



RECSiLICON

FIRST QUARTER
2023

PRESENTATION

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AGENDA

- › First Quarter 2023 Highlights
- › Financial Review
- › Semiconductor Materials
- › Solar Materials
- › Foundational Activities Update



FIRST QUARTER HIGHLIGHTS

Revenues: \$ 29.1M

EBITDA: (\$ 23.0M)

March 31, 2023 Cash Balance of \$ 49.1M

- Cash decrease during Q1 2023 of (\$ 56.2M)
 - (\$ 28.9) Cash outflows from operating activities
 - (\$ 22.5M) Cash outflows from investing activities
 - (\$ 0.8M) Cash outflows from financing activities
 - (\$ 4.0M) Cash effect from foreign exchange

Silicon Gas Sales

- Sales volume of 640MT (increase 24.3% vs. Q4 2022)
- Price decrease 6.8% vs. Q4 2022

Semiconductor Segment Polysilicon Sales

- Semiconductor Grade Polysilicon Sales of 95MT
- Total Polysilicon Sales of 183MT (decrease 39.2% vs. Q4 2022)
- Total average price (including byproduct) decrease of 3.8% vs. Q4 2022

Moses Lake Restart

- Site construction has commenced
- First production target of Q4 2023 unchanged

Markets

- Semiconductor market remains challenged
- Anode material producer activity is showing tangible progress

Financing

- \$110M three-year corporate bank loan finalized

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

	<i>(Millions USD)</i>	Q1-23	Q1-22	2022	Q4-22
Revenues \$29.1M					
- Polysilicon Sales volume decrease by 39.2% vs. Q4-22					
- Silicon Gas Sales volume increase by 24.3% vs. Q4-22					
EBITDA (\$23.0M)					
- Impacts:					
- High periodic energy costs					
- Shipment deferrals					
Solar Materials Segment					
- Net Expense of \$11.7M					
- Increased restart activities					
Other					
- Net Expense of \$8.0M					
- Increased restart activities					
Semiconductor Materials		\$ 29.0	\$ 34.5	\$ 147.4	\$ 31.5
Solar Materials		0.1	-	0.2	0.1
Other		0.1	0.1	0.2	0.1
Revenues		<u>\$ 29.1</u>	<u>\$ 34.6</u>	<u>\$ 147.8</u>	<u>\$ 31.6</u>
Semiconductor Materials		\$ (3.4)	\$ 10.7	\$ 6.3	\$ (6.5)
Solar Materials		(11.7)	(2.8)	(19.9)	(10.5)
Other		(8.0)	(4.4)	(21.3)	(6.6)
EBITDA		<u>\$ (23.0)</u>	<u>\$ 3.6</u>	<u>\$ (34.9)</u>	<u>\$ (23.6)</u>
EBITDA Margin		(79.2%)	10.3%	(23.6%)	(74.7%)
Polysilicon Production		244 MT	395 MT	1,456 MT	267 MT
Polysilicon Sales		183 MT	285 MT	1,502 MT	302 MT
Silicon Gas Sales		640 MT	764 MT	2,718 MT	515 MT

