



RECSiLICON

FOURTH QUARTER
2022

PRESENTATION

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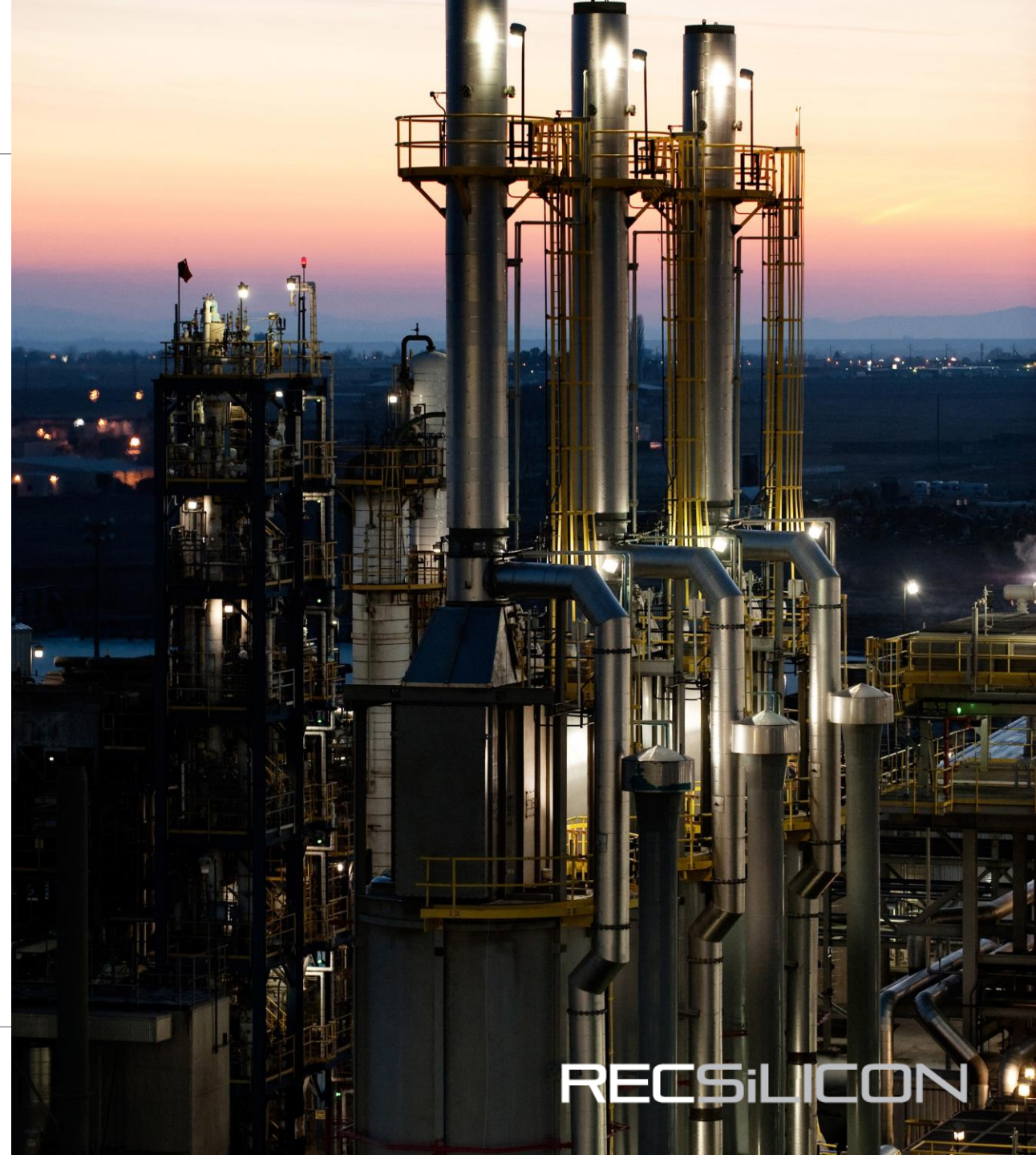
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AGENDA

- › Fourth Quarter Highlights
- › Financial Review
- › Semiconductor Materials
- › Solar Materials
- › Yulin Update
- › Supporting Initiatives



FOURTH QUARTER HIGHLIGHTS

Revenues: \$ 31.6M

EBITDA: (\$ 23.6M)

December 31, 2022 Cash Balance of \$ 105.3M

- Cash Decrease During Q4 2022 of (\$ 26.0M)
 - (\$ 22.2) Cash Outflows From Operating Activities
 - (\$ 22.7M) Cash Outflows From Investing Activities
 - (\$ 1.7M) Cash Outflows From Financing Activities
 - \$ 5.1M Cash Effect From Foreign Exchange

Silicon Gas Sales

- Sales Volume of 515MT (Decrease 12.2% vs. Q3 2022)
- Silane Price Increase 4.2% vs. Q3 2022

Semiconductor Segment Polysilicon Sales

- Semiconductor Grade Polysilicon Sales of 226MT
- Total Polysilicon Sales of 302MT (Decrease 22.5% vs. Q3 2022)
- Total Average Price Increase 3.2% vs. Q3 2022

Moses Lake Restart

- All Required Activities Continue
- First Production Target of Q4 2023 Unchanged

