

RECSiLICON

First 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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First quarter highlights

- > Revenues of \$21.4M
- > EBITDA loss of \$4.6M
- > March 31, 2025, cash balance of \$16.8M
 - Cash increase of \$6.5M
- > \$40M loan from Hanwha International finalized

Revenues

21.4

USDm

EBITDA

-4.6

USDm

USD in million	Q1 2025	Q1 2024	Year 2024	Q4 2024
Revenues	21.4	42.0	140.8	29.7
EBITDA	-4.6	-4.7	-17.9	-5.3
EBITDA margin	-21.7%	-11.2%	-12.7%	-17.7%
EBIT excluding impairment charges	-7.1	-7.6	-29.2	-8.0
Impairment charges	0.0	0.0	-49.7	-49.7
EBIT	-7.1	-7.6	-78.9	-57.7
EBIT margin	-33.1%	-18.2%	-56.1%	-194.4%
Profit/loss before tax from continuing operations	-14.7	-12.7	-104.2	-65.5
Profit/loss from continuing operations	-14.7	-12.7	-104.2	-65.5
Profit/loss from discontinued operations, net of tax	-10.2	-27.8	-353.1	-248.0
Profit/loss from total operations	-24.9	-40.5	-457.4	-313.5
Earnings per share, basic and diluted (USD) from continuing operations	-0.03	-0.03	-0.25	-0.16
Earnings per share, basic and diluted (USD) from discontinued operations	-0.02	-0.07	-0.84	-0.59
Earnings per share, basic and diluted (USD) from total operations	-0.06	-0.10	-1.09	-0.75
Silicon gas loaded (production) in MT	546	826	2,639	573
Silicon gas sales in MT	560	850	2,561	543

REC Silicon Group

With more than 40 years of history in the industry, REC Silicon is leading energy and technology providers worldwide. From its two US-based manufacturing facilities in Moses Lake, Washington and Butte, Montana, REC Silicon is a leading producer of silane-based high purity silicon materials that is shaping the future with advanced materials.



The core product for REC Silicon's activities is silane gas. Silane gas is used as a stand-alone product for use in semiconductors, flat panel displays, solar panels and as material for silicon anode batteries.

Profit & Loss

Revenues from continuing operations for the first quarter of 2025 were USD 21.4 million compared to USD 29.7 million for the fourth quarter of 2024. The decrease in revenue is due to a decrease in sales volume of polysilicon when compared to the fourth quarter of 2024. EBITDA from continuing operations for the first quarter of 2025 was a loss of USD 4.6 million compared to a loss of USD 5.3 million during the fourth quarter of 2024.

On December 30, 2024 REC Silicon announced the permanent shut down 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 early March of 2025 and associated expense of USD 10.2 million has been classified as discontinued operations in the first quarter of 2025.

Beginning in early March 2025, the Company incurred approximately USD 0.9 million in costs related to the safe maintenance of its Mose 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.

Future costs for maintaining the Moses Lake facility for a potential silane restart will be captured in the Moses Lake segment. Loss from total operations for the first quarter is USD 24.9 million, of which a loss of USD 10.2 million is from discontinued operations. This compares to a fourth quarter loss from total operations of USD 313.5 million, of which a loss of USD 248.0 million was from discontinued operations.

Financial Position

Shareholders' equity decreased to USD negative 403.0 million on March 31, 2025, compared to USD negative 378.1 million on December 31, 2024. This decrease was the result of the loss from total operations of USD 24.9 million during the first quarter of 2025.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. On March 31, 2025, net debt was USD 440.4 million, which consisted of USD 393.2 million total carrying value of the Company's debt (from [note 6](#)) plus USD 63.9 million current and non-current lease liabilities (from the balance sheet) less USD 16.8 million in cash and cash equivalents.

Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. On March 31, 2025, nominal net debt was USD 440.1 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 first quarter of 2025 cash balances increased by USD 6.5 million to USD 16.8 million on March 31, 2025.

In the first quarter of 2025 net cash outflows from operating activities were USD 24.7 million. Depreciation and amortization were USD 2.4 million while impairment was USD 0.6 million. Trade receivables and customer prepayments decreased by USD 9.5. Inventories decreased by USD 1.3 million. Changes in payables, accrued expenses decreased by USD 12.0 million. Payments for employee termination benefits amounted to USD 5.6 million. Accrued property taxes increased by 4.0 million. In the first quarter cash outflows included interest payments on leases of USD 2.0 million and interest on debt of USD 5.5 million.

In the first quarter cash outflows from investing activities were USD 6.6 million and were a result of capital expenditures of USD 6.7 million offset by a USD 0.2 million change in finance receivables.

In the first quarter net cash inflows from financing activities were USD 37.8 million and were the result of proceeds from new loans in the amount of USD 40.0 million (see [note 6](#)) offset by payments of lease liabilities of USD 2.2 million (see [note 4](#)).

