



RECSILICON

THIRD QUARTER
2023

PRESENTATION

Kurt Levens, CEO
Jack Yun, CFO

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AGENDA

- › Third Quarter Highlights
- › The Business Opportunity
- › Activity Update
- › Financials
- › Operations and Markets
- › Summary



THIRD QUARTER HIGHLIGHTS

- › Moses Lake restart was initiated by November 1st
 - First silicon production in November as planned
- › Revenues \$34.8M
- › EBITDA (\$17.8M)
- › Markets
 - Solar PV oversupply persists
 - Semiconductor stable – potential for 2H 24 recovery
- › Completed high-purity granular polysilicon offtake agreement
- › Final tranche of funding secured

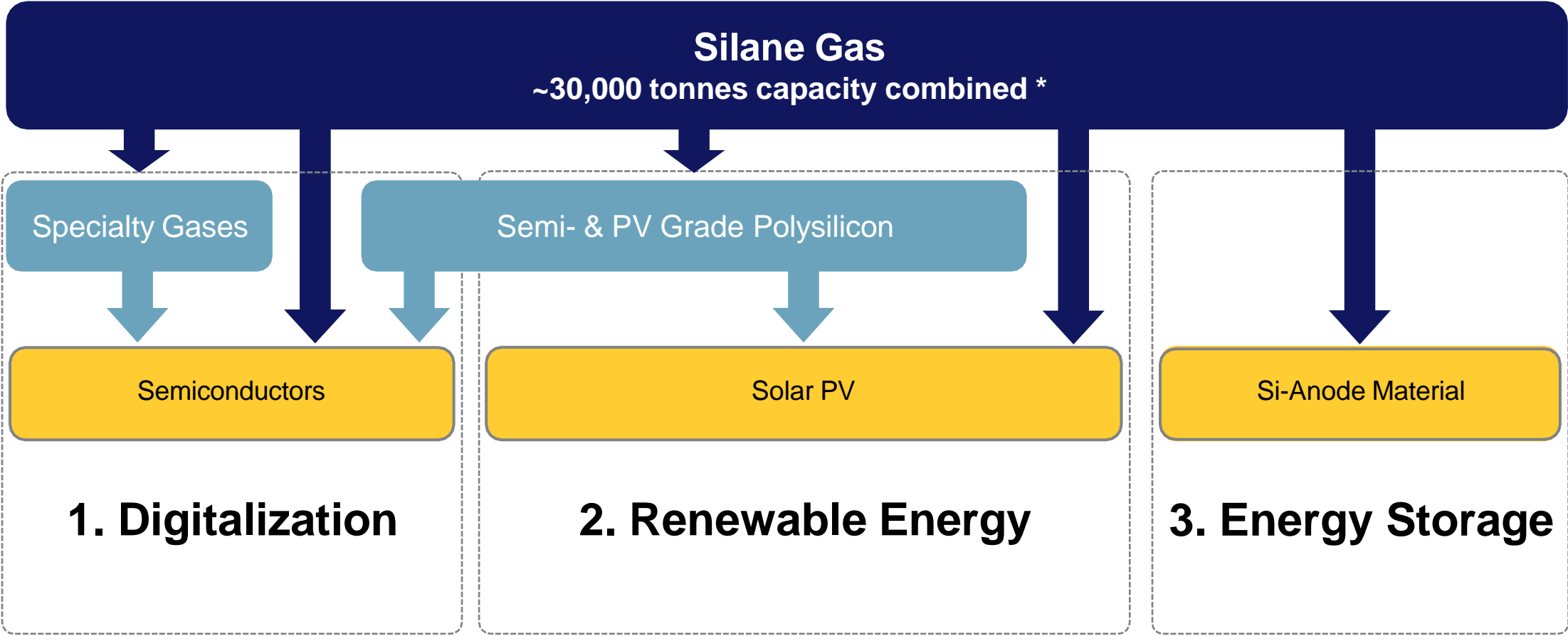
THE BUSINESS OPPORTUNITY



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

RECSiLICON

EXPOSURE TO ENERGY TRANSITION MEGATRENDS



* From 2025 and onwards

REC SILICON FEATURES

- › Largest supplier of silane outside China
- › Low-cost, low-carbon PV polysilicon producer
- › Strong position with leading semi-industry players
- › Largest silane ISO Module container fleet
- › Immediate capacity for silane to Si-Anode material
- › 15% stake in Chinese 30,000 MT silane facility (still in the sale process in China)



