

RECSiLICON

# Fourth Quarter 2024 Presentation

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A SILICON MATERIALS COMPANY  
PROVIDING ENABLING MATERIALS  
FOR THE DIGITAL REVOLUTION AND  
ENERGY INDUSTRY

RECSILICON

# Agenda

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- › Highlights and Updates
- › Financial Review
- › New Strategic Direction
- › Summary



# HIGHLIGHTS AND UPDATES

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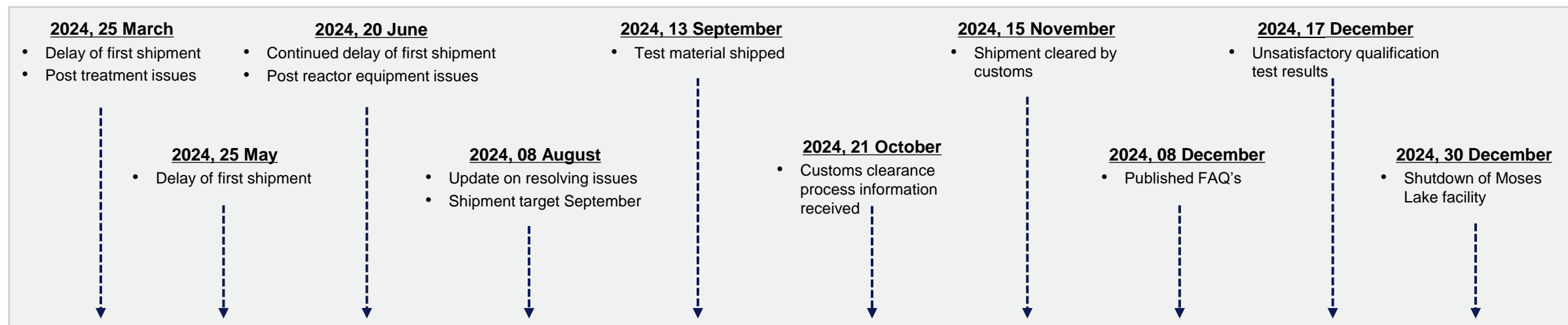
# Highlights and Updates

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- › Revenues from continuing operations of \$29.7M
- › EBITDA loss from continuing operations of \$5.3M
- › December 31, 2024, cash balance of \$10.3M
- › Production of polysilicon discontinued in Moses Lake
- › Secured additional financing to support shutdown process and transition period



# 2024 FBR Process Timeline and Announcements



## Continued efforts towards improvement

- Further modification to bypass solution
- Operation of line with potential substitute materials of construction
- Additional modifications to downstream handling and packaging
- Evaluation of procedures, parameters, techniques and troubleshooting excursions and trends

