



RECSiLICON

FOURTH QUARTER
2023

PRESENTATION

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AGENDA

- › Highlights
- › The Business Opportunity
- › Activity Update
- › Operations
- › Financials
- › Summary



HIGHLIGHTS

- › Q4 2023 revenues of \$40.5M, up from \$34.8M in Q3, driven by increased silicon gas sales and semiconductor product mix
- › EBITDA (\$31.2M) impacted by Butte poly shutdown accruals and increased manufacturing cost at Moses Lake
- › Moses Lake startup process commenced, process on time for first delivery in Q1 2024 and full capacity by year-end
- › Process to optimize Butte operations continues, discontinuing EG polysilicon production during 2024
- › Yulin JV sale completed - Gross proceeds of \$136.1M received in December 2023
- › December 2023 cash balance of \$170.9M

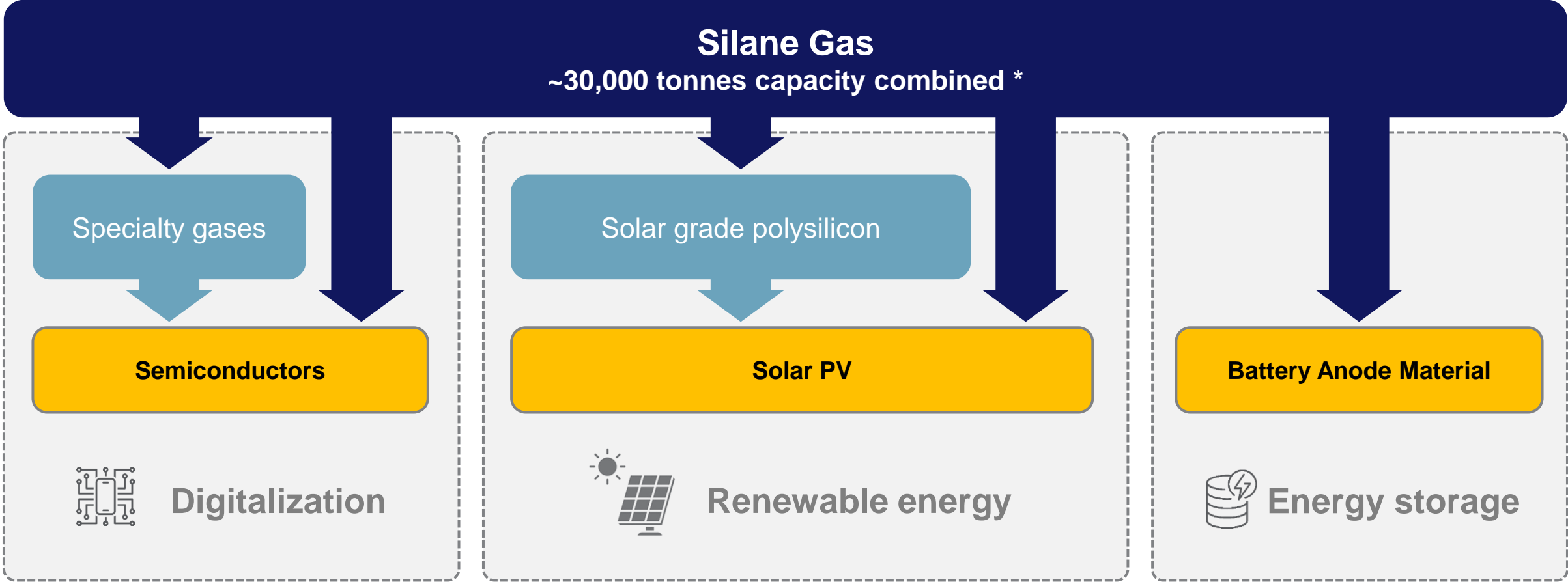
THE BUSINESS OPPORTUNITY



A SILICON MATERIAL COMPANY
PROVIDING ENABLING MATERIALS
FOR THE GREEN ENERGY TRANSITION

RECSiLICON

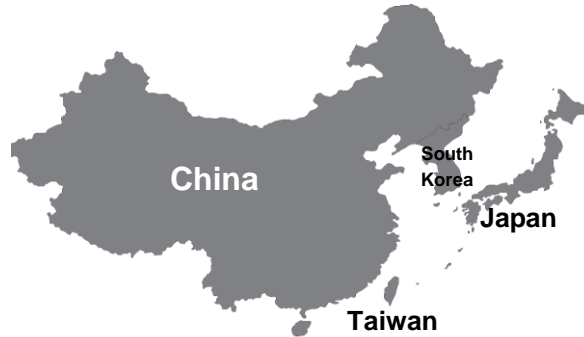
EXPOSURE TO ENERGY TRANSITION MEGATRENDS



* From 2025 and onwards

SILANE-BASED INDUSTRIES FACING DISRUPTIVE CHANGES

- › China dominance
- › High-emission energy
- › Political risks
- › ESG issues



- › Investments moving from Asia to the US
- › Support from US legislative initiatives



