REC SiLICON

THIRD QUARTER 2021

PRESENTATION

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Agenda

Q3 Results

Financial Review

Silicon Gases & Semiconductor Update

US Solar Update

Battery Update

Yulin Update

Short-term Business Plan

Q&A

Third Quarter Highlights

Revenues: $36.2M
EBITDA: ($ 3.7M) Loss

September 30, 2021 cash balance of $126.3M
- Cash increase of $2.7M
- Cash inflows from operating activities of $3.8M

Settlement of indemnification loans
- Agreement reached on October 18, 2021
- Settlement of all claims for $10.8M
  - Payment of $3.7M from restricted cash
- Income from discontinued operations of $13.4M in Q3'21

BUTTE FACILITY

Investment in future growth
- Expand distribution capacity
- Improve Float Zone polysilicon product offering

Silicon gas sales
- Sales volume of 728MT
- Silane price increase 7.6% vs. Q2 2021

Semiconductor segment polysilicon sales
- Semiconductor grade polysilicon sales of 234MT
- Total polysilicon sales of 397MT
- Total average price increase 20.0% vs. Q2 2021

MOSES LAKE FACILITY

Battery Materials Developments
- Discussions with silicon anode companies ongoing

Solar Materials Developments
- Increasing interest in development of US based PV supply chain
- Continued strong PV demand

Financial Review

Summary of Segments

(USD million)	Q3 2021		Q2 2021		2020	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Semiconductor Materials	36.2	1.8	35.5	11.5	121.4	36.3
Solar Materials	0.0	(2.3)	0.0	1.2	0.5	6.7
Other	0.1	(3.3)	0.1	(4.8)	0.1	(19.3)
REC Silicon Group	36.2	(3.7)	35.6	7.9	122.1	23.8

Key Financial Results – Semiconductor Materials

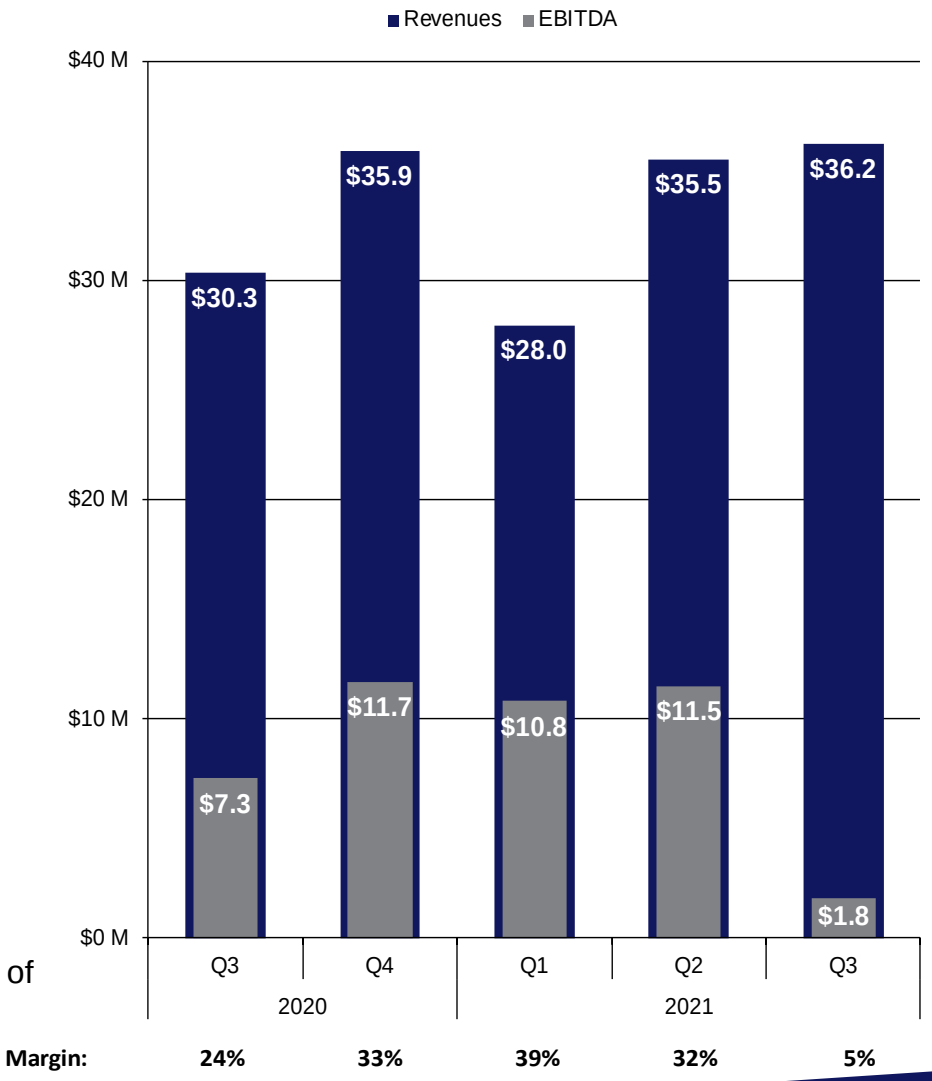
Revenues: $36.2M (1.9% increase vs. Q2'21)

