the indirect method. Cash and cash equivalents are made up of cash, bank assets and other short term liquid placements.



Note 1 Revenue and other operating income

	2022	2021
By business area		
Revenue	94 735 081	100 260 495
Other operating income	2 045 767	5 178 748
Sum	96 780 849	105 439 243
By geographic market		
Norway	92 780 691	96 468 259
Sweden	3 198 099	6 812 927
Denmark	757 735	2 050 864
Germany	19 889	46 295
Netherlands	7 817	18 606
Iceland	12 028	8 618
Belgium	0	29 404
United Kingdom	4 590	4 271
Sum	96 780 849	105 439 244

Note 2 Related party transactions

	Elkem Silicones France SAS 2022	Elkem Silicones France SAS 2021	Elkem Silicones Services S.à.r.l 2022	Elkem Silicones Services S.à.r.l 2021	Elkem ASA 2022	Elkem ASA 2021
Revenue						
Sales commission	2 045 766	5 177 590	0	0	0	0
Interest income	255 038	214 202	0	0	0	0
Sum	2 300 804	5 391 792	0	0	0	0
Expenses						
Purchase of goods	89 344 780	90 025 595	0	0	0	0
Purchase of services	417 941	497 381	0	0	4 112 511	3 384 383
Management fee	1 507 154	1 940 802	0	-57 192	0	0
Sum	91 269 875	92 463 778	0	-57 192	4 112 511	3 384 383

Note 3 Cost of sales

Cost of sales includes NOK 254 160 in realised foreign exchange losses and NOK 1 169 878 in unrealised foreign exchange losses.

Note 4 Payroll, Director's remuneration and audit fees

The company has no employees.

The company has no Managing Director and remuneration to the Board of Directors amounts to NOK 0.

AUDITOR

Audit fees for 2022 total NOK 110 224 of which all is related to regular statutory audit.



Note 5 Tax

This year's tax expense	2022	2021
Payable tax	690 056	1 392 474
Changes in deferred tax assets	0	3 955
Tax expense on ordinary profit/loss	690 056	1 396 429

Taxable income	2022	2021
Ordinary result before tax	3 133 504	6 348 419
Permanent differences	3 115	0
Changes in temporary differences	0	-18 990
Provided Group contribution	0	-277 000
Taxable income	3 136 619	6 052 429

Payable tax in the balance:	2022	2021
Payable tax on this year's profit	690 056	1 392 474
Payable tax on provided Group contribution	0	-60 940
Total payable tax in the balance	690 056	1 331 534

Temporary differences	2022	2021	Difference
Stock	-4 748	-4 748	0
Total	-4 748	-4 748	0
Basis for deferred tax	-4 748	-4 748	0
Deferred tax asset (22%)	-1 045	-1 045	0

The tax effect of temporary differences that has formed the basis for deferred tax advantages, specified on type of temporary differences

Note 6 Equity

	Share capital	Other equity	Total equity
As at 01.01.2022	100 000	27 173 144	27 273 144
Annual profit		2 443 448	2 443 448
Dividends		-23 000 000	-23 000 000
As at 31.12.2022	100 000	6 616 592	6 716 592

Share capital comprises 200 shares each with par value NOK 500. 100 % owned by Elkem ASA, Norway.

For the year 2022 NOK 115 000 per share corresponding to NOK 23 000 000 has been allocated for the distribution of dividends to the shareholders.

Consolidated accounts have been prepared by Elkem ASA and are available from the company's office at Drammensveien 169 0277 Oslo, Norway.



Note 7 Inventory

	2022	2021
Inventory of goods for resale	8 425 420	1 485 804
Sum	8 425 420	1 485 804

Note 8 Intercompany balances

Receivables	2022	2021
Other receivables	39 016 475	42 390 289
Total	39 016 475	42 390 289
Payables		
Trade payables	264 561	690 607
Other payables	10 409 778	7 633 962
Total	10 674 340	8 324 569

All intercompany balances are classified as current assets/liabilities and fall due within one year of the financial year-end.

The liquidities of the company is organised in a cash pool arrangement with Elkem Silicones France SAS. Consequently the cash position of the company is classified as an inter company receivable. All the participants in the cash pool is jointly liable for the outstanding amount in the cash pool.

The company has a receivable of NOK 36 372 464 in the cash pool.