

RECSiLICON

# First Quarter 2024 Presentation

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

RECSiLICON

# Agenda

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- › Highlights and Updates
- › Moses Lake Restart Update
- › Operations
- › Financials
- › Government Initiatives
- › Summary



# Highlights and Updates

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- › Revenues of \$42.1M driven by increased silane gas sales
- › EBITDA loss of \$31.5M due to startup costs at Moses Lake
  - Moses Lake project cost for completion increased by up to 10%
- › March 31, 2024, cash balance of \$101.1M
  - Cash decrease of \$69.8M due to Moses Lake restart
- › Moses Lake high-purity granular achieved five of six key targeted parameters
- › Extended a long-term silane contract for five years
  - \$85 million estimated contract value
- › Butte Polysilicon exit on schedule



# MOSES LAKE RESTART UPDATE

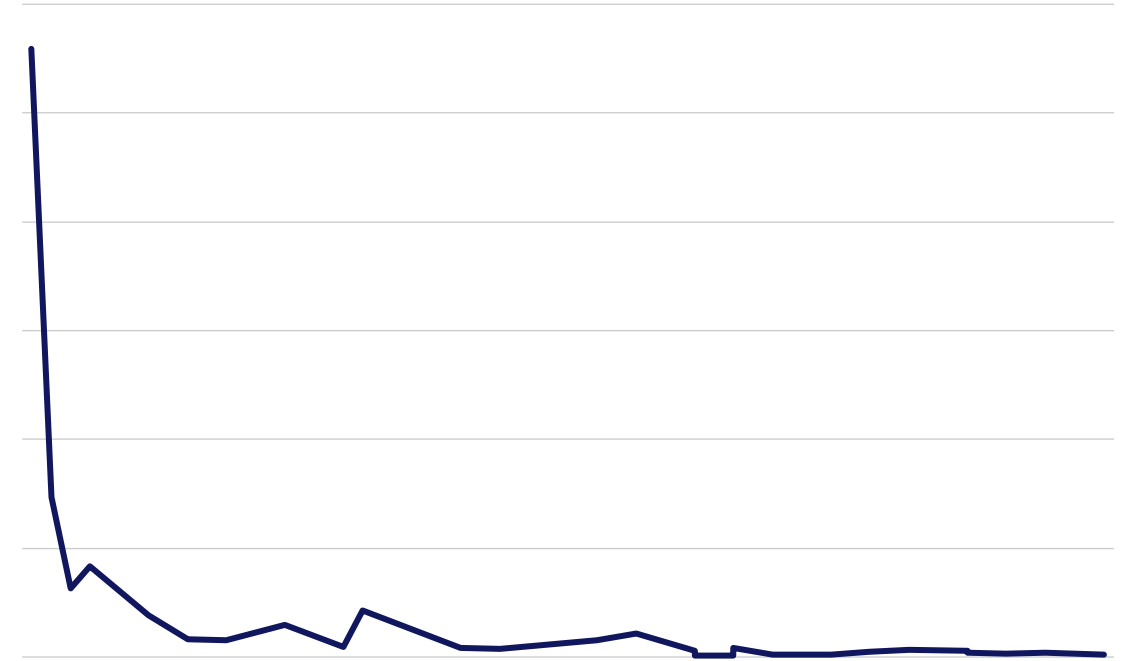
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# Continual Progress Towards Targets

