



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 980 518 647  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ERAMET NORWAY AS  
Forretningsadresse: Rolighetsvegen 11-17  
3933 PORSGRUNN

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Vibeke Fosstvedt  
Dato for fastsettelse av årsregnskapet: 22.06.2023

### 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, 13.08.2024



## Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	1,2,3	6 885 159	6 367 850
Annen driftsinntekt	1	364 124	291 536
<b>Sum inntekter</b>		<b>7 249 283</b>	<b>6 659 386</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	1	34 140	42 556
Varekostnad	1,3,4	5 296 852	3 819 424
Lønnskostnad	5,6	574 408	534 699
Avskrivning på varige driftsmidler og immaterielle eiendeler	1,7,8	216 986	188 993
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8	12 005	
Annen driftskostnad	3,5,8,9	669 068	829 364
<b>Sum kostnader</b>		<b>6 803 459</b>	<b>5 415 036</b>
<b>Driftsresultat</b>		<b>445 824</b>	<b>1 244 350</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	1,10	200	
Renteinntekt fra foretak i samme konsern	1	2 847	5 480
Annen finansinntekt	1,11	453 218	228 613
<b>Sum finansinntekter</b>		<b>456 265</b>	<b>234 093</b>
Annen rentekostnad	1,12	5 872	435
Annen finanskostnad	1,11	86 881	9 994
<b>Sum finanskostnader</b>		<b>92 753</b>	<b>10 429</b>
<b>Netto finans</b>		<b>363 512</b>	<b>223 664</b>
<b>Ordinært resultat før skattekostnad</b>		<b>809 336</b>	<b>1 468 014</b>
Skattekostnad på ordinært resultat	1,13	177 926	322 329
<b>Ordinært resultat etter skattekostnad</b>		<b>631 410</b>	<b>1 145 685</b>
<b>Årsresultat</b>		<b>631 410</b>	<b>1 145 685</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	1,7	12 912	15 505
Goodwill	1,14	1 435 374	1 435 374
<b>Sum immaterielle eiendeler</b>		<b>1 448 286</b>	<b>1 450 879</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	1,8	426 454	419 262
Maskiner og anlegg	1,8	1 287 457	1 227 306
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	1,8	165	197
<b>Sum varige driftsmidler</b>		<b>1 714 076</b>	<b>1 646 765</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	1,10,1 5	950	950
Investeringer i aksjer og andeler	1,15	305	305
Andre fordringer	1,16	27 850	25 182
<b>Sum finansielle anleggsmidler</b>		<b>29 105</b>	<b>26 437</b>
<b>Sum anleggsmidler</b>		<b>3 191 467</b>	<b>3 124 081</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	1,17	2 084 577	1 462 278
<b>Sum varer</b>		<b>2 084 577</b>	<b>1 462 278</b>
<b>Fordringer</b>			
Kundefordringer	1,3,11	1 695 852	934 574
Andre fordringer	1,3,18	495 733	908 829
<b>Sum fordringer</b>		<b>2 191 585</b>	<b>1 843 403</b>
<b>Investeringer</b>			
Andre finansielle instrumenter	1,11	355 854	242 705
<b>Sum investeringer</b>		<b>355 854</b>	<b>242 705</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	1,19	43 142	107 711
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>43 142</b>	<b>107 711</b>
<b>Sum omløpsmidler</b>		<b>4 675 158</b>	<b>3 656 097</b>
<b>SUM EIENDELER</b>		<b>7 866 625</b>	<b>6 780 178</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	20,21	2 987 500	2 918 339
<b>Sum innskutt egenkapital</b>		<b>2 987 500</b>	<b>2 918 339</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	21	2 752 681	2 218 270
<b>Sum opptjent egenkapital</b>		<b>2 752 681</b>	<b>2 218 270</b>
<b>Sum egenkapital</b>		<b>5 740 181</b>	<b>5 136 609</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	1,6	59 490	70 445
Utsatt skatt	1,13	124 487	110 775
Andre avsetninger for forpliktelser	1,22	124 103	137 405
<b>Sum avsetninger for forpliktelser</b>		<b>308 080</b>	<b>318 625</b>
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	1,23	27 535	27 944
<b>Sum annen langsiktig gjeld</b>		<b>27 535</b>	<b>27 944</b>
<b>Sum langsiktig gjeld</b>		<b>335 615</b>	<b>346 569</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	1,3	717 470	980 442
Betalbar skatt	1,13	133 123	196 781



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Skyldige offentlige avgifter	1	25 634	23 699
Kortsiktig konserngjeld	12	841 104	
Annen kortsiktig gjeld	1,23	-6	2 838
Annen kortsiktig gjeld	1,3	73 504	91 240
<b>Sum kortsiktig gjeld</b>		<b>1 790 829</b>	<b>1 295 000</b>
<b>Sum gjeld</b>		<b>2 126 444</b>	<b>1 641 569</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>7 866 625</b>	<b>6 778 178</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 647008

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Brønnøysundregistrene, 05.08.2023



Organisasjonsnr: 980 518 647  
ERAMET NORWAY AS

## RESULTATREGNSKAP

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Organisasjonsnr: 980 518 647  
ERAMET NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
5

Antall årsverk i regnskapsåret  
532.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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## BOARD OF DIRECTORS REPORT

### MESSAGE OF THE CHAIRMAN



#### 2022: STRONG AGILITY TO TACKLE THE CRISIS GIVEN BY THE WAR

##### **Disappointing Safety results despite the acceleration of our Safety Roadmap**

Eramet Norway's #1 priority is the Safety of everyone who work for us. In 2022, we suffered 8 injuries of which 3 gave lost time, compared to 6 with 4 lost time in 2021.

.3 of the 8 injuries was related to contractor and the frequency rate for contractors is 33% higher than own employees. In 2023, we will continue to deploy our Safety Roadmap with a strong focus on contractors, work permits and Safety interactions. Moving forward to a more mature & supportive Safety culture, where people care for each other, is key to significantly improving our Safety results.

##### **Significant progress towards environmental commitments**

Eramet Norway is today one of the world's greenest producers of manganese alloys. During the last years, all our emission permits have been renewed with stricter and extremely challenging emission limits. However, we take our corporate social responsibility (CSR) seriously and operate in compliance with all the limits thanks to a close monitoring of our emissions and continuous development work. The good collaboration and open dialogue we have with the Norwegian Authorities (Miljødirektoratet) is also key to meet our common goal: reduce our climate and environmental footprint even further.

In 2022, significant progress has been made on decarbonation and environmental projects like CCS or Energy Recovery Unit full scale.

##### **Quick reaction and adaptation to the crisis brought by the war in Europe**

The Russia's invasion of Ukraine triggered Europe's largest sourcing crisis in recent history as Russian gas, coal, coke and anthracite had become an integral part of Europe's economy.

40 % of Eramet Norway's reductant (110 kt/year) was sourced from Russia prior to the war. Only seven days into the war, the most critical replacements were sourced to avoid interruptions in supply. The 16th day, after intense teamwork between Lead buyer, Supply chain and process team, the complete roadmap was established, and we stopped immediately all Russian sourcing. Quick and effective re-sourcing prevented disruptions in supply, an enabler contributing to a very good production level in H1-2022.

For H2-2022, the energy management and the good cooperation between sales teams, supply chain and production sites allowed us to tackle the energy crisis and rising spot prices in Norway.

The overall alloys production in 2022 was 497kt, 31kt below 2021, mainly due the cut of production in H2-2022 to avoid exposure to rising spot power prices in Norway.

In 2023, our ability to quickly adapt our production set-up to market demand as well as to spot electricity price will be key to face the market uncertainty with an expected slight decrease in demand for Mn-alloys.

Bjørn Kolbjørnsen

Eramet Norway Board of Directors – June 22, 2023



## **PEOPLE, HEALTH AND SAFETY, FIRST PRIORITY FOR ALL AND ALWAYS**

### **8 injuries in 2022 compared to 6 in 2021**

The Company experienced 8 injuries in 2022 compared to 6 in 2021. But the number of lost time injuries has been reduced from 4 to 3 in the same period.

None of the accidents caused any permanent damage to the injured person.

Overall, this caused an increase in the TF2 from 4.8 in 2021 to 6.3 in 2022. In addition, we had 10 incidents regarded as high potential incidents (HPI), showing that our efforts to improve is a continuous battle.

Our safety improvement program, "All for Zero", has continued with the colleague's safety interactions, risk awareness training, root cause analysis and HPI awareness training. The wide use of the Group standard tool for incident reporting and handling has gradually grown throughout 2022, and we expect to see the positive effects to an even larger degree in 2023. The "Bry deg"-program to strengthen and further mature our safety culture has been introduced on all three plants and will carry on with new activities in 2023.

### **Sick leave is above target in 2022**

The overall sick leave in 2022 was 7 % for Eramet Norway as total (vs 5,7 % in 2021). This is higher than target, and are in need of special attention. It has been particularly the short-term absence that has been high this year, with 3,7 % for 2022. It was particularly COVID and the flu season in the beginning of the year, and the flu season late autumn which struck the manning levels at the plants hard.

Action plans to reduce absenteeism has been established at all three plants. This will receive high attention in 2023. The three plants have organized their work in accordance with the national "Agreement on Inclusive Working Conditions", which requires systematic and close follow-up on absence, in coordination with NAV (the Norwegian Labor and Welfare Administration).

### **15 % female employees in the company**

The number of female employees is on a slightly increasing trend with 15 % (from 13,5 % in 2020 and 11 % in 2015). 70 % of the company employees receive collective wages, among which the percentage of females is 9,2 % up from 8,7 % in 2021. For the most part, those receiving collective wages work on a five shifts rotation.

About 30 % of the company employees receive individually negotiated wages. There are 27 % women in the top management/specialist group, which is a stable figure from being the same in 2021.

The percentage of women among our apprentices is 17,5 %, an increase from 14 % in 2021.



Eramet Norway Board of Directors – June 22, 2023

In 2022, 24 employees left the company. Of these were 2 women. 11 of the employees left due to retirement, thus the company has a turnover of voluntary leavers of 2 %.

## **Apprentices**

In 2022, we had on an average of 64 apprentices at Eramet Norway. Apprentices are an important recruitment base for the company, and they bring new knowledge into the company and challenge our other employees.

## **Part-time workers**

We have 5 % of the workforce working part-time, of which 44 % are female and 56 % are men. Flexible work schemes are difficult to grant in many positions, especially within shift work, but applications are granted whenever operational conditions permit. There is no involuntary part-time work. The company encourages full-time work, and the usual reason for part-time work is health related.

## **Equality**

The company wishes to mirror the society it exists in. Today this is not the case, thus increased diversity is an issue that receives attention in the HR strategy and Organizational Development plans.

## **Salary**

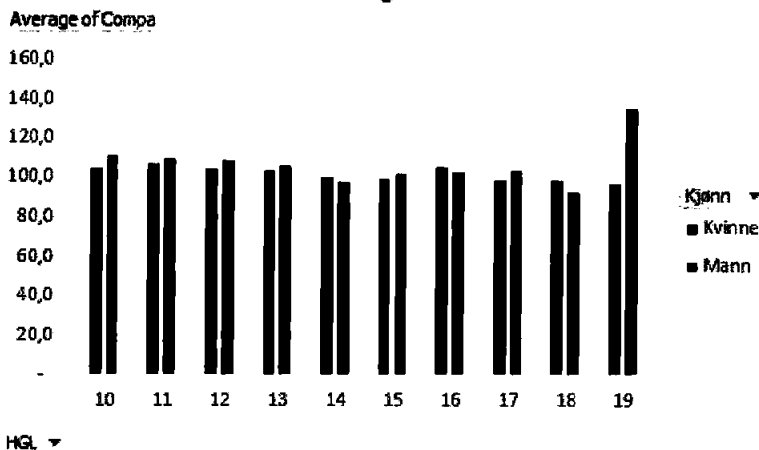
The company uses a position category system, called Hay. This is an international, longstanding system for job categorizations. This enables the company to compare positions according to complexity, responsibility, and formal education requirements. This system also enables the company to compare positions on salary level. Hay offers a benchmark of salaries, which ENO uses as basis for a salary benchmark table. This table is accessible to all employees in the Personnel Handbook. This enables the employee to bring up their level of salary if there are any concerns about the level of remuneration.

Women white collar functions (managers, specialists, other) is at an average of 101 % of the benchmark figure for their positions, compared to 103 % of men. Women are somewhat lower in all categories except HG 16 (primarily Specialists) where they score 103 % compared to men's 101 %. In the company's work for diversity, this is a topic for attention to ensure equal pay for equal work onwards.