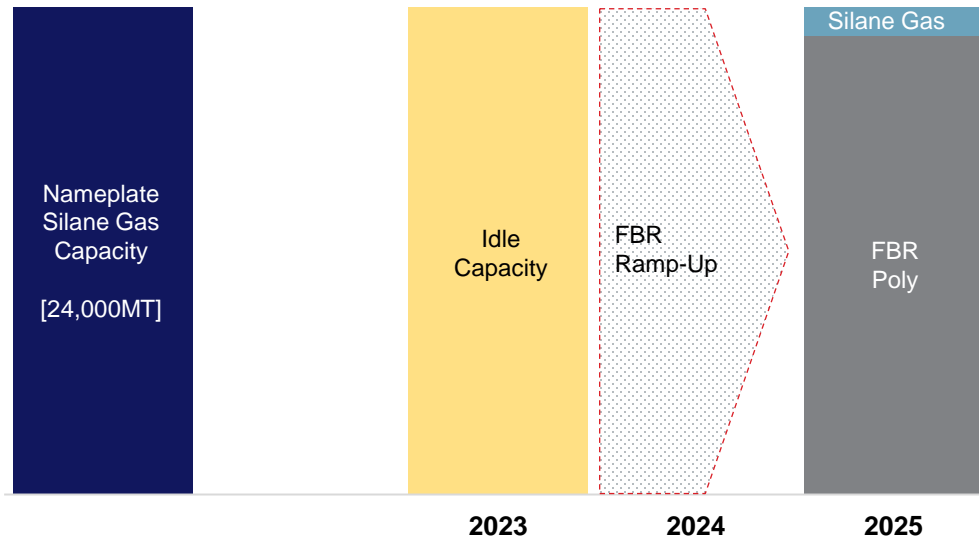
- › The CHIPS & Science Act 2022
- › Inflation Reduction Act 2022
- › Uygur Forced Labor Prevention Act 2021
- › Infrastructure Investment & Jobs Act 2021

- › Strong political and regulatory push
- › Low-emission energy
- › Supply chain geographical diversification
- › End-user proximity
- › Tech war

