



Creating value through innovation and sustainability

Nordea Innovation Seminar
24 November 2021

Agenda

- Introduction & financial overview
- Creating value through innovation and sustainability
- Awards & summary

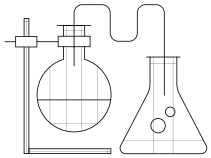
Speakers

- Morten Viga, CFO
- Odd-Geir Lyngstad, VP Finance & Investor Relations

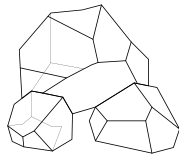


We are Elkem

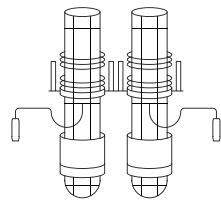
Advanced material solutions shaping a better and more sustainable future



Silicones



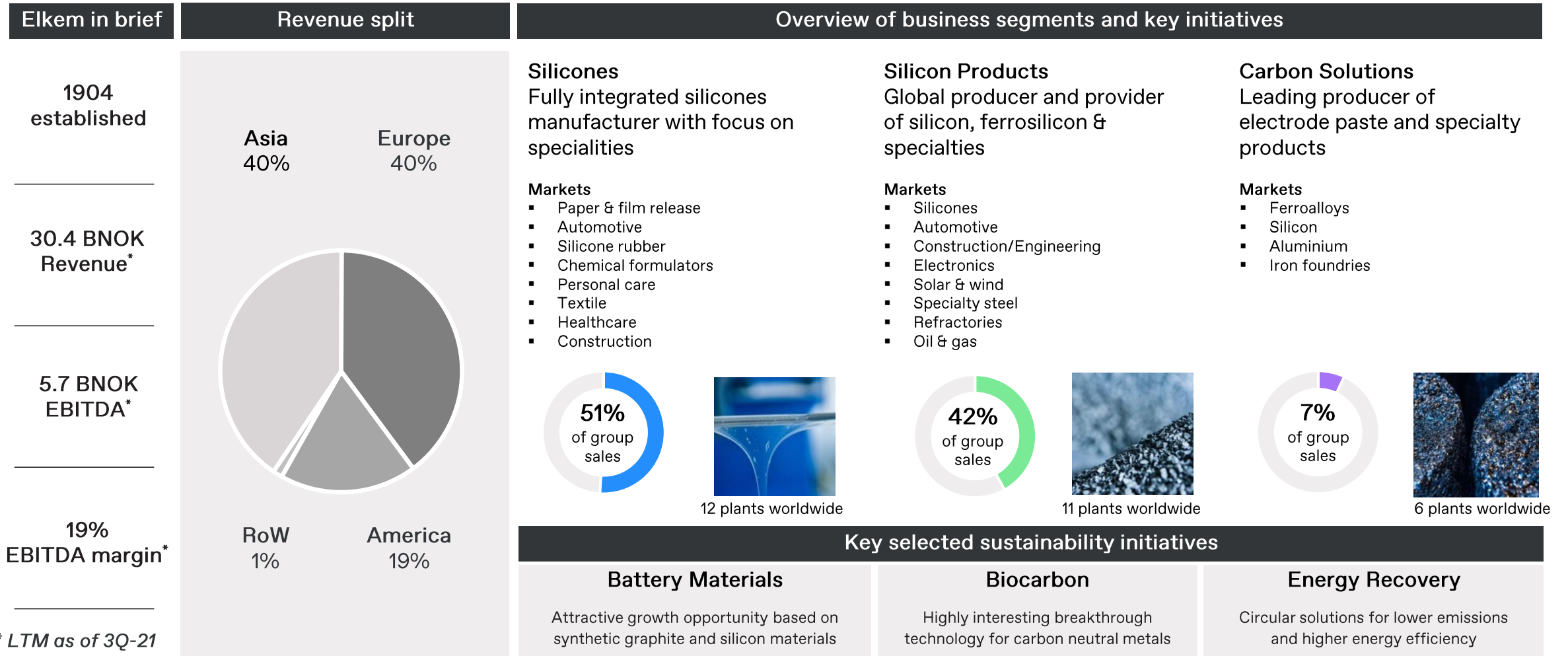
