

The logo for RECSiLICON, with 'RECS' in white and 'iLICON' in a light blue color. The background of the entire slide is a blue-tinted photograph of a large industrial facility, likely a refinery or chemical plant, featuring tall distillation columns, complex piping, and multiple levels of walkways with railings.

RECSiLICON

Second quarter & first half 2025

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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Second quarter highlights

- > Revenues of USD 19.9 million
- > EBITDA gain of USD 4.9 million
 - Includes USD 13.1 million gain from modifications to lease agreements
- > June 30, 2025, cash balance of USD 8.3 million
 - Cash decrease of USD 5.5 million
- > USD 10.0 million loan from Hanwha Global Americas finalized

Revenues

19.9

USDm

EBITDA

-4.9

USDm

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues	19.9	36.4	41.2	78.3	140.8	21.4
EBITDA	4.9	-1.5	0.2	-6.2	-17.9	-4.6
EBITDA margin	24.4%	-4.2%	0.5%	-8.0%	-12.7%	-21.7%
EBIT excluding impairment charges	2.5	-4.4	-4.6	-12.0	-29.2	-7.1
Impairment charges	-3.1	0.0	-3.1	0.0	-49.7	0.0
EBIT	-0.6	-4.4	-7.7	-12.0	-78.9	-7.1
EBIT margin	-3.2%	-12.1%	-18.7%	-15.4%	-56.1%	-33.1%
Profit/loss before tax from continuing operations	-9.1	-10.2	-23.7	-22.8	-104.2	-14.7
Profit/loss from continuing operations	-9.1	-10.2	-23.7	-22.8	-104.2	-14.7
Profit/loss from discontinued operations, net of tax	2.2	-40.5	-8.0	-68.4	-353.1	-10.2
Profit/loss from total operations	-6.9	-50.7	-31.8	-91.2	-457.4	-24.9
Earnings per share, basic and diluted (USD) from continuing operations	-0.02	-0.02	-0.06	-0.05	-0.25	-0.03
Earnings per share, basic and diluted (USD) from discontinued operations	0.01	-0.10	-0.02	-0.16	-0.84	-0.02
Earnings per share, basic and diluted (USD) from total operations	-0.02	-0.12	-0.08	-0.22	-1.09	-0.06
Silicon gas loaded (production) in MT	600	738	1,146	1,564	2,639	546
Silicon gas sales in MT	570	654	1,130	1,504	2,561	560

REC Silicon Group

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.



REC Silicon Second quarter & first half 2025

Profit & Loss

Revenues from continuing operations for the second quarter of 2025 were USD 19.9 million compared to USD 21.4 million for the first quarter of 2025. The decrease in revenue is due to a decrease in sales volume of polysilicon when compared to the first quarter of 2025. EBITDA from continuing operations for the second quarter of 2025 was USD 4.9 million compared to a loss of USD 4.6 million during the first quarter of 2025. During the second quarter, a gain of USD 13.1 million was recorded in other income/expense, primarily resulting from a modification to a long-term lease agreement in Moses Lake.

Revenues from continuing operation for the first half of 2025 were USD 41.2 million compared to USD 78.3 million for the first half of 2024. EBITDA for the first half of 2025 was USD 0.2 million, compared to a loss of USD 6.2 million for 2024. The decreased revenue is primarily due to exiting the polysilicon business, as well as lower revenue from silicon gas when comparing the first half of 2025 to the first half of 2024. As previously mentioned, the first-half EBITDA was impacted by a non-cash gain of USD 13.1 million recorded in other income/expense.

On December 30, 2024, REC Silicon announced the permanent shutdown its granular polysilicon business in Moses Lake. As a result, the granular polysilicon line met the criteria for classification as a discontinued operation. The Company finalized the granular polysilicon production line cleanout process in March 2025 and the associated expense of USD 10.2 million has been classified under discontinued operations for the first half of 2025.

Beginning in early March 2025, the Company incurred approximately USD 4.5 million in costs during the first half of the year related to the safe maintenance of its silane gas facility in Moses Lake while

in a non-operating status. These activities are not directly attributable to the discontinued granular polysilicon operations and are therefore classified within continuing operations.

Future costs for maintaining the Moses Lake facility in preparation for a potential silane restart will be captured within the Moses Lake segment. The loss from total operations for the first half of 2025 was USD 31.8 million, of which USD 8.0 million was attributable to discontinued operations. This compares to a loss from total operations of USD 91.2 million in the first half of 2024, of which USD 68.4 million was from discontinued operations.

Financial Position

Shareholders' equity decreased to negative USD 409.9 million as of June 30, 2025, compared to negative USD 378.1 million as of December 31, 2024. This decrease was the result of the loss from total operations of USD 31.8 million during the first half of 2025.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. As of June 30, 2025, net debt was USD 447.0 million, which consisted of USD 402.6 million in total carrying value of the Company's debt (from [note 6](#)) plus USD 52.7 million in current and non-current lease liabilities (from the balance sheet), less USD 8.3 million in cash and cash equivalents.

Nominal net debt is the contractual repayment value of interest-bearing debt instruments (including financing leases), less cash and cash equivalents. As of June 30, 2025, nominal net debt was USD 447.3 million.

See note 17 to the consolidated financial statements for 2024 and [note 6](#) to this report for further information on interest bearing liabilities.

Cash Flow

During the second quarter of 2025, cash balances decreased by USD 8.5 million to USD 8.3 million as of June 30, 2025. During the first half of 2025, cash balances decreased by USD 2.0 million, from USD 10.3 million as of December 31, 2024.

In the first half of 2025, net cash outflows from operating activities totaled USD 40.4 million. Depreciation and amortization expenses were USD 4.8 million while impairment charges amounted to USD 3.7 million. Impairment was primarily the result of a modification to a lease agreement in Moses Lake. Trade receivables and customer prepayments decreased by USD 8.6 million. Inventories decreased by USD 4.5 million. Changes in payables and accrued expenses decreased by USD 11.6 million. Payments for employee termination benefits amounted to USD 5.6 million. Accrued property taxes decreased by USD 0.3 million. In the first half of the year, cash outflows included lease interest payments of USD 3.4 million and interest on debt of USD 11.3 million.

In the first half of the year, cash outflows from investing activities totaled USD 8.1 million, primarily due to capital expenditures of USD 8.4 million, partially offset by a USD 0.2 million change in finance receivables and a USD 0.1 million change in restricted cash.

In the first half of the year, net cash inflows from financing activities totaled USD 46.5 million. These were the result of proceeds from new loans amounting to the amount of USD 50.0 million (see [note 6](#)), offset by payments of lease liabilities of USD 3.5 million (see [note 4](#)).

Capital Expenditures

Capital expenditures in the second quarter of the year totaled USD 1.6 million compared to USD 6.7 million during the first quarter of 2025. Capital spending for the first half of 2025 was USD 8.4 million and was primarily associated with process improvements in Butte, as well as settling accounts payable, including amounts accrued and impaired for Moses Lake in the prior fiscal year.

