

RECSiLICON

Fourth quarter 2024

Report

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Advancing Materials, Advancing Technology

REC Silicon is a global leader in silane-based, high-purity silicon materials.

With two U.S.-based manufacturing facilities and sales support offices in both Asia and the United States, REC Silicon is leading energy and technology providers worldwide in shaping the future with advanced silicon materials.

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Fourth quarter highlights

- > Revenues from continuing operations of \$29.7M
- > EBITDA loss from continuing operations of \$5.3M
- > December 31, 2024, cash balance of \$10.3M
 - Cash decrease of \$13.3M
- > Production of polysilicon discontinued at the Moses Lake facility

Revenues

29.7

USDm

EBITDA

-5.3

USDm

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues	29.7	40.4	140.8	140.8	32.8
EBITDA	-5.3	-5.4	-17.9	-15.7	-6.4
EBITDA margin	-17.7%	-13.4%	-12.7%	-11.2%	-19.5%
EBIT excluding impairment charges	-8.0	-8.5	-29.2	-28.6	-9.2
Impairment charges	0.1	-6.9	0.1	-7.0	0.0
EBIT	-7.9	-15.5	-29.1	-35.5	-9.2
EBIT margin	-26.6%	-38.4%	-20.7%	-25.2%	-28.1%
Profit/loss before tax from continuing operations	-15.7	130.5	-54.5	95.9	-15.9
Profit/loss from continuing operations	-15.7	130.5	-54.5	95.9	-15.9
Profit/loss from discontinued operations, net of tax	-297.8	-26.1	-402.9	-65.4	-36.7
Profit/loss from total operations	-313.5	104.4	-457.4	30.5	-52.6
Earnings per share, basic and diluted (USD) from continuing operations	-0.04	0.31	-0.13	0.23	-0.04
Earnings per share, basic and diluted (USD) from total operations	-0.75	0.25	-1.09	0.07	-0.13
Polysilicon production (Siemens) in MT	28	276	682	1,101	142
Polysilicon sales (Siemens) in MT	377	182	914	745	169
Silicon gas sales in MT	543	832	2,561	3,075	515

REC Silicon Group

REC Silicon is a leading producer of silane-based high purity silicon materials that is shaping the future with advanced materials. REC Silicon operates US based manufacturing facilities in Moses Lake Washington and Butte Montana.

The core product for REC Silicon's activities is silane gas. Silane gas is used as a stand-alone product for use in semiconductors, flat panel displays, solar panels and as material for silicon anode batteries. It is also processed into solar and electronic grade polysilicon and refined into specialty gases for advanced uses in the semiconductor and solar industries.

Growth trends within digitalization, renewable energy, and the energy storage transition have placed REC Silicon in a position to seize upon market opportunities for the company's signature silane gas-based operations.

Supported by key US legislative initiatives, the company has positioned itself with low carbon products, in value chains targeting energy transition megatrends.

REC Silicon will continue to focus on high grading its product portfolio, focusing on silane and specialty gases. The shutdown of electronic grade polysilicon will allow REC Silicon to capitalize on future silicon gas growth opportunities, including anode material for energy storage.



Profit & Loss

Revenues from continuing operations for the fourth quarter of 2024 were USD 29.7 million compared to USD 32.8 million for the third quarter of 2024. The decrease in revenue is due to a decrease in sales volume of FZ polysilicon when compared to the third quarter of 2024. Polysilicon production volume for the fourth quarter was 28MT compared to 142MT during the third quarter of 2024. This reduction was planned as REC Silicon exited the Siemens polysilicon business. EBITDA from continuing operations for the fourth quarter of 2024 was a loss of USD 5.3 million compared to a loss of USD 6.4 million during the third quarter of 2024.

REC Silicon announced that it is shutting down its granular polysilicon business in Moses Lake and has therefore classified solar grade materials segment as discontinued operations. Loss from total operations for the fourth quarter is USD 313.5 million, of which a loss of USD 297.8 million is from discontinued operations. This compares to a third quarter loss from total operations of USD 52.6 million, of which a loss of USD 36.7 million is from discontinued operations. For 2024 a loss from total operations is USD 457.4 million, of which a loss of USD 402.9 million is from discontinued. A re-presented analysis of the income statement can be found in [note 12](#).

Financial Position

Shareholders' equity decreased to USD negative 378.1 million on December 31, 2024, compared to USD negative 67.5 million on September 30, 2024. This decrease was the result of the loss from total operations of USD 313.5 million during the fourth quarter of 2024.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. On December 31, 2024, net debt was USD 407.2 million, which consisted of USD 352.3 million total carrying value of the Company's debt (from note 6) plus USD 65.1 million current and non-current lease liabilities (from the balance sheet) less USD 10.3 million in cash and cash equivalents.

Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. On September 30, 2024, nominal net debt was USD 407.8 million.

See note 17 to the consolidated financial statements for 2023 and note 6 to this report for further information on interest bearing liabilities.

Cash Flow

During the fourth quarter of 2024 cash balances decreased by USD 13.3 million to USD 10.3 million on December 31, 2024.

In the fourth quarter of 2024 net cash outflows from operating activities were USD 24.3 million. Depreciation and amortization were USD 4.4 million while impairment was USD 245.9 million. Trade receivables and customer prepayments increased by USD 1.4 million. Inventories decreased by USD 31.4 million. Changes in payables, accrued expenses increased by USD 2.1 million. A provision of USD 8.2 million is due to restructuring costs related to the shutdown of Moses Lake. Accrued property taxes decreased by 2.4 million. Other items were USD 1.0 million. In the fourth quarter cash outflows included interest payments on leases of USD 2.0 million and interest on debt of USD 6.4 million.

In the fourth quarter cash outflows from investing activities were USD 10.7 million and were a result of capital expenditures of USD 10.8 million offset by a small change in finance receivables.

In the fourth quarter net cash inflows from financing activities were USD 21.7 million and were the result of proceeds from new loans in the amount of USD 25.0 million (see [note 6](#)) offset by the annual payment for the Grant County property tax note of USD 1.2 million. Additionally, payments of lease liabilities of USD 2.1 million. (see [note 4](#)).

For the full year 2024, cash decreased from USD 170.9 million to USD 10.3 million. This was made up of cash outflow from operating activities of USD 132.0 million, cash outflow from investing of USD 89.6 million and cash inflow from financing activities of USD 60.9 million.

Capital Expenditures

Capital expenditures in the fourth quarter were USD 10.8 million compared to USD 15.4 million during the third quarter of 2024. Capital spending was primarily associated with FBR modifications in Moses Lake.

Capital expenditures also include cost savings and improvement initiatives, routine replacement of production equipment, and capital necessary to maintain safe and reliable operations.

Financial Items

Key Financials – Semiconductor Materials

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Financial income	0.2	1.2	3.1	3.4	0.3
Interest expenses on borrowings	-5.7	-4.7	-21.3	-14.3	-5.5
Interest expense on leases	-1.0	-1.1	-4.2	-4.3	-1.0
Capitalized borrowing cost	-0.2	0.2	0.8	1.0	0.4
Expensing of up-front fees and costs	-0.8	-0.8	-3.1	-1.8	-0.8
Other financial expenses	-0.3	-0.3	-0.7	-0.8	-0.2
Net financial expenses	-8.0	-6.6	-28.4	-20.1	-7.0
Net currency gains/losses	-0.0	15.9	0.1	12.7	0.0
Gain from sale of Yulin JV	0.0	135.5	0.0	135.5	0.0
Net financial items	-7.8	146.0	-25.3	131.5	-6.7

During the fourth quarter of 2024, the Company recognized interest expense on borrowings of USD 5.7 million, including USD 5.6 million associated with term loans, and USD 0.1 million associated with a note with Grant County, Washington, and expense of up-front fees and costs of USD 0.8 million. The up-front fees and costs are related to the guarantee fees charged by Hanwha associated with the term loans.

