

RECSiLICON

Second Quarter 2024 Presentation

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

RECSiLICON

Agenda

- › Highlights and Updates
- › Moses Lake Restart Update
- › Operations
- › Silane for Silicon Anode Material
- › Financials
- › Government Initiatives
- › Summary

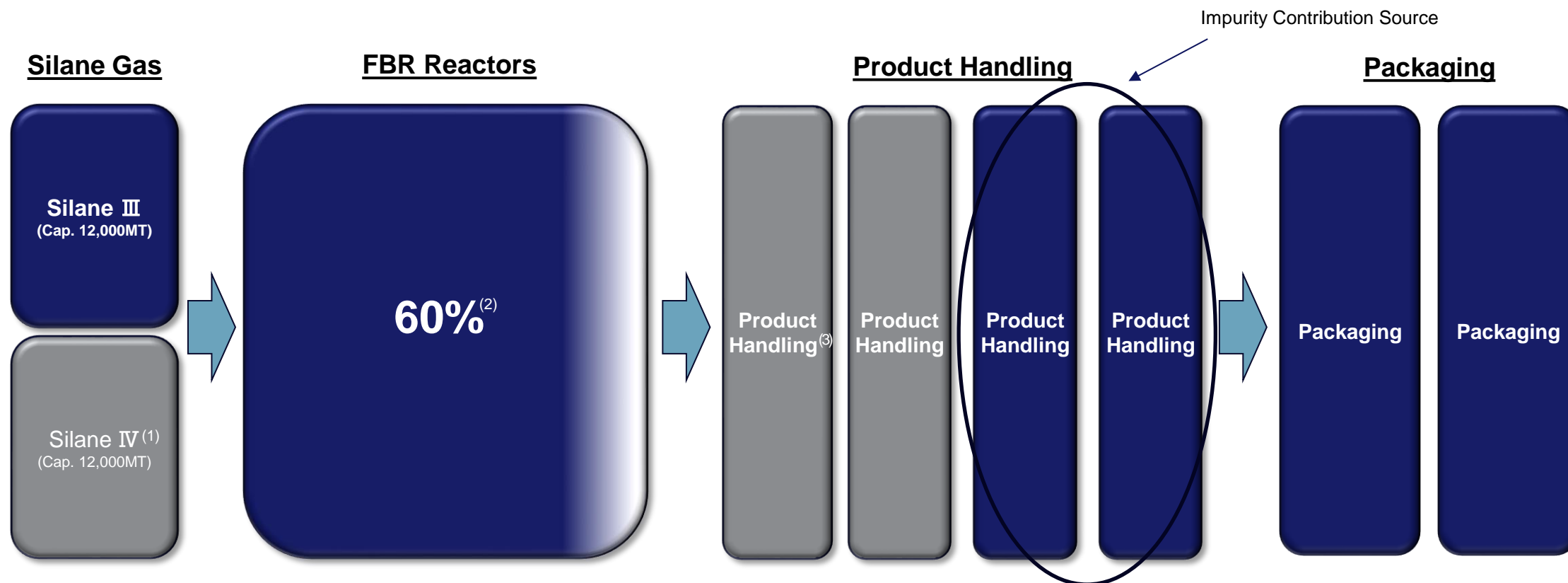


Highlights and Updates

- › Revenues of \$37.7M
- › PV industry oversupply and trade actions challenging Silane volumes
- › EBITDA loss of \$38.2M due to startup costs at Moses Lake
- › June 30, 2024, cash balance of \$37.6M
 - Cash decrease of \$63.5M due to Moses Lake restart
- › Butte polysilicon production stopped at end of quarter
- › Moses Lake product handling system impurity mitigation advancing

MOSES LAKE RESTART UPDATE

Moses Lake Operating Update



- 1) Ready for startup by end of August
- 2) Amount of FBR reactors running balanced with handling system
- 3) Systems to be placed into service after impurity improvement
 - All construction activities to be completed by end of August
 - 1st shipment target is mid September