Moses Lake

- › 25,000 MT silane gas capacity
 - Prime high-purity granular polysilicon capacity - 16,000 MT
 - ~ 2,400 MT silane for merchant sales
- › Risk mitigating offtake contract
- › Low energy – low cost and conflict-free



Butte

- › 7,400 MT silane gas capacity
 - High purity Float Zone polysilicon
- › Silicon gases
 - Production expansion for DCS (3x)
 - Ongoing loading/container expansion for high value silicon gases

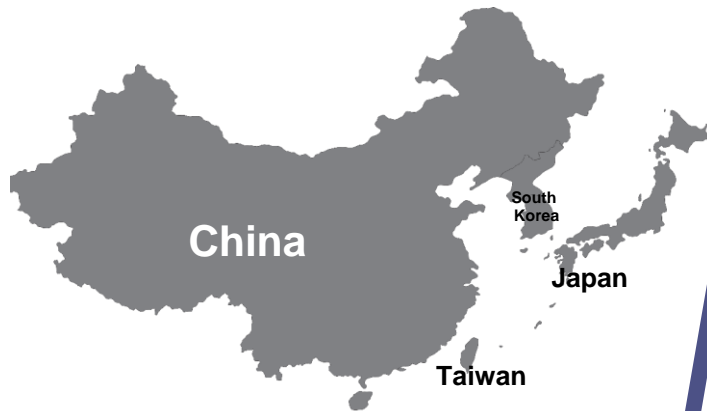


TR Silicon JV

- › 30,000 MT silane gas capacity
 - 19,000 MT FBR-B granular
 - 300 MT Siemens semiconductor grade
 - 2,000 MT Silane gas loading

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

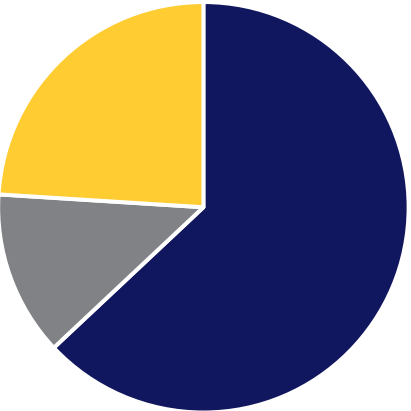


* See appendix for detailed information

REC SILICON ROAD TO SUSTAINABLE PROFITABILITY

Current Exposure

- › ~ 7,400 MT silane gas production
- › 2/3 of revenues in Asia



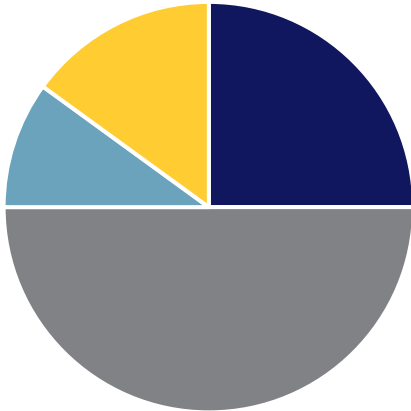
■ Semiconductors ■ Solar ■ Other

From exposure to volatile China markets and lower value commodity products

To high exposure to US value chains with higher value products and significant growth trends

Exposure 2025 ->

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



■ Semiconductors ■ Solar ■ Energy storage ■ Other

Additional growth potential as value chains develop

Change in product mix to higher value products

Strong competitive position due to location and available capacity

ACTIVITY UPDATE

MOSES LAKE RESTART

- › Startup activities commenced at the end of October
- › Systems are methodically and sequentially being brought online and stabilized
- › First silicon production planned in November
- › First shipments still planned in Q1 2024
- › This startup and ramp phase will continue for the next 12 months
 - Evaluating opportunities for accelerating certain activities and timeline
- › Project activities still on budget



