



RECSiLICON

SECOND QUARTER

2022

PRESENTATION

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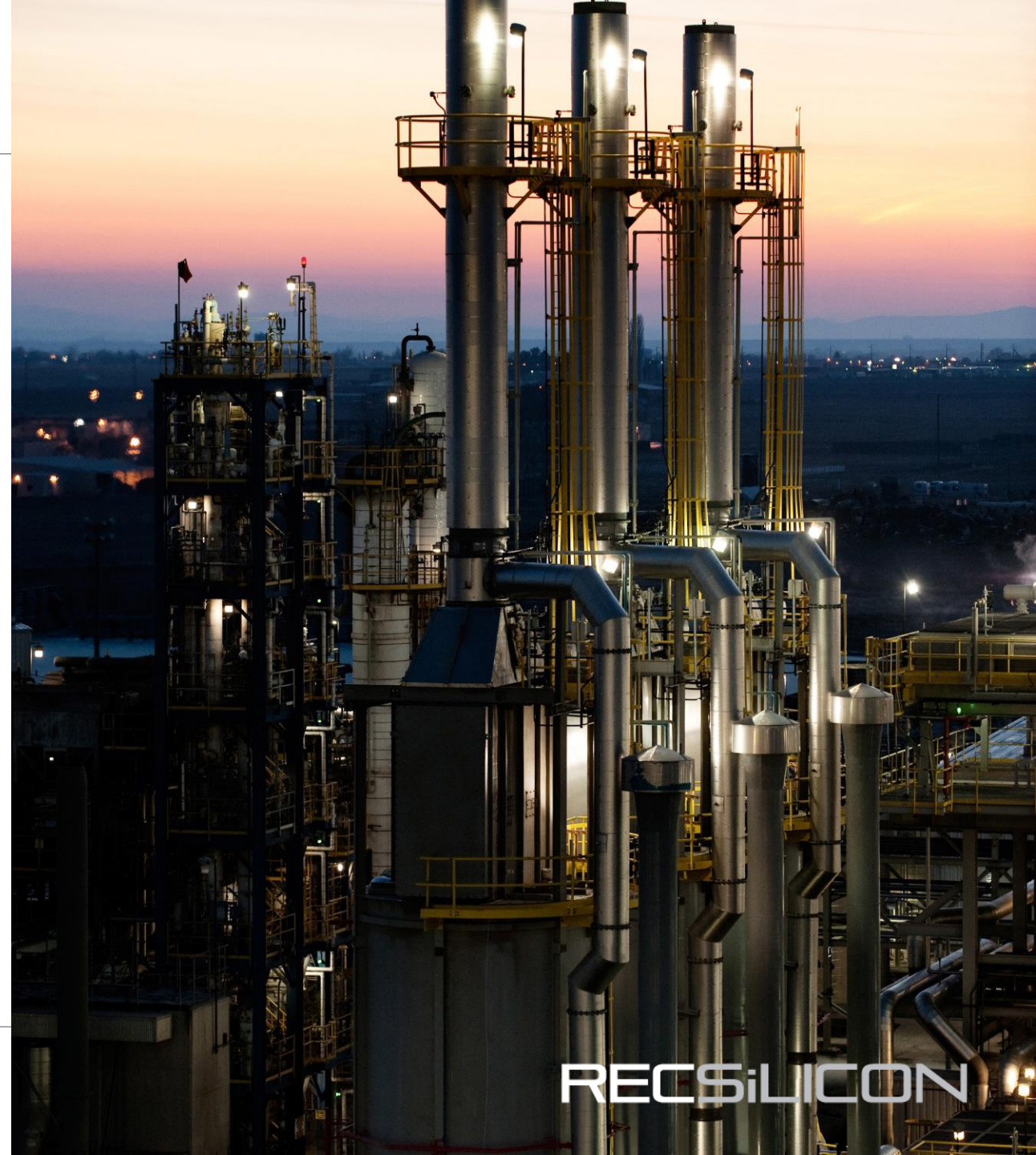
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AGENDA