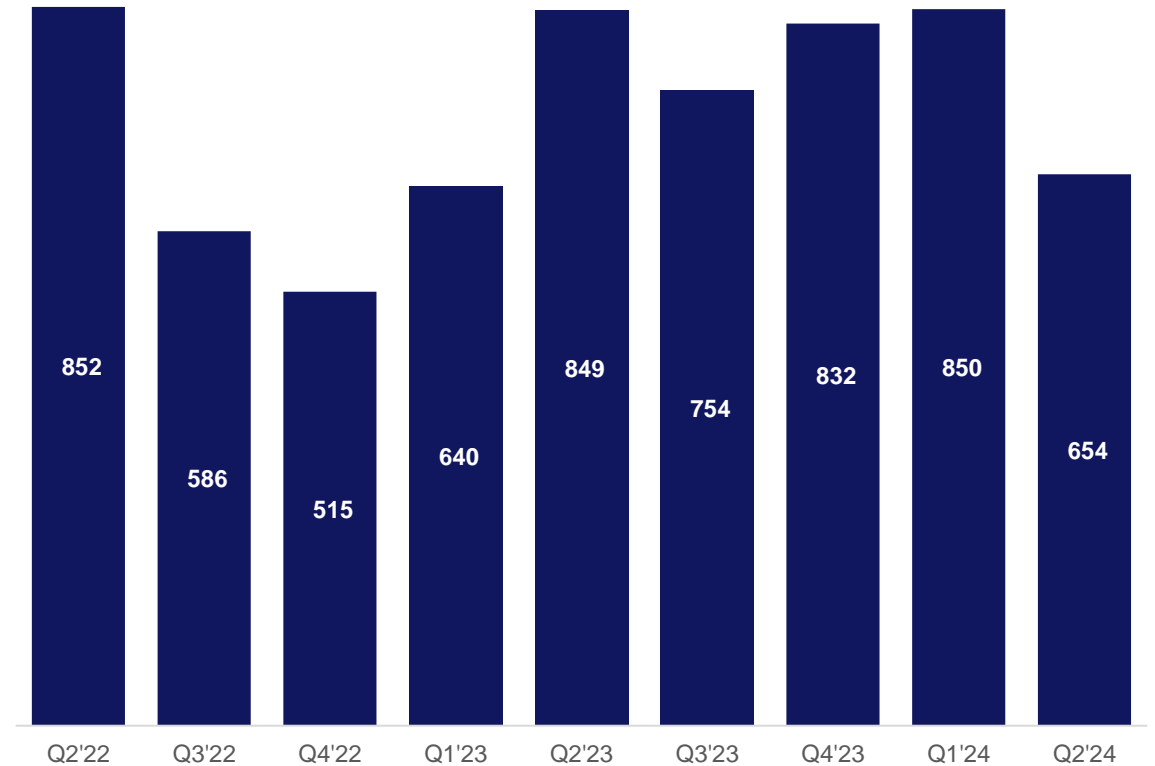
■ Complete ■ Final commissioning

OPERATIONS

Silicon Gases

- › Silicon gas sales
 - 654 MT shipped in Q2 2024
 - Silicon gas sales price 16.5% increase vs. Q1 2024
- › PV Silane sales declined
 - Chinese overcapacity affecting utilization
 - New AD/CVD against Southeast Asia countries
 - Factory utilization lower inside/outside China
- › Semiconductor market
 - Silane gas sales stabilized to most Semi applications
 - Other silicon gas products are recovering
 - New fabrication capacity is mostly still in construction/startup