Capital Expenditures

Capital expenditures in the first quarter were USD 6.7 million compared to USD 10.8 million during the fourth quarter of 2024. 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	Q1 2025	Q1 2024	Year 2024	Q4 2024
Financial income	0.2	1.7	3.1	0.2
Interest expenses on borrowings	-5.7	-5.0	-21.3	-5.7
Interest expense on leases	-1.3	-1.1	-4.2	-1.0
Capitalized borrowing cost	0.2	0.3	0.8	-0.2
Expensing of up-front fees and costs	-0.8	-0.8	-3.1	-0.8
Other financial expenses	-0.2	-0.2	-0.7	-0.3
Net financial expenses	-7.8	-6.8	-28.4	-8.0
Net currency gains/losses	0.0	0.0	0.1	0.0
Net financial items	-7.6	-5.0	-25.3	-7.8

During the first quarter of 2025, the Company recognized interest expense on borrowings of USD 5.7 million, including USD 5.6 million associated with term loans, and USD 0.1 million associated with a note with Grant County, Washington, and expense of up-front fees and costs of USD 0.8 million. The upfront fees and costs are related to the guarantee fees charged by Hanwha associated with the term loans.

Capitalized borrowing costs were USD 0.2 million during the quarter and were for Butte improvement projects.

The Company recognized an interest expense of USD 1.3 million for leased assets during the first quarter. See [note 4](#) for additional information on leases.

Income Tax

The loss from total operations of USD 24.9 million during the first quarter of 2025 resulted in no effective tax impact due to REC Silicon’s unrecognized deferred tax asset. The losses will continue to be available to offset taxable income during future periods subject to certain limitations.

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

Segment information

Summary of results by segment

USD in million	Q1 2025		Q1 2024		Year 2024		Q4 2024	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Butte	21.4	1.2	42.0	2.8	140.7	12.9	29.6	2.6
Moses Lake	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	-4.9	0.0	-7.5	0.1	-30.8	0.0	-7.9
Total	21.4	-4.6	42.0	-4.7	140.8	-17.9	29.7	-5.3

Butte

USD in million	Q1 2025	Q1 2024	Year 2024	Q4 2024
Revenues	21.4	42.0	140.7	29.6
EBITDA contribution	1.2	2.8	12.9	2.6
Contribution margin	5.7%	6.7%	9.2%	8.9%
Silicon gas loaded (production) in MT	546	826	2,639	573
Silicon gas sales in MT	560	850	2,561	543

REC Silicon manufactures silicon gases from its manufacturing 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 fill up 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-year 2024. A limited amount of polysilicon continues to be produced for the purpose of analyzing silicon gas quality. Polysilicon produced for the purpose of analyzing gas quality will continue to be sold.

Butte segment revenues were USD 21.4 million in the first quarter of 2025 compared to 29.6 million in the fourth quarter of 2024.

Total silicon gas sales volumes increased by 17MT to 559MT during the first quarter of 2025. Sales prices realized by REC Silicon for silicon gas decreased by 8.4 percent from the previous quarter.

Total polysilicon sales volumes, including by-products, were 149MT in the first quarter of 2025 compared to 377MT during the fourth quarter of 2024. Semiconductor grade polysilicon sales were at 97MT for the first quarter compared to 216MT for the fourth quarter of 2024. Other grade polysilicon sales volumes decreased by 109MT to 52MT during the first quarter when compared to the fourth quarter of 2024. Polysilicon sold is primarily from previously produced inventory. The Company expects future sales volumes to decrease as inventory is depleted.

The Butte segment contributed USD 1.2 million to the Company's EBITDA during the first quarter of 2025 compared to USD 2.6 million during the fourth quarter of 2024. The decreased EBITDA is the result of decreased silicon gas prices as well as decreased polysilicon sales.

Moses Lake

USD in million	Q1 2025	Q1 2024	Year 2024	Q4 2024
Revenues	0.0	0.0	0.0	0.0
EBITDA contribution	-0.9	0.0	0.0	0.0
	0	0	0	0
	0	0	0	0

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 through the completion of this 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 March 31, 2025.

Subsequent to the completion of the cleanout process, the Company incurred approximately USD 0.9 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.

Other and Eliminations

USD in million	Q1 2025	Q1 2024	Year 2024	Q4 2024
Revenues	0,0	0,0	0,1	0,0
EBITDA contribution	-4,9	-7,5	-30,8	-7,9

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

Net operating costs in Other and Eliminations were USD 4.9 million during the first quarter of 2025 compared to net operating costs of USD 7.9 million during the fourth quarter 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 Inc 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.

Debt maturities in 2025 include USD 50 million for the Standard Chartered term loan, which needs to be rolled over, USD 1.8 million for the undiscounted Grant County Property Tax note and USD 16.4 million for undiscounted lease liabilities. On March 31, 2025, 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 securing additional financing aiming to close in the second quarter of 2025. Furthermore, the Company is looking to sell noncore assets during 2025. Management estimates future cash requirements can be met from the previously mentioned additional funding, along with cash flows generated by operations from the Semiconductor segment.

