

RECSiLICON

FIRST QUARTER

2022

PRESENTATION

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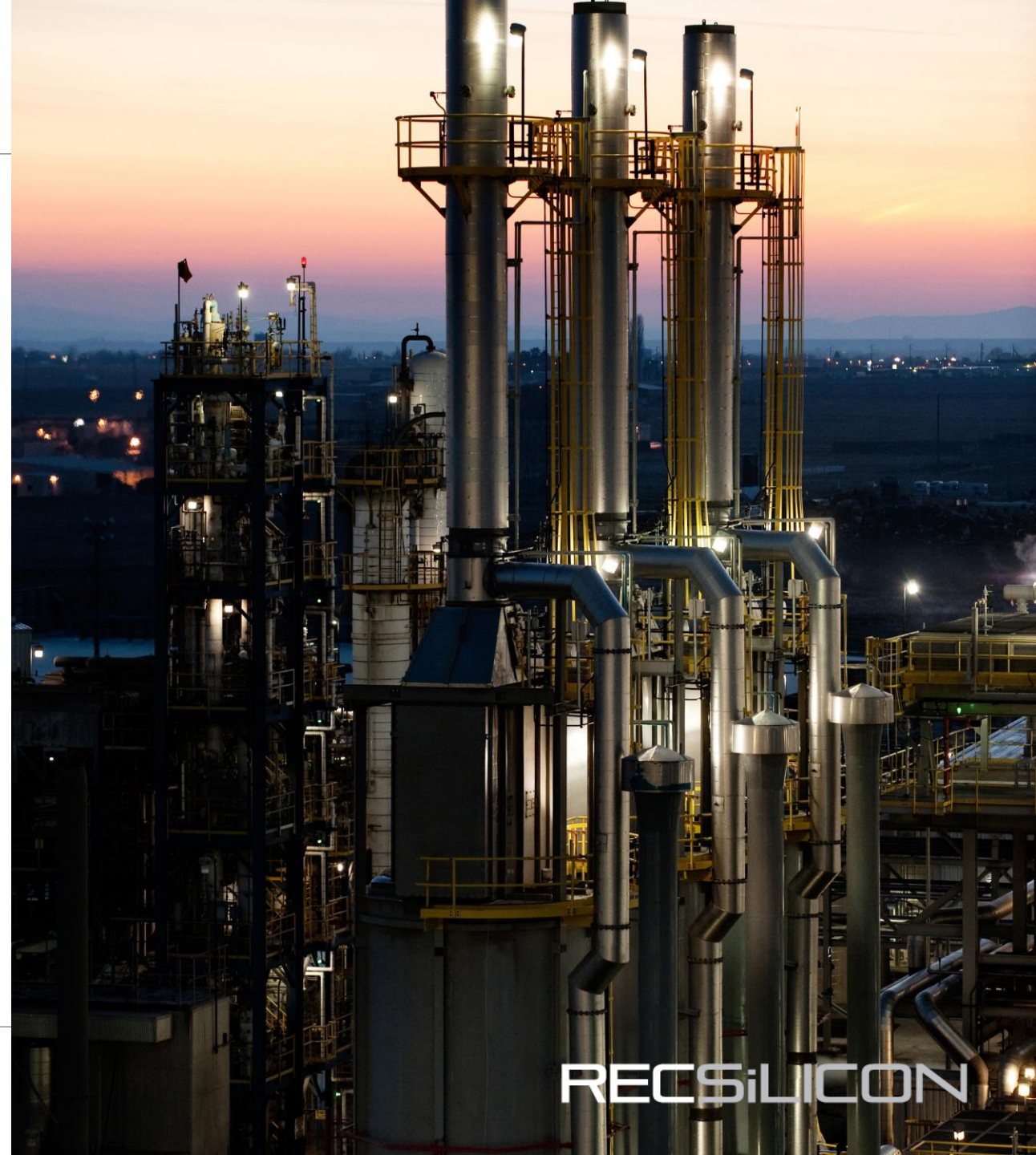
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AGENDA

- › First Quarter Highlights
- › Financial Review
- › Semiconductor Materials
- › Solar Materials
- › Strategic Plan Update