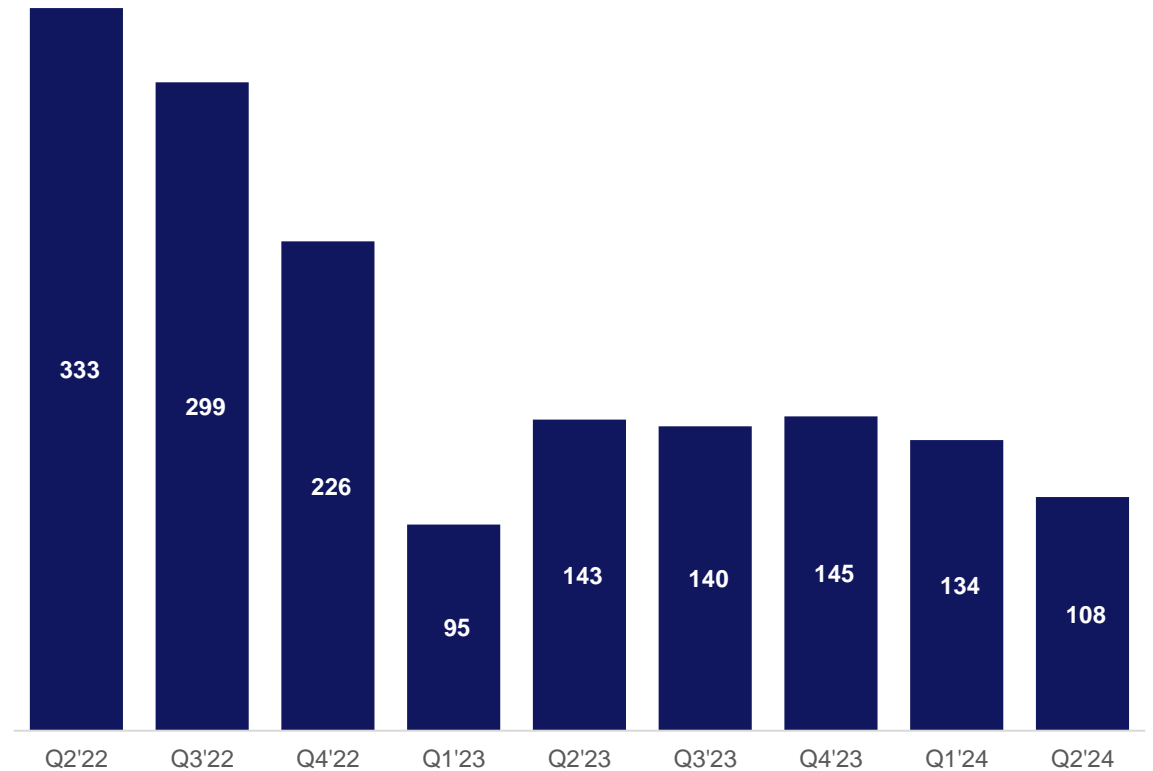
Silicon Gas
Sales Volumes (MT)



Semiconductor Grade Polysilicon

- › Semiconductor grade polysilicon
 - 108 MT shipped in Q2 2024 vs. 134 MT in Q1 2024
 - Average polysilicon price 19.7% decrease vs. Q1 2024
 - Product mix change vs. Q1 2024
- › Exit plan continues as scheduled
 - Float zone products to be cleared by end of the year
 - CZ semiconductor and PV poly sales affected by overcapacity and inventory

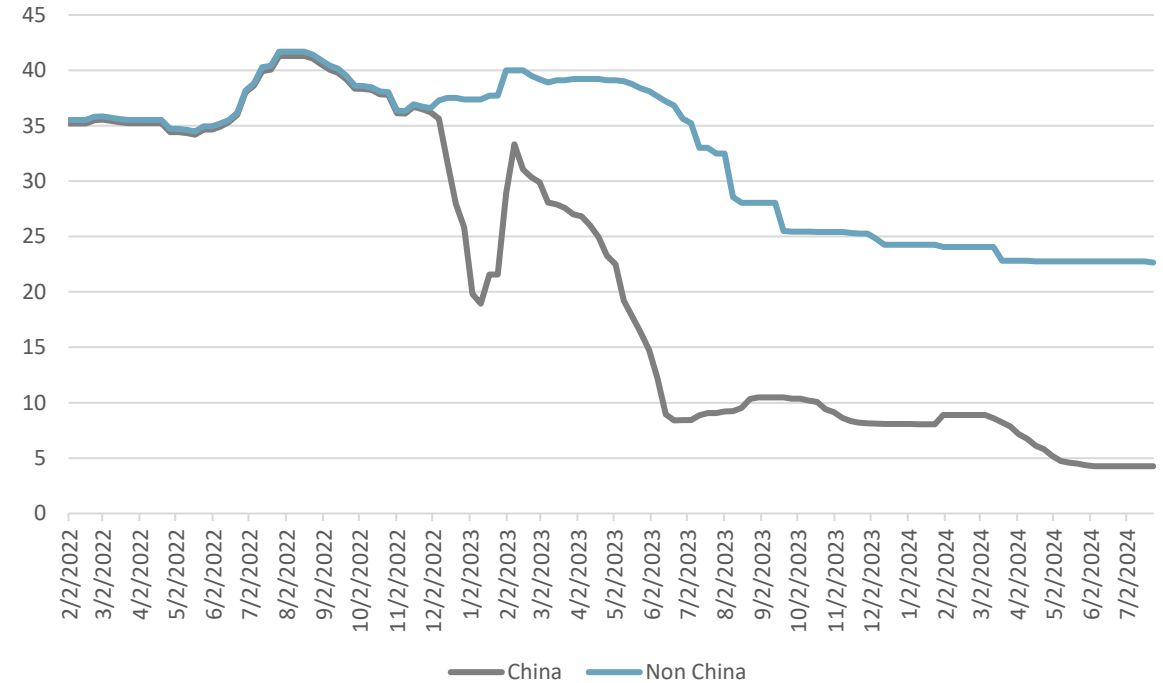
Semiconductor Grade Polysilicon
Sales Volumes (MT)