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 quarter of 2025 showed quarter-on-quarter improvement in semiconductor and flat panel display (FPD) gas demand. Anti-dumping/countervailing duties (AD/CVD) and import tariffs on photovoltaic (PV) cells had an effect of reducing global access to PV cell gas supply chains. US PV cell manufacturers moved closer to production in the first quarter in response to these global pressures.

During the first quarter of 2025, global semiconductor wafer inventory vs. shipment metrics continued to improve and utilization rates of wafer inventory remained highest in advanced node foundries and with high bandwidth memory (HBM) producers. Utilization rates of wafer inventory in older nodes also increased quarter-on-quarter signaling increased demand. Flat panel display (FPD) utilization rates increased in Organic Light-Emitting Diode (OLED) and Thin-Film Transistor Liquid-Crystal Display (TFTLCD) segments due to higher demand in the mobile phone and television segments. Southeast Asia and Chinese PV cell manufacturers reported low utilization including idling of capacity. PV production levels were up quarter-on-quarter, however, over capacity continued in the supply chain driving consumable average sales prices down.

Artificial Intelligence (AI) and datacenter segments continued to outpace other semiconductor device sales. These high average sales price, low volume products, provided a skewed response between chip revenue and materials sales. Fab utilization is a stronger driver of materials revenue and utilization rates grew modestly in Q1 with 4-6 percent growth being reported by foundry and memory producers. Similar utilization growth numbers have been reported for (FPD) factories.

Automotive, analog and PC chip sales continued to suffer with quarter-on-quarter decline. Utilization rates in these segments were flat quarter for the quarter with inventory increasing. For material sales, this was a small signal as chip output per wafer is high relative to memory and logic segments. This does temper some of the growth from the advanced foundry and (HBM) segments.

Southeast Asia PV cell capacity continued to be low in the quarter. New capacity coming online in US indicates positive outlook but was not significant for material volume in the quarter. Markets in India and Europe Middle East and Africa (EMEA) increased production in Q1, but still not significant against the Southeast Asia and China utilization reduction and price erosion.

New chip production capacity continued to ramp in the US providing modest quarter-on-quarter growth. This capacity will continue to drive sales in silane and advance silicon gases. While memory and logic utilization rates showed slight improvement in the quarter, silane and advance silicon gas demand did not recover to 2023 levels.

The silicon anode battery market showed increased activity in quarter with Korean and US producers increasing usage of Silane. High Volume production is expected by several companies as early as the third quarter of 2025.

Outlook

Consensus Global GDP growth expectations have reduced from 2.5 percent to 2.2 percent in the wake of geopolitical tensions. US tariff actions are creating uncertainty in global markets. Real demand versus inventory positioning is proving difficult to gauge as regions look to minimize real and/or potential tariff impacts to global commerce.

The consumer electronics market demand is expected to remain flat through the second quarter with consensus indicating recovery in the second half of 2025. Proliferation of AI technology into the consumer segment in the form of augmented reality and virtual reality (AR/VR) and ChatBOTs continues to be the main driver for new devices. Strong growth in Datacenter has been observed over the last two quarters and this growth is expected to give way to increased PC and mobile refresh demand in order for the consumer market to better utilize the increased AI capabilities. This increase in consumer demand will drive higher production rates in semiconductors and flat panel display segments.

Silicon gas sales are expected to benefit from this increase in consumer demand. While AI chip sales have bolstered the semiconductor industry over the last several quarters, gas demand is largely impacted by total ship sales. Increased mobile, PC and flat panel display (FPD) sales will have a larger positive effect on gas volume than the low volume, high margin AI chip sales.

First quarter 2025 memory production was flat compared to the fourth quarter of 2024. Memory production rates are expected to grow with consumer demand. Tariff actions and reduction of access to China could have a negative impact to global memory production due to domestic China demand

being serviced from local memory producers. While analysts still indicate increased memory production in the second half of 2025, this is a critical area to watch for silicon gas demand.

TSMC continues to lead the foundry segment with strong demand projected for their advance nodes through 2025. UMC and Global Foundries both provided guidance of higher quarter on quarter output in the first quarter which bodes well for second half of 2025 materials demand.

Automotive, Power and Telecom chip demand remained weak in first quarter and leading producers like TI, Infineon and ST Micro are bearish on second quarter outlooks. Recovery in this segment is not expected to be significant in 2025, which adds to the importance of strong Memory and Foundry sales to lead materials demand up in 2025.

In the PV Cell segment, preliminary AD/CVD determinations and aggressive US-China tariff actions provide positive momentum for increased PV cell production in the US. Several PV cell production facilities have come online in 2025 with many more being announced.