FIRST QUARTER HIGHLIGHTS

Revenues: \$34.6M

EBITDA: \$ 3.6M

March 31, 2022 Cash Balance of \$204.0M

- Cash Increase of \$93.5M
- Cash Outflows from Operating Activities of \$2.6M

Silicon Gas Sales

- Sales Volume of 764MT
- Silane Price Increase 10% vs. Q4 2021

Semiconductor Segment Polysilicon Sales

- Total Polysilicon Sales of 267MT
- Total Average Price Decrease 3% vs. Q4 2021
 - Semiconductor Grade Polysilicon Price Increase of 6%
 - Overall Favorable Price Impact due to Product Mix

Investment in REC Silicon by Hanwha Solutions

- \$109.5M Private Placement of Equity Completed
- Intend to Develop a US Based PV Supply Chain

Restart of Moses Lake FBR Targeted

- 100% Capacity Utilization by the End of 2024
- Hanwha has Proposed Offtake Contracts for All Production

FINANCIAL REVIEW

FIRST QUARTER
2022



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FINANCIAL HIGHLIGHTS

Revenues \$34.6M

- Polysilicon Sales Volume Decrease by 44% vs. Q4-21
- Silicon Gas Sales Volume Increase by 2% vs. Q4-21

EBITDA \$3.6M

- Increase in Semiconductor Grade Polysilicon Prices
- Increase in Silane Gas Sales Prices
- Polysilicon Production Interruption
- Continuing Impact of:
 - High Energy Costs
 - Supply Disruptions

Solar Materials Segment

- Net Expense of \$2.8M
- Increase of \$0.2M vs. Q4-21

Other

- Net Expense of \$4.4M
- Decrease of \$2.7M vs. Q4-21
- Decrease is due to Year-end 2021 Accruals for Variable Compensation Plans

<i>(Millions USD)</i>	Q1-22	Q1-21	2021	Q4-21
Semiconductor Materials	\$ 34.5	\$ 28.0	\$ 142.8	\$ 43.2
Solar Materials	-	0.1	0.1	0.0
Other	0.0	0.1	0.2	0.1
Revenues	<u>\$ 34.6</u>	<u>\$ 28.1</u>	<u>\$ 143.2</u>	<u>\$ 43.2</u>
Semiconductor Materials	\$ 10.7	\$ 10.8	\$ 33.4	\$ 9.3
Solar Materials	(2.8)	(1.9)	(5.7)	(2.6)
Other	(4.4)	(4.9)	(20.0)	(7.1)
EBITDA	<u>\$ 3.6</u>	<u>\$ 4.0</u>	<u>\$ 7.7</u>	<u>\$ (0.4)</u>
<i>EBITDA Margin</i>	10.3%	14.3%	5.4%	(1.0%)
Polysilicon Production	372 MT	293 MT	1,225 MT	316 MT
Polysilicon Sales	267 MT	274 MT	1,636 MT	481 MT
Silicon Gas Sales	764 MT	781 MT	3,078 MT	750 MT