Silicon Products



Carbon Solutions



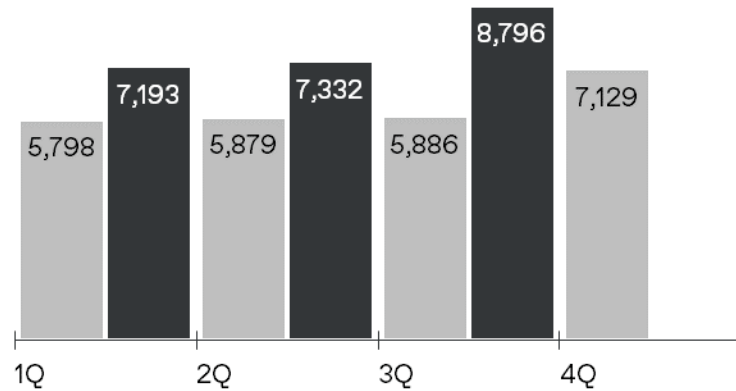
Elkem is a market leader in silicon-based advanced material solutions – with a global, integrated production footprint



3Q-2021 - Elkem's best quarterly result ever

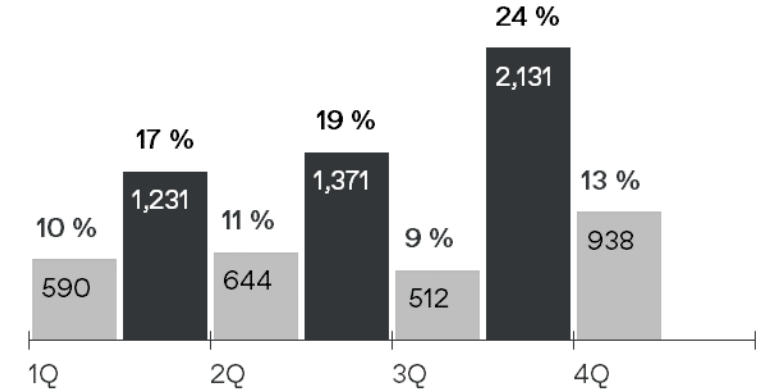
Total operating income

- All-time high operating income



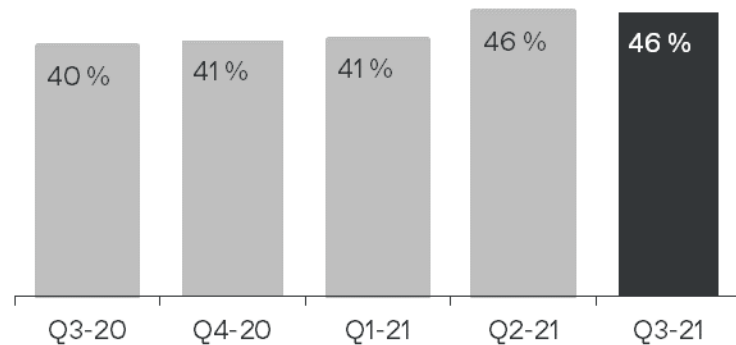
EBITDA

- All-time high group EBITDA



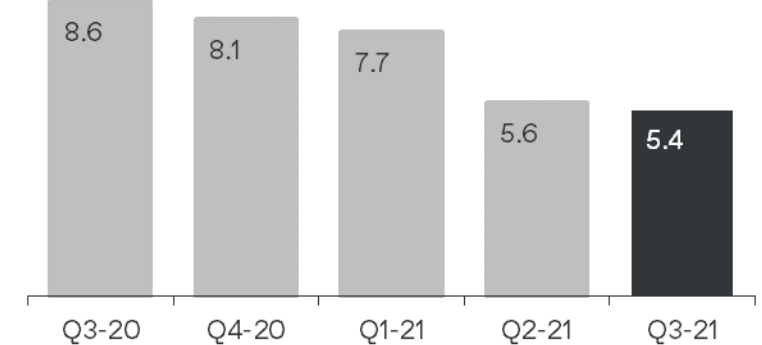
Equity ratio

- Robust balance sheet



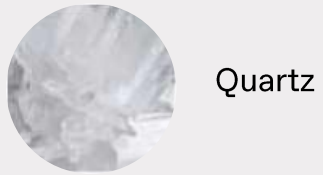
Net interest-bearing debt (NIBD)

