



RECSiLICON

Third quarter 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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Third quarter highlights

- > Revenues of USD 16.9 million
- > EBITDA loss from continuing operations of USD 7.2 million
- > September 30, 2025, cash balance of USD 10.0 million, an increase of USD 1.7 million
- > USD 20.0 million loans from Hanwha International finalized
- > Offer for shares completed with Anchor AS (Hanwha) assuming 60.2% ownership

Revenues

16.9

USDm

EBITDA

-7.2

USDm

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Revenues	16.9	32.8	58.1	111.1	140.8	19.9
EBITDA	-7.2	-6.4	-7.0	-12.6	-17.9	4.9
EBITDA margin	-42.7%	-19.5%	-12.0%	-11.4%	-12.7%	24.4%
EBIT excluding impairment charges	-9.9	-9.2	-14.5	-21.2	-29.2	2.5
Impairment charges	0.0	0.0	-3.1	0.0	-49.7	-3.1
EBIT	-9.9	-9.2	-17.6	-21.2	-78.9	-0.6
EBIT margin	-58.8%	-28.1%	-30.3%	-19.1%	-56.1%	-3.2%
Profit/loss before tax	-18.8	-15.9	-42.6	-38.8	-104.2	-9.1
Profit/loss from continuing operations	-18.8	-15.9	-42.6	-38.8	-104.2	-9.1
Profit/loss from discontinued operations	4.9	-36.7	-3.2	-105.1	-353.1	2.2
Profit/loss from total operations	-14.0	-52.6	-45.8	-143.8	-457.4	-6.9
Earnings per share, basic and diluted (USD) from continuing operations	-0.04	-0.04	-0.10	-0.09	-0.25	-0.02
Earnings per share, basic and diluted (USD) from discontinued operations	0.01	-0.09	-0.01	-0.25	-0.84	0.01
Earnings per share, basic and diluted (USD) from total operations	-0.03	-0.13	-0.11	-0.34	-1.09	-0.02
Silicon gas loaded production in MT	501	502	1,647	2,066	2,639	600
Silicon gas sales in MT	524	515	1,654	2,018	2,561	570

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 Third quarter 2025

On December 30, 2024, REC Silicon announced the permanent shutdown of its granular polysilicon operations in Moses Lake. As a result, the granular polysilicon line met the criteria for classification as a discontinued operation. Following the cleanout process, which was completed in early March 2025, ongoing costs associated with maintaining the Moses Lake facility in a condition that would allow for a potential silane restart are reported as continuing operations within the Moses Lake segment.

Profit & Loss

Revenues from continuing operations for the third quarter of 2025 were USD 16.9 million, compared to USD 19.9 million in the second quarter of 2025. The decrease was primarily due to lower sales volumes of both silicon gases and polysilicon. EBITDA from continuing operations for the third quarter of 2025 was a loss of USD 7.2 million compared to a profit of USD 4.9 million in the second quarter of 2025. During the second quarter, a gain of USD 13.1 million was recorded in other income and expenses, primarily resulting from a modification of a long-term lease agreement in Moses Lake.

The Company reported a total loss of USD 14.0 million for the third quarter of 2025, which includes a gain of USD 4.9 million from discontinued operations in Moses Lake. This gain primarily reflects the reversal of previously accrued employee termination benefits totaling USD 2.4 million, and the reversal of previously accrued capital expenditures amounting to USD 1.1 million. In addition, the sale of previously produced granular product generated a gain of USD 1.6 million, as proceeds exceeded the carrying value of inventory. These gains were partially offset by a USD 0.2 million loss related to contract settlements in Moses Lake.

In summary, the total loss for the third quarter of 2025 was USD 14.0 million, which includes a gain of USD 4.9 million from discontinued operations. This compares to a total loss of USD 6.9 million in the second quarter, which included a gain of USD 2.2 million from discontinued operations.

Financial Position

Shareholders' equity decreased to negative USD 423.8 million as of September 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 45.8 million during the first three quarters of 2025.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. As of September 30, 2025, net debt was USD 464.1 million, which consisted of USD 423.2 million in total carrying value of the Company's debt (from [note 6](#)) plus USD 50.9 million in current and non-current lease liabilities, less USD 10.0 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 September 30, 2025, nominal net debt was USD 464.1 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 third quarter of 2025, cash balances increased by USD 1.7 million to USD 10.0 million as of September 30, 2025.

In the third quarter of 2025, net cash outflows from operating activities totaled USD 16.6 million. Depreciation and amortization expenses were USD 2.7 million. Trade receivables and customer prepayments decreased by USD 0.5 million. Inventories decreased by USD 1.3 million. Changes in payables and accrued expenses decreased by USD 3.2 million. Other items include non-cash gains for the reversal of accrued severance in the amount of USD 2.6 million and the reversal of previously accrued capital that was negotiated down in the amount of USD 1.1 million. The remaining change of USD 0.2 million is attributed to changes in other assets and liabilities. In the third quarter of the year, cash outflows included lease interest payments of USD 1.4 million and interest on debt of USD 6.2 million.

In the third quarter, cash outflows from investing activities totaled USD 0.0 million, due to cash payments for capital in the amount of USD 0.7 million, offset by sale of non-core assets in the amount of USD 0.6 million.