Markets

- Binding Term Sheet with Hanwha Solutions for Polysilicon Executed
- Inventory Drawdown and Corrections Continue Globally in our Focus Segments

FINANCIAL REVIEW

FOURTH QUARTER
2022



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FINANCIAL HIGHLIGHTS

(USD IN MILLION)	Q4-22	Q4-21	2022	2021	Q3-22
Revenues \$31.6M					
- Polysilicon Sales Volume Decrease by 22.5% vs. Q3-22					
- Silicon Gas Sales Volume Decrease by 12.2% vs. Q3-22					
Semiconductor Materials	\$ 31.5	\$ 43.2	\$ 147.4	\$ 142.8	\$ 36.6
Solar Materials	0.1	0.0	0.2	0.1	0.1
Other	0.1	0.1	0.2	0.2	0.1
Revenues	\$ 31.6	\$ 43.2	\$ 147.8	\$ 143.2	\$ 36.7
EBITDA (\$23.6M)					
- Impacts:					
- Record High Periodic Energy Costs and Associated Polysilicon Production Reduction					
- Value Chain Inventory Drawdown and Producer Utilization Drove Lower Silicon Gas Shipments					
Semiconductor Materials	\$ (6.5)	\$ 9.3	\$ 6.3	\$ 33.4	\$ (5.3)
Solar Materials	(10.5)	(2.6)	(19.9)	(5.7)	(3.3)
Other	(6.6)	(7.1)	(21.3)	(20.0)	(5.2)
EBITDA	\$ (23.6)	\$ (0.4)	\$ (34.9)	\$ 7.7	\$ (13.8)
<i>EBITDA Margin</i>	<i>-74.7%</i>	<i>-1.0%</i>	<i>-23.6%</i>	<i>5.4%</i>	<i>-37.7%</i>
Other					
- Net Expense of \$6.6M					
- Increased Restart Activities					
Polysilicon Production	252	316	1,375	1,225	362
Polysilicon Sales	302	481	1,428	1,636	389
Silicon Gas Sales	515	750	2,718	3,078	586

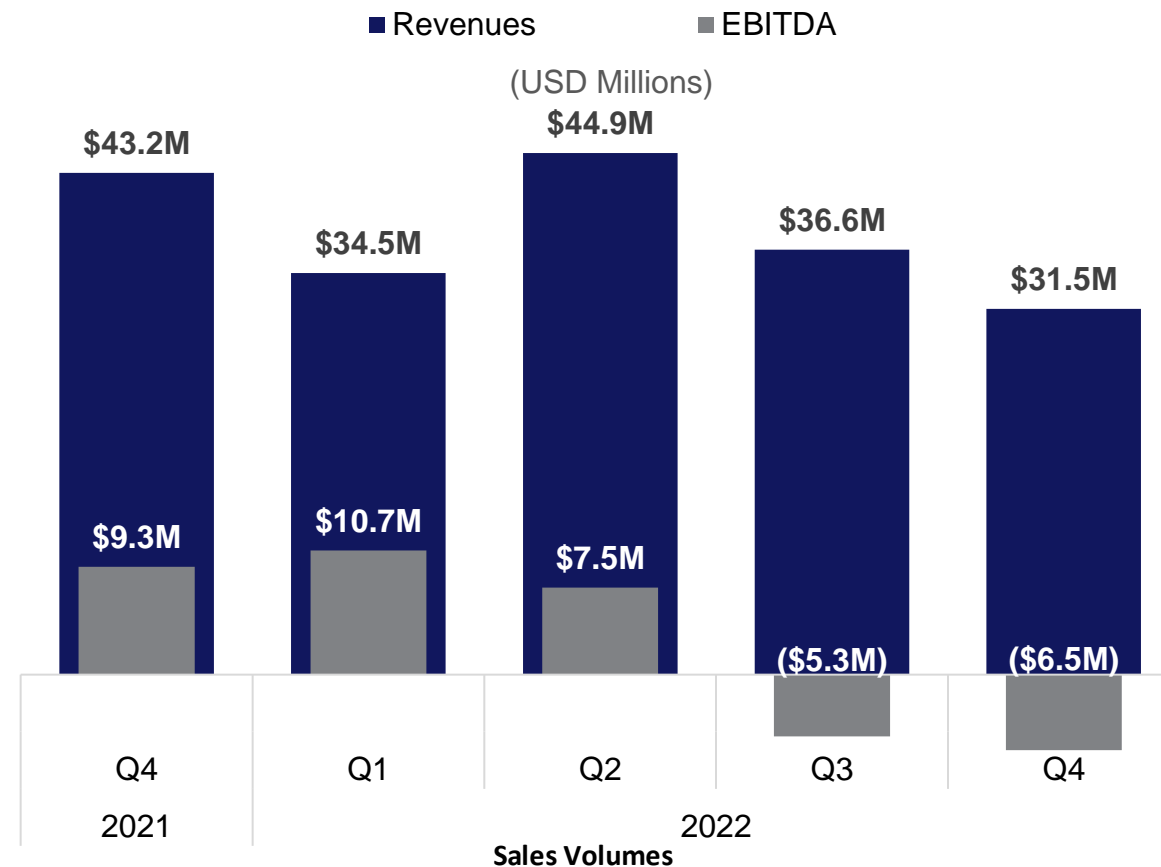
SEMICONDUCTOR MATERIALS SEGMENT FINANCIAL PERFORMANCE