BUTTE EXPANSION AND OPERATIONS



- › DCS expansion qualification scheduling ongoing
 - First commercial deliveries will occur in 2024
 - Existing loading capacity de-bottlenecked by 30%
- › 90% of new containers investment will be in place by mid year 2024
 - Semi recovery indications in 2nd half 2024 for some segments
 - Will supply 12 new sites with ISO Module containers in 2024
 - Under discussions with three additional ISO module opportunities in 2024
- › Electricity hedging in place for 60% of demand through mid 2024
 - Polysilicon prices, product mix and volumes balanced accordingly

FINANCIALS

FINANCIAL HIGHLIGHTS

Revenues \$34.8M

- Polysilicon Sales volume increased by 10.5% vs. Q2-23
- Silicon Gas Sales volume decrease by 11.1% vs. Q2-23

EBITDA (\$17.8M)

- Impacts:
 - Restart activities

Semiconductor Materials Segment

- EBITDA of \$6.1M

Solar Materials Segment

- Net Expense of \$16.0M

Other

- Net Expense of \$8.0M

<i>(Millions USD)</i>	Q3-23	Q3-22	2022	Q2-23
Semiconductor Materials	\$ 34.7	\$ 36.6	\$ 147.4	\$ 36.6
Solar Materials	0.1	0.1	0.2	0.1
Other	0.1	0.1	0.2	0.1
Revenues	<u>\$ 34.8</u>	<u>\$ 36.7</u>	<u>\$ 147.8</u>	<u>\$ 36.7</u>
Semiconductor Materials	\$ 6.1	\$ (5.3)	\$ 6.3	\$ 10.1
Solar Materials	(16.0)	(3.3)	(19.9)	(11.4)
Other	(8.0)	(5.2)	(21.3)	(7.2)
EBITDA	<u>\$ (17.8)</u>	<u>\$ (13.8)</u>	<u>\$ (34.9)</u>	<u>\$ (8.5)</u>
<i>EBITDA Margin</i>	<i>(51.2%)</i>	<i>(37.7%)</i>	<i>(23.6%)</i>	<i>(23.0%)</i>
Polysilicon Production	281 MT	383 MT	1,456 MT	302 MT
Polysilicon Sales	199 MT	426 MT	1,502 MT	184 MT
Silicon Gas Sales	754 MT	586 MT	2,718 MT	849 MT

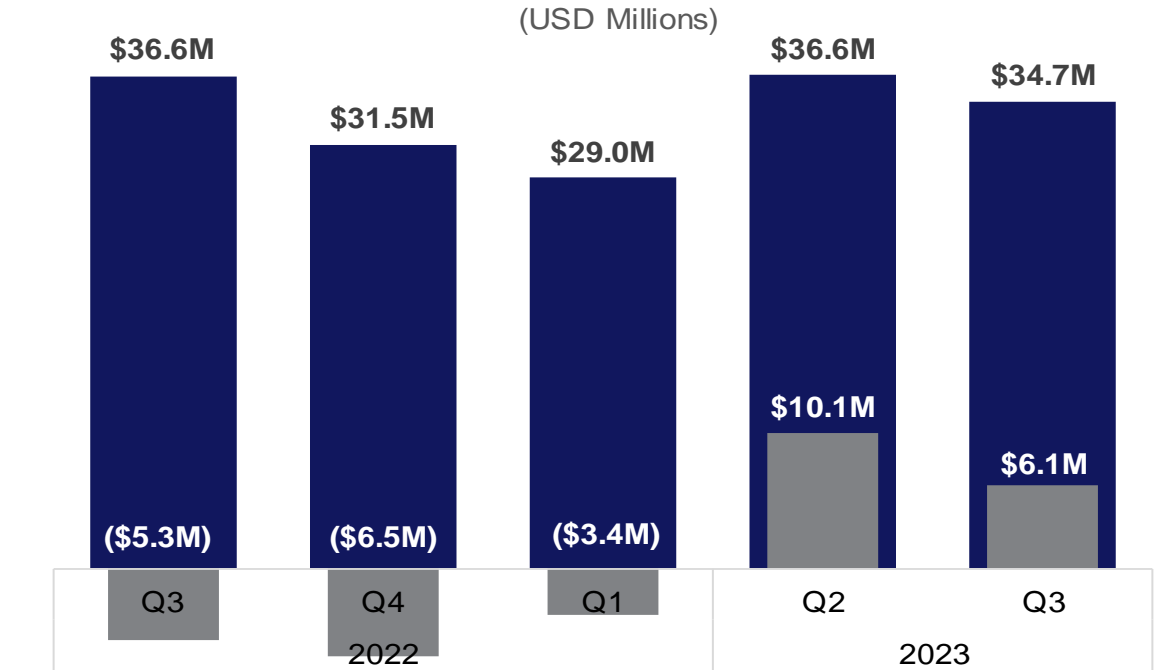
SEMICONDUCTOR MATERIALS SEGMENT FINANCIAL PERFORMANCE