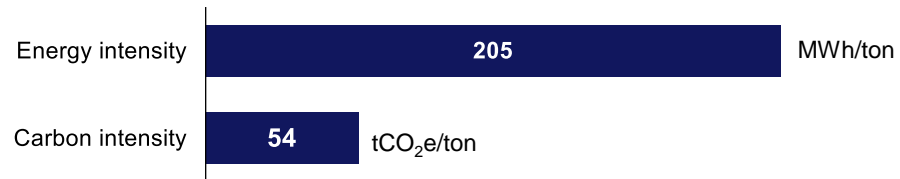


STRATEGIC PRODUCT MIX TRANSFORMATION/ OPTIMIZING SILANE GAS CAPACITY

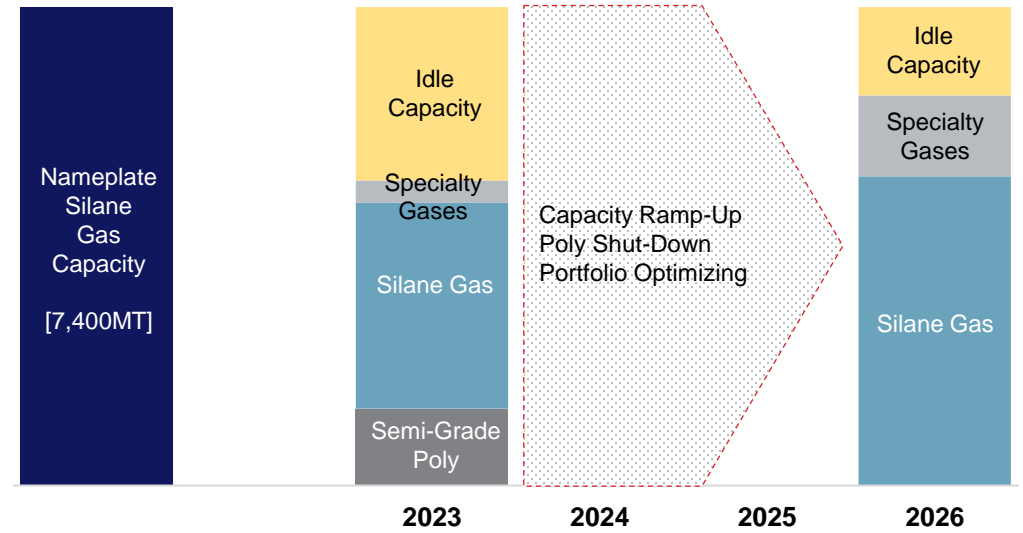
Moses Lake



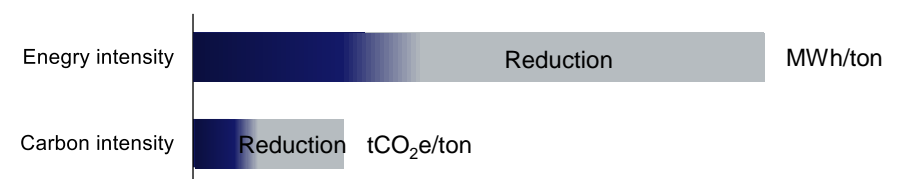
Energy and carbon metrics 2023



Butte



Energy and carbon metrics 2026 and onwards



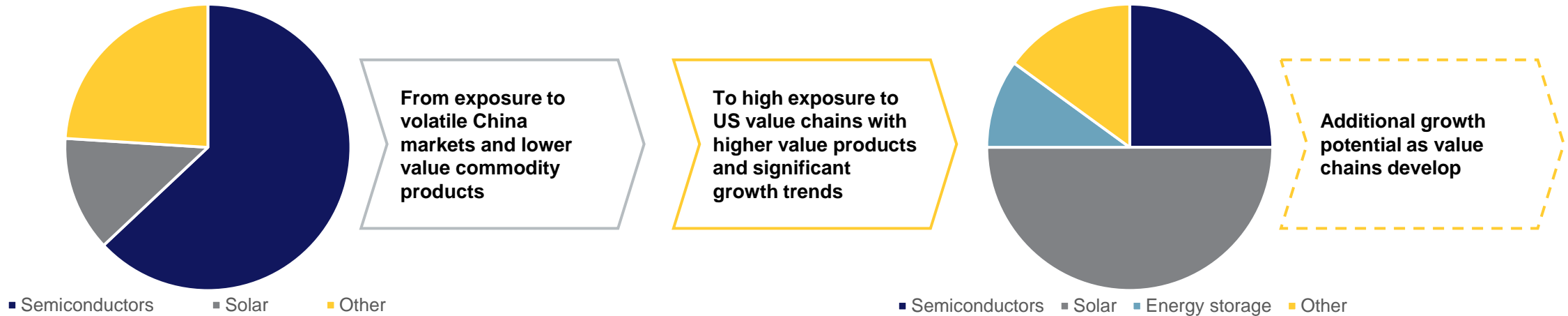
THE ROAD TO SUSTAINABLE PROFITABILITY

2023 Exposure

- › ~ 5,200 MT silane gas production
- › 2/3 of revenues in Asia

Exposure 2025 ->

- › ~ 30,000 MT silane gas production
- › 2/3 of revenues in the US



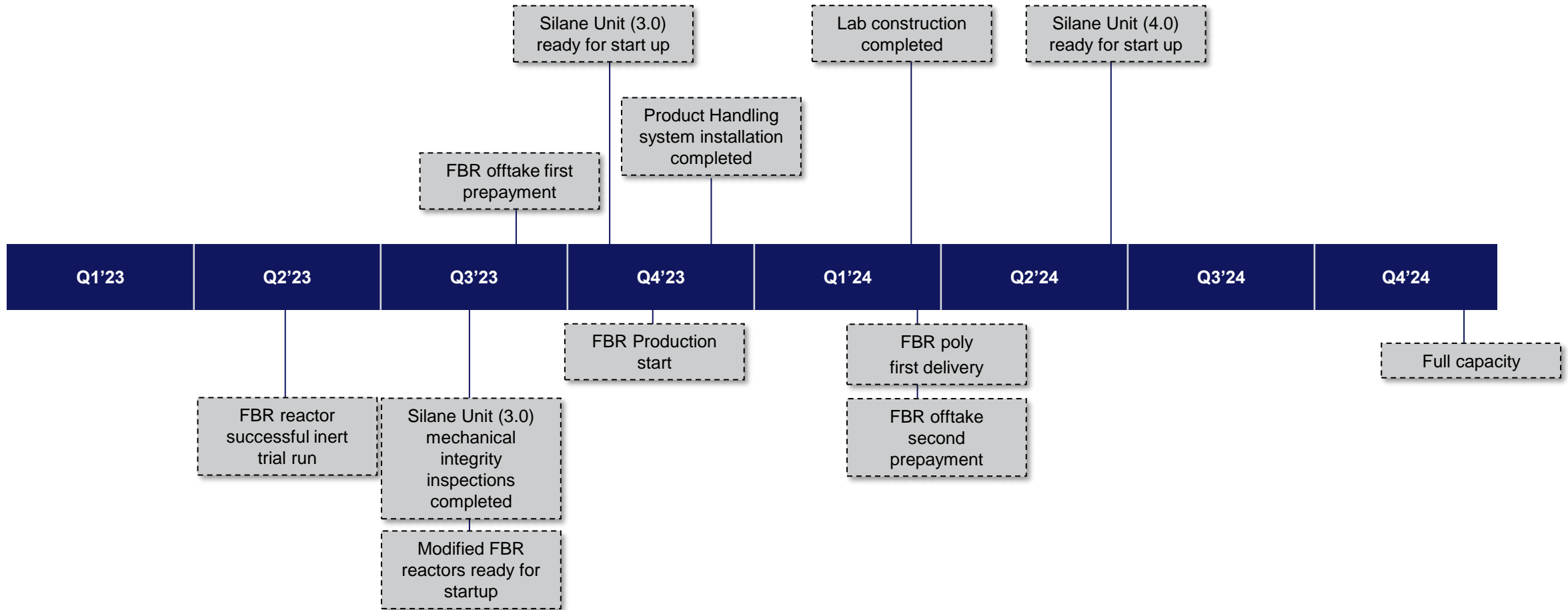
- Change in product mix to higher value products**
- Strong competitive position due to location and available capacity**
- Substantial reduction of energy costs and GHG emissions**

