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Lyon, 16th August 2021

Dear Customer,

In recognition of the fact that attention will now be turning to the preparation of annual budgets and that supplier input is important to this process, please note our intention to increase price on all product ranges going forward. Price increases from 5% and up to 40% can be expected depending on market segment involved.

While 2021 has been turbulent and the COVID-19 crisis continues to impact many parts of our lives, we have also seen an unprecedented rise in demand for silicone products globally. This situation has already resulted in significant price movement of silicone upstream materials, bases, and intermediate fluid materials in the EMEA region throughout 2021. The worldwide demand trend in the silicone industry was an early indicator of economic recovery, this demand will remain through the year and is expected to continue in the coming years. Contracts and annual agreements have been and will continue to be fully respected but further price increases are both necessary and unavoidable to ensure that both Elkem and our customers have a sustainable future with a quality silicone supply.

Overall demand, higher than today's capacity to supply, will continue to grow in a climate of increasing costs and regulatory changes. With COVID impacting heavily the logistical and transport networks it has never been more challenging to assure a global supply chain with both cost pressure and availability of freight having impact.

ELKEM SILICONES is committed to pursue its investments in safe and sustainable production to ensure security of supply, services, and innovation. We have announced in 2021 a major upstream expansion of capacity in China, we will continue to invest in our European upstream and our downstream units worldwide. Carbon footprint reduction is key in all our future investments and an integral part of our on-going upstream projects.

As one of the world's leading fully integrated global silicones manufacturers continuously optimizing its processes, ELKEM SILICONES will remain a reliable long-term partner for silicones, both standard grades and specialties. Future investments will have a strong sustainability focus and we are currently revising and updating our already ambitious climate strategy to position Elkem as a leader in the sustainability arena.

There is no doubt that the uncertainty of recent times is demanding agility and adaptation across all functions of business, in which case your continued commitment in support of our shared future, both short and long term, is respected and appreciated.

Yours sincerely,



Sean DUFFY
VP Sales & Marketing EMEA

Elkem is one of the world's leading providers of advanced material solutions shaping a better and more sustainable future. The company develops silicones, silicon products and carbon solutions by combining natural raw materials, renewable energy and human ingenuity. Elkem helps its customers create and improve essential innovations like electric mobility, digital communications, health and personal care as well as smarter and more sustainable cities. With a strong track record since 1904, its global team of more than 6,800 people has a joint commitment to stakeholders: Delivering your potential. In 2020, Elkem was rated among the world's top 5% on climate and achieved an operating income of NOK 24.7 billion. Elkem is listed on the Oslo Stock Exchange (ticker: ELK). www.elkem.com

For Elkem, sustainability is central to our business strategy. Our mission is to provide advanced material solutions shaping a better and more sustainable future, adding value to our stakeholders globally. We are committed to reduction in embodied carbon emission. For further information, please visit www.elkem.com/sustainability/ or contact us to learn more about our sustainability roadmap.

Elkem Silicones. Delivering your potential.

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