Salary policy and practice is an important factor in anti-discrimination work. Attention is paid to this particular point when adjusting individual pay. The company has a procedure of going through the individual salaries twice annually.



Eramet Norway Board of Directors – June 22, 2023



## Maternity/paternity leave

22 employees had longer maternity/paternity leave in 2022 (more than the first 14 days after birth). 15 of these were paternity leave, and 7 were maternity leave.

## Actions to equalize differences in the company

Diversity Goals are included in the HR strategy:

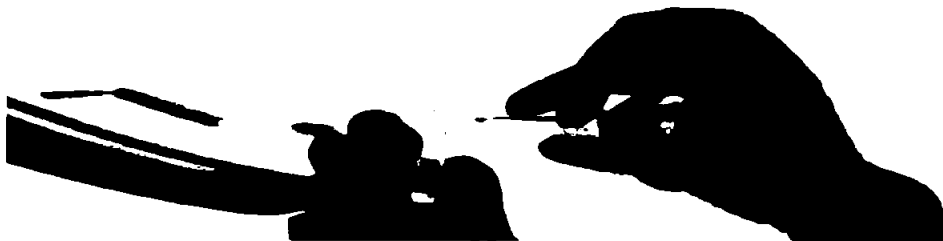
- 30 % female managers and specialists and 20 % female operators = 50 % of new recruits need to be female
- Increase cultural diversity

To achieve these goals, there are identified two actions in the organization development plan for 2022-23:

The recruitment process is an important way of introducing more women into the company. There has been an intensified effort towards ensuring female candidates into the recruitment process. Some of the initiatives that has been used has been to run the announcement process more than once, calling previous female apprentices and encouraging own employees to put forward female candidates in their network.

Diversity Plan. The company will, together with the trade unions, assess status, identify new actions to improve diversity in ENO. The action points decided for 2023 are to establish female networks at each plant and for specialists/managers; establish a Young Committee and to start a Dyslectic Project.

Eramet Norway Board of Directors – June 22, 2023



## ONE OF THE WORLD'S GREENEST MANGANESE ALLOYS PRODUCERS

### Stakeholder dialogue and emission permits

Eramet Norway has a constructive dialogue with neighbors, politicians, authorities, universities, branch organizations and other stakeholders through meetings, participation in and supporting projects, attending conferences, and responding on inquiries.

The three plants in Porsgrunn, Sauda and Kvinesdal with total 7 furnaces and 2 refining facilities, operate under valid emission permits issued by Miljødirektoratet (Norwegian Environment Agency). The emission permits are updated by Miljødirektoratet if there are new or changed limits or requirements. All emission data are public through the open web site '[www.norskeutslipp.no](http://www.norskeutslipp.no)'. Measures to improve the discharge conditions and environmental impact represent a permanent focus area for the company. All three plants are ISO 14001 and ISO 50001 certified

The emission permit for the plant in Kvinesdal (ENK) was updated in 2022. The emission permit for the plant in Sauda (ENS) was last updated in 2021, when limits for wastewater from the landfill were changed according to ENS' application. The emission permit for the plant in Porsgrunn (ENP) was last updated in June 2020, and in 2022 ENP applied for changes regarding noise, which now is worked with at Miljødirektoratet. In Eramet Norway's view, the ENO plants are still regulated stricter than BAT (European Best Available Technology) requirements on some areas.

Notodden municipality has started to develop the Tinfos area, which historically has been used as an industrial site. Eramet Norway assumed responsibility for contaminated land through the acquisition of the Kvinesdal plant from Tinfos in 2008. An external third-party expert has investigated the entire area regarding contaminated soil and necessary actions. Contaminated soil has been removed and delivered to an approved waste handling company in 2021 and 2022. A third-party company has surveyed and documented all activities. A final report will be issued by the same third-party expert when all work is completed.

### Monitoring of environmental status

In accordance with regulations, Eramet Norway monitors and reports its emissions regularly to Miljødirektoratet, including monitoring of the fjords located next to our plants. All yearly emissions are public through the open web site '[www.norskeutslipp.no](http://www.norskeutslipp.no)'. Eramet Norway publishes an annual sustainability report where our activities and results are described.

Due to legislation regarding naturally occurring radioactive materials, Eramet Norway has investigated if this might affect our plants. A survey from 2018 documents radioactive levels in the range of very low or not detectable. Because of these very low levels, the requirements are discussed with third party experts, relevant industry federations and other companies to clarify if a next step must be taken.



Eramet Norway Board of Directors – June 22, 2023

## **Environmental footprint**

Eramet Norway's strategic and long-term targets related to the climate and the environment are aligned with the targets for Eramet Group and Scientific based targets initiative, and the targets of our branch organization, Norsk Industri. We collaborate closely with other companies, industrial networks and universities, like SINTEF, NTNU, Ferrolegeringsindustriens Forskningsforening, FFF (Norwegian Ferroalloy Producers Research Association) and NORCE. We work effectively to achieve our targets. Our climate and environment roadmap contains long-term targets and describes how these targets are implemented in the organization by specific projects and action plans. We also plan and perform activities to improve awareness and competence among our employees, through continuous communication and competence development.

To achieve our ambitious targets, we have completed several R&D studies, started new projects and pilot activities in prioritized areas, e.g. replacing fossil coke with biocarbon, carbon capture and utilization and storage (CCUS), internal reuse of sludge and by-products and increased external use of by-products. Since regulations are not updated or not established according to new challenges and policies, ENO also invest significant resources in discussions with industry federations and networks, politicians, and authorities to have impact on necessary updates.

## **World's first Manganese furnace operating on PAH free electrode paste**

Eramet Norway is the first Mn alloys producer in the world to operate furnaces with PAH (polycyclic aromatic hydrocarbons) free electrode paste. We are working to continuously increase the use of PAH free electrode paste and PAH free products at our plants. Eramet Norway has contributed to the research project "PAHssion" which was completed in 2022, and we are strongly involved in the ongoing project "NextGenSøderberg". This research is important for delivering new knowledge regarding how to improve measuring of PAH and develop next generation of Søderberg Electrode which will be PAH-free.

## **Effective use of resources**

Eramet Norway is working to valorize all by-products from our production processes to ensure effective use of resources. Our plants reuse as much as possible in the furnaces, and by-products are also sold to other companies when further usage is possible and there is a market. Eramet Norway has made significant progress regarding new use of our SiMn slag, named by the product name Silica GreenStone. This byproduct has been tested through different research and development activities and found to be mixed in cement qualities, replace cement for concrete production, and also be used as soil amendment for increasing crops. Eramet Norway operates two landfills, one in Kvinesdal and one in Sauda. Our R&D department is investigating how to reduce the volume of residues sent to landfill, especially by internal reuse of sludge. To support and develop circular economy, we work with other companies through Eydeklyngen and Powered by Telemark, in addition to Eramet IDEAS (Group Technology center), Eramet Central Technical office, CTO, Eramet's International Competence Groups (ICG) and our business federation, Norsk Industri.

Eramet Norway Board of Directors – June 22, 2023



## BUSINESS ACTIVITIES

### A world leader of refined manganese alloys

Eramet Norway is a wholly owned subsidiary of the French mining company Eramet Group. Eramet Norway's head office is located in Porsgrunn, and the company has three production facilities: Porsgrunn, Kvinesdal and Sauda. The company operates seven furnaces and two refining units. Eramet Norway is specialized in ferro-manganese and silico-manganese alloys production (HCFeMn, MCFeMn, LCFeMn, SiMn and LCSiMn). Manganese alloys are a key component to carbon and stainless steel and enhance the steel strength and toughness. Eramet Norway is a world-leading supplier of refined manganese alloys to the steel making industry.

**Strong drop in production in 2022 (-31kt; -5,8%) strongly impacted by the War in Ukraine and the energy crisis in the second half of the year.**

### Total production in Kt

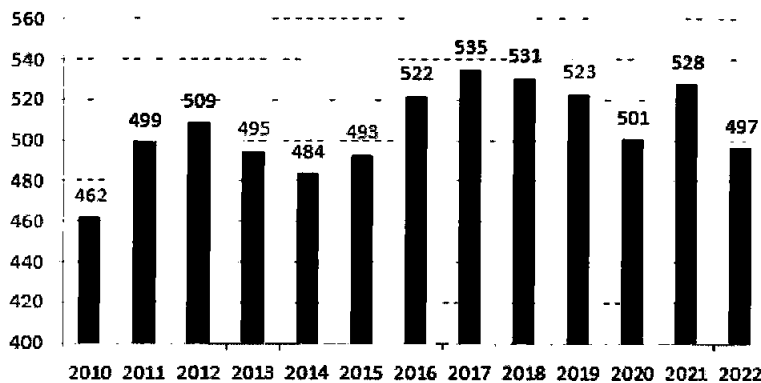


Table - Annual Eramet Norway production in thousand tons

The overall alloys production in 2022 was 497kt, 31kt below 2021, mainly due the cut of production in H2-2022 to avoid exposure to rising spot power prices in Norway, after a very good production level in H1-2022.

The agility and flexibility of the organization to tackle the energy crisis and the good cooperation between sales teams, supply chain and production sites allowed Eramet Norway to preserve market shares in Europe and in the US.

Eramet Norway Board of Directors – June 22, 2023



## Global steel market corrected strongly in 2022 after exceptional 2021, dampened by energy crisis and inflation in H2

2022 displayed two different faces: a very strong H1, in the continuity of exceptional 2021, and a gloomy H2, affected by the energy crisis and the global economic slowdown.

Production was strong in H1 (second highest H1 ever), prices at record highs, supported by the breakout of the War in Ukraine and steelmakers enjoy the highest margins ever. But then the market completely turned around in H2 with energy costs skyrocketed in August and have been remaining extremely high since then.

Global output fell by 4.0% to 1855Mt. India (+5.7%) and Iran (+10.7%) were the only countries showing growth. Elsewhere, the falls vary from a market to another: the most affected areas were markets neighboring the conflict: CIS (-19.2%), Turkiye (-12.5%) and Europe (-10.4%). Exporting markets also took a toll with Northeast Asia (-7.6%), ASEAN (-7.3%) and LATAM (-3.6%). Symbol of the recession that struck the economy, North America also showed a slowdown (-6.5%) while China as still hampered by Zero-Covid policy (-2.1%).

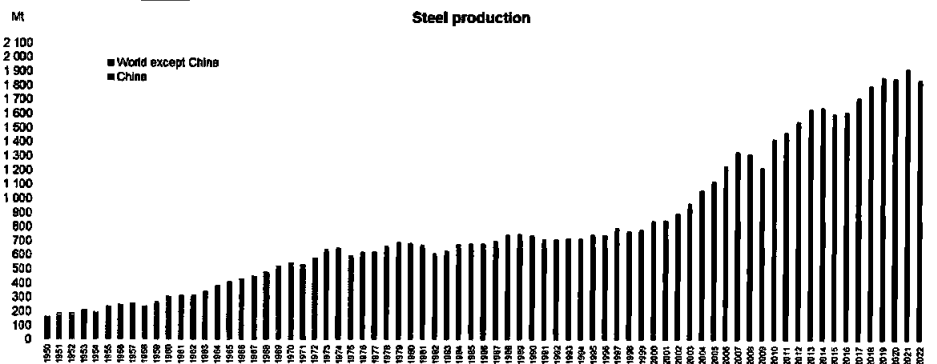


Table - Annual crude steel production in million tons  
Source - World Steel Association



Eramet Norway Board of Directors – June 22, 2023

**Alloys prices soared to all-time highs in March 2022 after correcting strongly, while ores prices diverge on the backdrop of the energy crisis**

In 2022, the manganese (Mn) ore price index 44% CIF China (representing high-grade ore) started the year at 5.46\$/dmtu before surging to 8.04\$/dmtu following suit with the Mn alloys and steel prices, supported by the conflict breakout. However, the price index 37% CIF China (representing South African semi-carbonated ore) did not soar as much. Spread between such qualities rose continuously as smelters showed a preference for more energy-efficient high-grade in a context of high energy prices.

Mn ore inventories in Chinese ports increased from 5.4Mt to end the year to 6Mt.