Financial Items

USD in million	Q2 2025	Q2 2024	Jun 30, 2025	Jun 30, 2024	Year 2024	Q1 2025
Financial income	0.1	0.8	0.3	2.6	3.1	0.2
Interest expenses						
on borrowings	-6.3	-5.0	-12.0	-10.1	-21.3	-5.7
Interest expense on leases	-1.3	-1.0	-2.5	-2.1	-4.2	-1.3
Capitalized borrowing cost	0.2	0.3	0.4	0.6	0.8	0.2
Expensing of up-front fees and costs	-0.8	-0.7	-1.6	-1.5	-3.1	-0.8
Other financial expenses	-0.4	-0.2	-0.6	-0.3	-0.7	-0.2
Net financial expenses	-8.5	-6.6	-16.3	-13.4	-28.4	-7.8
Net currency gains/losses	0.0	0.1	0.0	0.0	0.1	0.0
Net financial items	-8.4	-5.8	-16.0	-10.8	-25.3	-7.6

During the first half of 2025, the Company recognized interest expense on borrowings totaling USD 12.0 million, including USD 11.8 million associated with term loans, and USD 0.2 million associated with a note with Grant County, Washington. In addition, the Company incurred USD 1.5 million in up-front fees and costs, which were related to the guarantee fees charged by Hanwha associated with the term loans.

Capitalized borrowing costs totaled USD 0.4 million during the first half of 2025 and were related to improvement projects in Butte.

The Company recognized interest expense of USD 2.5 million for leased assets during the first half of the year. See [note 4](#) for additional information on leases.

Income Tax

The loss from total operations of USD 31.8 million during the first half of 2025 had no effective tax impact due to REC Silicon’s unrecognized deferred tax asset. These losses will continue to be available to offset taxable income in future periods, subject to certain limitations.

See note 18 to the consolidated financial statements for 2024 for additional information on income taxes.

Segment information

Summary of results by segment

USD in million	Q2 2025		Q2 2024		H1 2025		H1 2024		Year 2024		Q1 2025	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Butte	19.8	-0.3	36.4	7.0	41.2	1.0	78.3	9.8	140.7	12.9	21.4	1.2
Moses Lake	0.0	9.6	0.0	0.0	0.0	8.6	0.0	0.0	0.0	0.0	0.0	-0.9
Other	0.0	-4.4	0.0	-8.6	0.0	-9.4	0.0	-16.1	0.1	-30.8	0.0	-4.9
Total	19.9	4.9	36.4	-1.5	41.2	0.2	78.3	-6.2	140.8	-17.9	21.4	-4.6

Butte

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues	19.8	36.4	41.2	78.3	140.7	21.4
EBITDA contribution	-0.3	7.0	1.0	9.8	12.9	1.2
Contribution margin	-1.3%	19.3%	2.3%	12.6%	9.2%	5.7%
Silicon gas loaded (production) in MT	600	738	1,146	1,564	2,639	546
Silicon gas sales in MT	570	654	1,130	1,504	2,561	560

REC Silicon manufactures silicon gases from its facility in Butte, Montana. This facility is the world’s largest supplier of silicon gases for semiconductor, flat panel display, and solar applications. The strategic priority is to fully utilize the 7,400MT silane gas capacity at Butte with silane and specialty gases for the semiconductor, flat panel display, and solar PV industries. In addition, the Butte facility will supply monosilane for the silicon anode battery industry.

The Company shut down its polysilicon production capacity at its Butte facility mid-2024. A limited amount of polysilicon continues to be produced for the purpose of analyzing silicon gas quality. Polysilicon produced for this purpose will continue to be sold.

Butte segment revenues were USD 19.8 million in the second quarter of 2025 compared to USD 21.4 million in the first quarter of 2025. The decrease in revenue is due to decreased polysilicon revenue

compared to the first quarter as inventory of previously produced product is sold. Revenues for the first half of 2025 were USD 41.2 million compared to USD 78.3 million for the first half of 2024.

Silicon gas sales volumes increased by 10MT to 570MT during the second quarter of 2025 compared to the first quarter. Sales prices realized by REC Silicon for silicon gas increased by 2.5 percent from the previous quarter.

In the first half of 2025, silicon gas sales volumes decreased by 374MT to 1,130MT, compared to the first half of 2024.

Total polysilicon sales volumes, including by-products, were 91MT in the second quarter of 2025, compared to 149MT during the first quarter of 2025. Semiconductor grade polysilicon sales were 62MT in the second quarter, compared to 97MT in the first quarter of 2025. Sales volumes of other-grade polysilicon decreased by 23MT to 29MT in the second quarter, compared to the first quarter of 2025. The polysilicon sold was primarily sourced from previously produced inventory. The Company expects future sales volumes to decrease as inventory is depleted.

In the first half of 2025, polysilicon sales volumes decreased by 674MT to 240MT, compared to the first half of 2024.

The Butte segment contributed a loss of USD 0.3 million to the Company’s EBITDA in the second quarter of 2025, compared to a gain of USD 1.2 million during the first quarter of 2025. The decreased EBITDA was primarily due to a planned maintenance outage that occurred during the second quarter of 2025.

For the first half of 2025, the Butte segment contributed USD 1.0 million to the Company’s EBITDA, compared to USD 9.8 million during the first half of 2024. The decrease was primarily due to lower gas sales along with a planned maintenance outage in the second quarter of 2025.

Moses Lake

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Other Income	13.1	0.0	13.1	0.0	0.0	0.0
Net Costs	-3.5	0.0	-4.5	0.0	0.0	-0.9
EBITDA contribution	9.6	0.0	8.6	0.0	0.0	-0.9

On December 30, 2024, the Company announced the decision to permanently cease production of granular polysilicon at its manufacturing facility located in Moses Lake, Washington. As a result, the granular polysilicon business line met the criteria for classification as a discontinued operation.

Following the shutdown announcement, the Company began a process to clean out material in production, which continued through early March 2025. In the first half of 2025, costs incurred for the completion of this cleanout totaled USD 10.2 million. These costs are directly attributable to the discontinued business line and are therefore included within discontinued operations in the Company’s consolidated financial statements for the first half of 2025.

Following the completion of the cleanout process, the Company incurred approximately USD 4.5 million in costs during the first half of 2025 related to the safe maintenance of its silane gas plants in a non-operating status. These activities are not directly attributable to the discontinued granular polysilicon operations and are classified within continuing operations. In addition, the company recorded other income/expense in the amount of USD 13.1 million as a result of lease modifications. As a result, total EBITDA for the first half of 2025 was USD 8.6 million.

The Moses Lake facility has an annual capacity of 24,000MT of silane gas for own use. However, additional investment would be required to enable deliveries to external customers. In the meantime, the silane plants will be maintained in a safe and recoverable condition.

Other and Eliminations

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues	0.0	0.0	0.0	0.0	0.1	0.0
EBITDA contribution	-4.4	-8.6	-9.4	-16.1	-30.8	-4.9

The Other segment 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 in Asia.

Net operating costs in Other and Eliminations were USD 4.4 million in the second quarter of 2025, compared to net operating costs of USD 4.9 million in the first quarter of 2025. For the first half of 2025, net operating costs were USD 9.4 million, compared to USD 16.1 million for the first half of 2024. This decrease can be attributable to reduced support for the Moses Lake facility.

Risks and uncertainties

Please refer to the annual report for 2024, specifically to the risk factors section of the Board of Directors' Report.

Liquidity risk

On January 24, 2025, REC Silicon 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 rolled into this loan at their maturity dates on February 2 and February 4, 2025, respectively. Hanwha International LLC is an affiliate of the company's two largest shareholders Hanwha Solutions and Hanwha Corporation.

