



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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 Magnus Voll
Dato for fastsettelse av årsregnskapet: 22.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 20.09.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue		100 260 495	85 080 951
Other income		5 178 748	4 600 526
Sum inntekter	1, 4	105 439 243	89 681 477
Kostnader			
Raw materials and consumables used		92 500 209	77 628 067
Employee benefits expense	3		25 303
Other expenses		6 732 170	5 643 756
Sum kostnader		99 232 379	83 297 126
Driftsresultat		6 206 864	6 384 351
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	4	214 202	183 777
Sum finansinntekter		214 202	183 777
Other financial expenses		72 647	103 503
Sum finanskostnader		72 647	103 503
Netto finans		141 555	80 274
Ordinært resultat før skattekostnad			
Income tax expense	5	1 396 429	1 422 360
Ordinært resultat etter skattekostnad		4 951 990	5 042 265
Årsresultat		4 951 990	5 042 265
Årsresultat etter minoritetsinteresser		4 951 990	5 042 265
Totalresultat		4 951 990	5 042 265
Overføringer og disponeringer			
Konsernbidrag		216 060	5 060 640
Other equity	8	4 735 930	-18 375



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		4 951 990	5 042 265



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	1 045	5 000
Sum immaterielle eiendeler		1 045	5 000
Sum anleggsmidler		1 045	5 000
Omløpsmidler			
Varer			
Sum varer	7	1 485 804	1 191 774
Fordringer			
Other short-term receivables	6	42 390 289	39 138 186
Sum fordringer		42 390 289	39 138 186
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		221 153	484 871
Sum bankinnskudd, kontanter og lignende		221 153	484 871
Sum omløpsmidler		44 097 246	40 814 831
SUM EIENDELER		44 098 291	40 819 831
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	100 000	100 000
Sum innskutt egenkapital		100 000	100 000
Opptjent egenkapital			
Other equity	8, 9	27 173 144	22 437 214
Result brought forward (aut)			
Sum opptjent egenkapital		27 173 144	22 437 214



Balanse

Beløp i: NOK	Note	2021	2020
Sum egenkapital		27 273 144	22 537 214
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	6	690 607	69 274
Tax payable	5	1 331 534	
Public duties payable		4 367 567	3 271 066
Other current liabilities	6	10 435 439	14 942 277
Sum kortsiktig gjeld		16 825 147	18 282 617
Sum gjeld		16 825 147	18 282 617
SUM EGENKAPITAL OG GJELD		44 098 291	40 819 831



Financial Statement 2021

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 2021 for Elkem Silicones Scandinavia AS

Operations and locations

Elkem Silicones Scandinavia AS 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 2022 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Future challenges

Elkem Silicones Scandinavia reached a very good level of business throughout 2021, with revenues above 2020, due to increase of demand on the Release Coating market.

The expectation is for a further increase in business during 2022 by maintaining strong relationship with the key customers and building business with prospective new customers.

Comments related to the financial statements

The Company's revenues increased from NOK 89,7 mill. in 2020 to NOK 105,4 mill. in 2021.

Operating profit in 2021 was NOK 6,2 mill. compared to NOK 6,4 mill. in 2020.

Total assets at year-end amounted to NOK 44,1 mill. compared to NOK 40,8 mill. last year.

The equity ratio was 61,8 % as of 31.12.2021, compared to 55,2 % 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, the main company of the Group. 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.

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 2021.



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

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.

Allocation of net income

The Board of Directors approves the 2021 profit amounting to NOK 4 951 990 and propose that the 2021 profit is allocated as follows: NOK 216.060 in group contribution to be distributed, and 4.735.930 allocated to other equity.