- Total polysilicon sales volumes 397MT (15.0% decrease vs. 466MT in Q2'21)
  - Semiconductor grade volumes 234MT (37.6% decrease vs. 375MT in Q2'21)
  - 20.0% Average price increase vs. Q2'21
    - Higher mix of Solar Grade polysilicon (68.9% Solar Grade price increase vs. Q2'21)
  - 39.4% Semiconductor grade price increase vs. Q2'21
    - Due to high sales volumes of CZ grade semiconductor polysilicon during Q2 2021
- Silicon gas sales volumes 728MT (11.1% decrease vs. 819MT in Q2'21)
  - 7.6% Silane price increase vs. Q2'21

EBITDA Contribution of $1.8M

Compared to Q2'21 EBITDA contribution of $11.5M

- ($4.5M) forgiveness of C.A.R.E.S. Act Loan in Q2'21
- ($2.9M) Higher electricity prices
- ($2.3M) Lower manufacturing utilization due to completion of planned maintenance and delayed restart to avoid high electricity prices



Key Financial Results – Solar Materials and Other

Solar Materials

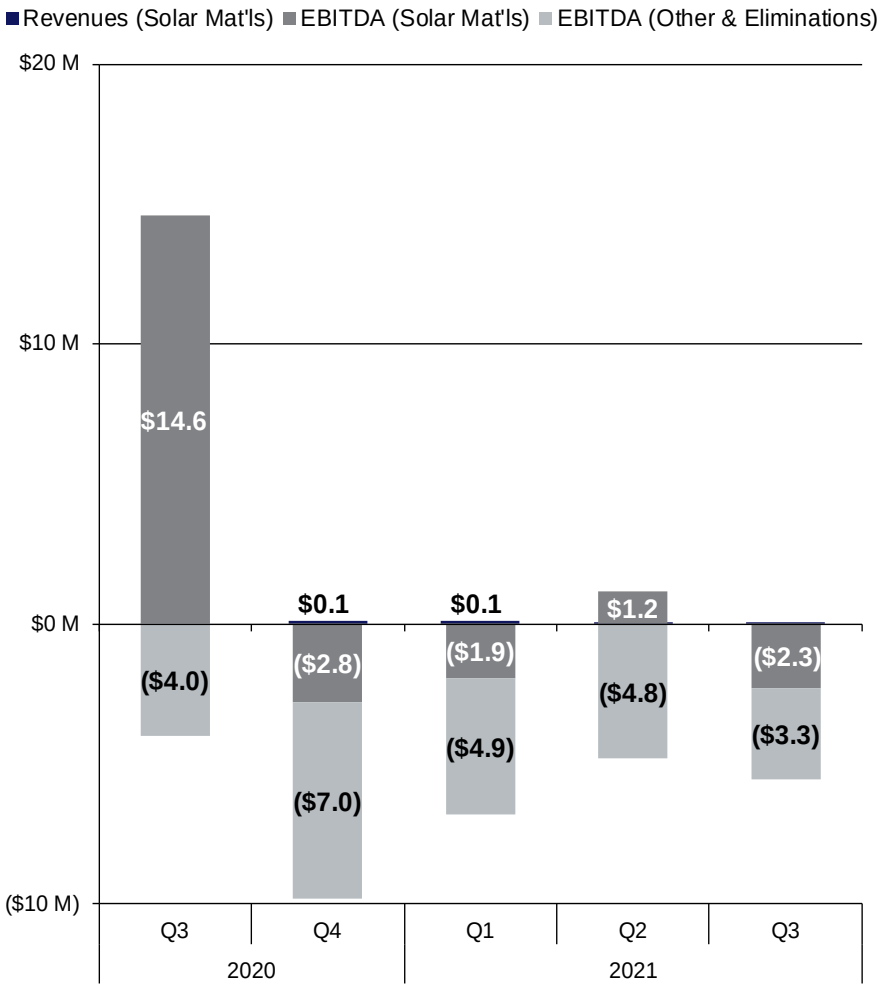
Revenues: $0.0M

EBITDA Contribution: ($2.3M) Loss

- Net Expense of $2.3M
  - Comparable to prior period results excluding items of other income/expense
- Previous quarter results included:
  - Q2’21 $3.9M forgiveness of C.A.R.E.S. Act Loan
  - Q3’20 $16.0M Non-cash settlement of property tax

Other and Eliminations

- Net cost: ($3.3M)
  - Compared to ($4.8M) in Q2’21
  - Reduction in estimated expenses for employee incentive plans