Revenues \$31.5M

- 13.9% Decrease in Revenues vs. Q3-22
- Polysilicon Sales Volume – 22.5% Decrease vs. Q3-22
 - Semiconductor Grade Polysilicon - Decrease by 24.5%
- Polysilicon Sales Price – 3.2% Increase vs. Q3-22
 - Semiconductor Grade Polysilicon – 1.6% Increase vs Q3-22
- Silicon Gas Sales Volume – 12.2% Decrease vs. Q3-22
- Silane Gas Sales Price – 4.2% Increase vs. Q3-22

EBITDA Contribution (\$6.5M)

- (\$1.2M) Decrease in EBITDA Contributed vs. Q3-22
- Decreased Production Volumes
 - 30.2% Decrease in Polysilicon Production vs. Q3-22 (109MT)
 - 3.3% Increase in Silane Production vs. Q3-22 32MT



	Sales Volumes				
	Q4-22	Q4-21	2022	2021	Q3-22
Semiconductor Grade	226 MT	371 MT	1045 MT	1,117 MT	299 MT
Other Grades	76 MT	110 MT	383 MT	453 MT	90 MT
Polysilicon Sales	302 MT	481 MT	1,428 MT	1,570 MT	389 MT
Silicon Gas Sales	515 MT	750 MT	2,718 MT	3,078 MT	586 MT

CASH FLOWS

December 31, 2022 Cash Balance \$105.3M

(\$26.0M) Decrease in Cash During Q4'22

Cash Flows From Operating Activities (\$22.2M)

- (\$23.6M) EBITDA
- \$10.9M Working Capital
 - (\$3.0M) Increase in Inventories
 - \$2.7M Decrease in Receivables
 - \$11.2M Increase in Payables
- (\$9.2M) Interest Paid
- (\$0.4M) Pension Plan Contributions (US Plan)

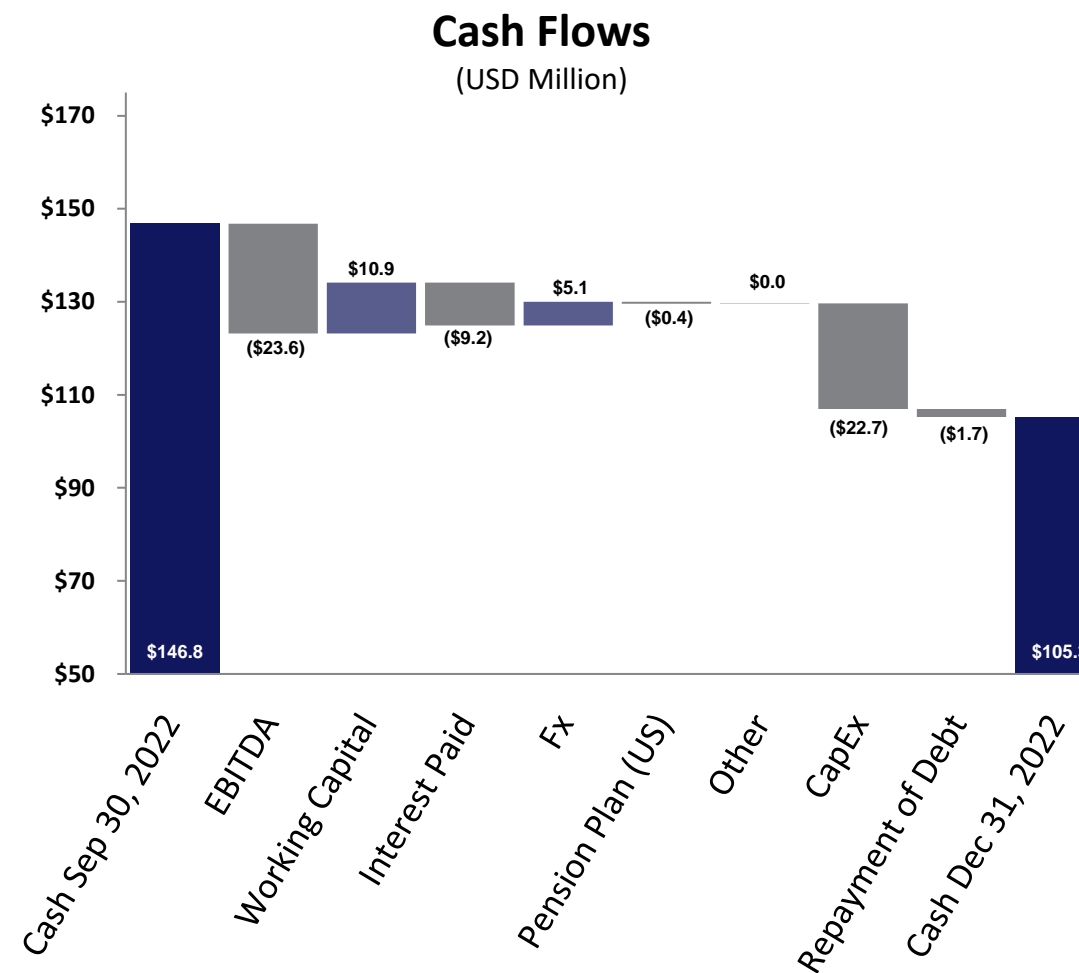
Cash Outflows From Investing Activities (\$22.7M)