ACTIVITY UPDATE

ACCOMPLISHMENTS

What we've said	What we've done	Status
<ul style="list-style-type: none"> • Refinance \$110M bond 	<ul style="list-style-type: none"> • Corporate debt financing \$110M, April 2023 	<ul style="list-style-type: none"> ✓
<ul style="list-style-type: none"> • Financing of Moses Lake restart and Butte investments 	<ul style="list-style-type: none"> • \$30M one-year bank loan facility, June 2023 • \$100M three-year term loan agreement, July 2023 	<ul style="list-style-type: none"> ✓ ✓
<ul style="list-style-type: none"> • Secure long-term corporate funding 	<ul style="list-style-type: none"> • \$40M term loan, September 2023 • Received the first tranche of prepayments under offtake contract • Second tranche of prepayments at the first delivery 	<ul style="list-style-type: none"> ✓ ✓ <p>Q1 2024</p>
<ul style="list-style-type: none"> • Secure sustainable operation for Moses Lake 	<ul style="list-style-type: none"> • Signed 10-year offtake contract 	<ul style="list-style-type: none"> ✓
<ul style="list-style-type: none"> • Moses Lake restart 	<ul style="list-style-type: none"> • Modifications • Installations 	<ul style="list-style-type: none"> ✓ ✓ <p>Ongoing</p>
	<ul style="list-style-type: none"> • Testing and recommissioning • Production start • Production ramp-up 	<ul style="list-style-type: none"> ✓ <p>Ongoing</p>
<ul style="list-style-type: none"> • Butte capacity expansions 	<ul style="list-style-type: none"> • DCS capacity expansion • Silane gas loading capacity expansion 	<ul style="list-style-type: none"> ✓ ✓
<ul style="list-style-type: none"> • Yulin JV 	<ul style="list-style-type: none"> • Sold 15% equity stake \$136M 	<ul style="list-style-type: none"> ✓
<ul style="list-style-type: none"> • Address Butte energy situation 	<ul style="list-style-type: none"> • Entered short-term hedging contracts and increased sales price • Discontinue polysilicon production 	<ul style="list-style-type: none"> ✓ <p>Ongoing</p>

MOSES LAKE RESTART PROCESS



POSITIONING FOR NEW SILANE GAS OPPORTUNITIES

- › Hanwha MoU for Silane Gas Offtake terminated
- › REC Silicon focusing on optimizing value creation
 - Direct with battery anode material producers
 - Through selected distributors
- › Moses Lake
 - Several initiatives ongoing
 - Silane-based anode material a common denominator



BUTTE RESTRUCTURING

Capacity expansions

- › Total investments of \$13.8M
- › DCS expansion
 - 3X previous capacity
 - Some production volume shipments expected in 2024
 - North American market expected to increase 2-3X
- › Increased silicon gas container capacity and fleet
 - Capacity leverage for recovery
- › Cost reduction ROI projects ongoing

EG Poly shutdown

- › Increase EBITDA by \$10-13MM per year
- › Reduce exposure to unbalanced energy market
- › Reduce GHG emissions
- › Product portfolio continues to shift to higher value silicon gases and markets
- › Increases available gas capacity and focus on profitable growth opportunities into the future

Average Electricity Price (Yearly MW)



OPERATIONS

SILICON GASES

Silicon Gas Sales

- 832 MT shipped in Q4 2023
 - 10.4% volume increase vs. Q3 2023
- Silicon gas sales price 2.0% increase vs. Q3 2023