On May 27, 2025, REC Silicon entered into an unsecured USD 10 million short-term loan with Hanwha Global Americas Corporation to fund the company's capital needs.

On June 16, 2025, REC Silicon extended its USD 50 million facility loan from Standard Chartered Bank in New York on identical terms as the existing facility loan. The facility is fully guaranteed by REC Silicon's largest shareholder Hanwha Solutions and will mature on June 30, 2026.

On both July 18, and August 11, 2025, REC Silicon entered into a USD 6.5 million short-term loan agreement with Hanwha International LLC respectively to fund the company's urgent operational capital needs. The combined USD 13.0 million in loans were an addition to the existing USD 90 million short-term loan as amended, which closed on January 24, 2025. The maturity date of the amended loan remains January 24, 2026, consistent with the original loan and all other terms remain the same.

As of June 30, 2025, the total carrying amount of debt was USD 403.0 million. Of this amount, USD 1.4 million is for the Grant County Property Tax note is scheduled to be paid in 2025, while USD 401.6 million is scheduled to mature in 2026. On June 30, 2025, the Group does not have sufficient available cash to meet debt service and other anticipated operating cash flow requirements.

The Company is actively negotiating securing additional financing aiming to close in the third quarter of 2025. Furthermore, the Company is looking to sell noncore assets during 2025. Management acknowledges that the Company will not be able to generate sufficient cash flow from operations to support its operations for the next 12 months and meet these debt repayments. There is significant doubt around the Company's ability to secure sufficient funding to sustain its operations and to meet debt repayment obligations for the next 12 months without the continued support of the major shareholder, Hanwha, or additional sources of capital.

Tariff uncertainty

The current tariff environment is expected to present both challenges and opportunities for the Company. The Company entered into a fixed-price supply agreement in 2025 for major raw materials before the inception of the tariff issues. The Company has sourced most of the materials domestically, which means that the impact from potential tariffs will be indirect, affecting the Company through its suppliers' supply chain partnerships. Global supply costs may increase, which could negatively affect the Company's profitability. REC Silicon has historically derived a significant portion of its revenue from export sales (78.9 percent in 2024). For additional details regarding revenue by geographic region, refer to note 5 to the consolidated financial statements for 2024.

Market development

The first half of 2025 showed strong performance in semiconductor segment sales of Advanced Material Solutions (AMS) gases linked to Artificial Intelligence (AI) and High Bandwidth Memory (HBM) products. Signature Silane gas sales were flat to slightly down with Flat Panel Display (FPD) and Semiconductor segments showing steady demand and global PV markets continuing to show decline due to oversupply. Polysilicon sales were the result of REC Silicon selling of polysilicon inventory that was produced prior to the shutdown of polysilicon production in Butte.

Global semiconductor wafer inventory vs. shipment metrics improved in the second quarter with fab utilization rates remaining largely unchanged across all segments excluding AI and HBM related products. These trends were reflected in stable gas sales to the global industry with slightly higher volume growth in AMS products supporting AI and HBM customers. Silane and dichlorosilane sales into legacy nodes were flat during the first half of 2025.

In the first half of 2025 FPD utilization rates were flat for advance Organic Light-Emitting Diode (OLED) customers while Thin-Film Transistor Liquid-Crystal Display (TFTLCD) segments showed some weakness due to geopolitical tensions and pricing pressures in China for REC products.

Photovoltaic (PV) cell production continues to be impacted by geopolitical tensions and significant oversupply. Signature Silane sales into PV declined quarter on quarter. Domestic US PV Cell production remained flat in the first half of 2025 while Southeast Asia and Chinese markets continue to be a challenge for REC product sales due to excess capacity in the region.

The silicon anode battery market was flat for the first half of 2025.

Outlook

Consensus for Semiconductor and Flat Panel Display (FPD) markets for the second half of 2025 is low to mid-single digit growth. Consumer confidence is stable but not signaling strong recovery. Tariff actions will continue to create uncertainty in global markets.

In the Flat panel display (FPD) segment, Thin-Film Transistor Liquid-Crystal Display (TFTLCD) display production is expected to stay flat for the second half of 2025. TV and monitor demand will continue to be soft as tariff concerns fuel conservative consumer sentiment. Organic Light-Emitting Diode (OLED) display volumes are expected to grow by single digit in the second half of 2025 pushed by iPhone 17 rollout and steady demand for high end TV panels.

Semiconductor demand is fragmented with Artificial Intelligence (AI) fueling strong demand for 3nm and below logic chips as well as High Bandwidth Memory (HBM) Dynamic Random Access Memory (DRAM). TSMC and SK Hynix report continued double digit growth in AI and data center markets. Conversely, Automotive demand continues to be soft resulting in conservative growth expectations from companies like Global Foundries, NXP and Infineon. Overall, wafer output is expected to increase mid-single digits in second half of 2025. New chip capacity in US is progressing with TSMC ramping in the second half.

Photovoltaic Cell production will continue to be soft through 2025. Anti-dumping/countervailing duties (AD/CVD) determinations and tariffs have reduced Southeast Asia production significantly. Chinese producers are regulating production to reduce losses and over production in China with

second half 2025 utilization expected to be between 50 and 60 percent. US PV production faces uncertainty with new Executive Orders impacting tax credits on renewable energy. New PV capacity in US is expected to be delayed as a result.

Silicon anode battery technology development faces similar headwinds in the second half of 2025 with combined pressure from slow Electric Vehicle (EV) sales and uncertainty around green energy policies in the US. Several anode companies are reporting delays to their manufacturing ramps which will impact overall demand in the second half. According to several news articles, Group 14 recently laid off an undisclosed number of workers, citing tariff uncertainties and new federal policies that are creating significant obstacles for the clean energy sector. These actions were described as steps to rebalance its workforce to ensure the long-term resilience and competitiveness of its business. The articles also indicate that it is delaying the start of production at its battery materials plant in Moses Lake, Washington, from an initial target of late 2024 to early 2026. As a result, any potential opportunity to supply the plant with silane gas would be similarly delayed or postponed, contrary to earlier expectations that supply would begin in 2025.

REC silicon gas sales are expected to grow in the second half. Semiconductor and FPD will lead the growth while PV segments are expected to stay flat to slightly down. Battery anode sales have limited impact on total gas sales in the second half, but this market continues to be a high growth focus for 2026 and beyond.

Voluntary cash offer to acquire all shares

On April 24, 2025, REC Silicon ASA announced that it had entered into an agreement for a recommended voluntary all cash offer by Anchor AS to acquire all issued and outstanding shares in the Company at an offer price of NOK 2.20 per share. This represented a total equity value of approximately NOK 925 million, based on 420,625,659 shares outstanding. Anchor AS is a newly established Norwegian limited liability company formed by the two largest shareholders of the Company, Hanwha Corporation and Hanwha Solutions Corporation, for the purpose of the Offer. The Offer was subject to certain conditions, including, but not limited to, the requirement that the Offeror become the owner of shares representing more than 90% of the Company's total shares and voting rights.

On July 11, 2025, the Offeror announced that it had received acceptances under the voluntary all-cash offer for a total of 184,839,587 shares, corresponding to approximately 43.94% of the issued and outstanding share capital and voting rights of REC Silicon ASA. As this acceptance level did not meet the 90% threshold, the Offeror further announced its intention to launch a mandatory offer within the deadline set forth in Section 6-10(1) of the Norwegian Securities Trading Act.