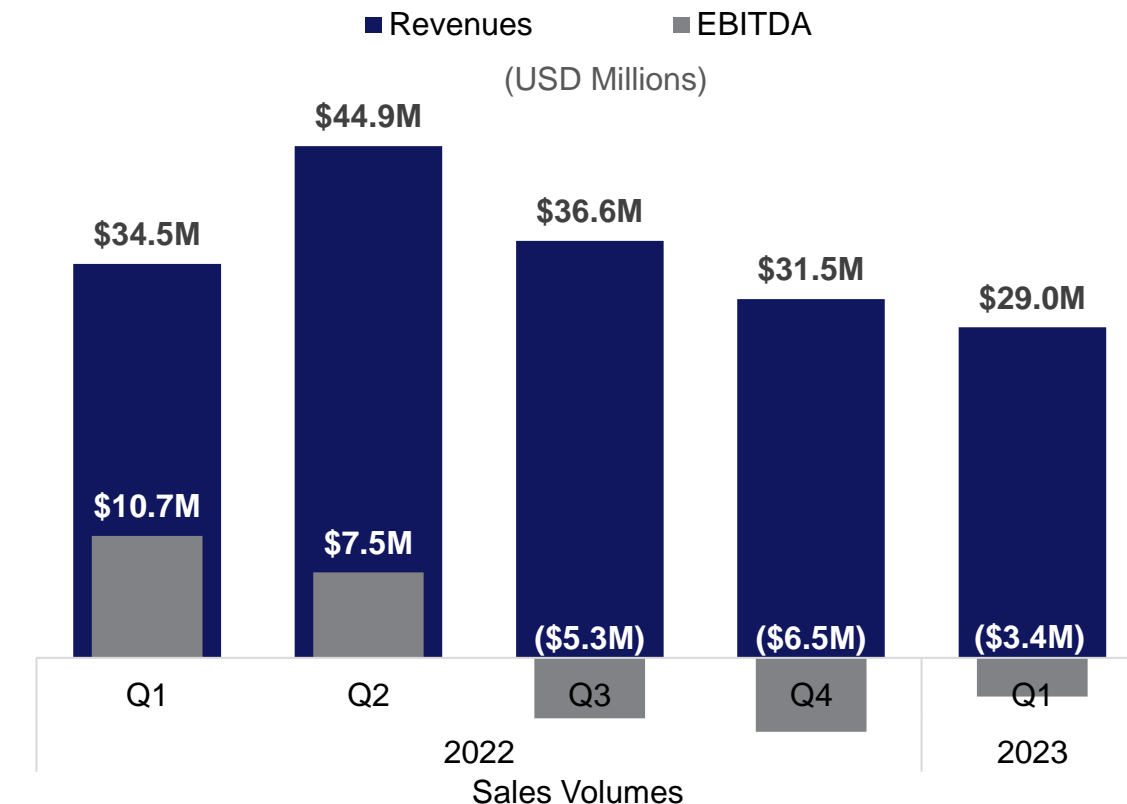
SEMICONDUCTOR MATERIALS SEGMENT FINANCIAL PERFORMANCE

Revenues \$29.0M

- 7.9% decrease in revenues vs. Q4-22
- Polysilicon Sales Volume – 39.2% decrease vs. Q4-22
 - Semiconductor Grade Polysilicon - decrease by 57.8%
- Polysilicon Sales Price – 3.8% increase vs. Q4-22
 - Semiconductor Grade Polysilicon – 58.9% increase vs Q4-22
- Silicon Gas Sales Volume – 24.3% increase vs. Q4-22
- Silicon Gas Sales Price – 6.8% decrease vs. Q4-22

EBITDA Contribution (\$3.4M)

- \$3.1M increase in EBITDA contributed vs. Q4-22
- Decreased production volumes
 - 8.6% decrease in polysilicon production vs. Q4-22 (23MT)



	Sales Volumes			
	Q1-23	Q1-22	2022	Q4-22
Semiconductor Grade	95 MT	188 MT	1,045 MT	226 MT
Other Grades	88 MT	97 MT	456 MT	76 MT
Polysilicon Sales	<u>183 MT</u>	<u>285 MT</u>	<u>1,502 MT</u>	<u>302 MT</u>
Silicon Gas Sales	640 MT	764 MT	2,718 MT	515 MT

CASH FLOWS

March 31, 2023 Cash Balance \$49.1M

(\$56.2M) Decrease in Cash During Q1'23

Cash Flows From Operating Activities (\$28.9M)

- (\$23.0M) EBITDA
- (\$2.8M) Working Capital
 - (\$4.5M) Increase in inventories
 - \$2.7M Decrease in receivables
 - (\$1.0M) Decrease in payables
- (\$2.7M) Interest paid
- (\$0.4M) Pension Plan contributions (US Plan)