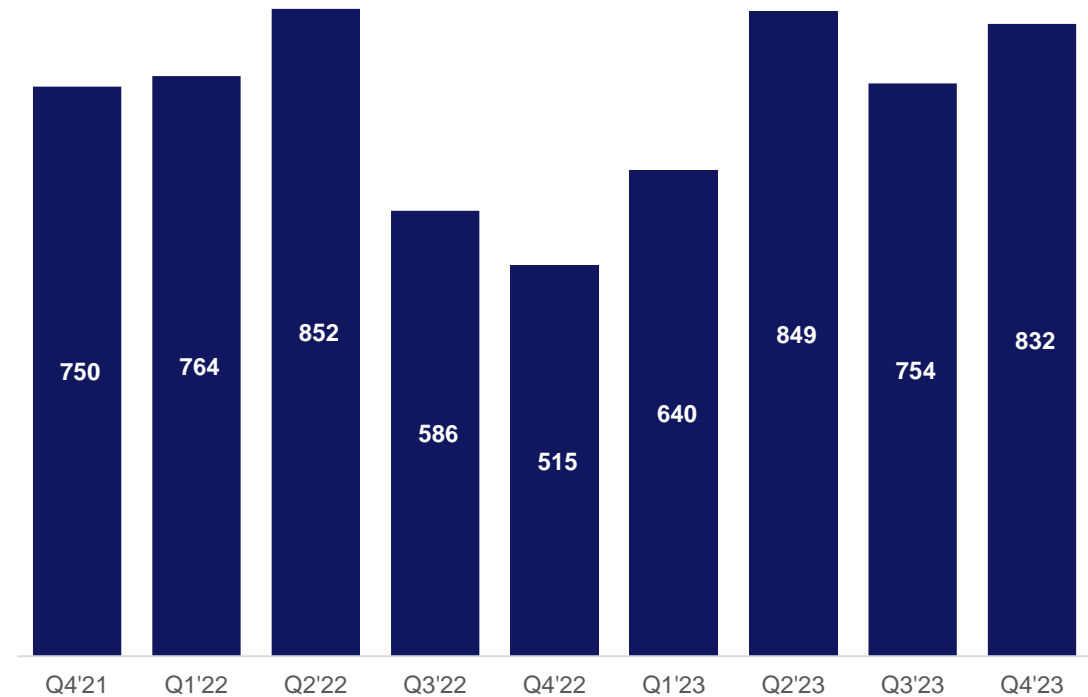
Semiconductor showing sign of improvement

- Some gases seeing supply chain replenishment
- Package cycle improving
- Still utilizing spot channels for silane volumes
- Utilization recovery still semi device dependent

No change to fundamental opportunity

- Semi Fabs, PV Cell Fabs and Si anode material facilities all under construction
- Mobile technology, AI, Data, Anode Materials, PV re-shoring

Silicon Gas Sales Volumes (MT)



SEMICONDUCTOR GRADE POLYSILICON

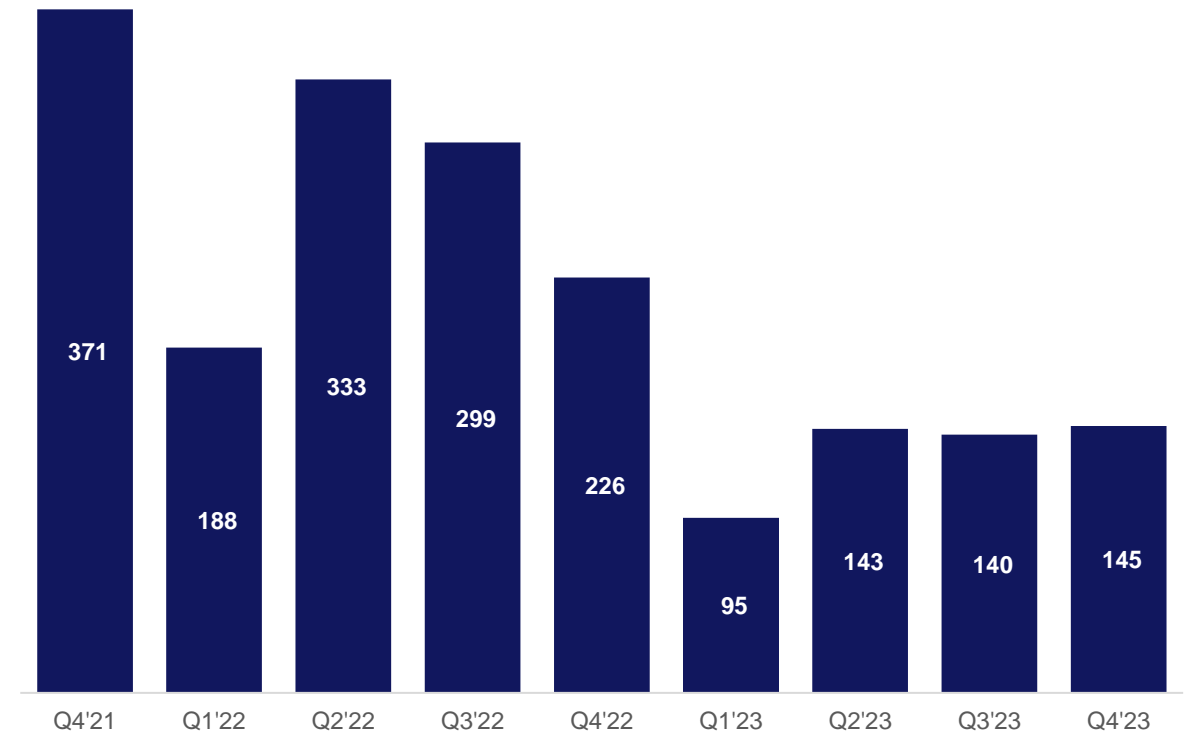
Semiconductor Grade Polysilicon Sales Volumes (MT)

