

RECSiLICON

FOURTH QUARTER

2021

PRESENTATION



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AGENDA

- › Fourth Quarter Highlights
- › Financial Review
- › Semiconductor Materials
- › Solar Materials
- › Battery Materials
- › Yulin JV
- › Strategic Plan



FOURTH QUARTER HIGHLIGHTS

Revenues: \$43.2M

EBITDA: (\$ 0.4M) Loss

December 31, 2021 Cash Balance of \$110.5M

- Cash Decrease of \$15.9M
- Cash Outflows from Operating Activities of \$11.0M

Silicon Gas Sales

- Sales Volume of 750MT
- Silane Price Increase 2.4% vs. Q3 2021

Semiconductor Segment Polysilicon Sales

- Total Polysilicon Sales of 481MT
- Total Average Price Increase 16.3% vs. Q3 2021

Settlement of Indemnification Loans

- Agreement Reached on October 18, 2021
- Payment of \$10.8M in February 2022

Investment in REC Silicon by Hanwha Solutions

- Private Placement of Equity Completed January 19, 2022
- 48.2 Million Shares Issued (Proceeds of NOK 964 Million)

FINANCIAL REVIEW

FOURTH QUARTER
2021



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FINANCIAL HIGHLIGHTS

Revenues \$43.2M

- Polysilicon Sales Volume Increase by 21% vs. Q3-21
- Silicon Gas Sales Volume Increase by 3% vs. Q3-21

EBITDA Loss (\$0.4M)

- Increase in Silicon Gas Sales Volume and Price
- Impact of Planned Maintenance Outage in Q3-21
- Continuing Impact of High Electricity Costs

Solar Materials Segment

- Net Expense of \$2.6M
- Increased of \$0.3M vs. Q3-21 due to Accruals for Variable Compensation Plans

Other

- Net Expense of \$7.1M
- Increase of \$3.8M vs. Q3-21 due Primarily to Accruals for Variable Compensation and Stock Option Plans

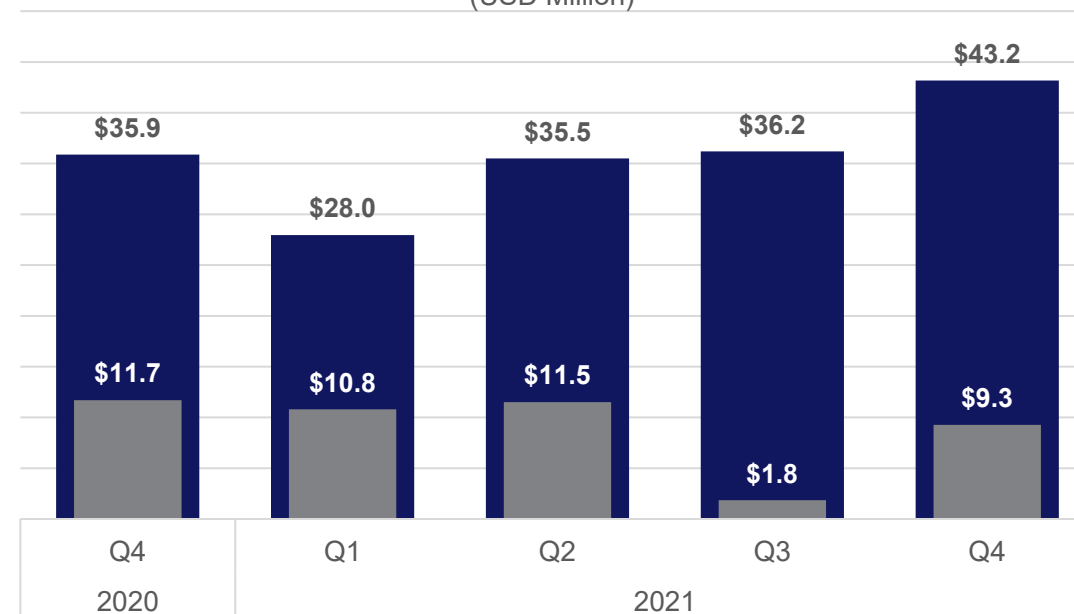
<i>(Millions USD)</i>	Q4-21	Q4-20	2021	2020	Q3-21
Semiconductor Materials	\$ 43.2	\$ 35.9	\$ 142.8	\$ 121.4	\$ 36.2
Solar Materials	0.0	0.1	0.1	0.5	0.0
Other	0.1	0.0	0.2	0.1	0.1
Revenues	<u>\$ 43.2</u>	<u>\$ 36.0</u>	<u>\$ 143.2</u>	<u>\$ 122.1</u>	<u>\$ 36.2</u>
Semiconductor Materials	\$ 9.3	\$ 11.7	\$ 33.4	\$ 36.3	\$ 1.8
Solar Materials	(2.6)	(2.8)	(5.7)	6.7	(2.3)
Other	(7.1)	(7.0)	(20.0)	(19.3)	(3.3)
EBITDA	<u>\$ (0.4)</u>	<u>\$ 1.9</u>	<u>\$ 7.7</u>	<u>\$ 23.8</u>	<u>\$ (3.7)</u>
EBITDA Margin	(1.0%)	5.3%	5.4%	19.5%	(10.2%)
Polysilicon Production	316 MT	192 MT	1,225 MT	906 MT	295 MT
Polysilicon Sales	481 MT	338 MT	1,636 MT	1,212 MT	397 MT
Silicon Gas Sales	750 MT	881 MT	3,078 MT	3,189 MT	728 MT