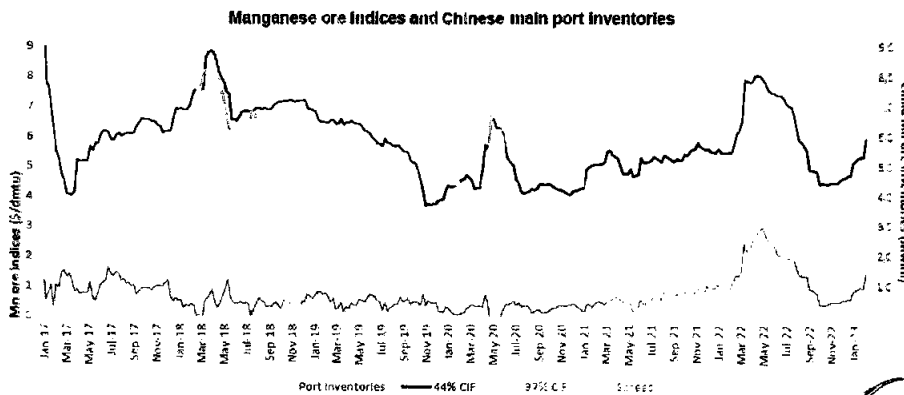


Table - Manganese ore prices 44% CIF China and Chinese port inventories

Mn alloys prices have surged to new all-time highs in March 2022, supported by fear of steelmakers to lack SiMn after 3<sup>rd</sup> biggest Mn alloys producing country (Ukraine) saw its territory invaded by Russia. After the market panic-buy faded, prices started a 9 months free-fall to finally bottom out in December on high production costs.

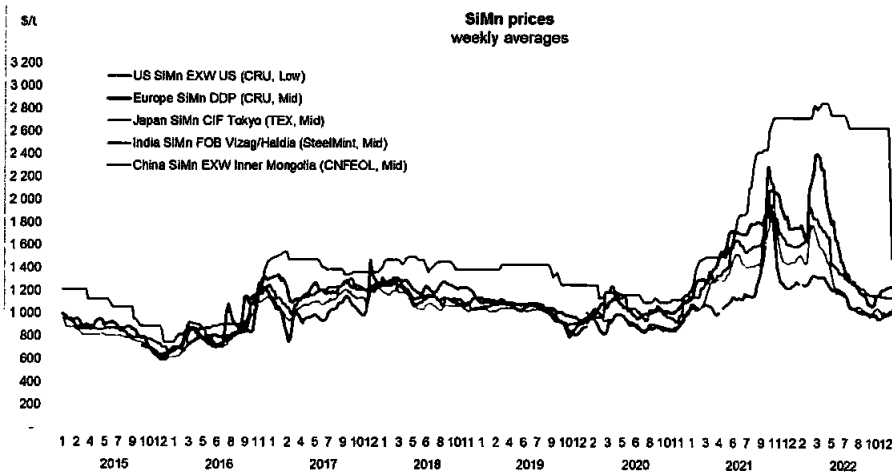
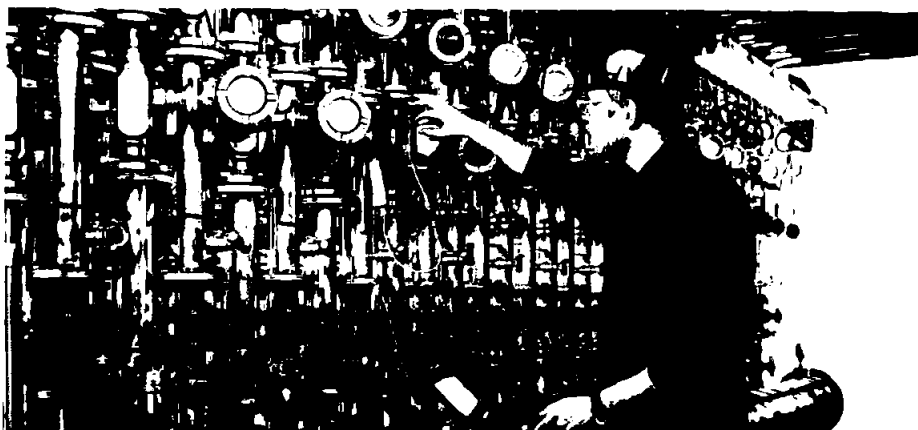


Table - Manganese alloys prices in USD/Mt  
Source – CRU, Mysteel, SteelMint and TEX publications

Eramet Norway Board of Directors – June 22, 2023



## INVESTMENTS AND RESEARCH & DEVELOPMENT (R&D)

**Decrease in investments in 2022 (294MNOK; -24% vs last year)**

Industrial investment in MNOK

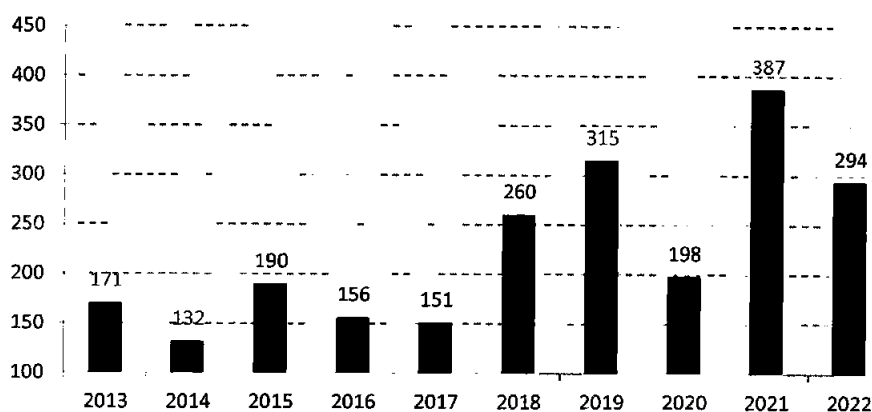


Table – Industrial investment (MNOK)

The level of investment decreased compared to 2021 (-24%), mainly linked to the relining of furnace 11 in Porsgrunn in 2021. During 2022 the investment portfolio has been largely focused on safety projects and environmental protection with new technologies being implemented at all 3 plants. In addition, we have delivered several major projects related to new equipment and maintaining productivity.

### Increased R&D spending (+4% vs last year)

In 2022, Eramet Norway spent 34.3 MNOK (2021: 25.4MNOK) on R&D representing 0.47% of turnover (2021: 0.40%). R&D had the expected progress to support industrial tests on biocarbon through piloting in Trondheim. R&D supported several operation improvements and upgrade equipment, in particular the collecting of diffuse emissions, off-gas systems, and the increase in size of the MOR reactor. Progress in instrumentation, in the tapping area were also significant. Expenses related to R&D are recognized in the profit and loss.



Eramet Norway Board of Directors – June 22, 2023



## FINANCIALS

MNOK = Millions of Norwegian Kroner

BNOK = Billions of Norwegian Kroner

The 2022 financial statements are presented on the going concern assumption. The Board considers that the going concern conditions are met.

### Decrease of net income compared to 2021 (from 1.145 MNOK to 631 MNOK)

#### Operating and net income MNOK

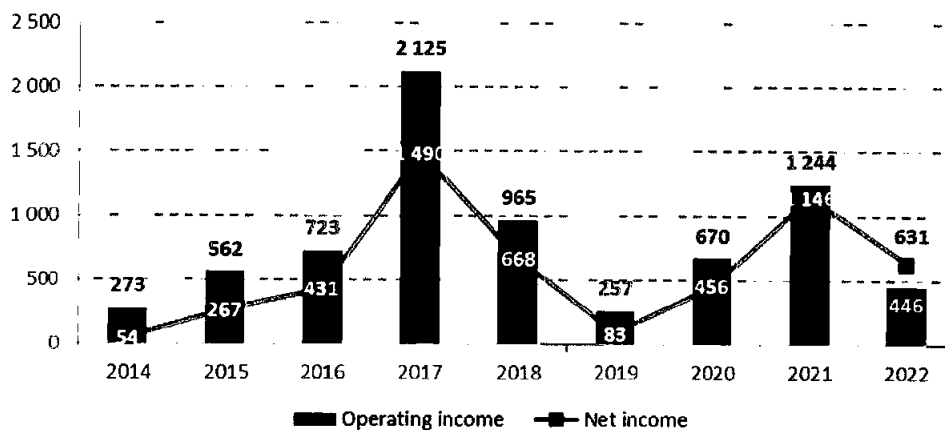


Table – Operating and net income (MNOK)

Operating income went down from 1.244MNOK to 446MNOK.



Eramet Norway Board of Directors – June 22, 2023

## Free Cash Flow generation at -890MNOK impacted by strong negative working capital.

Net cash generated by operating and investing activities (free cash flow) amounted to -890MNOK (2021: -373MNOK) impacted by increase in working capital (mainly inventories and trade receivables). Lower level of investments in 2022 at 294MNOK compared to 2021 (360MNOK) mainly due to furnace 11 relining at Porsgrunn in 2021.

## Exposure to the currency fluctuations (EUR & USD) as one of the main financial risks

Eramet Norway sales are denominated in Euro. Furthermore, the company purchases raw materials in US Dollar (mainly Manganese ore) and in Euro (mainly power, coke and Si sources).

Norwegian Krone (NOK) remained weak against both Euro and US Dollar throughout 2022. The average EUR/NOK rate was 10.11 to be compared with 10.17 in 2021.

Average EUR/NOK rate

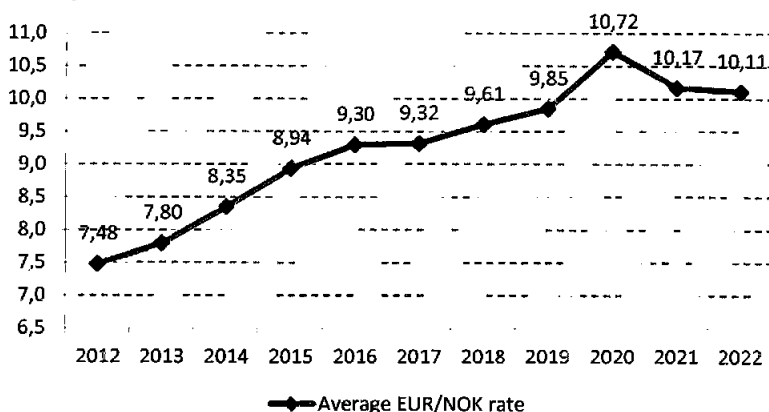


Table – Average EUR/NOK exchange rate

Eramet Norway partly hedges its currency exposure (vs EUR and USD).

## Environmental provisions mainly cover future sludge deposit closure cost and remediation costs Update

Provisions for environmental risks amount to 127MNOK (31.12.2021: 111MNOK) and mainly relate to the closure of the sludge deposits in Kvinesdal and Sauda and the work to remediate the Kvinesdal fjord bottom and the Notodden area.

## No dividend will be paid based on the 2022 result

The company's net income after tax for 2022 is +631MNOK (2021: +1.146MNOK).

Comprehensive income is +604MNOK (2021: +1.208MNOK) after recognition of the unrealized loss on forward currency contracts and the change in pension liability.

Equity ratio (equity / total balance sheet) has slightly decreased to 73% at the end of 2022 (vs 76% at the end of 2021).

The Board proposes that the Company will not pay any dividend to its sole shareholder Eramet Holding.



Eramet Norway Board of Directors – June 22, 2023

## **Liability insurance for board members**

The company has liability insurance for board directors and management with a maximum coverage of 170 MEUR per year.

The coverage includes all financial consequences resulting from any claim made against the insured by a third party for any wrongful act for which he/she would be personally liable while carrying out duties withing the Eramet group.

## **Transparency Act – Åpenhetsloven**

The required information and reporting are under preparation and will be published at the latest on June 30<sup>th</sup>, 2023 on the website of Eramet Norway [www.eramet.no](http://www.eramet.no).

The document will be presented to the Board of Directors and signed by both the Executive Managing Director and the Chairman of the Company.

## **Loan from Eramet SA and cash situation of Eramet Norway**

Due to a strong increase in inventories both in volumes (especially for finished goods) and value (increased purchasing costs) and in trade receivables during 2022, Eramet Norway has requested to the ultimate shareholder, Eramet SA, a 80 MEUR loan to cover the temporary need of financing.

This loan granted by September 30, 2022 has a due date by June 30, 2023. The loan will be totally repaid March 31, 2023 with a level of working capital as well as the level of cash of the Company back to a normal situation during Q1-2023.

## **Outlook**

Global steel production is expected to decrease again in 2023, pressured by weak demand and weak margins, which will give a recession. Construction projects slowed in previous years due to high raw materials costs and Automotive is still suffering from chips shortage. Rebound should happen in 2024.