PV Polysilicon

- › Solar installation demand estimated over 500 GW for 2024
 - Markets being impacted by higher installation and finance costs
 - Inventories throughout the value chain
 - New AD/CVD case impacting SE Asia factory utilization
- › Factory utilization has decreased
 - Global inventory of polysilicon, wafers and cells high
 - Overcapacity in the value chain causing low prices
 - China-owned companies utilizing China factories over SE Asia factories
 - Affecting demand for both polysilicon and silane


N-Type Polysilicon USD/KG



Source: PV Insights

SILANE FOR SILICON ANODE MATERIAL

REC North American Silane Supply is Sufficient



	12/24	2025-2026	2028	2030
	Total Capacity ⁽¹⁾	“As is” for Anode Material ⁽²⁾	Debottleneck Capability ⁽³⁾	Further Brownfield Expansion ⁽⁴⁾
Moses Lake	24,000	2,400	2,500-3,000	20,000-40,000 MT
Butte	7,400	5,600	400	20,000-40,000 MT
Total	31,400	8,000	2,900-3,400	40,000-80,000 MT
		10,900	+	11,400

1) As of 12/31/24

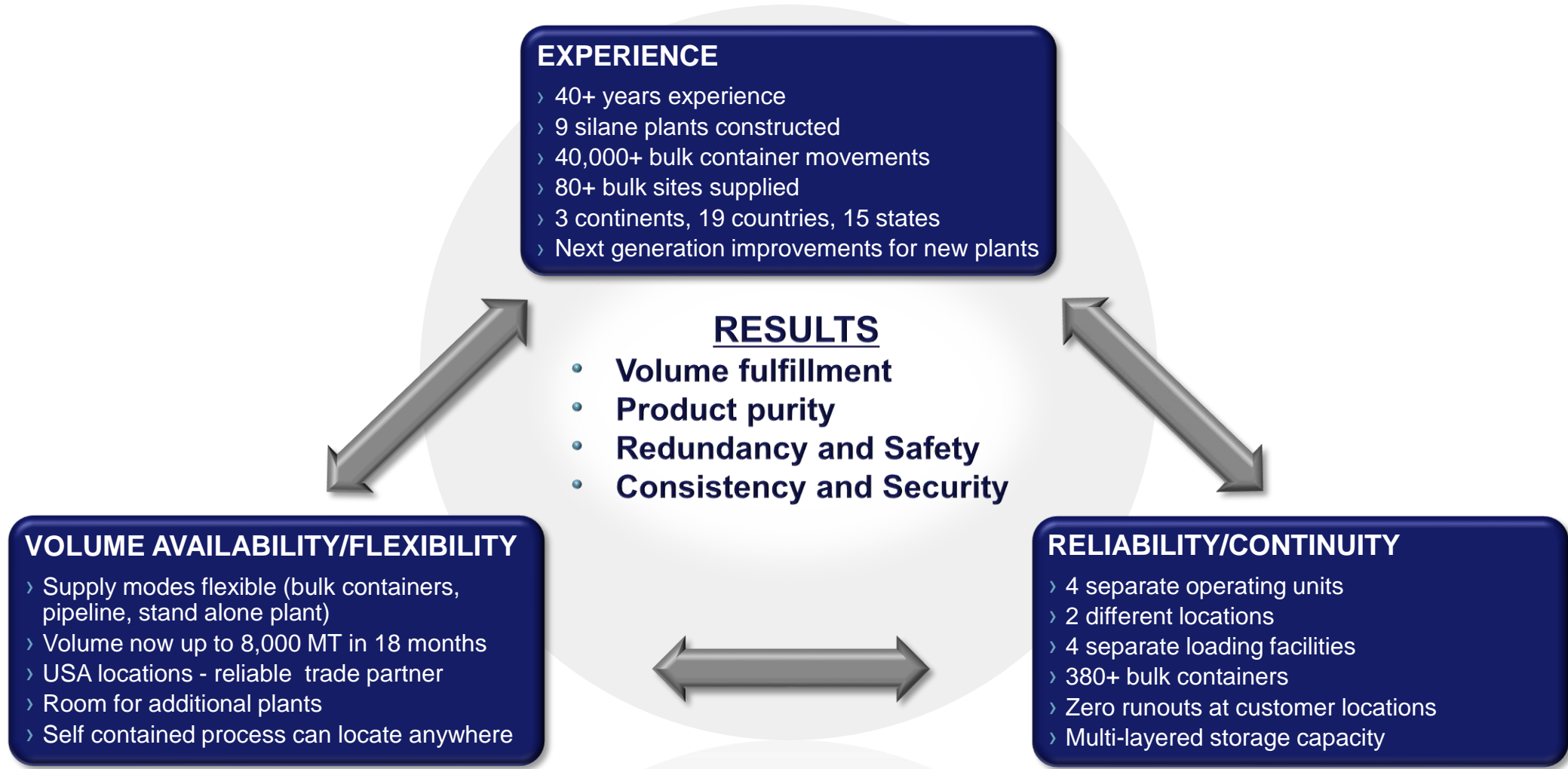
2) Available to contract, relatively minimal investment amount/time