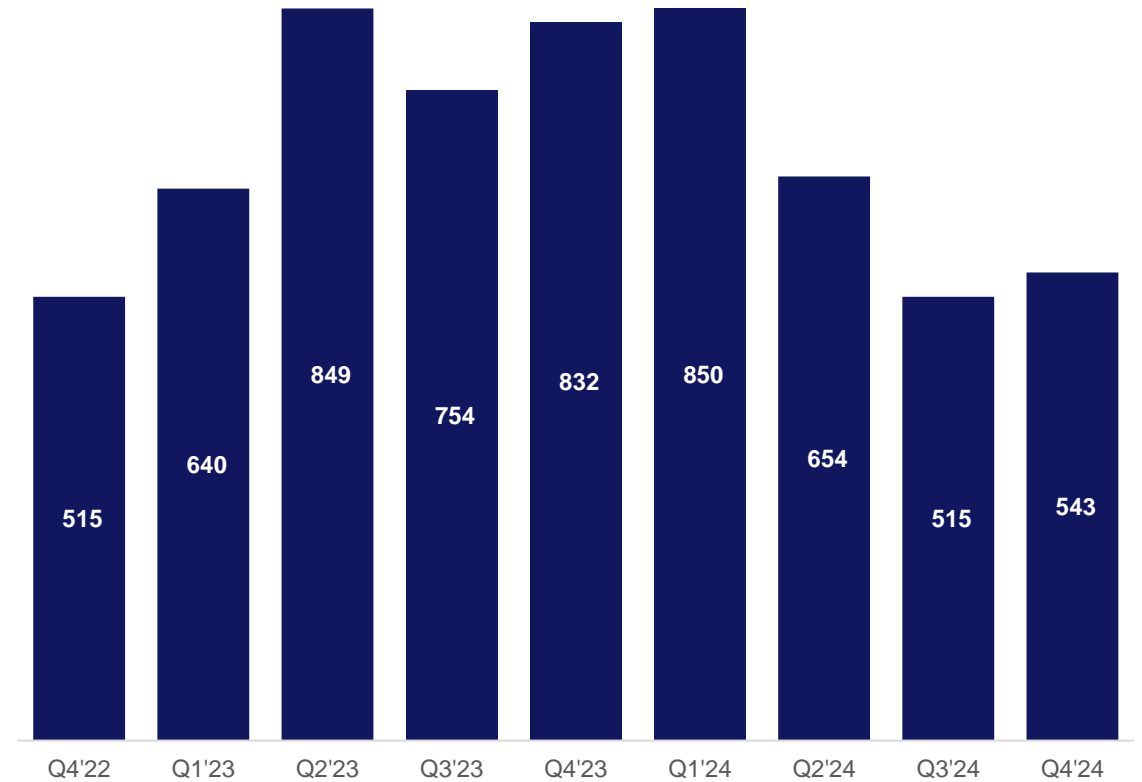
## Decision to Close Moses Lake Plant

- Uncertainty around timing, quantifiable success, yields and volumes and in some cases potential costs of further improvements
- Unit profitability built on high production utilization providing high yields of best quality product
- Potential alternatives and negative outcomes not economically feasible
- Cessation of polysilicon production
- Silicon gases to recoverable mode
- Cost savings from facility closure/aggressive cost cutting
- Stabilize company

# Butte Silicon Gases

- › Silicon gas sales
  - 543 MT shipped in Q4'24 vs 515 MT in Q3'24
- › Overall demand similar to previous quarter
  - Standard memory device production utilization soft
  - Trade issues and concerns affected orders and inventory
  - Demand for DCS and MCS grew over Q3
    - Inventory resuming normal levels

**Silicon Gas**  
Sales Volumes (MT)

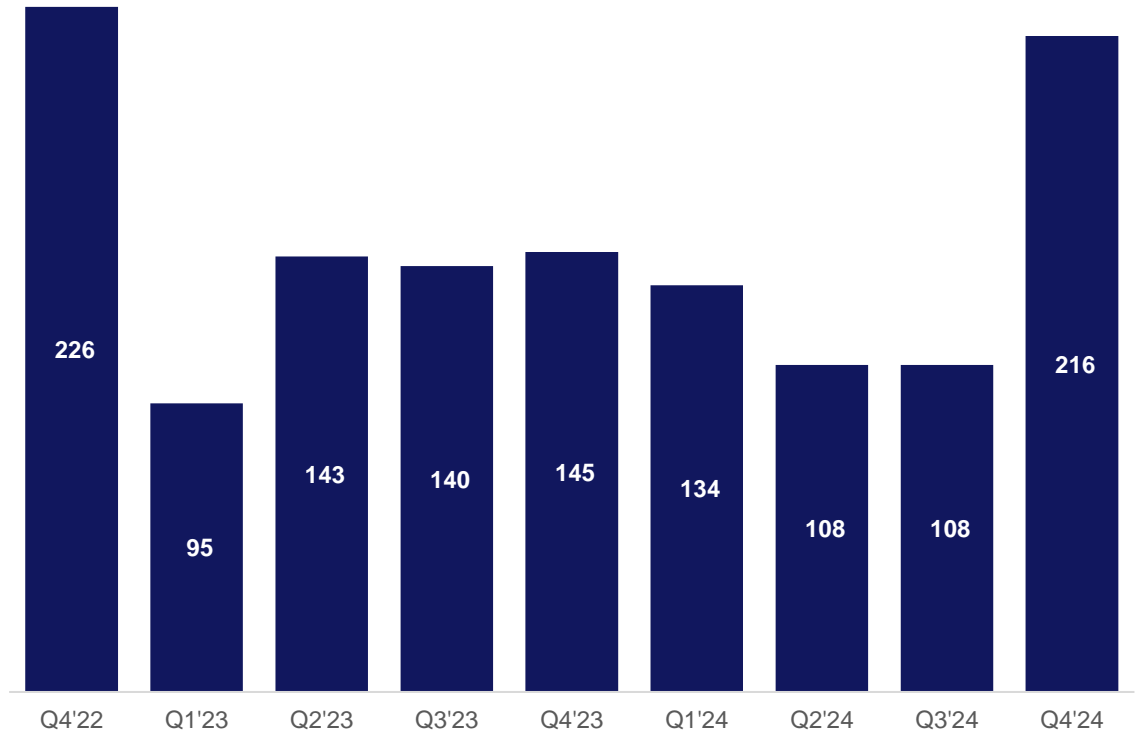




# Butte Polysilicon

- › Semiconductor grade polysilicon
  - 216 MT shipped in Q4'24 vs. 108 MT in Q3'24
  