Revenues \$34.7M

- 5.3% decrease in revenues vs. Q2-23
- Polysilicon Sales Volume – 10.5% increase vs. Q2-23
 - Semiconductor Grade Polysilicon - decrease by 2.2%
- Polysilicon Sales Price – 3.6% decrease vs. Q2-23
 - Semiconductor Grade Polysilicon – 9.0% increase vs Q2-23
- Silicon Gas Sales Volume – 11.1% decrease vs. Q2-23
- Silicon Gas Sales Price – 0.6% decrease vs. Q2-23

EBITDA Contribution \$6.1M

- \$4.0M decrease in EBITDA contributed vs. Q2-23
- Decreased production volumes
 - 7.7% decrease in Polysilicon Production vs. Q2-23 23MT



	Sales Volumes			
	Q3-23	Q3-22	2022	Q2-23
Semiconductor Grade	140 MT	299 MT	1,045 MT	143 MT
Other Grades	59 MT	127 MT	456 MT	37 MT
Polysilicon Sales	199 MT	426 MT	1,502 MT	181 MT
Silicon Gas Sales	754 MT	586 MT	2,718 MT	849 MT

CASH FLOWS

September 30, 2023 Cash Balance \$121.7M

\$106.6M Increase in Cash During Q3'23

Cash Flows From Operating Activities \$8.7M

- (\$17.8M) EBITDA
- (\$0.3M) Working Capital
 - (\$3.2M) Increase in inventories
 - (\$2.3M) Decrease in receivables
 - \$5.6M Increase in payables
- \$30.0M Advance payment received
- \$1.6M Interest received
- (\$4.7M) Interest paid
- \$0.1M Other items

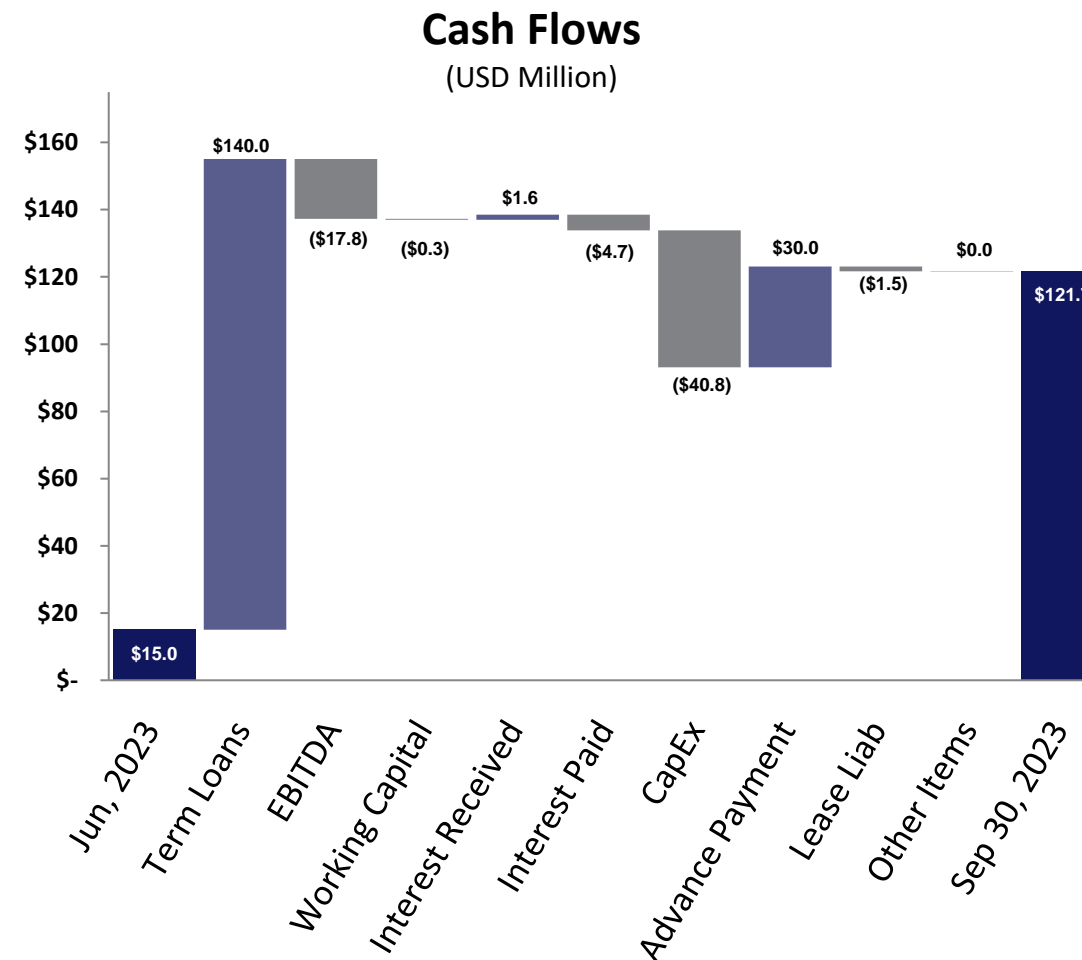
Cash Outflows From Investing Activities (\$40.8M)