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 2024, including the section Risk Factors in the Board of Directors' Report.

Statement by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer have today considered and approved the condensed financial statements for the first half year 2025 and the financial information in this report that is relevant for the first half year 2025 (together “the first half year 2025 report”).

The first half year 2025 report has been prepared in accordance with IAS 34 as adopted by the EU and additional

disclosure requirements for the first half year report as specified in section 5-6 of the Norwegian Securities Trading Act (Verdipapirhandelloven).

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year 2025 gives a true and fair view of the Group’s consolidated assets, liabilities, financial position, and results of operations. To the best of our

knowledge, the first half year 2025 report includes a fair review of important events during the period and their effects on the condensed set of financial statements for the first half year 2025, together with a description of the principal risks and uncertainties for the remaining months of the financial year as well as transactions with related parties that have a material effect on financial position or the results for the period.

Lysaker, August 21, 2025
Board of Directors

Document is signed electronically

Tae Won Jun
Chairman of the Board

Vivian Bertseka
Member of the Board

Dr. Renate Oberhoffer
Member of the Board

William K Levens
President and CEO

Consolidated financial statements

Consolidated statement of financial position

USD in million	Notes	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
ASSETS				
Non-current assets				
Intangible assets	<u>3</u>	0.0	0.8	0.0
Land and buildings	<u>3</u>	30.1	32.6	31.1
Machinery and production equipment	<u>3</u>	28.9	53.1	31.0
Other tangible assets	<u>3</u>	2.0	4.2	2.3
Assets under construction	<u>3</u>	24.0	213.0	20.3
Property, plant and equipment	<u>3</u>	85.1	302.9	84.7
Right of use assets	<u>4</u>	22.6	31.3	23.4
Other non-current receivables		0.0	0.3	0.2
Financial assets and prepayments		0.0	0.3	0.2
Total non-current assets		107.7	335.3	108.3
Current assets				
Inventories	<u>5</u>	22.9	61.8	27.4
Trade and other receivables	<u>10</u>	7.5	12.7	16.2
Prepaid costs		8.0	8.0	9.4
Current tax assets		0.1	0.0	0.0
Restricted bank accounts		0.5	0.6	0.6
Cash and cash equivalents		8.3	37.6	10.3
Total current assets		47.2	120.8	63.8
Total assets		155.0	456.1	172.1

USD in million	Notes	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3,027.7	3,027.7	3,027.7
Other equity and retained earnings		-3,437.5	-3,042.5	-3,405.7
Total shareholders' equity		-409.9	-14.9	-378.1
Non-current liabilities				
Retirement benefit obligations		3.1	6.3	3.3
Non-current provision, interest calculation	<u>8</u>	27.1	24.4	26.3
Non-current financial liabilities, interest bearing	<u>6</u>	141.6	253.0	251.6
Non-current lease liabilities	<u>4</u>	46.3	59.1	56.1
Non-current prepayments		33.4	25.3	33.4
Other non-current liabilities, not interest bearing		0.1	0.3	0.0
Total non-current liabilities		251.5	368.3	370.6
Current liabilities				
Trade payables and other liabilities		42.6	57.7	60.2
Current provisions	<u>8</u>	2.6	0.0	8.2
Current financial liabilities, interest bearing	<u>6</u>	261.0	30.9	101.0
Current lease liabilities	<u>4</u>	6.4	8.3	9.0
Current prepayments		0.7	5.8	1.2
Total current liabilities		313.3	102.7	179.6
Total liabilities		564.8	470.9	550.2
Total equity and liabilities		155.0	456.1	172.1

Consolidated statement of income

USD in million	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Prior QTR
Revenues		19.9	36.4	41.2	78.3	140.8	21.4
Cost of materials		-3.0	-5.6	-6.3	-13.0	-20.7	-3.3
Changes in inventories	5	-2.3	2.3	-3.6	2.7	-15.9	-1.3
Employee benefit expenses		-9.7	-11.4	-19.6	-22.7	-43.6	-9.9
Other operating expenses		-13.0	-23.5	-24.6	-50.1	-77.8	-11.5
Other income and expenses ¹		13.1	0.2	13.1	-1.5	-0.7	0.0
EBITDA		4.9	-1.5	0.2	-6.2	-17.9	-4.6
Depreciation	3	-1.7	-2.2	-3.5	-4.5	-8.7	-1.8
Depreciation of right of use assets	4	-0.6	-0.7	-1.3	-1.3	-2.6	-0.6
Impairment	3, 4	-3.1	0.0	-3.1	0.0	-49.7	0.0
Total depreciation, amortization and impairment		-5.5	-2.8	-7.9	-5.8	-61.0	-2.4
EBIT		-0.6	-4.4	-7.7	-12.0	-78.9	-7.1
Financial income		0.1	0.8	0.3	2.6	3.1	0.2
Net financial expenses		-8.5	-6.6	-16.3	-13.4	-28.4	-7.8
Net currency gains/losses		0.0	0.1	0.0	0.0	0.1	0.0
Net financial items ²		-8.4	-5.8	-16.0	-10.8	-25.3	-7.6
Profit/loss from continuing operations		-9.1	-10.2	-23.7	-22.8	-104.2	-14.7
Profit/loss from discontinued operations		2.2	-40.5	-8.0	-68.4	-353.1	-10.2
Profit/loss from total operations		-6.9	-50.7	-31.8	-91.2	-457.4	-24.9

USD in million	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Prior QTR
Attributable to:							
Owners of REC Silicon ASA		-6.9	-50.7	-31.8	-91.2	-457.4	-24.9
Earnings per share (In USD)							
From continuing operations							
-basic		-0.02	-0.02	-0.06	-0.05	-0.25	-0.03
-diluted		-0.02	-0.02	-0.06	-0.05	-0.25	-0.03
Earnings per share (In USD)							
From total operations							
-basic		-0.02	-0.12	-0.08	-0.22	-1.09	-0.06
-diluted		-0.02	-0.12	-0.08	-0.22	-1.09	-0.06

¹ Other income and expenses for the first half of 2025 includes the gain as the result of modification of leases in Moses Lake

² See financial items table in part 1 of this report

Consolidated statement of comprehensive income

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024
Profit/loss from total operations	-6.9	-91.2	-31.8	-91.2	-457.4
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	0.0	0.0	0.0	0.0	2.9
Total other comprehensive income	0.0	0.0	0.0	0.0	2.9
Total comprehensive income	-6.9	-91.2	-31.8	-91.2	-454.4
Total comprehensive income attributable to:					
Owners of REC Silicon ASA	-6.9	-91.2	-31.8	-91.2	-454.4

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
June 30, 2024							
At January 1, 2024	59.2	2,926.7	41.8	3,027.7	539.0	-3,490.4	76.3
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-91.2	-91.2
At June 30, 2024	59.2	2,926.7	41.8	3,027.7	539.0	-3,581.6	-14.9
Year 2024							
On January 1, 2024	59.2	2,926.7	41.8	3,027.7	539.0	-3,490.4	76.3
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-454.4	-454.4
On December 31, 2024	59.2	2,926.7	41.8	3,027.7	539.0	-3,944.8	-378.1
June 30, 2025							
On January 1, 2025	59.2	2,926.7	41.8	3,027.7	539.02	-3,944.8	-378.1
Total comprehensive income	0.0	0.0	0.0	0.0	0.00	-31.8	-31.8
On June 30, 2025	59.2	2,926.7	41.8	3,027.7	539.0	-3,976.6	-409.9