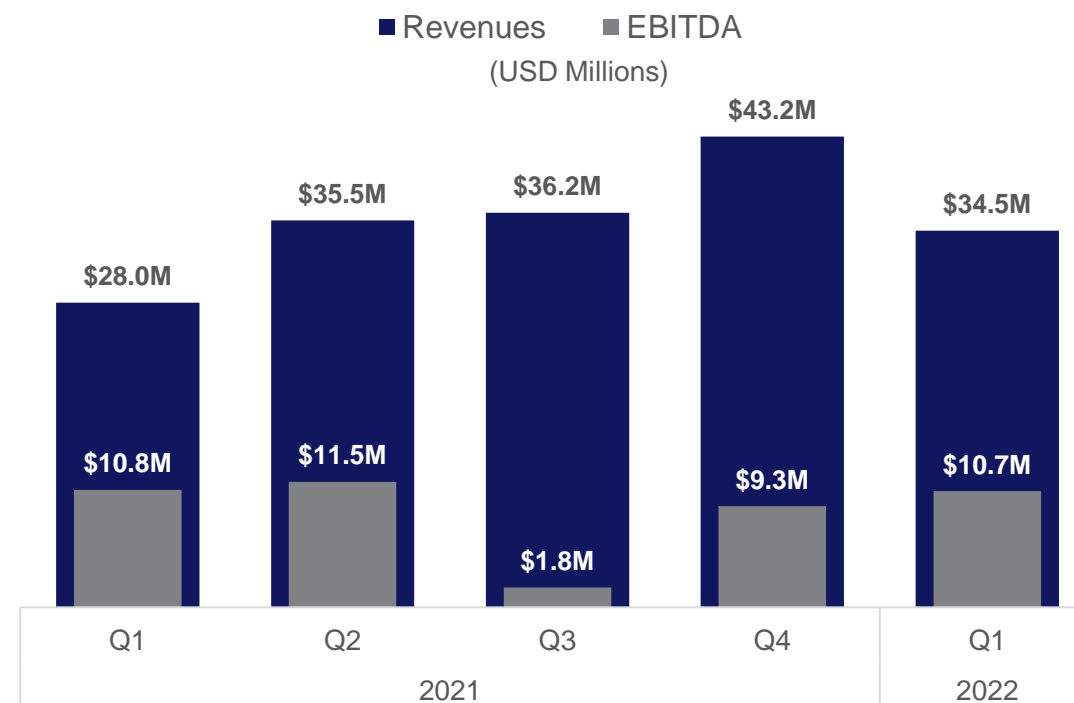
SEMICONDUCTOR MATERIALS SEGMENT FINANCIAL PERFORMANCE

Revenues \$34.5M

- (20%) Decrease in Revenues vs. Q4-21
- Polysilicon Sales Volume – (44%) Decrease vs. Q4-21
 - Semiconductor Grade Polysilicon - Decreased by (49%)
- Polysilicon Sales Price – (3%) Decrease vs. Q4-21
 - Semiconductor Grade Polysilicon - Increased by 6%
- Silicon Gas Sales Volume – 2% Increase vs. Q4-21
- Silane Gas Sales Price – 10% Increase vs. Q4-21

EBITDA Contribution \$10.7M

- \$1.4M Increase in EBITDA Contributed vs. Q4-21
- Higher Product Price Realizations
- Polysilicon Production Interruption:
 - Product Quality Down Grades
- Higher Polysilicon Production
- Continued Adverse Impacts of High Energy Costs and Supply Chain Disruption



Sales Volumes

	Q1-22	Q1-21	2021	Q4-21
Semiconductor Grade	188 MT	137 MT	1,117 MT	371 MT
Other Grades	79 MT	90 MT	453 MT	110 MT
Polysilicon Sales	267 MT	227 MT	1,570 MT	481 MT
Silicon Gas Sales	764 MT	781 MT	3,078 MT	750 MT

CASH FLOWS

Cash Flows From Operating Activities (\$2.6M)

- \$3.6M EBITDA
- (\$4.5M) Working Capital Increase
 - (\$7.0M) Increase in Inventories
 - \$3.3M Decrease in Receivables
 - (\$0.8M) Decrease in Payables
- (\$2.2M) Interest Paid
- \$0.6M Changes in Other Assets and Liabilities

Cash Flows From Investing Activities (\$5.7M)