The second quarter will likely see the first high volume manufacturing plants start-up for Silicon Anode battery materials in the US and Korea. Similar to PV markets, it is expected that US-China tensions can accelerate timelines for US production. However, EV demand continues to be sluggish which can impact the end mark adoption of new battery technologies in the largest target market. Producers are bullish on the prospects of providing HVM samples in 2025 which will be a new and large market for silane gas.

Voluntary cash offer to acquire all shares

On April 24, 2025, REC Silicon ASA announced the 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, representing an aggregate equity value of the Company of approximately NOK 925 million (based on 420,625,659 shares outstanding).

The offeror is a newly formed Norwegian limited liability company established by the two largest shareholders of the Company, Hanwha Corporation and Hanwha Solutions Corporation, for the purposes of the offer. The offer will be subject to conditions, including but not limited to the offer being accepted to such extent that the offeror becomes the owner of shares representing more than 90% of the shares and voting rights in the Company.

Based on the current financial situation, it is the offeror's view that in order to safeguard the future of the Company and retain remaining shareholder values, the best viable path for the Company is to be taken into private ownership through a delisting from the Oslo Stock Exchange. In order to provide the other shareholders with an opportunity to exit their investment, the offer will allow the shareholders to tender their shares at a premium to recent trading prices.

The main objective for the transaction is to seek the continuation of the Company's business operations. The offeror and the Hanwha group will strive to develop the business, and at the same time combine and integrate the business into the Hanwha group's existing business structure. As part of the discussions regarding the Offer, the Hanwha group has confirmed its intention to financially support the Company's operations, which may include an extension of existing shareholder loans or a new bridge loan.

The Board of REC Silicon ASA unanimously resolved that it recommends the shareholders to accept the offer. The Board believes the terms of the offer are in the best interests of the Company and the shareholders as a whole based on an assessment of various factors, including but not limited to (i) the fact that the Company's operations and revenues have been reduced to a level that is better suited for private ownership, especially considering the significant debt load of the Company, the need for future financing and the opportunities for synergies and business optimization; and (ii) the offer price compared to the range and uncertainty of future outcomes for the business, as well as the premium over recent trading levels.

In making its recommendation, the Board has received a fairness opinion from Arctic Securities AS, as an independent third party, concluding that the offer is fair from a financial point of view.

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	Mar 31, 2025	Mar 31, 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>	30.6	33.2	31.1
Machinery and production equipment	<u>3</u>	30.1	39.2	31.0
Other tangible assets	<u>3</u>	2.1	4.2	2.3
Assets under construction	<u>3</u>	22.8	203.5	20.3
Property, plant and equipment	<u>3</u>	85.6	280.1	84.7
Right of use assets	<u>4</u>	23.3	32.0	23.4
Other non-current receivables		0.1	0.3	0.2
Total non-current assets		109.0	313.2	108.3
Current assets				
Inventories	<u>5</u>	26.1	55.2	27.4
Trade and other receivables	<u>10</u>	6.7	15.6	16.2
Prepaid costs		10.0	11.1	9.4
Restricted bank accounts		0.6	0.6	0.6
Cash and cash equivalents		16.8	101.1	10.3
Total current assets		60.2	183.6	63.8
Total assets		169.2	496.8	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		-3,430.7	-2,991.8	-3,405.7
Total shareholders' equity		-403.0	35.8	-378.1
Non-current liabilities				
Retirement benefit obligations		3.1	6.6	3.3
Non-current provision, interest calculation	<u>8</u>	26.7	24.1	26.3
Non-current financial liabilities, interest bearing	<u>6</u>	251.6	253.0	251.6
Non-current lease liabilities	<u>4</u>	54.6	61.0	56.1
Non-current prepayments		33.4	24.9	33.4
Other non-current liabilities, not interest bearing		0.0	0.3	0.0
Total non-current liabilities		369.3	369.9	370.6
Current liabilities				
Trade payables and other liabilities		48.7	46.3	60.2
Current provisions		2.7	0.0	8.2
Current lease liabilities	<u>4</u>	9.4	7.9	9.0
Current prepayments		0.6	6.1	1.2
Total current liabilities		202.9	91.1	179.6
Total liabilities		572.2	461.0	550.2
Total equity and liabilities		169.2	496.8	172.1

Consolidated statement of income

USD in million	Notes	Q1 2025	Q1 2024	Year 2024
Revenues		21.4	42.0	140.8
Cost of materials		-3.3	-7.4	-20.7
Changes in inventories	5	-1.3	0.4	-15.9
Employee benefit expenses		-9.9	-11.3	-43.6
Other operating expenses		-11.5	-26.5	-77.8
Other income and expense		0.0	-1.8	-0.7
EBITDA		-4.6	-4.7	-17.9
Depreciation	3	-1.8	-2.3	-8.7
Depreciation of right of use assets	4	-0.6	-0.7	-2.6
Impairment	3, 4	0.0	0.0	-49.7
Total depreciation, amortization and impairment		-2.4	-3.0	-61.0
EBIT		-7.1	-7.6	-78.9
Financial income		0.2	1.7	3.1
Net financial expenses		-7.8	-6.8	-28.4
Net currency gains/losses		0.0	0.0	0.1
Net financial items ¹		-7.6	-5.0	-25.3