Cash Flows

Cash inflows from operating activities $3.8M

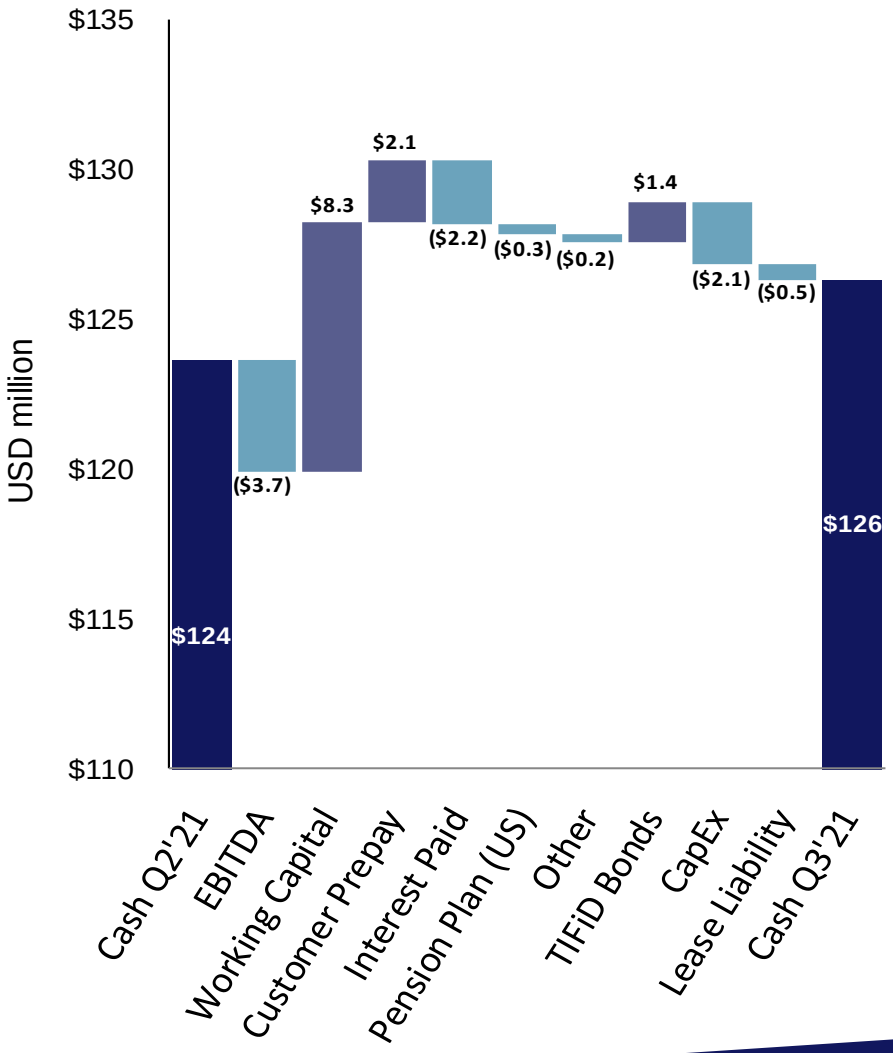
- EBITDA Loss of ($3.7M)
- Working capital decrease $8.3M
  - Decrease in inventories $6.8M
  - Decrease in receivables $1.8M
  - Decrease in payables ($0.2M)
- Customer Prepayments $2.1M (Q4'21 Revenues)
- Interest paid ($2.2M)
- US pension plan contributions ($0.3M)
- Currency loss of ($0.3M) (Stronger USD vs. NOK)
- Changes in other assets and liabilities ($0.1M)

Cash outflows from investing activities ($0.6M)

- Capex ($2.1M)
- Maturities of municipal bonds $1.4M
- Decrease in restricted cash $0.1M

Cash outflows from financing activities ($0.5M)

- Payment of lease liabilities ($0.5M)



Debt

Nominal debt - $198.5M

- Decrease of ($12.9M) in Q3'21
  - ($ 0.3M) Decrease in Lease Liabilities (IFRS 16)
  - ($12.5M) Decrease in indemnity loan
    - ($12.0M) due to Settlement
    - ($ 0.5M) Due to a stronger USD vs. NOK