In the third quarter, net cash inflows from financing activities totaled USD 18.3 million. These were the result of proceeds from new loans amounting to USD 20.0 million (see [note 6](#)), offset by payments of lease liabilities of USD 1.7 million (see [note 4](#)).

Capital Expenditures

Capital expenditures in the third quarter of the year totaled USD 0.6 million compared to USD 1.6 million during the second quarter of 2025. Capital spending 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	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Financial income	0.1	0.3	0.3	2.9	3.1	0.1
Interest expenses on borrowings	-6.5	-5.5	-18.5	-15.5	-21.3	-6.3
Interest expense on leases	-1.4	-1.0	-3.9	-3.1	-4.2	-1.3
Capitalized borrowing cost	0.1	0.4	0.6	1.0	0.8	0.2
Expensing of up-front fees and costs	-0.8	-0.8	-2.4	-2.3	-3.1	-0.8
Other financial expenses	-0.4	-0.2	-1.0	-0.5	-0.7	-0.4
Net financial expenses	-9.0	-7.0	-25.3	-20.5	-28.4	-8.5
Net currency gains/losses	0.0	0.0	0.0	0.1	0.1	0.0
Net financial items	-8.9	-6.7	-25.0	-17.5	-25.3	-8.4

During the third quarter of 2025, the Company recognized USD 6.5 million in interest expense on borrowings, including USD 6.4 million associated with term loans, and USD 0.1 million associated with a note with Grant County, Washington. In addition, the Company incurred USD 0.8 million in up-front fees and costs related to the guarantee fees charged by Hanwha associated with the term loans.

Capitalized borrowing costs totaled USD 0.1 million during the third quarter of 2025 and were related to improvement projects in Butte.

The Company recognized interest expense of USD 1.4 million for leased assets during the third quarter of the year. See [note 4](#) for additional information on leases.

Income Tax

The loss from total operations of USD 14.0 million during the third quarter 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	Q3 2025		Q3 2024		Sep 30, 2025		Sep 30, 2024		Year 2024		Q2 2025	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Butte	16.8	0.1	32.8	0.4	58.0	1.0	111.1	10.3	140.7	12.9	19.8	-0.3
Moses Lake	0.0	-4.4	0.0	0.0	0.0	4.2	0.0	0.0	0.0	0.0	0.0	9.6
Other	0.0	-2.9	0.0	-6.8	0.0	-12.3	0.0	-22.9	0.1	-30.8	0.0	-4.4
Total	16.9	-7.2	32.8	-6.4	58.1	-7.0	111.1	-12.6	140.8	-17.9	19.9	4.9

Butte

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Revenues	16.8	32.8	58.0	111.1	140.7	19.8
EBITDA contribution	0.1	0.4	1.0	10.3	12.9	-0.3
Contribution margin	0.5%	1.3%	1.8%	9.2%	9.2%	-1.3%
Silicon gas loaded (production) in MT	501	502	1,647	2,066	2,639	600
Silicon gas sales in MT	524	515	1,654	2,018	2,561	570

REC Silicon manufactures silicon gases from its facility in Butte, Montana, which 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 these industries. The Butte facility also supplies monosilane for the silicon anode battery industry.

Despite the shutdown of polysilicon production capacity at the 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 16.8 million in the third quarter of 2025 compared to USD 19.8 million in the second quarter of 2025. The decrease in revenue is due to decreased silicon gas and polysilicon sales volumes compared to the second quarter of 2025.

Silicon gas sales volumes decreased by 46MT to 524MT during the third quarter of 2025 compared to the second quarter of 2025. Sales prices for silicon gas increased by 3.6 percent from the previous quarter.

Total polysilicon sales volumes, including by-products, were 38MT in the third quarter of 2025, compared to 91MT during the second quarter of 2025. Semiconductor grade polysilicon sales were 8MT in the third quarter of 2025, compared to 62MT in the second quarter of 2025. Sales volumes of other-grade polysilicon increased by 2MT to 31MT in the third quarter, compared to the second quarter of 2025. The polysilicon sold was primarily sourced from previously produced inventory and future sales volumes are expected to decrease as inventory is depleted.

The Butte segment contributed USD 0.1 million to the Company’s EBITDA in the third quarter of 2025, compared to a loss of USD 0.3 million during the second quarter of 2025. The increased EBITDA was primarily due to a planned maintenance outage and increased expense that occurred during the second quarter of 2025.

Moses Lake

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Other Income	0.5	0.0	13.6	0.0	0.0	13.1
Net Costs	-4.9	0.0	-9.4	0.0	0.0	-3.5
EBITDA contribution	-4.4	0.0	4.2	0.0	0.0	9.6

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 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.

The Company incurred USD 4.9 million in costs during the third quarter of 2025 compared to USD 3.5 million during the second quarter 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 therefore classified within continuing operations. In addition, the Company recorded other income and expenses in the amount of USD 0.5 million during the third quarter of 2025 primarily as the result a gain on sale of non-core assets. During the second quarter of 2025, the Company recorded other income and expenses in the amount of USD 13.1 million as a result of lease modifications. Total EBITDA for the third quarter of 2025 was a loss of USD 4.4 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 make 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	-2.9	-6.8	-12.3	-22.9	-30.8	-4.4

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 2.9 million in the third quarter of 2025, compared to net operating costs of USD 4.4 million in the second quarter of 2025. This decrease can be attributed 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 July 18, August 11, and September 3, 2025, REC Silicon Inc entered into short-term loan agreements of USD 6.5 million, USD 6.5 million and USD 7.0 million, respectively, with Hanwha International LLC to fund the company's urgent operational capital needs. The combined USD 20.0 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.

On October 13, 2025, REC Silicon ASA entered into an unsecured USD 7.0 million short-term loan agreement with Anchor AS to fund the company's urgent operational capital needs. Anchor AS is REC Silicon's largest shareholder and is a Norwegian subsidiary of Hanwha Solutions and Hanwha Corporation.

The terms of the loan are generally in line with the financial terms of the Company's existing bank and shareholder loan agreements. The maturity date is April 13, 2026.

As of September 30, 2025, the total amount of debt was USD 423.2 million. Of this amount, USD 1.4 million for the Grant County Property Tax note is scheduled to mature in 2025, while USD 421.8 million, including loan fees, is scheduled to mature in 2026. The return of the USD 30 million offtake prepayment to QCells, which had been deferred for one year, is due in January 2026.

On September 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 to secure additional financing aiming to close in the fourth quarter of 2025. Furthermore, the Company is looking to sell additional 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 and trade policy uncertainty

The tariff environment continues 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 through supply chain partnerships, which could negatively affect the Company's profitability. Moreover, REC Silicon has historically derived a significant portion of its revenue from export sales (78.9 percent in 2024). Any tariffs on exports from the US may have a negative impact on the Company's revenues. For additional details regarding revenue by geographic region, refer to note 5 to the consolidated financial statements for 2024.

Market development

Overall, demand for silane and related gas remained subdued in the third quarter of 2025. While semiconductor and OLED sectors showed positive momentum, PV and LCD segments continued to drag down overall performance. The silicon anode battery market continued to be impacted by delays to capacity ramp-up.

Semiconductor

Demand for silane and advanced silicon gases saw a modest increase during the quarter, driven by stable fab utilization in advanced logic and memory production. Wafer input volumes remained solid, supported by ongoing AI-related manufacturing activity. Investment levels stayed high in South Korea, Taiwan, Japan, and North America, while China experienced a slowdown in new equipment spending following significant capacity additions in prior years. Rising local silane production in China continued to limit export opportunities for REC Silicon.

Flat panel display (fpd)

Silane demand for display applications declined marginally as panel makers scaled back output following strong production earlier in the year. The market remained pressured by aggressive low-cost supply from China.

Photovoltaic (pv)

PV market conditions remained challenging as global oversupply and price pressure persisted. Cell manufacturers in Southeast Asia and China operated at low utilization rates, while new capacity additions in the United States and India generated limited incremental demand. Project installations slowed across most regions, driven by weak module pricing and delayed procurement decisions. Silane demand for PV applications remained subdued, with only few signs of recovery expected before year-end as regional production adjustments persist.

Silicon anode battery

The silicon anode battery market continued to make gradual progress, with pilot production ongoing in South Korea and the United States. Several producers are preparing to scale up commercial production in the coming year, but the volume growth is delayed and there is uncertainty about the level of demand from the EV industry in the coming years.

Outlook

Market conditions remain constrained by aggressive low-cost supply from China and delays in the construction and ramp-up of U.S. semiconductor fab and silicon anode facilities. Demand recovery across key segments is sluggish and continues to be impacted by ongoing tariffs and policy uncertainties.

In the United States, while construction of new semiconductor fabs is nearing completion, the ramp-up of production remains slow. The battery market is gradually emerging but remains in the early stages of demand growth. Slowing global EV adoption, partly driven by shifting policy landscapes, has added to market uncertainty. Similarly, policy changes are dampening growth and investment in the U.S. solar PV sector.

With limited upward momentum across markets, pressure on the Company's profitability is expected to persist. Navigating these financial challenges will require continued discipline in cost management. In response, REC Silicon is transitioning to a leaner, more focused operational model aimed at ensuring long-term resilience.

Voluntary and mandatory cash offers 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 (the Offeror) 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, Anchor AS 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.

On July 31, 2025, Anchor AS announced the launch of an unconditional mandatory offer to acquire all shares. The offer price in the Mandatory Offer was NOK 2.20 in cash per Share.

On September 3, 2025, Anchor AS announced that it had received acceptances under the Offer for 68,329,394 Shares, corresponding to approximately 16.24% of the issued and outstanding share capital and voting rights of the Company.

For every Share for which the Offer has been lawfully accepted, the Offeror has paid a consideration of NOK 2.20. Following completion of settlement of the Offer, Anchor AS increased its shareholding in the Company from 184,839,587 Shares to 253,168,981 Shares, representing approximately 60.19% of all outstanding Shares.

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.

