

RECSiLICON

Annual report 2024

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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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Highlights and key figures

- > Finalized Corporate Bank loans

– \$300 million in term loans all guaranteed by Hanwha Solutions
- > December 2024 cash balance of USD 10.3 million

> Unsuccessful qualification for ultra-high purity granular polysilicon
- > Production of polysilicon discontinued at both the Moses Lake and Butte facilities

> Transitioning to pure play Silicon Gas producer

REC Silicon Group – re-presented for discontinued operations

USD IN MILLION	2024	2023
Revenues	140.8	140.8
EBITDA	-17.9	-15.7
EBITDA margin	-12.7%	-11.2%
EBIT excluding impairment charges	-29.2	-28.6
Impairment charges	-49.7	-7.0
EBIT	-78.9	-35.5
EBIT margin	-56.1%	-25.2%
Net financial items	-25.3	131.5
Profit/loss before tax from continuing operations	-104.2	95.9
Profit/loss from continuing operations	-104.2	95.9
Profit/loss from discontinued operations, net of tax	-353.1	-65.4
Profit/loss from total operations	-457.4	30.5
Earnings per share, basic and diluted (USD) from continuing operations	-0.25	0.23
Earnings per share, basic and diluted (USD) from total operations	-1.09	0.07
Polysilicon production (Siemens) in MT	682	1,101
Polysilicon sales (Siemens) in MT	914	745
Silicon gas sales in MT	2,561	3,075

Revenues

140.8

USDm

EBITDA

-17.9

USDm

LETTER FROM THE CEO

The year 2024 was challenging for REC Silicon on multiple fronts. As part of our strategic alignment, we exited the Electronic Grade Polysilicon market and ceased production in Butte due to persistently high electricity costs and the associated impact on necessary investment and profitability. While the decision was difficult, we expect it to enhance the overall profitability of our Butte operations in the long run.

Despite substantial efforts and meaningful operational improvements, we also made the difficult decision to shut down our Moses Lake facility and discontinue our Granular Polysilicon operation. This decision was driven by uncertainties regarding the timing, cost, yield, consistency and volume impacts of the improvements needed to meet our product targets, specifications and the market requirements. The resulting operational and financial pressures led to several unfortunate consequences, including a sharp decline in our share price, the closure of the Moses Lake facility, and the regrettable layoff of many dedicated and talented employees as part of a broader restructuring and transition to silicon gases. These unfortunate events have impacted all our stakeholders including shareholders, employees, directors, management, and suppliers.

While we acknowledge the difficulties of this situation, our team remains fully committed to

executing the necessary steps for a successful turnaround. Encouragingly we are already seeing positive signs emerging from the decisive actions taken in response to the recent financial challenges. The Company successfully extended its existing loan agreements and secured an additional \$40M loan from Hanwha International LLC, an affiliate of our largest shareholders, to support the transition into a specialized silicon gas manufacturing company. While additional funding will be required, we continue to develop a comprehensive financing plan aimed at restoring profitability.

In parallel, we are actively identifying opportunities to reduce costs and drive revenue growth by increasing sales volumes and optimizing pricing for our silicon gases. Our immediate focus is on enhancing operational efficiency at our Butte Montana facility and leveraging our strengths as a leading supplier in the industry. Through strategic cost-cutting





measures, operational streamlining, and market expansion initiatives, we will continue to stabilize the Company.

While I am confident that better days lie ahead, I fully recognize the significant hurdles the Company must overcome in the near term to stabilize operations and restore stakeholder confidence. This objective remains our top priority. We are actively executing on all those initiatives that will together bring needed stability to the Company through this transition. The Company remains laser focused on leveraging its core strengths and optimizing production capacity at our Butte, Montana facility. As a leading supplier of silicon gases, our competitive advantages and product differentiation are well known across the industry and by our customers.

While our primary focus is on silicon gas production at Butte, we are also preserving the optionality of restarting the Moses Lake silane facility when market demand, particularly from silicon anode manufacturers or

other emerging applications, reaches a level that justifies resuming production. Although this may take time to materialize, we are proactively taking the necessary steps now to ensure a seamless and successful restart when the opportunity arises.

Despite recent setbacks, we firmly believe in the Company's potential for a stronger and more resilient future. We are well positioned in a growing market, equipped with industry leading assets and technology, and remain confident that we will navigate the current challenges and emerge as an even stronger silicon gases manufacturing company.

A handwritten signature in blue ink that reads 'Kurt Levens'.

Kurt Levens
President and CEO

This is REC Silicon

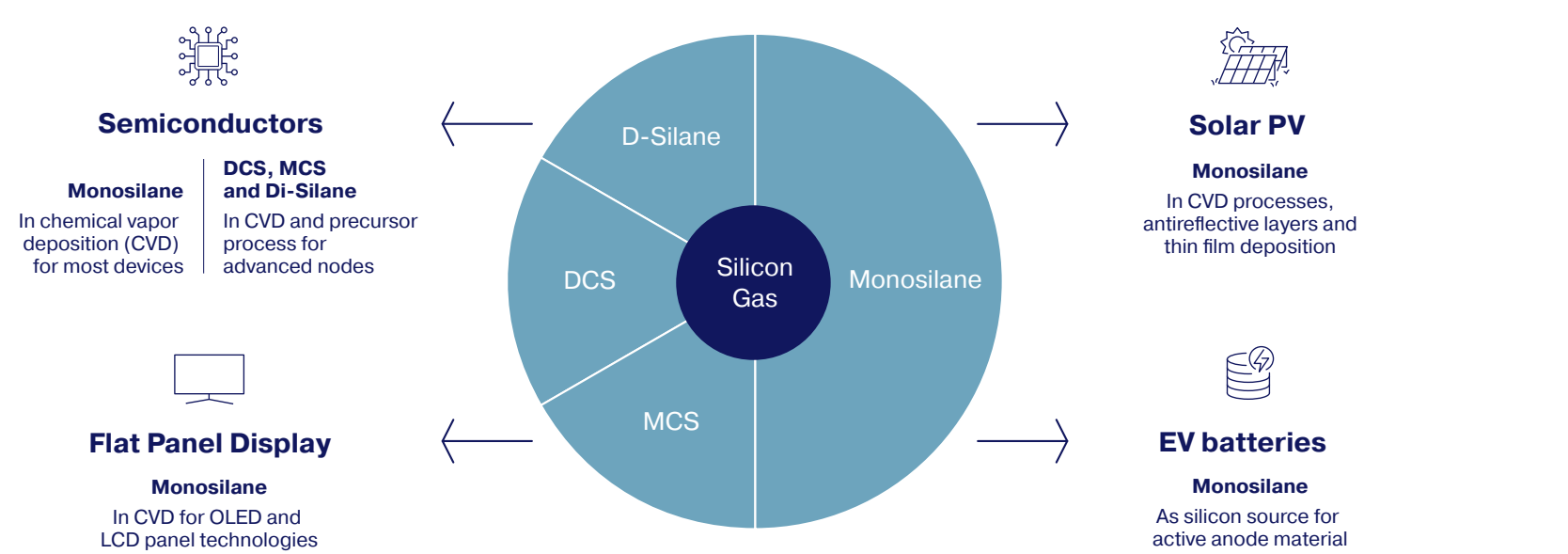
With more than 40 years history in the industry, REC Silicon is leading energy and technology providers worldwide in shaping the future with advanced silicon materials

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.

Silane gas - The core feedstock

The core product for REC Silicon’s activities is silane gas (SiH4). It is the simplest and purest form of silicon and is used as a stand-alone product for use in semiconductors, flat panel displays, solar panels and as material for silicon anode batteries. It is also refined into specialty gases for advanced uses in the semiconductor industry.

Growth trends within digitalization, renewable energy and electric mobility have placed REC Silicon in a position to seize upon market opportunities for the Company’s signature silane gas-based operations.

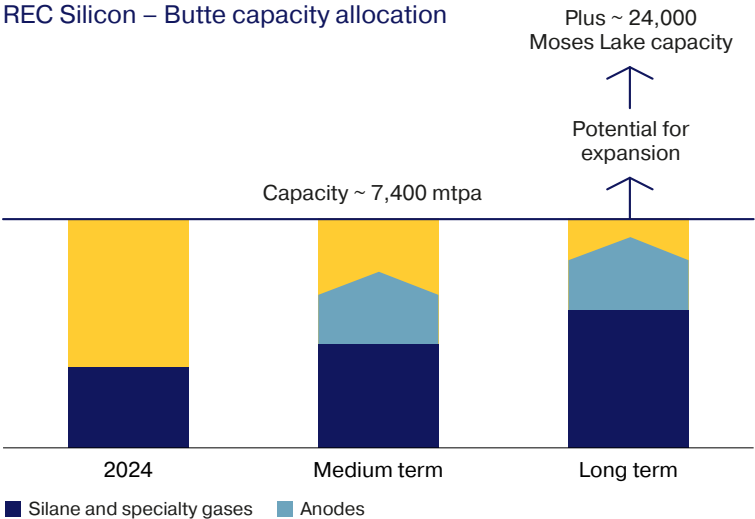


Strategy and business model

REC Silicon is executing a strategic transition to a pure-play silicon gas producer positioning the Company for future growth. The production of polysilicon at the Butte facility was shut down in 2024 and the planned restart at Moses Lake was discontinued on December 30, 2024. This will allow the Company to capitalize on future silicon gas growth opportunities.

The aim is to optimize the utilization of available silane gas capacity and to high grade the product portfolio to focus on higher value offerings where the Company has clear strength, market positioning and product differentiation in growing markets.

REC Silicon – Butte capacity allocation



REC Silicon will aggressively seek to cut costs to return to profitability. Operations will be optimized by shutting down non-core facilities, maintaining optionality and focusing on plant capacity loading. The capital structure will be optimized to position the Company for growth.

The strategic priority is first 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, where the first offtake agreement has already been signed.

The 24,000MT silane gas capacity at Moses Lake will be kept in a safe and recoverable mode that incurs minimal interim costs, while allowing the facility to restart to capitalize on future demand for silicon anode materials or other gases.

Value chain

The key raw material for REC Silicon’s silane gas production is 98% pure metallurgical grade silicon (MGS), primarily sourced from the US, Brazil, and Australia. MGS is mined from quartz, the second most prevalent material in the earth’s crust.

REC Silicon uses patented and proprietary hydrogenation and distillation processes that remove the impurities to levels measured in parts per trillion. The process is closed loop, meaning continuous while also recycling byproducts of the chemistry



A silicon materials company providing enabling materials for the digital revolution and energy industry



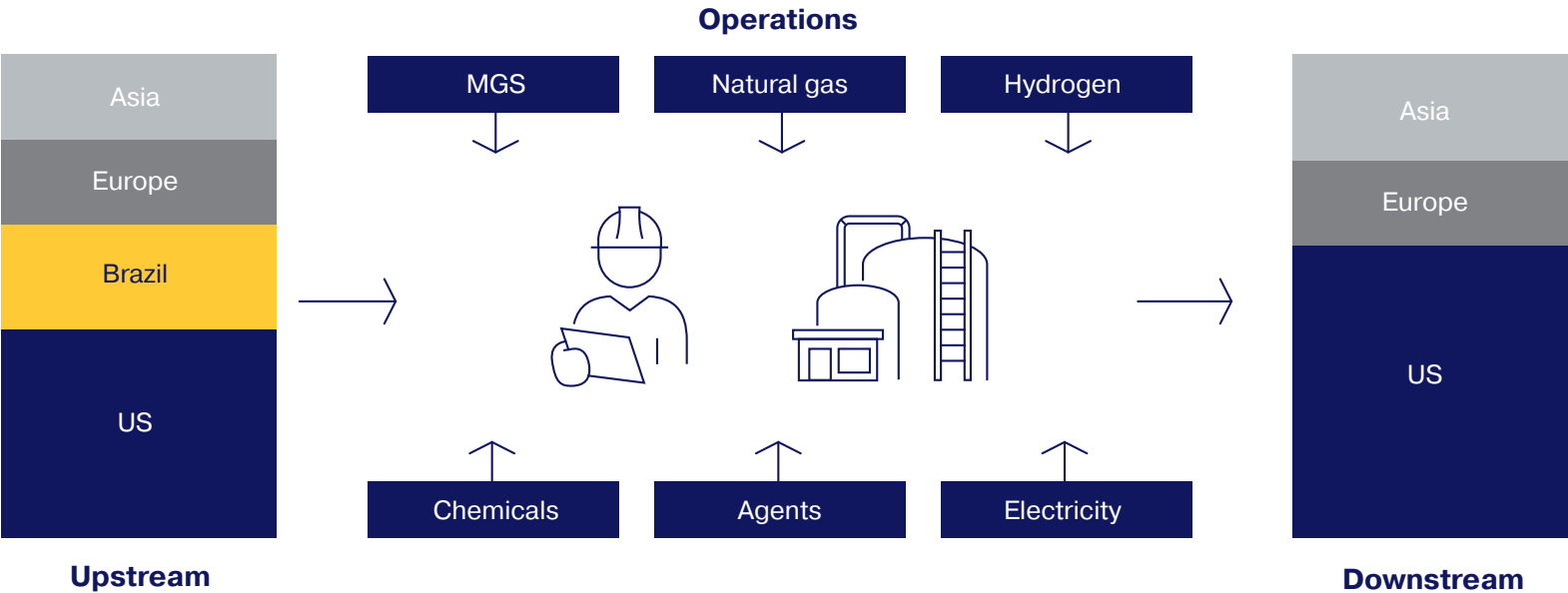
process, resulting in optimal efficiency and reduced process waste. Other agents like natural gas, hydrogen and chemicals are supplied locally in the US, with some additional high-grade agents sourced from Asia.

REC Silicon sources from about 200 suppliers, of which the 50 largest make up around 70% of the total vendor volume. Materials make up more than half of the vendor volume, manufactured products about one quarter, while the rest is split between various types of services.

Nearly half of the vendor volume is sourced in the US, while the rest is split between Brazil, Europe, Australia and Asia.

The production processes require significant amounts of electricity, which is supplied locally based on pre-agreed volumes with public utilities that cover all of the existing production capacity.

The finished silane gas or specialty gases are distributed using a fleet of special silane gas containers, where REC Silicon owns the world's largest fleet.



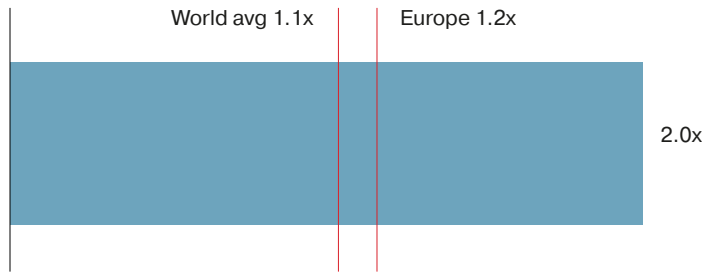
Markets

Substantial growth in US semiconductor capacity

The semiconductor industry is a core market for REC Silicon, where silane and specialty gases are sold to clients in the US, Asia and Europe.

To reduce reliance of foreign producers of critical components, US authorities has announced multiple supportive initiatives to support investments in domestic capacity. Thus, significant investments in US semiconductor manufacturing capacity have been announced, and the US semiconductor manufacturing capacity is expected to double from 2022 to 2032. REC Silicon enjoys a strong market position in the US with limited competition from outside producers.

US semiconductor capacity growth 2022-32 (WSPM)



Source: Semiconductor Industry Association, BCG

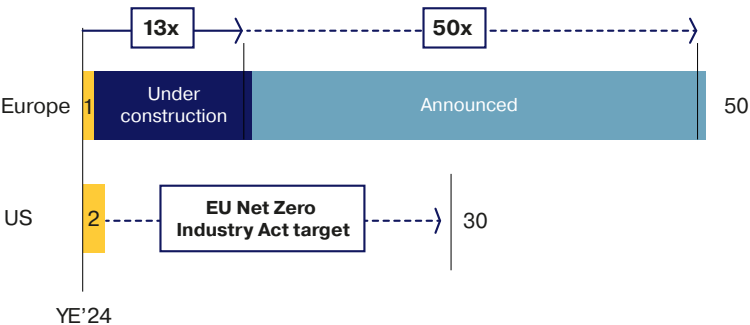
Reshoring of US solar cell capacity

Silane gas for solar cell manufacturing is currently a modest part of REC Silicon’s silane gas sales. As for semiconductors, there is a strong push to reshore solar cell production in the US. Current production capacity is 1 GW, but there are 12 GW of capacity under construction with announced capacity that could result in a 50-fold increase in total cell manufacturing capacity in the US.

There is a similar strong legislative push in Europe to boost solar cell production, which could potentially grow 15 times towards 2030.

REC Silicon’s position in both markets is strong with limited outside competition.