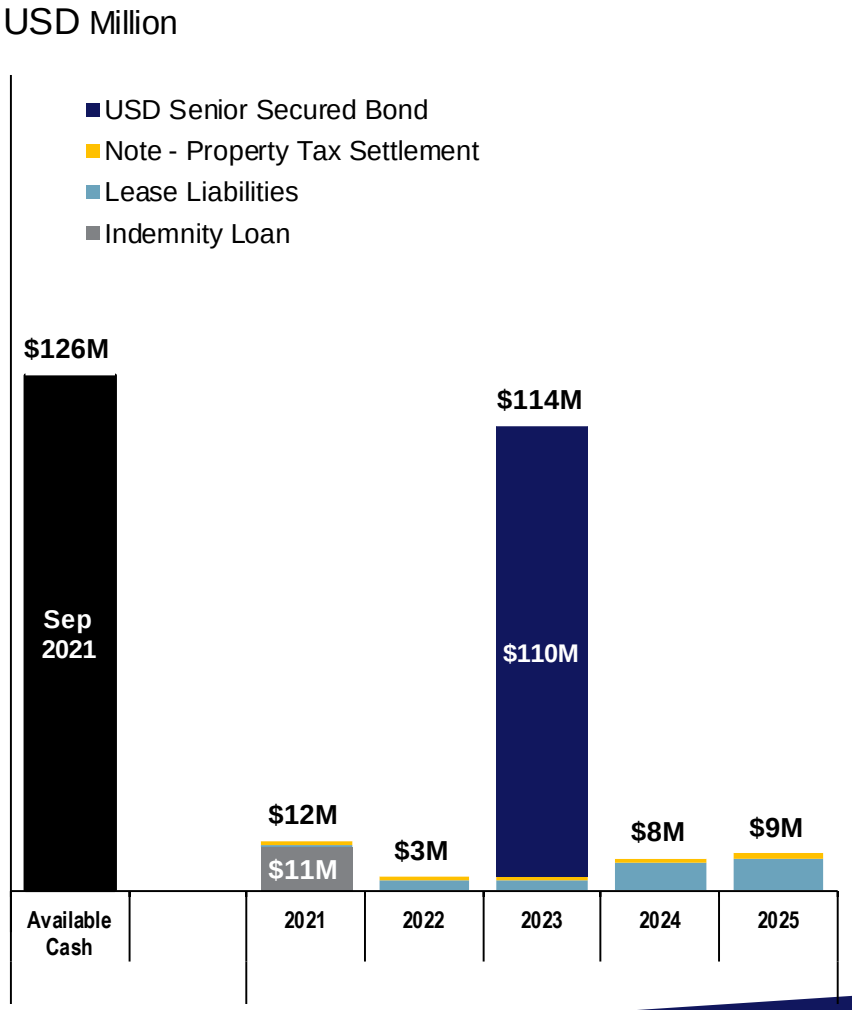
Nominal net debt - $72.3M

- Decrease of ($15.5M) in Q3'21
  - Increase in cash of ($2.7M)
  - Decrease in nominal debt of ($12.9M)

Contingent Liabilities

- Indemnification loans resolved
  - Agreement reached on October 18, 2021
  - Settlement of all claims for $10.8M
    - Payment of $3.7M from restricted cash
    - Feb. 2022 Payment of $7.2M

Debt maturity profile



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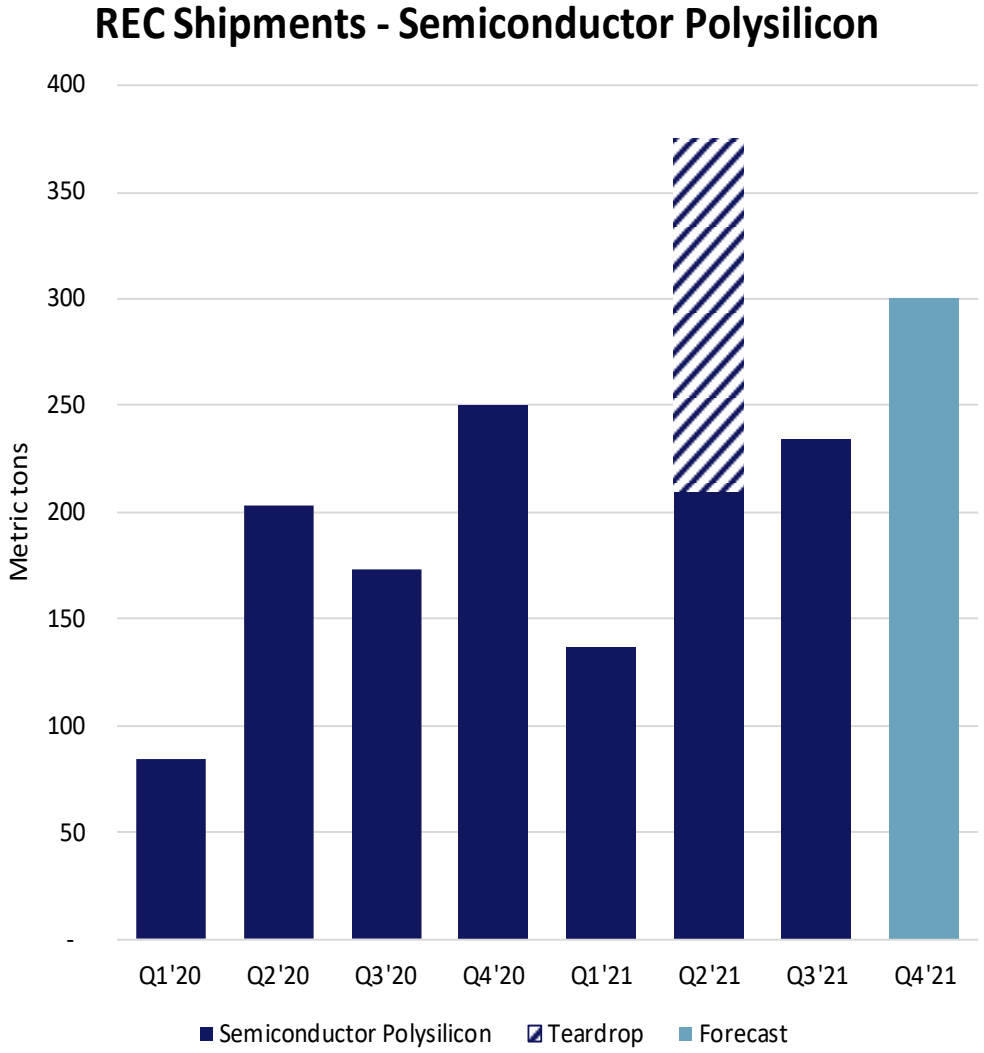
Semiconductor and Silicon Gases