- (\$40.8M) Capital Expenditures

Cash Flows From Financing Activities \$138.5M

- \$140.0M Term loans
- (\$1.5M) Payment of Lease Liabilities

Foreign Exchange Effect \$0.2M



DEBT

Nominal Debt \$352.7M

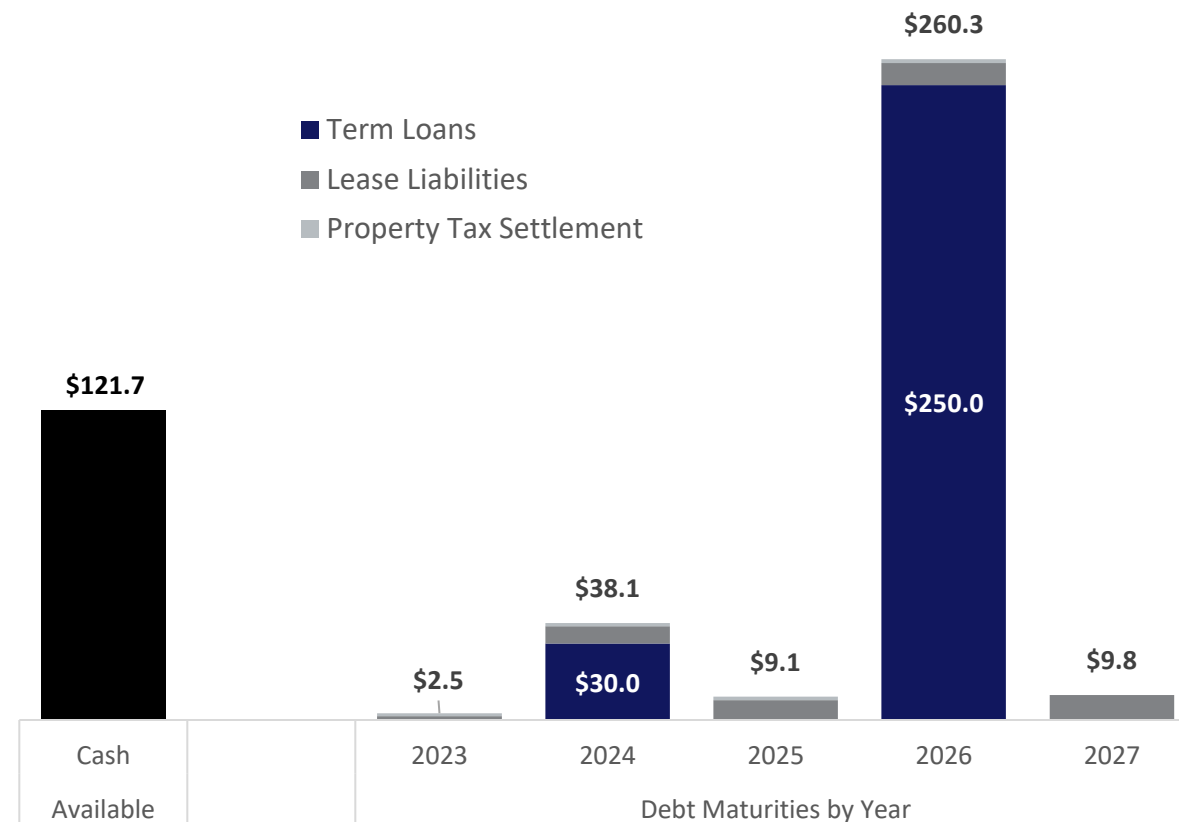
- \$139.7M Increase during Q3-23
 - \$140 Change in Debt
 - (\$0.3M) Changes in Lease Liabilities