Consolidated financial statements

Consolidated statement of financial position

USD in million	Notes	Sep 30, 2025	Sep 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>	29.6	32.1	31.1
Machinery and production equipment	<u>3</u>	40.2	59.5	31.0
Other tangible assets	<u>3</u>	1.9	5.0	2.3
Assets under construction	<u>3</u>	11.8	215.7	20.3
Property, plant and equipment	<u>3</u>	83.5	312.3	84.7
Right of use assets	<u>4</u>	22.2	32.0	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		105.7	345.4	108.3
Current assets				
Inventories	<u>5</u>	21.6	58.8	27.4
Trade and other receivables	<u>10</u>	7.1	10.9	16.2
Prepaid costs		5.6	6.6	9.4
Current tax assets		0.1	0.0	0.0
Restricted bank accounts		0.5	0.6	0.6
Cash and cash equivalents		10.0	23.6	10.3
Total current assets		44.9	100.4	63.8
Total assets		150.6	445.8	172.1

USD in million	Notes	Sep 30, 2025	Sep 30, 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		-3,451.5	-3,095.2	-3,405.7
Total shareholders' equity		-423.8	-67.5	-378.1
Non-current liabilities				
Retirement benefit obligations		3.1	6.2	3.3
Non-current provision, interest calculation	<u>8</u>	27.5	24.7	26.3
Non-current financial liabilities, interest bearing	<u>6</u>	1.6	253.0	251.6
Non-current lease liabilities	<u>4</u>	44.5	58.5	56.1
Non-current prepayments		33.4	23.6	33.4
Other non-current liabilities, not interest bearing		0.1	0.0	0.0
Total non-current liabilities		110.1	365.9	370.6
Current liabilities				
Trade payables and other liabilities		35.3	55.8	60.2
Current provisions	<u>8</u>	0.0	0.0	8.2
Current financial liabilities, interest bearing	<u>6</u>	421.7	75.6	101.0
Current lease liabilities	<u>4</u>	6.4	8.7	9.0
Current prepayments		1.0	7.2	1.2
Total current liabilities		464.4	147.4	179.6
Total liabilities		574.4	513.3	550.2
Total equity and liabilities		150.6	445.8	172.1

Consolidated statement of income

USD in million	Notes	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Revenues		16.9	32.8	58.1	111.1	140.8
Cost of materials		-2.9	-3.8	-9.1	-16.7	-20.7
Changes in inventories	5	-1.2	-10.9	-4.8	-8.2	-15.9
Employee benefit expenses		-9.3	-11.5	-28.9	-34.1	-43.6
Other operating expenses		-11.6	-14.8	-36.2	-64.8	-77.8
Other income and expenses ¹		0.8	1.7	13.9	0.2	-0.7
EBITDA		-7.2	-6.4	-7.0	-12.6	-17.9
Depreciation	3	-2.0	-2.2	-5.5	-6.6	-8.7
Depreciation of right of use assets	4	-0.7	-0.7	-2.0	-2.0	-2.6
Impairment	3, 4	0.0	0.0	-3.1	0.0	-49.7
Total depreciation, amortization and impairment		-2.7	-2.8	-10.6	-8.6	-61.0
EBIT		-9.9	-9.2	-17.6	-21.2	-78.9
Financial income		0.1	0.3	0.3	2.9	3.1
Net financial expenses		-9.0	-7.0	-25.3	-20.5	-28.4
Net currency gains/losses		0.0	0.0	0.0	0.1	0.1
Net financial items ²		-8.9	-6.7	-25.0	-17.5	-25.3
Profit/loss from continuing operations		-18.8	-15.9	-42.6	-38.8	-104.2
Profit/loss from discontinued operations		4.9	-36.7	-3.2	-105.1	-353.1
Profit/loss from total operations		-14.0	-52.6	-45.8	-143.8	-457.4

USD in million	Notes	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Attributable to:						
Owners of REC Silicon ASA		-14.0	-52.6	-45.8	-143.8	-457.4
Earnings per share (In USD)						
From continuing operations						
-basic		-0.04	-0.04	-0.10	-0.09	-0.25
-diluted		-0.04	-0.04	-0.10	-0.09	-0.25
Earnings per share (In USD)						
From total operations						
-basic		-0.03	-0.13	-0.11	-0.34	-1.09
-diluted		-0.03	-0.13	-0.11	-0.34	-1.09

¹ Other income and expenses for the third quarter of 2025 is primarily due to the gain on sale of non-core assets in the amount of USD 0.6 million and the reversal of previously expensed employee termination benefits of USD 0.2 million

² See financial items table in part 1 of this report

Consolidated statement of comprehensive income

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Profit/loss from total operations	-14.0	-143.8	-45.8	-143.8	-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	-14.0	-143.8	-45.8	-143.8	-454.4
Total comprehensive income attributable to:					
Owners of REC Silicon ASA	-14.0	-143.8	-45.8	-143.8	-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
September 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	-143.8	-143.8
On September 30, 2024	59.2	2,926.7	41.8	3,027.7	539.0	-3,634.2	-67.5
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
September 30, 2025							
At January 1, 2025	59.2	2,926.7	41.8	3,027.7	539.0	-3,944.8	-378.1
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-45.8	-45.8
On September 30, 2025	59.2	2,926.7	41.8	3,027.7	539.0	-3,990.5	-423.8

This table presents details of comprehensive income

USD in million	Translation differences that can be transferred to profit and loss	Acquisition	Retained earnings	Total
September 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	-143.8	-143.8
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	-143.8	-143.8
Accumulated on September 30, 2024	19.4	20.9	-3,674.5	-3,634.2
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
September 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	-45.8	-45.8
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	-45.8	-45.8
Accumulated on September 30, 2025	22.5	20.9	-4,033.9	-3,990.5

Consolidated statement of cash flows

USD in million	Notes	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Cash flows from operating activities						
Profit/loss before tax ¹		-14.0	-52.6	-45.8	-143.8	-457.4
Depreciation, amortization and impairment	<u>3, 4</u>	2.7	5.6	11.2	20.6	270.9
Changes in receivables, prepayments from customers etc.	<u>10</u>	0.5	1.9	9.1	11.1	9.6
Changes in inventories	<u>5</u>	1.3	3.1	5.9	-0.2	31.1
Changes in payables, accrued and prepaid expenses		-3.2	0.2	-14.8	2.1	12.5
Changes in provisions	<u>8</u>	0.0	0.0	-5.6	0.0	0.0
Changes in VAT and other public taxes and duties		0.0	0.1	-0.4	3.7	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		-3.9	-1.3	-16.6	-1.1	-0.1
Net cash flow from operating activities		-16.6	-43.0	-57.0	-107.7	-132.0
Cash flows from investing activities						
Proceeds/Payments finance receivables and restricted cash		0.0	0.0	0.3	0.0	0.1
Proceeds from sale of property, plant and equipment and intangible assets		0.6	1.4	0.6	1.6	1.6
Payments for property, plant and equipment and intangible assets	<u>3</u>	-0.7	-15.4	-9.0	-80.5	-91.3
Net cash flow from investing activities		0.0	-14.0	-8.1	-78.9	-89.6

USD in million	Notes	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Cash flows from financing activities						
Payments of lease liabilities	<u>4</u>	-1.7	-2.0	-5.2	-5.8	-7.9
Payments of borrowings	<u>6</u>	0.0	0.0	0.0	-30.0	-31.2
Proceeds from borrowings	<u>6</u>	20.0	45.0	70.0	75.0	100.0
Net cash flow from financing activities		18.3	43.0	64.8	39.2	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		1.7	-14.1	-0.2	-147.3	-160.7
Cash and cash equivalents at the beginning of the period		8.3	37.6	10.3	170.9	170.9
Cash and cash equivalents at the end of the period		10.0	23.6	10.0	23.6	10.2
¹ Profit/loss before tax consists of						
Profit/loss before tax from continuing operations		-18.8	-15.9	-42.6	-38.8	-104.2
Profit/loss before tax from discontinued operations		4.9	-36.7	-3.2	-105.1	-353.1
Profit/loss before tax from total operations		-14.0	-52.6	-45.8	-143.8	-457.4
¹ Profit/loss before tax includes						
interest paid		-7,576	-8.2	-22.6	-23.5	-30.3
interest received		0,066	0.3	0.3	2.9	3.1

² Other items in the third quarter of 2025 include a non-cash gain of USD 2.6 million related to a modification of accrued employee termination benefits, as well as a non-cash gain of USD 1.1 million resulting from the reversal of previously accrued capital following renegotiations with vendors. See [notes 8](#) and [12](#) for more information.

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 fourth 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 and 2026 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 require 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.

Accordingly, there exists a 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. Nevertheless, management and the Board of Directors believe that the Company will be successful in obtaining the necessary capital to meet its 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	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Revenues						
Butte	16.8	32.8	58.0	111.1	140.7	19.8
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	16.9	32.8	58.1	111.1	140.8	19.9
EBITDA						
Butte	0.1	0.4	1.0	10.3	12.9	-0.3
Moses Lake	-4.4	0.0	4.2	0.0	0.0	9.6
Other	-2.9	-6.8	-12.3	-22.9	-30.8	-4.4
Total	-7.2	-6.4	-7.0	-12.6	-17.9	4.9
EBIT						
Butte	-2.5	-2.3	-6.2	2.0	2.1	-1.1
Moses Lake	-4.4	0.0	1.1	0.0	-49.8	-0.9
Other	-3.0	-6.9	-12.6	-23.2	-31.3	-5.0
Total	-9.9	-9.2	-17.6	-21.2	-78.9	-7.1

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

Butte

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Revenues	16.8	32.8	58.0	111.1	140.7	19.8
Cost of materials	-2.9	-3.7	-9.0	-16.6	-20.6	-2.8
Change in inventories	0.1	-10.9	-2.9	-8.1	-15.8	-2.0
Employee benefit expense	-7.3	-8.1	-21.9	-23.8	-30.3	-7.4
Other operating expenses	-6.8	-10.6	-23.3	-51.7	-60.6	-7.9
Other income and expenses	0.1	1.0	0.1	-0.6	-0.6	0.0
Total current costs	-16.8	-32.3	-57.0	-100.8	-127.8	-20.1
EBITDA contribution	0.1	0.4	1.0	10.3	12.9	-0.3
Depreciation of fixed assets	-2.0	-2.1	-5.3	-6.3	-8.3	-1.6
Depreciation of leased assets	-0.7	-0.7	-1.9	-2.0	-2.6	-0.6
Impairment	0.0	0.0	0.0	0.0	0.1	0.0
Total depreciation, amortization, and impairment	-2.6	-2.7	-7.2	-8.3	-10.8	-2.3
EBIT contribution	-2.5	-2.3	-6.2	2.0	2.1	-2.5

Moses Lake

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024	Q2 2025
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Cost of materials	0.0	0.0	-0.1	0.0	0.0	-0.2
Change in inventories	-1.3	0.0	-1.9	0.0	0.0	-0.4
Employee benefit expense	-1.0	0.0	-2.7	0.0	0.0	-0.9
Other operating expenses	-2.7	0.0	-4.7	0.0	0.0	-2.1
Other income and expenses	0.5	0.0	13.6	0.0	0.0	13.1
Total current costs	-4.4	0.0	4.2	0.0	0.0	9.5
EBITDA contribution	-4.4	0.0	4.2	0.0	0.0	9.6
EBIT contribution	-4.4	0.0	1.1	0.0	-49.8	6.4

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	12.9	0.0	-8.5	4.4	0.0	4.4
Depreciation and amortization	-1.5	-3.7	-0.3	0.0	-5.5	0.0	-5.5
Impairment 2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Carrying value on September 30, 2025	29.6	40.2	1.9	11.8	83.5	0.0	83.5
On September 30, 2025							
Historical cost	104.5	1,686.1	63.4	44.8	1,898.8	45.1	1,943.9
Accumulated depreciation/amortization/impairment	-74.9	-1,645.9	-61.5	-33.0	-1,815.3	-45.1	-1,860.3
Carrying value on September 30, 2025	29.6	40.2	1.9	11.8	83.5	0.0	83.5

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 September 30, 2025 and did not identify any indicators which might give rise to a change in impairment compared to June 30, 2025.

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 on January 1, 2025	0.0	0.0	23.6	0.0	23.7
Depreciation	0.0	0.0	-1.9	0.0	-2.0
Additions	0.0	0.0	0.0	0.0	0.0
Modification of existing leases	0.0	0.0	4.1	0.0	4.1
Impairment - Discontinued operation	0.0	0.0	-3.7	0.0	-3.7
Balance on September 30, 2025	0.0	0.0	22.2	0.0	22.2

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 September 30, 2025 ¹	74.1	2.9	11.6	11.6	11.6	11.1	25.5

¹ Amounts listed are undiscounted

The weighted average incremental borrowing rate applied to lease liabilities on September 30, 2025 is 11.5 percent.

Amounts recognized in profit or loss

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Continuing operations					
Interest on lease liabilities	1.4	1.0	3.9	3.1	4.2
Depreciation of right-of-use assets	0.7	0.7	2.0	2.0	2.6
Impairment of right-of-use assets	0.0	0.0	3.1	0.0	0.0
Gains (-) losses (+) due to terminations and other	-0.4	0.0	-13.1	0.0	0.0
Expenses relating to short-term leases	0.2	0.2	0.7	0.5	0.7
Discontinued operations					
interest on lease liabilities	0.0	1.0	0.7	3.2	4.2
Depreciation of right-of-use assets	0.0	0.5	0.0	1.2	1.7
Impairment of right-of-use assets	0.0	0.0	0.6	0.0	7.5
Expenses relating to short-term leases	0.0	0.2	0.1	0.7	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	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Total cash outflow for leases	2.9	4.1	9.8	12.1	16.2

Note 05 Inventories

See note 13 to the consolidated financial statements for 2024.

Inventories at end of period

USD in million	Sep 30, 2025			Dec 31, 2024		
	Before writedowns	Writedowns	After writedowns	Before writedowns	Writedowns	After writedowns
Stock of raw materials	5.2	0.0	5.2	6.6	0.0	6.6
Spare parts	52.7	-46.4	6.3	51.4	-45.5	5.8
Work in progress	3.6	-0.2	3.5	8.6	-5.7	2.9
Finished goods	7.5	-1.0	6.6	74.6	-62.5	12.1
Total	69.1	-47.6	21.6	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 September 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				0.3	0.3		0.3	
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%	110.0	110.0		110.0	
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				423.2	423.2	1.4	421.8	0.0

¹ Amortized as part of effective interest

On July 18, 2025, REC Silicon Inc entered into a USD 6.5 million term loan with Hanwha International LLC fund the company’s capital needs. 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.

On August 11, 2025, REC Silicon Inc entered into a USD 6.5 million term loan with Hanwha International LLC fund the company’s capital needs. This loan was executed through a third amendment to the existing USD 96.5 million short-term loan, which originally closed on January 24, 2025. It was subsequently amended for the first time on February 5, 2025, and for the second time on July 18, 2025. The maturity date of the amended loan remains January 24, 2026, consistent with the original loan.

On September 3, 2025, REC Silicon Inc entered into a USD 7.0 million term loan with Hanwha International LLC fund the company’s capital needs. This loan was executed through a fourth amendment to the existing USD 103.0 million

short-term loan, which originally closed on January 24, 2025. It was subsequently amended for the first time on February 5, 2025, for the second time on July 18, 2025, and for the third time on August 11, 2025. The maturity date of the amended loan remains January 24, 2026, consistent with the original loan.

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 September 30, 2025, and December 31, 2024. The guarantees will expire in their entirety by 2039.

Note 07 Commitments

Contractual purchase obligations and minimum operating lease payments on September 30, 2025

USD in million	Total future payments	2025	2026	2027	2028	After 2028
Purchase of goods and services	9.8	2.8	6.3	0.7	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	9.8	2.8	6.3	0.7	0.0	0.0

Commitments primarily represent the purchase of raw materials.

Note 08 Provisions

USD in million	Sep 30, 2025	Dec 31, 2024
Current	0.0	8.2
Non-current	27.5	26.3
Total provision	27.5	34.5

Specification of provisions

USD in million	Q3 2025	Sep 30, 2025	Year 2024
at beginning of period	29.7	34.5	23.8
Employee termination benefits recorded	-2.6	-2.6	8.2
Employee termination benefits paid	0.0	-5.6	0.0
Change in estimate in asset retirement obligation	0.0	0.0	1.3
Net periodic interest on asset retirement obligation - discontinued operations	0.0	0.2	0.9
Net periodic interest on asset retirement obligation - continuing operations	0.4	1.0	0.3
at end of period	27.5	27.5	34.5

See note 20 to the consolidated financial statements for 2024.

As a result of the shutdown of Moses Lake, in 2024 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. In the third quarter of 2025 the remaining USD 2.6 million was reversed with 0.2 million recorded as other income in continuing operations and USD 2.4 million as other income in discontinued operations.

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 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 September 30, 2025

USD in million	Total Carrying amount	Aging of receivables that are not impaired					
		Not due	< 30 Days	>30<90 Days	>90<365 Days	>365 Days	Impaired
Trade receivables and accrued revenues	7.4	6.2	0.9	0.2	0.1	0.0	0.0
Provision for loss on trade receivables	-0.7	0.0	-0.4	-0.2	-0.1	0.0	0.0
Other current receivables	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Total receivables	7.1	6.5	0.6	0.0	0.0	0.0	0.0

There was no bad debt expense recorded during the third quarter 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 60.19 percent of the shares in REC Silicon.

USD in million	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	Year 2024
Total related party revenues	0.4	0.0	0.7	0.0	0.0
Related party expenses					
Service expenses	-0.3	-0.6	-0.7	-2.2	-2.9
Interest expenses on borrowings	-1.8	-0.3	-4.5	-0.3	-1.0
Expensing of up-front fees and costs	-0.8	-0.8	-2.4	-2.3	-3.1
Total related party expenses	-2.9	-1.7	-7.5	-4.8	-6.9

In the third quarter of 2025, REC Advanced Silicon Materials LLC sold product totaling USD 0.4 million to Hanwha subsidiaries.

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

In the third quarter of 2025 REC Silicon incurred interest expense in the amount of USD 1.6 million associated with its loan with Hanwha International and USD 0.2 million associated with its loan with Hanwha Global Americas. See [note 6](#) for additional information.

Hanwha Solutions provides guarantees for REC Silicon loans. In the third quarter of 2025, REC Silicon incurred expenses in the amount of USD 0.8 million for guarantee and letter of credit fees.

During the third quarter REC Silicon Inc entered into a total of USD 20.0 million in term loans with Hanwha International LLC fund the company’s capital needs. These loans were executed through amendments to the USD 90.0 million short-term loan, which originally closed on January 24, 2025. The maturity date of the amended loan remains January 24, 2026, consistent with the original loan. 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, which are directly attributable to the discontinued business line and are accordingly included within discontinued operations in the Company's consolidated financial statements