Electronic Grade Polysilicon

Strong demand continues

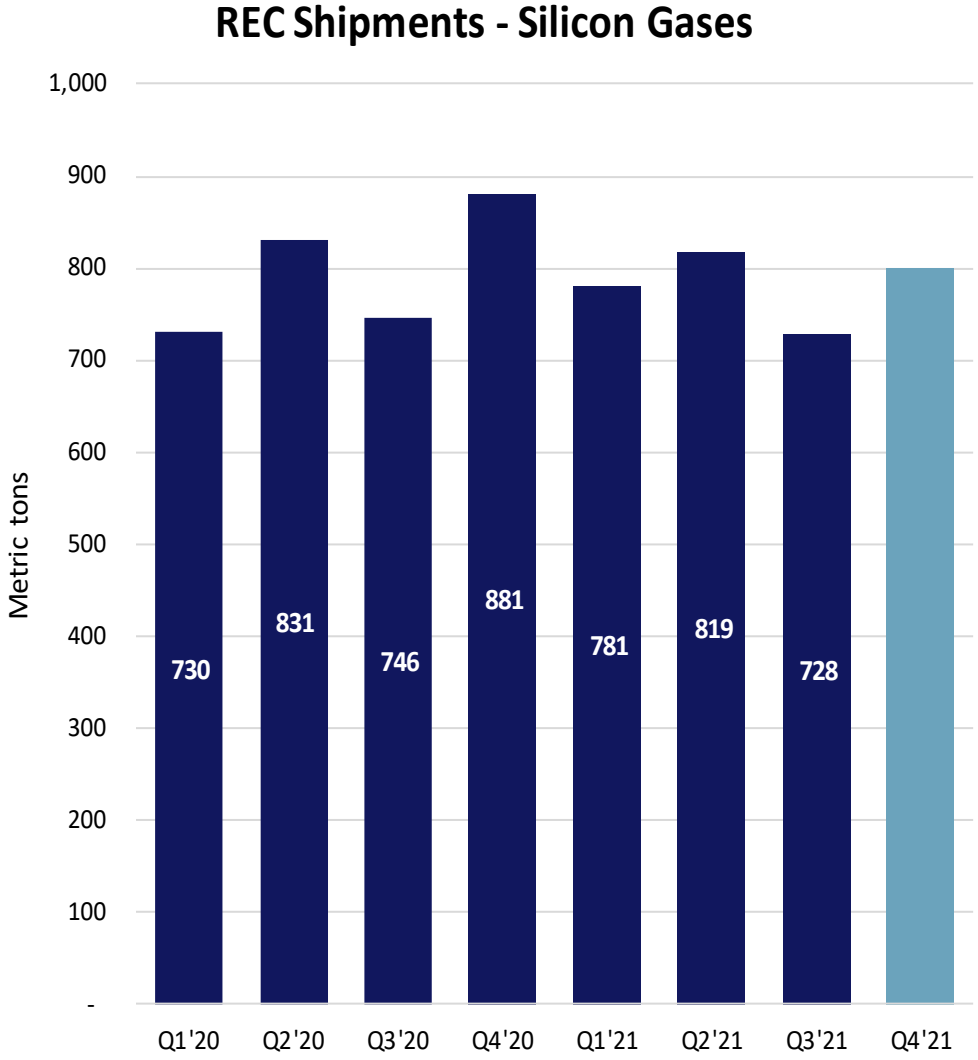
- Underlying Q3 ‘21 Semiconductor shipments increased to 234 MT
  - Customer provided logistics caused some volume to move to Q4
- Commitments for Q4 provide for high visibility of shipment volume
  - Global logistics challenges create some uncertainty of timing
- Customer forecasts indicate demand strength to continue
  - More visibility and earlier more firm commitments