Oslo, 22.06.2022

Morten Magnus Voll
Chairman of the Board

Keith Michael Goulding
Board member

Sean Patrick Duffy
Board member



PROFIT AND LOSS ACCOUNTS

ELKEM SILICONES SCANDINAVIA AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2021	2020
Revenue		100 260 495	85 080 951
Other income		5 178 748	4 600 526
Total income	1, 4	105 439 243	89 681 477
Raw materials and consumables used		92 500 209	77 628 067
Employee benefits expense	3	0	25 303
Other expenses		6 732 170	5 643 756
Total expenses		99 232 379	83 297 126
Operating profit		6 206 864	6 384 351
FINANCIAL INCOME AND EXPENSES			
Interest income from group companies	4	214 202	183 777
Other financial expenses		72 647	103 503
Net financial items		141 555	80 274
Net profit before tax		6 348 419	6 464 625
Income tax expense	5	1 396 429	1 422 360
Net profit after tax		4 951 990	5 042 265
Net profit or loss		4 951 990	5 042 265
ATTRIBUTABLE TO			
Intra-group contribution given		216 060	5 060 640
Other equity	8	4 735 930	-18 375
Total		4 951 990	5 042 265



BALANCE SHEET

ELKEM SILICONES SCANDINAVIA AS

ASSETS	Note	2021	2020
Deferred tax assets	5	1 045	5 000
Total intangible assets		1 045	5 000
Total non-current assets		1 045	5 000
CURRENT ASSETS			
Inventories	7	1 485 804	1 191 774
DEBTORS			
Other short-term receivables	6	42 390 289	39 138 186
Total receivables		42 390 289	39 138 186
Cash and cash equivalents		221 153	484 871
Total current assets		44 097 246	40 814 831
Total assets		44 098 291	40 819 831



BALANCE SHEET

ELKEM SILICONES SCANDINAVIA AS

EQUITY AND LIABILITIES	Note	2021	2020
PAID-IN CAPITAL			
Share capital	8	100 000	100 000
Total paid-up equity		100 000	100 000
RETAINED EARNINGS			
Other equity	8, 9	27 173 144	22 437 214
Total retained earnings		27 173 144	22 437 214
Total equity		27 273 144	22 537 214
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	6	690 607	69 274
Tax payable	5	1 331 534	0
Public duties payable		4 367 567	3 271 066
Other current liabilities	6	10 435 439	14 942 277
Total current liabilities		16 825 147	18 282 617
Total liabilities		16 825 147	18 282 617
Total equity and liabilities		44 098 291	40 819 831

Oslo, 22.06.2022

The board of Elkem Silicones Scandinavia AS

Sean Patrick Duffy
member of the board

Keith Michael Goulding
member of the board

Morten Magnus Voll
chairman of the board



INDIRECT CASH FLOW

ELKEM SILICONES SCANDINAVIA AS

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss before tax		6 348 419	6 464 625
Taxation paid		0	-564 679
Change in inventory		-294 030	2 322 635
Change in accounts receivable		621 333	3 151 784
Change in accounts payable		-3 252 103	-2 584 563
Change in other accrual items		2 800 663	-8 872 794
Net cash flows from operating activities		6 224 282	-82 993
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Group contributions		-6 488 000	0
Net cash flows from financing activities		-6 488 000	0
Net change in cash and cash equivalents		-263 718	-82 993
Cash and cash equivalents at the start of the period		484 871	567 863
Cash and cash equivalents at the end of the period		221 153	484 871



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.

USE OF ESTIMATES

In preparing the financial statements, estimates and assumptions have been used which have affected the income statement and valuation of assets and liabilities, as well as uncertain assets and liabilities at the balance sheet date in accordance with generally accepted accounting principles. Areas that largely contain such discretionary assessments, high degree of complexity, or areas where assumptions and estimates are material to the financial statements are described in the notes.

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

Revenue from the sale of goods is recognised at the time of delivery. Services are recognized as income as they are delivered. Revenues from sales of services and long-term asset projects (plant contracts) are recognized in the income statement at the completion rate of the project, when the outcome of the transaction can be estimated reliably. When the transaction's outcome can not be estimated reliably, only revenue corresponding to accrued project costs will be recognized as income. During the period it is identified that a project will produce a negative result, the estimated loss on the contract will be recognised in full in the income statement.

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.