Solar cell manufacturing capacity growth (GW)

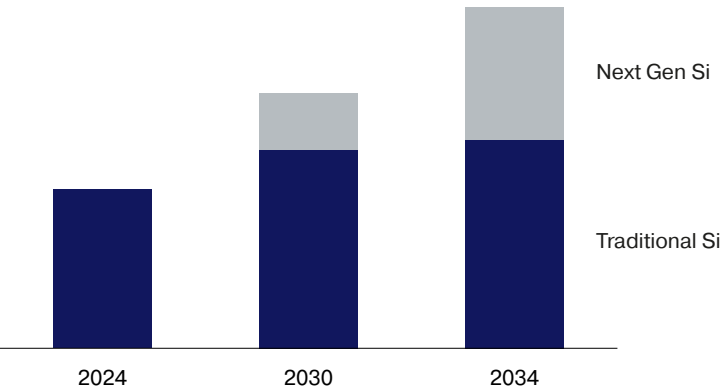


Source: SEIA Solar and Storage Supply Chain Dashboard January 2025, Solar Power Europe

Anode battery industry

Improving battery performance and costs is key to accelerate the adoption of EVs globally. Next generation silicon anode materials are central to improve battery density, weight, costs and range and will start being supplied to battery and cell makers from 2025 and onwards. Several of the large automakers have already signed long-term supply agreements for next generation silicon active anode materials. The main suppliers of such materials are all located near REC Silicon’s silane gas manufacturing sites, where there is significant available capacity to grow volumes.

Silicon AAM technology trend



Source: Benchmark

Group management

Kurt Levens

President & CEO

Mr. Levens joined the organization in 2002, CEO since September 2022.

Education

Bachelor of Science, United States.

Military Academy at West Point.

Career

Mr. Levens has held executive and managerial positions in Commercial, Operations and Maintenance, Projects and General Management in the Electronic Materials-Gases and Petroleum industries.

Jack Yun

CFO

Mr. Yun joined the organization in 2022.

Education

MBA in Corporate Finance from the Ohio State University and MA in Economics from Yonsei University, South Korea.

Career

Mr. Yun has held executive and managerial positions focusing on business development and strategy, executive management, and financial reporting and control. Prior to REC Silicon, he was Executive Vice President of Hanwha Solutions/Q-cells.

Dylan Jung

Chief Strategy Officer

Mr. Jung joined the organization in 2022.

Education

Mr. Jung was educated at Seoul National University and CEIBS.

Career

Mr. Jung was previously in the Strategy Division at Hanwha Solutions Corporation and the Planning Section Leader, Sales for Renewable Energy Components at Hanwha Business Group.

Board of Directors

Tae Won Jun

Chairman of the Board

Key Experience

Currently Chief Strategy Officer of the Strategy Division at Hanwha Corp. since 2019, and Chief Executive Officer at FutureProof since 2022.

Previously Executive Director for Morgan Stanley PE Asia (2016-2019), and Director, M&A at Hanwha Group (2012-2016).

Education

MBA, Wharton School, and Bachelor in Finance, Korea University

Jooyong Chung

Director

Key Experience

Current Head of M&A and Executive Vice President Hanwha Aerospace.

Previously Managing Director and Head of PE at UTC Investment, Daesang Group (2018-2021), Director, MBK Partners, (2008-2017), and Vice President, the Carlyle Group, (2004-2008).

Education

MBA, Harvard Business School, and BA in Economics, Seoul National University

Dr. Renate Oberhoffer-Fritz

Director

Key Experience

Currently Vice Dean Talent Management and Diversity, and Professor, School of Medicine and Health, Technical University Munich, Advisory Board Member Fresenius University of Sustainability, Vienna

Education

MD, Ph.D., Mainz and Ulm University, and Fellowship at Imperial College London

Vivian Bertseka

Director

Key Experience

Currently Board Member of Transition Zero, Blue Layer.

Previously Founding Partner & COO, Just Climate (2020-2022)
Investment Director, Generator IM Global Equity, (2015-2020)
Growth Equity (2011-2015)

Education

MBA (distinction) from INSEAD, and Artium Baccalaureus in Applied Mathematics, Harvard University

Robert Neuhauser

Director

Key Experience

Currently Board Member and Senior Advisor to Tech Companies.

Various Global Executive Roles at Siemens AG, 2006-2024. Various Global Business & Leadership Roles at Infineon Technologies AG, 1999- 2005.

Education

Ph.D., Physical Chemistry, Master Physics Technical University, Munich Germany

Massachusetts Institute of Technology M.I.T. PostDoc Fellowship

Board of Directors' report

2024 Highlights (compared to 2023)

- > Revenues from continuing operations of \$140.8M for both 2024 and 2023

> EBITDA loss from continuing operations of (\$17.9M) compared to loss of (\$15.7M) in 2023

> Cash balance of \$10.3M on December 31, 2024
 - Cash decrease of \$160.7M in 2024
 - Cash outflows from operations of \$132.0M
 - Cash outflows from investing activities of \$89.6M
 - Cash inflows from financing activities of \$60.9M

> Silicon gas sales volumes of 2,561MT compared to 3,075MT in 2023
 - 16.7% Decrease in sales volume
 - 11.0% Increase in average silicon gas prices
- > Total Siemens polysilicon sales volumes of 914MT compared to 745MT in 2023
 - Semiconductor grade polysilicon sales of 565MT compared to 524MT in 2023
 - Average semiconductor grade polysilicon price decrease of 0.2%
 - Polysilicon inventory decrease of 233MT

> Finalized Corporate Bank loans
 - \$ 300M in term loans all guaranteed by Hanwha Solutions

> Production of polysilicon discontinued at the Moses Lake Facility

Business Activities

REC Silicon ASA was established in Norway on December 3, 1996. The Company is headquartered in Lysaker, Norway

Subsidiaries of the Company including ownership and voting rights are presented below.

Company	Ownership/ voting right	Business office
REC Silicon AS	100%	Bærum
REC Silicon Inc	100%	Moses Lake, USA
REC Solar Grade Silicon LLC	100%	Moses Lake, USA
REC Advanced Silicon Materials LLC	100%	Butte, USA
REC Silicon Pte. Ltd.	100%	Singapore
REC Solar AS	100%	Bærum

REC Silicon is a leading producer of silane-based high purity silicon materials that is shaping the future with advanced materials.

REC Silicon operates a manufacturing facility in Butte, Montana and discontinued the operation of its manufacturing facility in Moses Lake Washington in the USA on December 30, 2024. REC Silicon’s subsidiaries include: REC Silicon Inc, REC Solar Grade Silicon LLC, and REC Advanced Silicon Materials LLC in the United States. The core product for REC Silicon’s activities is silane gas. Silane gas is used as a stand-alone product for use in semiconductors, flat panel displays, solar panels and as material for silicon anode batteries. It is also processed into solar and electronic grade polysilicon and refined into specialty gases for advanced uses in the semiconductor and solar industries.

REC Silicon’s transparency statement for 2023 can be found at Corporate Governance | REC Silicon

Growth trends within digitalization, renewable energy, and the energy storage transition have placed REC Silicon in a position to seize upon market opportunities for the company’s signature silane gas-based operations. Supported by key US legislative initiatives, the company has positioned itself with low carbon products, in value chains targeting energy transition megatrends.

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

Strategy and objectives

REC Silicon’s strategy is to maintain its position as a technological innovator in the silicon materials industry.

REC Silicon intends to improve its competitive position and:

- Transition to pure-play silicon gas producer
- Establish and continually improve profitable operations
- Create customer connections as a provider of valuable solutions
- Optimize efficiency of production assets
- Focus on cost control
- Focus on continued quality improvements
- Pursue opportunities for growth through organic means as well as investments
- Meet the targets as outlined in REC Silicon’s Sustainability Report

2024 Summary

Financial highlights

Key Financials – REC Silicon Group – re-presented for discontinued operations

USD IN MILLION	2024	2023
Revenues	140.8	140.8
EBITDA	-17.9	-15.7
EBITDA margin	-12.7%	-11.2%
EBIT excluding impairment charges	-29.2	-28.6
Impairment charges	-49.7	-7.0
EBIT	-78.9	-35.5
EBIT margin	-56.1%	-25.2%
Profit/loss before tax from continuing operations	-104.2	95.9
Profit/loss from continuing operations	-104.2	95.9
Profit/loss from discontinued operations, net of tax	-353.1	-65.4
Profit/loss from total operations	-457.4	30.5
Earnings per share, basic and diluted (USD) from continuing operations	-0.25	0.23
Earnings per share, basic and diluted (USD) from total operations	-1.09	0.07
Polysilicon production (Siemens) in MT	682	1,101
Polysilicon sales (Siemens) in MT	914	745
Silicon gas sales in MT	2,561	3,075

Revenues

Revenues from continuing operations were USD 140.8 million for both 2024 and 2023. Increased revenue from polysilicon was offset by decreased revenue from silicon gas.

Operations

In December 2024, REC Silicon discontinued production of granular polysilicon at its Moses Lake facility. Additionally, during 2024, the Company shut down polysilicon production at its Butte Montana facility.

Total granular polysilicon production was 4,037MT during 2024. However, none of the production reached the purity levels required by its offtake contract with QCells. Total Siemens polysilicon production decreased by 419MT (-38.1 percent) to 682MT in 2024, compared to 1,101MT in 2023.

Total Siemens polysilicon inventories decreased by 233MT in 2024.

Total loaded silicon gas production was 2,639MT in 2024 which was a decrease of 351MT from 2,990MT in 2023. Total silicon gas inventories increased by 78MT during 2024.

Earnings

EBITDA from continuing operations for 2024 was a loss of USD 17.9 million, compared to an EBITDA loss of USD 15.7 million in 2023. The decrease in EBITDA compared to 2023 is primarily the result of lower EBITDA from the Semiconductor Materials segment. EBITDA contributed by the Semiconductor Materials segment decreased by USD 1.1 million to USD 12.9 million in 2024, primarily due to decreased silicon gas sales. In Other and Eliminations, net operating costs increased by USD 1.1 million due to increased activities in 2024 compared to 2023.

Earnings Before Financial Items and Income Taxes (EBIT) from continuing operations for 2024 was a loss of USD 78.9 million. This represents a increased loss compared to an EBIT loss of USD 35.5 million in 2023.

Loss from total operations was USD 457.9 million in 2024; this compares to a gain from total operations of USD 30.5 million in 2023. The loss for 2024 is driven by a USD 353.1 million loss from discontinued operations. The loss re-presented from discontinued operations was USD 65.4 million for 2023. The total gain in 2023 was primarily the result of the sale of the Yulin JV which resulted in a gain of USD 135.5 million.

Technology, research, and development

REC Silicon's long-term competitive position is based on cost efficiency and industry-leading product performance. REC Silicon's research and technology development activities are designed to enhance quality, improve efficiency, and reduce production costs of its products to add value to its customers and further enhance its competitive position.

During 2024, research and development efforts were focused on lab operations to support silicon gas businesses.

Cash expenditures for research and development were USD 3.0 million in 2024, compared to USD 1.3 million in 2023. Total expenditures, including depreciation, were USD 3.4 million in 2024 and USD 1.7 million in 2023.

Segment information

Semiconductor Materials segment

REC Silicon manufactures polysilicon and silicon gases for semiconductor markets 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 facility uses a silane-based Siemens polysilicon processing technology to produce the highest quality (FZ) polysilicon for use in the semiconductor industry. On February 7, 2024, it was announced that REC Advanced Silicon Materials LLC would be shutting its polysilicon production capacity at its Butte, Montana facility. The production of polysilicon continued until mid-year 2024 to fulfill polysilicon supply obligations to the company’s customers.

Key Financials – Semiconductor Materials

USD IN MILLION	2024	2023
Revenues	140.7	140.6
EBITDA contribution	12.9	14.0
EBITDA contribution margin	9.2%	9.9%
Polysilicon production in MT (Siemens)	682	1,101
Polysilicon sales in MT (Siemens)	914	745
Silicon gas sales in MT	2,561	3,075

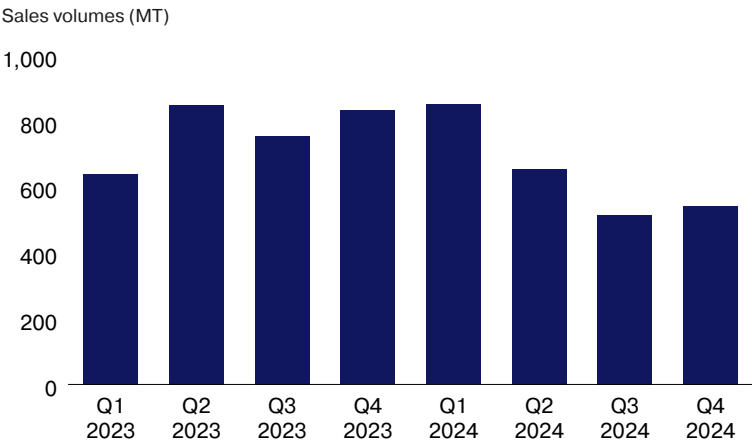
Markets

The end of 2024 showed improvement in semiconductor and flat panel display (FPD) gas demand. Impacts of tariffs and changes to CHIPS Act or IRA policies have the potential to shift global demand for wafers and materials.

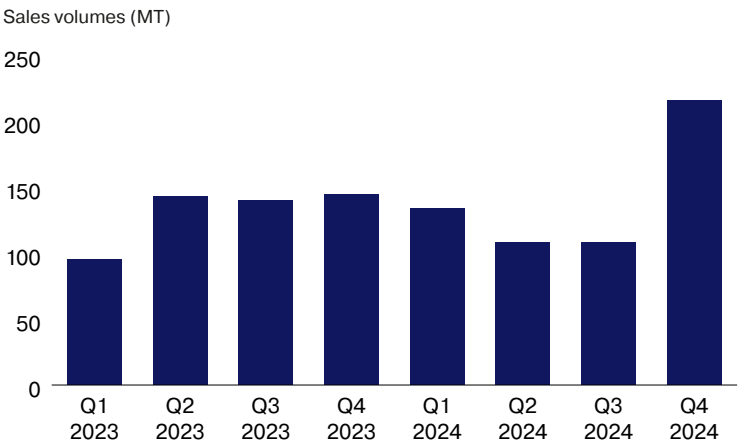
While market reports indicated consumer spending remained conservative, downstream value chain capital spending increased compared to previous quarters. Investments focused on equipment and AI systems that improve process efficiency and reduce manufacturing costs. Political instability in several major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

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

Silicon Gas Sales



Semiconductor Polysilicon Sales



Semiconductor Capex between 2021 and 2024 was 8% higher than the previous ten years combined. This strong investment trend is creating an environment for high growth in wafer starts and the associated materials consumption. Focus on advanced logic and memory wafer capacity has a compounding effect on materials demand for silicon gases, as each new technology has higher chemical consumption than the previous node. Many of the new fabs' start dates have been pushed back due to low utilization of existing fabs in 2024. This is expected to be corrected in 2025-2026, and new capacity will be brought online.

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

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

In 2024, the Biden administration finalized the increased 301 tariffs for polysilicon and wafers from China, effective January

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

Financial Performance

In 2024, revenues for the Semiconductor Materials segment were USD 140.7 million compared to USD 140.6 million in 2023, a decrease of 0.1 percent.

Revenues from polysilicon sales increased by 8.4 percent in 2024 compared to 2023. Total polysilicon sales volumes increased by 22.6 percent from 745MT in 2023 to 913MT in 2024. The increased sales were the result of meeting customer contract requirements. The underlying sales volumes of semiconductor-grade polysilicon were 565MT during 2024 compared to 524MT during 2023. Average prices realized for semiconductor grade polysilicon were nearly unchanged, decreasing by 0.2 percent from 2023.

Revenues from silicon gas sales decreased by 7.5 percent in 2024 compared to 2023. Silicon gas sales volumes were 2,561MT, a 16.7 percent decrease compared to 3,075MT in 2023. Average annual prices for silicon gas increased by 11.0 percent.

As mentioned, it was announced that REC Advanced Silicon Materials LLC shut down its polysilicon production capacity at its Butte, Montana facility during 2024. Total polysilicon production in the Semiconductor Materials segment decreased by 419MT to 682MT in 2024 compared to 1,101MT in 2023. The underlying production volumes of semiconductor grade polysilicon decreased by 282MT to 422MT for 2024. Inventories of polysilicon in the Semiconductor Materials segment decreased by 233MT in 2024 as the company sold down inventory to customers.

The Semiconductor Materials segment contributed USD 12.9 million of income to EBITDA during 2024. This compares to an EBITDA of USD 14.0 million in 2023.

Income contributed by the Semiconductor Materials segment represents revenues less production costs for products sold during the period and excludes depreciation, amortization, impairment, and selling, general, and administrative expenses.