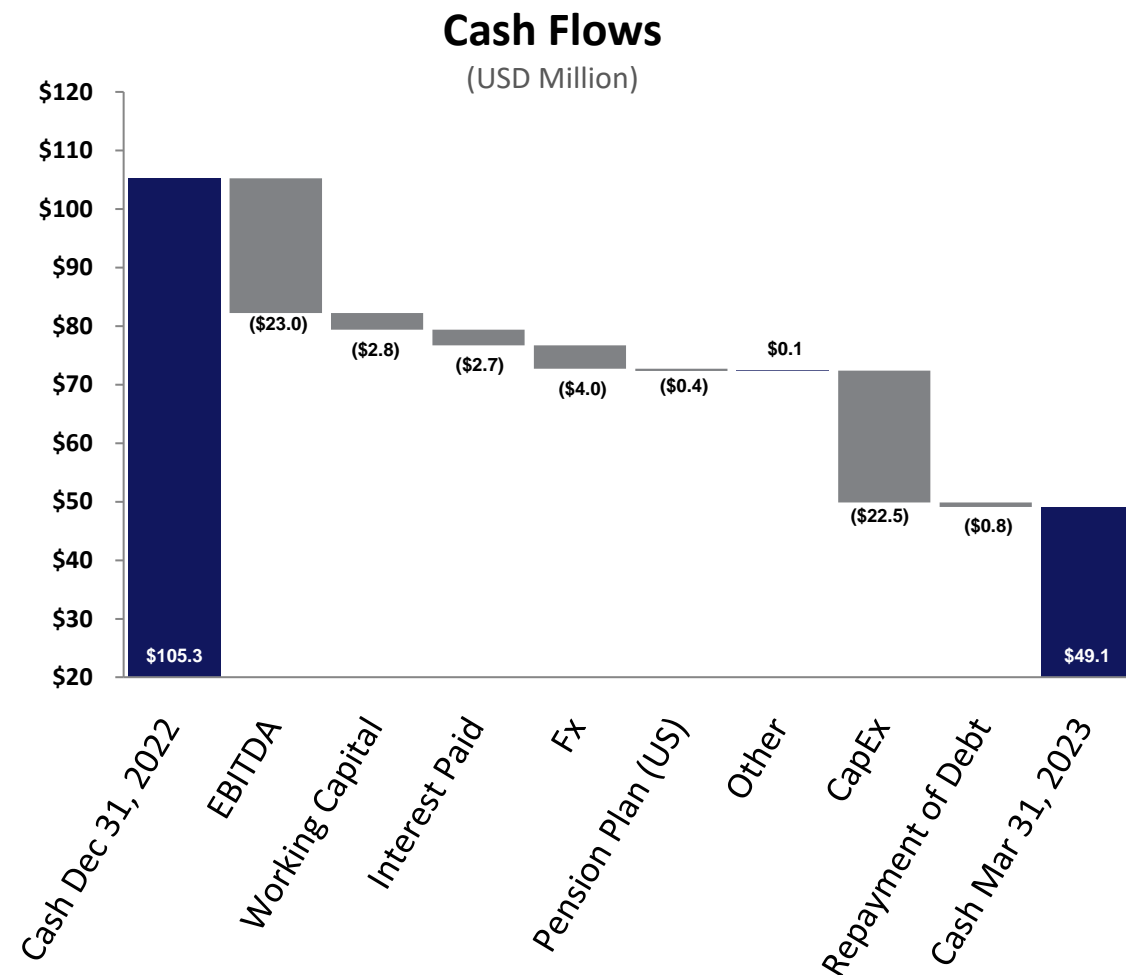
Cash Outflows From Investing Activities (\$22.5M)

- (\$22.5M) Capital Expenditures

Cash Outflows From Financing Activities (\$0.8M)

- (\$0.8M) Payment of Lease Liabilities

Foreign Exchange Effect (\$4.0M)