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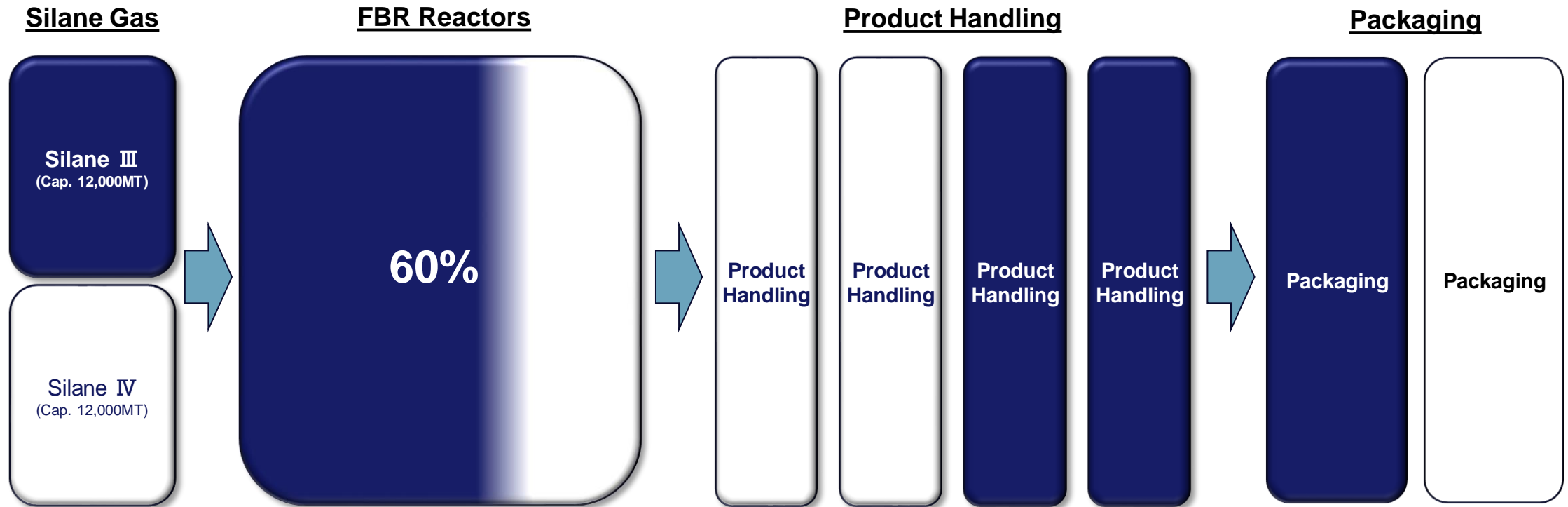
- › Reactors reach high purity levels quicker than previous generation
  - Demonstrated consistency in low PPB metals
  - Improvements in all targeted specification parameters including C and H2
- › Moses Lake high-purity granular achieved five of six key targeted parameters

## Total Metals – GB/T Standard



Example of actual REC Silicon FBR reactor performance

# Moses Lake Operating Ramp Status



- › Estimated project completion cost increased by up to 10% due to contract labor, delay and efficiency
- › All construction activity targeted for completion by September
- › Full capability online by the end of the year



# OPERATIONS

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# Silicon Gases

## › Silicon Gas Sales

- 850 MT shipped in Q1 2024, in line with previous quarter
- Silicon gas sales price 2.1% increase vs. Q4 2023
- Spot volumes in China-related markets under pressure

## › Still signs of potential improvement in H2 2024

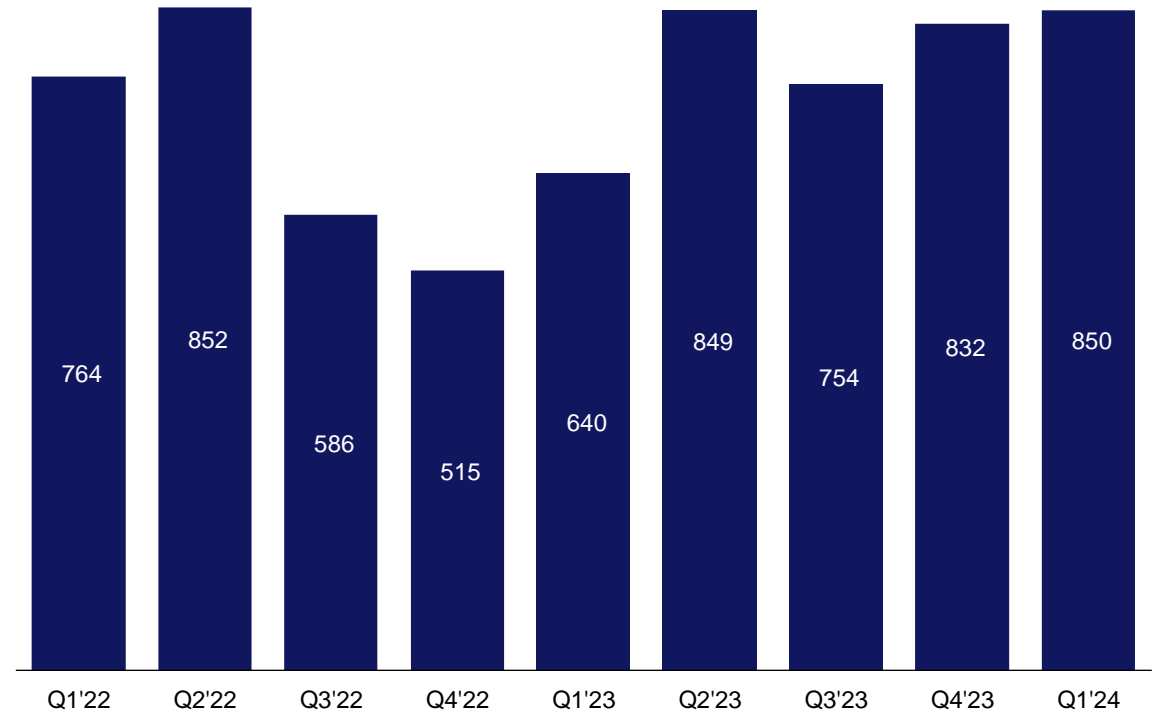
- Memory market continues to improve
- Forecast volumes recovering for silicon gas products
- Possible silicon anode production volumes later this year