Solar Materials segment

REC Silicon manufactured polysilicon for the solar energy markets from its manufacturing facility in Moses Lake, Washington.

Key Financials – Solar Materials (Discontinued)

USD IN MILLION	2024	2023
Revenues	0.0	0.0
EBITDA contribution	0.0	0.0
Polysilicon production in MT (Granular)	4,037	0

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

Financial Performance

The Solar Materials segment was classified as discontinued from December 30, 2024. Revenue for 2024 was USD 2.8 million compared to USD 0.4 million in 2023. EBITDA was negative USD 150.9 million in 2024 compared to negative USD 64.8 million in 2023. 2024 saw impairment charges of USD 246.2 million, of which USD 196.4 million is related to polysilicon assets and is classified as discontinued. USD 49.8 million is related to silane assets and is classified as continuing. Total loss from discontinued

operations was USD 353.1 million for 2024 compared to a loss of USD 65.4 million for 2023. A re-presentation income statement analysis can be found in [note 11](#).

Other and Eliminations

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 China.

Key Financials – Other and Eliminations

USD IN MILLION	2024	2023
Revenues	0.1	0.2
EBITDA contribution	-30.8	-29.7

Other and Eliminations EBITDA decreased to negative USD 30.8 million during 2024 compared to negative USD 29.7 million in 2023. Costs exclude depreciation, amortization and impairment.

Financial items

Key Financials – REC Silicon Group – re-presented for discontinued operatoins

USD IN MILLION	2024	2023
Financial income	3.1	3.4
Interest expenses on borrowings	-21.3	-14.3
Interest expense on leases	-4.2	-4.3
Capitalized borrowing cost	0.8	1.0
Expensing of up-front fees and costs	-3.1	-1.8
Other financial expenses	-0.7	-0.8
Net financial expenses	-28.4	-20.1
Net currency gains/losses	0.1	12.7
Gain from sale of Yulin JV	0.0	135.5
Net financial items	-25.3	131.5

Net financial items were a loss of USD 25.3 million in 2024 compared to a gain of USD 131.5 million in 2023. The gain in 2023 was largely the result of REC Silicon selling its share in the Yulin JV with a gain recorded in the amount of USD 135.5 million. For 2024, net financial items are primarily associated with interest on borrowing, loan fees and interest on leases, offset by interest income on bank accounts and capitalization of borrowing costs.

Net currency gains/losses include fluctuations between transaction currencies and the USD, which is the reporting currency for the group. Net currency gains/losses are primarily related to the impact of exchange rate changes on the repayment of

capital between REC companies. Additionally, there are currency impacts on liabilities and cash deposits denominated in NOK.

Interest expenses on borrowings were USD 21.3 million in 2024 compared to USD 14.3 million in 2023. The company obtained USD 280 million in term loans during 2023 with additional loans of USD 70 million in 2024. USD 300 million in term loans are guaranteed by Hanwha Solutions, with an additional USD 50 million loan from Hanwha International. Expense related to guarantee fees were USD 3.1 million in 2024. Interest expense includes interest on a note payable associated with the settlement of the property tax dispute with Grant County, Washington. (See [notes 17](#) and [25](#) to the consolidated financial statements).

Interest expense from continuing operations on leases was USD 4.2 million in 2024 compared to USD 4.3 million in 2023. This decrease can be attributed to increased principal lease payments. (See [Note 7](#) and [25](#) to the consolidated financial statements).

Capitalized borrowing costs from continuing operations were USD 0.8 million in 2024 and are related to capitalized interest associated with long-term capital projects. Interest is capitalized at the blended effective external borrowing rate for the company of 7.5 percent.

The remaining expense can be attributed to interest associated with asset retirement obligations and interest on the pension obligation.

Income tax

The loss before tax from total operations of USD 457.4 million in 2024 resulted in no effective tax impact since it is offset by changes in unrecognized deferred tax assets. These losses represent an increase in the Company's unrecognized deferred tax asset. The losses will continue to be available to offset taxable income during future periods.

See [note 18](#) to the consolidated financial statements.

Profit and loss

The loss from total operations was USD 457.4 million in 2024 compared to a gain of USD 30.5 million in 2023. The loss from continuing operations was USD 104.2 million in 2024 compared to a gain of USD 95.9 million in 2023. The difference in loss from total operations between 2024 and 2023 is largely impacted by the USD 246.2 impairment charge due to the shutdown of Moses Lake in 2024 along with sale of the Yulin JV in 2023 and the associated gain from the sale of USD 135.5 million.

Cash flow

Net cash outflows from operating activities were USD 132.0 million in 2024 compared to USD 86.0 million in 2023. During

2024, cash outflows included USD 30.3 million of interest payments for loans and leases.

Net cash outflows from investing activities were USD 89.6 million in 2024 compared to cash outflows of USD 8.7 million in 2023. Proceeds from the sale of non-core assets were USD 1.6 million in 2024. Gross proceeds from the sale of the Yulin JV were USD 136.1 million in 2023. Payments of capital expenditures were USD 91.3 million in 2024 and were primarily associated with FBR modifications in Moses Lake. Other capital spending included cost savings and improvement initiatives, routine replacement of production equipment, and capital necessary to maintain safe and reliable operations.

Cash inflows from financing activities were USD 60.9 million in 2024 and included a net increase of USD 70 million in borrowings. In the second quarter of 2024 REC Silicon Inc repaid and subsequently received USD 30 million from Standard Chartered Bank as part of a loan extension. In 2024, a USD 1.2 million principal payment was made for the property tax note. Additionally, cash payments of USD 7.9 million were lease related. For 2023, cash inflows from financing activities were USD 165.0 million and included USD 280.0 million from borrowings, partially offset by the repayment of the USD senior secured bond of USD 110 million and USD 1.1 million for the payment of the property tax note. Additionally, cash payments of USD 3.9 million were lease related. See [note 17](#) to the consolidated financial statements for more information on borrowings.

There was a negative effect of USD 4.6 million in 2023 due to cash balances held in NOK and no effect in 2024.

In total, cash balances decreased by USD 160.7 million in 2024 to USD 10.3 million on December 31, 2024.

Financial position

Shareholders' equity decreased by USD 454.4 million to negative USD 378.1 million on December 31, 2024, compared to USD 76.4 million on December 31, 2023.

This decrease was primarily the result of the loss from total operations of USD 457.4 million, offset by a remeasurement of the pension of USD 2.9 million.

Net debt increased by USD 224.5 million to USD 407.3 million on December 31, 2024, from USD 182.8 million on December 31, 2023. This increase was primarily the result of the increase in loans of USD 70 million, the decrease in cash balance of USD 160.7 million, the payment of USD 1.2 million in the Grant County WA property tax note, and the decrease in lease liabilities of USD 4.8 million.

Net debt includes unamortized loan fees. Excluding unamortized capitalized borrowing costs, nominal net debt was USD 407.8 million on December 31, 2024, which represents an increase

of USD 224.6 million from USD 183.2 million on December 31, 2023 (See [note 17](#) to the consolidated financial statements).

Going concern

Due to the shutdown of the polysilicon operations at the Moses Lake facility in December 2024, the polysilicon business has been classified as discontinued operations. Activities related to the removal of chemicals from the polysilicon production facilities and facility cleanup will continue until March 2025. Additionally, workforce restructuring activities will be completed by March 2025.

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.

On January 24, 2025, the Company announced that it had entered into a USD 40 million term loan (the "credit Agreement") 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. As

part of this agreement, USD 25.6 million was drawn in January, with the remaining USD 14.4 million drawn in March 2025.

As part of the terms of the Credit Agreement, the Company and Hanwha International LLC (HWI) agreed to roll up the existing loans, which mature on February 2, 2025, for USD 25 million and on February 4, 2025, for USD 25 million, respectively, into the terms of the Credit Agreement. The Company and HWI amended the existing loan documentation to reflect the roll-up into the Credit Agreement on February 5, 2025. The term loan matures in January 2026. Additionally, USD 50 million loan from Standard Chartered Bank, which matures in June 2025, needs to be rolled over, and USD 30 million prepayment received under the offtake agreement with Hanwha QCells Georgia Inc. is waived for repayment without interest until January 2026, with the due date subject to extension upon mutual agreement of the parties.

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.

Management acknowledges the importance of assumptions related to the going concern assessment and has carefully projected the outlook for 2025. Management believes that the financial goals for 2025 are achievable. Given the cash flow estimates outlined above and the fact that Hanwha, as the largest shareholder and the primary creditor, has guaranteed all bank loans and provided the shareholder loans, management and the Board believe that the Company's continued operations are aligned with Hanwha's best interest.

The Board considers the Company's current liquidity position and the estimated results of operations sufficient to meet the operating cash flow requirements for remaining operations and to refinance the current bank loans for the upcoming years.

The Board of Directors confirms that the Financial Statements have been prepared under the assumption that the Company is a going concern, and that this assumption was realistic at the date of the accounts. The Board intends to monitor these conditions and is prepared to take appropriate action as necessary.

Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern.

REC Silicon ASA (NGAAP)

Financial review

In 2024, REC Silicon ASA had a negative EBIT of USD 2.2 million compared to a negative EBIT of USD 2.7 million in 2023. The Company recorded a net loss of USD 228.0 million in 2024. The net loss included net financial expenses of USD 225.7 million which includes impairment of internal loans of USD 217.4 million, interest income of USD 0.4 million and interest expenses of USD 8.7 million. Interest income from subsidiaries was suspended for 2024 and 2023 due to the financial position and outlook of the borrowing companies. The Company recorded a net income of USD 55.6 million in 2023. The net income included net financial income of USD 58.3 million which includes reversal of impairment of internal loans of USD 72.1 million, interest income of USD 0.7 million and interest expenses of USD 9.9 million. Other major remaining items of net financial items were net currency losses of USD 4.6 million due to cash balances held in NOK. (See [note M](#) to the financial statements for REC Silicon ASA).

Total equity for the parent Company was USD 16.1 million on December 31, 2024, compared to USD 244.1 million on December 31, 2023. This decrease is a result of the net loss of USD 228.0 million discussed above.

Allocation of Net Loss for the Parent Company

The Board proposes that the net loss for the year of USD 228.0 million be distributed to other equity.

Risk factors

The Group's activities expose it to a variety of financial risks, including market risk, operational risk, liquidity risk, credit risk, currency risk, interest-rate risk, and others (See [note 3](#) to the consolidated financial statements).

REC Silicon's Board of Directors is responsible for determining the acceptable risk profile for the Company. The Board oversees risk management processes and conducts reviews of risks faced by the company and internal control procedures.

REC Silicon's management is responsible for reviewing and operationalizing the defined risk profile by maintaining a system for risk management. Management performs risk assessments and actively monitors the development of material risks and initiates actions accordingly.

Risk assessments are performed periodically. The materiality of each risk factor is determined by assessing the likelihood and consequence of that risk. Risks are evaluated to determine whether the level is acceptable or unacceptable and to prioritize activities to mitigate those risks that have the greatest potential to impact Company performance.

Market risk

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

REC Silicon's customer base is heavily concentrated with three customers in 2024. 68.5 percent of REC Silicon's revenue was dependent on these customers. Disruption to any of these customers will have an impact on REC Silicon sales going forward.

Operational risk

The Group's production processes involve manufacturing, processing, storage, use, handling, distribution and transport of silane gas and other substances of an explosive or hazardous nature. Accidents or mishandlings involving these substances could cause property damage or injury, which could lead to significant liabilities and costs for the Group. The occurrence of a catastrophic event at the silane gas production facilities at Butte could adversely impact production capacity at such facility for a significant period of time. In addition, an interruption in

the supply of materials and services could disrupt production capacity for a significant period of time. Despite insurance coverage, the Group could incur uninsured losses and liabilities arising from such events, and/or suffer substantial losses in operational capacity, which could have a significant adverse effect on the Group's business, prospects, financial results, and results of operations.

The production process for the Butte facility is energy intensive and subject to risk from high energy prices.

Liquidity risk

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 December 31, 2024, 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 first half 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.

On January 24, 2025, REC Silicon ASA 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. (see [notes 7, 10, 17, 29 and 33](#) to the consolidated financial statements).

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

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

Credit risk

Credit risk is primarily related to trade receivables and guarantees provided for discontinued operations. In trade receivables, sources of credit risk include geographic, industry and customer concentrations, and risks related to the collection. Policies and procedures are in place for managing credit risk, including obtaining securities where possible. Market and customer specific developments affect credit risk.

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

Currency risk

The Company's net cash flows from continuing operations are primarily in USD. Debt is denominated in USD. The Group's currency risk relates primarily to cash balances held in currencies other than USD. The Group does not currently hold any hedging instruments to offset the risk of changes in exchange rates between the USD and NOK.

Corporate governance

Good corporate governance is essential to ensure that our business is run in a way that protects the long-term interest of all stakeholders. The Board of Directors has approved and implemented corporate governance principles endorsing and complying with the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance. The Group's compliance with the Code of Practice is described in the report on Corporate Governance for 2024 which is included in this Annual Report.

The Company has directors' and officers' liability insurance. The insurance covers the Board of Directors as well as officers of the company from legal personal liability for financial damage caused by the performance of their duties.

Sustainability

REC Silicon's sustainability report is presented separately in its own section of REC's annual report.

Market outlook

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

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

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

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

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

Global PV installations for 2025 are projected to increase compared to 2024 despite the decline in subsidy support. Many EU countries have cut feed-in tariffs or general subsidies support due to fiscal deficits. The outlook for the United States is unclear pending direction of IRA support and energy policy guidance

from the new Trump administration. Even at current reduced production rates, the supply of PV materials will be sufficient for projected market growth. This has impacted Asia silane demand and created a significant oversupply situation. New United States PV cell manufacturing is coming online in 2025 and will create demand for domestic silane. New proposed tariffs and duties to help offset imbalances in the energy or critical minerals sectors could improve US/EU manufacturing demand.

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

Events after the balance sheet date

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

Further, the bridge loans of USD 25 million and USD 25 million with Hanwha International LLC rolled up into this loan at their maturity dates on February 2 and February 4, 2025, respectively. The terms of the loan are generally in line with the financial terms of the Company's existing bank loan agreements, secured by the assets of the Company. The maturity date is January 24, 2026.

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

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

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 “Market 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 REC Silicon’s activities described in section “Risk Factors” above.

Lysaker, March 24, 2025
Board of Directors

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Tae Won Jun Chairman of the Board	Jooyong Chung Deputy Chair	Vivian Bertseka Member of the Board
Robert Neuhauser Member of the Board	Dr. Renate Oberhoffer-Fritz Member of the Board	William K. Levens President and CEO

Sustainability report

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General disclosures

About this report (basis for preparation)

REC Silicon’s Sustainability Report for the fiscal year 2024 (1 January 2024 to 31 December 2024) is based on the European Union’s Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS).

This report has been reviewed by the Company’s Audit Committee before being approved by the Board of Directors. The report has not been subject to limited assurance.

The report has been prepared on a consolidated basis equal to the consolidation of the Company’s financial statements. The report covers certain aspects related to the upstream and downstream value chains, however, in accordance with the transitional provisions provided by ESRS, some information related to the value chain is omitted as no data with satisfactory integrity is available at the time of reporting.

REC Silicon’s sustainability reporting generally follows the time horizons defined in ESRS for medium- and long-term horizons.

Short-term is defined as one year, medium-term 2-4 years and long-term more than 4 years. The basis for preparation of metrics and value chain data is described in the relevant chapters, along with actions planned for improvement where applicable.

Data for CO₂e emissions from grid electricity are based on annual reports from the US Environmental Protection Agency (EPA) for location-based emissions and from Green-e for market based. These data are reported with a two-year time lag and the 2024 report thus refer to 2022 emission factors.

Sustainability governance

The role of the Board of Directors

The ultimate responsibility for sustainability-related matters lies with the Board of Directors. The Board considers sustainability-related impacts, risks and opportunities as an integral part of strategic planning and decision-making.

The composition of the Board of Directors is detailed in the Corporate Governance Report ([page 74](#)) and the roles and responsibilities of the board members are outlined on [page 75](#).

REC Silicon Board of Directors

Independent Directors	3
Total Directors	5
% Independent	60%
Female Directors	3
% Female	60%
Employee representation	0%

The members of the Board have strong sustainability credentials, either as executives of renewable energy companies or as experts and advisors within climate-related and renewable energy-related NGOs and investment businesses.

The Audit Committee is appointed by the Board of Directors and is the highest governing body responsible for sustainability matters. This includes oversight of the Company’s sustainability reporting and reporting process, liaising with the auditors on sustainability reporting matters, review of sustainability risks as part of the overall risk framework and oversight of the implementation of any management measures relating to sustainability and climate risk.

The Audit Committee meets and considers sustainability matters at least quarterly including performance metrics and general policy, sustainability reporting, projects or strategic matters of relevance.

Integration with management

The responsibility for the implementation of sustainability-related policies and actions and for performance lies with the CEO, while the CFO has responsibility for the sustainability reporting.

Sustainability information to and addressed by the Board of Directors

Sustainability-related IROs are integrated into the overall planning, with strategic long-range business plans updated once per year. There is quarterly reporting to the Audit Committee on sustainability related KPIs, such as energy use, GHG emissions, pollution metrics, water use and waste metrics. Supply chain due diligence processes are also reported quarterly to the Audit Committee. Progress towards compliance with the ESRS has also been considered on a quarterly basis.

The below table outlines the frequency of the Board of Directors and the Audit Committee’s consideration of sustainability matters during 2024 and which items that are generally on the agenda:

Sustainability Matters

	Quarterly	Annually
The Board of Directors / Audit Committee		
• Restart of Moses Lake	●	
• Supply chain due diligence	●	
• Whistleblower system		●
• Training on human rights		●
• Training on Code of Conduct		●
• Sustainability Reporting	●	
• ESRS Compliance	●	
• Climate KPIs	●	
• Environmental KPIs	●	

Other sustainability-related matters are considered on a case-by-case basis.

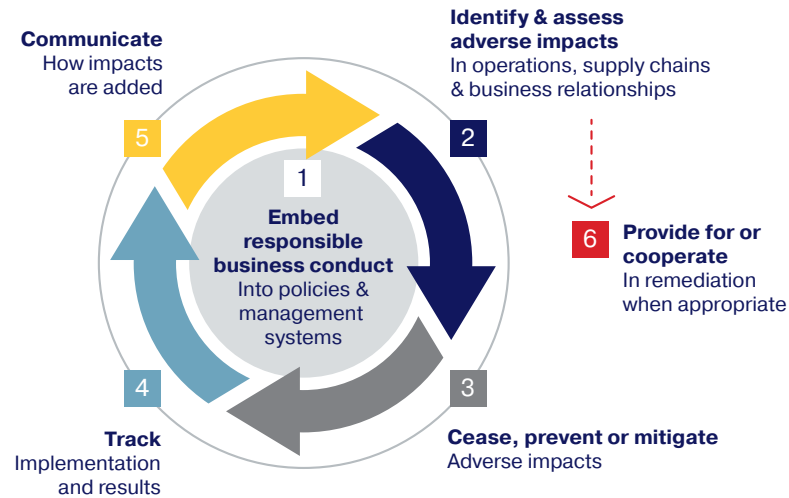
Sustainability-related incentive schemes

The Company has not adopted incentive schemes that specifically include sustainability-related performance. However, there is a very strong link between the strategic targets of REC Silicon and the performance on climate-related metrics. The performance-related incentive schemes include several KPIs for the successful penetration of energy transition markets with the Company’s products, such as silane gas and specialty gases.

Statement on due diligence

Sustainability due diligence refers to the ongoing process of identifying, preventing, mitigating, accounting for, and addressing actual and potential adverse impacts that REC Silicon’s activities may have on the people and environment.

REC Silicon adheres to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and seek to base the sustainability due diligence process on the OECD’s six-step due diligence framework.



Information on how REC Silicon conducts sustainability due diligence can be found in various parts of this Sustainability Report:

Due diligence core elements	Paragraphs and page reference
a) Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none">• Sustainability governance (page 27)• Strategy, business model and value chain (page 30)
b) Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none">• Interests and views of stakeholders (page 31)
c) Identifying and assessing adverse impacts	<ul style="list-style-type: none">• Double Materiality Assessment (page 33)• Supply chain management (page 64)
d) Taking actions to address those adverse impacts	<ul style="list-style-type: none">• Climate change (page 42)• Pollution (page 48)• Water (page 51)• Health and safety (page 56)• Supply chain management (page 64)• Local communities (page 66)
e) Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none">• Performance metrics (pages 44, 49, 52, 54, 57, 61)

Risk management and internal controls over sustainability reporting

REC Silicon has assigned an internal champion responsible for being the lead for information gathering, content and validation of data. A team of employees collect data and submit these on a quarterly basis, which is then subject to review by the CEO and CFO and thereafter approved by the Audit Committee. This collaborative effort has been established and provides a seamless collection of information for compliance and continuous improvement processes.

Strategy

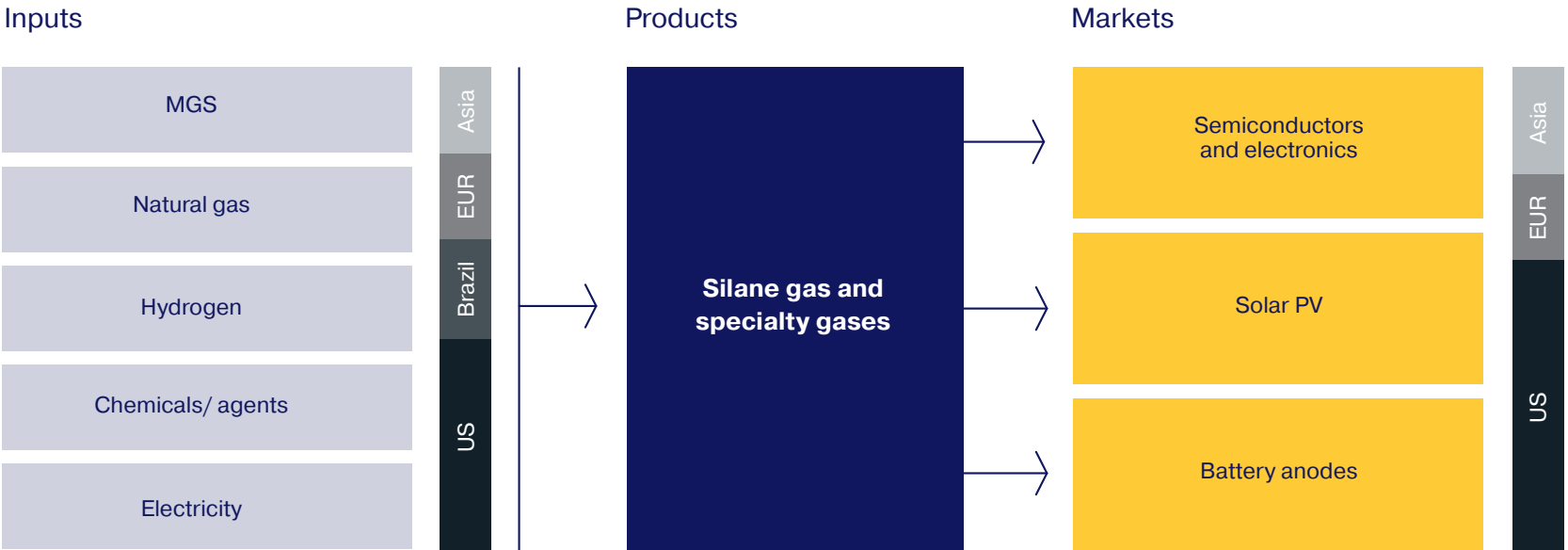
Strategy, business model and value chain

REC Silicon is a global leader in silane-based high purity silicon materials, with more than 40 years history in the industry. From its two US-based manufacturing facilities in Moses Lake, Washington and Butte, Montana and sales support offices in both Asia and the United States, the Company has the largest capacity outside China for silane gas and specialty gases.

Silane gas (SiH4) is the simplest form of silicon, and therefore the purest, making it the material of choice from memory processes to lithium-ion battery production, as well as thin film deposition uses. It is also refined into specialty gases for advanced uses in the semiconductor, solar PV and EV battery industries.

Secular growth trends within in digitalization, renewable energy and electric mobility place REC Silicon in a strong position to seize upon market opportunities. This is further enhanced by substantial legislative support for the development

of US-based value chains in key digitalization and energy transition industries. REC Silicon is therefore transitioning its business



to target US based value chains in the semiconductor and electronics industries, the solar PV market and the EV battery industry with silane and specialty gases from its two facilities.

The Company is in a relatively concentrated value chain where the key, and abundant, raw material, metallurgical grade silicon, is sourced both in the US and internationally, while most other inputs and services are sourced inside the US, with some

components from Asia. Going forward, the strategic direction means that a majority of revenues is expected to originate in US, representing a break with the past where about two-thirds of revenues have been in Asia.

A full description of the strategy, business model and value chain can be found in the Company Description on [pages 8–9](#) in this report.

Interests and views of stakeholders

Stakeholder engagement is a continuous process at REC Silicon, which has taken a more strategic and structured direction in recent years due to enhanced reporting requirements and the ongoing strategic redirection of the Company. Consultation with clients and financial stakeholders was key to the Moses Lake

restart project, both in its start-up phase, as well when deciding to discontinue polysilicon production at the end of 2024.

Consultation with employees and local communities have been central in the process to shut down polysilicon production at both Butte and Moses Lake. A project to assess key risks in the supply chain has been ongoing for two years, providing valuable

strategic insights. Finally, the Double Materiality Assessment conducted in 2024 provided an additional platform for more formal engagement with key groups such as employees and local communities. These processes are further described in the relevant chapters.

Stakeholder group	Type of engagement	Key focus in 2024	Actions for 2025
Employees	Monthly safety meetings Quarterly roundtable meetings Bi-annual town hall meetings Employee Sustainability Survey	Safety, health and wellbeing of workforce Employee engagement in connection with DMA	Continue with regularly scheduled updated meetings, monthly safety meetings and roundtable meetings. Implement bi-annual meetings with operations, maintenance and the management team
Suppliers	Human rights engagement Supplier Sustainability Survey	Business Partner Code of Conduct sign-off for top 50 suppliers Supplier engagement in connection with DMA	Roll-out of BPCoC signoff Preparation for audits of high-risk suppliers
Local communities	Employee voluntary work Various local initiatives	Recruitment drive in Moses Lake	Dialogue with Moses Lake community in relation to lay-offs from polysilicon shutdown
Investors	Investor meetings	Update on Moses Lake start-up Strategic direction	Provided timely information of restart process Provided insights into relevant market developments
Clients	Qualification process Product development	Off-take agreement for FBR polysilicon Off-take agreement for silane gas for battery anodes	Qualification processes for new semiconductor facilities in the US. Further off-take agreements for battery anodes
Authorities	Regular permit compliance processes	Liaison with Montana Dept of Environmental Quality, Washington State Dept of Ecology, OSHA, WISH	Continuation of engagement processes
Regulators and policymakers	Participating in various initiatives to promote US manufacturing	Impact of US trade policy and imports from Chinese manufacturers	Impact of trade policies from the new US presidential administration
Collaborations	Membership in various relevant industry associations	Environmental labelling scheme for ultra low carbon solar panels	Review of collaboration initiatives following new business plan

Material IROs and their interaction with strategy and business model

REC Silicon has exposure to broad energy transition themes. This exposure is both positive, in terms of providing business opportunities, and negative through the Company’s contribution to impacts on people and the environment, such as pollution and greenhouse gas emissions.

Production of silane gas and its derivatives requires inputs that are in parts highly energy-intensive, represent high amounts of embedded GHG emissions, as well as pollution risk. Some of these inputs are sourced from areas prone to human rights risks.

REC Silicon’s production process involves high process safety risks and exposes workers to possible health and safety hazards, and the environment to potential pollution hazards. The production also consumes significant amounts of energy.

The downstream value chain contributes positively to the green energy transition. Digitalisation enables more efficient resource use, solar energy represents clean energy, while electric mobility is expected to be a key driver for reducing transport-related carbon emissions.

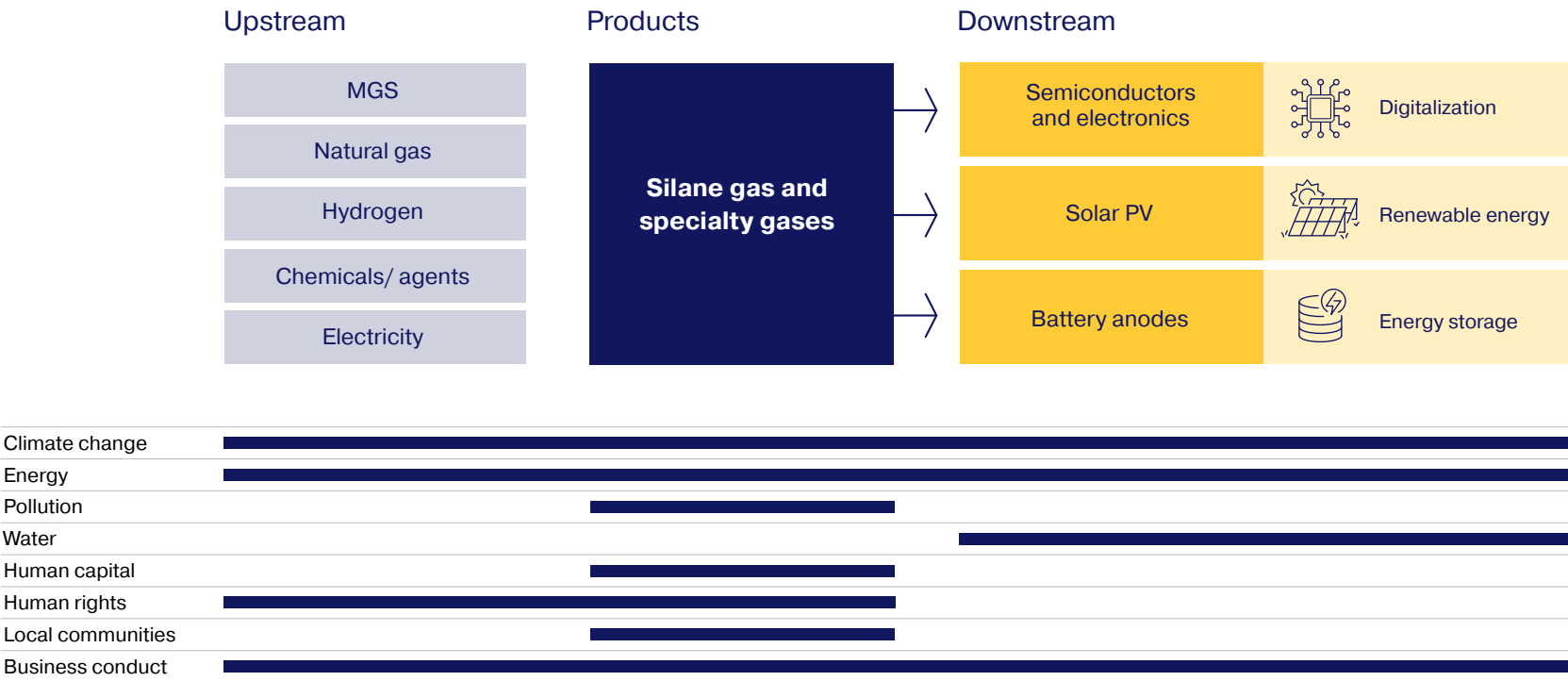
Despite the positive contribution to climate change mitigation, the semiconductor industry is highly energy- and water intensive. The growing appetite for generative AI, which is driving the semiconductor industry, is taking energy consumption through the roof, cannibalising on the efforts to make the global energy

system cleaner. Deployment of solar panels consume acreage and can be at odds with agriculture and nature preservation. Production of battery packs for electric vehicles is highly energy intensive and consumes large and scarce mineral resources, such as lithium and cobalt. Political and regulatory frameworks, including trade policies, are becoming increasingly important and can imply conflicts of interest.

The graphic below illustrates the material impacts, risks and opportunities across REC Silicon’s value chain. Not all are

equally important across the entire value chain, at least seen in the context of their potential impact on REC Silicon’s business and which impacts that can be deemed to be under reasonable influence by the Company.

REC Silicon has reasonably good resilience towards the risks in the medium to long term through secure and stable access to energy, energy efficient production processes, good process safety performance and a skilled workforce.



Impact, risk and opportunity management

Double Materiality Assessment

REC Silicon conducted a Double Materiality Assessment (DMA) in 2024 pursuant to the principles of the ESRS with corresponding guidance from EFRAG. The main purpose of the DMA was to conclude on the ESRS Disclosure Requirements (DRs), which the Company will be subject to from the financial year 2025, as preparation for an ESRS-compliant 2025 Sustainability Report. An ancillary purpose was to inform corporate strategy and decision-making. The DMA is planned to be updated during 2025 to incorporate the new strategic direction of REC Silicon.

The process used a four-step approach:

1. Selection of inputs to determine relevant sustainability topics
2. Top-down assessment of relevant sustainability topics
3. Bottom-up assessment of relevant business topics
4. Assessment of impacts, risks and opportunities

Step 1: Selection of inputs

The ESRS longlist of sustainability topics served as the basis for establishing relevant sustainability topics. This was processed through three phases:

a) Laws and regulations

Relevant laws and regulations were assessed to indicate relevant sustainability topics. Since REC Silicon has all its operational activities in the US, the process focused on relevant federal and state laws governing a broad set of aspects.