This table presents details of comprehensive income

USD in million	Translation differences that can be transferred to profit and loss	Acquisition	Retained earnings	Total
June 30, 2024				
Accumulated at January 1, 2024	19.4	20.9	-3,530.6	-3,490.4
Profit/loss from total operations	0.0	0.0	-91.2	-91.2
Other comprehensive income:				
Total other comprehensive income for the period	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	-91.2	-91.2
Accumulated at June 30, 2024	19.4	20.9	-3,621.9	-3,581.6
Year 2024				
Accumulated at January 1, 2024	19.4	20.9	-3,530.6	-3,490.4
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
Sum items that will not be reclassified to profit or loss	0.0	0.0	2.9	2.9
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	0.0	0.0	0.0	0.0
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	19.4	20.9	-3,985.1	-3,944.8

USD in million	Translation differences that can be transferred to profit and loss	Acquisition	Retained earnings	Total
June 30, 2025				
Accumulated at January 1, 2025	22.5	20.9	-3,988.1	-3,944.8
Profit/loss from total operations	0.0	0.0	-31.8	-31.8
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
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	0.0	0.0
Total other comprehensive income for the period	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	-31.8	-31.8
Accumulated at June 30, 2025	22.5	20.9	-4,020.0	-3,976.6

Consolidated statement of cash flows

USD in million	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024
Cash flows from operating activities						
Profit/loss before tax ¹		-6.9	-50.7	-31.8	-91.2	-457.4
Depreciation, amortization and impairment	<u>3, 4</u>	5.5	9.7	8.5	15.0	270.9
Changes in receivables, prepayments from customers etc.	<u>10</u>	-0.8	2.9	8.6	9.2	9.6
Changes in inventories	<u>5</u>	3.2	-6.7	4.5	-3.3	31.1
Changes in payables, accrued and prepaid expenses		0.5	15.8	-11.6	1.9	12.5
Changes in provisions	<u>8</u>	-0.1	0.0	-5.6	0.0	0.0
Changes in VAT and other public taxes and duties		-4.4	-2.6	-0.3	3.5	1.3
Currency effects not cash flow or not related to operating activities		0.0	0.0	0.0	0.0	0.0
Other items ²		-12.7	0.0	-12.7	0.2	-0.1
Net cash flow from operating activities		-15.7	-31.5	-40.4	-64.7	-132.0
Cash flows from investing activities						
Proceeds/Payments finance receivables and restricted cash		0.1	0.0	0.3	0.0	0.1
Proceeds from sale of property, plant and equipment and intangible assets		0.0	0.2	0.0	0.2	1.6
Payments for property, plant and equipment and intangible assets	<u>3</u>	-1.6	-30.4	-8.4	-65.1	-91.3
Net cash flow from investing activities		-1.5	-30.2	-8.1	-64.9	-89.6

USD in million	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024
Cash flows from financing activities						
Payments of lease liabilities	<u>4</u>	-1.3	-1.9	-3.5	-3.7	-7.9
Payments of borrowings	<u>6</u>	0.0	-30.0	0.0	-30.0	-31.2
Proceeds from borrowings	<u>6</u>	10.0	30.0	50.0	30.0	100.0
Net cash flow from financing activities		8.7	-1.9	46.5	-3.7	60.9
Effect on cash and cash equivalents of changes in foreign exchange rates		0.0	0.0	0.0	0.0	0.0
Net increase/decrease in cash and cash equivalents		-8.5	-63.5	-2.0	-133.3	-160.7
Cash and cash equivalents at the beginning of the period		16.8	101.1	10.3	170.9	170.9
Cash and cash equivalents at the end of the period		8.3	37.6	8.3	37.6	10.2
¹ Profit/loss before tax consists of						
Profit/loss before tax from continuing operations		-9.1	-10.2	-23.7	-22.8	-104.2
Profit/loss before tax from discontinued operations		2.2	-40.5	-8.0	-68.4	-353.1
Profit/loss before tax from total operations		-6.9	-50.7	-31.8	-91.2	-457.4
¹ Profit/loss before tax includes						
interest paid		-7.2	-7.4	-14.7	-15.4	-30.3
interest received		0.1	0.8	0.3	2.6	3.1

² Other items in the first half of 2025 include a non cash gain from a modification to a long-term lease agreement in Moses Lake.

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 2024. The consolidated financial statements for 2024 are available upon request from the Company's registered office in Lysaker, Norway or at www.recsilicon.com.

Going concern

As of the date of these interim statements the Group does not have sufficient available cash to meet debt service and other anticipated operating cash flow requirements. Management acknowledges that additional sources of capital are required to meet obligations. The Company is actively negotiating to secure additional financing aiming to close in the third quarter of 2025. Furthermore, the Company is looking to sell noncore assets during 2025. Management estimates that future cash requirements for 2025 can be met from the additional funding described below, along with cash flows generated by operations from the Butte segment.

The cash flow generation in 2025 will be driven by sales from the Butte facility, with investment activities primarily focused on its maintenance. The primary focus is on 2025, as stabilizing the Company's operations will be essential to actualize future financing and development opportunities in subsequent years.

The Company will need additional funding to meet its debt obligations during the next 12 months, as debt obligations begin to mature in January 2026. Management acknowledges that the Company will not be able to generate sufficient cash flow from operations to support its operations for the next 12 months and meet these debt repayments. There is significant doubt around the Company's ability to secure sufficient funding to sustain its operations and to meet debt repayment obligations 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.

Accounting policies

The consolidated financial statements for 2024 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 2024.

Segment information

REC Silicon produces silicon gas 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. REC Silicon is maintaining its option to restart the silane plants in Moses Lake.

The Company’s organization structure, management team, operating strategy, and performance measurement reporting support the determination that these businesses represent separate distinguishable operating segments. Accordingly, there are two operating segments: Butte, Montana and Moses Lake, Washington. 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 (if applicable) include the reversal of the impact of transactions between group members and affiliates. The results of the operating segments plus Other and Eliminations reconcile to total profit/loss 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).

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 2024.

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 2024.

Note 02 Segment information

See notes 2.3 and 5 to the consolidated financial statements for 2024 and [note 1](#) to these financial statements for further information on segments.