## › Continuing opportunity

- Five-year silane distribution contract estimated at ~\$85 million extended
- Ten new bulk silane user locations to come online later this year
- Discussions continue with silicon anode producers over silane supply

## Silicon Gas

Sales Volumes (MT)



# Semiconductor Grade Polysilicon

## › Semiconductor Grade Polysilicon

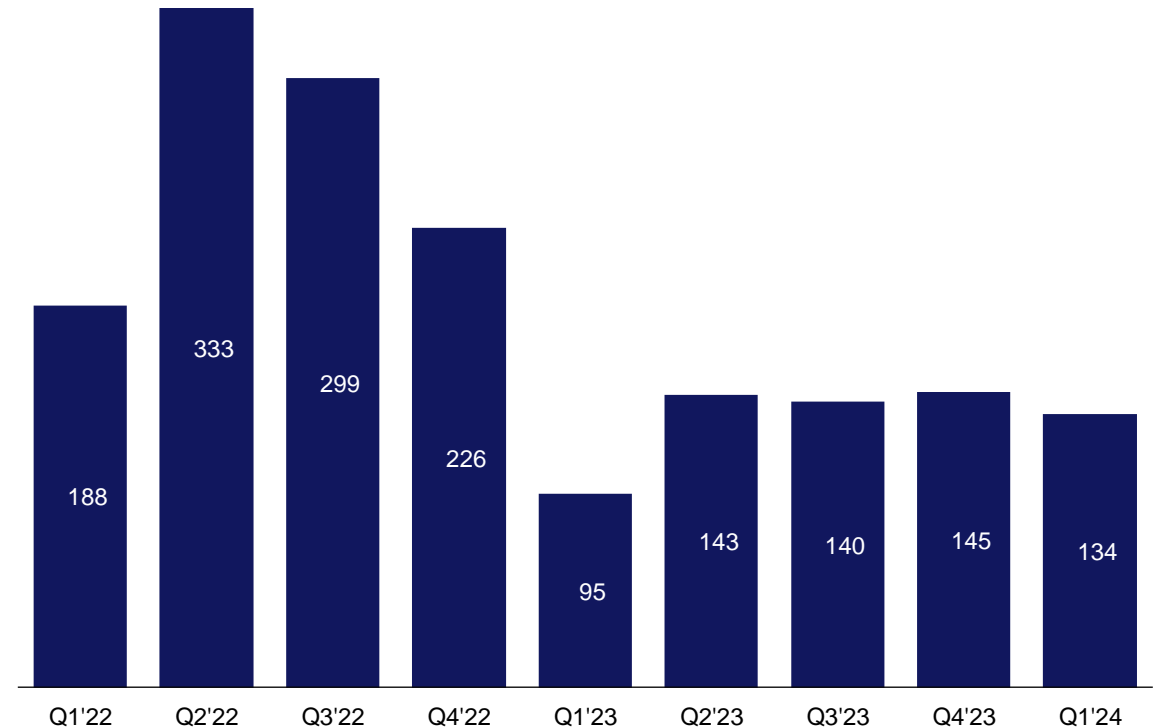
- 134 MT shipped in Q1 2024 vs. 145 MT in Q4 2023
- Total polysilicon sales 181 MT
- Average polysilicon price increase of 1.2% vs. Q4 2023
  - Realized ASP for semiconductor grade polysilicon increased 9.5%