Semiconductor Grade Polysilicon Sales

- 145 MT shipped in Q4 2023
- Increase of 3.5% compared to Q3 2023
- Semiconductor grade polysilicon price – 35.6% increase vs Q3 2023

Production of Polysilicon

- CZ polysilicon demand still slow
- Market growth projected for 2H 2024
- FZ polysilicon demand for power devices remains good
- Prices and volumes are firm commitments through mid year
- Expect to be finished with product growth by mid year



PV POLYSILICON

Solar shipments and installations strong in 2023

- Total installations above 350GW
- Total module shipments over 400GW
- Module inventory builds reported in US and Europe

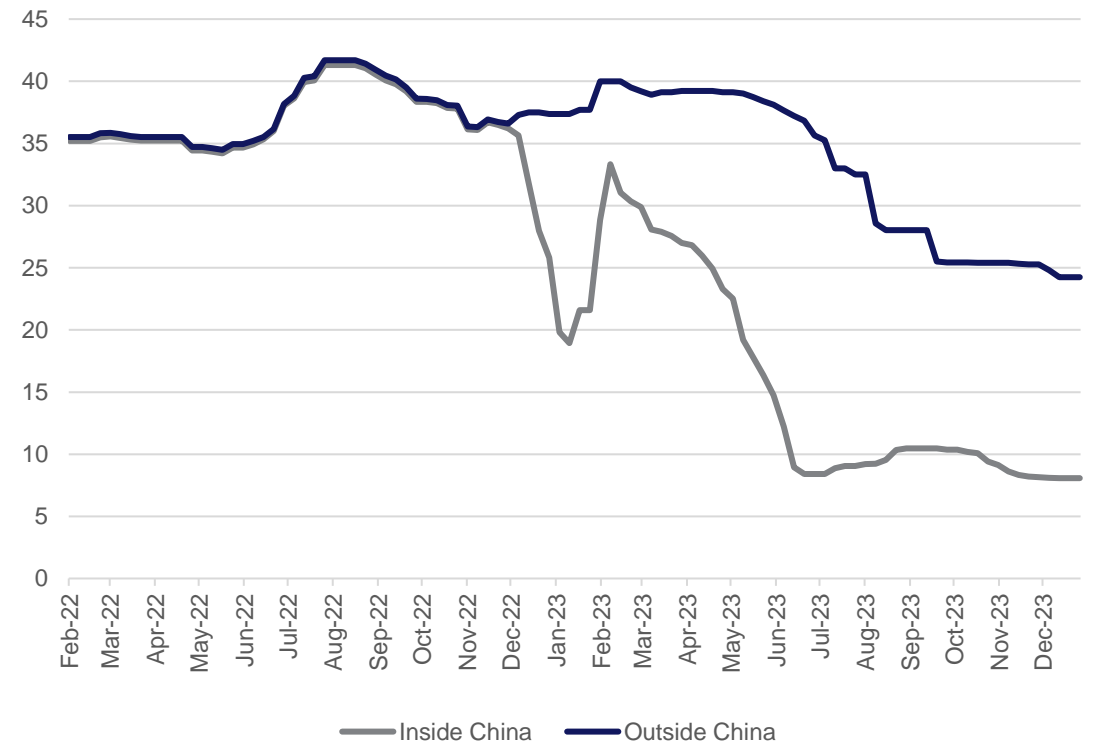
Prices stabilizing 2H 2024

- China price drop slowing as approaching reported cash costs
- Outside China polysilicon prices maintaining gap
- Demand for N-type polysilicon increasing
 - Will be dominant poly type in the future

China New plant expansions

- Plans by capacity leaders in China to drive expansion to force out sub-optimal capacity
- Plants not under construction expected to be delayed or cancelled