- (\$22.7M) Capital Expenditures

Cash Outflows From Financing Activities (\$1.7M)

- (\$0.7M) Payment of Lease Liabilities
- (\$1.0M) Grant County Property Tax Note

Foreign Exchange Effect \$5.1M



DEBT

Nominal Debt \$183.9M

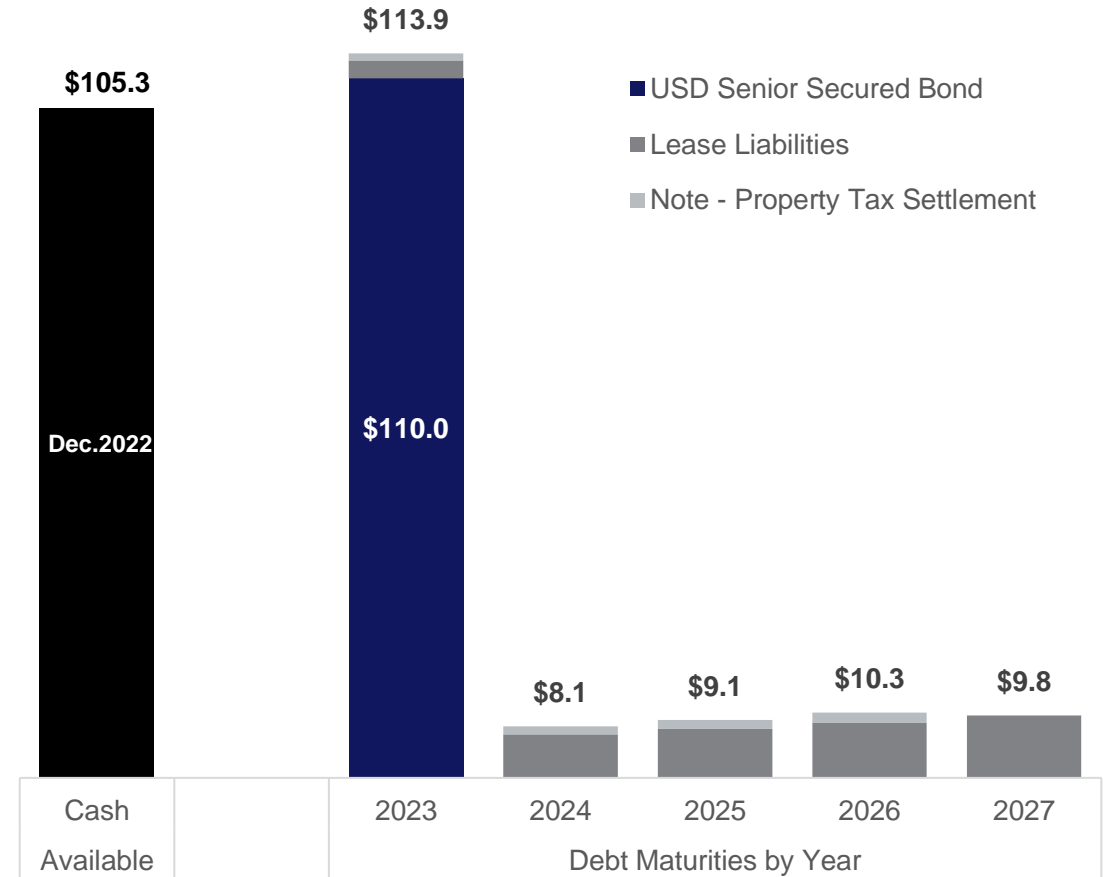
- (\$1.7M) Decrease During Q4-22
 - (\$0.7M) Changes in Lease Liabilities
 - (\$1.0M) Payment of Grant County Tax Note

Nominal Net Debt \$78.6M

- \$39.8M Increase During Q4-22
 - \$41.5M Decrease in Cash
 - (\$ 0.7M) Decrease in Nominal Debt
 - (\$1.0M) Payment of Grant County Tax Note

Debt Maturity Profile

(USD Million)