- › Finishing the processing of material from inventory
  - Soft market impacted clearance of inventory by end of 2024
  - Target to clear finished goods inventory by mid-2025
  - Trade actions and disputes could affect timing
  - Minimal reactors for gases characterization will continue

**Semiconductor Grade Polysilicon**  
Sales Volumes (MT)



# FINANCIAL REVIEW

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# Group Earnings

## › Revenues of \$29.7M in Q4'24

- Selling down Siemens polysilicon inventory as planned
- Silicon gas sales volume increased by 5.4% vs. Q3'24

## › EBITDA of (\$5.3M) in Q4'24

- Impacted by Moses Lake closure

## › Butte segment

- EBITDA of \$2.6M from silane gas and polysilicon sales

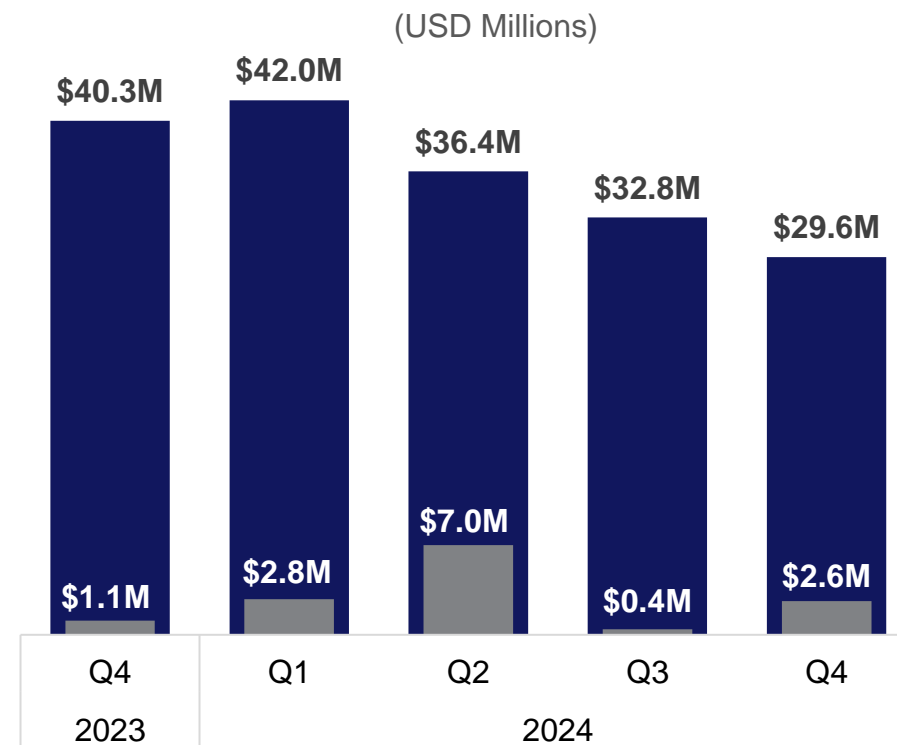
## › Other

- Net expense of \$7.9M, reflecting costs at corporate level

	(Millions USD)	Q4 2024	Q4 2023	2024	2023
Butte	\$	29.6	\$ 40.3	\$ 140.7	\$ 140.6
Moses Lake (Discontinued)		-	-	-	-
Other		0.0	0.0	0.1	0.2
Revenues	\$	29.7	\$ 40.4	\$ 140.8	\$ 140.8
Butte	\$	2.6	\$ 1.1	\$ 12.9	\$ 14.0
Moses Lake (Discontinued)		-	-	-	-
Other		(7.9)	(6.5)	(30.8)	(29.7)
EBITDA	\$	(5.3)	\$ (5.4)	\$ (17.9)	\$ (15.7)
EBITDA Margin		(17.7%)	(13.4%)	(12.7%)	(11.2%)
Polysilicon Production (Siemens)		28 MT	276 MT	682 MT	1,101 MT
Polysilicon Sales (Siemens)		377 MT	182 MT	914 MT	745 MT
Silicon Gas Sales		543 MT	832 MT	2,561 MT	3,075 MT

# Butte Operations

- › Revenues of \$29.6M, down 9.5% sequentially
  - Polysilicon sales volume lower than planned
  - Silicon gas sales volume up 5.4% sequentially
  - Silicon gas sales price down 3.7% sequentially
  
- › EBITDA contribution of \$2.6M
  - \$2.2M increase in EBITDA contributed vs. last quarter