N-Type Polysilicon USD/KG



Source: PV Insights

FINANCIALS

SEMICONDUCTOR MATERIALS SEGMENT

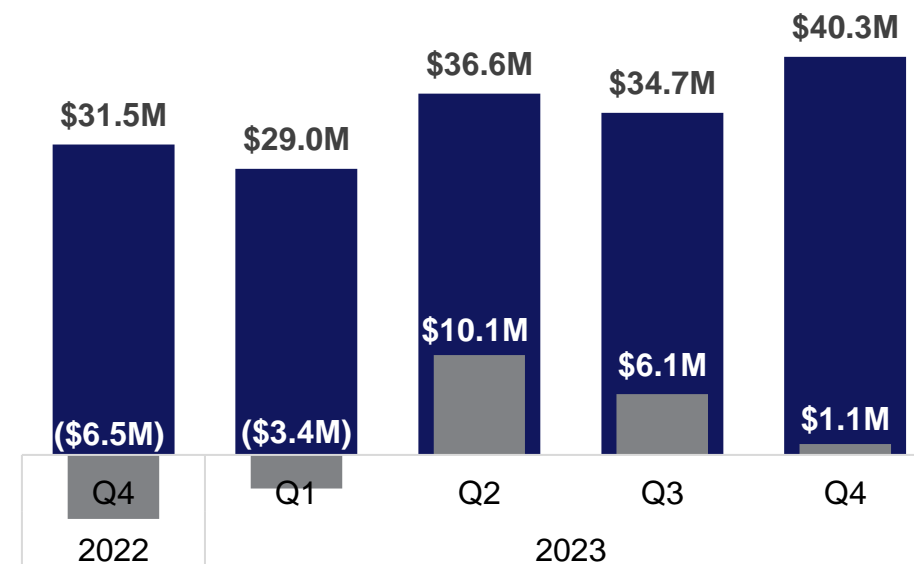
Revenues \$40.3M

- 16.3% increase in revenues vs. Q3-23
- Polysilicon Sales Volume – 8.9% decrease vs. Q3-23
 - Semiconductor Grade Polysilicon - increase by 3.5%
- Polysilicon Sales Price – 35.6% increase vs. Q3-23
 - Semiconductor Grade Polysilicon – 20.9% increase vs Q3-23
- Silicon Gas Sales Volume – 10.4% increase vs. Q3-23
- Silicon Gas Sales Price – 2.0% increase vs. Q3-23

EBITDA Contribution \$1.1M

- \$5.0M decrease in EBITDA contributed vs. Q3-23
- Decreased production volumes
 - 2.0% decrease in Polysilicon Production vs. Q3-23 5 MT

Quarterly Revenue and EBITDA (USD Million)



	Sales Volumes			
	Q4-23	Q4-22	2023	Q3-23
Semiconductor Grade	145 MT	226 MT	524 MT	140 MT
Other Grades	37 MT	76 MT	225 MT	59 MT
Polysilicon Sales	182 MT	302 MT	749 MT	199 MT
Silicon Gas Sales	832 MT	515 MT	3,075 MT	754 MT

CASH FLOWS

December 31, 2023 Cash Balance \$170.9M

\$49.2M Increase in Cash During Q4-23

Cash Flows From Operating Activities (\$44.8M)

- (\$31.2M) EBITDA
- (\$7.9M) Working Capital
 - (\$9.1M) Increase in inventories
 - (\$6.7M) Increase in receivables
 - \$7.9M Increase in payables
- \$1.2M Interest received
- (\$8.0M) Interest paid
- \$0.7M Other items

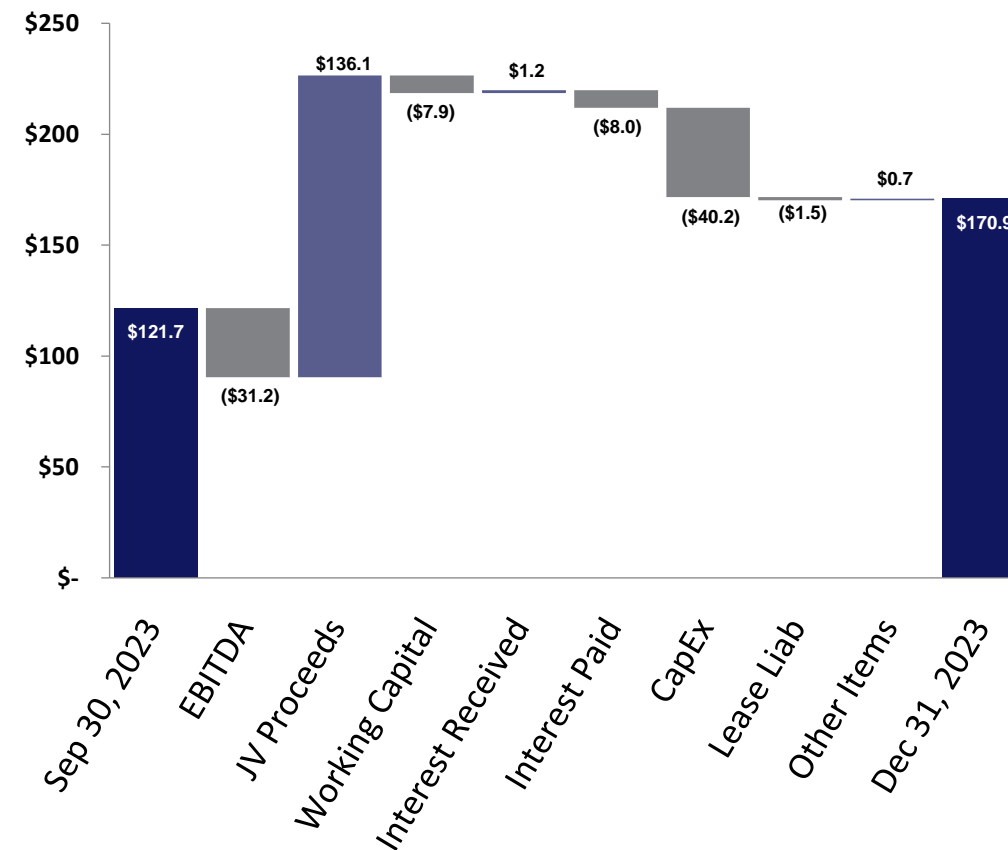
Cash Inflows From Investing Activities \$96.0M