SEMICONDUCTOR MATERIALS SEGMENT FINANCIAL PERFORMANCE

■ Revenues ■ EBITDA
(USD Million)

Revenues \$43.2M

- 19.3% Increase in Revenues vs. Q3-21
- Polysilicon Sales Volume – 21% Increase vs. Q3-21
 - Semiconductor Grade Polysilicon - Increased by 59%
- Polysilicon Sales Price – 15% Increase vs. Q3-21
 - Semiconductor Grade Polysilicon - Decreased by 1%
- Silicon Gas Sales Volume – 3% Increase vs. Q3-21
- Silane Gas Sales Price – 2% Increase vs. Q3-21



EBITDA Contribution \$9.3M

- \$7.5M Increase in EBITDA Contribution vs. Q3-21
- Impact of Planned Maintenance Outage in Q3-21
 - Higher Production Volumes in Q4-21
- Increase in Silicon Gas Sales Volume and Price
- Continued Adverse Impact of High Electricity Cost

Sales Volumes

	Q4-21	Q4-20	2021	2020	Q3-21
Semiconductor Grade	371 MT	250 MT	1,117 MT	711 MT	234 MT
Other Grades	110 MT	88 MT	453 MT	438 MT	163 MT
Polysilicon Sales	481 MT	338 MT	1,570 MT	1,149 MT	397 MT
Silicon Gas Sales	750 MT	881 MT	3,078 MT	3,189 MT	728 MT

CASH FLOWS

Cash Flows From Operating Activities \$11.0M

- (\$0.4M) EBITDA Loss
- \$1.1M Working Capital Decrease
 - \$5.2M Decrease in Inventories
 - (\$5.5M) Decrease in Receivables
 - \$1.4M Increase in Payables
- (\$9.4M) Interest Paid
- (\$1.9M) Customer Prepayments Applied
- (\$0.6M) Contributions to US Pension Plan
- \$0.1M Changes in Other Assets and Liabilities