3) Through optimization and capital efficient investment

4) 488 acres in Moses Lake and 240 acres in Butte

Note: Ramp and option dates are commitment timing dependent

The Case for REC Silicon Silane



FINANCIALS

Group Earnings

	(Millions USD)	Q2 2024	Q2 2023	2023	Q1 2024
› Revenues \$37.7M					
- Siemens polysilicon sales volume increase by 3.2% vs. Q1-24	Semiconductor Materials	\$ 36.4	\$ 36.6	\$ 140.6	\$ 42.0
- Silicon gas sales volume decrease by 23.0% vs. Q1-24	Solar Materials	\$ 1.3	0.1	0.4	0.2
	Other	\$ 0.0	0.1	0.2	0.0
	Revenues	<u>\$ 37.7</u>	<u>\$ 36.7</u>	<u>\$ 141.1</u>	<u>\$ 42.1</u>
› EBITDA (\$38.2M)					
- Impacts:	Semiconductor Materials	\$ 7.0	\$ 10.1	\$ 14.0	\$ 2.8
• Restart activities	Solar Materials	(36.6)	(11.4)	(64.8)	(26.8)
	Other	(8.6)	(7.2)	(29.7)	(7.5)
	EBITDA	<u>\$ (38.2)</u>	<u>\$ (8.5)</u>	<u>\$ (80.5)</u>	<u>\$ (31.5)</u>
	EBITDA Margin	(101.3%)	(23.0%)	(57.0%)	(74.7%)
› Semiconductor materials segment					
- EBITDA of \$7.0M					
› Solar materials segment					
- EBITDA of (\$36.6M)					
› Other					
- Net expense of \$8.6M					
	Polysilicon Production (Granular)	1,391 MT	NA	NA	460 MT
	Polysilicon Sales (Granular)	106 MT	NA	NA	NA
	Polysilicon Production (Siemens)	256 MT	302 MT	1,103 MT	256 MT
	Polysilicon Sales (Siemens)	187 MT	181 MT	745 MT	181 MT
	Silicon Gas Sales	654 MT	849 MT	3,075 MT	850 MT