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



SECOND QUARTER HIGHLIGHTS

Revenues: \$45.0M

EBITDA: (\$ 1.1M)

June 30, 2022 Cash Balance of \$173.0M

- Cash Decrease During Q2 2022 of (\$31.0M)
- (\$17.6M) Cash Outflows from Operating Activities
- (\$12.8M) Cash Outflows From Investing Activities
- (\$ 0.6M) Cash Outflows From Financing Activities

Silicon Gas Sales

- Sales Volume of 852MT
- Silane Price Decrease (0.4%) vs. Q1 2022

Semiconductor Segment Polysilicon Sales

- Semiconductor Grade Polysilicon Sales of 333MT
- Total Polysilicon Sales of 471MT (76%)
- Total Average Price Increase 5.8% vs. Q2 2022

Moses Lake Restart

- Modification of FBR Reactors Underway
- First Production Target of Q4 2023 Unchanged

Market for Solar Grade Polysilicon and Silane Gas

- Polysilicon MOU with Hanwha Solutions Executed
- Discussions Underway for Silane to LIB Anodes with Hanwha Corporation

FINANCIAL REVIEW

SECOND QUARTER
2022



RECSILICON

FINANCIAL HIGHLIGHTS

Revenues \$45.0M

- Polysilicon Sales Volume Increase by 76% vs. Q1-22
- Silicon Gas Sales Volume Increase by 62% vs. Q1-22

EBITDA (\$1.1M)

- Continuing Impact of:
 - High Energy Costs
 - Supply Disruptions

Solar Materials Segment

- Net Expense of \$3.3M
- Increase of \$0.5M vs. Q1-22
- Increase is due to Restart Activities

Other

- Net Expense of \$5.2M
- Increase of \$0.8M vs. Q1-22
- Increase is due to Restart Activities

<i>(Millions USD)</i>	Q2-22	Q2-21	2022	2021	Q1-22
Semiconductor Materials	\$ 44.9	\$ 35.5	\$ 79.4	\$ 142.8	\$ 34.5
Solar Materials	0.0	0.0	0.0	0.1	-
Other	0.1	0.1	0.1	0.2	0.0
Revenues	<u>\$ 45.0</u>	<u>\$ 35.6</u>	<u>\$ 79.6</u>	<u>\$ 143.2</u>	<u>\$ 34.6</u>
Semiconductor Materials	\$ 7.5	\$ 11.5	\$ 18.2	\$ 33.4	\$ 10.7
Solar Materials	(3.3)	1.2	(6.1)	(5.7)	(2.8)
Other	(5.2)	(4.8)	(9.6)	(20.0)	(4.4)
EBITDA	<u>\$ (1.1)</u>	<u>\$ 7.9</u>	<u>\$ 2.5</u>	<u>\$ 7.7</u>	<u>\$ 3.6</u>
<i>EBITDA Margin</i>	(2.4%)	22.2%	3.1%	5.4%	10.3%
Polysilicon Production	390 MT	321 MT	761 MT	1,225 MT	372 MT
Polysilicon Sales	471 MT	485 MT	738 MT	1,636 MT	267 MT
Silicon Gas Sales	852 MT	819 MT	1,616 MT	3,078 MT	764 MT