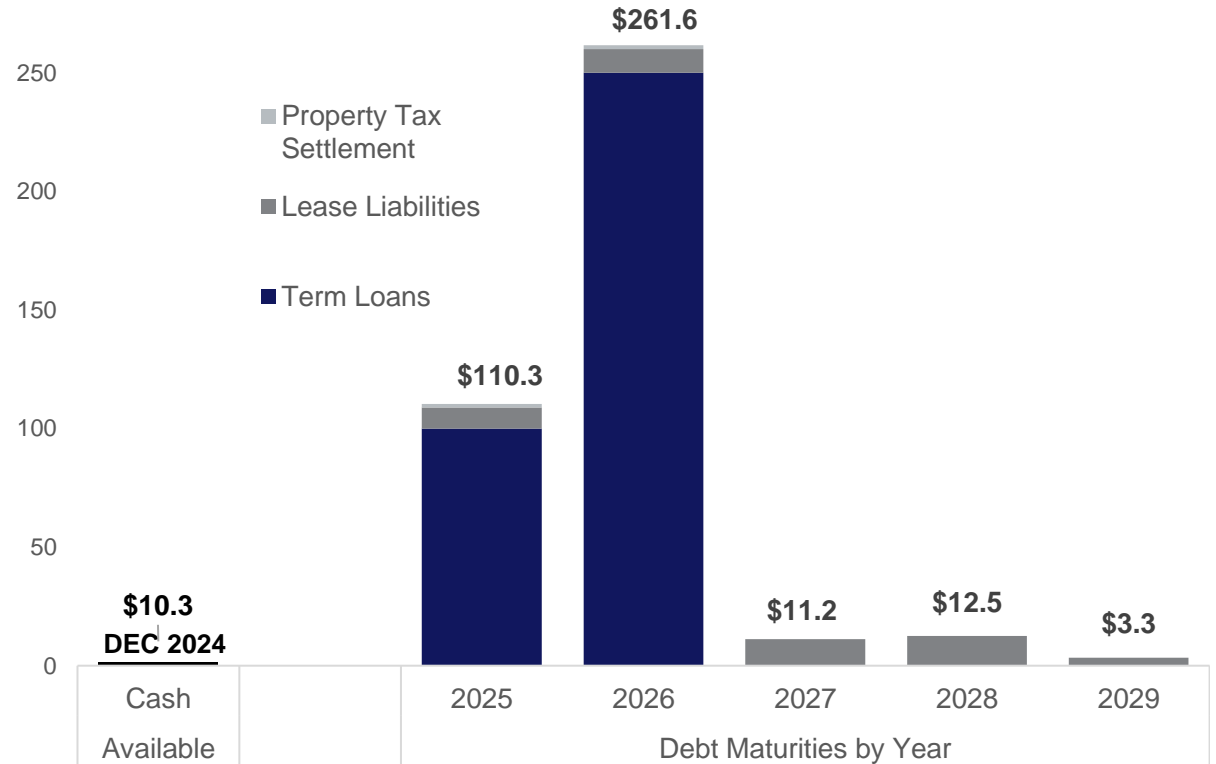


	Sales Volumes			
	Q4-24	Q4-23	2024	2023
Semiconductor Grade	216 MT	145 MT	565 MT	524 MT
Other Grades	161 MT	37 MT	348 MT	221 MT
Polysilicon Sales	<u>377 MT</u>	<u>182 MT</u>	<u>914 MT</u>	<u>745 MT</u>
Silicon Gas Sales	543 MT	832 MT	2,561 MT	3,075 MT

# Financial Position

- › 31 December 2024 cash balance \$10.3M
  - \$13.3M decrease during Q4'24
- › Nominal debt \$418.0M
  - \$21.7M increase during Q4'24
    - \$25.0M increase in term loans
- › Nominal net debt \$407.8.8M
  - \$35.0M increase during Q4'24
    - \$13.3M decrease in cash
    - \$21.7M change in nominal debt
- › Optimizing capital structure and executing financing strategy
  - USD 50M maturing in June 2025
  - New USD 40M term loan from Hanwha with January 2026 maturity
    - Financing of Moses Lake shutdown and transition period
    - Existing USD 50M bridge loans from Hanwha rolled into the new loan with the same maturity
  - USD 30M prepayment reversal deferred to January 2026
  - USD 250M bank loans maturing April, July, and September 2026
  - Will continue to evaluate further financing options
    - Inclusive of underutilized and non- core asset disposal

## Debt Maturity Profile (USD Million)



# NEW STRATEGIC DIRECTION

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# Strategic Priorities

## Stabilizing the business while capturing growth opportunities

01

**Executing strategic transition** to a pure-play silicon gas producer positioning the company for future growth.

02

**Returning to profitability** by aggressively cutting costs and focusing on higher value offerings.

03

**Optimizing operations** by shutting down non-core facilities, maintaining optionality and focusing on plant capacity loading.