USD in million	Notes	Q1 2025	Q1 2024	Year 2024
Profit/loss from continuing operations		-14.7	-12.7	-104.2
Profit/loss from discontinued operations		-10.2	-27.8	-353.1
Profit/loss from total operations		-24.9	-40.5	-457.4
Attributable to:				
Owners of REC Silicon ASA		-24.9	-40.5	-457.4
Earnings per share (In USD)				
-basic		-0.03	-0.03	-0.25
-diluted		-0.03	-0.03	-0.25

¹ See financial items table in part 1 of this report

Consolidated statement of comprehensive income

USD in million	Q1 2025	Q1 2024	Year 2024
Profit/loss from total operations	-24.9	-40.5	-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	2.9
Currency translation effects	0.0	-2.4	0.0
Sum items that will not be reclassified to profit or loss	0.0	-2.4	2.9
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences			
- taken to equity	0.0	2.4	0.0
Sum items that may be reclassified subsequently to profit or loss	0.0	2.4	0.0
Total other comprehensive income	0.0	0.0	2.9
Total comprehensive income	-25.0	-40.5	-454.4
Total comprehensive income attributable to:			
Owners of REC Silicon ASA	-25.0	-40.5	-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
March 31, 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	-40.5	-40.5
On March 31, 2024	59.2	2,926.7	41.8	3,027.7	539.0	-3,530.9	35.8
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
March 31, 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	-25.0	-25.0
On March 31, 2025	59.2	2,926.7	41.8	3,027.7	539.0	-3,969.7	-403.0

This table presents details of comprehensive income

USD in million	Translation differences that can be transferred to profit and loss	Acquisition	Retained earnings	Total
March 31, 2024				
Accumulated at January 1, 2024	19.4	20.9	-3,530.6	-3,490.4
Profit/loss	0.0	0.0	-40.5	-40.5
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Currency translation effects	0.0	0.0	-2.4	-2.4
Sum items that will not be reclassified to profit or loss	0.0	0.0	-2.4	-2.4
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	2.4	0.0	0.0	2.4
Sum items that may be reclassified to profit or loss	2.4	0.0	0.0	2.4
Total other comprehensive income for the period	2.4	0.0	-2.4	0.0
Total comprehensive income for the period	2.4	0.0	-42.9	-40.5
Accumulated at March 31, 2024	21.8	20.9	-3,573.6	-3,530.9
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
March 31, 2025				
Accumulated at January 1, 2025	22.5	20.9	-3,988.1	-3,944.8
Profit/loss	0.0	0.0	-24.9	-24.9
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	-25.0	-25.0
Accumulated at March 31, 2025	22.5	20.9	-4,013.1	-3,969.7

Consolidated statement of cash flows

USD in million	Notes	Q1 2025	Q1 2024	Year 2024
Cash flows from operating activities				
Profit/loss before tax ¹		-24.9	-40.5	-457.4
Depreciation, amortization and impairment	<u>3, 4</u>	3.0	5.3	270.9
Changes in receivables, prepayments from customers etc.	<u>10</u>	9.5	6.3	9.6
Changes in inventories	<u>5</u>	1.3	3.4	31.1
Changes in payables, accrued and prepaid expenses		-12.0	-13.9	12.5
Changes in provisions	<u>8</u>	-5.6	0.0	0.0
Changes in VAT and other public taxes and duties		4.0	6.1	1.3
Currency effects not cash flow or not related to operating activities		0.0	0.0	0.0
Other items		0.0	0.1	-0.1
Net cash flow from operating activities		-24.7	-33.2	-132.0
Cash flows from investing activities				
Proceeds/Payments finance receivables and restricted cash		0.2	0.0	0.1
Proceeds from sale of property, plant and equipment and intangible assets		0.0	0.0	1.6
Payments for property, plant and equipment and intangible assets	<u>3</u>	-6.7	-34.7	-91.3
Net cash flow from investing activities		-6.6	-34.7	-89.6
Cash flows from financing activities				
Payments of lease liabilities	<u>4</u>	-2.2	-1.8	-7.9
Payments of borrowings	<u>6</u>	0.0	0.0	-31.2
Proceeds from borrowings	<u>6</u>	40.0	0.0	100.0
Net cash flow from financing activities		37.8	-1.8	60.9
Effect on cash and cash equivalents of changes in foreign exchange rates		0.0	0.0	0.0
Net increase/decrease in cash and cash equivalents		6.5	-69.8	-160.7
Cash and cash equivalents at the beginning of the period		10.3	170.9	170.9
Cash and cash equivalents at the end of the period		16.8	101.1	10.2