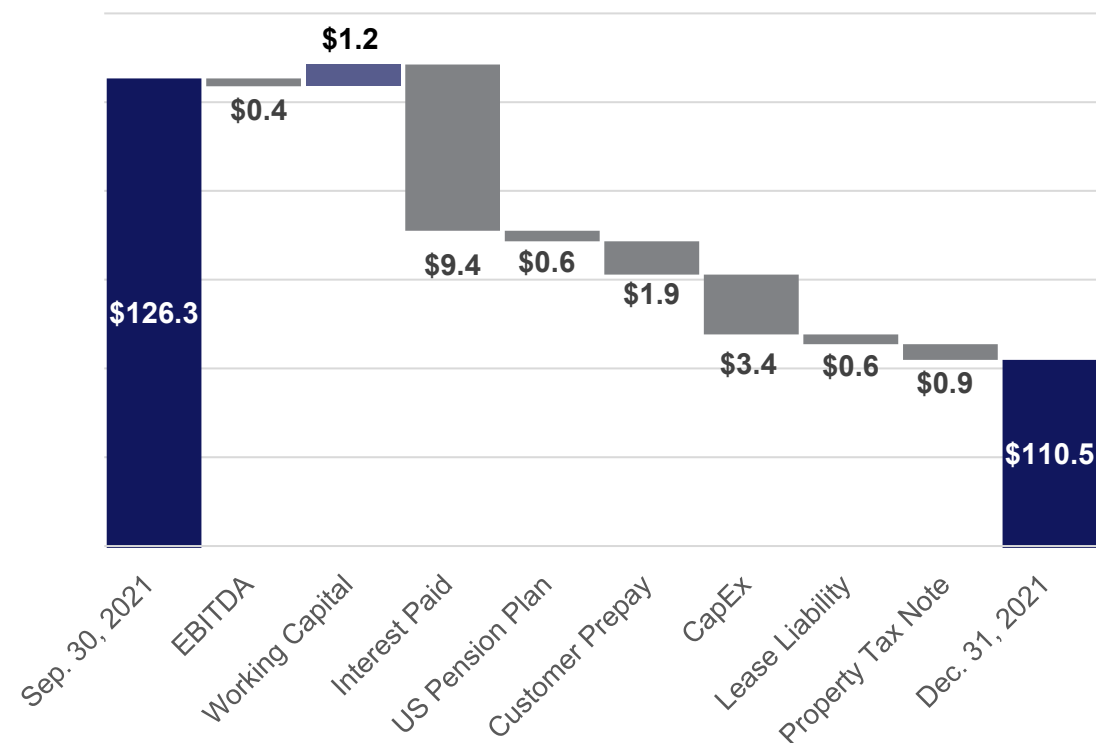
Cash Flows From Investing Activities (\$3.4M)

- (\$3.4M) Capital Expenditures

Cash Flows From Financing Activities (\$1.4M)

- (\$0.9M) Payment of Property Tax Note
- (\$0.6M) Payment of Lease Liabilities

Cash Flows (USD Million)



DEBT

Nominal Debt \$197.5M

- (\$1.0M) Decrease During Q4-21
 - (\$0.9M) Decrease in Property Tax Note
 - (\$0.1M) Decrease in Lease Liabilities