Demand for Silicon Gases Strong

Global logistics shorts volume

- Shipments dampened in Q3 '21
  - Ship and container delays create bottlenecks
  - Supply chain logistics costs increasing for customers
  - Semiconductor remains at high utilization
- Underlying demand remains robust
  - Demand continues increasing with device technology advancement
  - High visibility on Q4 commitments
  - Logistics will continue to present volume risk at some level



Investment for Growth - Now and into the Future

Maintain Global Leadership Position

- Increase Silicon Gases distribution capacity
  - Support recently online and future awarded business across the globe
  - Provides cushion against logistics shocks and customer location transitions
- Float Zone (FZ) to support Electrification macro trend
  - Customers require larger (more mass) FZ rods
  - Customers forecast 9-10% CAGR in this segment for next few years
- Proposed investment with high returns

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US Solar Update

AD/CVD towards Imports from China in place since 2012

- Antidumping and Countervailing Duties against China and Taiwan crystalline silicon photovoltaic products went into effect in December 2012
  - AD/CVD penalties range from 90% - 240%
  - The duties have been reviewed and continued each year
- At the same time AD/CVD duties were placed on crystalline silicon photovoltaic cells whether or not assembled into a module
- Ongoing review into 2022

Section 201 Tariff on Solar Panels

Applied to all countries

- Trump Administration imposed tariffs against solar panels produced outside the US in 2018

Tariffs on Solar Panels[55]				
Components	Year 1	Year 2	Year 3	Year 4
Safeguard Tariff on Modules and Cells	30%	25%	20%	15%
Cells Exempted from Tariff	2.5 gigawatts	2.5 gigawatts	2.5 gigawatts	2.5 gigawatts

  - At end of 2020, Year 4 increased to 18%

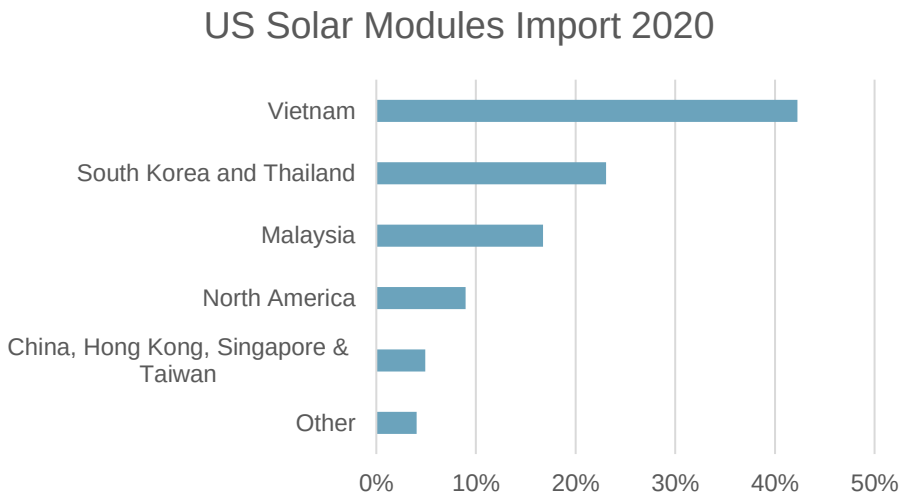
- Expires Feb 6, 2022. Currently US module companies are asking for an extension of the tariffs.

- Exemption of 5GW of cells has been requested compared to 2.5GW today

Solar Panel Import to the US, by Country

Administration wants to increase production of solar panels in US

- 2020 US PV Installations 19.2GW
- 2020 US PV Module Capacity 6.5GW
  - Cell Capacity <1GW
  - Wafer Capacity 0GW
- US PV Installations in 2030 projected to be 55GW with current administration plans



Source: EIA

US Political Initiatives

Increased government support for renewable energy

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- US Senate and Congress Supporting Investments
  - Senate introduces bill to support advanced solar manufacturing production
  - House companion version has been introduced

- The SMTC is part of the $3.5T budget proposed in the reconciliation process
  - Budget reconciliation allows for approval by a simple minority in the Senate
  - Senate to create detailed plan for $3.5T for House vote followed by Senate vote
  - Timing & outcome is uncertain
  - Being linked to bipartisan infrastructure deal

Modules	Assembly (**7 ¢/W**) or Fully Integrated (**11 ¢/W**)
Photovoltaic Cells	**4 ¢/W**
Photovoltaic Wafers	$12/m^2 [approx. **5-6 ¢/W**]
Solar Grade Polysilicon	$3/kg [approx. **1 ¢/W**]
Solar Tracker Components	Torque Tube/Purlin (**87 ¢/kg**) and Structural fasteners (**$2.28/kg**)
Inverters	>1.5MW (**.25 ¢/W**), 170kW – 1.5MW (**1.5 ¢/W**), 20-170kW (**2¢/W**), 650W-20kW (**6.5¢/W**), <650W (**11¢/W**)