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

	2021	2020
By business area		
Revenue	100 260 495	85 080 951
Other operating income	5 178 748	4 600 526
Sum	105 439 244	89 681 477
By geographic market		
Norway	96 468 259	79 522 670
Sweden	6 812 927	7 797 160
Denmark	2 050 864	2 212 465
Germany	46 295	77 817
Netherlands	18 606	39 161
Iceland	8 618	11 579
Belgium	29 404	17 948
United Kingdom	4 271	2 677
Sum	105 439 244	89 681 477

Note 2 Cost of sales

Cost of sales includes NOK -2 110 656 in realised foreign exchange gains and NOK -25 491 in unrealised foreign exchange gains.

Note 3 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 2021 total NOK 72 038 of which all is related to regular statutory audit.

Note 4 Related party transactions

	Elkem Silicones France SAS 2021	Elkem Silicones France SAS 2020	Elkem Silicones Services S.à.r.l 2021	Elkem Silicones Services S.à.r.l 2020	Elkem ASA 2021	Elkem ASA 2020
Revenue						
Sales commission	5 177 590	4 600 523	0	0	0	0
Interest income	214 202	183 777	0	0	0	0
Sum	5 391 792	4 784 300	0	0	0	0
Expenses						
Cost of sales	90 025 595	72 663 086	0	0	0	0
Purchase of services	497 381	461 886	0	0	3 884 383	3 522 929
Management fee	1 940 802	991 292	-57 192	51 826	0	0
Sum	92 463 778	74 116 264	-57 192	51 826	3 884 383	3 522 929



Note 5 Tax

This year's tax expense	2021	2020
Payable tax	1 392 474	1 427 360
Changes in deferred tax assets	3 955	-5 000
Tax expense on ordinary profit/loss	1 396 429	1 422 360

Taxable income	2021	2020
Ordinary result before tax	6 348 419	6 464 625
Changes in temporary differences	-18 990	23 738
Provided Group contribution	-277 000	-6 488 000
Taxable income	6 052 429	362

Payable tax in the balance:	2021	2020
Payable tax on this year's profit	1 392 474	1 427 360
Payable tax on provided Group contribution	-60 940	-1 427 360
Total payable tax in the balance	1 331 534	0

Temporary differences	2021	2020	Difference
Stock	-4 748	-23 738	-18 990
Total	-4 748	-23 738	-18 990
Basis for deferred tax	-4 748	-23 738	-18 990
Deferred tax asset (22%)	-1 045	-5 222	-4 178

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

Note 6 Intercompany balances

Receivables	2021	2020
Other receivables	42 390 289	39 138 186
Total	42 390 289	39 138 186

Payables		
Trade payables	690 607	69 274
Other payables	7 633 962	6 422 379
Total	8 324 569	6 491 653

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



Note 7 Inventory

	2021	2020
Inventory of goods for resale	1 485 804	1 191 774
Sum	1 485 804	1 191 774

Note 8 Equity

	Share capital	Other equity	Total equity
As at 01.01.2021	100 000	22 437 214	22 537 214
Annual profit		4 951 990	4 951 990
Group contribution		-216 060	-216 060
As at 31.12.2021	100 000	27 173 144	27 273 144

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

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

Note 9 Subsequent events

There are no subsequent events relative to the results per 31.12.2021.



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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 2021, 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 2021, 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 laws and regulations 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 Information

The Board of Directors and the Managing Director (management) are 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.

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 legal 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

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Penneo Dokumentnr: CJOYT-BMXSC-682YQ-ZHBSS-EJZT1-BKBSP



Independent Auditor's Report - Elkem Silicones Scandinavia AS

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, 23.06.2022
KPMG AS

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

Penneo Dokumentnøkkel: CJOYT-BMXSC-682YQ-ZHBSS-EJZT1-BKBSP



PENNEO

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Øyvind Skorgevik

Oppdragsansvarlig revisor

På vegne av: KPMG AS

Serienummer: 9578-5993-4-2747679

IP: 80.232.xxx.xxx

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Financial Statement 2021

Elkem Silicones Scandinavia AS

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The expectation is for a further increase in business during 2022 by maintaining strong relationship with the key customers and building business with prospective new customers.

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The equity ratio was 61,8 % as of 31.12.2021, compared to 55,2 % the year before.

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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, the main company of the Group. 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.