Capitalized borrowing costs were negative USD 0.2 million during the quarter and were the result of reversing interest for a non-qualifying project. Total capitalized interest for 2024 was USD 0.8 million.

The Company recognized an interest expense of USD 2.1 million on imputed liabilities for leased assets during the fourth quarter. See [note 4](#) for additional information on leases.

Income Tax

The loss from total operations of USD 313.5 million during the fourth of 2024 resulted in no effective tax impact due to REC Silicon's unrecognized deferred tax asset. The losses will continue to be available to offset taxable income during future periods subject to certain limitations.

See note 18 to the consolidated financial statements for 2023 for additional information on income taxes.

Segment information

Summary of results by segment

USD in million	Q4 2024		Q4 2023		Year 2024		Year 2023	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Semiconductor Materials	29.6	2.6	40.3	1.1	140.7	12.9	140.6	14.0
Solar Materials (Discontinued)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	-7.9	0.0	-6.5	0.1	-30.8	0.2	-29.7
Total	29.7	-5.3	40.4	-5.4	140.8	-17.9	140.8	-15.7

Semiconductor Materials

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues	29.6	40.3	140.7	140.6	32.8
EBITDA contribution	2.6	1.1	12.9	14.0	0.4
Contribution margin	8.9%	2.7%	9.2%	9.9%	1.3%
Polysilicon production in MT	28	276	682	1,101	142
Polysilicon sales in MT	377	182	914	745	169
Silicon gas sales in MT	543	832	2,561	3,075	515

The Butte Montana facility has an annual silane gas production capacity of 7,400MT. Parts of this volume is sold as pure silane gas, while some is used in production of high-purity specialty gases and ultra-pure electronic grade polysilicon. In recent years the company has invested in additional capacity for specialty gases, including dichlorosilane (DCS), monochlorosilane (MCS) and disilane.

Reducing exposure to an unbalanced energy market in the Montana-region, REC Silicon announced in February 2024 that the company shut down its polysilicon production capacity at its Butte facility mid-year 2024. The company is completing finishing work on remaining in process material from that time.

Semiconductor segment revenues were USD 29.6 million in the fourth quarter of 2024 compared to 32.8 million in the third quarter of 2024.

Total polysilicon sales volumes, including by-products, were 377MT in the fourth quarter of 2024 compared to 169MT during the third quarter of 2024. Semiconductor grade polysilicon sales were at 216MT for the fourth quarter and 108MT for the third quarter. Other grade polysilicon sales volumes increased by 100MT to 161MT during the fourth quarter when compared to the third quarter of 2024.

Average polysilicon prices for the fourth quarter decreased by 65.6 percent compared to the prior quarter. Average prices realized for semiconductor grade polysilicon decreased by 61.5 percent compared to the prior quarter due to the mix of sales between CZ and FZ.

Total silicon gas sales volumes increased by 28MT to 543MT during the fourth quarter of 2024. Sales prices realized by REC Silicon for silicon gas decreased by 3.7 percent from the previous quarter.

Total polysilicon production volume, including by-products, decreased by 114MT for the fourth quarter compared to the third quarter of 2024. Fourth quarter production is the result of finishing activities on WIP inventory.

The Semiconductor Materials segment contributed USD 2.6 million to the Company's EBITDA during the fourth quarter of 2024 compared to USD 0.4 million during the third quarter of 2024. The increased EBITDA is the result of planned maintenance activities and expenses that took place in the third quarter.

Solar Materials (Discontinued)

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues	0.0	0.0	0.0	0.4	0.0
EBITDA contribution	0.0	0.0	0.0	0.0	0.0

REC Silicon restarted the manufacturing of granular polysilicon for the solar energy markets from its facility in Moses Lake, Washington during the fourth quarter of 2023. On December 30, 2024, the Company announced the shutdown of granular polysilicon production for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington. The Moses Lake facility has an annual capacity of 24,000MT of silane gas for own use, however additional investment would be necessary to deliver to external customers.

The Solar Materials segment was classified as discontinued from December 30, 2024. A re-presentation income statement analysis can be found in [note 12](#).

Other and Eliminations

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues	0.0	0.0	0.1	0.2	0.0
EBITDA contribution	-7.9	-6.5	-30.8	-29.7	-6.8

The segment Other includes general administrative and sales activities in support of the manufacturing facilities in the United States and the Company's headquarters in Norway. It also includes costs associated with the Company's representative offices Asia.

Net operating costs in Other and Eliminations were USD 6.8 million during the third quarter of 2024 compared to net operating costs of USD 8.6 million during the second quarter of 2024.

Risks and uncertainties

Please refer to the annual report for 2023, specifically note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

Going concern

On January 24, 2025, REC Silicon ASA (REC Silicon) announced that it has entered into a USD 40 million term loan with Hanwha International LLC, supporting REC Silicon's capital needs during the shutdown process at Moses Lake and the Company's transition into a pure play silicon gas provider.

The term loan matures in January 2026. Management acknowledges that the company may face challenges in generating adequate operating cash flows in the subsequent period. Significant doubt has been raised regarding the company's ability to secure sufficient funding to sustain its operations for the next 12 months without the continued support of the major shareholder, Hanwha, or additional sources of capital.

This has resulted in material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, which could have a substantial impact on its future operational capacity. However, Management and the Board of Directors believe that the Company will be successful in obtaining the capital necessary to meet obligations and continue as a going concern. The Board of Directors has prepared these interim financial statements under the assumption that the Company is a going concern and is of the opinion that this assumption was realistic at the date of the accounts.

Moses lake production facility

On December 30, 2024, the Company announced that it is ceasing production at its Moses Lake, Washington facility.

Production of polysilicon was discontinued at the Moses Lake facility, while equipment involved in production of silicon gases will be maintained in a safe and recoverable mode that incurs minimal interim costs, allowing the unit to restart with reasonable notice. This will give the Company the flexibility to capitalize on future customer demand for Silicon Anode or other gases while minimizing near-term operational costs.

This announcement follows the Company's decision to shut down polysilicon production at its Butte, Montana facility in February 2024. The production facilities were completely halted by the end of December 2024, and clean-up activities have commenced, including the removal of remaining raw materials from the facilities

Moving forward, REC Silicon will focus its business efforts on silicon gases where the Company has clear strength, market positioning, and product differentiation. The Company is prioritizing driving costs out of its silicon gas assets and optimizing production, with a goal to return to profitability.

The shutdown of the Moses Lake facility follows numerous, previously disclosed efforts to improve the level of some key impurities that resulted primarily from the post-reactor product finishing and handling systems. Initiatives included changing contact materials, procedures, operating conditions and parameters, passivation measures and bypassing equipment; and bringing in third-party resources to assist in evaluating and mitigating the situation. However, the Company was unsuccessful in its attempts to fully rectify the issues and ultimately received an unsuccessful qualification test, as announced on December 17, 2024.

Market development

The fourth quarter of 2024 showed continued quarter-on-quarter improvement in semiconductor and flat panel display (FPD) gas demand. Uncertainty over the US election and pending administration change led to cautious factory utilization that is expected to continue into Q1 as the new administration takes hold. Impacts of tariffs and changes to CHIPS ACT or IRA policies have the potential to shift global demand for wafers and materials.

For the fourth quarter of 2024, global semiconductor wafer inventory vs. shipment metrics improved. While market reports indicated consumer spending remained conservative, downstream value chain capital spending increased compared to previous quarters. Investments focused on equipment and AI systems that improve process efficiency and reduce manufacturing costs. Political instability in several major countries brought uncertainties in how the year finished compared to previously forecasted consumer demand. While GDP growth increased in the fourth quarter, the technology goods market showed mixed results.