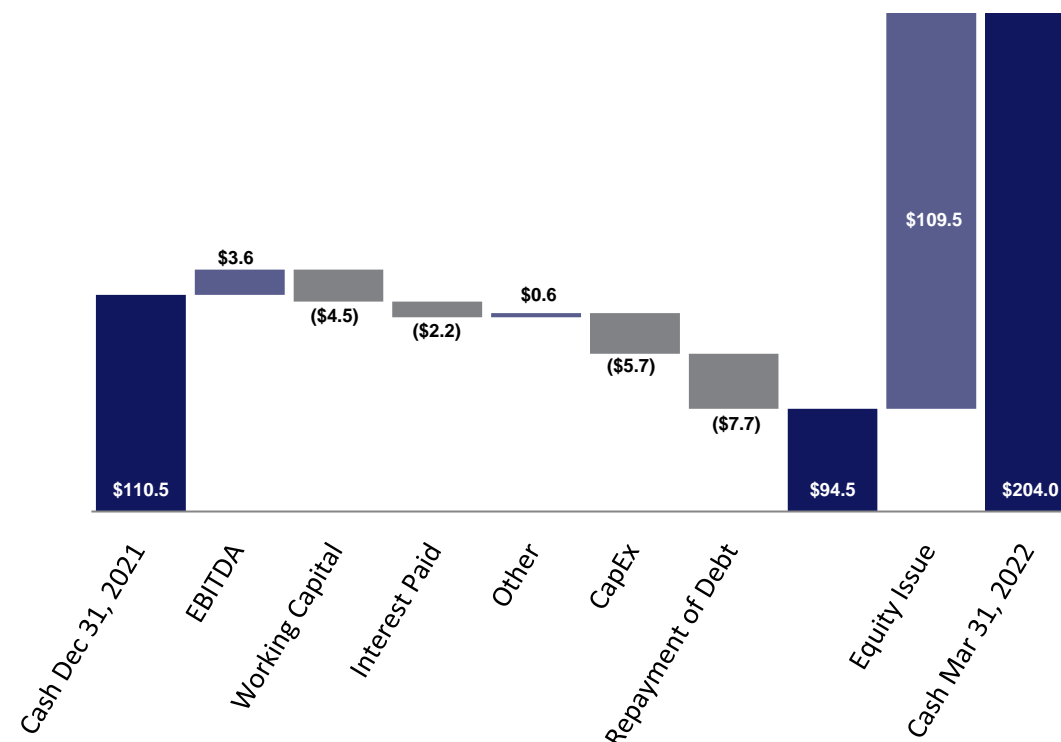
- (\$5.7M) Capital Expenditures

Cash Flows From Financing Activities \$101.8M

- (\$ 0.6M) Payment of Lease Liabilities
- (\$ 7.1M) Payment of Indemnity Loan (Net)
- \$109.5M Private Placement of Equity

Cash Flows

(USD Million)



DEBT

Nominal Debt \$186.5M

- (\$11.0M) Decrease During Q1-22
 - (\$10.8M) Payment of Indemnification Loans
 - (\$ 0.3M) Changes in Lease Liabilities

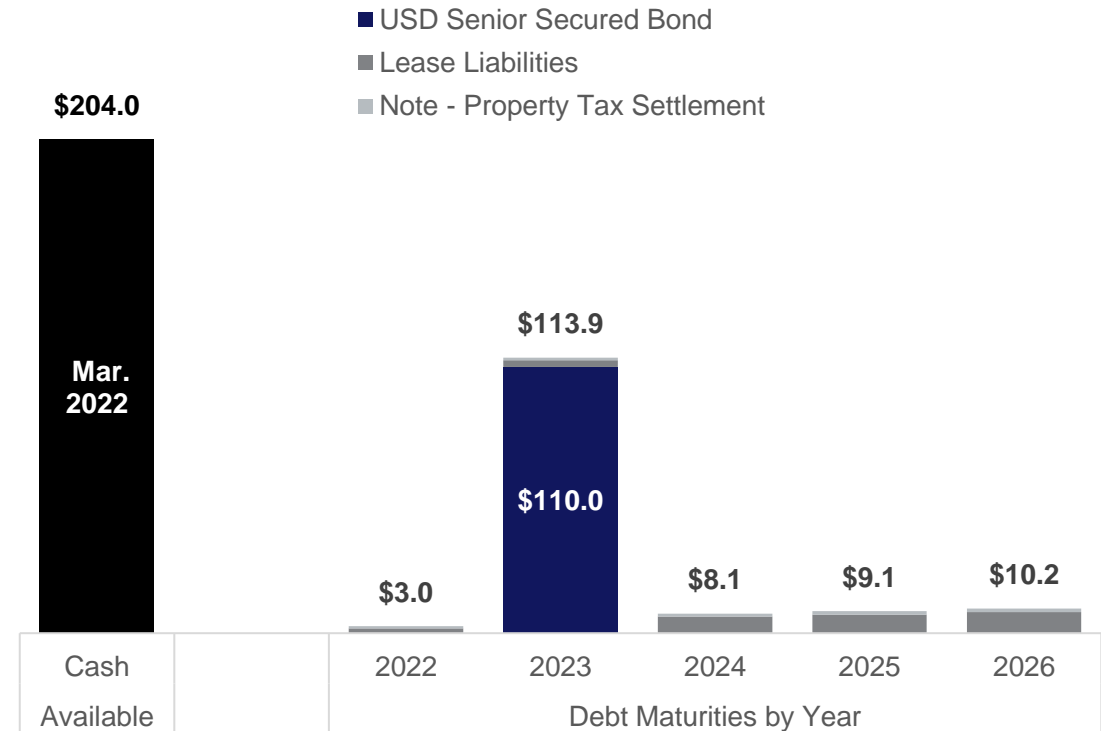
Nominal Net Debt (\$17.5M) - Excess Cash