## › Exit plan continues on schedule

- Energy intensive activities to cease before next period of forecasted “high cost” electricity
- Will fulfill all commitments and clear inventories by year end

## Semiconductor Grade Polysilicon

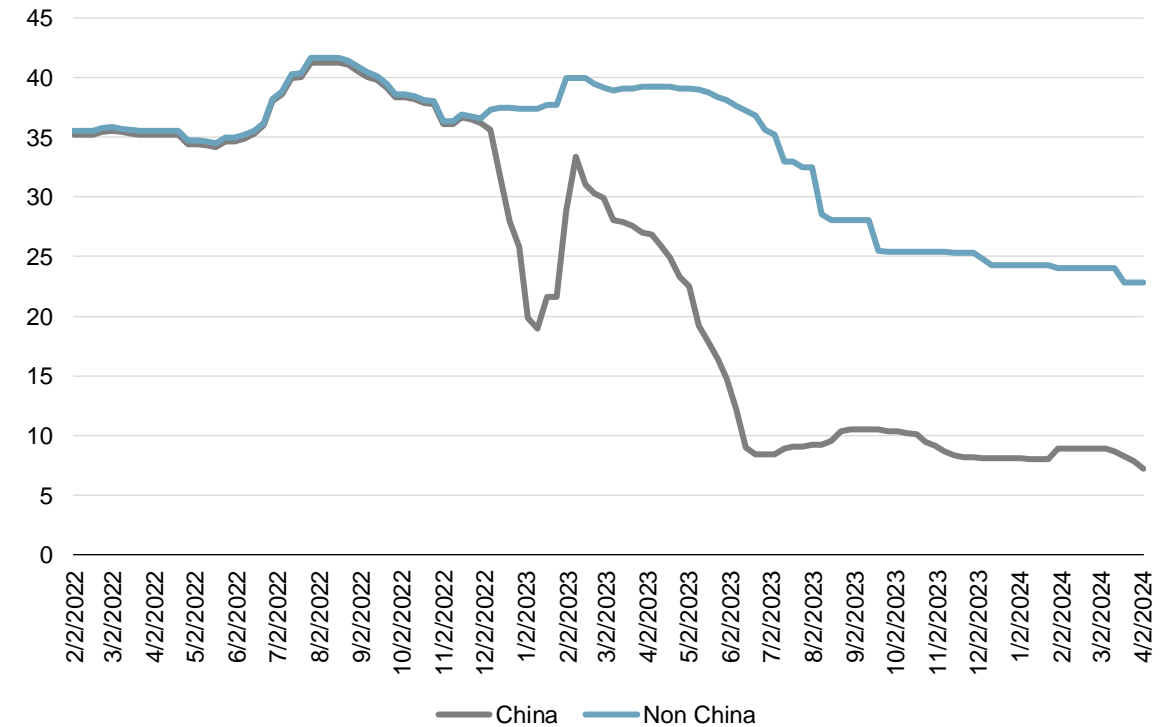
Sales Volumes (MT)



# PV Polysilicon

- › Solar demand forecast for 2024 over 500 GW
  - Total installations in China forecasted at 250 GW for 2024
  - Module inventory build will reduce demand in US for 2024
  - US companies file new AD/CVD case
- › Prices 2024
  - China prices now below cash cost for most producers
  - Outside China polysilicon prices gap increasing
  - Continue pricing pressure throughout supply chain
- › Polysilicon expansion
  - China slowing down expansion plans but still will double capacity
  - OCI announced expansion in Malaysia

## N-Type Polysilicon USD/KG



Source: PV Insights

# FINANCIALS

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# Group Earnings

## › Revenues \$42.1M

- Polysilicon sales volume decrease by 0.5% vs. Q4-23
- Silicon gas sales volume increase by 2.1% vs. Q4-23