04

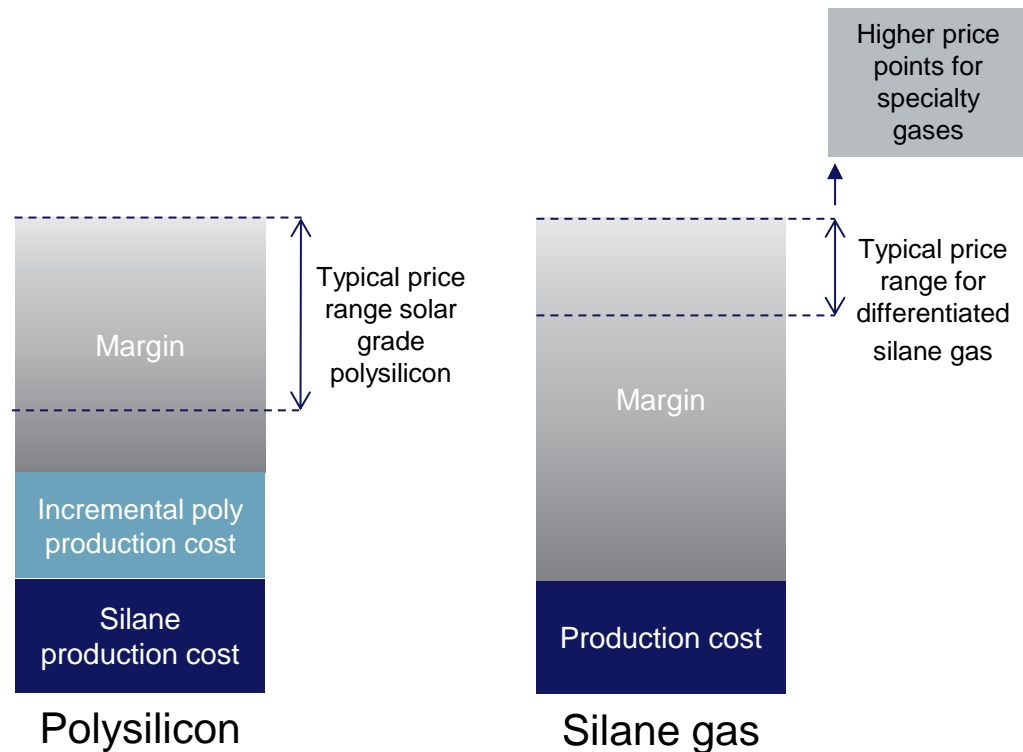
**Maintaining market share** in key areas while aligning with rapidly growing applications to drive growth.

05

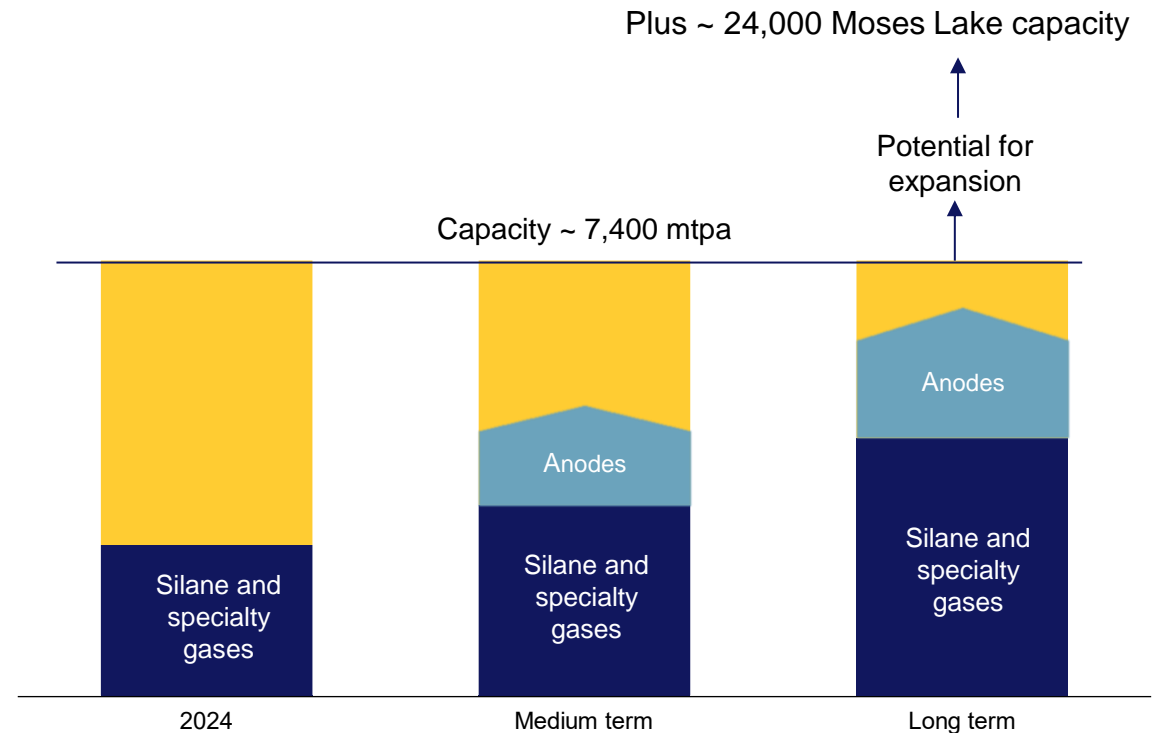
**Optimizing capital structure** and executing financing strategy.