DEBT

Nominal Debt \$183.8M

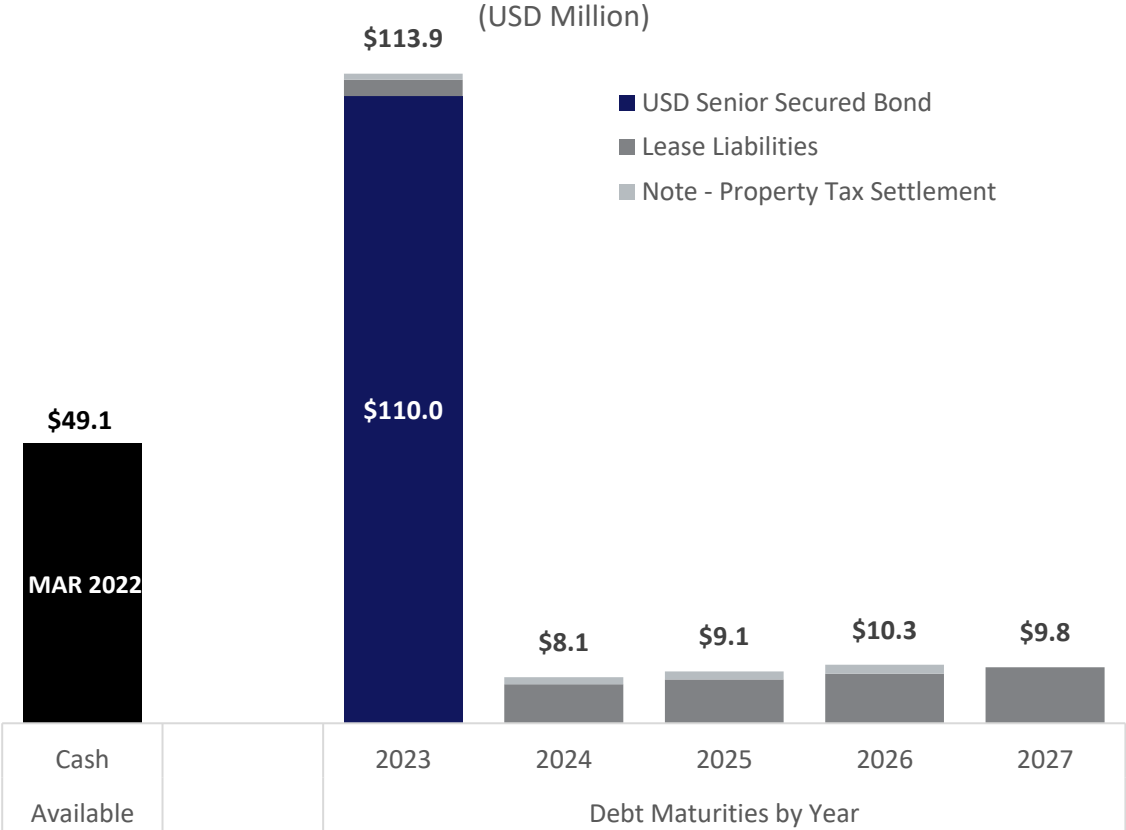
- (\$0.1M) Decrease during Q1-23
 - (\$0.1M) Changes in Lease Liabilities

Nominal Net Debt \$134.7M

- \$56.1M Increase during Q1-23
 - \$56.2M Decrease in cash
 - (\$ 0.1M) Decrease in nominal debt

Debt Maturity Profile

(USD Million)



SEMICONDUCTOR MATERIALS

SILICON GASES

Silicon Gas Sales

- 640MT shipped in Q1-23
 - 24.3% volume increase vs. Q4-22
- Silicon gas price 6.8% decrease vs. Q4-22