Such aspects included promotion of the energy transition (such as the Inflation Reduction Act, the CHIPS Act and the Bipartisan Infrastructure Bill), pollution prevention legislation, laws and regulations governing wages and labor relations, the protection of human rights, as well as business ethics.

The legal landscape thus provided relevant input to determine both the relevance and importance of sustainability topics.

b) Stakeholder engagement

The stakeholders provided essential inputs to the DMA process. Employees and suppliers were engaged through online

questionnaires. Direct interviews were conducted with select employees and local community representatives. Investor feedback on sustainability matters was sampled from investor meetings logged in the Company's CRM-system. Client feedback was sampled from supplier or product qualification forms from key clients. The views and interests of the relevant authorities were distilled from a review of relevant initiatives, policies, laws and regulations at both state and federal levels. Finally, initiatives from industry collaborations, where REC Silicon has commitments, were reviewed for relevance.

c) Scenario inputs

In line with the ESRS recommendations, several scenarios were assessed to enhance the understanding of relevant topics. Four climate-scenarios were assessed to highlight both physical climate risks and maximum transition risks, as well as economic impacts. Supplementary research for key markets where REC Silicon is active was also considered.

A summary of the stakeholder inputs, including laws and regulation is presented below. This shows the importance of each matter to the different stakeholder groups.

REC Silicon - Stakeholder inputs

General topic	ESRS reference	Employees	Suppliers	Laws and regulations	Clients	Local communities	Investors
Climate change	E1	●	●	●	●	●	●
Energy supply	E1	●	●	●	●	●	●
Pollution	E2	●	○	●	●	●	
Water	E3	●	○	●	●	●	
Biodiversity	E4	●	○	●	●		
Materials sourcing	E5		●	●	●		●
Waste	E5	●	●	●	●		
Working conditions	S1, S1	●	●	●	●		●
Fair employment and wages	S1, S2	●	●	●	●	●	●
Diversity, equity and inclusion	S1	●	●	●	●		●
Human rights	S1, S2	●	●	●	●		●
The local community	S3	●	●			●	●
Ethical business conduct	G1	●	●	●	●	●	●
Corruption and bribery	G1	●	●	●	●		●
Supplier relationships	G1	●	●		●		●
Political framework	G1	●		●	●		●

Color scale: ○ Low importance ● Medium importance ● Important Blank: No input

Step 2: Top-down assessment

Based on the inputs from laws and regulations, stakeholders and scenarios, the relevant topics were aligned with the ESRS hierarchy to facilitate the further process into the Double Materiality Assessment.

Step 3: Bottom-up assessment

This stage involved defining relevant business matters within each topic, both within own operations and throughout the value chain. These were defined at least at the sub-topic level and preferably at the sub-sub-topic level in the ESRS hierarchy.

The purpose was to enable proper assessment of impacts, risks and opportunities within the context of REC Silicon’s strategy, business and value chain. All impacts were also assessed for financial materiality to strengthen granularity.

The interaction between step 2 and 3 is illustrated below.

Environmental matters			
Material ESRS topics	Top-down themes	Bottom-up issues	
		Impacts	Risks & opportunities
E1 Climate change	<ul style="list-style-type: none">Climate changeEnergy use	<ul style="list-style-type: none">GHG emissionsEnergy useEnabling the energy transition	<ul style="list-style-type: none">Carbon taxEnergy pricesDamage to assetsTechnology and market risksEnergy transition growth
E2 Pollution	<ul style="list-style-type: none">Pollution	<ul style="list-style-type: none">Emissions to air, water and soilAccidental spills, releases or discharges	<ul style="list-style-type: none">Cost of permit complianceCost of permit breaches
E3 Water and marine resources	<ul style="list-style-type: none">Water	<ul style="list-style-type: none">Water consumption	<ul style="list-style-type: none">Water availability downstream
E4 Biodiversity and ecosystems	<ul style="list-style-type: none">Biodiversity	<ul style="list-style-type: none">Loss of ecosystems and biodiversity	<ul style="list-style-type: none">Reputational loss from contribution to nature loss
E5 Resource use and circular economy	<ul style="list-style-type: none">Materials sourcingWaste	<ul style="list-style-type: none">Raw materials useWastePlastics waste	<ul style="list-style-type: none">Availability of critical materialsRecycling requirementsCost of waste disposal

Social matters			
Material ESRS topics	Top-down themes	Bottom-up issues	
		Impacts	Risks & opportunities
S1 Own workforce	<ul style="list-style-type: none">Working conditionsDiversity, Equity, InclusionFair employmentHuman rights	<ul style="list-style-type: none">Health and safetyCompensation and payWork-life balanceDiversityTrainingHuman rightsJob security	<ul style="list-style-type: none">Ability to preserve human capital
S2 Workers in the value chain	<ul style="list-style-type: none">Human rights	<ul style="list-style-type: none">Health and safetyHuman rights breaches	<ul style="list-style-type: none">Reputational loss from human rights breaches
S3 Affected communities	<ul style="list-style-type: none">Human rightsThe local community	<ul style="list-style-type: none">Human rights breachesJob security	<ul style="list-style-type: none">Dependencies on local communities for human capital and infrastructure

Governance matters			
Material ESRS topics	Top-down themes	Bottom-up issues	
		Impacts	Risks & opportunities
G1 Business conduct	<ul style="list-style-type: none">Political frameworkCorruption, BriberyEthical business conductSupplier relations	<ul style="list-style-type: none">Corruption and bribery incidentsRegulatory environmentSupplier relationships	<ul style="list-style-type: none">Reputational lossPolicy changesNon-compliance with laws/regulationsWhistleblower protectionCyber security

Step 4: Impact, risk and opportunity assessment

a) Impact assessment

All matters were assessed according to the ESRS criteria for severity (scale, scope and irremediability) based on EFRAG guidance, while potential impacts also reflected the added dimension of likelihood. The assessment included where in the value chain the impact occurs or could occur, and whether the impact is positive or negative.

The assessment was processed through several workshops with relevant external experts and management resources to analyse the rationale behind the assessments, as well as to calibrate the results to ensure consistency.

b) Financial materiality

All impacts were assessed for financial materiality, where the definitions were “converted” to better fit into a financial context, or in some cases grouped together for the same reason. In addition, several additional risks and opportunities were assessed.

The default methodology was a DCF analysis, where the materiality thresholds were based on the anticipated impact of an issue or factor on the Enterprise Value (EV) of the Company. For some issues assessed, it was straightforward to establish clear

factors such as impact on operating costs. For other issues, the variables were more conceptual, such as the possible impact on growth or on the cost of capital (i.e. the discount rate used).

The financial materiality was assessed based on when the triggers could be reasonably expected to emerge, with those emerging in the long-term attributed lower weight than those in the short- to medium-term:

- Short term: 0-1 years
- Medium term: 2-4 years
- Long term: 5 years or more

These broadly correspond to the ESRS definitions and fit within the Company’s strategic planning horizon.

The likelihood of the triggers emerging were assessed independently for each time horizon, using the same likelihood concepts as for the impact assessment.

The identification of triggers of financial materiality and the appropriate thresholds were concluded through several workshops with external experts and management. The calibration of the DCF assessments was conducted by the finance department of REC Silicon with inputs and validation by independent external experts.

For 2024, the Company only presents financial materiality through qualitative analyses, but is well prepared for the quantification of potential, financial impacts to meet the reporting requirements when they come into effect.

c) DMA outcome

The outcome of the DMA was a shortlist of 19 material topics, each deemed to be material from an impact perspective, a financial perspective, or both.

For reporting purposes and reader accessibility, the topics have been grouped based on similarities, internal governance structures and, in some cases, stakeholder feedback and insights. The result is the list of 16 material sustainability topics that form the body of this Sustainability Report.

DMA Conclusions

The graphic to the right shows a high level, condensed illustration of the materiality across REC Silicon and its value chain. Further details and granularity can be found in the relevant topic chapters.

Key rating illustrations

Level of positive impact

High Medium Low

Level of negative impact

High Medium Low

Time frame

Sort term Medium term Long term

REC Silicon - Materiality

ESRS	Relevant topics considered	Material topic	Upstream	Production	Downstream	Timeframe
E1	Climate change	V	Medium High	Medium High	Medium High	Sort term Medium term Long term
E2	Pollution (accidental spills, discharges and releases)	V	Medium	High	Low	Sort term Medium term Long term
E3	Water and marine resources	V	Low	Low	Medium	Sort term Medium term Long term
E4	Biodiversity and ecosystems	X				
E5	Circular economy	X				
S1	Own workforce	V		High		Sort term Medium term Long term
S2	Workers in the value chain	V	Low Low		Medium Low	Sort term Medium term Long term
S3	Affected communities	V	Medium Medium	Medium	Low Low	Sort term Medium term Long term
G1	Business conduct	V	Low Medium	High High	Low Medium	Sort term Medium term Long term
Entity specific	Cyber security	V		High High		Sort term Medium term Long term

Disclosure Requirements

Material ESRS topics	Sub-topics	Sub-sub-topics	Disclosure requirements	ESRS Reference	Page
General disclosures			Basis for preparation	BP-1	27
			Disclosure in relation to specific circumstances	BP-2	27
Governance			The role of the Board of Directors (BoD)	GOV-1	27
			Information provided to and addressed by the BoD	GOV-2	28
			Integration of sustainability-linked incentive schemes	GOV-3	28
			Statement on due diligence	GOV-4	28
Strategy			Strategy, business model and value chain	SBM-1	30
			Interests and views of stakeholders	SBM-2	31
			Material IROs and their interaction with strategy and business model	SBM-3	32
Impact, risk and opportunity management			Disclosure requirements in ESRS covered by the sustainability statement	IRO-2	38
E1 Climate change	Climate change adaption Climate change mitigation Energy		Integration of sustainability-related performance in incentive schemes	GOV-3	41
			Transition plan for climate change mitigation	E1-1	41
			Material IROs and their interaction with strategy and business model	SBM-3	41
			Policies related to climate change adaption and mitigation	E1-2	42
			Actions and resources in relation to climate change policies	E1-3	42
			Targets related to climate change mitigation and adaption	E1-4	43
			Energy consumption and mix	E1-5	44
			Scope 1, 2 and 3 GHG emissions	E1-6	45
E2 Pollution	Pollution of air		Policies related to pollution	E2-1	47
	Pollution of water		Actions and resources related to pollution	E2-2	48
	Pollution of soil		Targets related to pollution	E2-3	48
	Pollution of living organisms		Pollution of air, water and soil	E2-4	49

Material ESRS topics	Sub-topics	Sub-sub-topics	Disclosure requirements	ESRS Reference	Page
E3 Water and marine resources	Water	Water consumption Water withdrawals Water discharges	Policies related to water	E3-1	50
			Actions and resources related to water	E3-2	51
			Targets related to water	E3-3	51
			Water consumption	E3-4	52
S1 Own workforce	Working conditions	Secure employment Working time Adequate wages Work-life balance Health and safety	Interests and views of stakeholders	SBM-2	56
			Material IROs and their interaction with strategy and business model	SBM-3	56
			Policies related to own workforce	S1-1	56 , 58 , 60
			Processes for engaging with own workforce	S1-2	55 , 56 , 58
			Processes to remediate negative impacts and channels for own workforce to raise concerns	S1-3	58 , 60
			Taking action on material impacts on own workforce	S1-4	59
			Targets related to managing material IROs	S1-5	59
			Characteristics of the undertaking's employees	S1-6	59 , 61
			Characteristics of non-employees in own workforce	S1-7	59 , 61
	Equal treatment and opportunities for all	Gender equality and equal pay Training and skills development Measures against violence and harassment in the workplace Diversity	Collective bargaining and social dialogue	S1-8	59
			Diversity metrics	S1-9	61
			Adequate wages	S1-10	60
			Social protection	S1-11	60
			Persons with disabilities	S1-12	60
			Training and skills development metrics	S1-13	62
			Health and safety metrics	S1-14	57
			Work-life balance metrics	S1-15	62
			Remuneration metrics	S1-16	63
			Incidents, complaints and severe human rights impacts	S1-17	63

Material ESRS topics	Sub-topics	Sub-sub-topics	Disclosure requirements	ESRS Reference	Page
S2 Workers in the value chain	Working conditions	Health and safety	Interests and views of stakeholders	SBM-2	64
			Material IROs and their interaction with strategy and business model	SBM-3	64
			Policies related to value chain workers	S2-1	64
			Processes for engaging with value chain workers	S2-2	65
	Other work-related rights	Adequate wages	Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3	65
		Child labor	Taking action on material impacts on value chain workers	S2-4	65
		Forced labor	Targets related to managing material IROs	S2-5	65
S3 Affected communities	Communities' economic, social and cultural rights		Interests and views of stakeholders	SBM-2	66
			Material IROs and their interaction with strategy and business model	SBM-3	66
			Policies related to affected communities	S3-1	66
			Processes for engaging with affected communities about impacts	S3-2	66
			Processes to remediate negative impacts and channels for affected communities to raise concerns	S3-3	66
			Taking action on material impacts on affected communities	S3-4	66
			Targets related to manage material IROs	S3-5	66
G1 Business conduct	Corporate culture Protection of whistleblowers		The role of the Board of Directors	GOV-1	67
			Business conduct policies and corporate culture	G1-1	68
			Protection of whistleblowers		68
	Political engagement		Political influence and lobbying activities	G1-5	68
	Management of relationships with suppliers		Management of relationships with suppliers	G1-2	65
	Corruption and bribery	Prevention and detection of corruption and bribery, including training	Prevention and detection of corruption and bribery	G1-3	68
		Incidents of corruption and bribery	Incidents of corruption and bribery	G1-4	68
Entity Specific	Cyber Security				69

Climate change

E1 - Climate change

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
GHG emissions	V	●	○	●	V		○	○	○	○○○ ○○○
Enabling the energy transition	V	●	●	●	V		●	●	●	●●●
Energy (mix and availability)	V	●	●	●	V		○	●	●	○○○

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○○○ Sort term ○○○ Medium term ●●● Long term

Sustainability-linked incentive schemes

The Company has not adopted incentive schemes that specifically include sustainability-related performance. Please see the disclosure under Section 1 – General Disclosures, [page 27](#) for additional details.

REC Silicon’s approach to climate change

The Company’s strategy and business model has been subject to significant change in recent years. This goes for both operations, product mix and target markets.

For the operations, it has been important to reduce the energy intensity of the products in response to higher energy prices.

For the product mix, REC Silicon is now exiting polysilicon production, which is significantly more energy- and carbon intensive than the production of silane gas.

The Company is now focusing on silane gas and specialty gases, which is low in both energy and carbon intensity. Going forward, REC Silicon is targeting the solar PV industry, the EV battery industry and the semiconductor and electronics industries.

REC Silicon does not have a separate climate transition plan, but the issue of climate change mitigation is implicitly embedded into the corporate strategy.

Material climate-related IROs

These were assessed during the DMA in the context of the entire value chain. The three main impacts are:

1. Greenhouse gas emissions

The value chains for solar energy and the semiconductor industries contribute to about 0.6 gigatons of GHG emissions per year according to research, which represent close to 2% of global industrial manufacturing emissions. This is set to rise going forward due to rapid deployment of solar PV panels, growth in the electric mobility markets and rising demand for semiconductors.

2. Energy use

All parts of the value chains are highly energy-intensive, and the sourcing of energy in the value chains is only partly from renewable sources.

3. Enabling the energy transition

A positive impact through providing low-carbon inputs to key value chains driving the energy transition.

The material risks and opportunities are closely related to this:

1. Energy pricing, availability and sourcing

In 2024, REC Silicon consumed about 480 GWh of electricity. With the announced shut-down of operations in Moses Lake, this is set to be significantly reduced in the medium term. However, if the revised strategy is successfully implemented, growth will resume in the coming years and energy consumption will rebound. There is a growing competition for energy where REC Silicon’s facilities are located, particularly for renewable power, coming from growth in data-centers and energy-transition industries in general. This could impact costs and growth in the long-term, although the energy requirements for the current production capacity are secured through agreements with the local utilities.

2. Green transition growth

The success of REC Silicon’s current strategy depends on continued growth in industries and markets that are driven by the energy transition, such as solar PV panels, electric mobility, as well as digitalisation trends.

With the Company’s strategy being focused on energy transition trends, there are more transition opportunities than there are transition risks for REC Silicon. Physical climate risks for the Company’s operations are low, while certain aspects of the upstream and downstream value chains could be at risk in the long term.