Semiconductor Materials Segment

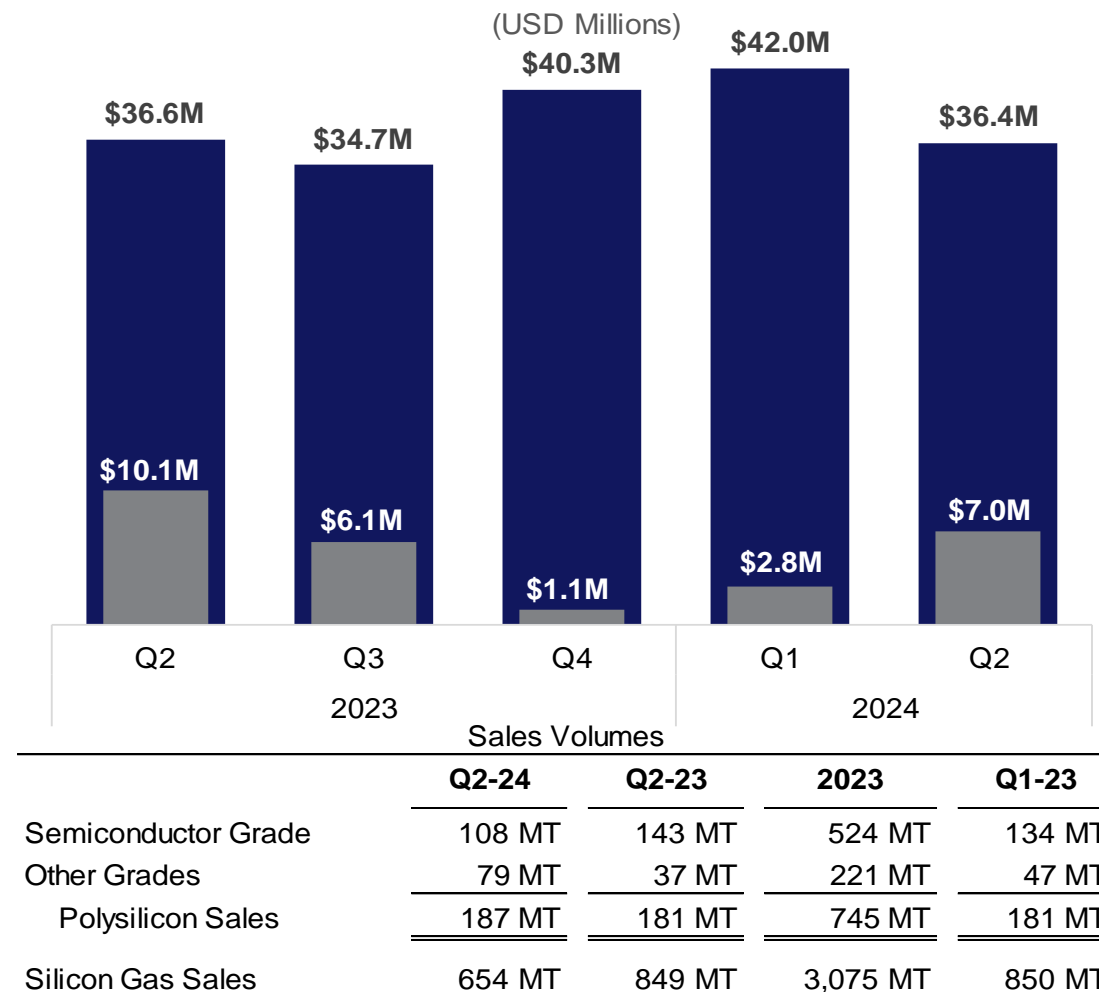
› Revenues \$36.4M

- 13.3% decrease in revenues vs. Q1-24
- Polysilicon sales volume – 3.2% increase vs. Q1-24
 - Semiconductor grade polysilicon - decrease by 19.6%
- Polysilicon sales price – 19.7% decrease vs. Q1-24
 - Semiconductor grade polysilicon – 0.3% decrease vs Q1-24
- Silicon gas sales volume – 23.0% decrease vs. Q1-24
- Silicon gas sales price – 16.5% increase vs. Q1-24

› EBITDA contribution \$7.0M

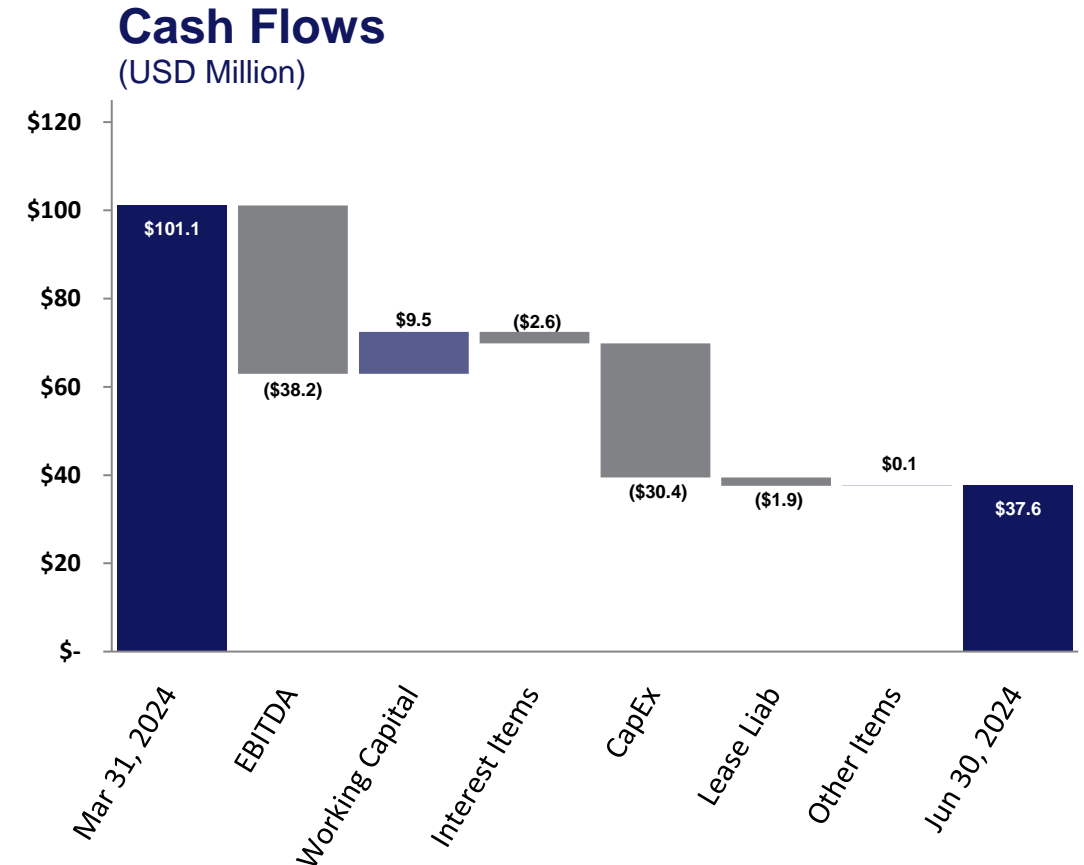
- \$4.2M increase in EBITDA contributed vs. Q1-24