Mn alloys prices should remain constrained, pressurized by large and prompt supply and subdued demand. India should remain the center of attention with lots of projects coming online in the coming years, intended for both domestic demand and export markets. Zambia is developing its ferroalloy industry as well, benefiting from high grade Mn ore. Those countries and couple of others implementing new projects should largely make up for the withdraw of Ukraine.

Manganese ore supply should be supported by Gabon and South Africa growth in 2023, with limited supply additions from other countries, although elevated prices could spur marginal suppliers at one point.

The current context of war in Ukraine is driving up prices of main raw materials and commodities. This conflict has also some impact on the sourcing of some raw materials used in the production process. The company, which applies the international sanctions implemented and strictly follows the recommendations, regardless of the economic consequences on its activity, is currently working to diversify its sourcing in order to limit the consequences of this conflict on its activity. It's still difficult to quantify the potential financial impact of this conflict on FY 2022, due to the uncertainty of its outcome.



Eramet Norway Board of Directors – June 22, 2023


The Board considers the company's financial situation to be satisfactory

Kvinesdal, June 22<sup>nd</sup>, 2023

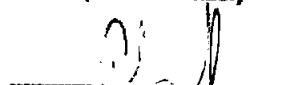
Board of directors, Eramet Norway AS


  
Bjørn Kolbjørnsen  
(Chairman)

  
Franck Bjørklund  
(Board member)

  
Paul Simon Desportes  
(Board member)

  
Joachim Andersen  
(Board member)

  
Charles Hubert Nouel  
(Board member)

  
Kjerstin Halvorsen  
(Board member)

  
Frode Engedal  
(Board member)

  
Pierre André Epinoux  
(Board member)

  
Roger Westgård  
Executive Managing Director



Eramet Norway Board of Directors – June 22, 2023

## Eramet Norway AS Income statement

(Figures in 1.000 NOK)

NOTES	2022	2021	
<b>OPERATING REVENUES AND OPERATING EXPENSES</b>			
1, 2, 3	Revenues	6 885 159	6 367 850
1	Other operating income	364 124	291 536
	<b>Total operating revenues</b>	<b>7 249 283</b>	<b>6 659 386</b>
1	Changes in stocks of work in progress and finished goods	34 140	42 556
1, 3, 4	Raw materials and consumables used	5 296 852	3 819 424
5, 6	Payroll expense	574 408	534 699
1, 7, 8	Depreciation of fixed assets and intangible assets	216 986	188 993
8	Impairment of fixed assets	12 005	
3, 5, 8, 9	Other operating expenses	669 067	829 364
	<b>Total operating expenses</b>	<b>6 803 459</b>	<b>5 415 036</b>
	<b>Operating income</b>	<b>445 824</b>	<b>1 244 350</b>
<b>FINANCIAL INCOME AND FINANCIAL EXPENSES</b>			
1, 10	Income from investment in subsidiary	200	-
1	Interest income from group companies	2 847	5 480
1	Interest income external	-	-
1, 11	Other financial income	453 218	228 613
1, 12	External interest expenses	-5 871	-435
1, 11	Other financial expenses	-86 881	-9 994
	<b>Result of financial items, net</b>	<b>363 512</b>	<b>223 664</b>
	<b>Net income before tax</b>	<b>809 337</b>	<b>1 468 014</b>
1, 13	Tax on ordinary income	177 926	322 329
	<b>NET INCOME AFTER TAX</b>	<b>631 410</b>	<b>1 145 685</b>



Eramet Norway Board of Directors – June 22, 2023

## Eramet Norway AS Statement of comprehensive income

(Figures in 1.000 NOK)

NOTES	2022	2021
	<b>631 410</b>	<b>1 145 685</b>
	<b>PROFIT FOR THE YEAR FROM TOTAL OPERATIONS</b>	
	<b>Other comprehensive income:</b>	
	<b>Items that will not be reclassified to profit or loss:</b>	
	6 821	-13 178
	-1 501	2 899
21	<b>5 320</b>	<b>-10 279</b>
	<b>Items that may subsequently be reclassified to profit or loss:</b>	
	-42 508	92 914
	9 352	-20 441
21	<b>-33 156</b>	<b>72 473</b>
	<b>-27 836</b>	<b>62 194</b>
	<b>Other comprehensive income for the year, net of tax</b>	
	<b>603 574</b>	<b>1 207 879</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	



Eramet Norway Board of Directors – June 22, 2023

## Eramet Norway AS Balance sheet

(Figures in 1.000 NOK)

NOTES	ASSETS	31.12.2022	31.12.2021
	<b>Fixed assets</b>		
	<b>Intangible fixed assets</b>		
1, 7	Electricity contracts, customer relationships and customized IT system	12 912	15 505
1, 14	Goodwill	1 435 374	1 435 374
	<b>Total intangible fixed assets</b>	<b>1 448 286</b>	<b>1 450 879</b>
	<b>Tangible fixed assets</b>		
1, 8	Land, buildings and other property	426 454	419 262
1, 8	Machinery and plant	1 287 457	1 227 306
1, 8	Fixtures and fittings, tools, office machinery, etc.	165	197
	<b>Total tangible fixed assets</b>	<b>1 714 076</b>	<b>1 646 765</b>
	<b>Financial fixed assets</b>		
1, 10, 15	Investments in subsidiaries	950	950
1, 15	Investments in shares	305	305
1, 16	Other long term receivables	27 850	25 182
	<b>Total financial fixed assets</b>	<b>29 105</b>	<b>26 437</b>
	<b>Total fixed assets</b>	<b>3 191 467</b>	<b>3 124 081</b>
13	<b>Deferred tax assets</b>	-	-
	<b>Current assets</b>		
1, 17	<b>Inventory</b>	<b>2 084 577</b>	<b>1 462 278</b>
	<b>Debtors</b>		
1, 3, 11	Trade debtors	1 695 852	934 574
1, 3, 18	Other debtors	495 733	908 829
	<b>Total debtors</b>	<b>2 191 585</b>	<b>1 843 403</b>
1, 11	<b>Financial instruments</b>	<b>355 854</b>	<b>242 705</b>
1, 19	<b>Bank deposits, cash in hand, etc.</b>	<b>43 142</b>	<b>107 711</b>
	<b>Total current assets</b>	<b>4 675 158</b>	<b>3 656 097</b>
	<b>TOTAL ASSETS</b>	<b>7 866 625</b>	<b>6 780 178</b>



Eramet Norway Board of Directors – June 22, 2023

## Eramet Norway AS Balance sheet

(Figures in 1.000 NOK)

NOTES	EQUITY AND LIABILITIES	31.12.2022	31.12.2021
	<b>Equity</b>		
	<b>Paid-in capital</b>		
20, 21	Share capital (544.470 shares at NOK 120,-)	65 336	65 336
21	Share premium	2 685 089	2 685 089
21	Other paid-in capital	237 075	167 914
	<b>Total paid-in capital</b>	<b>2 987 500</b>	<b>2 918 339</b>
	<b>Retained earnings</b>		
21	Other equity	2 121 273	1 072 585
	Net income	631 408	1 145 685
	<b>Total retained earnings</b>	<b>2 752 681</b>	<b>2 218 270</b>
	<b>Total equity</b>	<b>5 740 181</b>	<b>5 136 609</b>
	<b>Liabilities</b>		
	<b>Provisions for liabilities and charges</b>		
1, 6	Pension liabilities	59 490	70 445
1, 13	Deferred tax liabilities	124 487	110 775
1, 22	Long term accruals	124 103	137 405
	<b>Total provisions for liabilities and charges</b>	<b>308 080</b>	<b>318 625</b>
	<b>Creditors, amounts due after more than one year</b>		
1, 23	Financial liabilities	27 535	27 944
	<b>Total creditors, amounts falling due after more than one year</b>	<b>27 535</b>	<b>27 944</b>
	<b>Current liabilities</b>		
12	Short-term loan	841 104	-
1, 11	Financial instruments	-	-
1, 23	Financial liabilities	-6	2 838
1, 3	Trade creditors	717 470	980 442
1, 13	Taxes payable	133 123	198 781
1	Public duties payable	25 634	23 699
1, 3	Other short-term liabilities	73 504	91 240
	<b>Total current liabilities</b>	<b>1 790 829</b>	<b>1 297 000</b>
	<b>Total liabilities</b>	<b>2 126 444</b>	<b>1 643 569</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7 866 625</b>	<b>6 780 178</b>



Eramet Norway Board of Directors – June 22, 2023

## Eramet Norway AS Cash flow statement

(Figures in 1.000 NOK)

	2022	2021
Net income before tax	809 337	1 468 014
Taxes paid	-200 434	-126 109
Depreciation of fixed assets	216 986	188 993
Depreciation of financial assets	-	-
Pension expenses without cash effect	-4 134	-4 121
Gain/loss from sales/disposal of fixed assets	12 006	3 519
Change in inventories	-622 299	-154 446
Change in trade receivables	-761 278	-308 238
Change in trade payables	-262 972	186 876
Change in other assets/liabilities	218 781	-1 265 074
<b>Net cash provided by operating activities</b>	<b>-594 007</b>	<b>-10 586</b>
Cash (paid) / received from long term receivable	-2 668	-2 669
Cash received from sales of fixed assets	-	-
Outflows due to purchases of fixed assets	-293 709	-359 704
<b>Net cash provided by investing activities</b>	<b>-296 377</b>	<b>-362 373</b>
<b>Free Cash Flow</b>	<b>-890 384</b>	<b>-372 959</b>
New leasing/IFRS 16 financial contracts	6 394	6 217
Repayment leasing/IFRS 16 financial contracts	-4 543	-11 564
Payment of dividends	-	-950 000
Payment of group contribution	-17 140	-
Change in bank overdraft	-	-1 359
Loan from Eramet SA	841 104	-
<b>Net cash provided by financing activities</b>	<b>825 815</b>	<b>-956 706</b>
<b>Net change in cash and cash equivalents</b>	<b>-64 569</b>	<b>-1 329 665</b>
Cash and cash equivalents at beginning of year	107 711	1 437 376
<b>Cash and cash equivalents at end of year</b>	<b>43 142</b>	<b>107 711</b>

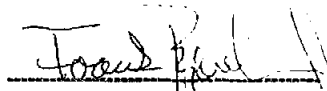


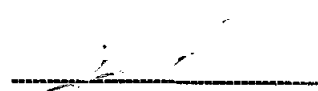
Eramet Norway Board of Directors – June 22, 2023

Kvinesdal, June 22<sup>nd</sup>, 2023


Board of directors, Eramet Norway AS

  
Bjørn Kolbjørnsen  
(Chairman)

  
Franck Bjørklund  
(Board member)

  
Paul Simon Desportes  
(Board member)

  
Joachim Andersen  
(Board member)

  
Charles Hubert Nouel  
(Board member)

  
Kjerstin Halvorsen  
(Board member)

  
Frode Engedal  
(Board member)

  
Pierre André Epinoux  
(Board member)

  
Roger Westgård  
Executive Managing Director



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## Note 1 Summary of significant accounting policies:

### General information

Eramet Norway AS is a private limited company, incorporated in Norway, headquartered in Porsgrunn. Address' headquarter is Rolighetsveien 11-17, 3933 Porsgrunn.

### Consolidated accounts

As the ultimate parent company Eramet SA, registered in France, is preparing consolidated accounts (in English language) where both the figures of Eramet Norway AS and the subsidiary Georg Tveit AS are included, the company is according to The Norwegian Accounting Act of 1998 (NAA) § 3-7, not required to prepare consolidated accounts. In conformity with the requirements in NAA §3-7, a copy of the consolidated accounts of the ultimate parent company for 2022 will be filed to the official register in Brønnøysund together with the company's statutory annual accounts for 2022.

The most important accounting principles which are the basis for the annual financial statements are described below. These principles are applied in a similar manner for the comparable figures for 2021; where any deviations should occur from this principle is specified in the relevant notes.

### 1.0 Applied accounting framework

The statutory annual financial statements are prepared in accordance with the Norwegian Accounting Act of 1998 (NAA). The company has chosen to apply "simplified IFRS" in the annual accounts, which is in accordance with the NAA § 3-9 and directives no. 56 determined by the Finance Ministry 21. January 2008. The Finance Ministry has in 2014 enacted changes in the regulations regarding "simplified IFRS". The enacted changes apply for accounting periods starting 1 January 2014 or later. The company has applied the new regulations from 2016.