USD in million	Notes	Q1 2025	Q1 2024	Year 2024
¹ Profit/loss before tax consists of				
Profit/loss before tax from continuing operations		-14.7	-12.7	-104.2
Profit/loss before tax from discontinued operations		-10.2	-27.8	-353.1
Profit/loss before tax from total operations		-24.9	-40.5	-457.4
¹ Profit/loss before tax includes				
interest paid		-7.5	-8.0	-30.3
interest received		0.2	1.7	3.1

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 securing additional financing aiming to close in the second quarter of 2025. Furthermore, the Company is looking to sell noncore assets during 2025. Management estimates future cash requirements 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 the maintenance of the Butte facility. Management believes that the financial goals for 2025 are achievable, and the primary focus is on 2025 as it will be necessary to stabilize the Company's operations 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 June 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.

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 headquar-ters in Lysaker, Norway. Eliminations (if applicable) include the reversal of the impact of transac-tions 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 perfor-mance 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 state-ments 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	Q1 2025	Q1 2024	Year 2025	Year 2024	Q4 2024
Revenues					
Butte	21.4	42.0	21.4	140.7	29.6
Moses Lake	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.1	0.0
Total	21.4	42.0	21.4	140.8	29.7
EBITDA					
Butte	1.2	2.8	1.2	12.9	2.6
Moses Lake	-0.9	0.0	-0.9	0.0	0.0
Other	-4.9	-7.5	-4.9	-30.8	-7.9
Total	-4.6	-4.7	-4.6	-17.9	-5.3
EBIT					
Butte	-1.1	0.0	-1.1	2.1	0.1
Moses Lake	-0.9	0.0	-0.9	-49.8	-49.8
Other	-5.0	-7.6	-5.0	-31.3	-8.0
Total	-7.1	-7.6	-7.1	-78.9	-57.7

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

Butte

USD in million	Q1 2025	Q1 2024	Year 2025	Year 2024	Q4 2024
Revenues	21.4	42.0	21.4	140.7	29.6
Cost of materials	-3.3	-7.4	-3.3	-20.6	-3.9
Change in inventories	-1.0	0.4	-1.0	-15.8	-7.7
Employee benefit expense	-7.2	-7.8	-7.2	-30.3	-6.5
Other operating expenses	-8.7	-22.7	-8.7	-60.6	-8.9
Other income and expenses	0.0	-1.8	0.0	-0.6	0.0
Total current costs	-20.2	-39.2	-20.2	-127.8	-27.0
EBITDA contribution	1.2	2.8	1.2	12.9	2.6
Depreciation of fixed assets	-1.7	-2.2	-1.7	-8.3	-2.0
Depreciation of leased assets	-0.6	-0.7	-0.6	-2.6	-0.7
Impairment	0.0	0.0	0.0	0.1	0.1
Total depreciation, amortization, and impairment	-2.3	-2.8	-2.3	-10.8	-2.5
EBIT contribution	-1.1	0.0	-1.1	2.1	0.1

Moses Lake

USD in million	Q1 2025	Q1 2024	Year 2025	Year 2024	Q4 2024
Revenues	0.0	0.0	0.0	0.0	0.0
Change in inventories	-0.3	0.0	-0.3	0.0	0.0
Employee benefit expense	-0.8	0.0	-0.8	0.0	0.0
Other operating expenses	0.1	0.0	0.1	0.0	0.0
Total current costs	-0.9	0.0	-0.9	0.0	0.0
EBITDA contribution	-0.9	0.0	-0.9	0.0	0.0
EBIT contribution	-0.9	0.0	-0.9	-49.8	-49.8

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	2.5	2.7	0.0	2.7
Depreciation and amortization	-0.5	-1.2	-0.1	0.0	-1.8	0.0	-1.8
Impairment ²	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Carrying value on March 31, 2025	30.6	30.1	2.1	22.8	85.6	0.0	85.6
On March 31, 2025							
Historical cost	104.5	1,674.5	63.8	76.3	1,919.1	45.1	1,964.2
Accumulated depreciation/amortization/impairment	-73.9	-1,644.4	-61.7	-53.5	-1,833.4	-45.1	-1,878.5
Carrying value on March 31, 2025	30.6	30.1	2.1	22.8	85.6	0.0	85.6

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

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 March 31, 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	-0.6	0.0	-0.6
Additions	0.0	0.0	0.0	0.0	0.0
Modification of existing leases	0.0	0.0	0.8	0.0	0.8
Impairment - Discontinued operation	0.0	0.0	-0.5	0.0	-0.5
Balance at March 31, 2025	0.0	0.0	23.2	0.0	23.3

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 March 31, 2025 ¹	93.2	12.4	16.6	16.5	16.3	6.1	25.3

¹ Amounts listed are undiscounted

The weighted average incremental borrowing rate applied to lease liabilities on March 31, 2025 is 13.1 percent.