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 2021.



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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

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.


Allocation of net income

The Board of Directors approves the 2021 profit amounting to NOK 4 951 990 and propose that the 2021 profit is allocated as follows: NOK 216.060 in group contribution to be distributed, and 4.735.930 allocated to other equity.


Oslo, 22.06.2022

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Morten Magnus Voll
Chairman of the Board

DocuSigned by:

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Keith Michael Goulding
Board member

DocuSigned by:

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Sean Patrick Duffy
Board member



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PROFIT AND LOSS ACCOUNTS

ELKEM SILICONES SCANDINAVIA AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2021	2020
Revenue		100 260 495	85 080 951
Other income		5 178 748	4 600 526
Total income	1, 4	105 439 243	89 681 477
Raw materials and consumables used		92 500 209	77 628 067
Employee benefits expense	3	0	25 303
Other expenses		6 732 170	5 643 756
Total expenses		99 232 379	83 297 126
Operating profit		6 206 864	6 384 351
FINANCIAL INCOME AND EXPENSES			
Interest income from group companies	4	214 202	183 777
Other financial expenses		72 647	103 503
Net financial items		141 555	80 274
Net profit before tax		6 348 419	6 464 625
Income tax expense	5	1 396 429	1 422 360
Net profit after tax		4 951 990	5 042 265
Net profit or loss		4 951 990	5 042 265
ATTRIBUTABLE TO			
Intra-group contribution given		216 060	5 060 640
Other equity	8	4 735 930	-18 375
Total		4 951 990	5 042 265

ELKEM SILICONES SCANDINAVIA AS

SIDE 4



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BALANCE SHEET

ELKEM SILICONES SCANDINAVIA AS

ASSETS	Note	2021	2020
Deferred tax assets	5	1 045	5 000
Total intangible assets		1 045	5 000
Total non-current assets		1 045	5 000
CURRENT ASSETS			
Inventories	7	1 485 804	1 191 774
DEBTORS			
Other short-term receivables	6	42 390 289	39 138 186
Total receivables		42 390 289	39 138 186
Cash and cash equivalents		221 153	484 871
Total current assets		44 097 246	40 814 831
Total assets		44 098 291	40 819 831



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BALANCE SHEET

ELKEM SILICONES SCANDINAVIA AS

EQUITY AND LIABILITIES	Note	2021	2020
PAID-IN CAPITAL			
Share capital	8	100 000	100 000
Total paid-up equity		100 000	100 000
RETAINED EARNINGS			
Other equity	8, 9	27 173 144	22 437 214
Total retained earnings		27 173 144	22 437 214
Total equity		27 273 144	22 537 214
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	6	690 607	69 274
Tax payable	5	1 331 534	0
Public duties payable		4 367 567	3 271 066
Other current liabilities	6	10 435 439	14 942 277
Total current liabilities		16 825 147	18 282 617
Total liabilities		16 825 147	18 282 617
Total equity and liabilities		44 098 291	40 819 831

Oslo, 22.06.2022

The board of Elkem Silicones Scandinavia AS

DocuSigned by:

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Sean Patrick Duffy
member of the board

DocuSigned by:

4C40388500E4416

Keith Michael Goulding
member of the board

DocuSigned by:

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Morten Magnus Voll
chairman of the board



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INDIRECT CASH FLOW			
ELKEM SILICONES SCANDINAVIA AS			
	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss before tax		6 348 419	6 464 625
Taxation paid		0	-564 679
Change in inventory		-294 030	2 322 635
Change in accounts receivable		621 333	3 151 784
Change in accounts payable		-3 252 103	-2 584 563
Change in other accrual items		2 800 663	-8 872 794
Net cash flows from operating activities		6 224 282	-82 993
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Group contributions		-6 488 000	0
Net cash flows from financing activities		-6 488 000	0
Net change in cash and cash equivalents		-263 718	-82 993
Cash and cash equivalents at the start of the period		484 871	567 863
Cash and cash equivalents at the end of the period		221 153	484 871



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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.