## › EBITDA (\$31.5M)

- Impacted by restart activities at Moses Lake

## › Semiconductor materials segment

- EBITDA of \$2.8M

## › Solar materials segment

- Net expense of \$26.8M

## › Other

- Net expense of \$7.5M

(Millions USD)	Q1-24	Q1-23	2023	Q4-23
Semiconductor Materials	\$ 42.0	\$ 29.0	\$ 140.6	\$ 40.3
Solar Materials	0.2	0.1	0.4	0.1
Other	0.0	0.1	0.2	0.0
<b>Revenues</b>	<b>\$ 42.1</b>	<b>\$ 29.1</b>	<b>\$ 141.1</b>	<b>\$ 40.5</b>
Semiconductor Materials	\$ 2.8	\$ (3.4)	\$ 14.0	\$ 1.1
Solar Materials	(26.8)	(11.7)	(64.8)	(25.8)
Other	(7.5)	(8.0)	(29.7)	(6.5)
<b>EBITDA</b>	<b>\$ (31.5)</b>	<b>\$ (23.0)</b>	<b>\$ (80.5)</b>	<b>\$ (31.2)</b>
<i>EBITDA Margin</i>	<i>(74.7%)</i>	<i>(79.2%)</i>	<i>(57.0%)</i>	<i>(77.0%)</i>
Polysilicon Production (Granular)	464 MT	NA	NA	NA
Polysilicon Production (Siemens)	256 MT	243 MT	1,103 MT	276 MT
Polysilicon Sales	181 MT	183 MT	745 MT	182 MT
Silicon Gas Sales	850 MT	640 MT	3,075 MT	832 MT

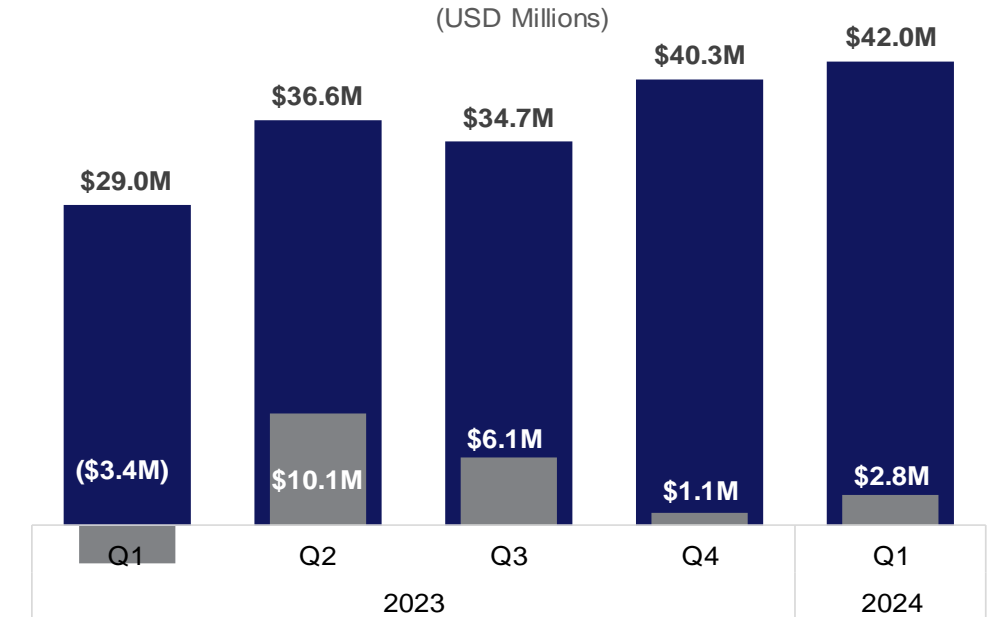
# Semiconductor Materials Segment

## › Revenues \$42.0M

- 4.0% increase in revenues vs. Q4-23
- Polysilicon sales volume – 0.5% decrease vs. Q4-23
  - Semiconductor grade polysilicon - decrease by 7.6%
- Polysilicon sales price – 1.2% increase vs. Q4-23
  - Semiconductor grade polysilicon – 9.5% increase vs, Q4-23
- Silicon gas sales volume – 2.1% increase vs. Q4-23
- Silicon gas sales price – unchanged vs. Q4-23