- (\$104.5M) Decrease During Q1-22
 - (\$93.5M) Increase in Cash
 - (\$11.0M) Decrease in Nominal Debt

Settlement of Indemnification Loans

- Agreement Reached on October 18, 2021
- Payment of \$10.7M in February 2022
 - Payment of \$3.6M from Restricted Cash

Debt Maturity Profile (USD Million)





SEMICONDUCTOR MATERIALS

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SEMICONDUCTOR GRADE POLYSILICON

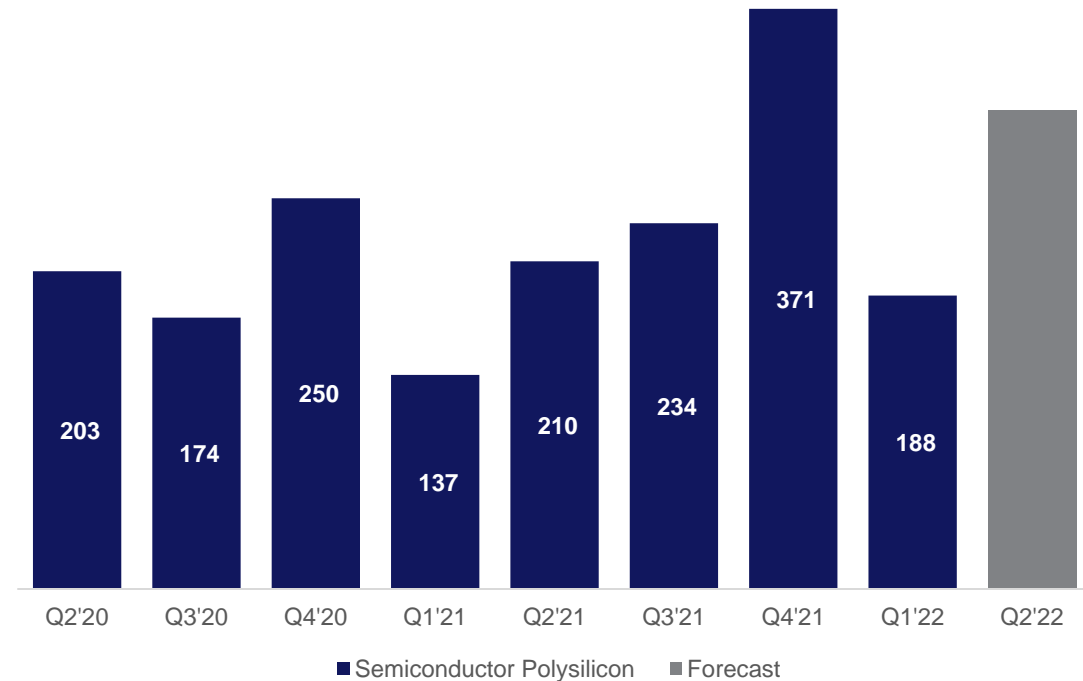
Semiconductor Grade Polysilicon Sales

- 188MT Shipped in Q1-22
 - Sales Volumes Reflect Normal Seasonal Variation
 - Increase of 43% vs. Q1-21 Volumes
- Average Price Decreased by 3% vs. Q4-21
 - Lower Mix of FZ Product Sales
 - Prices for Semiconductor Grade Products Increased by 7% to 10%

Demand Continues to Remain Strong

- Q2-22 Sales Volumes
 - Seasonal Volume Increase Higher than Previous Years
 - Continued Focus on Higher Value Products
- 2022 Order Visibility High
 - ~90% of Production Sold Out
- Anticipate Increases in Electricity Costs

Semiconductor Grade Polysilicon Sales Volumes (MT)