SEMICONDUCTOR
MATERIALS

FOURTH QUARTER

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SILICON GASES

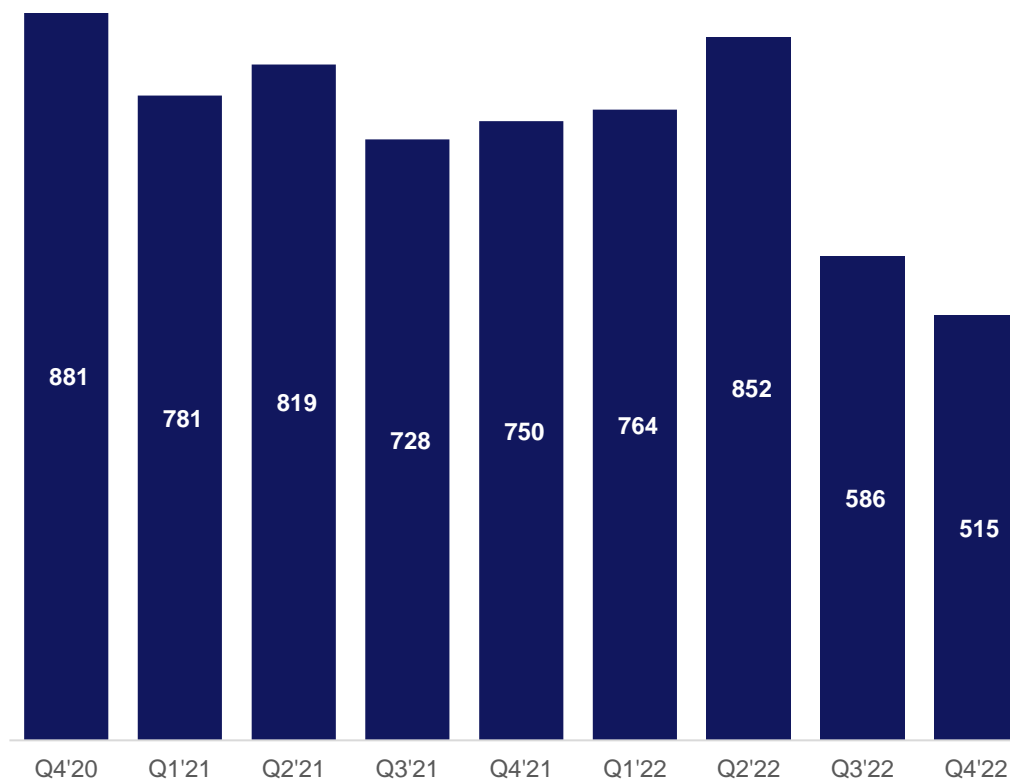
Demand Likely to Remain Soft in 1H 2023

- Flat Panel Display Capacity Rationalization Outside of China and Overall Capacity Reduction for First Time in Segment History
- Semiconductor Producers, Particularly Memory, are Reducing Utilization by Material Amounts
- Inventory Correction Should Attenuate by Q3 However Return to Previous Shipment Levels May Take Longer
- Price Increases in Place for 2023

Positioning the Business Beyond Current Conditions

- Macro Situation is Unchanged: Data, AI, IoT, Mobility, and Automotive Content Continue to Drive Mid to Long Term Capacity Needs
- Re-Shoring of Advanced Semiconductor Production in the USA and Other Areas Where REC is the #1 Supplier
- Continuing to Invest in Container, Loading and Production Capacity to Take Advantage of Growth Upon Return to Trend Line
- Executed on Two (2) Supply Contracts of 5-Year Duration (Contract Values of up to \$180 Million)
- Silicon Inclusion in Li Batteries is Advancing – Multiple Companies Projecting Appreciable Volumes in 2024

Silicon Gas Sales Volumes (MT)

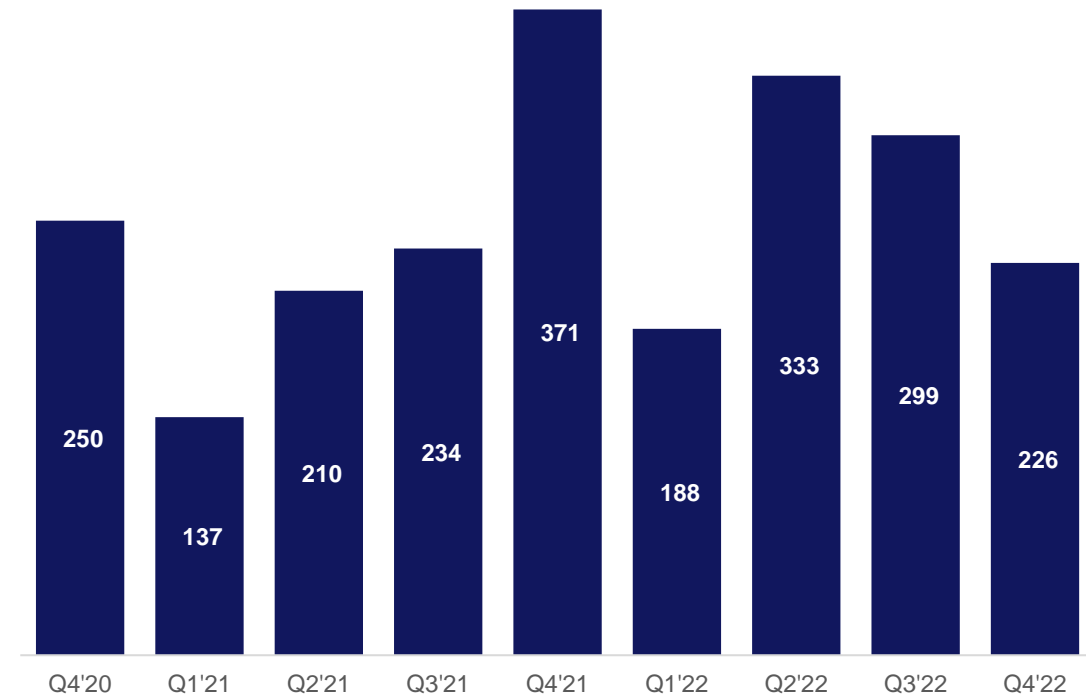


SEMICONDUCTOR GRADE POLYSILICON

Market Demand Strong but Decline in Sales

- Limited Q4 Production Due to Electricity Cost
- Production Limited to Lowest Forecasted Electricity Months and the First Half of the Year
- Opportunities for Production Increase in H2 Dependent Upon Electricity and Product Pricing for Incremental Volumes
- Price Increases in Place for 2023 Base Committed Volumes