Amounts recognized in profit or loss

USD in million	Q1 2025	Q1 2024	Year 2024
Interest on lease liabilities	0.7	1.1	4.2
interest on lease liabilities - discontinued operations	1.3	1.1	5.7
Depreciation of right-of-use assets	0.6	0.7	2.6
Depreciation of right-of-use assets - discontinued operations	0.0	0.4	1.7
Impairment - discontinued operations	0.1	0.2	0.9
Expenses relating to short-term leases	0.2	0.1	0.7
Expenses relating to short-term leases - discontinued operations	0.1	0.2	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	Q1 2025	Q1 2024	Year 2024
Total cash outflow for leases	4.1	4.0	16.2

Note 05 Inventories

See note 13 to the consolidated financial statements for 2024.

Inventories at end of period

USD in million	Mar 31, 2025			Dec 31, 2024		
	Before writedowns	Writedowns	After writedowns	Before writedowns	Writedowns	After writedowns
Stock of raw materials	6.3	0.0	6.3	6.6	0.0	6.6
Spare parts	52.2	-46.3	5.9	51.4	-45.5	5.8
Work in progress	3.0	-0.2	2.8	8.6	-5.7	2.9
Finished goods	12.8	-1.8	11.0	74.6	-62.5	12.1
Total	74.2	-48.2	26.1	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 March 31, 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
Captialized Borrowing Cost ¹				0.2				
Bank Loan - KEB Hana Bank	REC Silicon ASA	2026	3 mon SOFR+1.8%	110.0	110.0		110.0	
Bank Loan - KEB Hana Bank	REC Silicon Inc	2026	3 mon SOFR+1.5%	100.0	100.0		100.0	
Bank Loan - Standard Chartered	REC Silicon Inc	2025	1 mon SOFR+2.0%	50.0	50.0	50.0		
Bank Loan - NongHyup	REC Silicon Inc	2026	3 mon SOFR+2.0%	40.0	40.0		40.0	
Related Party Loan - Hanwha International	REC Silicon Inc	2026	1 mon SOFR+2.2%	90.0	90.0		90.0	
Grant County WA tax settlement	REC Solar Grade Silicon LLC	2026	11.5%	3.0	3.0	1.4	1.6	
Total				393.2	393.0	51.4	341.6	0.0

¹ Amortized as part of effective interest

On January 24, 2025, REC Silicon Inc 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.

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 March 31, 2025 and March 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 March 31, 2025

USD in million	Total future payments	2025	2026	2027	2028	After 2028
Purchase of goods and services	22.8	12.0	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	22.8	12.0	7.8	3.1	0.0	0.0

Commitments primarily represent the purchase of raw materials.

Note 08 Provisions

USD in million	Q1 2025	2024
Current	2.7	8.2
Non-current	26.7	26.3
Total provision	29.4	34.5

Specification of provisions

USD in million	Q1 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	0.0	0.9
Net periodic interest on asset retirement obligation - continuing operations	0.4	0.3
at end of period	29.4	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 Q1 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 4 and 35.5 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 March 31, 2025

USD in million	Total Carrying amount	Not due	Aging of receivables that are not impaired				Impaired
			< 30 Days	>30<90 Days	>90<365 Days	>365 Days	
Trade receivables and accrued revenues	7.4	5.5	1.6	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total receivables	6.7	5.5	1.3	0.0	0.0	0.0	0.0

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

Note 11 Transactions with related parties

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

Hanwha Solutions and Hanwha Corporation collectively hold 33.3 percent of the shares in REC Silicon. In the first quarter of 2025, REC Silicon Inc. received services from Hanwha subsidiaries, in the amount of USD 0.1 million.

Hanwha Solutions provides guarantees for REC Silicon loans. In the first quarter of 2025, REC Silicon incurred costs from Hanwha Solutions in the amount of USD 0.8 million for guarantee and letter of credit fees. See [note 6](#).

On January 24, 2025, REC Silicon Inc 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](#).

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 incurred through the completion of this 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 March 31, 2025.