USE OF ESTIMATES

In preparing the financial statements, estimates and assumptions have been used which have affected the income statement and valuation of assets and liabilities, as well as uncertain assets and liabilities at the balance sheet date in accordance with generally accepted accounting principles. Areas that largely contain such discretionary assessments, high degree of complexity, or areas where assumptions and estimates are material to the financial statements are described in the notes.

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

Revenue from the sale of goods is recognised at the time of delivery. Services are recognized as income as they are delivered. Revenues from sales of services and long-term asset projects (plant contracts) are recognized in the income statement at the completion rate of the project, when the outcome of the transaction can be estimated reliably. When the transaction's outcome can not be estimated reliably, only revenue corresponding to accrued project costs will be recognized as income. During the period it is identified that a project will produce a negative result, the estimated loss on the contract will be recognised in full in the income statement.

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.

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.



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Note 1 Revenue and other operating income

	2021	2020
By business area		
Revenue	100 260 495	85 080 951
Other operating income	5 178 748	4 600 526
Sum	105 439 244	89 681 477
By geographic market		
Norway	96 468 259	79 522 670
Sweden	6 812 927	7 797 160
Denmark	2 050 864	2 212 465
Germany	46 295	77 817
Netherlands	18 606	39 161
Iceland	8 618	11 579
Belgium	29 404	17 948
United Kingdom	4 271	2 677
Sum	105 439 244	89 681 477

Note 2 Cost of sales

Cost of sales includes NOK -2 110 656 in realised foreign exchange gains and NOK -25 491 in unrealised foreign exchange gains.

Note 3 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 2021 total NOK 72 038 of which all is related to regular statutory audit.

Note 4 Related party transactions

	Elkem Silicones France SAS 2021	Elkem Silicones France SAS 2020	Elkem Silicones Services S.à.r.l 2021	Elkem Silicones Services S.à.r.l 2020	Elkem ASA 2021	Elkem ASA 2020
Revenue						
Sales commission	5 177 590	4 600 523	0	0	0	0
Interest income	214 202	183 777	0	0	0	0
Sum	5 391 792	4 784 300	0	0	0	0
Expenses						
Cost of sales	90 025 595	72 663 086	0	0	0	0
Purchase of services	497 381	461 886	0	0	3 884 383	3 522 929
Management fee	1 940 802	991 292	-57 192	51 826	0	0
Sum	92 463 778	74 116 264	-57 192	51 826	3 884 383	3 522 929



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Note 5 Tax

This year's tax expense	2021	2020
Payable tax	1 392 474	1 427 360
Changes in deferred tax assets	3 955	-5 000
Tax expense on ordinary profit/loss	1 396 429	1 422 360

Taxable income	2021	2020
Ordinary result before tax	6 348 419	6 464 625
Changes in temporary differences	-18 990	23 738
Provided Group contribution	-277 000	-6 488 000
Taxable income	6 052 429	362

Payable tax in the balance:	2021	2020
Payable tax on this year's profit	1 392 474	1 427 360
Payable tax on provided Group contribution	-60 940	-1 427 360
Total payable tax in the balance	1 331 534	0

Temporary differences	2021	2020	Difference
Stock	-4 748	-23 738	-18 990
Total	-4 748	-23 738	-18 990
Basis for deferred tax	-4 748	-23 738	-18 990
Deferred tax asset (22%)	-1 045	-5 222	-4 178

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

Note 6 Intercompany balances

Receivables	2021	2020
Other receivables	42 390 289	39 138 186
Total	42 390 289	39 138 186

Payables		
Trade payables	690 607	69 274
Other payables	7 633 962	6 422 379
Total	8 324 569	6 491 653

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



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Note 7 Inventory

	2021	2020
Inventory of goods for resale	1 485 804	1 191 774
Sum	1 485 804	1 191 774

Note 8 Equity

	Share capital	Other equity	Total equity
As at 01.01.2021	100 000	22 437 214	22 537 214
Annual profit		4 951 990	4 951 990
Group contribution		-216 060	-216 060
As at 31.12.2021	100 000	27 173 144	27 273 144

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

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

Note 9 Subsequent events

There are no subsequent events relative to the results per 31.12.2021.



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



Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer