

REC SILICON - UPDATE FROM THE BOARD OF DIRECTORS

Reference is made to Anchor AS' ("**Anchor**" or the "**Offeror**") voluntary tender offer to the shareholders of REC Silicon ASA ("**REC**" or the "**Company**") for all the shares in the Company not already owned by the Offeror at an offer price of NOK 2.20 per share in cash (the "**Offer**") as set out in the offer document dated 22 May 2025 (the "**Offer Document**").

As informed to the market, REC will soon require additional financing. In the best interest of the Company and as part of its fiduciary duties, the board of directors (the "**Board**") elected at the Annual General Meeting 25 June 2025 (the "**AGM**") has since its appointment diligently explored alternative financing options in a situation where the Company's largest shareholder, the Hanwha Group ("**Hanwha**"), through Anchor after having made the Offer, on 26 June 2025 publicly has stated that it will not provide further loans to the Company unless the Offer is completed. Hanwha has further stated that there will be no further extension to the offer period beyond 8 July 2025 and no increase of the NOK 2.20 per share offer price. Please refer to the Offer Document for the complete terms of the Offer.

The Board has taken steps to assess the current financial situation of the Company and has confirmed that the Company is in need of additional financing. As part of this process, the Board has held discussions with an investment bank to assess alternative financing solutions given that Hanwha has declared that it will not provide any further loans to the Company. To the Board's understanding, existing loans and financing to the Company have effectively encumbered most or all of the Company's assets, consequently making alternative avenues of additional financing difficult.

The Transaction Agreement entered into on 24 April 2025 between the Company and Anchor, under Norwegian statutory law, further restricts the Board's ability to pursue alternative financing and strategic options in the current situation. Hanwha has not taken any steps to release the Board from these restrictions, but instead approached the Board and reserved the right to initiate legal action against each individual board member for failure to comply with its alleged duties.

The AGM approved the possibility of a corporate investigation pursuant to the Norwegian Public Limited Liability Companies Act (the "**Investigation**") with a mandate as further described in the AGM minutes. As announced on 2 July 2025 the Board formed an investigative sub-committee to facilitate the Investigation by exploring relevant circumstances around the mutual agreement amongst the Company and Hanwha, as announced on 24 January 2025, to terminate the full-form supply agreement with Hanwha Q Cells Georgia Inc. During the time available, the Board's internal investigation, which is ongoing, has of yet found no clear evidence that this decision was made on anything other than a commercial basis.

The Board is of the opinion that the Offer does not reflect the underlying value of the Company given the unlocked potential value of its assets and the future prospects for the alternative energy

industry. The Board has approached representatives of Hanwha with the aim of having Hanwha increase the Offer Price to fully reflect the Company's underlying value, but without any success.

As of 24 June 2025, the Offeror announced that it had received acceptances of the Offer for a total of 174,399,839 Shares, representing approximately 41.46% of all REC shares (including the 33.33% already held by Hanwha). The Board notes that if the 90% acceptance condition is waived and the Offeror completes the Offer, the Offeror must, within four weeks following completion of the Offer, make a mandatory unconditional offer to all remaining shareholders at the highest price paid in the last six months prior to the settlement of the Offer (at the Offer price of NOK 2.20 unless a higher price has been paid). The Offeror will, if it achieves control of more than 90% of the shares, have a statutory right to compulsorily acquire ("Squeeze Out") the remaining shares. The offered price in a Squeeze Out may be contested by the remaining shareholders and be left to the Norwegian courts to decide. For further information, please refer to the Offer document.

When considering whether to accept the Offer, the Board notes that the liquidity of the REC shares tradable may decrease if Hanwha completes the Offer. If the Offer is completed and a mandatory offer is launched, Hanwha will also hold increased voting power at future general meetings in the Company.

Based on the above, including the Company's critical financial situation with no realistic and available financing alternatives to the continued financing from Hanwha, limited time available, and legal constraints on the Board's ability to pursue alternative financing and strategic alternatives, the Board is unable to recommend any alternatives to the Offer. As part of this assessment, the Board assumes that Hanwha will honor its previous statements that it intends to financially support the Company's operations.

Contacts

Chairman of the Board
John K. Adams
jadams@wscapital.com
work: +1 (904) 355-5997

About REC Silicon

REC Silicon is a leading producer of advanced silicon materials, delivering high-purity silicon gases to the solar and electronics industries worldwide. We combine over 40 years of experience and proprietary technology with the needs of our customers. Listed on the Oslo Stock Exchange (ticker: RECSI), the Company is headquartered in Lysaker, Norway.

For more information, go to: www.recsilicon.com

This information is subject to disclosure under the Norwegian Securities Trading Act, §5-12. The information was submitted for publication at 2025-07-07 08:00 CEST.

Attachments

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