## › EBITDA contribution \$2.8M

- \$1.7M increase in EBITDA contributed vs. Q4-23

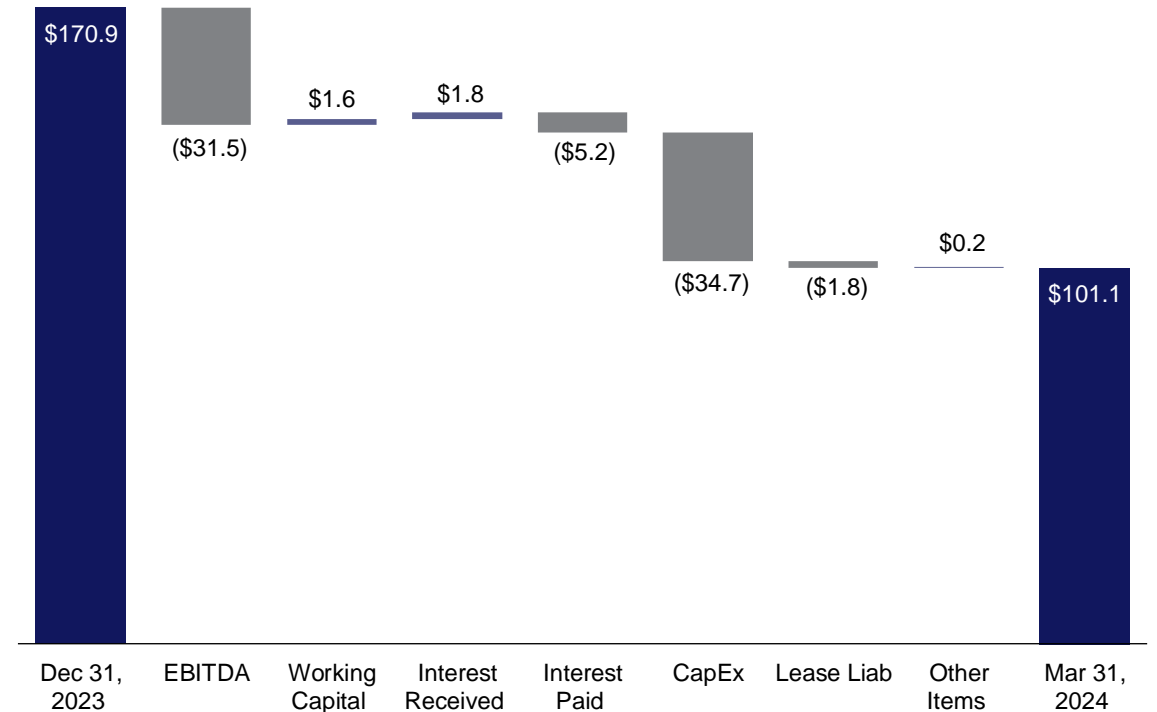


	Sales Volumes			
	Q1-24	Q1-23	2023	Q4-23
Semiconductor Grade	134 MT	95 MT	524 MT	145 MT
Other Grades	47 MT	88 MT	221 MT	37 MT
Polysilicon Sales	181 MT	183 MT	745 MT	182 MT
Silicon Gas Sales	850 MT	640 MT	3,075 MT	832 MT

# Cash Flows

- › March 31, 2024 cash balance \$101.1M
  - \$69.8M decrease in cash during Q1'24
- › Cash flows from operating activities (\$33.2M)
  - (\$31.5M) EBITDA
  - \$1.6M working capital
    - \$3.4M decrease in inventories
    - \$6.3M decrease in receivables
    - (\$8.1M) decrease in payables
  - \$1.8M interest received
  - (\$5.2M) interest paid
  - \$0.2M other items
- › Cash inflows from investing activities (\$34.7M)
  - (\$34.7M) capital expenditures
- › Cash flows from financing activities (\$1.8M)
  - (\$1.8M) payment of lease liabilities