Semiconductor foundry revenue per wafer reached a record high in Q4. Strong demand for AI chips created a sharp rise in chip ASP. While this created a boom for TSMC and NVIDIA, the diversity of the global chip market dampened the effect on the materials sector. Advanced memory sales supporting AI were strong while DRAM and NAND demand was softer in 2024. Factory utilization in Automotive and Power segments was soft due to low EV growth and less than expected automobile sales globally. Additionally, PC and smartphone sales reached a low point in mid-2024. Overall, factory utilization is expected to have reached a bottom in 2024 and will continue to improve as chip inventories are corrected, and global demand grows.

Semiconductor Capex between 2021 and 2024 was 8% higher than the previous 10 years combined. This strong investment trend is creating an environment for high growth in wafer starts and the associated materials consumption. Focus on advanced logic and memory wafer capacity has a

compounding effect on materials demand for silicon gases as each new technology has higher chemical consumption than the previous node. Many of the new fabs start dates have been pushed back due to low utilization of existing fabs in 2024. This is expected to be corrected in 2025-2026 and new capacity will be brought online.

FPD pricing continues to decline with overcapacity issues for TFT-LCD. Tied to PC and Smartphone shipments, OLED demand has been weak. Recovery in Smartphone demand is expected in 2025 and will drive higher OLED demand.

While geopolitical issues continue to cause strain on the Asia PV markets, domestic US Cell producers are expected to start operations in Q1 2025. This will drive new growth in silane sales in the US with EU PV expansion in early stages as well. Tariff and policy changes in the PV sector could also have a positive effect on US and EU producers. Leading edge memory and logic producers project continued growth in Q1 which will provide strong demand for our silicon gases products. FPD, Automotive and core memory producers are cautious for 2025 demand, indicating slow growth in these segments.

In the fourth quarter, the Biden administration finalized the increased 301 tariffs for polysilicon and wafers from China effective January 2025, but with the outcome of the election in the United States, market discussion turned to potential changes to the Inflation Reduction Act and the credits for various green energy projects. The United States also announced preliminary duties on Southeast Asia countries. The expectation of these duties, along with increased inventory from oversupply, further drove the decline of the manufacturing base in Southeast Asia. Most of these affected companies have either shuttered operations or refocused supplying demand from China, while some companies are working on relocating capacity to other countries currently not impacted by the proposed tariffs. Silane gas demand for PV in Asia is experiencing a large oversupply situation due to these factors. The market is not expected to improve in 2025.

Outlook

While the global economy is expected to grow in 2025, there is still significant uncertainty around economic and geopolitical policy. The consumer electronics market demand is expected to remain weak but increase in the second half of 2025 and primarily from data centers supporting cloud computing and AI. In the United States, trade policy of the new Trump administration will steer demand and timing of the markets. While interest rates are projected to continue declining, we anticipate investments to remain stalled pending outcomes of US industrial policy changes. Trade friction with China will continue to affect overall market demand, but growth in other countries outside the EU and US should stabilize some of these fluctuations.

Fab Utilization is expected to have reached its lowest point in 2024 from the 2022 peak as AI and HBM memory are driving record revenue and profits for leading edge chip makers. Automotive and Power device sales have been in decline since 2022 and are expected to have reached a low point in 2024 with inventory to shipment ratios improving in Q4. In 2025, wafer starts are expected to grow in single digit percentages with some upside in new US capacity in Q3. Global fab expansion delays have impacted the growth of semiconductor materials markets overall. As Fab Utilization improves, new capacity is positioned to start quickly for advanced nodes. As this capacity comes online, we expect stronger demand for our silicon gases than market growth due to usage in advanced Logic and Memory chips, which use more material per wafer than older nodes.

Strong demand for iPhone 16 and competing phones shows promise for advanced FPD demand and slight growth in 2025. Additional demand in OLED displays shows a positive outlook for 2025. However, decline in legacy TFT-LCD pricing will temper demand slightly.

PC shipments have been in a decline since 2023. Forward-looking projections indicate refresh cycles and IT spending will increase for this segment in 2025. Stronger PC demand will boost foundry, memory and FPD demand.

Uncertainty in the new Trump administration's approach to EV and green energy will impact the timing and scale of advanced Silicon Anode battery start-ups as well as US and EU PV cell producer expansions. Many companies have adopted a "wait and see" approach through Q4 to better manage their exposure with the administration change in January. However, we are seeing strong signals that US production will proceed in 2025 for PV Cell and battery anode materials.

Global PV installations for 2025 are projected to increase compared to 2024 despite the decline in subsidy support. Many EU countries have cut feed-in tariffs or general subsidies support due to fiscal deficits. The outlook for the United States is unclear pending direction of IRA support and energy policy guidance from the new Trump administration. Even at current reduced production rates, the supply of PV materials will be sufficient for projected market growth. This has impacted Asia silane demand and created a significant oversupply situation. New United States PV cell manufacturing is coming online in 2025 and will create demand for domestic silane. New proposed tariffs and duties to help offset imbalances in the energy or critical minerals sectors could improve US/EU manufacturing demand.

PV Wafer capacity will continue to remain limited in the near term as markets wait to understand US and European policy changes. The United States, depending on policy support, should see increased growth in at least the PV cell and module capacities, with some modest expansion in wafer.

Forward looking statements

This report contains statements regarding the future in connection with the Group's growth initiatives, profit figures, outlook, strategies, and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to the Group's activities described in the section "Risks and Uncertainties" above and in REC Silicon's Annual Report for 2023, including the section Risk Factors in the Board of Directors' Report.

Consolidated financial statements

Consolidated statement of financial position

USD in million	Notes	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023
ASSETS				
Non-current assets				
Intangible assets	<u>3</u>	0.0	0.8	0.8
Land and buildings	<u>3</u>	31.1	32.1	33.6
Machinery and production equipment	<u>3</u>	31.0	59.5	40.2
Other tangible assets	<u>3</u>	2.3	5.0	4.0
Assets under construction	<u>3</u>	20.3	215.7	180.9
Property, plant and equipment	<u>3</u>	84.7	312.3	258.7
Right of use assets	<u>4</u>	23.4	32.0	32.2
Other non-current receivables		0.2	0.3	0.4
Financial assets and prepayments		0.2	0.3	0.4
Total non-current assets		108.3	345.4	292.2
Current assets				
Inventories	<u>5</u>	27.4	58.8	58.5
Trade and other receivables	<u>10</u>	16.2	10.9	21.9
Prepaid costs		9.4	6.6	8.7
Restricted bank accounts		0.6	0.6	0.6
Cash and cash equivalents		10.3	23.6	170.9
Total current assets		63.8	100.4	260.7
Total assets		172.1	445.8	552.9

USD in million	Notes	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3,027.7	3,027.7	3,027.7
Other equity and retained earnings		-3,405.7	-3,095.2	-2,951.3
Total shareholders' equity		-378.1	-67.5	76.4
Non-current liabilities				
Retirement benefit obligations		3.3	6.2	7.0
Non-current provision, interest calculation	<u>8</u>	26.3	24.7	23.8
Non-current financial liabilities, interest bearing	<u>6</u>	251.6	253.0	253.0
Non-current lease liabilities	<u>4</u>	56.1	58.5	62.4
Non-current prepayments		33.4	23.6	24.9
Other non-current liabilities, not interest bearing		0.0	0.0	0.7
Total non-current liabilities		370.6	365.9	371.7
Current liabilities				
Trade payables and other liabilities		60.2	55.8	60.7
Current provisions ¹	<u>8</u>	8.2	0.0	0.0
Current lease liabilities	<u>4</u>	9.0	8.7	7.5
Current prepayments		1.2	7.2	5.7
Total current liabilities		179.6	147.4	104.8
Total liabilities		550.2	513.3	476.5
Total equity and liabilities		172.1	445.8	552.9