- \$136.1 Proceeds from Yulin JV sale
- (\$40.8M) Capital Expenditures
- \$0.2M Other items

Cash Flows From Financing Activities (\$2.0M)

- (\$1.1) Principal payment of property tax note
- (\$0.9M) Payment of Lease Liabilities

Cash Flows (USD Million)



FINANCIAL POSITION

Nominal Debt \$354.1M

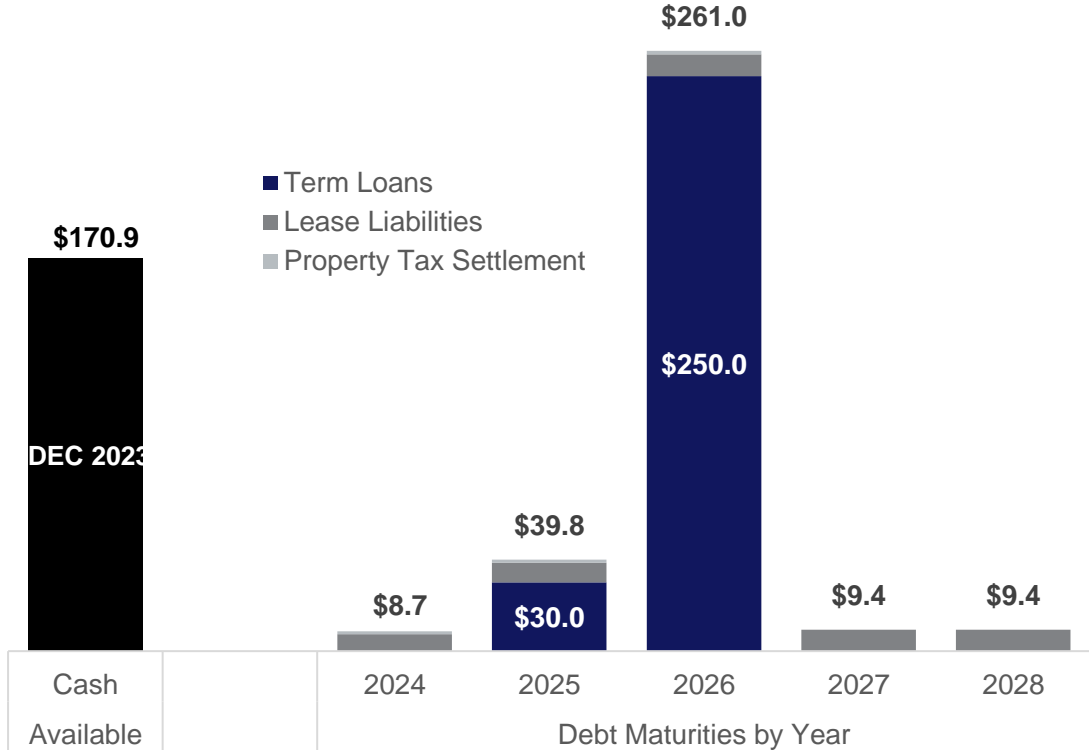
- \$1.4M Increase during Q4-23
 - (\$1.1M) Repayment of Debt
 - \$2.5M Changes in Lease Liabilities
- Completion of Yulin JV share sale, Gross proceeds of USD 136.1M

Nominal Net Debt \$183.2M

- \$47.8M Decrease during Q4-23
 - \$49.2M Increase in Cash
 - (\$1.4M) Increase in Nominal Debt

Equity ratio 13.8%

Debt Maturity Profile (USD Million)



SUMMARY

- › Successful restart of Moses Lake initiated in November on track for first delivery in Q1 2024
- › Successful close of Yulin JV interest
- › Silicon Gas market still at stable level with increasing replenishment in some markets
- › Continued optimization of Butte operations and portfolio addressing energy use situation and ensuring sustainable profitable operations
- › Silicon anode material opportunities closer to fruition, using channel approach flexibility to maximize value creation

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Thank You

Q1 2024 Reporting
May 9, 2024

www.recsilicon.com