This implies mainly that the company applies recognition criteria according to International Financial Reporting Standards as adopted by the EU, but where note disclosures are in accordance with the NAA and NGAAP. The statutory annual financial statement is approved by the Board on March 16<sup>th</sup>, 2023. The owners of the company do not have a mandate to change the statutory annual financial statements after this date.

### 1.1 Simplified IFRS

The company has applied the following simplifications as compared to the recognition and assessment criteria according to full IFRS:

- IFRS 5 and IFRS 10 no. 12 and 13 have not been applied.
- IFRS 9 no. 11-13 are deviated so that there are made no assessments whether there are embedded derivatives which are to be split from the host contract related to derivative contracts between group companies.
- The requirements according to IFRS 9 no. 88 is documented and in full compliance on group level. For the purpose of the financial statements, currency forward contracts reflect relevant hedging objects and instruments, and in order to document the hedge relationship, the company uses the documentation at group level and the contracts with attached identification which relates these contracts to relevant hedging relations.



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## 1.2 Basis for preparation of the annual accounts

The annual financial statements are based on a modified historic cost principle, where the deviations from this principle mainly relate to the following items:

- Financial assets and liabilities (including derivatives) recognized at fair value through the profit and loss statement or other comprehensive income.

## 1.3 Change in accounting principles and disclosure requirements

There are no standards or interpretations that have entered into force, and which are expected to materially impact the annual financial statements of the company.

## 1.4 Currency

The Company's functional- and presentation currency is Norwegian Kroner (NOK).

Transactions in foreign currencies are translated at the rate applicable on the transaction date (average monthly currency rate is used when this approximates the transaction rate). Monetary items in a foreign currency are translated into NOK using the exchange rate applicable at the end of the reporting period. Non-monetary items that are measured at their historical acquisition cost expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Currency changes are recognized in the profit and loss Statement on a continuous basis throughout the accounting period.

If the currency position is considered as a cash flow hedge, the effective part of the hedge (loss or gain) is recognized in the statement of comprehensive income.

## 1.5 The use of estimates when preparing the annual accounts

The management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. This particularly applies to the depreciation of tangible fixed assets and intangible assets, evaluation of goodwill and evaluations related to acquisitions (goodwill) and pension commitments. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognized during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods. If the current position is considered as a cash flow hedge, the effective part of the hedge (loss or gain) is recognized in other comprehensive income.

## 1.6 Revenue recognition

Sales revenue mainly consists of sales of Manganese alloys products to Eramet Marketing Services.

The commercialization and supply chain management of manganese alloys produced by Eramet Norway AS was historically carried out by Eramet Comilog Manganese, a French company bringing together the support functions of the Manganese activity of the Mining and Metals Division of the Eramet Group, until June 30, 2021 through an agent contract between the two parties. The remuneration of Eramet Comilog Manganese, acting as agent, was 1% of the sales prices to the final customers of manganese alloys.

Eramet Marketing Services, a French company bringing together all the support management, supply chain and commercial functions of the Mining and Metals Division of the Eramet Group, took over on January 1st, 2021 all the activities of Eramet Comilog Manganese. The transfer of the business was part of a restructuring of the Group to



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simplify its corporate structure. Eramet Marketing Services is the Eramet Group Company in charge of vertically managing the supply chain and selling the products of the Mining and Metals Division of the Eramet Group. This includes nickel, manganese, mineral sands and lithium, from exploration to extraction, supply chain management, manufacturing and distribution. As such, Eramet Marketing Services took over from Eramet Comilog Manganese the supply chain management and sale of manganese alloys produced by Eramet Norway AS, as of July 1st, 2021, through a manufacturing contract signed on July 1st, 2021 between the two companies.

Revenue from the sale of these products and services is recorded when control over the product sold and the service rendered has been transferred to the customer.

Interest income is recognized as income based on an effective interest method as soon as the interest income is deemed to be earned. Income from dividends is recognized as soon as the entity has acquired a legal right to receive the payment.

## 1.7 Borrowing costs

Borrowing costs relate to interest payable on the debt and other costs incurred in connection with the borrowing of funds. Borrowing costs directly linked to the acquisition, building or production of an asset that requires more than 12 months to be put into service are deducted from the financing expense to which they relate. All the other borrowing costs are expensed in the period in which they are incurred.

## 1.8 Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred taxes are calculated on all differences between the book value and tax value of assets and liabilities which are taxable.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The company recognize previously unrecognized deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

## 1.9 Research and development

Expenses relating to research activities are recognized in the profit and loss statement when they incur. Expenses relating to development activities may be capitalised to the extent that the product or process is technically and commercially viable and the company has sufficient resources to complete the development work.

As of December 31<sup>st</sup>, 2022, the company has not capitalised any development costs.

## 1.10 Tangible assets

Tangible assets are measured at their acquisition cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognized and any gain or loss is recognized in the profit and loss statement.



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The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognized in the profit and loss statement, while other costs that are expected to provide future financial benefits are capitalised.

Depreciation is calculated using the straight-line method over the following useful life:

Buildings	10-34 years
Machinery and equipment	2-20 years
Fixtures, fittings and vehicles	5-10 years
Office equipment	3-5 years

Land is not depreciated.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

Assets under construction are classified as non-current assets and recognized at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

When the net booked value of an asset exceeds the recoverable amount, the value of the assets is impaired to correspond to the recoverable amount.

## 1.11 Leases

The company uses IFRS 16 Leases for recognition of leases. According to this standard, the lessee shall recognize the lease and the associated "right of use" for use of the underlying asset over the lease period. All leases that transfer the right to control the use of an identifiable asset, where the lessee determines its use and receives the financial benefit, shall be recognized in accordance with IFRS 16.

When determining the lease period, the ordinary lease period for extension options is adjusted, which it is reasonably considered that the company will exercise. Correspondingly, the ordinary lease period is adjusted with termination rights, which with a reasonable degree of security are considered that the company will not exercise. These assessments have a large element of discretion and affect the recognized balance sizes.

The company has chosen to apply the exception rule for leases where the underlying asset is of low value and for short-term leases up to twelve months. Threshold values of NOK 50,000 and 12 months are used, respectively, using the exception rule.

Variable rental costs such as common costs and costs associated with short-term leases and leasing of low-value assets are expensed as operating expenses based on invoiced from the lessor.

Capitalized use rights are assessed for impairment in accordance with IAS 36.

## 1.12 Business combinations, goodwill and intangible assets

### Goodwill

The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognized as goodwill.

Goodwill is recognized at cost in the balance sheet, minus any accumulated impairment losses. Goodwill is not amortised.



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Goodwill is tested annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

### **Intangible assets**

Intangible assets acquired separately are recognized in the balance sheet at cost. Subsequent measurement of intangible assets is recognized in the balance sheet at cost reduced for eventual depreciation and impairment.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

### **Software**

Expenses linked to the purchase of new computer programs are capitalised as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated in a straight-line basis over 3-5 years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

## **1.13 Financial instruments**

Derivative assets and liabilities, current financial assets, and cash and cash equivalents are initially recognised in the balance sheet at their fair value (transaction price) adjusted for transaction costs. At each period closing, the change in fair value is recognised in income unless a designated and documented cash flow hedge exists. In that case, the change is recognised in Other comprehensive income and shown in equity (change in the revaluation reserve of hedging instruments). Variations of time value are accounted in other comprehensive income.

## **1.14 Derivatives and hedging**

### **Derivatives**

The company uses derivatives to hedge certain risks. To manage its currency risk, the company uses foreign currency forwards/futures, foreign currency swaps and, to a lesser extent, foreign currency options.

Foreign currency forwards/futures are recognised as hedges where the company has defined and documented the hedging relationship and demonstrated its effectiveness.

Derivatives are measured at their fair value upon initial recognition. Subsequently, the fair value of derivatives is remeasured at each reporting date, in equity if a hedging relationship has been designated and documented, or in the income statement where no hedging relationship exists. The fair value of foreign currency forwards/ futures is estimated on the basis of market conditions. The fair value of interest rate derivatives is



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that which the company would receive (or pay) to transfer current contracts at the reporting date. The fair value of commodity derivatives is estimated on the basis of market conditions. Derivatives are shown in the balance sheet under current assets or liabilities.

## Hedging

Gains or losses on hedging instruments are recognised symmetrically with the gains or losses on the hedged items. However, changes in the fair value of hedges, independently of the hedged transactions, are recognised as profit or loss for the period.

The company identifies the hedging item and hedged item when the hedge is set up and formally documents the hedging relationship by identifying the hedging strategy, the hedged risk and the hedge effectiveness measurement method:

- **Fair value hedge:** the hedged item is remeasured in respect of the hedged risk and the hedging instrument is measured and recognised at fair value. The changes in both items are recognised simultaneously in the profit or loss for the period

- **Cash flow hedge:** the hedged item is not remeasured. Only the hedging instrument is remeasured at fair value. To offset the remeasurement, the effective portion of the change in fair value that can be ascribed the hedged risk is recognised net of tax in shareholders' equity. The cumulative amounts in shareholders' equity are recognised in income for the period when income is affected by the hedged item. The ineffective portion is retained in income for the period under the profit or loss;

- **Recognition of derivatives that do not fulfil hedge accounting conditions:** the company uses these derivatives only to hedge future cash flows, and changes in fair value are immediately recognised in the profit or loss.

## Fair value measurement

The company measures its financial instruments at fair value at each reporting date.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When measuring fair value, it is assumed that the transaction to sell the asset or transfer the liability is carried out:

- the main market for that asset or liability; or
- if there is no main market, on the best market for that asset or liability.

The fair value measurement of a non-financial asset considers the capacity of a market participant to generate economic benefits by making full use of the asset or by selling it to another market participant who will make full use of the asset.

The fair values of financial instruments are ranked according to a three-level hierarchy:

- Level 1: Listed prices (unadjusted) of the same assets and liabilities on an active market.
- Level 2: Listed price of a similar instrument on an active market, or another measurement technique based on observable parameters.
- Level 3: Measurement technique incorporating non-observable parameters.

The criteria for classifying and recognising financial assets and liabilities and any transfer from one level to another in the fair value hierarchy where applicable are given below.

### 1.15 Derivatives that are not hedging instruments

Financial derivatives that are not recognized as hedging instruments are assessed at their fair value. Changes in the fair value are recognized in the profit and loss statement as they arise.



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## 1.16 Impairment of financial assets

Financial assets valued at amortised cost are written down when it is probable, based on objective evidence, that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognized in the profit and loss statement. If the reason for the impairment loss disappears in a later period and this disappearance can be objectively linked to an event which takes place after the impairment loss has been recognized, the previous write-down is reversed.

## 1.17 Inventories

Inventories are recognized at the lowest of the acquisition cost or net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO (First In, First Out) method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. In-house produced goods include variable and fixed costs that can be allocated based on normal capacity utilisation.

## 1.18 Trade receivables

Trade receivables are a result of revenues from goods which are produced and sold within the entity's operation cycle. If trade receivables are expected to be settled within one year or less from the balance sheet date, the receivables are classified as current assets. If this is not the case, the receivables are classified as non-current assets. At the time of initial recognition, trade receivables are valued at fair value.

Trade receivables and related accounts are depreciated using the simplified IFRS 9 impairment model, particularly given their generally short-term maturity.

For these assets, the evolution of credit risk is assessed at two levels, collective and individual.

At the collective level, impairment for expected credit losses is calculated for all customers with the exception of guaranteed receivables for which no collective impairment is recognised.

At the individual level, a receivable is impaired when it is more than probable that it will not be recovered and it is possible to reasonably estimate the amount of the impairment based on the history of the credit losses, the prior period and an estimate of the risks.

## 1.19 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash.

In the cash flow statement, the bank overdraft is deducted from the cash position at year-end.

In 2021 the group accounts through Metal Securities was presented as cash. In 2022 this was changed and are now presented in other receivables. The 2021 figures have been changed to give a correct comparison.

## 1.20 Equity

### Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic reality.



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Interest, dividend, gains and losses on financial instrument classified as a liability will be presented as expense or income. Amounts distributed to holders of financial instruments classified as equity are recorded directly in equity.

#### **Expenses related to equity transactions**

Expenses directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

#### **1.21 Trade payables**

Trade payables are related to liabilities to pay for goods or services which have been delivered from external and group internal suppliers and which is part of ordinary operations. Trade payables are classified as short-term liabilities if maturity is within one year. If maturity is longer, trade payables are classified as other long-term debt. They are measured at fair value at initial recognition. Subsequently, trade payables are measured at amortized cost applying the effective interest.