# Strategic Transition to a Pure-Play Silicon Gas Producer

Targeting better margins and less price volatility

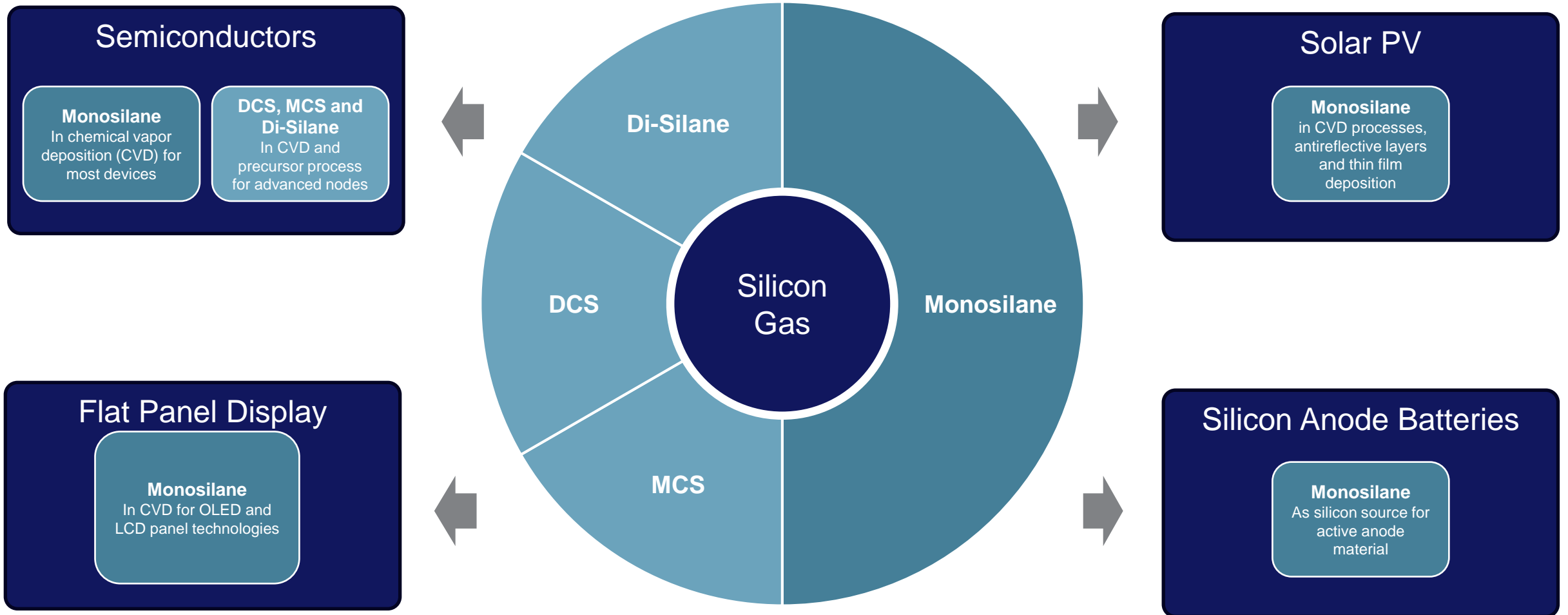


Priority to maximize Butte capacity



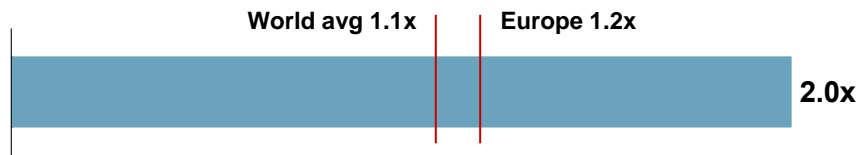


# Silane Gas is Used for a Variety of Purposes



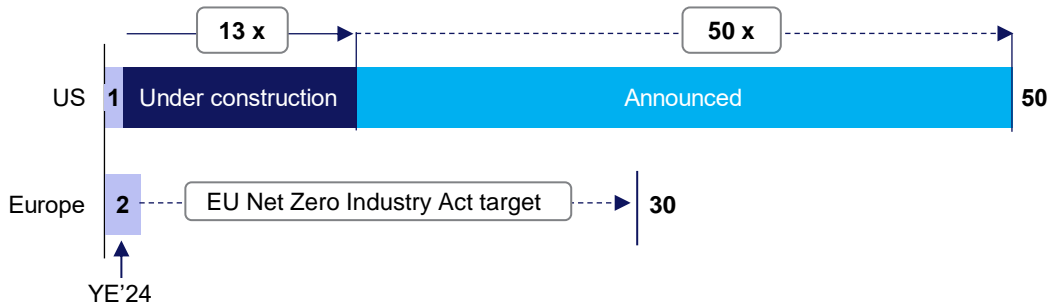