Nominal Net Debt \$87.1M

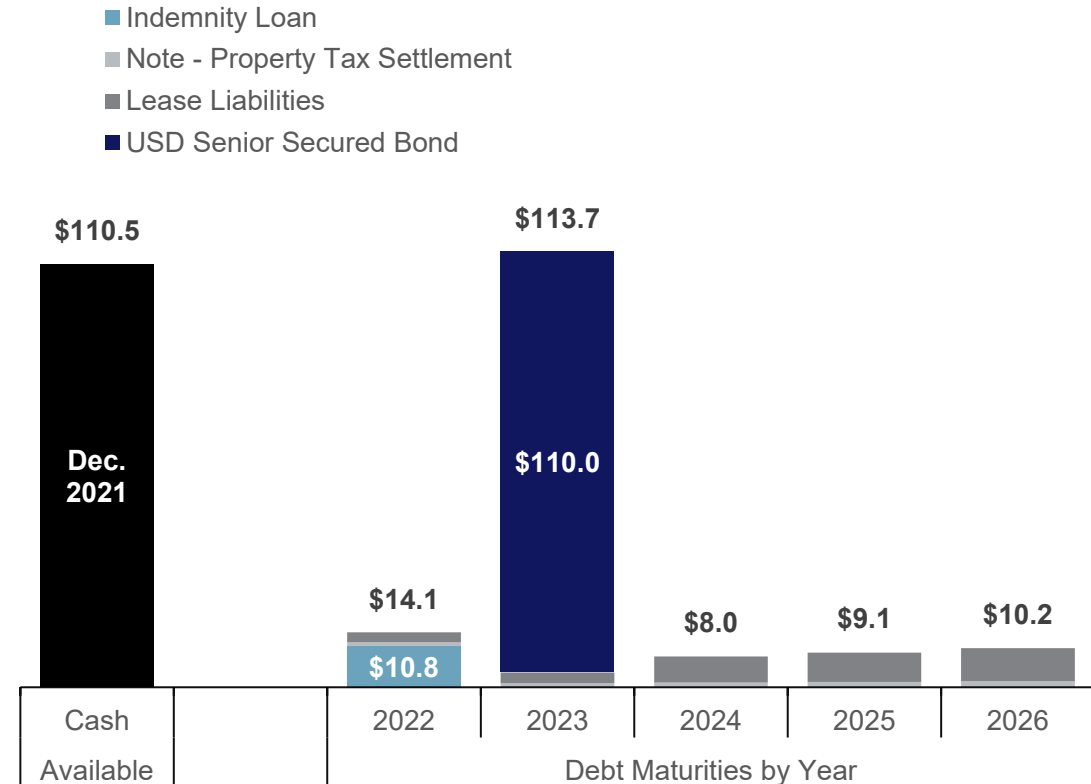
- \$14.9M Increase During Q4-21
 - \$15.9M Decrease in Cash
 - (\$ 1.0M) Decrease in Nominal Debt

Settlement of Indemnification Loans

- Agreement Reached on October 18, 2021
- Payment of \$10.8M in February 2022
 - Payment Includes \$3.7M from Restricted Cash

Debt Maturity Profile

(USD Million)





SEMICONDUCTOR
MATERIALS

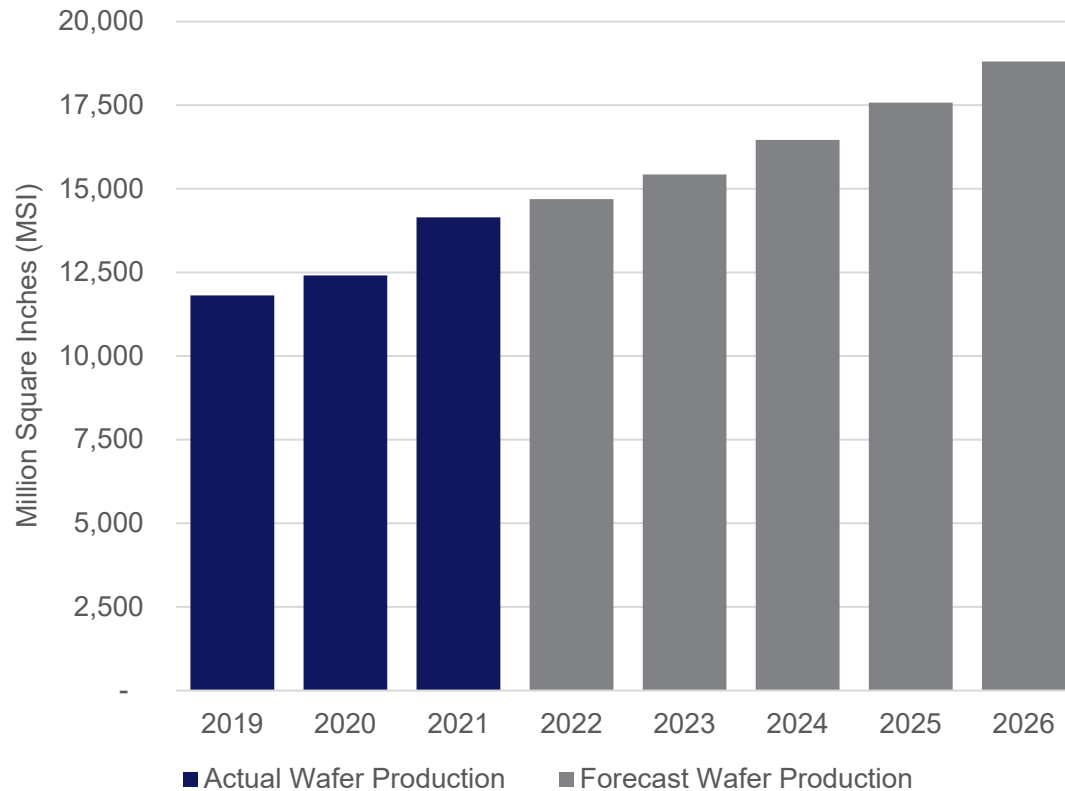
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SEMICONDUCTOR MATERIALS MARKETS