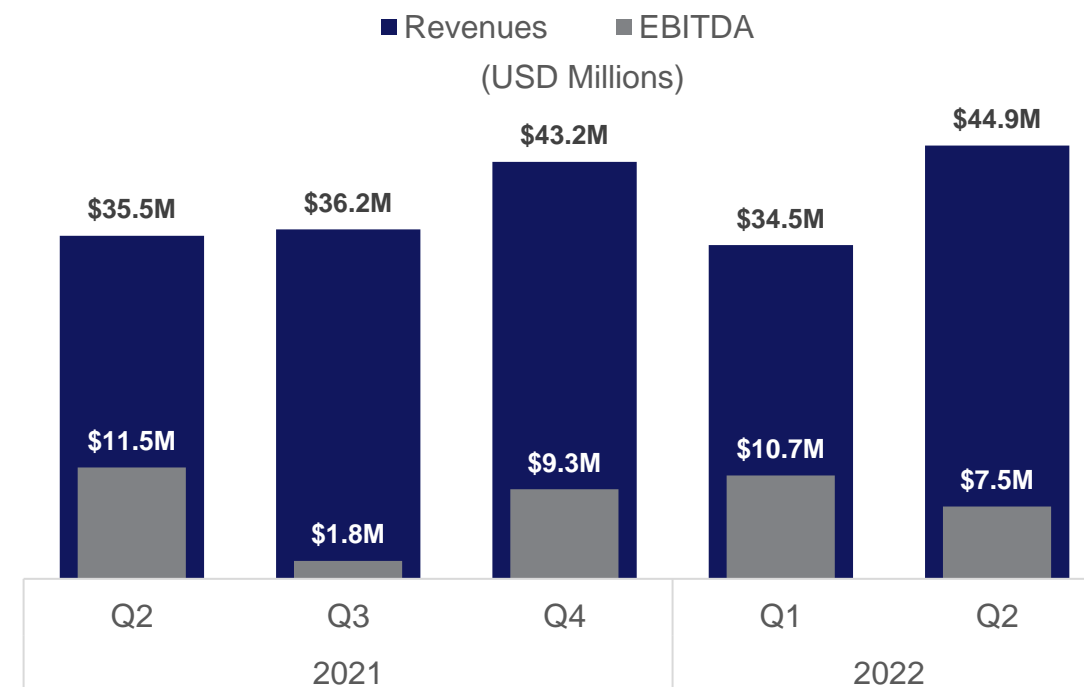
SEMICONDUCTOR MATERIALS SEGMENT FINANCIAL PERFORMANCE

Revenues \$44.9M

- 30% Increase in Revenues vs. Q1-22
- Polysilicon Sales Volume – 76% Increase vs. Q1-22
 - Semiconductor Grade Polysilicon - Increase by 78%
- Polysilicon Sales Price – 6% Increase vs. Q1-22
 - Semiconductor Grade Polysilicon - Increased by 3%
- Silicon Gas Sales Volume – 12% Increase vs. Q1-22
- Silane Gas Sales Price – Unchanged vs. Q1-22

EBITDA Contribution \$7.5M

- (\$3.2M) Decrease in EBITDA Contributed vs. Q1-22
- Continued Adverse Impacts of High Energy Costs and Supply Chain Disruption
- Higher Production Volumes
 - 5% Increase in Polysilicon Production vs. Q1-22 (18MT)
 - 11% Increase in Silane Production vs. Q1-22 (131MT)



Sales Volumes

	Q2-22	Q2-21	2022	2021	Q1-22
Semiconductor Grade	333 MT	375 MT	521 MT	1,117 MT	188 MT
Other Grades	137 MT	91 MT	217 MT	453 MT	79 MT
Polysilicon Sales	471 MT	466 MT	738 MT	1,570 MT	267 MT
Silicon Gas Sales	852 MT	819 MT	1,616 MT	3,078 MT	764 MT

CASH FLOWS

Cash Flows From Operating Activities (\$17.6M)

- (\$1.1M) EBITDA
- (\$0.1M) Working Capital Decrease
 - \$2.0M Decrease in Inventories
 - (\$5.3M) Increase in Receivables
 - \$3.2M Increase in Payables
- (\$7.9M) Fx Loss
- (\$8.5M) Interest Paid
- (\$0.4M) Pension Plan Contributions (US Plan)
- \$0.3M Changes in Other Assets & Liabilities

Cash Outflows From Investing Activities (\$12.8M)