- Leverage ratio of 1.0x

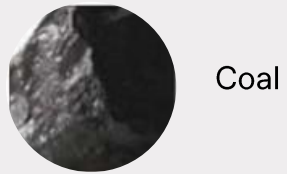


Our products are vital for modern societies and you meet them in your life every day

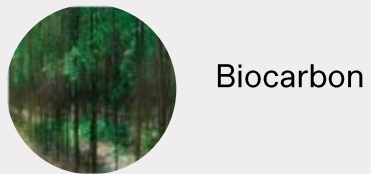
Low cost sustainable input factors



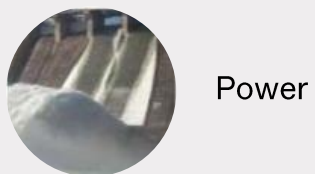
Quartz



Coal



Biocarbon



Power

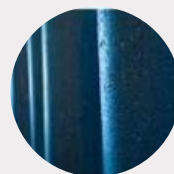
High temperature/chemical production processes



Silicones

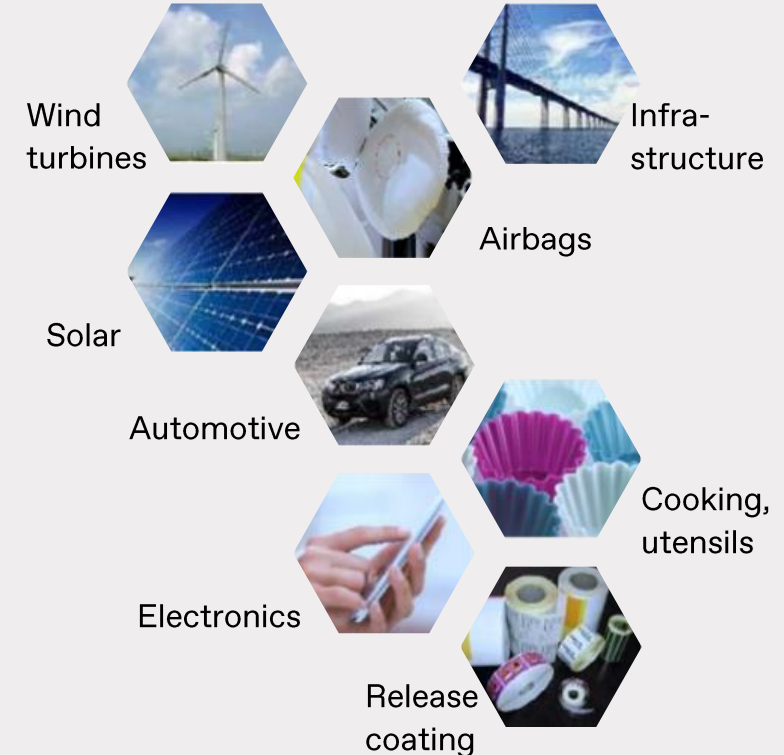


Silicon, foundry products and microsilica



Carbon solutions

Examples of high value applications and markets



ESG – a key priority



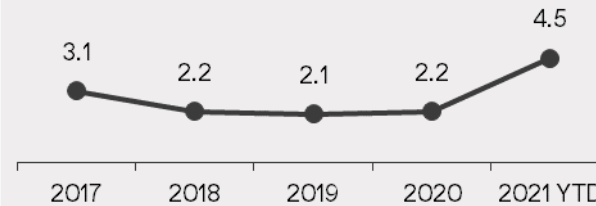
A clear focus on ESG

- Received A rating from CDP in 2020, ranking Elkem in the world's top 5% on climate
- Received Gold sustainability rating from EcoVadis in 2020
- 15 Nov 2021: Energy recovery plant opened by Norwegian PM



Safety

Ambition: Zero injuries



Social

- A truly diverse work force built on respect and an inclusive work culture
- Key focus on Human Rights Impact Assessment and human rights in supply chain

Environment

- Elkem provides advanced materials essential to the green transition
- 83% of electrical consumption from renewable energy