Semiconductor Wafer Production



Source: Linx Consulting ESF 11/21

Semiconductor Materials Demand

- Semiconductor Wafer Demand Drives Demand Polysilicon and Silicon Gas Requirements

Key Wafer Demand Drivers

- Data
- 5G Telecom
- Automotive
- Internet of Things (IOT)
- Electrification

Estimated Demand Growth

- 3.8% in 2022
- 6.4% CAGR 2021 to 2026

Wafer Capacity Expansion Required

- Substantial Wafer Capacity Expansion Required to Meet Forecast Demand

SEMICONDUCTOR GRADE POLYSILICON

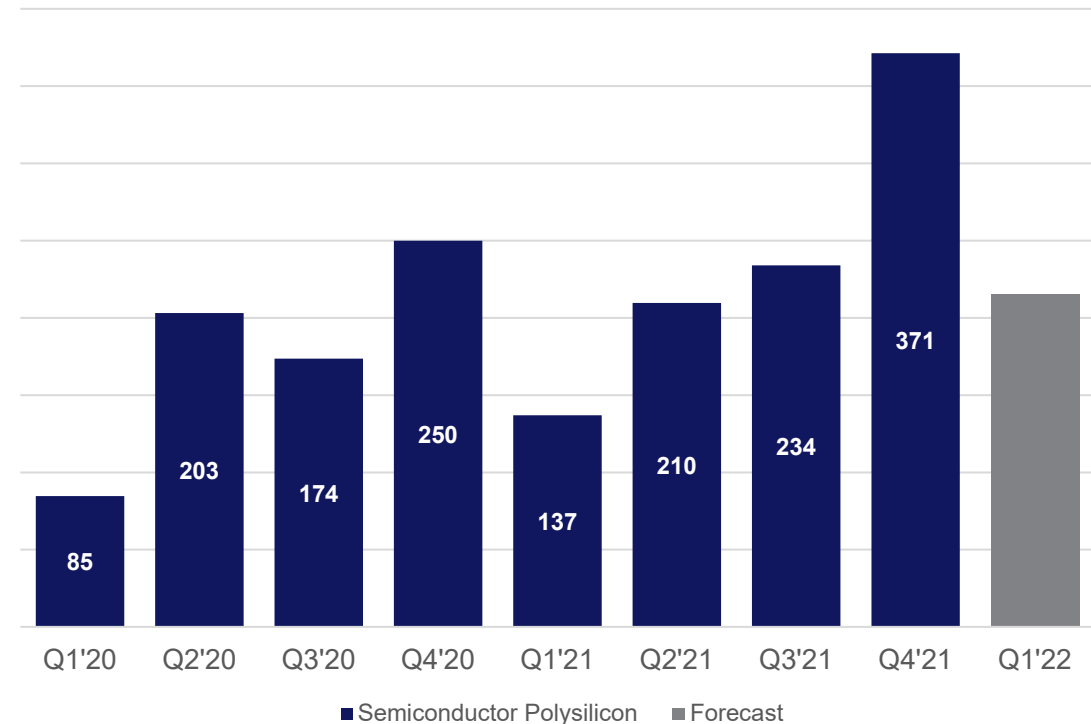
Semiconductor Grade Polysilicon Sales

- 371MT Shipped in Q4-21
 - Q1-22 Sales Accelerated Into Q4-21
 - Demonstrates Increases in Demand
- Price Decreased by 1% vs. Q3-21
 - Higher Mix of Lower Priced CZ Grade Products
 - Prices for Underlying Products Increased 1.5% to 3%