#### **1.22 Loans**

Loans are initially recognised at fair value plus acquisition costs and are measured on each reporting date at amortised cost using the effective interest rate (EIR) method, less any offsetting provisions for impairment losses recognised in income for the period.

#### **1.23 Employee benefits**

##### **Defined benefit plans**

The company has several pensions plans, both defined contribution plans and defined benefit plans.

Defined benefit plans are measured to the present value of future post-employment benefits which is deemed to be earned at the balance sheet date. Pension assets are measured at fair value. The net defined liability (-asset) is measured as the present value of the liability at the balance sheet date, with deduction of the fair value of the pension assets. The gross liability has been calculated by independent actuaries which have applied the "unit credit method". The gross liability has been discounted to a present value by applying the interest on high quality corporate bonds (in Norway "OMF" rate), adjusted with a duration to match the payment profile on the benefits.

Actuarial gains and losses which occur when re-measuring the liability due to experience deviations and changes in actuarial assumptions is recognized in the statement of comprehensive income in the period they occur. Gains or losses which arise in relation with curtailments or settlements are recognized in profit or loss when the curtailment and/or settlement occurs.

Effects of changes in the benefits of the plan, is recognized into profit or loss immediately.

##### **Defined contribution plans**

Eramet Norway has made a review of its pension plans and decided to gather all employees (except the ones taken over from Eralloys holding) into defined contribution plans. This change is effective as of January 1<sup>st</sup>, 2017.



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The entity is paying contributions to a defined contribution plan administrated by an insurance company. The entity does not have further obligations after payments have been made to the insurance company. Contributions are classified as payroll expenses. Contributions which are deemed prepaid are recognized as an asset as to what can be refunded back to the entity, or which will reduce future payments to the insurance company.

#### **1.24 Provisions**

A provision is recognized when the company has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

#### **1.25 Events after the reporting period**

The management will emphasize that there are not any material events after the balance sheet date which will justify an adjustment in the financial statements figures or any disclosure obligations as of December 31st, 2022.

All figures below are nominated in thousand Norwegian Kroner, if not otherwise stated.



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## Note 2 Revenues

	2022	2021
<b>Breakdown on area of operations</b>		
Industry	6 885 159	6 367 850
<b>Total</b>	<b>6 885 159</b>	<b>6 367 850</b>

## Breakdown on geographical areas

Europe	6 885 159	5 166 205
America	0	999 004
Africa and Middle East	0	136 927
Asia and Australia	0	65 714
<b>Total</b>	<b>6 885 159</b>	<b>6 367 850</b>

## Note 3 Transactions and balances with related parties

Nature of the transaction	Classification in P&L	Counter-party	Group relation	2022	2021
Sales of products and services	Revenues	Eramet Comilog Manganese	Sister company	2 292	3 452 487
	Revenues	Marietta	Sister company	2 070	644
	Revenues	Comilog Dunkerque	Sister company	64 836	47 672
	Revenues	Eramet Titanium & Iron	Sister company	12 662	88
	Revenues	Georg Tveit	Sister company	44	28
	Revenues	Eramet Marketing Services	Sister company	6 776 330	2 616 894
Purchase of raw materials	Cost of sales	Erasteel SAS	Sister company	-2 499	218
	Cost of sales	EMAS Holding	Sister company	-	6 146
	Cost of sales	Comilog SA	Sister company	-	41 181
	Cost of sales	Eramet Marketing Services	Sister company	1 494 568	1 037 809
	Cost of sales	Georg Tveit	Sister company	16 058	15 805
	Cost of sales	Eramet Titanium & Iron	Sister company	-13 926	-
	Cost of sales	Eramet Marietta	Sister company	15 468	14 401
Other operating expenses	Operating expenses	Eramet Comilog Manganese	Sister company	-	32 699
	Operating expenses	Eramet Comilog Manganese	Sister company	-	-1 145
	Operating expenses	Eramet Marketing Services	Sister company	18 638	-
	Operating expenses	Eramet Holding	Sister company	27 465	24 528
	Operating expenses	Eramet Holding	Sister company	-	20 105
	Operating expenses	EMAS Holding	Sister company	1 160	-
	Operating expenses	Eramet Titanium & Iron	Sister company	725	75 870
	Operating expenses	Georg Tveit	Sister company	89	155
	Operating expenses	Other eramet cpy	Sister company	4 103	796

Intra group balances	Group relation	2022		2021	
		Trade receivables	Other receivables	Trade receivables	Other receivables
Eramet Comilog Manganese	Sister company	-	-	37 686	-
Comilog Dunkerque	Sister company	516	-	22 558	-
Eramet Titanium & Iron	Sister company	1 222	-	718	-
Metal Securities	Sister company	-	-	-	5 393
Metal Currencies	Sister company	-	-	-	6 652
Eramet Holding	Sister company	5 761	-	-	-
Eramet Marietta Inc	Sister company	73	-	644	-
Eramet Marketing Services	Sister company	1 502 604	-	732 065	-
Georg Tveit	Sister company	-	-	26	-
Erasteel Kloster AB	Sister company	2 499	-	-	-
		<b>Trade payables</b>	<b>Other debt</b>	<b>Trade payables</b>	<b>Other debt</b>
Comilog SA	Sister company	-	-	-	-
Eramet Comilog Manganese	Sister company	-	-	-	-
Comilog Dunkerque	Sister company	-	-	-	-
Eramet Holding	Sister company	3 111	-	2 887	-
EMAS Holding	Sister company	200	-	-	-
Eramet Marietta Inc	Sister company	-	-	3 541	-
Eralloys Holding AS	Sister company	185 275	19 507	-	17 140
Eramet Marketing Services	Sister company	70 545	-	210 163	-
Eramet Ideas	Sister company	2 301	-	433	-
Metal Currencies	Sister company	-	126 199	-	-
Georg Tveit	Sister company	-	-	2 100	-
Eramet SA	Sister company	-	641 104	-	-



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The company is mainly purchasing raw materials from external suppliers. Internal purchases of manganese ore from Comilog mine in Gabon through Eramet Marketing Services constitute more than 50 % of total manganese ore purchases. Internal purchases are based on arm's length principle. Regarding sales, the company entered into a manufacturing contract with Eramet Marketing Services for the sales of Mn-alloys products (see 1.7).

#### Note 4 Electricity contracts

Eramet Norway has an annual consumption of electric energy in range 2,0-2,1 TWh for its 3 manganese plants. This has mainly been covered by various long-term physical contracts, combined with remaining purchase in spot-market.

Eramet Norway with 3 plants are all ISO 50001-certified which means continuously focus on reducing energy-consumption both for direct production activities and indirect support-processes.

#### Note 5 Payroll expenses, number of employees, benefits, loan to employees, other expenses

	2022	2021
<b>Payroll expenses</b>		
Salaries	461 841	438 630
Social security tax	63 827	59 647
Pension & Jubilee costs	34 581	30 059
Other benefits	14 159	6 363
<b>Total</b>	<b>574 408</b>	<b>534 699</b>

Average number of employees \*) 532 535

\*) Does not include apprentices and temporary employees

	Salary	Pension premium	Other benefits
<b>Benefits to executives</b>			
External engaged board member (invoiced fee net of VAT)	0	0	490
General manager	2 979	126	155

No extraordinary bonus will be paid to the general manager or the Board. The management have not received any loans or guarantees from the company.

The Company has changed Executive Managing Director in 2022 and Roger Westgård was appointed from July 1<sup>st</sup> 2022 in replacement of Bjørn Kolbjørnsen which became Chairman of the Board.

#### Auditor

Expensed auditor fee to KPMG can be specified as follows:

	2022	2021
Statutory audit	845	914
Other audit services	204	100

Above stated fee is excluding Value Added Taxes.



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## Note 6 Pension expenses, assets and liabilities

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plans meet the requirements in this legislation.

### Defined benefit plans

The entity's defined benefit plan provides the right to defined future benefits. These are mainly dependent on the number of years of service, the level of salary at the retirement age and the level of the government funded pension benefits. The obligations are funded through an insurance company. The company is also granting employees a jubilee benefit after 25, 30 and 50 years of employment for which a long-term liability is recognized in the balance sheet according to IAS 19. In accordance with the regulations in this standard all actuarial gains/losses are recognized at the time they occur in the profit and loss statement (valid for other long-term employee benefits). The defined benefit plans expose the company to the following actuarial risks: investment risk, interest risk, payroll risk and risk for longevity.

### Defined Contribution plans

Eramet Norway has made a review of its pension plans and decided to gather all employees (except the ones taken over from Eralloys holding) into defined contribution plans. This change was effective as of January 1<sup>st</sup>, 2017.

The entity's defined contribution plan is organized in accordance with Norwegian legislation on defined contribution pensions ("lov om innskuddspensjon").

### Number of people covered by the plan

Defined benefit plans	31.12.2022	31.12.2021
Active employees	0	0
Retirees	41	52

Defined contribution plans	31.12.2022	31.12.2021
Active employees	634	609
Retirees	19	16

Benefit expense:	2022	2021
Service cost**	149	374
Gain/loss on settlements		
Interest expense on net defined liability/asset (at the start of the accounting year)*	1 333	881
Immediate recognition of actuarial loss/(gain) on jubilee benefits**		
Other pension expenses**		
Net periodic pension & Jubilee cost (before social security tax)	1 483	1 255
Social security tax	209	177
Current year contribution - contribution plans incl social security tax**	32 889	28 627
Net periodic pension cost (after social security tax)	34 581	30 059



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\*This amount is classified as other financial expenses in the profit and loss statement.

\*\*These items are included in payroll expenses in the profit and loss statement - see note 5.

Re-measurement of net defined liability:	2022	2021
Actuarial (gain)/loss experience adjustments DBO	-	19 143
Actuarial (gain)/loss change in financial assumptions DBO	-7 016	-4 511
Actuarial (gain)/loss change in demographic assumptions DBO		
Return on pension assets (greater)/less than discount rate	195	-1 454
<b>Sum re-measurement effects</b>	<b>-6 820</b>	<b>13 178</b>

Balance sheet:	2022	2021
Defined Benefit Obligation (DBO)	-75 758	-85 471
Estimated market value of plan assets	23 637	23 731
<b>Prepaid pension (net pension liabilities) before social security tax</b>	<b>-52 121</b>	<b>-61 740</b>
Accrued social security tax	-7 349	-8 705
<b>Prepaid pension (net liabilities including social security tax)</b>	<b>-59 470</b>	<b>-70 445</b>

Financial assumptions:	01.01.2022	01.01.2021	31.12.2022	31.12.2021
Discount rate	2,30 %	1,70 %	4,00 %	2,30 %
Expected raise in salaries	3,00 %	2,75 %	3,00 %	3,00 %
Expected raise in pensions	0%-2,00%	0%-2,25%	0%-2,00%	0%-2,00%
Expected raise in G-amount	2,25 %	2,25 %	2,25 %	2,25 %

Composition of pension fund assets	31.12.2022	31.12.2021
Defined benefit plans		
Securities	28,19 %	23,30 %
Property	12,01 %	11,90 %
Bonds/loans	33,81 %	43,20 %
Constructions	27,23 %	20,30 %
Other investments	0,76 %	1,3 %
<b>SUM</b>	<b>100,00 %</b>	<b>100,00 %</b>



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## Note 7 Intangible assets

	ERP system	Software IFRS 16	Total
<b>Acquisition cost 01.01.2022</b>	<b>96 859</b>	<b>688</b>	<b>97 547</b>
Additions	1 609	-	1 609
<b>Acquisition cost 31.12.2022</b>	<b>98 468</b>	<b>688</b>	<b>99 156</b>
Acc. depreciations 31.12.2022	85 556	688	86 244
<b>Booked value as of 31.12.2022</b>	<b>12 912</b>	<b>-</b>	<b>12 912</b>
Current year's depreciations	-4 202	-	-4 202
Current year's impairment	-	-	-
Useful economic life	5 year		
Depreciation profile	Linear		

### Research and development expenses

Expenses related to research and development amount to TNOK 34.300 (external services = TNOK 27.800, labour costs = TNOK 6.450). Research and development projects mainly relate to improvement processes in the production. All expenses related to research and development are recognized in the profit and loss statement for 2022, as the recognition criteria set forth in IAS 38 for capitalizing these expenses are deemed not to be met.