Semiconductor Grade Polysilicon
Sales Volumes (MT)



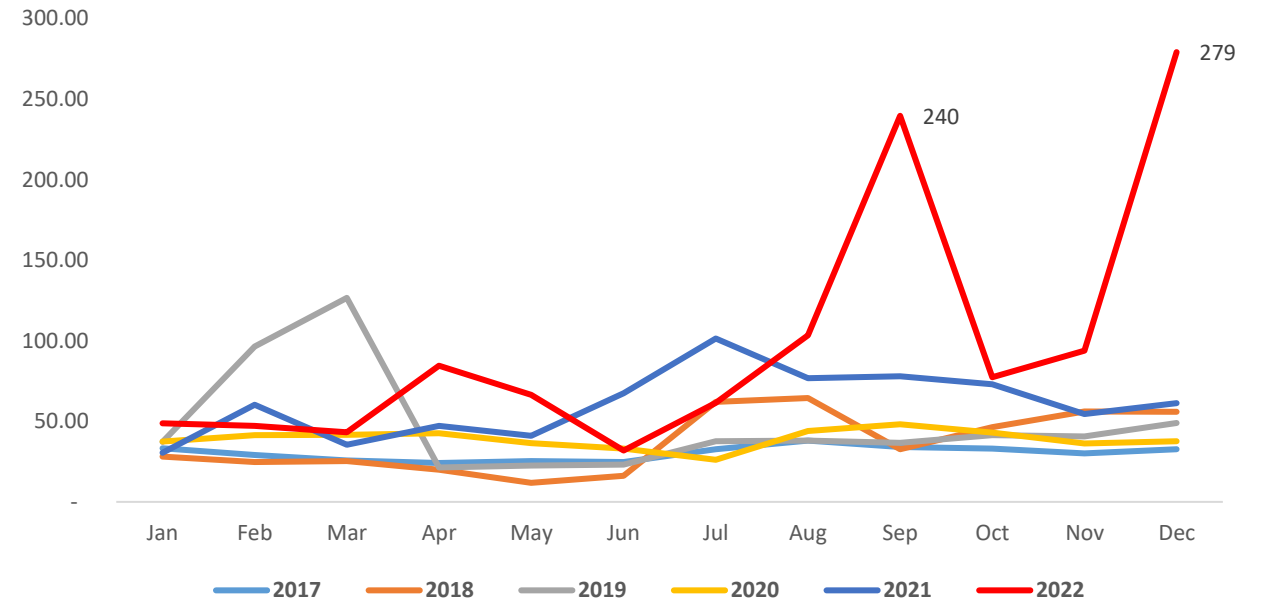
Note: Excludes 165MT of Non-Recurring Teardrop Sales in Q2'21

BUTTE ELECTRICITY

Electricity Market Overview

- Montana’s Power Market has been Deregulated Since 1997
- Power Market Pricing has Become Unstable Due to Variety of Reasons
 - Increased Short Term Demand in Specific Regions
 - Retirement of Base Load Assets
 - Global Power Demand vs Availability Concerns
 - Optimization of pricing for the Benefit of Share-Holder Owned Utilities Versus Regional Economic Development
- REC has Suffered From Price Spikes Related to These Issues
- Working with 3rd Party Power Team to Evaluate Options For Cost Improvement and Stability
- Target Implementation Q3 2023

Historical Monthly Electricity Price (\$ per mWh)



DCS EXPANSION UPDATE

Project on Pace for Late Q1 Start Up

- First Customers Already Identified for Product Qualifications in H2 2023
- First Sales to Occur in H2 2023
- Project Anchored by > 50% Contract Coverage of Anticipated Capacity

New Facility to Drive Future Market and Profitability Gains

- 3X Current Capacity
- Improved Best in Class Quality and Specification
- Improved Operability, Process Control, Stability and Efficiency Based Upon Previous Learnings
- Cost Efficiencies

Designed to Allow for Future Capital Efficient Expansion

- Incremental Investment Opportunities Available as Business Grows at Less Capex/KG and Shorter Durations
- Clear Ambition to Return to a Top 2 Producer Position