The following table summarizes key financial results by segment:

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues						
Butte	19.8	36.4	41.2	78.3	140.7	21.4
Moses Lake	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.1	0.0
Total	19.9	36.4	41.2	78.3	140.8	21.4
EBITDA						
Butte	-0.3	7.0	1.0	9.8	12.9	1.2
Moses Lake	9.6	0.0	8.6	0.0	0.0	-0.9
Other	-4.4	-8.6	-9.4	-16.1	-30.8	-4.9
Total	4.9	-1.5	0.2	-6.2	-17.9	-4.6
EBIT						
Butte	-2.5	4.3	-3.6	4.3	2.1	-1.1
Moses Lake	6.4	0.0	5.5	0.0	-49.8	-0.9
Other	-4.5	-8.7	-9.6	-16.3	-31.3	-5.0
Total	-0.6	-4.4	-7.7	-12.0	-78.9	-7.1

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

Butte

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues	19.8	36.4	41.2	78.3	140.7	21.4
Cost of materials	-2.8	-5.5	-6.1	-12.9	-20.6	-3.3
Change in inventories	-2.0	2.3	-3.0	2.7	-15.8	-1.0
Employee benefit expense	-7.4	-7.9	-14.6	-15.6	-30.3	-7.2
Other operating expenses	-7.9	-18.5	-16.6	-41.1	-60.6	-8.7
Other income and expenses	0.0	0.2	0.0	-1.5	-0.6	0.0
Total current costs	-20.1	-29.3	-40.2	-68.5	-127.8	-20.2
EBITDA contribution	-0.3	7.0	1.0	9.8	12.9	1.2
Depreciation of fixed assets	-1.6	-2.1	-3.3	-4.2	-8.3	-1.7
Depreciation of leased assets	-0.6	-0.7	-1.3	-1.3	-2.6	-0.6
Impairment	0.0	0.0	0.0	0.0	0.1	0.0
Total depreciation, amortization, and impairment	-2.3	-2.7	-4.6	-5.6	-10.8	-2.3
EBIT contribution	-2.5	4.3	-3.6	4.3	2.1	-1.1

Moses Lake

USD in million	Q2 2025	Q2 2024	H1 2025	H1 2024	Year 2024	Q1 2025
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Cost of materials	-0.2	0.0	-0.1	0.0	0.0	0.0
Change in inventories	-0.4	0.0	-0.7	0.0	0.0	-0.3
Employee benefit expense	-0.9	0.0	-1.7	0.0	0.0	-0.8
Other operating expenses	-2.1	0.0	-2.0	0.0	0.0	0.1
Other income and expenses	13.1	0.0	13.1	0.0	0.0	0.0
Total current costs	9.5	0.0	8.6	0.0	0.0	-0.9
EBITDA contribution	9.6	0.0	8.6	0.0	0.0	-0.9
EBIT contribution	6.4	0.0	5.5	0.0	-49.8	-0.9

Note 03 Fixed assets

See note 6 to the consolidated financial statements for 2024.

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, 2025	31.1	31.0	2.3	20.3	84.7	0.0	84.7
Net additions ¹	0.0	0.2	0.0	3.7	3.9	0.0	3.9
Depreciation and amortization	-1.0	-2.3	-0.2	0.0	-3.5	0.0	-3.5
Impairment ²	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Carrying value on June 30, 2025	30.1	28.9	2.0	24.0	85.1	0.0	85.1
On June 30, 2025							
Historical cost	104.5	1,674.5	63.6	77.5	1,920.1	45.1	1,965.2
Accumulated depreciation/amortization/impairment	-74.4	-1,645.5	-61.6	-53.5	-1,834.9	-45.1	-1,880.0
Carrying value on June 30, 2025	30.1	28.9	2.0	24.0	85.1	0.0	85.1

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

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

Impairment reviews

See note 8 to the consolidated financial statements for 2024.

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

The Company conducted a review of impairment indicators on June 30, 2025 and did not identify any indicators which might give rise to a change in impairment compared to December 31, 2024.

Note 04 Leases

See note 7 to the consolidated financial statements for 2024.

Right of use assets

USD in million	Land and buildings	Machinery	Gas plants	Other leased assets	Total
Balance at January 1, 2025	0.0	0.0	23.6	0.0	23.7
Depreciation	0.0	0.0	-1.3	0.0	-1.3
Additions	0.0	0.0	0.0	0.0	0.0
Modification of existing leases	0.0	0.0	3.9	0.0	3.9
Impairment	0.0	0.0	-3.7	0.0	-3.7
Balance on June 30, 2025	0.0	0.0	22.6	0.0	22.6

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 June 30, 2025 ¹	77.3	5.9	11.7	11.7	11.6	11.1	25.3

¹ Amounts listed are undiscounted

The weighted average incremental borrowing rate applied to lease liabilities on June 30, 2025 is 11.4 percent.

Amounts recognized in profit or loss

USD in million	H1 2025	H1 2024	Year 2024
Interest on lease liabilities	2.5	2.1	4.2
Depreciation of right-of-use assets	1.3	1.3	2.6
Impairment of right-of-use assets	3.1	0.0	0.9
Gains (-) and losses (+) due to terminations and other changes	-13.1	0.0	0.0
Expenses relating to short-term leases	0.5	0.3	0.7
Interest on lease liabilities - discontinued operations	0.7	2.1	4.2
Depreciation of right-of-use assets - discontinued operations	0.0	0.8	1.7
Impairment of right-of-use assets - discontinued operations	0.6	0.0	0.9
Expenses relating to short-term leases - discontinued operations	0.1	0.5	1.0

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	H1 2025	H1 2024	Year 2024
Total cash outflow for leases	6.7	8.0	16.2

Note 05 Inventories

See note 13 to the consolidated financial statements for 2024.

Inventories at end of period

USD in million	Jun 30, 2025			Dec 31, 2024		
	Before writedowns	Writedowns	After writedowns	Before writedowns	Writedowns	After writedowns
Stock of raw materials	5.4	0.0	5.4	6.6	0.0	6.6
Spare parts	52.3	-46.0	6.3	51.4	-45.5	5.8
Work in progress	2.6	-0.2	2.5	8.6	-5.7	2.9
Finished goods	9.6	-1.0	8.6	74.6	-62.5	12.1
Total	70.0	-47.1	22.9	141.2	-113.7	27.4

Inventories have been written down to estimated net realizable values. Write-downs of materials and spare parts represent the estimated obsolescence related to items held in inventories at cost. Write-downs of work in progress and finished goods have been estimated by comparing the net realizable value of anticipated sales to the manufacturing costs of items held in inventory.

Note 06 Borrowings and guarantees

See notes 17, 29, and 30 to the consolidated financial statements for 2024.

Carrying amounts of interest-bearing liabilities on June 30, 2025 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
Loan Fees ¹				-0.4				
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	2026	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	2026	3 mon SOFR+2.2%	90.0	90.0		90.0	
Related Party Loan - Hanwha Global Americas	REC Silicon Inc	2026	3 mon SOFR+2.2%	10.0	10.0		10.0	
Grant County WA tax settlement	REC Solar Grade Silicon LLC	2026	11.5%	3.0	3.0	1.4	1.6	
Total				402.6	403.0	1.4	401.6	0.0

¹ Amortized as part of effective interest

On January 24, 2025, REC Silicon ASA announced that it entered into a USD 40 million term loan with Hanwha International LLC. The bridge loans obtained in 2024 with Hanwha International LLC rolled up into this loan at their maturity dates in February 2025. The total term loan in the amount of USD 90 million has a maturity date of January 2026.

On May 27, 2025 REC Silicon entered into an unsecured USD 10 million short-term loan with Hanwha Global Americas Corporation to fund the company’s capital needs.

On June 16, 2025 REC Silicon extended its USD 50 million facility loan from Standard Chartered Bank in New York on identical terms as the existing facility loan. The facility is fully guaranteed by REC Silicon’s largest shareholder Hanwha Solutions and will mature on June 30, 2026.

Guarantees

See note 29 to the consolidated financial statements for 2024.