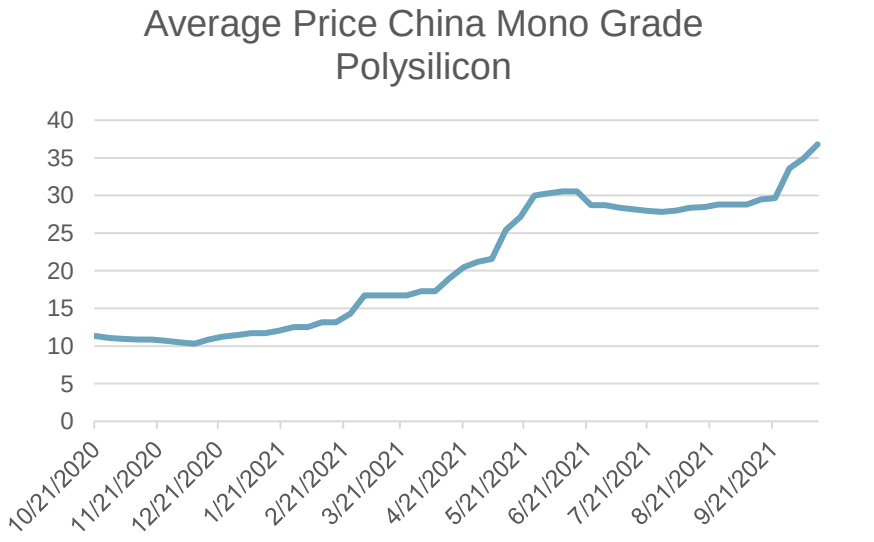
- The credits are maintained until the end of 2028, and then step down to 70% in 2029, 35% in 2030, and 0% in 2031

- The credit is refundable, so if there is no tax to be deducted, it can be returned in cash

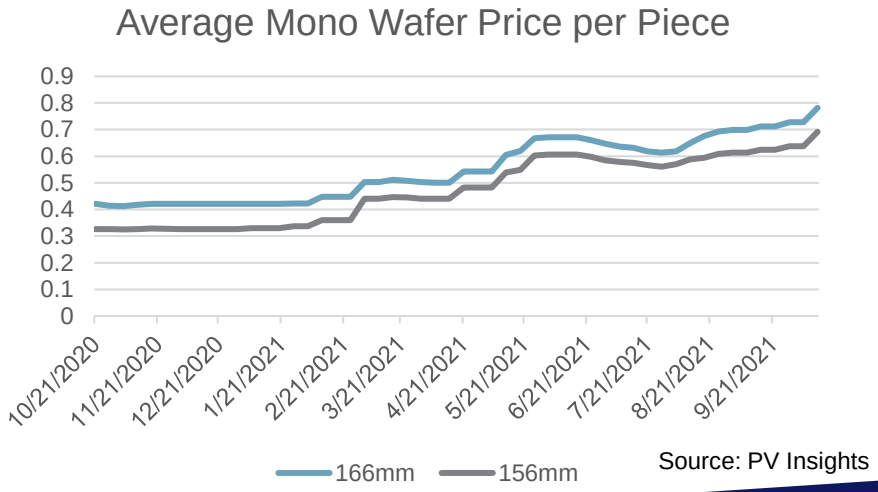
- Inverters and trackers have been added to the bill

Polysilicon Prices
Approaching $40/kg

- Chinese polysilicon producers have been asked to shut down due to power shortage
- Subsidized power has been the basis for the Chinese poly and ingot production
  - Will it continue?
- Will solar panels eventually become more expensive?



Source: PV Insights



Source: PV Insights

Battery Update

Electrical Vehicle will Dominate in the Future

US Manufacturers/Government motivation to build a competitive EV Industry

- US Government has allocated $6B for battery development
  - Bipartisan Infrastructure bill

Energy Efficiency & Renewable Energy: $16.26B

- $3B: **Battery Manufacturing and Recycling Grants** (p. 2507, sec. 40207(c)) – Placed in **EERE** to support battery and battery component manufacturing, and recycling. Demonstration projects not less than $50M each, Commercial-scale projects no less than $100M each, Retooling/Expanding existing facilities no less than $50M each.