Governance

- TCFD framework for climate risk management implemented in 2021
- Advanced level of anti-bribery training. Code of Conduct signed by 98% of employees

115+ years of innovation: 1500 patents granted

- R&D is at the core of our business, and Elkem's R&D centers and its more than 500 employees are strategically located across Asia, Europe, Latin America and USA
- An **ambitious innovation strategy** in combination with a strong focus on future markets has been the foundation for Elkem's development
- Ever since Elkem was established in 1904, a main activity has been to **develop new products, markets and production methods** to better serve our customers



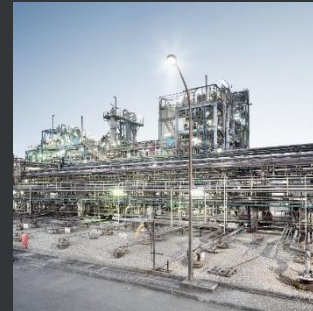
Continuous improvement

The core of Elkem Business System (EBS)



Innovation & R&D

Developing new products, markets and production methods



Technology projects

Driving operational and sustainability excellence



Business development

Mergers and acquisitions, joint ventures & cooperation agreements

Innovation is key to reducing emissions

Elkem will reduce fossil CO₂ emissions in line with the Paris agreement: We will contribute to limiting long-term temperature increase to well below 2°C.

By 2031:

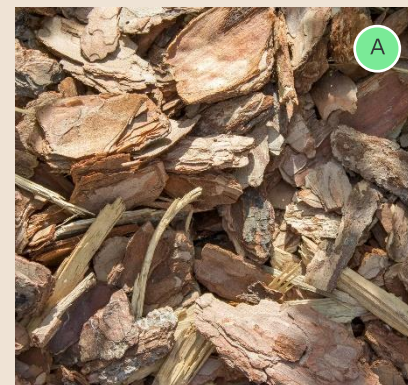
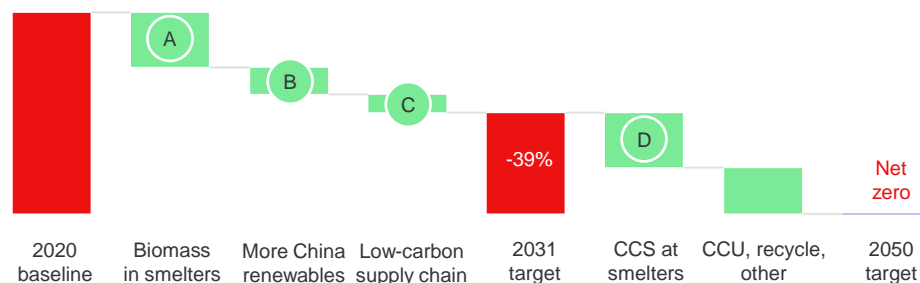
- Reducing absolute emissions* by **28%** from 2020-2031
- Delivering **39%** improvement in product footprint**

By 2050:

- Achieving fully carbon neutral production (zero fossil emissions) globally

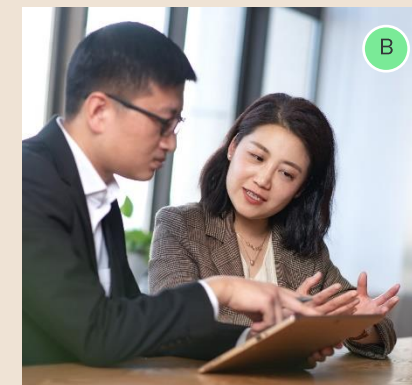
Our roadmap to climate neutral products

(Illustrative)



Changing to biomass as reduction material

Increasing share of bio-based materials from wood waste as reduction material in our smelters



Shifting to renewable power also in China

Future decarbonisation of China's power mix will support Elkem's low carbon transition



Low-carbon supply chain

Actively pursue long-term sourcing of renewable-based silicon metal as well as emission-free logistics



Exploring potential of more CCS at smelters

Exploring both Carbon Capture & Utilisation (CCU) and Carbon Capture & Storage (CCS) at our smelters

Our climate actions | Reducing our emissions

Changing to biomass as reduction material

Elkem has a pronounced goal to increase the use of biological materials in the mix of reduction materials in the production of silicon and ferrosilicon alloys. We reached the 20 % goal in 2018, and now work to reach our 2030 milestone of 50 %.