¹ includes USD 8.2M for employee termination benefits as a result of shutting down granular production

Consolidated statement of income re-presented for discontinued operations

USD in million	Notes	Q4 2024	Q4 2023	Year 2024	Year 2023
Revenues		29.7	40.4	140.8	140.8
Cost of materials		-4.0	-7.8	-20.7	-26.9
Changes in inventories	5	-7.7	-2.3	-15.9	7.1
Employee benefit expenses		-9.5	-11.4	-43.6	-43.5
Other operating expenses		-12.9	-24.3	-77.8	-98.0
Other income and expense ¹		-0.8	0.0	-0.7	4.7
EBITDA		-5.3	-5.4	-17.9	-15.7
Depreciation	3	-2.1	-2.5	-8.7	-10.2
Amortization	3	0.0	0.0	0.0	0.0
Depreciation of right of use assets	4	-0.7	-0.7	-2.6	-2.6
Impairment	3, 4	0.1	-6.9	0.1	-7.0
Total depreciation, amortization and impairment		-2.6	-10.1	-11.3	-19.8
EBIT		-7.9	-15.5	-29.1	-35.5
Financial income		0.2	1.2	3.1	3.4
Net financial expenses		-8.0	-6.6	-28.4	-20.1
Net currency gains/losses		0.0	15.9	0.1	12.7
Gain from sale of Yulin JV		0.0	135.5	0.0	135.5
Net financial items ²		-7.8	146.0	-25.3	131.5
Profit/loss from continuing operations		-15.7	130.5	-54.5	95.9
Profit/loss from discontinued operations		-297.8	-26.1	-402.9	-65.4
Profit/loss from total operations		-313.5	104.4	-457.4	30.5

USD in million	Notes	Q4 2024	Q4 2023	Year 2024	Year 2023
Attributable to:					
Owners of REC Silicon ASA		-313.5	104.4	-457.4	30.5
Earnings per share (In USD)					
From continuing operations					
-basic		-0.04	0.31	-0.13	0.23
-diluted		-0.04	0.31	-0.13	0.23
Earnings per share (In USD)					
From total operations					
- basic		-0.75	0.25	-1.09	0.07
- diluted		-0.75	0.25	-1.09	0.07

¹ Amounts reported for 2024 are USD 1.7 million for employee termination benefits offset by the gain on the sale of noncore assets of USD 0.9 million

² See financial items table in part 1 of this report

Consolidated statement of comprehensive income

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023
Profit/loss from total operations	-313.5	104.4	-457.4	30.5
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	2.9	0.9	2.9	0.9
Currency translation effects	0.0	2.5	0.0	0.0
Sum items that will not be reclassified to profit or loss	2.9	3.3	2.9	0.9
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences				
– taken to equity	0.0	-18.2	0.0	-15.4
Sum items that may be reclassified subsequently to profit or loss	0.0	-18.2	0.0	-15.4
Total other comprehensive income	2.9	-14.9	2.9	-14.5
Total comprehensive income	-310.6	89.5	-454.4	16.0
Total comprehensive income attributable to:				
Owners of REC Silicon ASA	-310.6	89.5	-454.4	16.0

Consolidated statement of changes in equity

USD in million	Attributable to equity holders of REC Silicon ASA						
	Share capital	Share premium	Other paid-in capital	Total paid-in capital	Other equity	Comprehensive income	Total equity
Year 2023							
On January 1, 2023	59.2	2,926.7	41.8	3,027.7	539.0	-3,506.3	60.4
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	16.0	16.0
On December 31, 2023	59.2	2,926.7	41.8	3,027.7	539.0	-3,490.3	76.4
Year 2023							
On January 1, 2023	59.2	2,926.7	41.8	3,027.7	539.0	-3,506.3	60.4
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	16.0	16.0
On December 31, 2023	59.2	2,926.7	41.8	3,027.7	539.0	-3,490.3	76.4

This table presents details of comprehensive income

USD in million	Translation differences that can be transferred to profit and loss	Acquisition	Retained earnings	Total
Year 2023				
Accumulated on January 1, 2023	28.8	20.9	-3,556.0	-3,506.3
Profit/loss	0.0	0.0	30.5	30.5
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	0.9	0.9
Sum items that will not be reclassified to profit or loss	0.0	0.0	0.9	0.9
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	-15.4	0.0	0.0	-15.4
Total other comprehensive income for the period	-15.4	0.0	0.9	-14.5
Total comprehensive income for the period	-15.4	0.0	31.4	16.0
Accumulated on December 31, 2023	13.4	20.9	-3,524.6	-3,490.3
Year 2024				
Accumulated at January 1, 2024	13.4	20.9	-3,524.6	-3,490.3
Profit/loss	0.0	0.0	-457.4	-457.4
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	2.9	2.9
Currency translation effects	0.0	0.0	0.0	0.0
Sum items that will not be reclassified to profit or loss	0.0	0.0	2.9	2.9
Total other comprehensive income for the period	0.0	0.0	2.9	2.9
Total comprehensive income for the period	0.0	0.0	-454.4	-454.4
Accumulated at December 31, 2024	13.4	20.9	-3,979.0	-3,944.8

Consolidated statement of cash flows

USD in million	Notes	Q4 2024	Q4 2023	Dec 31, 2024	Year 2023
Cash flows from operating activities					
Profit/loss before tax ¹		-313.5	104.4	-457.4	30.5
Proceeds from sale of Yulin JV		0.0	-136.1	0.0	-136.1
Depreciation, amortization and impairment	<u>3, 4</u>	250.3	11.4	270.9	22.4
Changes in receivables, prepayments from customers etc.	<u>10</u>	-1.4	-6.7	9.6	25.1
Changes in inventories	<u>5</u>	31.4	-9.1	31.1	-20.3
Changes in payables, accrued and prepaid expenses		2.1	9.0	4.3	3.0
Changes in provisions	<u>8</u>	8.2	0.0	8.2	0.0
Changes in VAT and other public taxes and duties		-2.4	-1.1	1.3	1.3
Currency effects not cash flow or not related to operating activities		0.0	-15.5	0.0	-12.3
Other items		1.0	0.3	-0.1	0.2
Net cash flow from operating activities		-24.3	-43,316	-131,957	-86,024
Cash flows from investing activities					
Proceeds from sale of Yulin JV		0.0	136.1	0.0	136.1
Proceeds/Payments finance receivables and restricted cash		0.0	0.2	0.1	0.2
Proceeds from sale of property, plant and equipment and intangible assets		0.0	0.0	1.6	0.7
Payments for property, plant and equipment and intangible assets	<u>3</u>	-10.8	-40.2	-91.3	-145.7
Net cash flow from investing activities		-10.7	96.0	-89.6	-8.7

USD in million	Notes	Q4 2024	Q4 2023	Dec 31, 2024	Year 2023
Cash flows from financing activities					
Payments of lease liabilities	<u>4</u>	-2.1	-0.9	-7.9	-3.9
Payments of borrowings	<u>6</u>	-1.2	-1.1	-31.2	-111.1
Proceeds from borrowings	<u>6</u>	25.0	0.0	100.0	280.0
Net cash flow from financing activities		21.7	-2.0	60.9	165.0
Effect on cash and cash equivalents of changes in foreign exchange rates		0.0	-1.4	0.0	-4.6
Net increase/decrease in cash and cash equivalents		-13.3	49.2	-160.7	65.7
Cash and cash equivalents at the beginning of the period		23.6	121.7	170.9	105.3
Cash and cash equivalents at the end of the period		10.3	170.9	10.2	170.9
¹ Profit/loss before tax consists of					
Profit/loss before tax from continuing operations		-15.7	130.5	-54.5	95.9
Profit/loss before tax from discontinued operations		-297.8	-26.1	-402.9	-65.4
Profit/loss before tax from total operations		-313.5	104.4	-457.4	30.5
¹ Profit/loss before tax includes					
interest paid		-8.4	-6.7	-29.9	-25.0
interest received		0.2	1.2	3.1	3.6

Notes

Note 01 General

The Group

REC Silicon ASA (the Company) and its subsidiaries (together REC Silicon Group, REC Silicon, or the Group) are a leading producer of advanced silicon materials, focusing on delivering high-purity silicon gases to the solar and electronics industries worldwide.