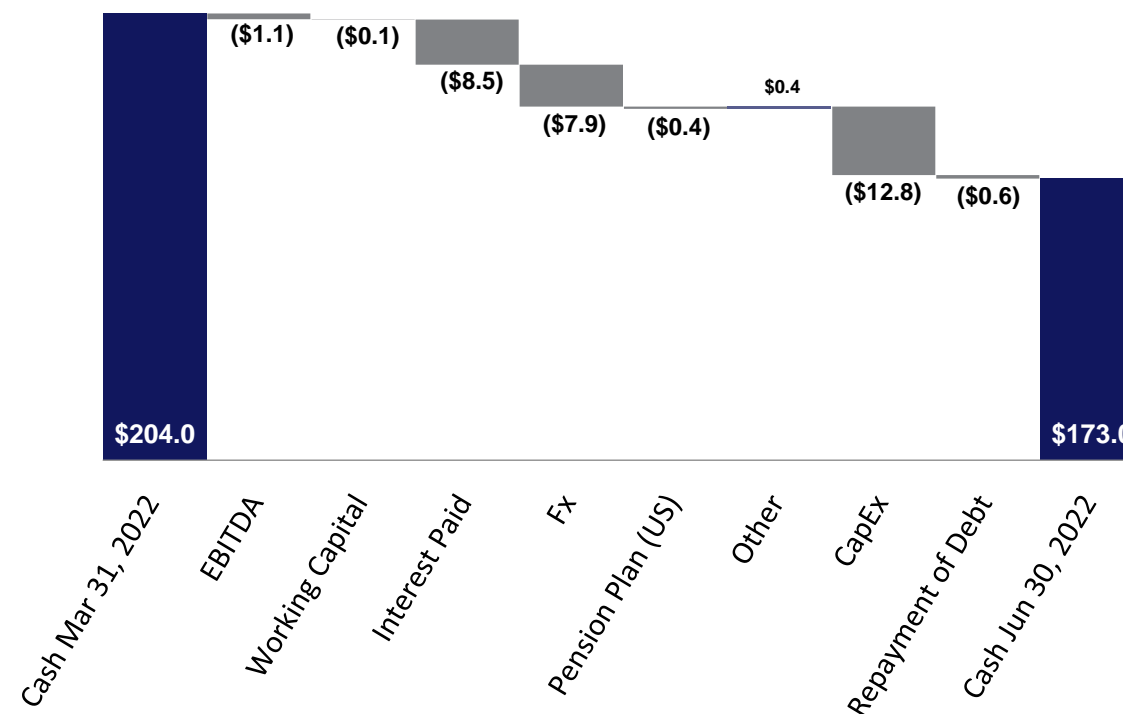
- (\$12.8M) Capital Expenditures

Cash Outflows From Financing Activities (\$0.6M)

- (\$ 0.6M) Payment of Lease Liabilities

Cash Flows

(USD Million)



DEBT

Nominal Debt \$185.9M

- (\$0.6M) Decrease During Q2-22
- (\$0.6M) Changes in Lease Liabilities

Nominal Net Debt \$12.9M

- \$30.4M Increase During Q2-22
- \$31.0M Decrease in Cash
- (\$ 0.6M) Decrease in Nominal Debt

Debt Maturity Profile

(USD Million)