Demand Expected to Remain Strong

- Q1-22 Sales Volumes
 - Reflect Normal First Quarter Seasonal Lows
 - Lower due to Shipments Accelerated into Q4-21
- 2022 Order Visibility High
 - 90% of Production Sold Out
- Executing Projects to Improve Float Zone Polysilicon Product Offering

Semiconductor Grade Polysilicon Sales Volumes (MT)



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

SILICON GASES

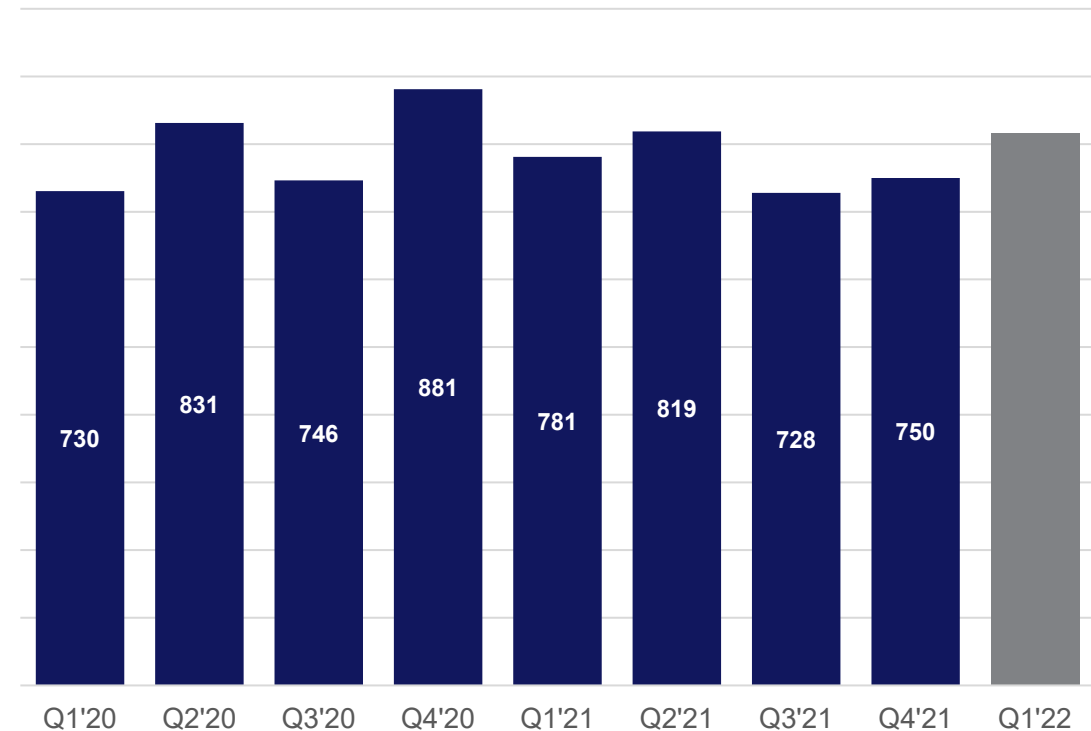
Silicon Gas Sales

- 750MT Shipped in Q4-21
 - Supply Chain Constraints Impacted Shipments
 - Limited Availability of Bookings
 - Delays in Module Returns
- Silane Price Increased by 2% vs. Q3-21

Demand Expected to Remain Strong

- Q1-22 Sales Volumes
 - Expect Supply Chain Constraints to Continue
- Anticipated Startup of New Semiconductor Wafer Fabs will Increase Demand
- Executing Projects to Increase Production Capacity of Key Gas Offering