REC Silicon ASA is headquartered in Lysaker, Norway and operates manufacturing facilities in Moses Lake, Washington and Butte, Montana in the USA. REC Silicon's subsidiaries include REC Silicon Inc., REC Solar Grade Silicon LLC, and REC Advanced Silicon Materials LLC in the US. REC Silicon's marketing activities for sales of products are carried out in Japan, Taiwan, Korea, Singapore, China, and the United States.

Basis of preparation

The financial statements are presented in USD, rounded to the nearest tenth of million, unless otherwise stated. As a result, of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

Financial statements

These consolidated interim financial statements, combined with other relevant financial information in this report, have been prepared in accordance with IAS 34. They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual

financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2023. The consolidated financial statements for 2023 are available upon request from the Company's registered office in Lysaker, Norway or at www.recsilicon.com.

Going concern

On January 24, 2025, REC Silicon ASA (REC Silicon) announced that it has entered into a USD 40 million term loan with Hanwha International LLC, supporting REC Silicon's capital needs during the shutdown process at Moses Lake and the Company's transition into a pure play silicon gas provider.

The term loan matures in January 2026. Management acknowledges that the company may face challenges in generating adequate operating cash flows in the subsequent period. Significant doubt has been raised regarding the company's ability to secure sufficient funding to sustain its operations for the next 12 months without the continued support of the major shareholder, Hanwha, or additional sources of capital.

This has resulted in material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, which could have a substantial impact on its future operational capacity. However, Management and the Board of Directors believe that the Company will be successful in obtaining the capital necessary to meet obligations and continue as a going

concern. The Board of Directors has prepared these interim financial statements under the assumption that the Company is a going concern and is of the opinion that this assumption was realistic at the date of the accounts.

Accounting policies

The consolidated financial statements for 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The accounting policies adopted by the Company are consistent with those of the previous fiscal year. See note 2.24 to the consolidated financial statements for 2023.

Segment information

REC Silicon produces silicon gas and polysilicon for the semiconductor industries at its manufacturing facility in Butte, Montana. On December 30, 2024 the Company announced the shutdown of granular polysilicon production for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington.

The operating segments include revenues less cost of manufacturing excluding depreciation for products sold. Other includes general, administrative, and selling expenses which support both operating segments in addition to administrative costs for the Company's headquarters in Lysaker, Norway. Eliminations include the reversal of the impact of transactions between group members and affiliates. The results of the operating

segments plus Other and Eliminations taken together reconcile to total EBITDA for the Group.

Group Management is headed by the Chief Executive Officer (CEO), and the CEO makes decisions regarding the allocation of resources and performance assessment for all segments. Accordingly, the CEO is regarded as the Chief Operating Decision Maker (CODM).

An operating segment is a distinguishable component of the Group that is engaged in providing products that are subject to similar risks and returns and corresponds to management reporting.

Foreign currency translation

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). REC Silicon AS and REC Solar AS have a functional currency of NOK. The Company and its remaining subsidiaries have a functional currency of USD. The Group's reporting currency is USD. See note 2.4 to the consolidated financial statements for 2023.

Estimates and judgments

Preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 to the consolidated financial statements for 2023. For 2024, additional estimates and judgements focused on classifying Moses Lake operations as discontinued operations and impairment of property plant and equipment for the Moses Lake production facility.

Note 02 Segment information

See notes 2.3 and 5 to the consolidated financial statements for 2023 and [note 1](#) to these financial statements for further information on segments.

The following table summarizes key financial results by segment:

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues					
Semiconductor Materials	29.6	40.3	140.7	140.6	32.8
Solar Materials (Discontinued)	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.1	0.2	0.0
Total	29.7	40.4	140.8	140.8	32.8
EBITDA					
Semiconductor Materials	2.6	1.1	12.9	14.0	0.4
Solar Materials (Discontinued)	0.0	0.0	0.0	0.0	0.0
Other	-7.9	-6.5	-30.8	-29.7	-6.8
Total	-5.3	-5.4	-17.9	-15.7	-6.4
EBIT					
Semiconductor Materials	0.1	-8.8	2.1	-5.4	-2.3
Solar Materials (Discontinued)	0.0	0.0	0.0	0.0	0.0
Other	-8.0	-6.7	-31.3	-30.2	-8.7
Total	-7.9	-15.5	-29.1	-35.5	-9.2

The following tables reflect the financial results of each operating segment:

Semiconductor Materials – Segment

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues	29.6	40.3	140.7	140.6	32.8
Cost of materials	-3.9	-7.8	-20.6	-26.8	-3.7
Change in inventories	-7.7	-2.3	-15.8	7.2	-10.9
Employee benefit expense	-6.5	-8.6	-30.3	-30.1	-8.1
Other operating expenses	-8.9	-20.6	-60.6	-81.3	-10.6
Other income and expenses	0.0	0.0	-0.6	4.4	1.0
Total current costs	-27.0	-39.2	-127.8	-126.6	-32.3
EBITDA contribution	2.6	1.1	12.9	14.0	0.4
Depreciation of fixed assets	-2.0	-2.3	-8.3	-9.8	-2.1
Depreciation of leased assets	-0.7	-0.6	-2.6	-2.6	-0.7
Impairment	0.1	-6.9	0.1	-7.0	0.0
Total depreciation, amortization, and impairment	-2.5	-9.9	-10.8	-19.3	-2.7
EBIT contribution	0.1	-8.8	2.1	-5.4	-2.3

Solar Materials – Segment (Discontinued) see [note 12](#)

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023	Q3 2024
Revenues	0,0	0,0	0,0	0,0	0,0
EBITDA contribution	0,0	0,0	0,0	0,0	0,0
EBIT contribution	0,0	0,0	0,0	0,0	0,0

Note 03 Fixed assets

See note 6 to the consolidated financial statements for 2023.

Property, plant and equipment and intangible assets

USD in million	Land and buildings	Machinery and production equipment	Other tangible fixed assets	Assets under construction	Total property, plant and equipment	Total intangible assets	Total
Carrying value on January 1, 2024	33.6	40.2	4.0	180.9	258.7	0.8	259.6
Net additions ¹	0.1	63.7	3.6	18.7	86.0	-0.5	85.5
Disposals	0.0	-0.3	-0.7	0.0	-1.0	-0.2	-1.2
Depreciation and amortization	-2.0	-6.1	-0.6	0.0	-8.7	0.0	-8.7
Depreciation and amortization – discontinued operations	-0.3	-10.7	-0.6	0.0	-11.7	0.0	-11.7
Impairment	-0.2	-5.8	-0.7	6.8	0.1	0.0	0.1
Impairment – discontinued operations	-0.2	-49.9	-2.6	-186.1	-238.8	0.0	-238.8
Carrying value on December 31, 2024	31.1	31.0	2.3	20.3	84.7	0.0	84.7
On December 31, 2024							
Historical cost ²	67.2	411.6	19.2	20.3	518.3	45.1	563.4
Accumulated depreciation/amortization/impairment	-36.1	-380.6	-16.9	0.0	-433.6	-45.1	-478.7
Carrying value on December 31, 2024	31.1	31.0	2.3	20.3	84.7	0.0	84.7

¹ Net additions include transfers from assets under construction. Differences between additions and cash payments for PPE is the result of changes in accruals.