- To reach this goal Elkem is developing a new industrial process for bio-based materials tailor-made for silicon and ferrosilicon production processes.
- All Elkem smelters have developed CO2 road-maps for 2031, estimating the feasibility of increasing bio-share for each plant.

>20%
biomass
in 2021

50%
biomass
in 2030



Innovation is key to supplying the transition

All the known technological solutions for the green transition require advanced materials: Silicones, silicon and carbon solutions are critical enablers

- Elkem aims to continue growing our supplies of advanced materials to global markets by 5-10% per year
- 19% of our products are already EU classified as having positive environmental impact – we expect this to grow
- Elkem products already contribute to >1 million EVs around the world, representing 1 in 7 EVs sold globally
- Silicones can on average help save 9x the amount of emissions required in production*
- Elkem produces silicon using 83% renewable electricity, with an aim towards CO₂ neutrality



Better buildings

Our products contribute to optimising material use (i.e. reducing the need for cement) and protecting buildings



Renewable energy

Silicones are used in 90% of solar panels and silicone lubricants are essential to wind turbines



Electric vehicles

EVs require 4x more silicone solutions compared to internal combustion engine vehicles



Digital communications

We put the «silicon» in Silicon Valley: Providing key materials that drive the digital revolution

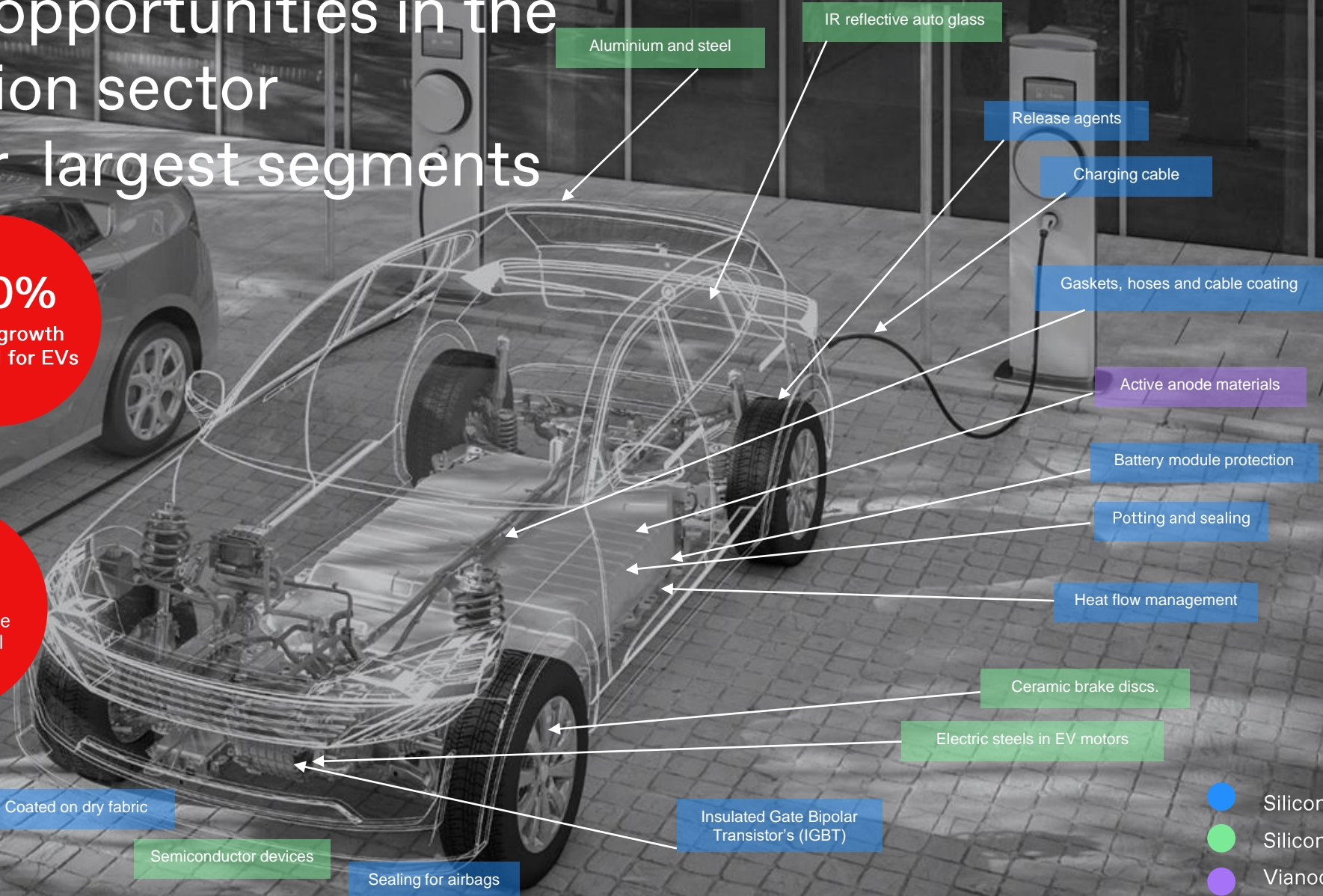
Our climate actions | Supplying the transition