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

SILICON GASES

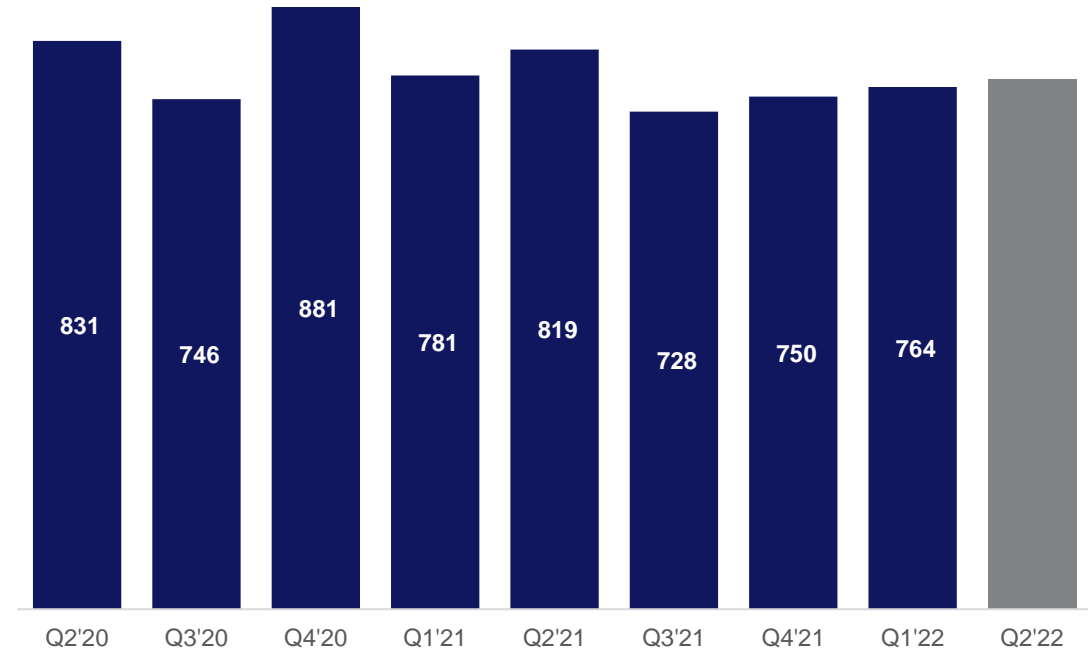
Silicon Gas Sales

- 764MT Shipped in Q1-22
 - Supply Chain Constraints Continue to Limit Shipments
 - Limited Availability of Bookings
 - Delays in Module Returns
- Silane Price Increased by 10% vs. Q4-21

Demand Expected to Remain Strong

- Q2-22 Sales Volumes
 - Expect Supply Chain Constraints to Continue
- Anticipated Startup of New Semiconductor Wafer Fabs will Increase Demand
- Executing Projects to Increase Capacity of Key Gas Offerings

Silicon Gas Sales Volumes (MT)