■ USD Senior Secured Bond

■ Lease Liabilities





SEMICONDUCTOR
MATERIALS

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SILICON GASES

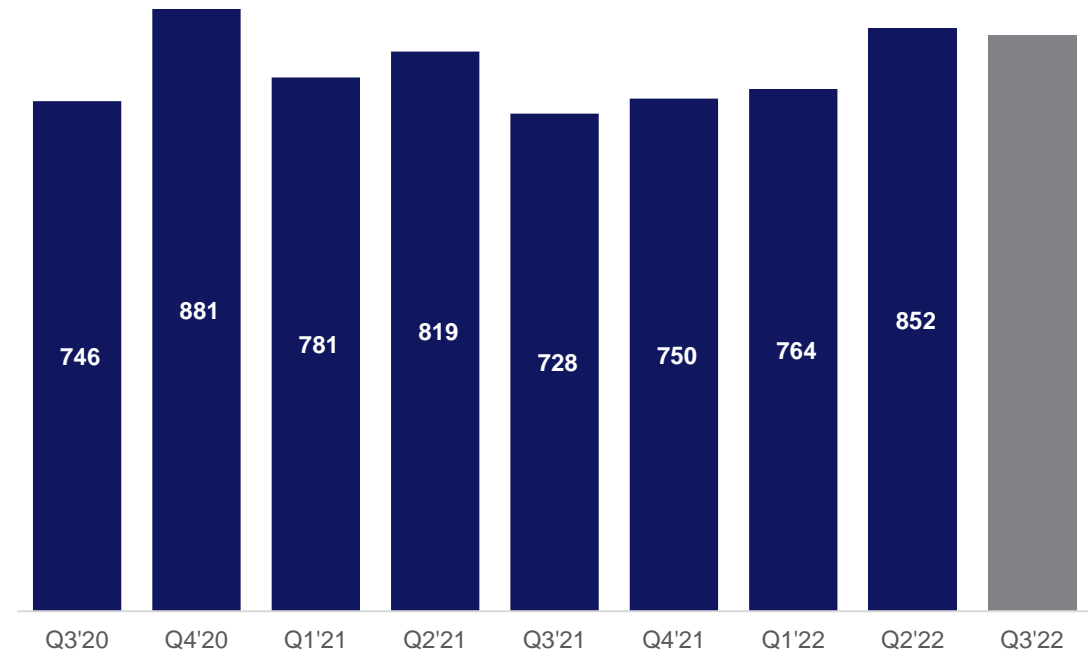
Silicon Gas Sales

- 852MT Shipped in Q2-22
 - 12% Volume Increase vs Q1-22 Due to Module Returns
 - Supply Chain Constraints Continue to Limit Shipments
 - Limited Availability of Bookings
 - Delays in Module Returns
- Silane Price Broadly Unchanged vs. Q1-22

Demand Expected to Remain Strong

- Q3-22 Sales Volumes
 - Expect Supply Chain Constraints to Continue
 - Potential Softening Demand for Flat Panel Displays
- Anticipated Increases to Long-Term Demand
 - Startup of New Semiconductor Wafer Fabs
 - Impact of CHIPS and Science Act

Silicon Gas
Sales Volumes (MT)