Nominal Net Debt \$231.0M

- \$33.0M Increase during Q3-23
 - \$106.6M Increase in Cash
 - \$139.7M Increase in Nominal Debt

Debt Maturity Profile

(USD Million)



OPERATIONS AND MARKETS

SILICON GASES

Silicon Gas Sales

- Sales Volume of 754 MT (decrease 11.1% vs. Q2 2023)
- Price decrease 0.6% vs. Q2 2023

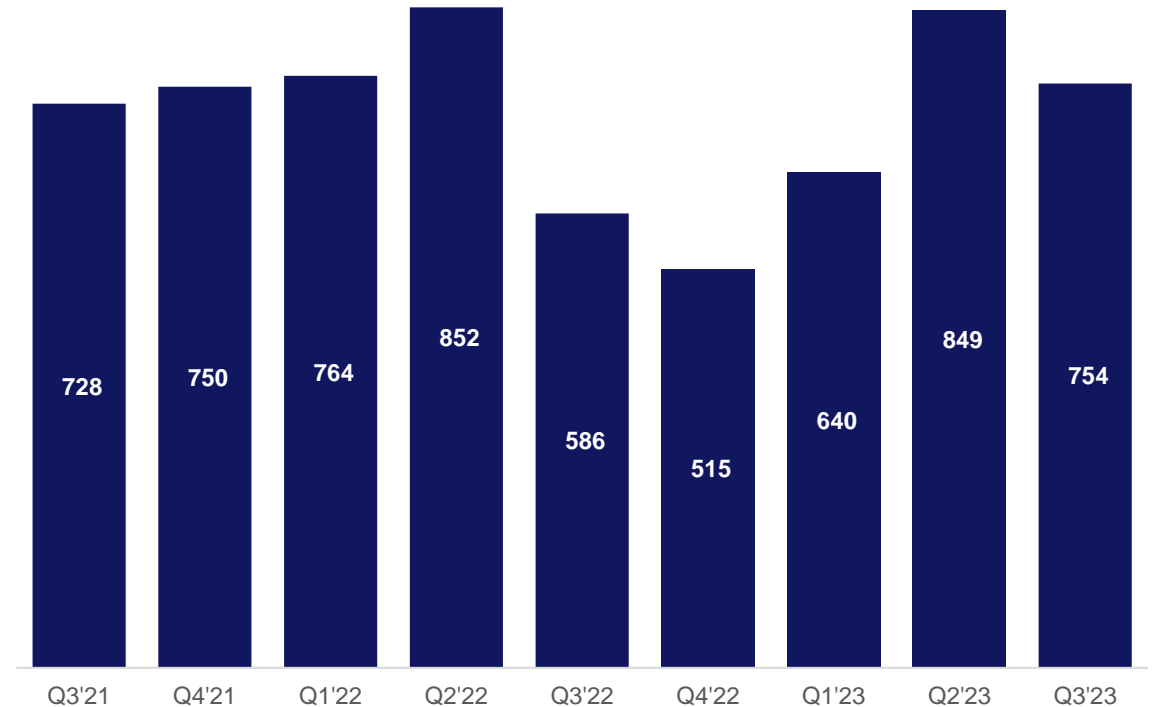
Semiconductor demand low but stable

- Indications from Semi manufacturers support a possible 2nd half recovery in some segments
- Largest impact is on molecules utilized by newer advanced processes and expansions
- Opportunistically supplying into non-core applications and geographies