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POLYSILICON MARKET

Solar Installations Had Strong Growth in 2022

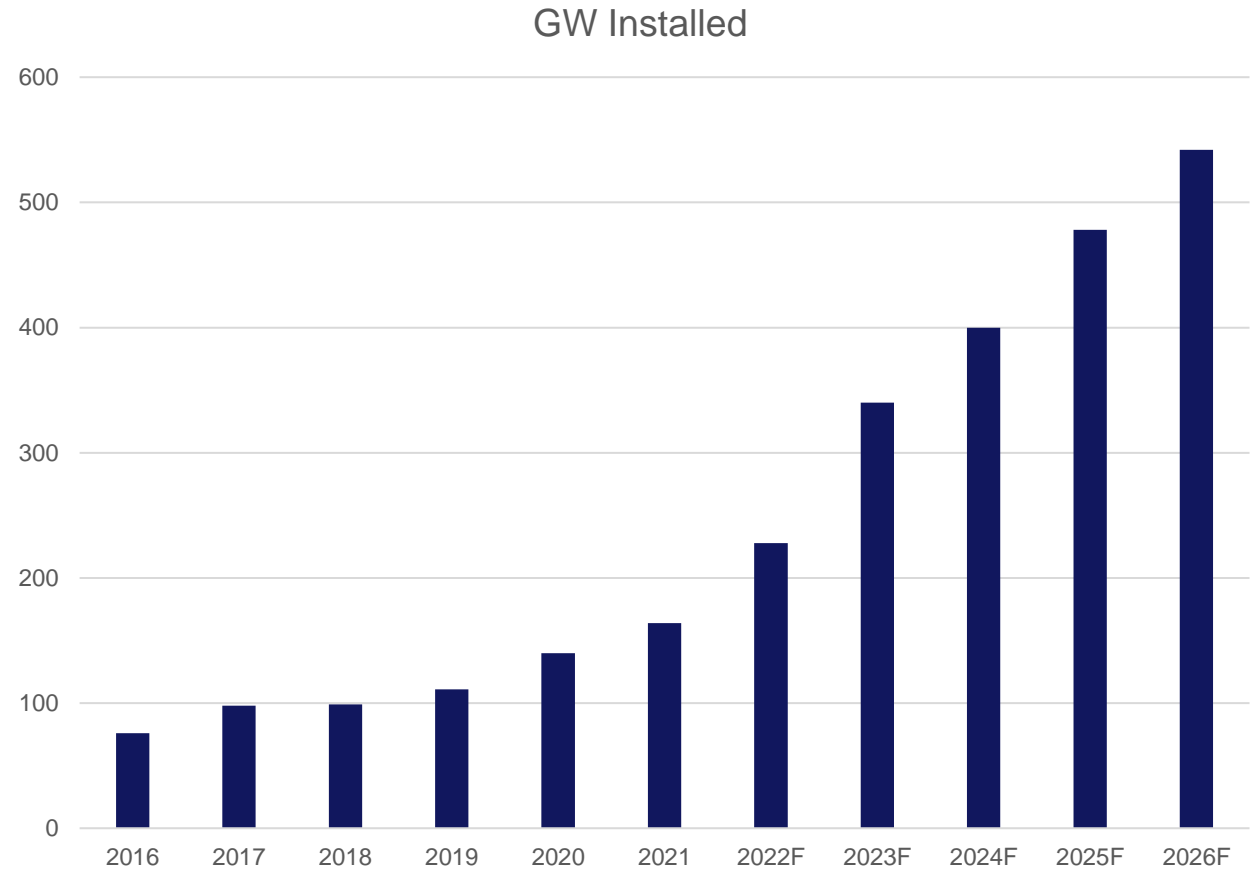
- Expecting Analysts to Report Over 225GW of Global Installations

2023 Forecasted to be Another Strong Year

- Near 300GW of Installations Forecasted

Pricing Fluctuations This Year

- More Polysilicon Capacity Released
- Wafer Capacity Outpacing Polysilicon
- Strong Global Installation Growth



Source: TrendForce, InfoLink, REC Market Research

FBR OFFTAKE BINDING TERM SHEET

Term Sheet

- Ten (10) Year Take or Pay
- Monthly Market Price by Indices
- Minimum and Maximum Prices
- 100% Offtake of Prime Granular Products
- Prepayment for Contract Security

Working on Final Supply Agreement

- Mutual Support to Enhance Product Offering
- Support with Ultra Low Carbon Supply Chain