² Historical cost and accumulated depreciation/amortization/impairment reflect the write off of Moses Lake assets.

Items classified as under construction relate to assets within the semiconductor segment and are projects to ensure stable production and ongoing quality improvements.

Impairment reviews

See note 8 to the consolidated financial statements for 2023.

Management has determined that the Group consists of two cash generating units (CGUs). The Company's CGUs are derived from the reported segments for Solar Materials and Semiconductor Materials. Financial attributes associated with Other and Eliminations have been allocated to the individual CGUs based upon estimated activity, volume, and revenue factors.

As a result of shutting down granular production in Moses Lake, the Company impaired all remaining property plant and equipment for its Solar Materials segment with the exception of land and vehicles which may be sold. The total amount of impairment for the Moses Lake facility was USD 246.2 million for 2024 with USD 246.0 being recorded in the fourth quarter. Due to this impairment, the estimated values in use approximate the carrying value of the Solar Materials CGU.

The Company conducted a review of impairment indicators on December 31, 2024 and did perform an impairment test for its Semiconductor Materials segment. Areas of estimation include but are not limited to future revenues (sales prices and sales volume), cost of major inputs, conversion costs and yield ratio (production volume), government grants expected to be received from the US Inflation Reduction Act, and maintenance capital expenditures. The result was estimated values in use that exceeded the carrying value of the Semiconductor Materials CGU. Consequently, no additional impairment was recognized in 2024.

Note 04 Leases

See note 7 to the consolidated financial statements for 2023.

Right of use assets

USD in million	Land and buildings	Machinery	Gas plants	Other leased assets	Total
Balance at January 1, 2024	0.0	0.4	31.7	0.1	32.3
Depreciation	-0.2	-0.1	-2.2	-0.2	-2.6
Depreciation – discontinued operations	0.0	0.0	-1.7	0.0	-1.7
Additions	1.3	0.0	0.1	0.7	2.2
Modification of existing leases	0.1	0.0	0.7	0.0	0.8
Impairment due to discontinued operations	-1.2	-0.3	-5.3	-0.7	-7.5
Balance at December 31, 2024	0.0	0.0	23.4	0.0	23.4

Lease liabilities

USD in million	Total future lease payments	Maturity analysis - contractual payments to be made					
		2025	2026	2027	2028	2028	After 2029
Lease liabilities on December 31, 2024 ¹	96.3	16.4	16.3	16.3	16.1	6.0	25.1

¹ Amounts listed are undiscounted

The weighted average incremental borrowing rate applied to lease liabilities on December 31, 2024 is 13.0 percent.

Amounts recognized in profit or loss

USD in million	Q4 2024	Q4 2023	Year 2024	Year 2023
Interest on lease liabilities	1.0	1.0	4.2	4.3
interest on lease liabilities - discontinued operations	1.0	1.1	4.2	4.2
Depreciation of right-of-use assets	0.7	0.6	2.6	2.6
Depreciation of right-of-use assets – discontinued operations	0.5	0.4	1.7	0.8
Expenses relating to short-term leases	0.0	0.0	0.0	0.1
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.0	0.0	0.0	0.0

Right-of-use assets associated with contracts with a low value or terms of less than 12 months, at the time of initiation, are expensed in accordance with the low-value assets and short-term lease exemptions.

Amounts recognized in the statement of cash flow

USD in million	Q3 2024	Q3 2023	Sep 30, 2024	Sep 30, 2023	Year 2023
Total cash outflow for leases	4.1	2.9	12.1	8.7	12.4

Note 05 Inventories

See note 13 to the consolidated financial statements for 2023.

Inventories at end of period

USD in million	Dec 31, 2024			Dec 31, 2023		
	Before writedowns	Writedowns	After writedowns	Before writedowns	Writedowns	After writedowns
Stock of raw materials	6.6	0.0	6.6	18.1	0.0	18.1
Spare parts ¹	51.4	-45.5	5.8	44.3	-33.1	11.2
Work in progress	8.6	-5.7	2.9	12.8	-2.3	10.5
Finished goods	74.6	-62.5	12.1	25.1	-6.4	18.7
Total	141.2	-113.7	27.4	100.4	-41.8	58.5

¹ Of the total writedowns for 2024, USD 94.6M is the result of classifying the Moses Lake operation as a discontinued operation

Note 06 Borrowings and guarantees

See notes 17, 29, and 30 to the consolidated financial statements for 2023.

Carrying amounts of interest-bearing liabilities on December 31, 2024 and contractual repayments (excluding interest payments) are specified in the table below.

USD in million	Borrower	Maturity	Interest rate	Carrying amount	Contractual repayments, excluding interest			
					Total	2025	2026	After 2026
Captialized Borrowing Cost, current (USD) ¹				-0.6				
Bank Loan – KEB Hana Bank	REC Silicon ASA	2026	3 mon SOFR+1.8%	110.0	110.0		110.0	
Bank Loan – KEB Hana Bank	REC Silicon Inc	2026	3 mon SOFR+1.5%	100.0	100.0		100.0	
Bank Loan – Standard Chartered	REC Silicon Inc	2025	1 mon SOFR+2.0%	50.0	50.0	50.0		
Bank Loan – NongHyup	REC Silicon Inc	2026	3 mon SOFR+2.0%	40.0	40.0		40.0	
Related Party Loan – Hanwha International	REC Silicon Inc	2024	1 mon SOFR+2.2%	50.0	50.0	50.0		
Grant County WA tax settlement	REC Solar Grade Silicon LLC	2026	11.5%	3.0	3.0	1.4	1.6	
Total				352.3	353.0	101.4	251.6	0.0

¹ Amortized as part of effective interest

On November 4, 2024, REC Silicon ASA announced that its wholly owned subsidiary, REC Silicon Inc, and REC Silicon Inc's wholly owned subsidiaries have entered into a USD 25 million short-term loan with Hanwha International LLC to meet the near-term capital requirements.

On January 24, 2025, REC Silicon ASA announced that it entered into a USD 40 million term loan with Hanwha International LLC, supporting REC Silicon's capital needs during the shutdown process at Moses Lake and the Company's transition into a pure play silicon gas provider. The term loan has a maturity date of January 2026.

Further, the bridge loans of USD 25 and USD 25 million with Hanwha International LLC will be rolled up into this loan at their maturity dates on February 2 and February 4, 2025, respectively.

Guarantees

See note 29 to the consolidated financial statements for 2023.

The Group provided parent company guarantees for the REC Solar Group related to the performance of solar panels and systems and the sale of REC ScanModule AB. The Group has been provided with offsetting guarantees by REC Solar Holdings AS. The guarantees are valid for relevant warranty periods and are limited by warranties provided on solar panels and systems. Parent company guarantees for REC Solar were USD 28.1 million on December, 2024 and December 31, 2023. The guarantees will decrease starting in 2025 and will expire in their entirety by 2039.

Note 07 Commitments

Contractual purchase obligations and minimum operating lease payments on December 31, 2024

USD in million	Total future payments	2025	2026	2027	2028	After 2028
Purchase of goods and services	42.2	42.1	0.0	0.0	0.0	0.0
Minimum operating lease payments	0.0	0.0	0.0	0.0	0.0	0.0
Total purchase obligations and minimum lease payments	42.2	42.1	0.0	0.0	0.0	0.0

Commitments primarily represent the purchase of raw materials.