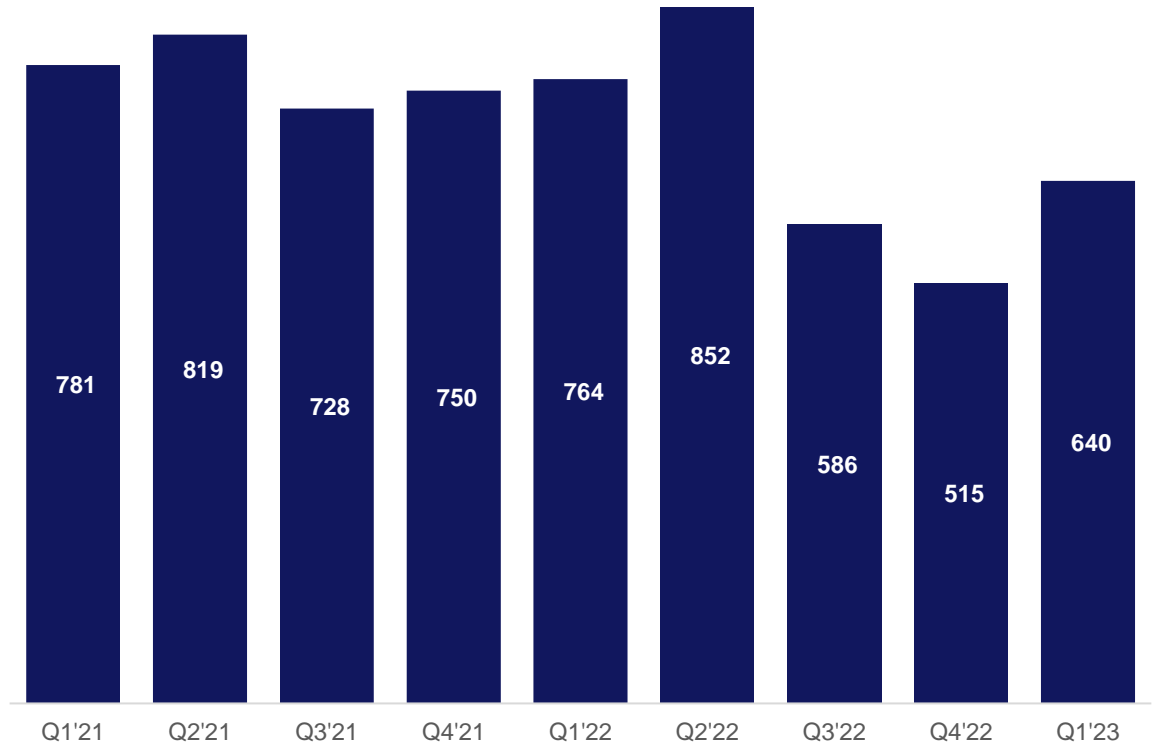
Semiconductor remains challenged

- Inventory correction nearing bottom
- Moving towards stabilization followed by potential recovery in 2024
- Strong PV market providing opportunity to move some product

No change to fundamental opportunity

- New fabrication facility investments continue
- New technology nodes require more of our gas products
- Silane-based Silicon Anode material producers progress towards next phase production facilities
- We continue towards finalizing projects that provide the capacity to capture these opportunities

Silicon Gas Sales Volumes (MT)



SEMICONDUCTOR GRADE POLYSILICON

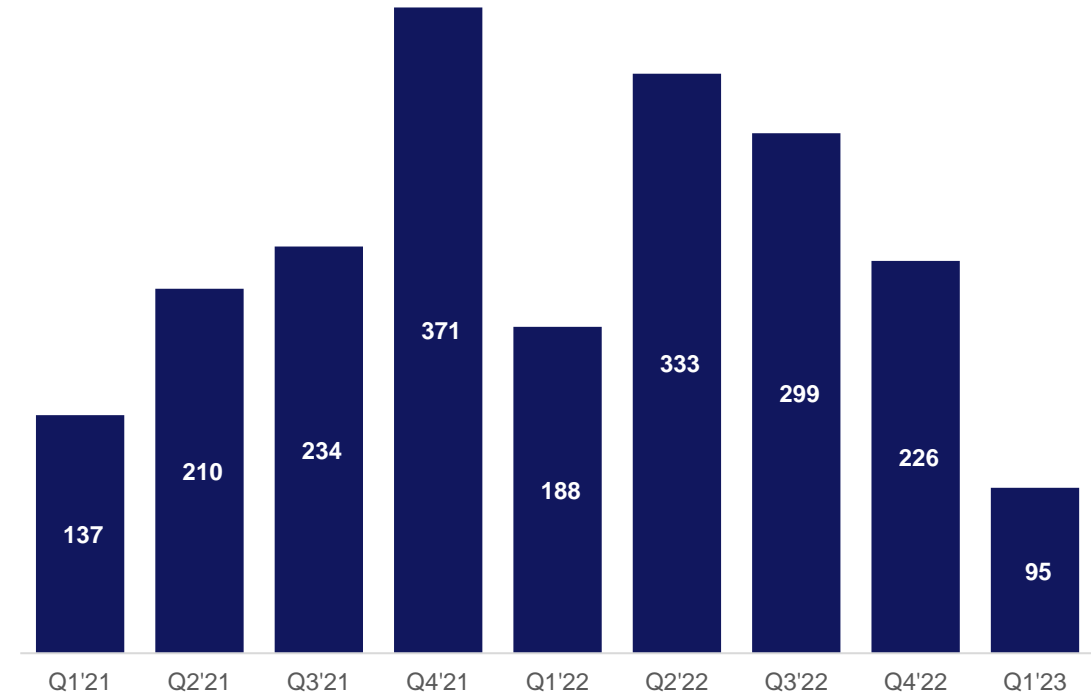
Semiconductor Grade Polysilicon Sales Volumes (MT)

Semiconductor Grade Polysilicon Sales

- 95MT shipped in Q1-23
 - Decrease of 57.8% compared to Q4-22
- Semiconductor price increased by 58.9% vs. Q4-22

Seasonality, production reduction and deferrals

- Q1 is traditionally a period of lower product shipment due to customer patterns and planning
- Production was shifted due to electricity market volatility
- Some large shipments were deferred due to logistics on customer end – will benefit in subsequent periods
- Some polysilicon types are exposed to slow-down in Semiconductor market, not our primary product
- Activity continues towards solutions for current electricity market