# Strong Growth in Core Markets

## US semiconductor capacity growth 2022-32 (WSPM)



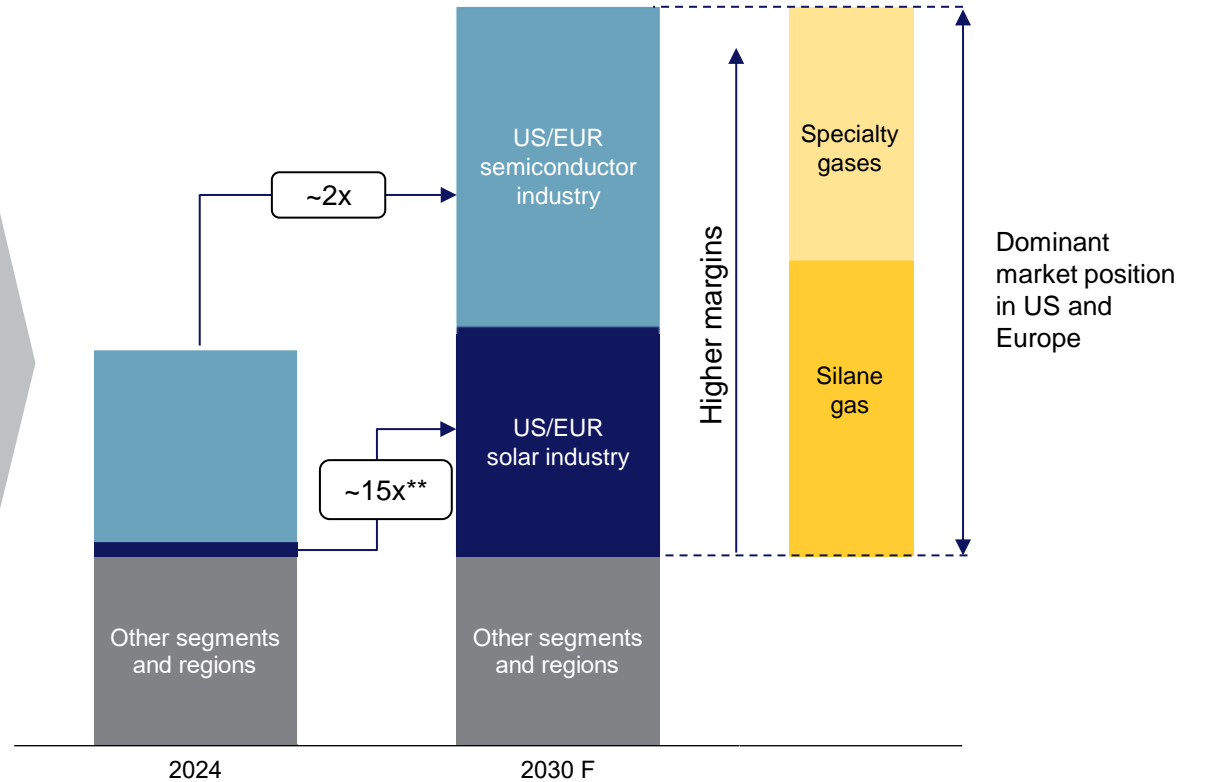
Source: Semiconductor Industry Association, BCG

## Solar cell manufacturing capacity growth (GW)



Source: SEIA Solar and Storage Supply Chain Dashboard January 2025, Solar Power Europe