The process to identify the IROs was based on inputs from clients, investors, authorities, employees and suppliers, as well as from the management based on the existing strategy. The assessment of the impacts for materiality was based on available information from the Company’s own operations and research into the up- and downstream value chain emission and energy characteristics. The assessment of financial risks and opportunities was generally based on how the triggers for such risks and opportunities could impact the Company’s 2024 long-range business plan.

Policies related to climate change

REC Silicon has a Code of Conduct and Sustainability Policy that forms the overriding framework for the management of climate-related impacts, risks and opportunities.

The Code sets goals and commitments for:

- Increasing the use of renewable energy in the production processes
- Sourcing of raw materials from suppliers using low-carbon production methods
- Seeking ways to reduce the use of fossil fuels and energy consumption at all levels of the operations

The objective of The Code is to minimize the impact of the Company’s operations on the climate and the environment in general, including any impact on the local communities where the Company operates. The Code also represents an overall

framework for making the Company future-fit to manage risks related to climate and the environment, as well as capture opportunities for growth. The Code applies to all the Company’s operations.

Much of REC Silicon’s strategy follows the ambitions of the Inflation Reduction Act, the CHIPS Act and the Bipartisan Infrastructure Law, aiming to take advantage of the incentives that are built into these two initiatives. These include funding arrangements for the development of energy transition products and technologies and incentives to establish low-carbon and US-based value chains within the energy transition.

Actions and resources

The primary objective of the revised strategy is to exploit opportunities through targeting energy transition industries in markets where REC Silicon has significant market position. The key actions are:

1. Butte reconfiguration

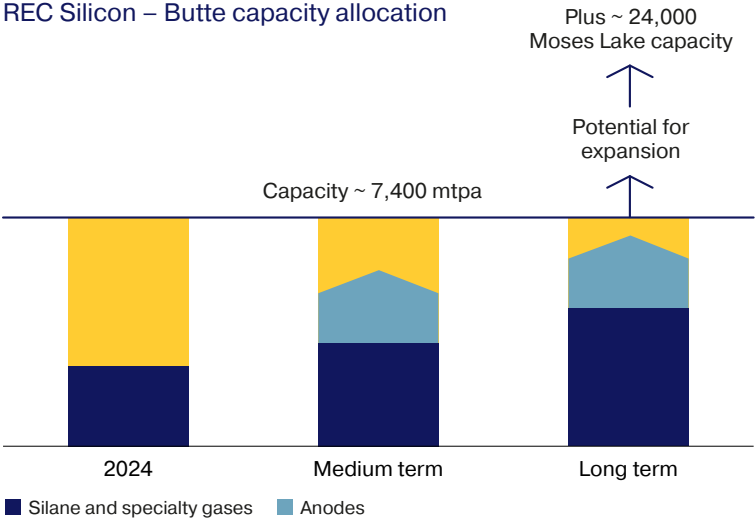
The production of the energy-intensive electronic grade polysilicon was discontinued in 2024. Some of the freed-up silane gas capacity will target existing markets for silane gas, while the remainder will be used to provide monosilane to the EV battery industry in line with recent offtake contracts with leading, next generation EV battery producers. In parallel, capacity for specialty gases like DCS, MCS and Di Silane has been increased.

2. Moses Lake reconfiguration

Having been mothballed since 2019, the facility was restarted in 2023 to produce solar grade polysilicon. Despite securing a ten-year offtake contract for all polysilicon volumes, the restart was unsuccessful as the facility could not produce the required levels of purity by the customer. At the end of 2024, a decision was therefore made to shut down the facility once again. The 24,000-ton monosilane capacity will instead be kept ready for growth in the EV battery industry and be restarted once there is sufficient market demand.

The purpose of these actions is to target markets where REC Silicon has a distinct competitive edge and strong existing market positions. Further details on this can be found in the Company Description in the Annual Report (page 7). These steps will also significantly reduce the carbon intensity of the product portfolio.

REC Silicon – Butte capacity allocation



Targets

The company has two specific targets relating to climate change:

1. Reducing the Scope 1 and 2 carbon intensity per ton of product by 40% by 2027 (baseline 2021)

The target was based on the restart of the Moses Lake facility, which was intended to result in a high growth in overall polysilicon production compared to previous years, but at a significant reduction in energy-use per ton produced.

The decision to shut down polysilicon production at Moses Lake will reduce both energy-use and volumes produced and thus have a positive effect on the performance against the target.

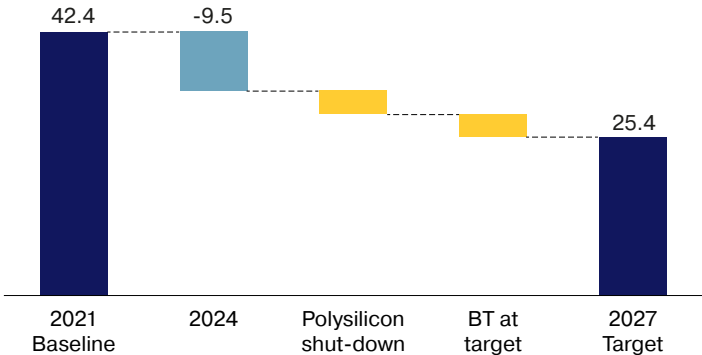
The positive performance relative to the target in 2024 was due to the shutdown of polysilicon production at Butte, which was completed in mid-2024. At the same time, the ramp-up process at Moses Lake added more volumes of low-energy and low-emission production.

Going forward, there will be an additional positive effect from the shut-down of polysilicon production at Moses Lake, as well as from a gradual ramp-up of production of silane gases at Butte.

The target and performance are illustrated in the chart below.

REC Silicon Carbon Intensity Target and Performance

(tCO₂e per ton of product produced)



2. Mapping upstream Scope 3 emissions to reduce value chain carbon intensity

REC Silicon has an intention to work directly with the major suppliers to calculate the carbon footprints of the products and/or services delivered to the Company and use internal data where applicable and possible. The Company plans to adhere to the GHG Corporate Value Chain Accounting in calculating upstream Scope 3 emissions. In the context of the process to manage the substantial strategic re-direction of the company this work is likely to be somewhat deferred due to lack of adequate internal resources.

Performance metrics

Energy	Unit	2022	2023	2024	Change
Fuel consumption from coal and coal products	MWh	0	0	0	
Fuel consumption from crude oil and petroleum products	MWh	527	901	1,433	59%
Fuel consumption from natural gas	MWh	180,236	241,649	492,974	104%
Fuel consumption from other fossil sources	MWh	21	80	212	165%
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	595,022	618,248	481,955	-22%
Total fossil energy consumption	MWh	775,806	860,878	976,573	13%
Percentage of fossil sources in total energy consumption	%	100%	100%	100%	
Total energy consumption from nuclear sources	MWh	0	0	0	
Share of energy consumption from nuclear sources	%	0%	0%	0%	
Fuel consumption from renewable sources	MWh	0	0	0	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	0	0	0	
Consumption of self-generated non-fuel renewable energy	MWh	0	0	0	
Total renewable energy consumption	MWh	0	0	0	
Percentage of renewable sources in total energy consumption	%	0%	0%	0%	
Total energy consumption	MWh	775,806	860,878	976,573	13%
Non-renewable energy production	MWh	0	0	0	
Renewable energy production	MWh	0	0	0	
Energy intensity from activities in high climate impact sectors	MWh/USDm	5,249	6,101	6,941	
Energy intensity in own operations	MWh/Mt	179	205	134	
Total energy consumption from activities in high climate impact sectors	MWh	775,806	860,878	976,573	
Net revenue from activities in high climate impact sectors	USDm	148	141	141	
Net revenue from activities other than in high climate impact sectors	USDm	0	0	0	

GHG emissions	Unit	2022	2023	2024	Change
Scope 1 GHG Emissions					
Gross Scope 1 GHG emissions	tCO ₂ e	32,799	49,100	100,073	104%
Share of Scope 1 GHG emissions from regulated emission trading schemes	%	0%	0%	0%	
Scope 2 GHG Emissions					
Gross location-based Scope 2 emissions	tCO ₂ e	162,960	178,144	138,872	-22%
Gross market-based Scope 2 emissions	tCO ₂ e	167,311	177,952	138,722	-22%
Significant Scope 3 Emissions					
Fuel and energy-related activities (not included in Scope 1 and 2)	tCO ₂ e	14,990	17,343	21,602	25%
Waste generated in operations	tCO ₂ e	75	90	169	88%
Total Scope 3 Emissions	tCO ₂ e	15,065	17,433	21,771	25%
Total GHG emissions (Location Based)	tCO ₂ e	210,824	244,678	260,717	7%
Total GHG emissions (Market Based)	tCO ₂ e	215,175	244,485	260,566	7%
GHG emission intensity					
Net revenue	USDm	147.8	141.1	140.7	0%
GHG emissions intensity - location based, Scope 1+2+3	tCO ₂ e/USDm	1,426	1,734	1,853	7%
GHG emissions intensity - market based, Scope 1+2+3	tCO ₂ e/USDm	1,456	1,733	1,852	7%
Metric tons produced	Mt	4,343	4,196	7,272	73%
GHG emissions intensity - location based, Scope 1 + 2	tCO ₂ e/Mt	45.1	54.2	32.9	-39%
GHG emissions intensity - market based, Scope 1 + 2	tCO ₂ e/Mt	46.1	54.1	32.8	-39%

Production numbers	Unit	2021	2022	2023	Change
Polysilicon production	Mt	1,453	1,187	5,454	359%
Net Silane gases production	Mt	2,890	3,009	1,818	-40%
Total production	Mt	4,343	4,196	7,272	73%

Climate-related targets	Unit	2024	Target	Target Year	24 vs Target
Carbon Intensity per ton of product (Scope 1 + 2, Market Based)	tCO ₂ e/Mt	46.1	25.4	2027	181%
Upstream Scope 3 emissions mapped	Percentage	0%	75%	2027	n.m.
Total production	Mt	4,343	4,196	7,272	73%

Pollution

E2 - Pollution

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Pollution of air, water and soil	⊗	○	○	○	Ⓥ		○	○	○	●●●
Accidental spills, releases or discharges	Ⓥ	●	●●	○		Ⓥ	○	●●	○	○●●

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○●● Short term ○●● Medium term ●●● Long term

REC Silicon’s approach to pollution

The production of silane gas results in air emissions of SO_x, NO_x, CO, VOCs and particular matter. The operations also require significant amounts of water and results in a water discharge that contain various substances.

REC Silicon uses a variety of measures to keep emissions at a minimum in its operations, such as scrubbers to capture air pollutants, and filters to reduce water emissions. Emissions and water discharges are subject to strict, state-wide permits.

Moreover, REC Silicon’s production processes are subject to the risk of accidents, which could release potentially hazardous substances into the environment and represent harm to both employees and people in the local communities.

The issue of pollution is therefore two-fold;

- i) to stay within existing permits, and;
- ii) to avoid accidental spills, releases or discharges.

In the context of double materiality, pollution has been assessed primarily in the context of the Company’s own operations, since value chain data have to date been difficult to obtain.

Emissions to air, water and soil is an actual impact that is generally within the limits set by the authorities and the cost of staying within the permits is moderate. It is therefore not considered to be material. On the other hand, accidental spills, releases or discharges are potential impacts that could have significant negative consequences for people and the environment and therefore considered a material impact. The financial consequences in the form of fines, penalties or damages to affected

parties, as well as reputational loss, could be substantial. Hence, accidental spills, releases or discharges are considered financially material.

Policies related to pollution

REC Silicon’s overarching pollution ambition is to have zero permit breaches and zero accidental spills, releases and discharges.

This is outlined in the Code of Conduct and Sustainability Policy. The Code specifies an obligation to operate within environmental permits as specified by national and/or local regulations and to use third party certifications to document the performance. Several requirements for the management of emissions, as well as hazardous materials are in the Code. There is a strict

obligation to employ measures to avoid accidents and manage safety hazards.

REC Silicon enforces the obligations of the Code through a Pollution Prevention Plan and a Process Safety Management Plan.

REC Silicon holds company-wide multisite certifications for two management standards, ISO 9001 (Quality Management) and ISO 14001 (Environmental Management).

REC Silicon is subject to statewide legislation in Montana (Montana Department of Environmental Quality) and Washington State (Department of Ecology) for air emission permits, water permits and stormwater management permits.

Adequate policies and procedures regarding pollution, process safety and accident prevention are also normally part of any qualification process with existing or prospective clients of the Company.

Actions and resources

As part of the ongoing pollution control, REC silicon uses scrubbers to capture air pollution from its production processes. Solid waste recovered from the scrubbers is disposed of as non-hazardous waste. The emissions to air in Moses Lake are measured by a 3rd party and reported to the state authorities at least annually. The emissions to air at Butte are tracked by facility staff and reported to the State authorities on an annual basis. The emissions to air of non-GHG gases are reported in the performance metrics section.

Actions and resources related to water discharges are described in Chapter 4 – Water, please refer to [page 51](#).

Targets related to pollution

REC Silicon targets zero breaches of environmental permits relating to water discharges or air pollution. In recent years there have been a few cases each year of breaches. The breaches have generally been for technical reasons, and none have been material, resulting in penalties or fines.

REC Silicon has maintained a track record of zero spills and zero leakages for several years, in line with its target.

To date, there have been no initiatives to develop further pollution-related targets other than staying within the environmental permits.

Actions	Facility	Pollution aspect	Mitigation hierarchy	Impact
Pollution Prevention Plan	All	All pollution	Control	Avoiding unwanted pollution
Process Safety Management Plan	All	Accidental spills, releases or discharges	Control	Avoiding accident-related pollution
Air scrubbers	All	Air pollution	Reduce	Keeping air emissions within permits
Water discharge filters	All	Water effluents	Reduce	Reduction or elimination of contamination potential

Performance metrics

ESRS E2 - Pollution	Unit	2022	2023	2024	Change
Emissions to air by pollutant					
SO _x sulphur dioxide emissions	Mt	0.4	0.4	32.4	7129%
NO _x nitrogen oxides emissions	Mt	50.8	100.3	50.4	-50%
CO carbon mono _x ide emissions	Mt	30.4	39.3	34.9	-11%
Volatile organic compounds (VOC)	Mt	2.1	1.92	7.50	290%
Particulate matter	Mt	13.6	57.3	27.6	-52%
Coarse particulate matter (PM10)	Mt	5.2	4.7	23.0	392%
Fine particulate matter (PM2.5)	Mt	2.9	2.7	18.8	605%
Other	Mt	4.6	4.6	4.4	-4%

Water and marine resources

E3 - Water and Marine Resources

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Pollution of air, water and soil	⊗	○	○	○	Ⓥ		○	○	○	●●●
Accidental spills, releases or discharges	Ⓥ	○	●	●●	Ⓥ		○	○	●	○○●

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○○● Short term ●●● Medium term ●●● Long term

REC Silicon’s approach to pollution

Water is essential in the production processes and primarily used for cooling purposes in the production units. Most of the water consumption is surface water withdrawn from freshwater. About 60% of the water withdrawal is discharged back to surface water, which is filtered to remove effluents and to ensure that the water quality is within permit levels. The wastewater discharges are subject to regular, third-party inspections. The solid waste from the water filters is collected and disposed of as non-hazardous waste.

The Company’s value chain is water-intensive, more so in the downstream part due to high water use associated with the production of wafers and microchips, as well as in the cleaning of solar PV panels.

In the context of double materiality, water has been assessed both in the context of the Company’s own operations and in the downstream value chain.

Water discharge is an actual impact that is generally within the limits set by the authorities and the cost of staying within the permits is moderate. It is therefore not considered to be material in the context of the Company’s operations. Water consumption from REC Silicon’s own operations is considered to have a medium impact since the company does not operate any facilities in areas of high water-stress.

Water consumption in the downstream value chain is considered to have a high impact due to the water-intensive operations in wafer and microchips manufacturing, as well as in the production of solar panels. Globally, a meaningful part of these value chains is in areas of water stress or areas that are subject to

periods of drought with corresponding restrictions on water use. There is some financial risk in the long-term attached to water consumption, particularly for the semiconductor industry and leading credit-rating agencies have now started to regard water availability as a key credit risk for such companies.

Policies related to water

The Code of Conduct and Sustainability Policy recognises that REC Silicon’s operations result in water emissions and includes an obligation to operate within environmental permits and to use third party certifications to document performance.

Following the Double Materiality Assessment, the Code has been amended to include specific requirements related to:

- Managing water consumption to minimise stress on local water resources
- Manage wastewater discharges to reduce effluents and avoid contamination of soil and water
- Ensure the safe treatment and disposal of all forms of waste, including solid waste from water treatment solutions.

REC Silicon is subject to statewide legislation in Montana (Montana Department of Environmental Quality) and Washington State (Department of Ecology) for water permits and storm management permits.