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 June 30, 2025 and December 31, 2024. 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 June 30, 2025

USD in million	Total future payments	2025	2026	2027	2028	After 2028
Purchase of goods and services	15.7	4.9	7.8	3.1	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	15.7	4.9	7.8	3.1	0.0	0.0

Commitments primarily represent the purchase of raw materials.

Note 08 Provisions

USD in million	H1 2025	2024
Current	2.6	8.2
Non-current	27.1	26.3
Total provision	29.7	34.5

Specification of provisions

USD in million	H1 2025	2024
at beginning of period	34.5	23.8
Employee termination benefits recorded	0.0	8.2
Employee termination benefits paid	-5.6	0.0
Change in estimate in asset retirement obligation	0.0	1.3
Net periodic interest on asset retirement obligation - discontinued operations	0.2	0.9
Net periodic interest on asset retirement obligation - continuing operations	0.6	0.3
at end of period	29.7	34.5

See note 20 to the consolidated financial statements for 2024.

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. In the first half of 2025 a total of USD 5.6 million was paid for employee termination benefits.

The Company has reported a provision for asset retirement obligations (AROs) associated with the eventual cleanup and restoration of the Company’s manufacturing sites in the United States. The AROs represent the present value of estimated future costs discounted between 5.2 to 6.0 percent and between 3.5 and 35 years.

Note 09 Claims, disputes, and risks

Please refer to the annual report for 2024, specifically note 31 to the consolidated financial statements and the risk factors section of the Board of Directors’ Report.

Tariff uncertainty

The current tariff environment is expected to present both challenges and opportunities for the Company. The Company entered into a fixed-price supply agreement in 2025 for major raw materials before the inception of the tariff issues. The Company has sourced most of the materials domestically, which means that the impact from potential tariffs will be indirect, affecting the Company through its suppliers’ supply chain partnerships. Global supply costs may increase, which could negatively affect the Company’s profitability. REC Silicon has historically derived a significant portion of its revenue from export sales (78.9 percent in 2024). For additional details regarding revenue by geographic region, refer to note 5 to the consolidated financial statements for 2024.

Note 10 Receivables

See notes 12 and 30 to the consolidated financial statements for 2024.

Aging of receivables on June 30, 2025

USD in million	Total Carrying amount	Not due	Aging of receivables that are not impaired				
			< 30 Days	>30<90 Days	>90<365 Days	>365 Days	Impaired
Trade receivables and accrued revenues	7.9	5.8	1.8	0.3	0.0	0.0	0.0
Provision for loss on trade recivables	-0.7	0.0	-0.3	-0.3	0.0	0.0	0.0
Other current receivables	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Total receivables	7.5	6.1	1.4	0.0	0.0	0.0	0.0

There was no bad debt expense recorded during the first half of 2025.

Note 11 Transactions with related parties

See notes 5, 10 and 16 to the consolidated financial statements for 2024.

As of the date of these interim financial statements Hanwha companies hold 43.94 percent of the shares in REC Silicon.

In the first half of 2025, REC Silicon Inc received services from Hanwha subsidiaries, in the amount of USD 0.3 million.

Hanwha Solutions provides guarantees for REC Silicon loans. In the first half of 2025, REC Silicon incurred costs from Hanwha Solutions in the amount of USD 1.6 million for guarantee and letter of credit fees.

In the first half of 2025 REC Silicon incurred interest expense in the amount of USD 2.6 million associated with its loan with Hanwha International and USD 0.1 million associated with its loan with Hanwha Global Americas. See [note 6](#) for additional information.

On January 24, 2025, REC Silicon ASA announced that it entered into a USD 40 million term loan with Hanwha International LLC. The bridge loans obtained in 2024 with Hanwha International LLC rolled up into this loan at their maturity dates in February 2025. The total term loan in the amount of USD 90 million has a maturity date of January 2026. In the first quarter REC Silicon incurred interest expense of USD 1.1 million associated with this loan and made cash payments of USD 0.6 million to Hanwha International. See [note 6](#) for additional information

On May 27, 2025 REC Silicon entered into an unsecured USD 10 million short-term loan with Hanwha Global Americas Corporation to fund the company’s capital needs. The maturity date is May 27, 2026. See [note 6](#) for additional information.

Note 12 Discontinued operations

On December 30, 2024, the Company announced the decision to permanently cease production of granular polysilicon at its manufacturing facility located in Moses Lake, Washington. As a result, the granular polysilicon business line met the criteria for classification as a discontinued operation.

Following the shutdown announcement, the Company began a process to clean out material in production, which continued through early March 2025. Costs associated with the cleanout were USD 10.2 million are directly attributable to the discontinued business line and are accordingly included within discontinued operations in the Company’s consolidated financial statements for the three months ended June 30, 2025.

Subsequent to the completion of the cleanout process, the Company incurred approximately USD 4.5 million in costs related to the safe maintenance of its silane gas plants in a non-operating status. These activities are not directly attributable to the discontinued granular polysilicon operations and are classified within continuing operations.

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. In the meantime, the silane plants will be maintained in safe and recoverable condition.

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

Analysis of discontinued operations
Consolidated statement of income

	Total operations	Of which discontinued	Continuing	Total operations	Of which discontinued	Continuing	Total operations	Of which discontinued	Continuing	Total operations	Of which discontinued	Continuing	Total operations	Of which discontinued	Continuing
USD in million	Q2 2025			Q2 2024			H1 2025			H1 2024			Year 2024		
Revenues	20.6	-0.8	19.9	37.7	-1.3	36.4	42.3	-1.1	41.2	79.8	-1.5	78.3	143.6	-2.8	140.8
Cost of materials	-3.0	0.0	-3.0	-19.0	13.5	-5.6	-6.5	0.2	-6.3	-31.8	18.9	-13.0	-56.2	35.5	-20.7
Changes in inventories	-2.5	0.1	-2.3	7.8	-5.5	2.3	-4.4	0.7	-3.6	10.0	-7.3	2.7	-27.9	12.0	-15.9
Employee benefit expenses	-9.7	0.0	-9.7	-22.1	10.7	-11.4	-23.6	4.0	-19.6	-43.7	21.0	-22.7	-82.6	39.0	-43.6
Other operating expenses	-13.0	0.0	-13.0	-43.8	20.2	-23.5	-28.7	4.2	-24.6	-83.7	33.7	-50.1	-145.4	67.6	-77.8
Other income and expense ¹	14.6	-1.5	13.1	0.4	-0.1	0.2	14.6	-1.5	13.1	-1.7	0.1	-1.5	-3.6	3.0	-0.7
EBITDA	7.0	-2.2	4.9	-39.0	37.4	-1.5	-6.3	6.5	0.2	-71.1	64.9	-6.2	-172.0	154.2	-17.9
Depreciation	-1.7	0.0	-1.7	-8.4	6.2	-2.2	-3.5	0.0	-3.5	-12.7	8.2	-4.5	-20.4	11.7	-8.7
Amortization	0.0	0.0	0.0	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	-0.6	0.0	-0.6	-1.0	0.4	-0.7	-1.3	0.0	-1.3	-2.1	0.8	-1.3	-4.3	1.7	-2.6
Impairment	-3.1	0.0	-3.1	-0.2	0.2	0.0	-3.7	0.6	-3.1	-0.2	0.2	0.0	-246.1	196.4	-49.7
Total depreciation, amortization and impairment	-5.5	0.0	-5.5	-9.7	6.8	-2.8	-8.5	0.6	-7.9	-15.0	9.2	-5.8	-270.9	209.8	-61.0
EBIT	1.6	-2.2	-0.6	-48.7	44.3	-4.4	-14.8	7.0	-7.7	-86.1	74.0	-12.0	-442.9	364.0	-78.9
Financial income	0.1	0.0	0.1	0.8	0.0	0.8	0.3	0.0	0.3	2.6	0.0	2.6	3.1	0.0	3.1
Net financial expenses	-8.5	0.0	-8.5	-3.7	-2.9	-6.6	-17.3	1.0	-16.3	-9.2	-4.2	-13.4	-20.8	-7.6	-28.4
Net currency gains/losses	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Net financial items 2)	-8.4	0.0	-8.4	-2.8	-2.9	-5.8	-17.0	1.0	-16.0	-6.6	-4.2	-10.8	-17.7	-7.6	-25.3
Profit/loss	-6.9	2.2	-9.1	-50.7	-40.5	-10.2	-31.8	-8.0	-23.7	-91.2	-68.4	-22.8	-457.4	-353.1	-104.2
Profit/loss attributable to owners of REC Silicon ASA	-11.2	2.2	-9.1	-50.7	-40.5	-10.2	0.0	-8.0	-23.7	-91.2	-68.4	-22.8	-457.4	-353.1	-104.2
Comprehensive income attributable to owners of REC Silicon ASA	-11.2	2.2	-9.1	-50.7	-40.5	-10.2	0.0	-8.0	-23.7	-91.2	-68.4	-22.8	-457.4	-353.1	-101.3
Earnings per share (In USD)															
-basic	-0.02	0.01	-0.02	-0.12	-0.10	-0.02	-0.08	-0.02	-0.06	-0.22	-0.16	-0.05	-1.09	-0.84	-0.25
-diluted	-0.02	0.01	-0.02	-0.12	-0.10	-0.02	-0.08	-0.02	-0.06	-0.22	-0.16	-0.05	-1.09	-0.84	-0.25