SOLAR
MATERIALS

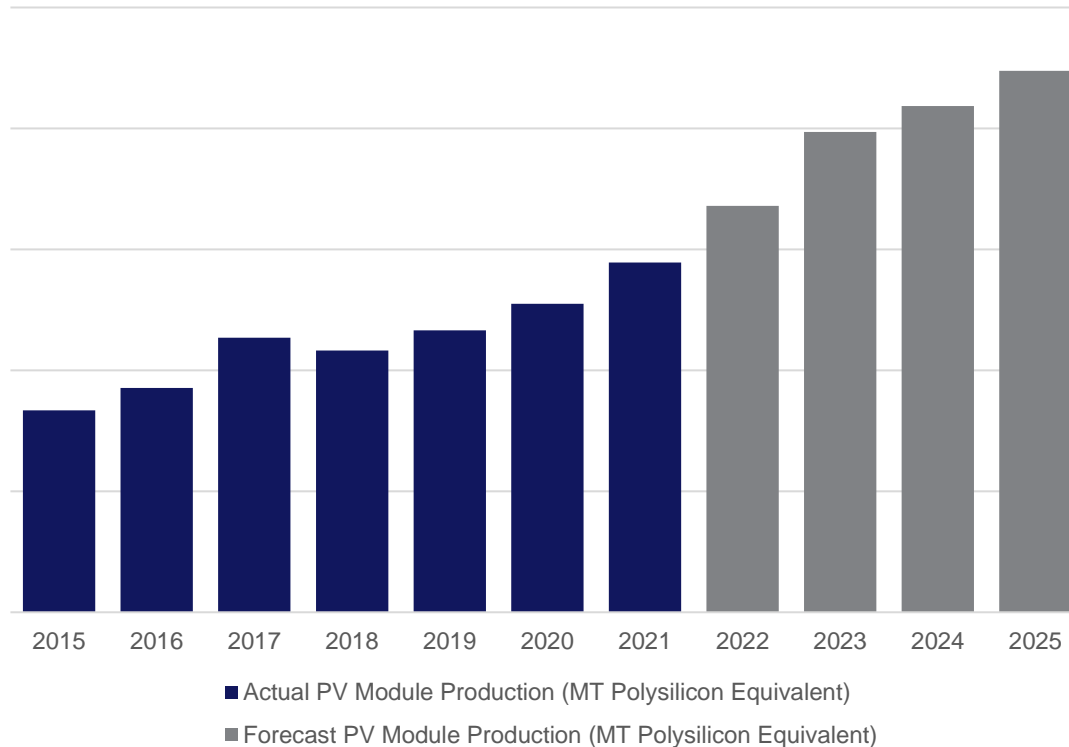
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PV POLYSILICON MARKET

Global PV Module Production (Polysilicon Equivalent MT)



Source: PV-Tech : Solar Media Market Research March 2022

2022 Global PV Installation Forecast

- Slight Increase in Forecast Going Forward
- Covid Lockdown and Trade Issues May Impact Demand
- 260GW Forecast Installations (Prior Forecast)
- 670kMT Estimated Polysilicon Demand

China Dominates Polysilicon Supply

- ~80% in 2021
- ~90% in 2022

- Price Support Through 2022 due to:
 - Capacity Utilization Rates Near 75%
 - Timing of Announced Expansions
 - Prices at the End of Q1'22 Increased by ~12% vs. Q4'21

Long-Term Outlook

- Continued Robust Demand Growth for PV Installations
 - Will Require Expansion of Polysilicon Manufacturing Capacity
- US Government Still Working on Climate Package to Support Investments in US Solar Manufacturing
- Growing Incentives to Build Solar Supply Chain Outside of China
 - Supply Requests for REC Silicon Material

MOSES LAKE RESTART TARGETED

Executing Plan to Realize 1st Production in Q4-23

- Target:
 - 50% Capacity Utilization During Q2-24
 - 100% Capacity Utilization During Q4-24
- Current Activities:
 - Execution of Engineering, Procurement, and Construction for FBR Upgrades
 - Commitments for Long Lead Items
 - Validating Staffing and Recruiting Plans
 - Working to Accelerate Timeline as Possible
- Anticipated Activities:
 - Additional Capital Will Be Required to Fund Restart
 - Expansion of Scope from 50% to 100% Capacity Utilization
 - Changes in Customer Requirements (Handling and Packaging)

Market for Solar Grade Polysilicon and Silane Gas

- Discussions ongoing with Hanwha Solutions and Hanwha Corporation
 - Hanwha Solutions has Proposed Offtake Contracts for Polysilicon
 - Hanwha Corporation has Proposed Offtake Contracts for Silane Gas
- Current Market Strength Results in Offtake Opportunities



STRATEGIC PLAN

Semiconductor Materials

- Stable Cashflows in Markets with Stable Growth
- Executing Projects to Enhance Product Offerings

Solar Materials

- Superior FBR Technology Affords Low Cost and Ultra Low Carbon Footprint

Battery Materials

- Unique Position as Only Large-Scale Source of Silane in North America and Europe
- Grants to Develop Battery Supply Chains Announced by US Department of Energy

Megatrends to Support REC Silicon Growth

- Technology – Semiconductor Materials to Support Electrification
- Renewable Energy – Low Cost, High Quality, Ultra Low Carbon Footprint Granular Polysilicon
- Energy Storage – Silane Gas Capability to Support Production of Silicon Anode Materials

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Q2 2022 Reporting

August 17, 2022

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