Actions and resources

Wastewater from the Butte facility is treated to enhance solids removal and ensure that the effluents are in compliance with

permit limits designed to protect the beneficial uses of the receiving surface waters. This discharge is subject to monthly whole effluent toxicity (WET) testing by a 3rd party, which is reportable to the state authorities. Any solid waste recovered from the wastewater treatment process is disposed of as non-hazardous waste.

The Butte facility maintains five stormwater basins designed to manage stormwater from non-process areas surrounding the facility. These basins are subject to the same environmental permit regime to protect the beneficial uses of the receiving surface water.

Wastewater from the Moses Lake facility is discharged to separate on-site containment basins for evaporation. Remaining solid waste is recovered and disposed of. The facility is a zero-discharge site.

Water discharges at Butte has been reduced because of the shut-down of polysilicon production at the facility. However, this also results in imbalances in the existing wastewater system, which is being addressed. The first part is to use a once-through cooling concept to maintain water temperature for cooling purposes, which also allows for a significant reduction in chemical additives. The second part is planned for 2025 and involves possible aluminate addition to provide a source of sodium, while reducing calcium, chloride and heavy metals.

Targets related to water

REC Silicon maintains a target to always stay within the prevailing water permits. With regards to actual water consumption or discharges there are no hard targets at the time being and the strategic redirection of the Company will likely delay the process to potentially establish such targets.

Actions	Facility	Pollution aspect	Mitigation hierarchy	Impact
Water discharge filters	All	Water effluents	Reduce	Reduction or elimination of contamination potential
Stormwater basin	Butte	Water effluents	Control	Prevent flooding
Evaporation basin	Moses Lake	Water effluents	Reduce	Reduction or elimination of contamination to soil
Solid waste recovery	All	Water effluents	Reduce	Reduction or elimination of contamination to soil
Once-through cooling	Butte	Water effluents	Reduce	Reduce chemical additives in wastewater
Aluminate addition	Butte	Water effluents	Reduce	Reducing chemical additives and heavy metals in wastewater

Performance metrics

ESRS E3 - Water and Marine Resources	Unit	2022	2023	2024	Change
Water					
Surface water withdrawn from freshwater	Mill m³	2.4	2.4	2.2	-8%
Produced water withdrawn from freshwater	Mill m³	0.1	0.1	0.2	85%
Total water withdrawal	Mill m³	2.5	2.5	2.4	-4%
Water discharge to surface water	Mill m³	1.5	1.5	1.4	-5%
Water discharge to groundwater	Mill m³	0.0	0.0	0.0	
Water discharge to third-party water	Mill m³	0.0	0.0	0.0	
Total water discharge	Mill m³	1.5	1.5	1.4	-5%
Total water consumption	Mill m³	1.0	1.0	1.0	-3%
Total water recycled and reused	Mill m³	n.a.	n.a.	n.a.	
Total water stored	Mill m³	n.a.	n.a.	n.a.	
Changes in water storage	Mill m³	n.a.	n.a.	n.a.	
Share of water from regions with High Water Baseline Stress	%	0	0	0	
Share of water from regions with Extremely High Water Baseline Stress	%	0	0	0	
Water discharge share of water withdrawal	%	59%	59%	58%	
Water consumption per produced unit	'000 m³/Mt	0.24	0.25	0.14	-44%
Waste water discharge per produced unit	'000 m³/Mt	0.34	0.35	0.19	-45%

Waste management

E5 - Waste management

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Raw materials use	⊗	○	○		Ⓥ		○	○	○	○○●
Waste	⊗	○	○	○	Ⓥ		○	○	○	○○●

Level of positive impact/impact of financial opportunity

● High ● Medium ● Low

Level of negative impact/Impact of financial risk

● High ● Medium ● Low

Time frame

○○● Sort term ○●● Medium term ●●● Long term

REC Silicon’s approach to resource use and waste management

Metallurgical grade silicon (MGS) is the key raw material used in operations and is mined from quartz, the second most prevalent material in the Earth’s crust. This material is not regarded as a critical raw material and not likely to be subject to any form of future supply restrictions.

The typical waste generated from the operations are solid waste types from air pollution scrubbers and wastewater discharge filters, both regarded as non-hazardous waste. The volume of hazardous waste has traditionally been only a fraction of the total waste volumes, but there was a substantial increase in 2024. In the past two years, the Moses Lake restart project has

resulted in an increase in waste volumes, both hazardous and non-hazardous, related to the activities, which is expected to be significantly reduced going forward as the polysilicon production at the facility is discontinued.

In the context of the DMA process neither raw materials use, nor waste (in general) were regarded as material impacts, and they are not expected to represent material financial risks going forward.

Policies related to waste management

The Code of Conduct and Sustainability Policy outlines an obligation to reduce waste of all types at the source or by practices

wherever possible and consider modifications, substitution, conservations, recycling and re-using of materials to reduce potential harm to the environment. The objective is to reduce the overall amount of waste and to increase the amount of recycled waste from its production. REC Silicon is subject to local state regulations for waste handling, including waste handling fees.

Actions and resources

There are currently no ongoing actions pertaining to waste volumes or waste management.

Performance metrics

ESRS E3 - Resource use and Circular Economy	Unit	2022	2023	2024	Change
Waste					
Hazardous waste generated	Mt	1.1	0.1	1,730.5	n.m.
Hazardous waste diverted from disposal	Mt	0.1	0.1	1.3	n.m.
Hazardous waste directed to disposal	Mt	1.0	0.0	1,729.2	n.m.
Non-hazardous waste generated	Mt	5,209	5,934	12,033	103%
Non-hazardous waste diverted from disposal	Mt	95	82	3,912	n.m.
- Non-hazardous waste diverted from disposal due to preparation for reuse	Mt	n.a.	n.a.	n.a.	
- Non-hazardous waste diverted from disposal due to recycling	Mt	32	39	2,064	n.m.
- Non-hazardous waste diverted from disposal due to other recovery operations	Mt	63	42	1,847	n.m.
Non-hazardous waste directed to disposal	Mt	5,115	5,853	8,121	39%
Total waste generated	Mt	5,210	5,934	13,763	132%
Total waste diverted from disposal	Mt	95	82	3,913	n.m.
Total waste directed to disposal	Mt	5,116	5,853	9,850	68%
Non-recycled waste	Mt	5,179	5,813	7,786	34%
Recycled waste	Mt	32	39	2,064	n.m.
Percentage non-recycled waste	%	99%	98%	57%	-42%
Waste Intensity					
Hazardous waste per produced unit	Mt	0.0	0.0	0.2	n.m.
Total waste per produced unit	Mt	1.2	1.4	1.9	34%
Ecological Impacts					
Total number of permit breaches	#	6	3	6	100%
Number of serious incidents or environmental releases	#	0	0	1	n.m.

Human Capital

S1 - Human Capital

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Injuries, fatalities and ill health	V		●			V		●		●●●
Employment	V		●		V			●		●●●
Working conditions	V		●		V			●		●●●
Equal treatment and opportunities	V		●		V			●		●●●

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○●● Sort term ○●● Medium term ●●● Long term

REC Silicon’s approach to human capital

The workforce at the end of 2024 consisted of the employees at REC Silicon’s two facilities and non-employee workers supplying labor through contractual relationships as defined by ESRS.

This section describes how REC Silicon preserves and develops its human capital to ensure that adequate and qualified personnel is available to meet its objectives.

Engagement with the workforce is regular and part of normal operations, primarily centred around health and safety, process safety and training. The DMA process facilitated a broader understanding of the interests and views of the employees.

The process included both direct interviews with employees, as well as a company-wide employee survey on sustainability matters. This provided valuable input and contextual information to the DMA process.

Investors and clients put significant emphasis on REC Silicon’s ability to maintain adequate product quality, where both personnel qualifications and certifications are important. Health and safety are essential, including everything that drives performance, such as process safety systems, reasonable working hours and safety training.

All human capital and workforce matters are highly regulated by laws and regulations in the US.

The stakeholder inputs were assessed to determine the most important matters, determining the scale of impacts, how widespread these are in the context of the workforce and how easy it is to provide remedy. The financial materiality was assessed through the lens of potential failure to preserve the human capital, which could restrict growth, negatively impact production processes and result in reputational loss.

While bottom-up impacts were assessed at a granular level, the material impacts have been grouped into four different categories, with a corresponding financial risk and opportunity set attached:

1. Injuries, fatalities and ill health

Due to the nature of its operations, which involves potential exposure to dangerous chemicals and gases, and is prone to accidents and injuries, this is always the number one priority for REC Silicon. Maintaining strong health and safety performance is also important to personnel attraction and retention, as well as to process safety and quality, and thus client retention.

2. Employment

This includes job security, which has been an issue for the Company in recent years, first with the shut-down at Moses Lake in 2019, the shut-down of polysilicon production at Butte in 2024 and the recently announced shut-down of Moses Lake polysilicon production, all involving personnel redundancies. Moreover, compensation and pay are becoming increasingly important to retain human capital due to stronger competition for people on the back of the growing presence of industries related to the green transition and digitalisation in both Butte and Moses Lake. This could have material financial consequences in the medium- to long-term and personnel turnover became an issue during 2024.

3. Working environment

At Moses Lake, the FBR restart project resulted in excessive working hours for many employees and a lack of work-life balance. A meaningful part of the workforce regards the Company’s support for employee well-being and work-life

balance as average at best, according to the employee sustainability survey, indicating that these matters should perhaps be better adressed.

4. Diversity, equity and inclusion

REC Silicon maintains a workforce where women and ethnic minorities are underrepresented. There were some reports of harassment based on ethnic background and sexual orientation in the employee sustainability survey.

In the remaining sections of this chapter, policies, engagement, actions and performance will be split into separate sections that generally fit with the four key IROs outlined above.

Health and safety

Policy foundations for health and safety

The Code of Conduct and Sustainability Policy has a section dedicated to health and safety. The Company puts safety first and follows the strategy that all accidents, injuries and occupational illnesses are preventable. The target is always zero harm to employees, contractors, customers and members of the public.

To enforce the objectives of the Code, REC Silicon has a Health Management System (HMS) based on risk analysis, risk and hazard mitigation and right management, which is followed up with training.

The aspects covered by the HMS are:

- Health-related aspects
- Illness prevention
- Risk management
- Physical and mental well-being

The Company’s management system is ISO 9001 and ISO 14001 certified. The Occupational Safety and Health Act represents the main legislation.

Engagement on health and safety

REC Silicon has ongoing engagement on all health and safety matters. The company holds monthly safety meetings at both facilities to discuss procedures, incidents and training. There are quarterly roundtable meetings for safety and production. All procedures are reviewed and updated annually.

Health and safety management actions

Most actions are continuous efforts that deal with:

- Design, engineering practices, administrative controls and safe work practices
- Personal protective equipment
- Educational materials and continuous safety training
- Obligation for employees to report all safety concerns

- On-site emergency teams and off-site back up response teams
- Safe job analysis and hazard recognition audits
- Visible safety information in all facilities with updated logs visible to all employees

Workplace safety and health is communicated to all employees in the monthly safety meeting.

Training courses on health and safety are online and cover a wide range of health and safety matters, where all employees are obligated to take courses annually. Such matters include:

- Safety awareness training
- Protection training
- Detection training
- Danger management training
- Hazardous waste training

There is also annual training on the Quality Policy, the Process Safety Management system, and on the Environmental Management System.

Performance metrics

The Company recorded a significant jump in injuries during 2024, both recordable injuries and lost-time injuries. During the year, both locations experienced some turbulence, in Moses Lake in relation to the efforts that went into the FBR ramp-up, and in Butte in relation to the shutdown of polysilicon production. At times, such turbulence deters focus from safely performing work.

Both production facilities had to put a strong emphasis on focused safety and to ensure that the employees were prioritizing safety and ensuring that all job tasks were evaluated prior to starting the task. Daily line-out meetings continuously reminded employees to ensure safety and environmental stewardship were of the top focus areas each workday.

Health and safety metrics

	Unit	2022	2023	2024	Change
Percentage of own workforce covered by health and safety management system	%	n.a.	100%	100%	0%
Number of fatalities as a result of work-related injuries or ill health	#	0	0	0	
- Own workforce	#	n.a.	n.a.	n.a.	
- Other workers on undertaking's site	#	n.a.	n.a.	n.a.	
Number of recordable work-related accidents for own workforce (TRI)	#	8	7	17	143%
Rate of recordable work-related accidents for own workforce (TRIF)	# / mn hrs	13.5	8.2	14.1	73%
Number of cases of recordable work-related ill health of employees	#	n.a.	0	0	n.m.
Number of days lost to work-related injuries, fatalities or ill health (LTI)	#	1	1	6	500%
Rate of days lost to work-related injuries (LTIF)	# / mn hrs	1.7	1.2	5.0	326%
Serious incidents (SI)	#	0	0	0	
Serious incidents frequency (SIF)	# / mn hrs	0	0	0	
Hours worked for own workforce	#	592,816	857,308	1,203,043	40%
Safe Job Analyses	#	281	1,250	897	-28%
Hazard Recognition Audits	#	349	503	383	-24%

People strategy

Policy foundations

The Code of Conduct states REC Silicon’s support of internationally recognised human and labor rights standards as set out in:

- The International Bill of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The ten principles of the UN Global Compact
- The ILO Declaration on Fundamental Principles and Rights and Work

The Company regards its people as the fundamental factor for its success and therefore:

- Respect the freedom of association and collective bargaining, as defined by the National Labor Relations Act (NLRA)
- Provide fair working conditions in accordance with all applicable legislation to our employees; and
- Provide training to ensure the employees conduct business ethically, honestly and in compliance with all applicable laws and regulations

The objectives of the Code are enforced through the Company’s Health Management System, which deals with physical and mental well-being aspects, in addition to health and safety matters. Continuous efforts are provided through Employee Assistance Programs, Wellness Programs and flexible working arrangements.

The US legislative backdrop is substantial and reflected in:

- Wages and Fair Labor Standards Act
- First Amendment
- National Labor Relations Act
- Family and Medical Leave Act
- Pregnant Workers Fairness Act
- The ERISA Act

People engagement

REC Silicon holds town hall meetings twice a year in both Butte and Moses Lake, which is conducted by the CEO and serves as a platform to engage on general corporate matters.

Management meetings are also held twice a year in both Butte and Moses Lake to address topics at the managerial level.

The quarterly roundtable meetings discuss human resource matters, in addition to safety and production-related matters.

During the DMA process, the Company conducted an employee sustainability survey to ensure input on a broad range of sustainability matters. This survey received 121 responses, equal to a 25% overall response rate.

Whistleblower channel and grievance mechanisms

REC Silicon maintains a whistleblower reporting system which is open to all employees and business partners. It is a confidential system where reports can be made anonymously and managed by an independent system provider.

As part of a formal investigation process, all reports are submitted to a review manager for further dissemination to a relevant reviewer based on the nature of the report. Financial matters would be reported to the CFO and/or the Audit Committee, while operational matters will be reviewed by the relevant senior manager. The review includes interviews with persons involved with the matter.

Subject to the severity of any report or incident, there will be corrective action, which could include the termination of employment for severe cases. Remedy to any affected party will be determined on a case-by-case basis.

During 2024, there were two whistleblower incidents, both from shareholders raising questions about conflicts of interest in connection with the process that led to the decision to shut down polysilicon production in Moses Lake. Both were processed through the appropriate channels and concluded as unfounded.

Preserving human capital

REC Silicon is experiencing increased competition for its personnel due to general industry activity growth both in Moses Lake and Butte and is therefore attentive towards preserving its human capital.

2024 has been a challenging year for REC Silicon and its workforce for several reasons:

- The restart of the FBR production at Moses Lake was an intensive effort that consumed substantial financial and human capital resources, resulting in significant overtime and stress on the organisation.
- The decision to shut down polysilicon production at Butte resulted in layoffs and redundancies.
- The recent decision to shut down polysilicon production at Moses Lake will result in more than 220 layoffs and redundancies that will be managed during 2025.

The employee turnover has shown a steady increase in the past two years, from 4.6% in 2022 to 23.8% in 2024.

To manage the FBR restart and ramp-up, the Company provided Employee Assistance Programs (EAP), which could be assessed by employees and their families via text therapy, digital support or self-guided sessions, or traditional therapies free of charge. The Company also sought to reduce individual workloads through hiring additional staff to evenly distribute workloads.

Adequate work-life balance has been managed by providing flexible working arrangements (4/10 schedule and 9/80 schedule) to offer more flexibility by condensing work hours into fewer days, so that employees have extended time off.

Through hybrid work options, employees have the option to work from home for up to 28 days per year, subject to their supervisors' approval. Employees are covered by a mental health insurance and wellness programs are run through a volunteer committee of employees providing physical fitness activities for employees. The Company has also supported family-friendly activities. This will continue in 2025.