› Q3 scheduled maintenance turnaround



Cash Flows

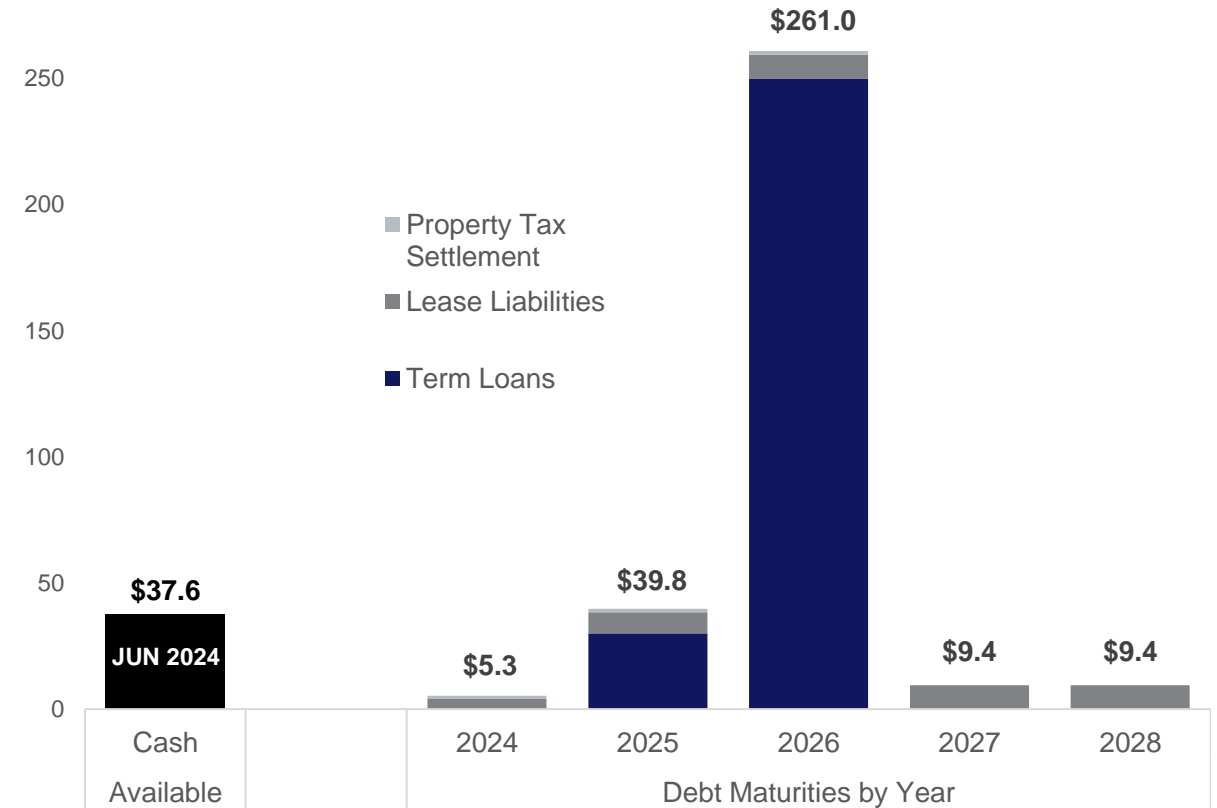
- › June 30, 2024 cash balance \$37.6M
 - \$63.5M decrease in cash during Q2'24
- › Cash flows from operating activities (\$31.5M)
 - (\$38.2M) EBITDA
 - \$9.5M working capital
 - (\$6.7M) increase in inventories
 - \$2.9M decrease in receivables
 - \$13.3M increase in payables
 - (\$2.6M) interest items
 - (\$7.4M) interest paid
 - \$0.8M interest received
 - \$4.7M interest capitalized
 - (\$0.7M) guarantee fees paid
 - (\$0.2M) other items
- › Cash inflows from investing activities (\$30.2M)
 - (\$30.4M) capital expenditures
- › \$0.2M sale of surplus equipment
 - Cash flows from financing activities (\$1.9M)
- › (\$1.9M) payment of lease liabilities