## Note 8 Property, plant and equipment

	Housing incl land	Buildings, other real estate	Machines & equip.	Office, fixtures etc.	AUC	Total
<b>Acquisition cost as of 1.1.2022</b>	<b>36 967</b>	<b>816 292</b>	<b>3 745 566</b>	<b>3 085</b>	<b>121 316</b>	<b>4 723 225</b>
Additions					285 706	285 706
Disposals		-20 431	-461 414	-561		-482 406
AUC reclassification		70 399	37 451	-	-107 850	-
<b>Acquisition Cost as of 31.12.2022</b>	<b>36 967</b>	<b>866 260</b>	<b>3 321 603</b>	<b>2 524</b>	<b>299 172</b>	<b>4 526 525</b>
<b>Accumulated depreciations as of 01.01.2022</b>	<b>-</b>	<b>433 998</b>	<b>2 666 658</b>	<b>2 888</b>	<b>-</b>	<b>3 103 544</b>
year depreciations		62 245	140 601	32		202 879
year reversal of write-down						-
year impairment		961	11 045			12 006
Disposals		-20 431	-461 414	-561		-482 406
<b>Accumulated depreciations as of 31.12.2022</b>	<b>-</b>	<b>476 773</b>	<b>2 356 891</b>	<b>2 359</b>	<b>-</b>	<b>2 836 023</b>
<b>Net booked value as of 31.12.2022</b>	<b>36 967</b>	<b>389 487</b>	<b>964 713</b>	<b>165</b>	<b>299 172</b>	<b>1 690 502</b>
Useful economic life		max. 34 years	2-20 years	3-5 years		
Depreciation plan		Linear	Linear	Linear		
Capitalized interest on self-constructed assets (IAS 23) included in Acquisition Cost		5 682	11 445			17 127



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	IFRS 16		
	Machines & equip.	Transp & other equip.	Total
Acquisition cost as of 1.1.2022	44 827	33 368	78 195
Additions		6 394	6 394
Other	-10 722		-10 722
<b>Acquisition Cost as of 31.12.2022</b>	<b>34 105</b>	<b>39 762</b>	<b>73 867</b>
Accumulated depreciations as of 01.01.2022	36 588	14 523	51 111
year depreciations	3 499	6 405	9 904
Other	-10 722		-10 722
<b>Accumulated depreciations as of 31.12.2022</b>	<b>29 365</b>	<b>20 928</b>	<b>50 293</b>
<b>Net booked value as of 31.12.2022</b>	<b>4 740</b>	<b>18 834</b>	<b>23 574</b>

Useful economic life      3-5 years      3-5 years  
 Depreciation plan          Linear          Linear

The company has not entered into any agreements where there are any variable lease payments. The lease agreements do not regulate any extension after the agreement period. The agreements do not regulate any rights for the company to purchase the assets after termination of the lease. For lease expenses not recognized in the balance sheet, see note 9.

## Note 9 Leases

	2022	2021
<b>Leasing expenses</b>		
Machinery and equipment	6755	8558
Computers and other equipment	61	64
Land, buildings etc.	5661	4164
Transportation equipment	7	6
<b>Total</b>	<b>12 485</b>	<b>12 792</b>

The above lease agreements are for shorter periodic and temporary. Leasing agreements related to IFRS 16, see note 8

## Note 10 Investment in subsidiary

As of December 31, 2022, Eramet Norway holds 66.67% of the shares in Georg Tveit AS (unchanged from 2021). This company is hence a subsidiary of Eramet Norway as of December 31, 2022. For more details regarding this investment, it is referred to note 1 (point 1.0) and to note 15.



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**Note 11 Financial risk (IFRS 7) and financial instruments**

The company is, through its activities, exposed to different types of financial risks; market risk (including currency risk, fair value interest risk, floating interest risk and price risk), credit risk and liquidity risk.

The company's overall risk plan is focused towards minimizing the potential negative effects unpredictable changes in the capital markets can have on the company's financial performance. Routines related to risk management are approved by the Board and are executed by local management in cooperation with Eramet group's centralized finance department.

The company uses financial instruments to reduce the risk related to fluctuations in foreign currencies. In conformity with the company's and the Eramet group's strategy related to currency exposure, the company uses financial derivatives to reduce this risk. The company does not use financial instruments, including financial derivatives, for trading purposes. The applied accounting principles related to financial derivatives are described in note 1.

**(i) Credit risk**

The company is not exposed to credit risk as all the production is sold to a sister company, Eramet Marketing services, under a manufacturing contract (see 1.7).

Total bad debt provision, prior to the implementation of the manufacturing contract; at the end of 2022 was TNOK 13.134. This provision relates to British Steel in UK that are facing financial difficulties.

**(ii) Liquidity risk**

Liquidity risk is the risk that the company is not able to handle its financial liabilities as they fall due. The company's strategy to handle its liquidity risk is to have sufficient cash balances at all times, this in order to meet all financial liabilities at maturity, both under normal and extraordinary circumstances, without risking unacceptable losses or influencing the company's reputation.

**(iii) Currency risk**

The company is exposed to currency fluctuation related to the value of Norwegian Kroner relative to other currencies due to sales and purchases occur mainly in EUR and USD respectively. The company enters into currency forward contracts with the group company Metal Currencies with the purpose to reduce the currency risk related to cash flows nominated in foreign currency. The currency risk is calculated for each foreign currency position and includes assets, liabilities and highly probable purchases and sales in the respective currency.

**Hedge activities**

**Cash flow hedges related to realized sales- and cost of sales transactions in 2022**

As of 31<sup>st</sup> of December 2022 the company had several currency contracts related to realized sales- and cost of sales transactions in 2022.

These are in conformity with IAS 39, para 97 recognized as a reclassification adjustment to Profit and loss.

Hedging instruments	Hedged items	Balance sheet position 31.12.2022
Currency forward contracts	Financial assets/liabilities related to realized sales/cost of sales in 2022	-42 104



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## Cash flow hedges related to highly probable future sales and cost of sales

As of 31 December 2022, the company had several currency forward contracts related to highly probable future sales and cost of sales. The hedge instruments are expected to be highly effective and change in net loss is recognized in conformity with IAS 39 para 95 a, in other comprehensive income.

Hedging Instruments	Hedged items	Balance sheet position 31.12.2022
Currency hedge contracts	Highly probable future sales and cost of sales	16 024

All contracts related to highly probable future transactions are recognized in the equity via other comprehensive income (both intrinsic value and time value). Applied principle is in conformity with IAS 39, para 74.

## Movement in the equity

Transactions related to cash flow hedges which are recognized in the statement of comprehensive income.

(All figures are net after deferred taxes, where positive amounts represent negative other comprehensive income)

	2022	2021
Fair value cash hedges opening balance	-45 657	26 816
Value changes throughout the year	33 156	-72 473
<b>Total</b>	<b>-12 501</b>	<b>-45 657</b>

## Fair value

Fair value of the currency forward contracts is determined by using the currency rate at the balance sheet date. All these contracts have been valued and confirmed by the company's contract partner, the group company, Metal Currencies. The valuation is in accordance with market values which would apply for unrelated parties.

The following financial instruments have not been recognized at fair value: Cash and cash equivalents, accounts receivables, other short-term receivables, bank overdraft, long term debt and held to maturity investments. The booked value of cash, cash equivalents, bank overdrafts approximate fair value, due to the fact that these instruments have short term maturity. Correspondingly, the booked value of accounts receivables and accounts payables approximate fair value as these have been agreed at general market terms.

## Note 12 Loan from Eramet SA

Eramet Norway AS took out a loan in October 2022 equivalent to MEUR 80. The loan is due in June 2023 at the latest. There will be no installments on the principal amount before the loan is due, when it will be repaid in full. The loan is classified as a short-term liability and is in the balance sheet under current liabilities.

	2022	2021
Short term loan	841 104	-
<b>Total</b>	<b>841 104</b>	<b>-</b>
Interest paid	5 094	-
<b>Total</b>	<b>5 094</b>	<b>-</b>



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## Note 13 Tax expense

	2022	2021
<b>Specification of income tax expense/(income)</b>		
Taxes payable	135 407	201 556
Tax effect group contribution	19 507	17 140
Change in tax rate (deferred tax rate)		
Change in deferred taxes	23 012	103 633
<b>Taxes on income excluding extraordinary items</b>	<b>177 926</b>	<b>322 329</b>

Taxes on income are in its entirety related to operations in Norway.

## Taxes payables

	2022	2021
Calculated taxes payables	135 407	201 556
Skattefunn (refund from Norwegian authorities)	-2 284	-2 775
<b>Taxes payable in the balance sheet</b>	<b>133 123</b>	<b>198 781</b>

## Reconciliation of nominal statutory tax rate to effective tax rate

	2022	2021
Net income before taxes	809 337	1 468 014
<b>Expected income tax from nominal tax rate</b>	<b>178 054</b>	<b>322 963</b>
<u>Tax effect of the following items:</u>		
Non-deductible expenses	789	253
Effect change in tax rate	0	0
Non-taxable income	-200	0
Difference previous year's accrual	-717	-887
<b>Income tax expense</b>	<b>177 926</b>	<b>322 329</b>
<b>Effective tax rate</b>	<b>22,0 %</b>	<b>22,0 %</b>

## Specification of tax effects from temporary differences

	2022		2021	
	Asset	Liability	Asset	Liability
Property, plant and equipment	0	62 368	0	56 902
Inventory and spare parts	16 508	11 237	14 618	14 775
Receivables and other receivables	3 096	0	2 942	33 352
Unrealised currency contracts	0	109 984	0	37 868
Unrealised energy hedging contracts	9 263	0	0	573
Pension liabilities	14 584	1 501	12 599	2 899
Leasing	631	0	634	0
Gain & loss account for tax purposes	0	231	0	289
Liabilities/assets	27 829	5 332	24 329	7 080
Other accruals	0	418	0	5 124
Energy contracts, customer relationship (from merger)	0	5 328	0	7 035
<b>Total</b>	<b>71 911</b>	<b>196 399</b>	<b>55 122</b>	<b>165 897</b>
<b>Aggregated tax effect from temporary differences</b>	<b>71 911</b>	<b>196 399</b>	<b>55 122</b>	<b>165 897</b>
<b>Net deferred tax assets / (liability) in the balance sheet</b>		<b>-124 487</b>		<b>-110 775</b>



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Current year's change in deferred tax amounting to TNOK - 9.352 related to currency hedge contracts, and which is accounted for according to IFRS 9, is presented in accordance with IAS 1 in the statement comprehensive income presented under "Tax on items that may subsequently be reclassified to profit or loss".

Change in deferred tax related to actuarial losses which in accordance with IAS 19 is recognized in the statement of comprehensive income amounts to TNOK 1.501. In accordance with IAS 1 the change in deferred tax is classified in the statement of comprehensive income under "Tax on items that will not be reclassified to profit or loss".

## Note 14 Goodwill

	Goodwill merger Kvinesdal 2011	Goodwill Elkem purchase 1999	TOTAL
<b>Acquisition gross value</b>	<b>1 320 450</b>	<b>147 727</b>	<b>1 468 177</b>
Disposals	0	0	0
Accumulated depreciation 31.12.2022	0	-32 803	-32 803
<b>Net book value as of 31.12.2022</b>	<b>1 320 450</b>	<b>114 924</b>	<b>1 435 374</b>

Goodwill from Elkem in 1999 represents excess values related to the company's purchase of enterprises in Porsgrunn and in Sauda from Elkem Mangan KS.

### Goodwill as a consequence of the merger recognized at group continuity values

Eramet Norway has merged with its wholly owned subsidiary Eramet Norway Kvinesdal AS where this merger was recognized for accounting purposes January 1<sup>st</sup>, 2011. In relation with the purchase of the shares in Eramet Norway Kvinesdal AS in April 2010, there were identified intangible assets amounting to TNOK 597.601 which is fully depreciated. Further, surplus values related to machinery and equipment was identified together with surplus values related to the thermal powerplant at Øye in Kvinesdal. The residual value between the purchase price of the shares and booked equity and intangible assets net after taxes was deemed to be goodwill. Such a merger is not regulated by IFRS 3, and the principles set forth in the Norwegian standard "NRS 9 Fusjon", where the merger is recognized at group continuity values is deemed to be in conformity with the conceptual framework of IFRS.

### Impairment test goodwill

In accordance with International Financial Reporting Standards (IAS 36), recognized value related to goodwill is assessed yearly towards recoverable amount for the cash generating unit, which is assessed by the management to be the company's three production sites in Porsgrunn, Sauda and Kvinesdal. The current year's test was performed in December 2022 and shows that recoverable amount exceeds the recognized value of goodwill.