Subsequent to the completion of the cleanout process, the Company incurred approximately USD 0.9 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
USD in million	Q1 2025			Q1 2024			Year 2024			Q4 2024		
Revenues	21.7	-0.3	21.4	42.1	-0.2	42.0	143.6	-2.8	140.8	30.0	-0.4	29.7
Cost of materials	-3.5	0.2	-3.3	-12.8	5.4	-7.4	-56.2	35.5	-20.7	-9.9	5.9	-4.0
Changes in inventories	-1.9	0.6	-1.3	2.1	-1.8	0.4	-27.9	12.0	-15.9	-30.6	22.9	-7.7
Employee benefit expenses	-13.9	4.0	-9.9	-21.6	10.3	-11.3	-82.6	39.0	-43.6	-17.9	8.4	-9.5
Other operating expenses	-15.7	4.2	-11.5	-40.0	13.4	-26.5	-145.4	67.6	-77.8	-25.2	12.3	-12.9
Other income and expense ¹	0.0	0.0	0.0	-2.0	0.2	-1.8	-3.6	3.0	-0.7	-3.8	2.9	-0.8
EBITDA	-13.3	8.7	-4.6	-32.1	27.4	-4.7	-172.0	154.2	-17.9	-57.3	52.1	-5.3
Depreciation	-1.8	0.0	-1.8	-4.3	2.0	-2.3	-20.4	11.7	-8.7	-3.3	1.2	-2.1
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
Depreciation of right of use assets	-0.6	0.0	-0.6	-1.0	0.4	-0.7	-4.3	1.7	-2.6	-1.1	0.5	-0.7
Impairment	-0.6	0.6	0.0	0.0	0.0	0.0	-246.1	196.4	-49.7	-245.9	196.2	-49.7
Total depreciation, amortization and impairment	-3.0	0.6	-2.4	-5.3	2.3	-3.0	-270.9	209.8	-61.0	-250.3	197.9	-52.4
EBIT	-16.3	9.2	-7.1	-37.4	29.8	-7.6	-442.9	364.0	-78.9	-307.6	250.0	-57.7
Financial income	0.2	0.0	0.2	1.8	0.0	1.7	3.1	0.0	3.1	0.2	0.0	0.2
Net financial expenses	-8.8	1.0	-7.8	-5.5	-1.3	-6.8	-20.8	-7.6	-28.4	-6.9	-1.1	-8.0
Net currency gains/losses	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Gain from sale of Yulin JV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items ²	-8.6	1.0	-7.6	-3.7	-1.3	-5.0	-17.7	-7.6	-25.3	-6.7	-1.1	-7.8
Profit/loss	-24.9	-10.2	-14.7	-40.5	-27.8	-12.7	-457.4	-353.1	-104.2	-313.5	-248.0	-65.5
Profit/loss attributable to owners of REC Silicon ASA	-24.9	-10.2	-14.7	-40.5	-27.8	-12.7	-457.4	-353.1	-104.2	-313.5	-248.0	-65.5
Comprehensive income attributable to owners of REC Silicon ASA	-25.0	-10.2	-14.7	-40.5	-27.8	-12.7	-457.4	-353.1	-101.3	-313.5	-248.0	-65.5
Earnings per share (In USD)												
- basic	-0.06	-0.02	-0.03	-0.10	-0.07	-0.03	-1.09	-0.84	-0.25	-0.75	-0.59	-0.16
- diluted	-0.06	-0.02	-0.03	-0.10	-0.07	-0.03	-1.09	-0.84	-0.25	-0.75	-0.59	-0.16

Cash flows of discontinued operations

The following table shows the cash flows 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	Q1 2025	Q1 2024	2024
Net cash flow from operating activities	-17.4	-27.6	-113.6
Net cash flow from investing activities	-4.1	-31.0	-77.2
Net cash flow from financing activities	21.5	58.7	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 April 24, 2025, REC Silicon ASA announced the 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, representing an aggregate equity value of the Company of approximately NOK 925 million (based on 420,625,659 shares outstanding)

The Board of REC Silicon ASA unanimously resolved that it recommends the shareholders to accept the offer. The Board believes the terms of the offer are in the best interests of the Company and the shareholders as a whole based on an assessment of various factors, including but not limited to (i) the fact that the Company’s operations and revenues have been reduced to a level that is better suited for private ownership, especially considering the significant debt load of the Company, the need for future financing and the opportunities for synergies and business optimization; and (ii) the offer price compared to the range and uncertainty of future outcomes for the business, as well as the premium over recent trading levels. In making its recommendation, the Board has received a fairness opinion from Arctic Securities AS, as an independent third party, concluding that the Offer is fair from a financial point of view.

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 7.1 million for the first quarter of 2025.</p>
EBIT excluding impairment charges	<p>is calculated by taking EBIT and excluding impairment. For the period ending March 31, 2025 this is a loss of USD 7.1 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 loss of USD 4.6 million has been reported for the first quarter 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 March 31, 2025, the equity ratio is negative 238.1 percent and is calculated by dividing USD negative 403.0 million total shareholders' equity by USD 169.2 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 cash and <i>cash equivalents</i>.</p> <p>On March 31, 2025, net debt was USD 440.4 million or USD 393.2 million total carrying value of the Company's debt, from note 6, plus USD 63.9 million current and non-current lease liabilities (from the balance sheet) less USD 16.8 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 March 31, 2025, nominal net debt was USD 440.1 million or USD 393.0 million contractual repayment values of the Company's debt from note 6, plus USD 63.9 million current and non-current lease liabilities (from the balance sheet) less USD 16.8 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 March 31, 2025, nominal debt was USD 456.9 million or USD 393.0 million contractual repayment values of the Company's debt from note 6, plus USD 63.9 million current and non-current lease liabilities (from the balance sheet).</p>



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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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