No change to fundamental opportunity

- Investments in Semiconductor, Solar PV and Battery materials are real and have begun
- Adoption of advanced processes in Semiconductor and Solar PV will result in an increase of Silicon Gases required per unit
- Digitalization, Data, Electrification, AI, Energy Transition – still in place, and still need Silicon Gas

Silicon Gas Sales Volumes (MT)



SEMICONDUCTOR GRADE POLYSILICON

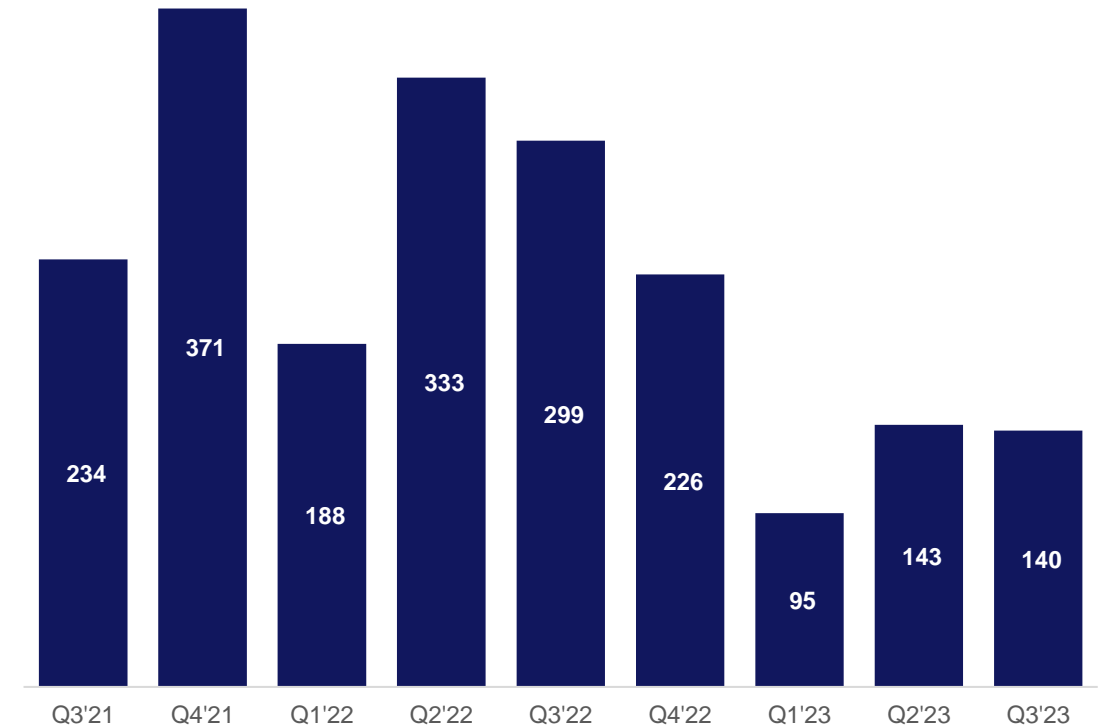
Semiconductor Grade Polysilicon Sales Volumes (MT)

Semiconductor Segment Polysilicon Sales

- Semiconductor Grade Polysilicon Sales of 140 MT
- Total Polysilicon Sales of 199 MT increase of 10.5% vs. Q2 2023
- Total Average Price (including byproduct) decrease of 3.6% vs. Q2 2023

Market signals give mixed results

- Mainstream CZ Polysilicon remains soft commensurate with Semi market and our position as marginal in this resource
- FZ Polysilicon demand remains strong and consistent driven by Energy Transition and Electrification
- In all cases shipments dictated primarily by product mix constraints and capabilities in line with maximizing value creation