Cash flows of discontinued operations

The following table shows the cash flows of the discontinued operations of the Moses Lake segment. 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 Moses Lake segment is reported in the line Net cash flow from financing activities.

Cash flows of discontinued operations, Moses Lake

USD in million	H1 2025	H1 2024	2024
Net cash flow from operating activities	-16.6	-54.5	-113.6
Net cash flow from investing activities	-4.1	-55.1	-77.2
Net cash flow from financing activities	20.7	109.7	190.5
Cash and cash equivalents at the beginning of the period	0.0	0.2	0.2
Cash and cash equivalents at the end of the period	0.0	0.2	0.0

Note 13 Events after the reporting period

On July 11, 2025, Anchor AS (the Offeror) announced that it had received acceptances under the voluntary all-cash offer announced on May 23, 2025, for 184,839,587 shares, corresponding to approximately 43.94% of the issued and outstanding share capital and voting rights of REC Silicon ASA.

The Offeror announced that the Offer has been completed and that settlement of the Offer has been made pursuant to the terms set out under section 1.8 of the Offer Document. For every Share for which the Offer has been lawfully accepted, the Offeror has paid a consideration of NOK 2.20. The receiving agent has registered payments of the Offer Price to shareholders who have accepted the Offer in accordance with the procedures set out in section 1.8 of the Offer Document.

On July 18, 2025, REC Silicon Inc, a wholly owned subsidiary of REC Silicon ASA, announced that it entered into a USD 6.5 million short-term loan agreement with Hanwha International LLC to fund the company’s urgent operational capital needs to continue its operations, and cover its expenses through July and into the first week of August.

This loan was an addition to the existing USD 90 million short-term loan as amended, which closed on January 24, 2025. The maturity date of the amended loan remains January 24, 2026, consistent with the original loan and all other terms remain the same.

REC Silicon does not have sufficient available cash to meet debt service and other anticipated operating cash flow requirements for this year without the continued support of the major shareholder, Hanwha, or additional sources of capital. Therefore, it will soon require additional financing beyond this loan either from Hanwha or from other sources of capital.

On July 23, 2025, Hanwha released a statement and emphasized that the USD 6.5 million emergency funding REC Silicon announced on July 18 secures operations through the week starting August 4, 2025, and does not resolve the Company’s ongoing strategic and financial challenges.

According to Hanwha, the Company will require:

- Significant additional capital injections
- Cost-cutting measures across all operational units
- An improved capital structure
- Strategic actions to secure a sustainable and long-term solution

REC Silicon currently does not have sufficient available cash to meet its debt service obligations or its anticipated operational cash flow requirements for the remainder of the year without additional support from Hanwha or other sources of financing. Any further financial assistance from Hanwha will depend on the acceptance level of the upcoming mandatory offer and other contributing factors.

On July 31, 2025, Anchor AS announced the offer document for the Mandatory Offer had been approved by the Norwegian Financial Supervisory Authority in its capacity as take-over supervisory authority. The offer price in the Mandatory Offer is NOK 2.20 in cash per Share. The acceptance period for the Offer commenced August 1, 2025, and will expire at 16:30 (CEST) on August 29, 2025, subject to extensions as set out in the Offer Document. The terms and conditions of the Offer, including procedures for how to accept the Offer, are set out in the Offer Document.

On August 11, 2025, REC Silicon Inc, a wholly owned subsidiary of REC Silicon ASA, announced that it entered into a USD 6.5 million short-term loan agreement with Hanwha International LLC to fund the company’s urgent operational capital needs.

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 continuing 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 7.7 million for the first half of 2025.</p>
EBIT excluding impairment charges	<p>is calculated by taking EBIT and excluding impairment. For the first half of 2025 this is a loss of USD 4.6 million.</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>

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	<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 of 0.2 million has been reported for the first half of 2025.</p>
EBITA 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>

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	<p>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.</p> <p>On June 30, 2025, the equity ratio is negative 264.5 percent and is calculated by dividing USD negative 409.9 million total shareholders' equity by USD 155.0 million in total assets.</p>
Net Debt	<p>Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.</p> <p>The carrying value of debt can be found in note 6 borrowing in the table under the caption <i>carrying amount</i>, 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 <i>cash and cash equivalents</i>.</p> <p>On June 30, 2025, net debt was USD 447.0 million or USD 402.6 million total carrying value of the Company's debt, from note 6, plus USD 52.7 million current and non-current lease liabilities (from the balance sheet) less USD 8.3 million in cash and cash equivalents.</p>

Nominal Net Debt	<p>Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.</p> <p>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.</p> <p>On June 30, 2025, nominal net debt was USD 447.3 million or USD 403.0 million contractual repayment values of the Company's debt from note 6, plus USD 52.7 million current and non-current lease liabilities (from the balance sheet) less USD 8.3 million in cash and cash equivalents.</p>
Nominal Debt	<p>Nominal debt is the contractual repayment values of interest-bearing debt instruments including financing leases.</p> <p>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.</p> <p>On June 30, 2025, nominal debt was USD 455.6 million or USD 403 million contractual repayment values of the Company's debt from note 6, plus USD 52.7 million current and non-current lease liabilities (from the balance sheet).</p>



REC Silicon ASA

Lysaker Torg 5, 3 etg.
PO Box 63
1324 Lysaker
Norway

Phone +47 407 24 086

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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