Office of Fossil Energy & Carbon Management: $7.49B

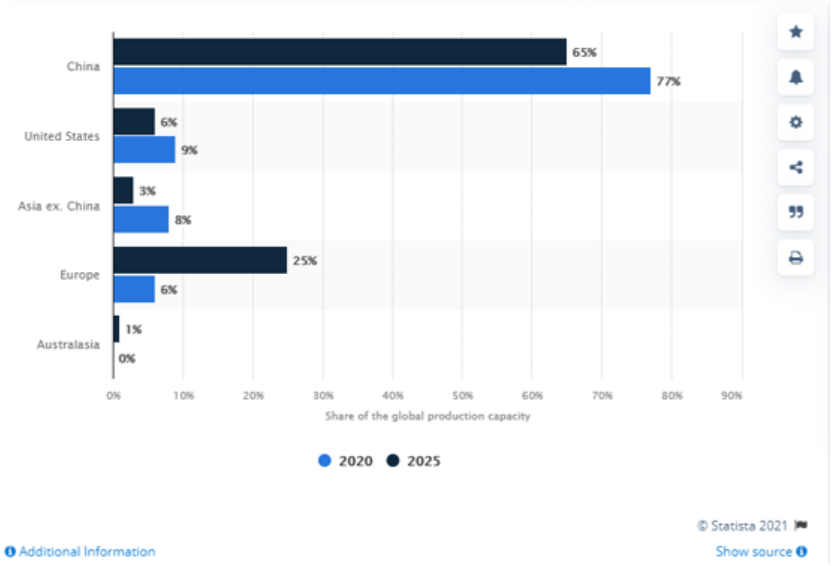
- $3B: **Battery Material Processing Grants** (p. 2506, sec. 40207(b)) – Placed in **FECM** to support battery materials processing/supply chain. Demonstration projects not less than $50M each, Commercial-scale projects no less than $100M each, Retooling/Expanding existing facilities no less than $50M each.

Battery production dominated by China

- 2020 77% China
- 2025 Forecast
  - 65% China
  - 25% Europe
  - 6% USA

Share of the global lithium-ion battery manufacturing capacity in 2020 with a forecast for 2025, by country

(in gigawatt hours)



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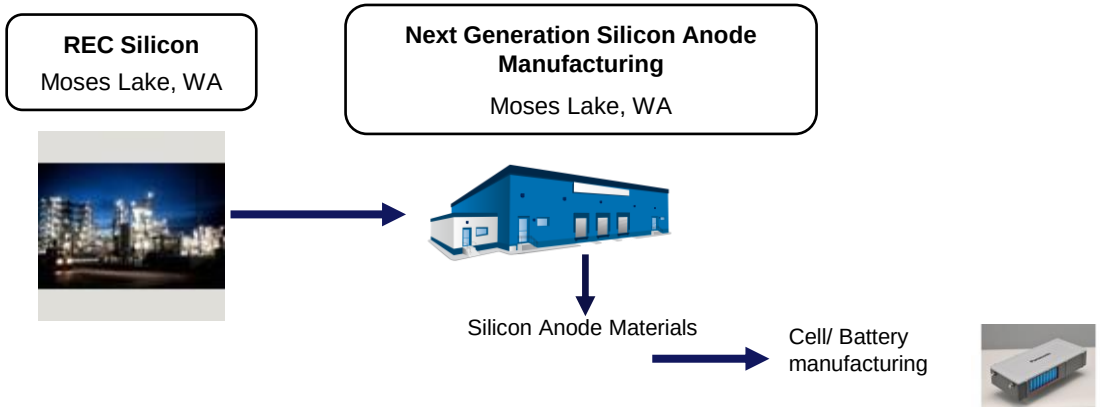
Silicon Anodes may be next step in Increased Battery Efficiency

Anodes containing silicon increases capacity by ~40%

- Silane is the most efficient silicon source for advanced silicon anodes
- REC is negotiating with several silicon anode companies for silane supply
- REC requires pre-payments for entering long term silane supply contracts



Silane production capacity:

~25,000 tons per year

Highest purity & lowest cost

Hydroelectricity = low carbon footprint

Co-location is Necessary

Yulin Update

Yulin JV, China

FBR-B achieving its intended quality and cost structure

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Plant Characteristics

- Construction completed in 2018
- Large scale silicon manufacturing facility with
  - 19,000 MT FBR-B granular Polysilicon
  - 300 MT Siemens semiconductor grade Polysilicon
  - 500 MT Silane Gas loading
- Operating Performance
  - Mono capable FBR production
  - Design capacities demonstrated

3rd Quarter Production

- Q3 Production
  - 102 MT of Loaded Silane
  - 3776 MT of FBR Granular
  - 14 MT of Siemens
- Q3 Cash Positive
- Plant maintenance started late Q3 and continues into early Q4 2021

Sales Status

- Currently all production sold out
- Granular product qualified with multiple domestic mono PV customers
- Product is utilized in both initial charge and recharge applications

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Short-term Business Plan

Maintain ability for possible Moses Lake startup in 2023

- Tight polysilicon market
  - High polysilicon prices
  - High energy prices
  - FBR would be very competitive in today's market (low energy consumption)
- Approached by several companies for polysilicon supply
- Government support for restart (SMTC)
- Negotiations continue with silicon anode companies

Thank you.

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