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

SOLAR MATERIALS UPDATE

POLYSILICON MARKET

Solar installations in Q1 2023 above forecast

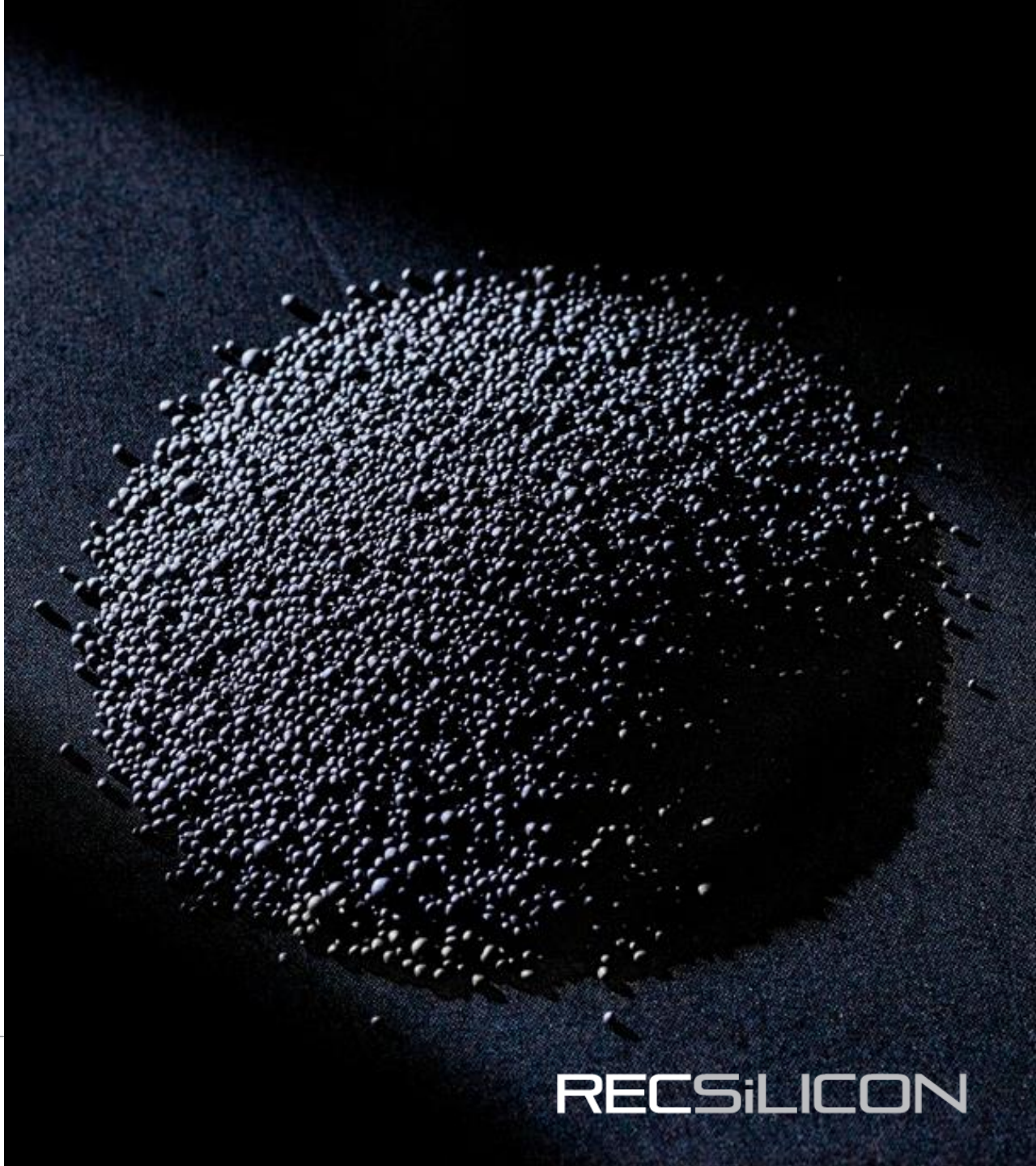
- Total year forecast now predicted above 300GW

Prices holding longer with slower decline

- China prices slowly declining
 - Up ~7% for Q1 vs Q4
 - Down ~16% in Q2 so far
 - Outside China polysilicon prices remain strong

New plant expansions in China coming online

- Expected to balance demand sooner
- Polysilicon production increase projected ~65% for 2023 vs 2022
- Wafer capacity still increasing



MOSES LAKE RESTART UPDATE

Construction phase has commenced

- Civil and structural
- Reactor modifications continue

Activities remain on target to support Q4-23 startup

- All primary major equipment has been ordered
- Hiring activity continues in line with the plan
- All key process raw material inputs have been secured
- 75% of purchase commitments will be accomplished by end of May



FOUNDATIONAL ACTIVITIES UPDATE

FOUNDATIONAL ACTIVITIES UPDATE

Contracts

- Progress continues in Polysilicon and Silane Offtake contract finalization with Hanwha entities
- Supply discussions are occurring with multiple Silane-based Silicon Anode material producers to support next phase production
- Two multi-year distribution agreements for Silicon Gases are in progress

Financing plan

- Bond refinancing complete
- Further options are currently in the works for target resolution in advance of capital requirements

Operational

- Moses Lake startup still on track for Q4 2023
- Butte energy next phase mitigation and solution activity continues
- Capacity expansion and qualification plans in Butte on track for 2024 market recovery
- Yulin JV discussions continue over potential expansion – end of year resolution target

Framework

- Reshoring trends continue
- Chips Act, IRA and Infrastructure Act information continues to be clarified and reinforced
- Customer production expansion in USA continues:
 - 10+ Semi fabs over next few years
 - PV ingot/wafer/cell facility construction has started
 - Multiple Silicon Anode facilities in design and construction

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Thank You!

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