Silicon Gas Sales Volumes (MT)



SOLAR
MATERIALS

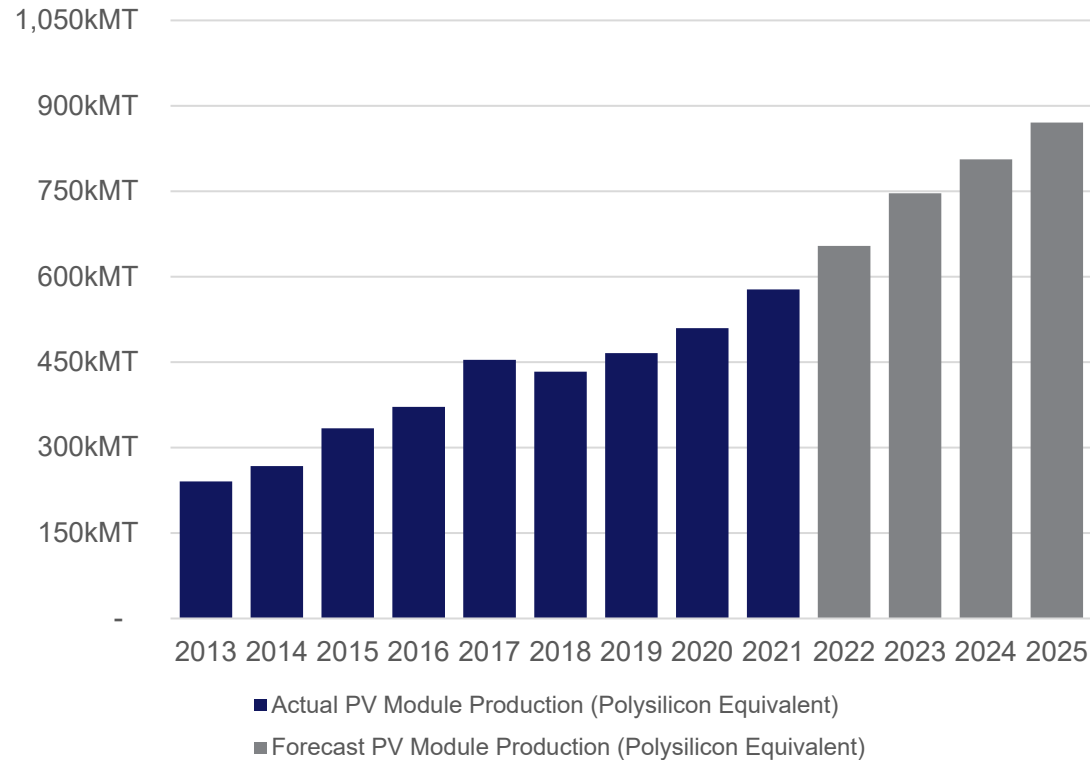
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PV POLYSILICON MARKET

Global PV Module Production (Polysilicon Equivalent kMT)



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

2021 Global PV Module Production

- ~200GW Modules Produced
- ~575kMT Estimated Poly Consumed

2022 Global PV Installation Forecast

- 240GW to 250GW Estimated Module Production
- ~650kMT 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

Long-Term Outlook

- Demand for PV Installations Expected to Grow at ~11% Annually Through 2025
- Announced Polysilicon Expansions Could Result in Oversupply Beginning in 2023



PLANS TO RESTART MOSES LAKE

US Political Initiatives

- Build Back Better Act Passage Uncertain
- Strong Support for Solar Energy Manufacturing for America (SEMA) Act
- Uncertainty May Delay Restart of REC Silicon's FBR Manufacturing Facility

Expected Timing of Restart

- Working to Develop Business Case to Restart
- Maintaining Flexibility to Restart in 2023
- Restart Date Dependent Upon Market Opportunities