## Cash Flows (USD Million)

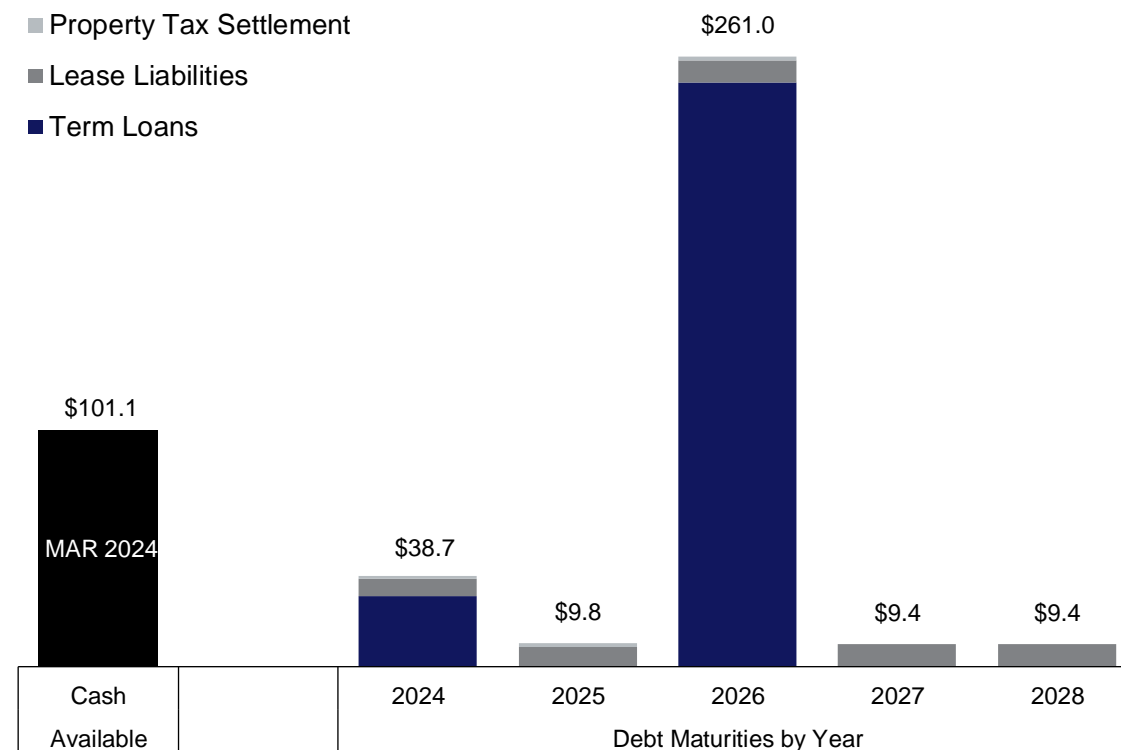




# Financial Position

- › Nominal Debt \$353.1M
  - \$1.0M decrease during Q1-24
    - \$1.0M changes in lease liabilities
  
- › Nominal net debt \$251.9M
  - \$68.7M increase during Q4-23
    - (\$69.8M) decrease in cash
    - \$1.0M change in nominal debt

## Debt Maturity Profile (USD Million)



# GOVERNMENT INITIATIVES

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# Governmental Initiatives

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## › IRA

- Expect domestic content rules within next couple months
  - Indications around support for recognizing some upstream materials

## › Trade Action

- American Alliance for Solar Manufacturing Trade Committee filed a set of antidumping and countervailing duty petitions with U.S. International Trade Commission

## › CHIPS ACT

- US Government announced several agreements with Semiconductor Fabs

## › Bipartisan Infrastructure Bill

- Second round of battery grants
  - Supports the infrastructure to build out a supply chain (workers, labs, education)

## › Government Action

- Trace Act
  - DOE to evaluate supply of critical materials for battery



# SUMMARY

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# Summary

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- › Moses Lake restart progress continues
  - System has achieved most of the initial key purity targets
  - First commercial delivery expected by the end of Q2
  - 100% capacity expected by the end of 2024
- › Semiconductor silicon gas segments demonstrating increased utilization
- › Butte polysilicon exit on track
- › Discussions continue with Silicon Anode material producers – resolution expected this year



# Thank you.

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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](http://www.recsilicon.com)