Financial Position

- › Nominal net debt \$313.9M
 - \$62.0M increase during Q2-24
 - (\$63.5M) decrease in cash
 - \$1.5M change in nominal debt
- › Nominal debt \$351.5M
 - \$1.5M decrease during Q2-24
 - \$1.5M changes in lease liabilities
- › Cash position
 - Working on bridge financing
 - Prepayment \$50M when the first shipment is made
- › Capex spending declining 2H 2024
 - Still on track for Moses Lake to be completed by end of August
 - Monthly cash spend decreasing

Debt Maturity Profile (USD Million)

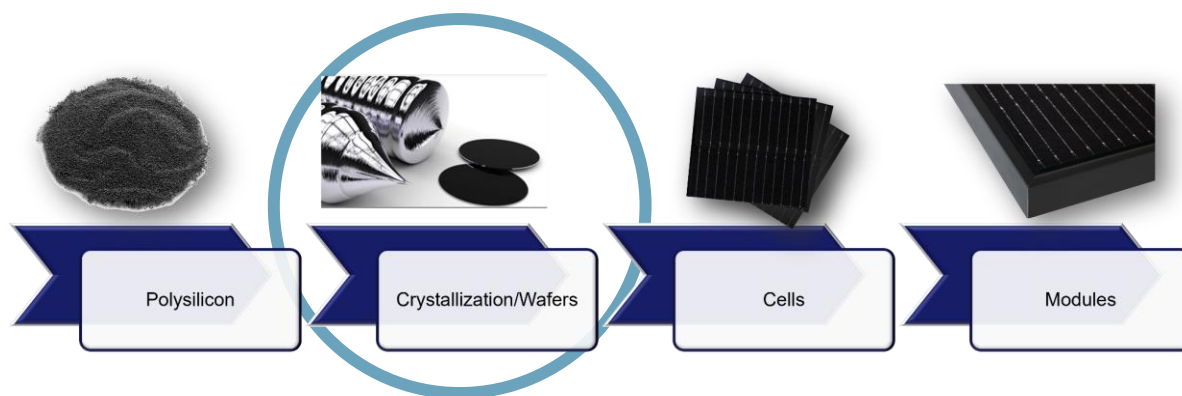


GOVERNMENT INITIATIVES

Governmental Update

- › Strong bipartisan support for USA manufacturing
- › Trade Action - AD/CVD case against Southeast Asia countries
 - Supporting companies that wish to invest in production capacity in USA (wafers, cells)
 - Strategic rationale around protections from Chinese polysilicon going into wafers or Chinese wafers into cells and then coming in the United States
- › CHIPS ACT
 - Several multi billion-dollar award announcements in second quarter
- › Continuing working on policies that support US manufacturing and value chains (Semiconductor, PV, batteries)

Focusing Support on Ingot/Wafer



SUMMARY

Summary

- › Moses Lake progress towards the first shipment continues
 - Isolations of impurity contributions proceeding
 - 1st shipment targeted by mid September
 - 100% capacity expected by the end of 2024
- › PV markets will remain challenged over following quarters
- › Butte polysilicon production ceased at end of the quarter
- › Semiconductor gas demand broadly stable
 - Some segments growing
- › Discussions continue with Silicon Anode material producers
 - Resolution expected this year



Thank you.

REC Silicon ASA
Q2 2024
August 8, 2024



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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