SEMICONDUCTOR GRADE POLYSILICON

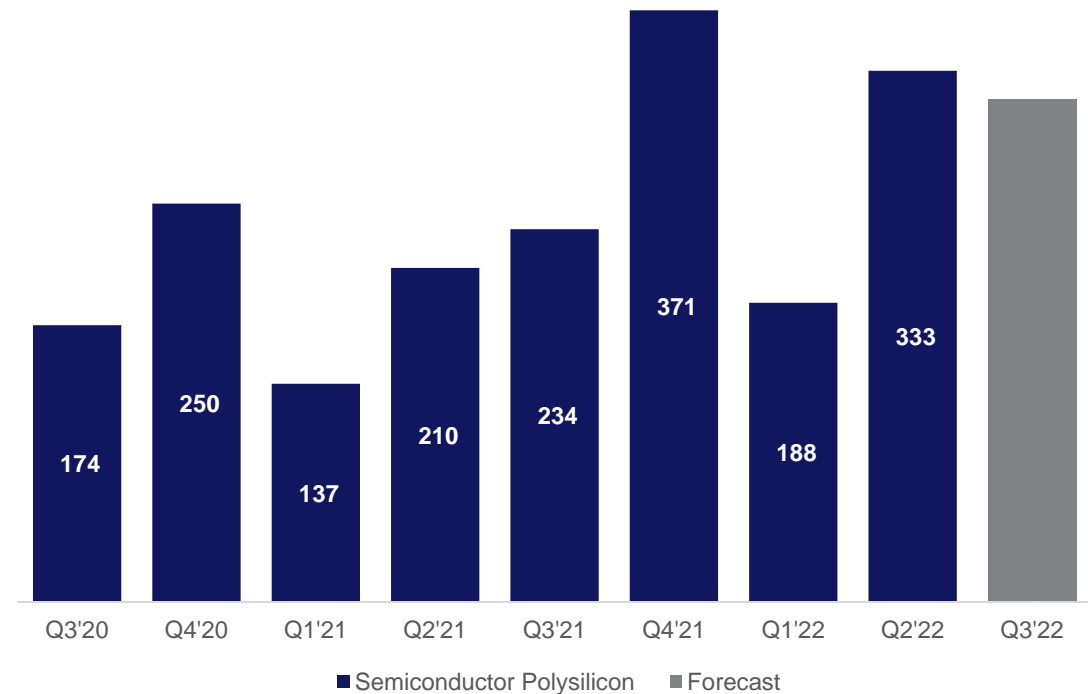
Semiconductor Grade Polysilicon Sales

- 333MT Shipped in Q2-22
 - Sales Volumes Reflect Normal Seasonal Variation
 - Increase of 76% vs. Q1-21 Sales Volumes
- Semiconductor Grade Prices Increased by 3% vs. Q1-22
 - Total Average Polysilicon Prices Increased by 6%

Demand Continues to Remain Strong

- Q3-22 Sales Volumes Reflect:
 - Efforts to Mitigate High Energy Costs
 - Planned Maintenance Outage During Q3-22
- 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

SOLAR
MATERIALS

SECOND QUARTER

2022

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MOSES LAKE RESTART UPDATE

Restart Activities Underway

- Target:
 - 1st Production in Q4-23
 - 50% Capacity Utilization During Q2-24
 - 100% Capacity Utilization During Q4-24
- Current Activities:
 - Procurement of Equipment and Materials Underway
 - Modification of FBR Reactors Underway
 - Initial Hires for Positions Critical to Restart Activities
 - Working to Complete Detailed Engineering and Construction

Offtake Contracts for Solar Grade Polysilicon and Silane Gas

- MOU Executed with Hanwha Solutions for Polysilicon
 - Negotiations Underway to Complete Supply Contract
- Discussions Ongoing with Hanwha Corporation for Silane
- Current Market Developments Strengthen Offtake Opportunities





GOVERNMENT INITIATES

Inflation Reduction Act

- Passed Senate on August 7, 2022
- Passed House of Representatives on August 13, 2022
- Awaiting President Biden's Signature
- SEMA is Included in the Inflation Reduction Act
 - Refundable Tax Credit for \$3/kg of Solar Polysilicon Manufactured
- Will Drive Investment in US Based Solar Supply Chain

CHIPS & Science Act of 2022

- Signed by President Biden on August 9, 2022
- \$52 Billion to Expand Semiconductor Manufacturing in the US
- Expected to Support Increased Demand for Semiconductor Grade Polysilicon and Silicon Gases

Infrastructure Investment and Jobs Act

- Signed by President Biden on November 15, 2021
- \$6 Billion to Support Critical Battery Supply Chains
- Includes Provisions to Drive to Adoption of Clean Energy Technologies

RESTART FUNDING PERSPECTIVES

\$150M Estimated Capital Expenditures

- Modification of 12 FBR Reactors (100% Capacity)
- Packaging and Handling
- Polysilicon Analytical Lab

Funding Structure Dependent Upon:

- Capital Expenditures
- Senior Secured Bond Refinancing
- Offtake Contract Terms
- Cost of Capital

Multiple Funding Sources Under Consideration

- Debt
- Debt Hybrids
- Equity

STRATEGIC PLAN

Megatrends to Support REC Silicon Growth

- Technology – Semiconductor Materials
- Renewable Energy – Solar Materials
- Energy Storage – Silane Gas Capability

Semiconductor Materials

- Stable Cashflows in Markets with Stable Growth
- CHIPS and Science Act Expected to Increase Demand for Semiconductor Product Offerings

Solar Materials

- Superior FBR Technology Affords Low Cost and Ultra Low Carbon Footprint
- Inflation Reduction Act Expected to Drive Investment in US Based Solar Supply Chain

Battery Materials

- Unique Position as Only Large-Scale Source of Silane in North America and Europe
- Infrastructure and Jobs Act Includes \$6 Billion to Develop US Based Battery Supply Chains

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Q3 2022 Reporting

November 16, 2022

www.recsilicon.com

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