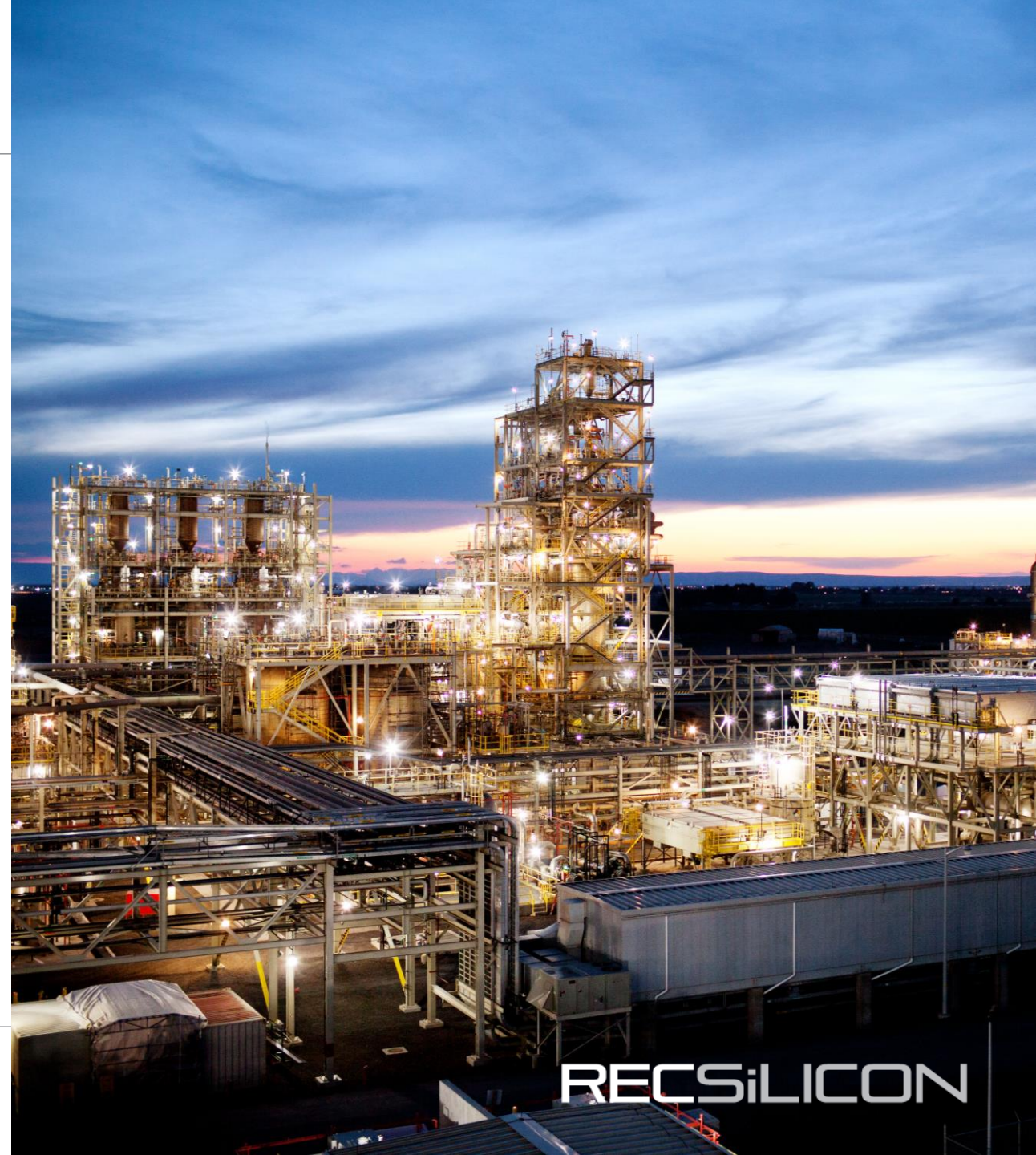
MOSES LAKE RESTART UPDATE

Projects Initiated to Achieve FBR Ultra High Purity at Full Capacity

- Silane Enhancements for Improved Granular Polysilicon Quality
- Fluid Bed Reactor Modifications
- Handling and Packaging Improvements
 - Surface Powder and Hydrogen Removal
 - 5 - 10 kg Packaging
- New Granular Polysilicon Analytical Lab

Projects Currently On Target to Support Q4-23 Startup

- MOU for Silane Offtake entered into with Hanwha Corporation
- Estimated EBITDA at Full Run Rates \$100MM - \$300MM
- Long Lead Equipment / Materials Ordered
- Projects All in Execution Phase
 - Reactor Modifications in Construction
 - Other Projects in Detailed Engineering Design
 - Construction Activity Expected to Start Late Q1 / Early Q2
- Estimated Capex Q4 2022- 2024 is \$160M
 - Increase from Pre-FEED Estimates



YULIN JV UPDATE

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2022



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YULIN JV, CHINA

Plant Characteristics

Construction Completed in 2018

Large Scale Silicon Manufacturing with Design Capacity of:

- 18,000 MT FBR-B Granular Polysilicon
- 300 MT Siemens Semiconductor Grade Polysilicon
- 500 MT Silane Gas Loading

Operating Performance

- Mono Capable FBR Granular Production
- Design Capacities Demonstrated

2022 Production

Profitable Operations in 2022

- ~16,000 MT of FBR Granular
- ~625 MT of Loaded Silane
- ~115 MT of Siemens

Steady Increase in Production and Sales Volume

Sales Status

- 2022 Production Sold Out
- Production Costs Lower Than Expected
- 80,000 MT Expansion Announced in 2022



SUPPORTING INITIATIVES

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GOVERNMENTAL INITIATIVES

IRA – With SEMA

- IRS Working on Production Tax Credit Process
- Department of Commerce Working on 10% “Made in America” Requirements

CHIPS ACT

- In Late February, the Department Plans to Release a Notice of Funding Opportunity for **Commercial Leading-Edge, Current, and Mature Node Fabrication Facilities**. Includes Both “Front-End” Semiconductor Manufacturers and “Back-End” Packaging Facilities.
- In Late Spring, the Department Plans to Release Another Funding Announcement Focused on **Material Suppliers and Equipment Manufacturers**.
- In Early Fall, the Department Plans to Announce a Funding Opportunity to Support the Construction of **Semiconductor R&D Facilities** that will Further Strengthen the U.S. Semiconductor Manufacturing Ecosystem.

Bipartisan Infrastructure Bill

- Awarded Battery Grants
- Working on Critical Minerals Description





FINANCING PLAN

Capital Requirement Finalized

- Moses Lake Modifications for Re-Start and Production of High Purity Granular Polysilicon for Mono PV Applications
- Butte Operational and High Value Growth Investments
- Bond Repayment of \$ 110M in April 2023

Financing Plan

- Financing Solution to Address Capital Requirements is Underway
- Additional Information to be Provided After Solution is Finalized
- Financing Expected to be Completed Well Before Bond Maturity Date

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Thank You

Q1 2023 Reporting
May 11, 2023

www.recsilicon.com