Note 08 Provisions

USD in million	Q4 2024	2024	2023
Current provision at beginning of period	0.0	0.0	0.0
Employee termination benefit	8.2	8.2	0.0
Current value at end of period	8.2	8.2	0.0
Non-Current Carrying value at beginning of period	24.7	23.8	19.3
Change in estimate to asset retirement obligation	1.3	1.3	-1.8
Net periodic interest on asset retirement obligation	0.3	1.3	1.0
Non-current Carrying value at end of period	26.3	26.3	23.8

See note 20 to the consolidated financial statements for 2023.

As a result of the shutdown of Moses Lake, a provision in the amount of USD 8.2 million was recorded for employee termination benefits.

The asset retirement obligations (AROs) represent the present value of estimated future costs discounted between 5.2 to 6.0 percent and between 4 and 35.5 years. The change in estimate recorded in the fourth quarter was due to a change in estimated costs, as well as changes to the estimated discount rates.

Note 09 Claims, disputes, and risks

Please refer to the annual report for 2023, specifically note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report. Please also refer to the Risks and uncertainties section of this report.

Note 10 Receivables

See notes 12 and 30 to the consolidated financial statements for 2023.

Aging of receivables on December 31, 2024

USD in million	Total Carrying amount	Aging of receivables that are not impaired					Impaired
		Not due	< 30 Days	>30<90 Days	>90<365 Days	>365 Days	
Trade receivables and accrued revenues	12.7	7.7	4.7	0.3	0.0	0.0	0.0
Provision for loss on trade recivables	-0.7	0.0	-0.4	-0.3	0.0	0.0	0.0
Other current receivables	4.1	4.1	0.0	0.0	0.0	0.0	0.0
Total receivables	16.2	11.8	4.3	0.0	0.0	0.0	0.0

There was no bad debt expense recorded during the fourth quarter of 2024.

Note 11 Transactions with related parties

See notes 5, 10 and 16 to the consolidated financial statements for 2023.

Hanwha Solutions and Hanwha Corporation collectively hold 33.3 percent of the shares in REC Silicon. In the Fourth quarter of 2024, REC Silicon Inc. received services from Hanwha subsidiaries, in the amount of USD 0.6 million.

Hanwha Solutions provides guarantees for REC Silicon loans. In the third quarter of 2024, REC Silicon incurred costs from Hanwha Solutions in the amount of USD 0.9 million for guarantee and letter of credit fees. See [note 6](#).

On November 4, 2024, REC Silicon ASA announced that its wholly owned subsidiary, REC Silicon Inc, and REC Silicon Inc's wholly owned subsidiaries have entered into a USD 25 million short-term loan with Hanwha International LLC to meet the near-term capital requirements.

On January 24, 2025, REC Silicon announced that it has entered into a USD 40 million term loan with Hanwha International LLC, supporting REC Silicon's capital needs during the shutdown process at Moses Lake and the Company's transition into a pure play silicon gas provider. See [note 6](#).

Note 12 Discontinued operations

On December 30, 2024 the Company announced that it is ceasing production at its Moses Lake, Washington facility.

Production of polysilicon was discontinued at the Moses Lake facility, while equipment involved in production of silicon gases will be maintained in a safe and recoverable mode that incurs minimal interim costs, allowing the unit to restart with reasonable notice. This will give the Company the flexibility to capitalize on future customer demand for Silicon Anode or other gases while minimizing near-term operational costs.

This announcement follows the Company's decision to shut down polysilicon production at its Butte, Montana facility in February 2024. The production facilities were completely halted by the end of December 2024, and clean-up activities have commenced, including the removal of remaining raw materials from the facilities

Moving forward, REC Silicon will focus its business efforts on silicon gases where the Company has clear strength, market positioning, and product differentiation. The Company is prioritizing driving costs out of its silicon gas assets and optimizing production, with a goal to return to profitability.

The shutdown of the Moses Lake facility follows numerous, previously disclosed efforts to improve the level of some key impurities that resulted primarily from the post-reactor product finishing and handling systems. Initiatives included changing contact materials, procedures, operating conditions and parameters, passivation measures and bypassing equipment; and bringing in third-party resources to assist in evaluating and mitigating the situation. However, the Company was unsuccessful in its attempts to fully rectify the issues and ultimately received an unsuccessful qualification test, as announced on December 17, 2024.

The following statement of income is an analysis of discontinued operation.

Analysis of discontinued operations
Consolidated statement of income

USD in million	Notes	Q4 2024			Q4 2023			Dec 31, 2024			Dec 31, 2023		
		Total operations	Of which discontinued	Re-presented	Total operations	Of which discontinued	Re-presented	Total operations	Of which discontinued	Re-presented	Total operations	Of which discontinued	Re-presented
Revenues		30.0	0.4	29.7	40.5	0.1	40.4	143.6	2.8	140.8	141.1	0.4	140.8
Cost of materials		-9.9	-5.9	-4.0	-10.6	-2.8	-7.8	-56.1	-35.4	-20.7	-30.5	-3.6	-26.9
Changes in inventories	5	-30.6	-22.9	-7.7	1.4	3.7	-2.3	-27.9	-11.9	-15.9	12.5	5.4	7.1
Employee benefit expenses		-17.5	-8.0	-9.5	-21.0	-9.6	-11.4	-80.7	-37.1	-43.6	-69.6	-26.2	-43.5
Other operating expenses		-24.8	-11.9	-12.9	-41.5	-17.2	-24.3	-144.1	-66.4	-77.8	-142.9	-45.0	-98.0
Other income and expense		-3.8	-2.9	-0.8	0.0	0.0	0.0	-3.6	-3.0	-0.7	9.0	4.2	4.7
EBITDA		-56.5	-51.2	-5.3	-31.2	-25.8	-5.4	-168.8	-150.9	-17.9	-80.5	-64.8	-15.7
Depreciation	3	-3.3	-1.2	-2.1	-2.7	-0.2	-2.5	-20.4	-11.7	-8.7	-10.9	-0.7	-10.2
Amortization	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation of right of use assets	4	-1.1	-0.5	-0.7	-1.0	-0.4	-0.7	-4.3	-1.7	-2.6	-3.4	-0.8	-2.6
Impairment	3, 4	-245.9	-246.0	0.1	-7.7	-0.8	-6.9	-246.1	-246.2	0.1	-8.1	-1.1	-7.0
Total depreciation, amortization and impairment		-250.3	-247.7	-2.6	-11.4	-1.4	-10.1	-270.9	-259.6	-11.3	-22.4	-2.6	-19.8
EBIT		-306.8	-298.9	-7.9	-42.6	-27.1	-15.5	-439.7	-410.5	-29.1	-102.9	-67.4	-35.5
Financial income		0.2	0.0	0.2	1.2	0.0	1.2	3.1	0.0	3.1	3.6	0.2	3.4
Net financial expenses		-6.9	1.1	-8.0	-5.6	1.0	-6.6	-20.8	7.6	-28.4	-18.3	1.8	-20.1
Net currency gains/losses		0.0	0.0	0.0	15.9	0.0	15.9	0.1	0.0	0.1	12.7	0.0	12.7
Gain from sale of Yulin JV		0.0	0.0	0.0	0.0	0.0	135.5	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items		-6.7	1.1	-7.8	11.5	1.0	146.0	-17.7	7.6	-25.3	-2.0	2.0	-4.0
Profit/loss before tax		-313.5	-297.8	-15.7	104.4	-26.1	130.5	-457.4	-402.9	-54.5	30.5	-65.4	95.9
Income tax expense/benefit from continuing operations		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss from continuing operations				-15.7			130.5			-54.5			95.9
Profit/loss from discontinued operations			-297.8	-297.8		-26.1	-26.1		-402.9	-402.9		-65.4	-65.4
Profit/loss from total operations		-313.5		-313.5	104.4		104.4	-457.4		-457.4	30.5		30.5
Attributable to:		Total	Discontinued	Continuing	Total	Discontinued	Continuing	Total	Discontinued	Continuing	Total	Discontinued	Continuing
Owners of REC Silicon ASA		-313.5	-297.8	-313.5	104.4	-26.1	104.4	-457.4	-402.9	-457.4	30.5	-65.4	30.5
Earnings per share (In USD)													
From total operations													
– basic		-0.75	-0.71	-0.75	0.25	-0.06	0.25	-1.09	-0.96	-1.09	0.07	-0.16	0.07
– diluted		-0.75	-0.71	-0.75	0.25	-0.06	0.25	-1.09	-0.96	-1.09	0.07	-0.16	0.07

Cash flows of discontinued operations

The following table shows the cash flows of the Solar Materials segment for 2023 and 2024. It includes cash flows to and from REC Silicon Inc. The US entities of REC Silicon have a cash pooling arrangement and net cash from REC Silicon Inc. to the solar materials segment is reported in the line Net cash flow from financing activities.