## Silicon gas potential\* in a market forecast scenario



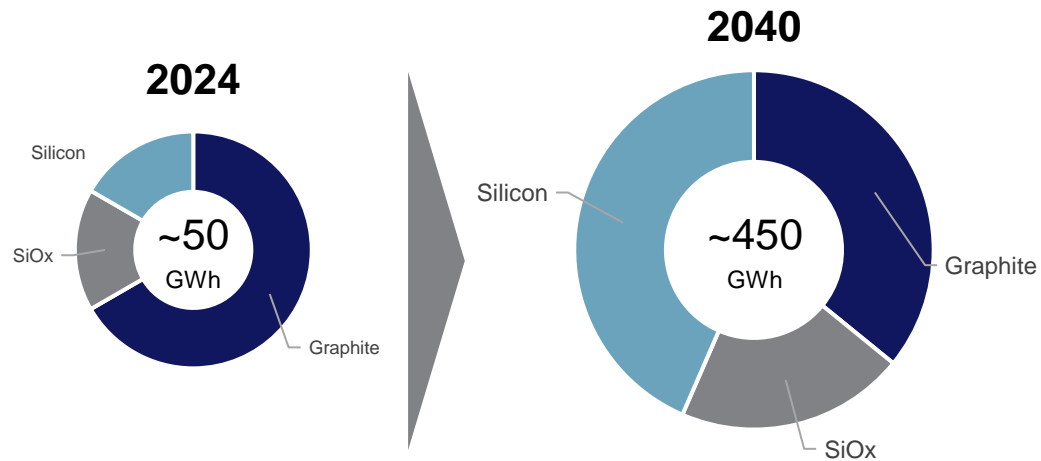
\* Assuming growth in line with market development forecasts

\*\* Includes solar cell manufacturing capacity under construction only

# Silicon Anode Market

- › 10x growth in anode capacity for EV batteries to 2040
- › Silicon anode material to capture significant market share

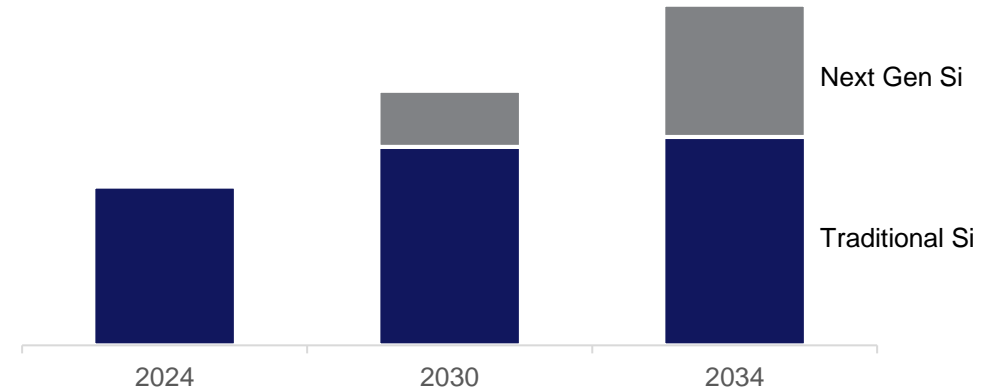
## Anode capacity requirements (GWh)



Source: Benchmark

- › Traditional Si
  - Metallurgical
  - Fine Silicon Particulate
- › Next Gen Si
  - Silane and solid-state silicon

## Silicon AAM technology trend



Source: Benchmark

# SUMMARY

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# Summary

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- › 2025 priorities are to stabilize the business while capturing growth opportunities
  - Executing strategic transition to a pure-play silicon gas producer positioning the company for future growth.
  - Returning to profitability by aggressively cutting costs and focusing on higher value offerings
  - Optimizing operations by shutting down non-core facilities, maintaining optionality and focusing on plant capacity loading
  - Maintaining market share in key areas while aligning with rapidly growing applications to drive growth
  - Optimizing capital structure and executing financing strategy



A large industrial facility, likely a silicon refinery, is shown at night. The complex is illuminated by numerous lights, highlighting its intricate network of pipes, towers, and scaffolding. The sky is a deep, dark blue, and the foreground is filled with tall, dry grass. The overall scene conveys a sense of industrial activity and scale.

# Thank you.

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REC Silicon ASA  
Q1 2025  
May 8, 2025



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**About REC Silicon**

REC Silicon is a global leader in silane based high purity silicon materials. We combine 40 years experience and best-in-class proprietary technology to deliver on customer expectations. Our two U.S. based plants have a combined production capacity of more than 30,000 MT of high purity silane gas. Our Signature Silane® based products are used in everyday quality of life technologies, emerging technologies, cutting edge power and memory devices, high-voltage transmission, as well as renewables. REC Silicon is headquartered in Lysaker, Norway and listed on the Oslo stock exchange under the ticker: RECSI.

For more information, go to: [www.recsilicon.com](http://www.recsilicon.com)