PV POLYSILICON

Global solar installation growth continues

- Total year forecast climbs to over 350GW

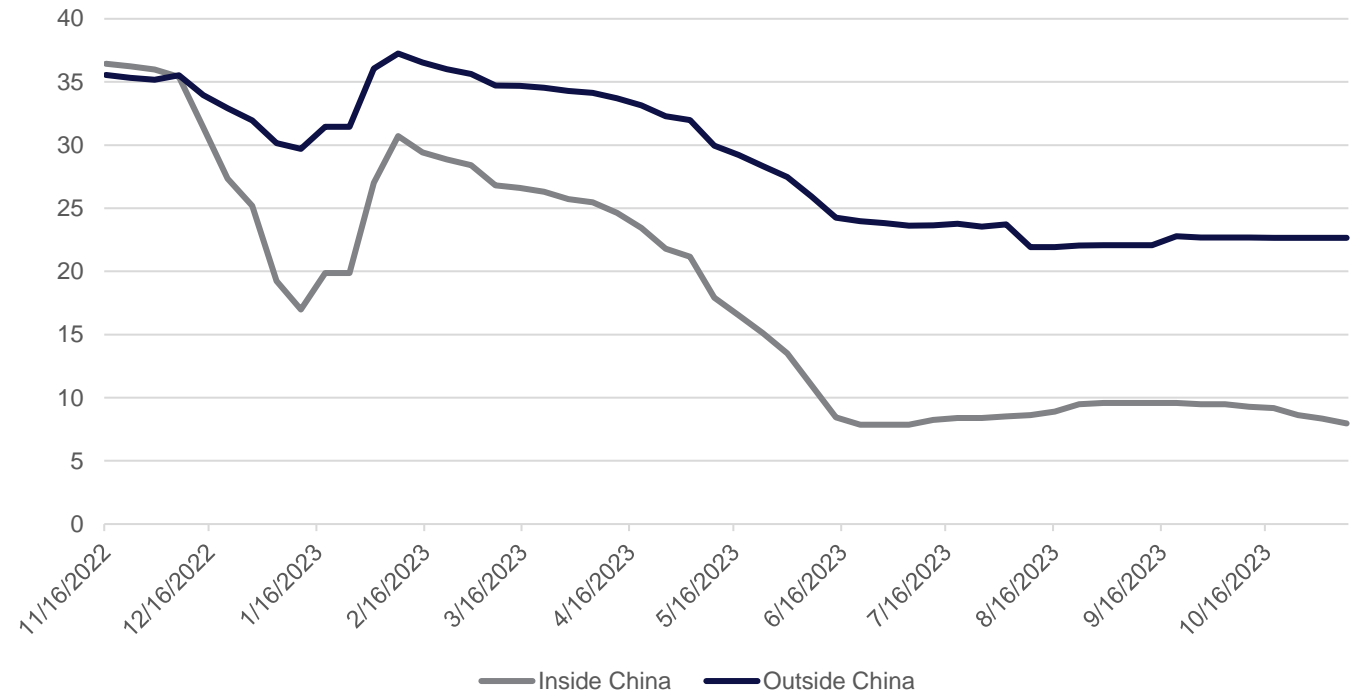
Prices stabilized in Q3

- China prices still under pressure from overcapacity
- Concerns around global module inventory will keep prices suppressed along supply chain
- Demand for material produced outside of China is increasing
 - Ultra-low carbon modules
 - UFLPA concerns
 - USA domestic content requests

New manufacturing

- China polysilicon prices lead to some expansion delays as expected
- USA starting to see construction of new facilities

Mono Grade Average Polysilicon Price USD/KG



Source: PV Insights

SUMMARY

- › Moses Lake restart has commenced with first deliveries targeted for Q1 2024 – Offtake agreement in place
- › Butte operation has stabilized EG polysilicon inputs and mix through mid 2024
- › Semiconductor market recovery possible in second half 2024
- › Secured long-term financing of Moses Lake restart and Butte upgrades
- › Ongoing discussions with Silicon Anode material producers and potential channel partners
- › Sales process of interest in TR Silicon JV still in process and progressing



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Thank You

Q4 2023 Reporting
February 2024

www.recsilicon.com