Cash flows of discontinued operations, Moses Lake

USD in million	2023					2024				
	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024
Net cash flow from operating activities	-8.4	-10.8	12.6	-34.5	-41.1	-27.6	-27.4	-40.4	-18.1	-113.6
Net cash flow from investing activities	-18.2	-36.9	-35.5	-35.0	-125.6	-31.0	-24.1	-13.0	-9.0	-77.2
Net cash flow from financing activities	26.6	47.6	23.0	69.5	166.7	58.7	51.5	53.4	26.9	190.5
Cash and cash equivalents at the beginning of the period	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Cash and cash equivalents at the end of the period	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0

Note 13 Events after the reporting period

On January 24, 2025, REC Silicon announced that it has entered into a USD 40 million term loan with Hanwha International LLC, supporting REC Silicon's capital needs during the shutdown process at Moses Lake and the Company's transition into a pure play silicon gas provider.

Further, the bridge loans of USD 25 and USD 25 million with Hanwha International LLC will be rolled up into this loan at their maturity dates on February 2 and February 4, 2025, respectively.

The terms of the loan are generally in line with the financial terms of the Company's existing bank loan agreements, secured by the assets of the Company. The maturity date is January 24, 2026.

REC Silicon also announced today that its US affiliate and QCells, its customer for granular polysilicon produced at Moses Lake, entered into a mutually agreeable termination agreement. Per the agreement, the reimbursement of the prepayment of USD 30 million by REC Silicon to QCells has been delayed for one year without interest and without any further obligation by either party, including the payment of any liquidated damages.

Together, both the loan and the termination of the Polysilicon Supply Agreement are important steps that will enable the Company to concentrate on its silicon gas business. Proceeds from the loan will strengthen REC Silicon's liquidity position and provide it with the capital necessary to close operations at Moses Lake safely and in compliance with applicable regulations.

Moving forward, REC Silicon is focused on driving costs out of its silicon gas as-sets and optimizing production at the Butte facility. REC Silicon's legacy business is a leading producer of silicon gas and has a strong market position for silane and specialty gases in the semiconductor and solar PV industries. Further, main-taining silane capacity at Moses Lake in a recoverable mode, gives the Company the flexibility to leverage future customer demand for Silicon Anode or other gas-es. The Company is working to capitalize on these industry presences and ultimately return to profitability.

The Company's day-to-day operations, including ongoing initiatives to cease pro-duction at Moses Lake, may require additional financing beyond the loan closed today. As previously disclosed, REC Silicon is undergoing a strategic review to address financial and operational challenges and is therefore considering addi-tional cost reduction activities, financing options, and other mitigative actions.

Hanwha International LLC is an affiliate of the Company's two largest shareholders, Hanwha Solutions and Hanwha Corporation.

Definition of alternative performance measures

An Alternative Performance Measure (APM) is a measure of historic or future financial performance, financial position, or cash flows other than a financial measure defined or specified in the applicable financial reporting framework.

The Company has identified the following APMs used in reporting:

EBIT	<p>EBIT is an acronym for Earnings Before Tax and represents profit/loss from total operations excluding income tax expense/benefit, net financial items, and share of profit/loss from investments in associates.</p> <p>EBIT is reflected on the consolidated statement of income on the line titled EBIT. EBIT has been reported as a loss of USD 7.9 million for the fourth quarter of 2024.</p>	EBITDA	<p>EBITDA is an acronym for Earnings Before Tax, Depreciation, and Amortization. EBITDA is EBIT excluding depreciation, amortization, and impairment.</p> <p>EBITDA is reflected on the consolidated statement of income on the line titled EBITDA. An EBITDA loss of USD 5.3 million has been reported for the fourth quarter of 2024.</p>
EBIT Margin	<p>EBIT margin is calculated by dividing EBIT by revenues. EBIT and revenues are reflected on the Company's statement of income, in note 2 segments, and in the financial highlight tables in this report in lines titled similarly.</p> <p>EBIT margin has been calculated and is reported in the financial highlight tables for REC Silicon Group.</p>	EBITDA Margin	<p>EBITDA margin is calculated by dividing EBITDA by revenues. EBITDA and revenues are reflected on the Company's statement of income, in note 2 segments, and in the financial highlight tables in this report in lines similarly titled.</p> <p>EBITDA margin has been calculated and is reported in the financial highlight tables for REC Silicon Group, in the key financials table for each operating segment, and in note 2 segments.</p>
EBIT Contribution	<p>EBIT contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBIT. For the operating segments, EBIT contributions represent revenues less cost of manufacturing including depreciation and amortization. For other, EBIT contribution represents primarily operating costs.</p> <p>A table reconciling the EBIT contribution of each operating segment along with other and eliminations to the Company's total EBIT can be found in note 2 segments.</p>	EBITDA Contribution	<p>EBITDA contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBITDA. For the operating segments, EBITDA contributions represent revenues less cost of manufacturing excluding depreciation and amortization. For other, EBITDA contribution represents primarily operating costs.</p> <p>A table reconciling the EBITDA contribution of each operating segment along with other and eliminations to the Company's total EBITDA can be found in note 2 segments.</p>

Equity Ratio The equity ratio is calculated by dividing total shareholders' equity by total assets. Total shareholders' equity and total assets are reflected on lines similarly titled on the Company's statement of financial position.

On September 30, 2024, the equity ratio is negative 219.6 percent and is calculated by dividing USD negative 378.1 million total shareholders' equity by USD 172.1 million in total assets.

Net Debt Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.

The carrying value of debt can be found in [note 6](#) borrowing in the table under the caption *carrying amount*, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled *cash and cash equivalents*.

On December 31, 2024, net debt was USD 407.2 million or USD 352.3 million total carrying value of the Company's debt, from [note 6](#), plus USD 65.1 million current and non-current lease liabilities (from the balance sheet) less USD 10.3 million in cash and cash equivalents.

Nominal Net Debt Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.

The contractual repayment values of debt can be found in [note 6](#) borrowing in the table under the caption contractual repayments excluding interest, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

On December 31, 2024, nominal net debt was USD 407.8 million or USD 353.0 million contractual repayment values of the Company's debt from [note 6](#), plus USD 65.1 million current and non-current lease liabilities (from the balance sheet) less USD 10.3 million in cash and cash equivalents.

Nominal Debt Nominal debt is the contractual repayment values of interest-bearing debt instruments including financing leases.

The contractual repayment values of debt can be found in [note 6](#) borrowing in the table under the caption contractual repayments excluding interest, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

On September 30, 2024, nominal debt was USD 418.0 million or USD 353.0 million contractual repayment values of the Company's debt from [note 6](#), plus USD 65.1 million current and non-current lease liabilities (from the balance sheet).

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About REC Silicon

REC Silicon is a global leader in silane based high purity silicon materials. We combine over 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. 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

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