### Sensitivity

The model is highly sensitive to the main assumptions such as WACC or long-term growth.

+0,5% WACC => 184 MNOK impairment / +1,0% WACC => 460 MNOK impairment

-0,5% LT growth rate => 22 MNOK impairment / -1,0% LT growth rate => 155 MNOK impairment

Combined +1,0% WACC & -1,0% LT growth rate => 663 MNOK impairment



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## Note 15 Investments in other companies

	Owner-share	Acquisition cost	Impairment	Net value
Georg Tveit AS	66,67 %	950	-	950
<b>Total investments in subsidiaries</b>		<b>950</b>	<b>-</b>	<b>950</b>
Grenland Investeringsfond AS	0,23 %	250	193	57
IndustriEL AS	11,11 %	20	13	7
Rysteg AS (Sauda Bedriftsservice AS)	7,69 %	139	-	139
Metallurgiska forskningsbolaget i Luleå AB (MEFOR)	1,34 %	2	0	2
Sauda Vekst AS	13,97 %	100	-	100
Skjens Fjordens Stuerkontor	2,00 %	10	10	-
<b>Total investments in shares</b>		<b>521</b>	<b>216</b>	<b>305</b>

The preliminary statutory accounts as of December 31<sup>st</sup>, 2022 for the subsidiary Georg Tveit AS show a profit before tax of TNOK 626 and equity of TNOK 27.679. The main office of the company is in Litangen, 3770 Kragerø.

## Note 16 Long term receivables with maturity over one year

	2022	2021	2020
Bank escrow accounts	27 850	25 182	22 513
<b>Total</b>	<b>27 850</b>	<b>25 182</b>	<b>22 513</b>

The bank escrow accounts are used to cover any environmental liability required by the shut down of sludges' deposits and in accordance with the agreements done with Miljødirektoratet.

## Note 17 Inventories

	2022	2021
Spare parts	58 788	59 665
Raw materials	1 183 828	783 627
Work in progress	585 668	380 418
Finished goods	156 579	189 410
Consumables	99 716	49 159
<b>TOTAL INVENTORIES</b>	<b>2 084 577</b>	<b>1 462 278</b>

Spareparts have been reserved at estimated net realisable value. Provision for obsolescence of spare parts as December 31<sup>st</sup>, 2022, amount to TNOK 75.038



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## Note 18 Current accounts with Metal Securities, Eramet Group company

The excess of cash of Eramet Norway is deposited on Group current accounts with Metal Securities, an Eramet Group company.

There are 3 accounts in NOK, EUR and USD. This is presented as an intercompany balance with Metal Securities. The balance is per 31.12.2022 MNOK 403. According to accounting principles, these current accounts are presented in Other debtors but could be considered by nature as cash of the Company.

## Note 19 Bank deposits, bank overdraft and fixed bank deposits

The cash position of the company is satisfactory. Cash at hand as of December 31<sup>st</sup>, 2022 amounts to MNOK 43 (MNOK 108 as of December 31<sup>st</sup>, 2021). The company has an overdraft facility of MNOK 50. Please also see in note 18 regarding the agreement with Metal Securities for Group current accounts.

## Note 20 Shareholder information

The share capital in the company as of December 31<sup>st</sup>, 2022 consists of only one share class.

	Number	Face value	Book value
Ordinary shares	544 470	120	65 336

## Ownership structure

There is only one shareholder in the company as of December 31<sup>st</sup>, 2022

	Shares	Share of the shares	Share of the votes
Eramet Holding Manganese, Paris	544 470	100 %	100 %

The parent company is registered and has its main office in France. There are no specific regulations in the articles of association regarding voting rights. Each share is entitled one voting right.

## Note 21 Equity

	Share capital	Share premium account	Other Paid in capital	Other equity	Net income	Total
Equity as of 1 January 2022	65 336	2 685 089	167 914	1 072 585	1 145 685	5 136 609
<b>Current year changes in equity:</b>						
IAS 19R actuarial losses (net after deferred tax)*				5 320		5 320
Change in fair value currency forward contracts (net after deferred tax)*				-33 158		-33 156
Dividend paid				-		-
Group contribution			69 161	-69 161		-
Last year net income allocation				1 145 685	-1 145 685	-
Current year net Income (profit and loss statement)					631 411	631 411
<b>Equity as of 31 December 2022</b>	<b>65 336</b>	<b>2 685 089</b>	<b>237 075</b>	<b>2 121 273</b>	<b>631 411</b>	<b>5 740 184</b>

\* These items are included in the statement of comprehensive income.



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The Annual report of Eramet SA can be found on the following link:

<https://www.eramet.com/en/investors/publications-and-press-releases>

## Note 22 Environmental status

The three plants in Porsgrunn, Sauda and Kvinesdal with total 7 furnaces and 2 refining facilities, operate under valid emission permits issued by Miljødirektoratet (Norwegian Environment Agency). The emission permits are updated by Miljødirektoratet if there are new or changed limits or requirements. All emission data are public through the open web site '[www.norskeutslipp.no](http://www.norskeutslipp.no)'. Measures to improve the discharge conditions and environmental impact represent a permanent focus area for the company. All three plants are ISO 14001 and ISO 50001 certified

The emission permit for the plant in Kvinesdal (ENK) was updated in 2022. The emission permit for the plant in Sauda (ENS) was last updated in 2021, when limits for wastewater from the landfill were changed according to ENS' application. The emission permit for the plant in Porsgrunn (ENP) was last updated in June 2020, and in 2022 ENP applied for changes regarding noise, which now is worked with at Miljødirektoratet. In Eramet Norway's view, the ENO plants are still regulated stricter than BAT (European Best Available Technology) requirements on some areas.

Since 2013 the company is regulated under EU-ETS regarding CO<sub>2</sub> emissions from the production processes. The company has been granted free quotas for part of the emissions. EU-ETS Phase 4 started in 2021 and the EU directives regulating reporting of CO<sub>2</sub> emissions and allocation of free quotas are updated. In 2019 ENO applied for new free quotas for Phase 4 and received the decisions for all three plants in 2021. ENO did not agree with Miljødirektoratet's decisions and appealed. No steps have yet been taken by the Authorities on this. ENO has for 2022 booked the new free quotas granted for Phase 4 and has purchased the remaining quotas needed in the market.

The company has accrued for an estimated liability related to the follow up operations and closure of the sludge deposits in Kvinesdal and Sauda. The company has made a provision for the cleaning of the Kvinesdal Fjord bottom.

Notodden municipality has started to develop the Tinfos area, which historically has been used as an industrial site. Eramet Norway assumed responsibility for contaminated land through the acquisition of the Kvinesdal plant from Tinfos in 2008. This has resulted in some additional costs in the years 2019 to 2022, and it is expected that this will continue for some years to come leading to an accrual made at the end of 2019.

## Note 23 Financial debt

	2022	2021
Financial leasing	6 555	10 192
IFRS 16 Lease liability	20 974	20 590
<b>Total</b>	<b>27 529</b>	<b>30 782</b>

All debt has a maturity shorter than 5 years after the balance sheet date.



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**Note 24 Off Balance sheet commitments**

	2022	2021
<b>Guarantees given</b>		
KLIF regarding sludge deposits in Kvinesdal and Sauda	45 244	43 514
Porsgrunn Kommune regarding Payroll tax	25 000	25 000
Tax authorities abroad	3 095	2 190
<b>Total</b>	<b>73 339</b>	<b>70 704</b>

Guarantees given are related to sludge deposits, payroll tax and VAT abroad. Guarantees given are related to electricity contracts for Wind PPA and other vendors related to projects.



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To the General Meeting of Eramet Norway AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Eramet Norway AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income and statement of cash flows 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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 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 statutory requirements.

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslø	Elverum	Mo i Rana	Tromsø
Ållå	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ullsteinvik
Bodø	Knærvik	Stord	Ålesund
Drammen	Kristiansand	Straume	



## 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 simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## 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.

Kristiansand, 27 June 2023  
KPMG AS

  
Øystein M. Ore  
State Authorised Public Accountant



Skatteetaten

Eramet Norway AS  
Postboks 82  
3901 Porsgrunn

Vår dato 12.06.2020	Din/Deres dato 20.05.2020	Saksbehandler Nazish Fatima Mohammad
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U.off. offl. § 13, sctfv. § 3-1

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Eramet Norway AS' søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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 søknaden siteres:

"Eramet Norway AS er datterselskap av det franske selskapet Eramet Holding Manganese SA. Eramet SA er et internasjonalt konsern med datterselskaper i mange land og verdensdeler. Da forretningspråket i Eramet er engelsk, og vi sjelden benytter årsregnskapet på norsk, ønsker vi for fremtiden å utarbeide årsregnskapet og årsberetningen kun på engelsk.

Eramet Norway er 100 % eiet av det franske morselskapet, dvs. kun profesjonelle eiere. Styrets medlemmer er i stor grad utenlandske statsborgere uten kjennskap til norsk som språk. De utenlandske styremedlemmene er representanter fra morselskapet i Frankrike. All kommunikasjon i forbindelse med styrets arbeid foregår på engelsk.

Hovedkontoret til Eramet Norway AS ligger i Porsgrunn og selskapet har tre produksjonsanlegg: Porsgrunn, Kvinesdal og Sauda. Totalt driver selskapet syv smelteovner og to raffineringanlegg. Eramet Norway AS spesialiserte seg på produksjon av raffinerte manganlegeringer og er i dag en verdensledende leverandør av vårt hovedprodukt, raffinerte ferromanganlegeringer, til stålindustrien.

Våre hovedmarkeder er Europa og Nord-Amerika, og virksomheten opererer i en svært konkurranseutsatt internasjonal bransje.



Årsregnskapet til Eramet Norway omfatter alle tre produksjonsanleggene, og det føres ikke egne regnskaper for hvert produksjonssted. For hvert av produksjonsstedene vil det derfor være begrenset med informasjon om hvert enkelt anlegg i det offentlige regnskapet.

Selv om Eramet Norway sine produksjonsanlegg i Sauda og Kvinesdal anses som hjørnestensbedrifter i deres lokalsamfunn kan vi ikke se at det er noe som tilsier at disse brukerne av regnskapsinformasjon blir vesentlig berørt negativt ved en dispensasjon. Selskapet utgir årlig «Eramet Norways Bærekraftsrapport» som i tillegg til informasjon om Helse, Miljø og Sikkerhet presenterer hovedtall også for produksjon, salg og økonomi.

Bærekraftsrapporten distribueres bredt lokalt: til kommuner og fylkeskommuner, skole- og utdanningsinstitusjoner, samt til nasjonale myndighetsinstanser og kompetansemiljøer. 2018-utgaven kan lastes ned her: <https://eramet.no/baerekraftsrapport/>. Se spesielt side 70 og 71.

I forbindelse med fremleggelsen av konsernets årsregnskap har vi også tradisjon for å invitere lokale medier til en gjennomgang av Eramet Norways økonomiske hovedtall for foregående år. Dette gjør vi for å forsyne lokalsamfunnene våre med informasjon om hvordan verkenes situasjon utvikler seg.

Vi mener dessuten at de personene og organisasjonene som ønsker mer detaljert informasjon om våre økonomiske tall, normalt i stor grad vil være i stand til å finne frem også i en engelsk versjon av årsregnskapet, siden de som regel er kjent med fagterminologi og standard regnskapsprinsipper.

Basert på 20 års erfaring med franske eiere anser vi at det er relativt få norske brukere av regnskapet. Eksportandelen er ca 98 % og tilsvarende kjøpes hoveddelen av råvarer og andre innsatsfaktorer fra utlandet. Selskapet har ingen ekstern finansiering. Den vesentlige del av transaksjoner skjer i utenlandsk valuta."

### **Skattekontorets 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."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Eramet Norway AS er et datterselskap av et fransk selskap, og styremedlemmene er hovedsaklig fra Frankrike. Engelsk er derfor arbeidsspråket i styret, og kundene og leverandørene er i hovedsak internasjonale. Eramet Norways foretar en årlig gjennomgang av årsregnskap og deres økonomiske situasjon med deres lokale medier, og det lokalet miljøet får dermed dekket deres informasjonsbehov gjennom mediene. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Inger Mette Dahler  
underdirektør  
Innsats, storbedrift  
Skatteetaten

Nazish Fatima Mohammad

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*