During the third quarter, the Company incurred approximately USD 4.9 million in costs related to the safe maintenance of its Moses Lake 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	Q3 2025			Q3 2024			H1 2025			H1 2024			Year 2024		
Revenues	18.7	-1.8	16.9	33.8	-1.0	32.8	61.0	-2.9	58.1	113.6	-2.5	111.1	143.6	-2.8	140.8
Cost of materials	-2.9	0.0	-2.9	-14.4	10.7	-3.8	-9.4	0.2	-9.1	-46.3	29.5	-16.7	-56.2	35.5	-20.7
Changes in inventories	-1.3	0.1	-1.2	-7.3	-3.5	-10.9	-5.6	0.8	-4.8	2.6	-10.8	-8.2	-27.9	12.0	-15.9
Employee benefit expenses	-9.3	0.0	-9.3	-21.0	9.5	-11.5	-32.9	4.0	-28.9	-64.7	30.5	-34.1	-82.6	39.0	-43.6
Other operating expenses	-11.6	0.0	-11.6	-36.4	21.7	-14.8	-40.3	4.2	-36.2	-120.2	55.3	-64.8	-145.4	67.6	-77.8
Other income and expenses	3.9	-3.1	0.8	1.8	-0.1	1.7	18.5	-4.6	13.9	0.1	0.0	0.2	-3.6	3.0	-0.7
EBITDA	-2.3	-4.9	-7.2	-43.6	37.2	-6.4	-8.6	1.6	-7.0	-114.7	102.1	-12.6	-172.0	154.2	-17.9
Depreciation	-2.0	0.0	-2.0	-4.5	2.3	-2.2	-5.5	0.0	-5.5	-17.1	10.5	-6.6	-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	-0.7	0.0	-0.7	-1.1	0.5	-0.7	-2.0	0.0	-2.0	-3.2	1.2	-2.0	-4.3	1.7	-2.6
Impairment	0.0	0.0	0.0	0.0	0.0	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	-2.7	0.0	-2.7	-5.6	2.8	-2.8	-11.2	0.6	-10.6	-20.6	11.9	-8.6	-270.9	209.8	-61.0
EBIT	-5.0	-4.9	-9.9	-49.2	40.0	-9.2	-19.8	2.2	-17.6	-135.3	114.0	-21.2	-442.9	364.0	-78.9
Financial income	0.1	0.0	0.1	0.3	0.0	0.3	0.3	0.0	0.3	2.9	0.0	2.9	3.1	0.0	3.1
Net financial expenses	-9.0	0.0	-9.0	-4.7	-2.3	-7.0	-26.3	1.0	-25.3	-13.9	-6.5	-20.5	-20.8	-7.6	-28.4
Net currency gains/losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1
Net financial items	-8.9	0.0	-8.9	-4.4	-2.3	-6.7	-26.0	1.0	-25.0	-11.0	-6.5	-17.5	-17.7	-7.6	-25.3
Profit/loss	-14.0	4.9	-18.8	-52.6	-36.7	-15.9	-45.8	-3.2	-42.6	-143.8	-105.1	-38.8	-457.4	-353.1	-104.2
Profit/loss attributable to owners of REC Silicon ASA	-23.7	4.9	-18.8	-52.6	-36.7	-15.9	0.0	-3.2	-42.6	-143.8	-105.1	-38.8	-457.4	-353.1	-104.2
Comprehensive income attributable to owners of REC Silicon ASA	-23.7	4.9	-18.8	-52.6	-36.7	-15.9	0.0	-3.2	-42.6	-143.8	-105.1	-38.8	-454.4	-353.1	-101.3
Earnings per share (In USD)															
-basic	-0.03	0.01	-0.04	-0.13	-0.09	-0.04	-0.11	-0.01	-0.10	-0.34	-0.25	-0.09	-1.09	-0.84	-0.25
-diluted	-0.03	0.01	-0.04	-0.13	-0.09	-0.04	-0.11	-0.01	-0.10	-0.34	-0.25	-0.09	-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	Q3 2025	Q3 2024	Sep 30, 2025	Sep 30, 2024	2024
Net cash flow from operating activities	1.6	-50.8	-15.0	-105.4	-113.6
Net cash flow from investing activities	0.0	-4.9	-4.1	-60.0	-77.2
Net cash flow from financing activities	-1.6	55.7	19.1	165.4	190.5
Cash and cash equivalents at the beginning of the period	0.0	0.2	0.0	0.2	0.2
Cash and cash equivalents at the end of the period	0.0	0.2	0.0	0.2	0.0

Note 13 Events after the reporting period

On October 13, 2025, REC Silicon ASA announced that it has entered into an unsecured USD 7.0 million short-term loan agreement with Anchor AS to fund the company’s urgent operational capital needs. Anchor AS is REC Silicon’s largest shareholder and is a Norwegian subsidiary of Hanwha Solutions and Hanwha Corporation. The terms of the loan are generally in line with the financial terms of the company’s existing bank and shareholder loan agreements. The maturity date is April 13, 2026.

Pursuant to the resolution by the general meeting, and as announced in RECs second quarter 2025 presentation, a shareholder request was made in July 2025 to the relevant Norwegian district court for the commencement of an investigation process. The shareholder request for investigation was contested by REC. On October 15, 2025 The Asker and Bærum District Court announced that the court has ruled to dismiss the shareholder request for an investigation.

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	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. EBIT is reflected on the consolidated statement of income on the line titled EBIT. EBIT has been reported as a loss of USD 9.9 million for the third quarter of 2025.
EBIT excluding impairment charges	is calculated by taking EBIT and excluding impairment. For the third quarter of 2025 this is a loss of USD 9.9 million.
EBIT Margin	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. EBIT margin has been calculated and is reported in the financial highlight tables for REC Silicon Group.

EBIT Contribution	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. 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.
EBITDA	EBITDA is an acronym for Earnings Before Tax, Depreciation, and Amortization. EBITDA is EBIT excluding depreciation, amortization, and impairment. EBITDA is reflected on the consolidated statement of income on the line titled EBITDA. An EBITDA loss of 7.2 million has been reported for the third quarter of 2025.
EBITA Margin	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. 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.

EBITDA Contribution	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. 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.
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, 2025, the equity ratio is negative 281.4 percent and is calculated by dividing USD negative 423.8 million total shareholders' equity by USD 150.6 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 September 30, 2025, net debt was USD 464.1 million or USD 423.2 million total carrying value of the Company's debt, from note 6, plus USD 50.9 million current and non-current lease liabilities (from the balance sheet) less USD 10.0 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 September 30, 2025, nominal net debt was USD 464.1 million or USD 423.2 million contractual repayment values of the Company's debt from note 6, plus USD 50.9 million current and non-current lease liabilities (from the balance sheet) less USD 10.0 million in cash and cash equivalents.
Nominal Debt	Nominal debt is the contractual repayment values of interest-bearing debt instruments including financing leases. 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, 2025, nominal debt was USD 474.1 million or USD 423.2 million contractual repayment values of the Company's debt from note 6, plus USD 50.9 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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