Significant opportunities in the transportation sector – one of our largest segments

4x more
silicone products in EVs compared to ICEVs

~50%
annual growth expected for EVs

15%
anode graphite in battery cell



Innovation is key to enable circularity

Elkem is working closely with customers and researchers across all the four R's of a circular economy: Reduce, Reuse, Recycle and Renewable

- **Reduce:** Develop the eco-design of innovative products by developing lighter and high-performance materials or using low-energy processes
- **Reuse:** Rubber formulators provide reprocessing solutions to Elkem customers globally
- **Recycle:** In our operations, by using recycled raw materials, by collecting raw material dust to reintroduce them and also by valuing by-products (i.e. Microsilica). With customers, by joining forces to collect end-of-life products to recycle them chemically or mechanically
- **Use renewables:** Using more biosourced raw materials, such as C13-15 Alkane derived through fermentation and hydrogenation of sustainably sourced sugarcane



Reduce

Elkem's new energy recovery plant at Salten in Norway will recover electrical energy equal to the power consumption of about 15,000 Norwegian households



Chemical recycling

Elkem is part of REPOS, a project to recover and recycle silicones in all physical forms: Reducing footprint up to 65%



Reprocessing

«Mix&Fix» centres set up to analyse customer samples and see if they are reusable or can be reprocessed



Use renewables

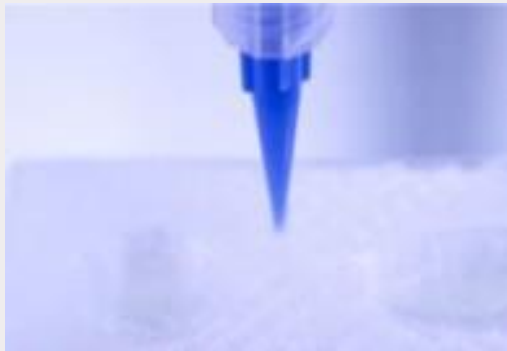
Elkem was founded to create value from hydropower in Norway. We have since expanded to other hydropower producing countries.

Elkem's R&D is being recognised



Elkem's R&D work is recognised by a series of awards in the past year within a wide range of applications

3D printing



Elkem Silicones wins in the Mechanical Materials category of the 2021 R&D 100 Awards with its AMSil™ & AMSil SILBIONE™ range

Material-Technology



Elkem Silicones BLUESIL™ HCR 5750 U for turbine application won the Ringier Technology Innovation Award

Personal Care



Elkem Silicones elastomer gel PURESIL™ ORG01 wins 2020 Ringier Technology Innovation Award for Personal Care

Creating value through innovation and sustainability

- Elkem's mission is to provide advanced material solutions shaping a better and more sustainable future
- Elkem has a legacy of innovation through 115+ years, with more than 1500 patents granted.
- R&D is at the core of the business, and Elkem's R&D centers with >500 employees are strategically located across Asia, Europe, Latin America and USA
- Elkem creates value through innovation and sustainability – reducing emissions, increasing supplies to the green transition and enabling more circular economies



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Delivering your potential