BATTERY MATERIALS

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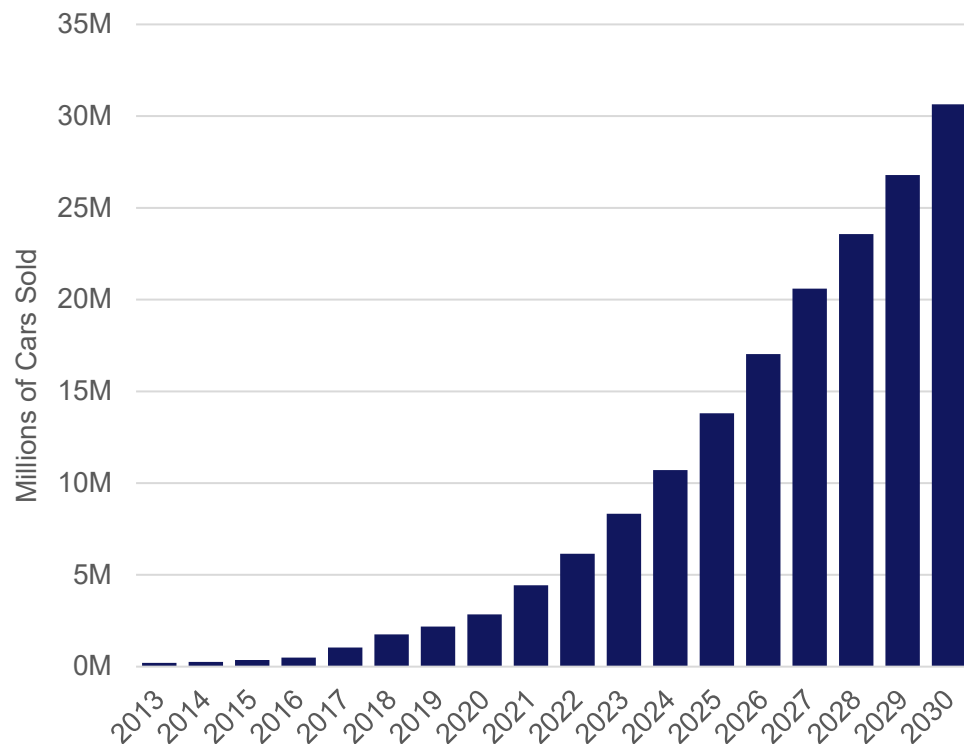
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BATTERY MATERIALS UPDATE

Global Forecast of Electric Vehicle Sales



Source: Cairn ERA EV Forecast Database Q3 2021

Battery Market Potential

- Proliferation of Electronic Vehicles will Drive Demand for Highly Efficiency Batteries

Silicon Anode Technology Initiatives

- Silane is the Preferred Material for Many Developers
- Work to Qualify Commercial Products Underway

Group14

- Manufacturing Lithium-Silicon Battery Anode (SCC55™)
- Shipping to Automotive, Consumer Electronics, and Battery Manufacturing Sectors
- Discussions Underway for Potential Moses Lake Based Battery Anode Material (BAM) Factory

Expected Timing of Realization

- Battery Materials Companies Forecasts Indicate Large Scale Manufacturing by 2025
- Current Silane Production Capacity Not Sufficient to Meet Predicted Demand

YULIN JV

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YULIN JV

Sales

- Sales Volumes Limited by Production
- Granular Polysilicon Qualified with Mono PV Customers

Production

- Q4-21 Production
 - Loaded Silane 146MT
 - FBR Granular 3,367MT
 - Siemens 29MT
- 2021 Production
 - Loaded Silane 487MT
 - FBR Granular 13,729MT
 - Siemens 78MT

Status of Investment

- \$4.7M Equity Settlement Payment Delayed
- Working to Resolve Outstanding Issues
- Option to Increase JV Ownership Expired in Q3-21



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
- Strong Support for SEMA Act

Battery Materials

- Unique Position as Only Large-Scale Source of Silane in North America and Europe

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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Q1 2022 Reporting

May 11, 2022

www.recsilicon.com

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