The Butte shutdown has been managed through a hiring freeze and support for internal transfers of people. An early retirement program was provided, as well as opportunities for temporary assignment. So far, the efforts have reduced the number of people to be laid off from 41 to 20. There have been 12 internal transfers and ten early retirements. The hiring freeze and the efforts to promote internal transfer of employees will continue in 2025. Three employees affected by the reduction in workforce at Moses Lake have accepted positions in Butte.

REC Silicon conducts a regular wage benchmarking process where the target is to maintain pay above industry average. This involves annual wage adjustments based on employee feedback on compensation and a new pay progression schedule for operators and technicians based on performance rather than tenure.

The ambition for 2025 is to introduce a new job grade and compensation structure. This will imply a transparent, performance-based compensation structure that allows employees to understand their job level, their earnings potential and the factors influencing pay in 2025.

REC Silicon has an ambition to provide more training programs and improve regular skills assessments. During 2024, a LinkedIn Learning program was rolled out, with 30% of employees participating. This program provides a vast library of courses on topics like leadership, technology and soft skills.

Workforce characteristics

Non-employees in own workforce

In connection with the Moses Lake project, some non-employees have been recruited from outside providers to assist in the project. The number of non-employees were reduced during the year. Please see the information on [page 61](#).

Collective bargaining coverage

REC Silicon does not maintain any collective bargaining agreements with its workforce. However, the Code states that the right to collective bargaining is supported by the Company.

Composition of own workforce

The executive management consists of three males. The operations management consists of eight, of which two are female and six are male.

The age distribution of the general workforce is outlined in the data table on [page 62](#).

Adequate wages and social protection

All employees are paid adequate wages, and the entire workforce is covered by social protection measures.

Percentage of workforce with disabilities

REC Silicon does not have the legal right to obtain information on the employees' disabilities.

Work-life balance metrics

92% of the employees are entitled to take family-related leave and 3.8% of those took such leave during 2024.

Remuneration metrics

The female employees have an average salary equating to 95% of the average salary of male employees, unchanged from the prior year.

The total remuneration ratio between the Company's highest paid individual and the median remuneration ratio is 11.7 times, unchanged from the prior year.

Human rights

Policy foundations

REC Silicon's Code of Conduct is clear that the ambition is to:

- Treat everyone who works for REC Silicon with fairness, respect, and dignity;
- Provide a working environment free from any form of discrimination, abuse, harassment or intimidation by or towards our employees or others affected by our operations;
- Commit to the elimination of discrimination based on gender, race, ethnical background, sexual orientation, age, political beliefs, marital status, or any other status;
- Refuse all forms of child labor, human trafficking, modern slavery and compulsory or forced labor;
- Respect employees' rights to freedom of opinion and expression, freedom of thought, conscience, and religion;

In addition to the relevant US legislation regarding general working conditions, the Equal Pay Act, the Disabilities Act, the Civil Rights Act and the Modern Slavery Act provide support for these ambitions.

Whistleblower channel and grievance mechanisms

Please refer to the information on page [\[x\]](#) for information on the whistleblower processes. During 2024, there were zero complaints regarding human rights breaches.

Protecting human rights

REC Silicon pays equal pay for equal work. The issue of equal pay is managed through conducting regular pay audits, including regular wage benchmarking and annual wage adjustments to ensure that the objective is met.

The objective to ensure a safe, responsible and compliant workplace culture is managed through regular training and awareness programs, the whistleblower reporting system and clear reporting and investigation procedures. These processes are continuous and will continue in 2025.

REC Sililcon provided training on diversity, equity and inclusion (DEI) in 2023 for Moses Lake. The plan is to conduct similar training for new managers and executives to ensure a good foundation for new workforce members with various backgrounds to create an inclusive workplace culture. Due to the significant changes to the Company in 2025, this is currently on hold.

Training has been offered to employees on how to use the whistleblower reporting system.

Incidents of human rights breaches

There were no incidents of human rights breaches recorded during 2024, in line with previous years.

ESRS S1 - Own workforce	Unit	2022	2023	2024	Change
Characteristics of own workforce					
Total number of permanent employees	#	360	495	466	-6%
- Female	#	54	77	74	-4%
- Male	#	306	419	392	-6%
Temporary employees	#	5	12	0	
- Female	#	n.a.	6	0	
- Male	#	n.a.	6	0	
Non-guaranteed hours employees	#	0	0	0	
- Female	#	n.a.	n.a.	n.a.	
- Male	#	n.a.	n.a.	n.a.	
Total new hires	#	99	186	81	-56%
Number of employee turnover (leavers)	#	n.a.	45	76	69%
Permanent employee turnover rate	%	4.6%	9.0%	15.8%	
Total number of non-employees in own workforce	#	n.a.	22	15	-32%
- of which self employed people	#	n.a.	2	0	-100%
- of which provided by undertakings primarily engaged in employment activities	#	n.a.	20	15	-32%
Percentage of employees covered by collective bargaining agreements	%	n.a.	n.a.	n.a.	
Number of employees (head count) at top management level	#	8	11	11	0%
- Female	%	20%	18%	18%	
- Male	%	80%	82%	82%	

ESRS S1 - Own workforce	Unit	2022	2023	2024	Change
Employees - by age					
< 30	#	30	65	74	14%
30-50	#	171	230	222	-3%
> 50	#	164	199	170	-15%
< 30	%	8%	13%	16%	
30-50	%	46%	47%	48%	
> 50	%	44%	40%	36%	
Percentage of employees that are paid an adequate wage	%	n.a.	100%	100%	
Percentage of employees covered by social protection	%	n.a.	100%	100%	
Percentage of employees with disabilities	%	n.a.	n.a.	n.a.	
Training and skills development					
Percentage of employees that participated in regular performance and career development review	%	n.a.	0%	0%	
- Female	%	n.a.	n.a.	n.a.	
- Male	%	n.a.	n.a.	n.a.	
Average number of training hours per employee	#	19	98	31	-68%
- Female	#	n.a.	85	31	-64%
- Male	#	n.a.	101	32	-69%
Work-life balance					
Percentage of employees entitled to take family-related leave	%	n.a.	92%	94%	2%
Percentage of entitled employees that took family-related leave	%	n.a.	3%	7%	163%
- Female	#	n.a.	1	11	1000%
- Male	#	n.a.	11	57	418%

ESRS S1 - Own workforce	Unit	2022	2023	2024	Change
Remuneration metrics					
Average annual pay female employees	USD '000			101.8	
Average annual pay male employees	USD '000			95.2	
Gender pay gap	%	90%	95%	93%	-2%
Remuneration for the highest paid individual	USD	n.a.	863,156	863,156	
Median annual remuneration for all employees	USD	n.a.	101,084	101,084	
Annual total remuneration ratio	%	n.a.	854%	854%	
Incidents, complaints and severe human rights impacts					
Incidents of discrimination	#	0	0	0	0%
Number of complaints filed through channels for people in own workforce to raise concerns	#	n.a.	11	11	0%
Amount of material fines, penalties and compensation for damages as a result of human rights violations	USD '000	n.a.	0	0	0%

Supply chain management

S2 - Supply chain management		Impact					Financial risk and opportunity			
Sub-topics	Material	Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Health and safety	⊗	●		○	Ⓥ	Ⓥ	○			●●●
Human rights	Ⓥ	●		○	Ⓥ		●			●●●
Working conditions	⊗	●		●	Ⓥ		○			●●●

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○○● Short term ○●● Medium term ●●● Long term

REC Silicon’s approach to supply chain management

The Company followed up its 2023 human rights risk mapping by developing a separate Business Partner Code of Conduct and a process to secure commitments to the principles of the Code from a majority of the suppliers.

In connection with the DMA, a separate supplier sustainability survey was conducted among the top 50 suppliers to provide further insights into the spectrum of relevant sustainability matters and to provide suppliers with an opportunity to express their interests towards REC Silicon as a client. The survey recorded a 38% response rate.

The DMA identified human rights breaches as a potentially negative material impact across the Company’s value chain. The

risk mapping shows that the risk is medium, which is a sentiment echoed by both the own employees, as well as the suppliers. This topic of human rights breaches is also subject to several relevant laws and regulations, such as the Modern Slavery Act, the Civil Rights Act and more.

While health and safety, as well as general working conditions are relevant and important, the DMA process did not identify these as material.

Policy foundation

The Business Partner Code of Conduct (BPCoC) builds on the Code of Conduct and Sustainability Policy and the principles therein. The objectives are to ensure that the suppliers follow the same principles as REC Silicon, and that the Company maintains

adequate sourcing of critical materials and inputs. It is available online at www.recsilicon.com.

The BPCoC has eight key focus areas:

- Compliance with laws, rules and legal regulations
- Good working conditions and human rights
- Safety and health
- Environmental and climate protection
- Responsible sourcing
- Rights of local communities
- Supply chain due diligence
- Grievance and complaints mechanism

The relevant legislative backdrop for REC Silicon includes the Modern Slavery Act and the Norwegian Transparency Act. There is also a proposed Washington State Supply Chains Act that may come into force in the future.

REC Silicon has developed several procedures to enforce the objectives of the BPCoC, including a suppliers' handbook, critical materials list, critical materials approval, risk assessment and business continuity plan.

Supply chain engagement

The objective for the engagement with the supply chain is to be an efficient, agile and reliable integration partner that fosters collaboration and enhances value for REC Silicon's customers and stakeholders, supporting long-term sustainable growth.

The engagement has been running in connection with the process to get sign off on the BPCoC and follows a three-year plan. REC Silicon follows the OECD Guidelines for Multinational Enterprises in its supply chain due diligence. Hence, this process is moving forward into the "cease, prevent or mitigate impacts" stage, where further engagement will take place with the most critical suppliers.

Whistleblower channel

REC Silicon's whistleblower channel is available to all Business Partners and their employees. Judging by the responses in the Supplier Sustainability Survey, the existence of this service may not be sufficiently disseminated across the suppliers. There were no whistleblower reports from the supply chain during 2024.

Supply chain actions and plans

The objective for 2024 was to secure commitments to, or acknowledgements of, the BPCoC from the 50 largest suppliers, which represent approximately 80% of the total vendor volume. This was completed during the year, with 80% of these suppliers signing off on the Code and the remaining 20% having demonstrated the existence of a Code of Conduct that follows the same principles.

The Supplier Sustainability Survey revealed that the five most important topics to the suppliers are:

- Working conditions (including health and safety)
- REC Silicon's commitments to sustainability initiatives
- Supply chain traceability and transparency
- Prevention of corruption and bribery
- Responsible sourcing of materials

A process to conduct a proper risk profiling of the top 15 critical suppliers will be targeted as part of an ambition to better understand the vulnerability of the supply chain.

Supply chain targets

REC Silicon has several targets for 2025 relating to supply chain management:

- Include sustainability principles as requirements in purchase orders terms and conditions

- 80% of vendor volume to have completed annual self-assessments
- Complete full risk profiling of the 15 most critical vendors
- Review top 6 critical procedures related to supplier risk management
- Complete audit of the top 5 suppliers
- Implement a supply chain risk management tool

With the recent and ongoing restructuring of the Company, some of these processes may be put on hold due to lack of internal resources.

Local communities

S3 - Local communities

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Pollution of air, water and soil	⊗	○	○	○	Ⓥ		○	○	○	●●●
Accidental spills, releases and discharges	⊗	○	●	○		Ⓥ	○	●	○	●●●
Dependence on local workforce and infrastructure	Ⓥ	●	●	○	Ⓥ		○	●	○	○○●

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○○● Short term ○●● Medium term ●●● Long term

REC Silicon’s approach to local communities

The DMA process highlighted that a more structured approach to the local communities is required. The Company has had an important role as a large employer in the communities where it operates. The issue of job security was felt in 2019, when the decision was made to shut down polysilicon production in Moses Lake and in 2024 when polysilicon production was shut down in Butte. Conversely, the decision to re-open production in Moses Lake in 2023 created hundreds of jobs in the area, but with the recent decision to shut down polysilicon production at Moses Lake, there will be a new period of redundancies, which will affect the local community.

Both Moses Lake and Butte are attracting new business investments, many relating to the technology and energy transition

industries. This is spurring increased competition for skilled personnel, a problem somewhat exacerbated by limited local availability, and is resulting in increased wage demands. Therefore, REC Silicon’s dependency on local human resources represents a growing risk.

Moreover, the growth in business in the areas puts pressure on available local infrastructure such as power supply and water resources. While REC Silicon is adequately supplied for its current capacities, there could be constraints longer term that could result in increased costs, or detrimental effects on growth.

REC Silicon is therefore aiming to cement its relationships with its local communities and provide support that can help these communities solve some of the problems that could impact the Company in the long run.

Policy foundation

The Code of Conduct and Sustainability Policy states that REC Silicon’s business and people should make a positive impact on society and that the Company is obligated to maintain close relations and constant dialogue with local communities. The Code has been expanded to include more precise commitments, including commitments for engagement and dialogue, the minimisation of health, safety and environmental impacts and risks, as well as contribution by REC Silicon and its employees to the local communities in the form of voluntary work and other forms of engagement and support.

Full details of the Code can be found at www.recsilicon.com.

Business Conduct

G1 - Business Conduct

Sub-topics	Material	Impact					Financial risk and opportunity			
		Upstream	Production	Downstream	Actual	Potential	Upstream	Production	Downstream	Timeframe
Corporate culture	V						●●	●●	●●	●●●●
Corruption and bribery	V	●	○	○	V		●	●●	●	●●●●
Supplier relationships	V	●	●				●●	○●		○●●●
Political engagement	V		○	○	V			●●	●●	●●●●
Cyber security	V							●		●●●●

Level of positive impact/impact of financial opportunity

● High ● Medium ○ Low

Level of negative impact/Impact of financial risk

● High ● Medium ○ Low

Time frame

○●● Short term ○●● Medium term ●●● Long term

Governance structure

The governance structure in general, as well as that pertaining to sustainability, is outlined in the Corporate Governance section in this Annual Report (please see [page 72](#))

REC Silicon’s approach to business conduct

The stakeholder engagement in the DMA process resulted in very clear inputs on the materiality of business conduct-related topics. The concept of ethical business conduct is regarded as important to all stakeholder groups. This was highlighted

by both the employee and supplier sustainability surveys, engagement and qualification processes with clients, investor feedback, as well as dialogue with the local communities. Overall, the ethical business standards of REC Silicon received very positive feedback and may therefore represent somewhat of a competitive advantage for the company. Corruption and bribery prevention and detection is clearly material to all stakeholder groups, as well. Supplier relationships have a firm place, although for slightly different reasons among stakeholder groups. For suppliers themselves, it is important to retain close and constructive relationships with clients, like REC Silicon. Employees, clients and investors regard these relationships as important to ensure that REC Silicon always has access to timely

and adequate supply of critical materials and components to ensure continuous and safe operations.

Political engagement is becoming more important to REC Silicon as the regulatory incentives in the US, such as the Inflation Reduction Act, the CHIPS Act and the Bipartisan Infrastructure Law, are the strongest drivers for the current strategy of the Company. Several stakeholder groups regard continued regulatory support as important for the Company’s prospects. The somewhat uncertain outlook going into 2025 when it comes to US trade policies and the issues of tariffs, as well as federal energy transition initiatives, also makes political engagement important to the Company

The entity-specific topic Cyber Security has been included in the Business Conduct section, based on both stakeholder inputs and the Company’s recent history of cyber-attacks.

Financial matters are more material than impacts for the business conduct matters. Typical financial risks that could emerge relate to reputational loss and loss of business relationships due to potential breaches of ethical business conduct principles or legislation, as well incidents of corruption and bribery and cyber security incidents. The financial risk related to supplier relationships could emerge from irregularities in production due to lack of materials and components. As explained above, the political and regulatory framework represent the backbone of the corporate strategy and any changes to this could represent significant negative financial triggers.

Policy foundation

The Code of Conduct and Sustainability Policy prescribes clear guidelines for business conduct matters. REC Silicon supports the ten principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises and is subject to the US Foreign Corrupt Practices Act and the Federal Bribery Statute.

The Company has zero tolerance for any form of corruption, without exception and treats non-compliance as a serious violation and a disciplinary matter.

REC Silicon sets high standards of integrity and believe that a sound business must be based on value-based management and clear guidelines on ethics and sustainability. The Company believes it creates value by supporting a competitive market, operating fairly and fighting illegal practices. All potential integrity concerns are investigated, and the Company will cooperate fully with relevant authorities if required. REC Silicon avoids conflicts of interest and practices related to the commission or participation in fraud.

The principles are enforced through the Risk Management System, which contribute to spread a culture of risk management and control that allows the Company to run its business in a healthy, correct, and responsible manner.

Corruption and bribery

Employees undertake annual training on anti-corruption and anti-bribery as part of the training on the Code of Conduct and Sustainability Policy.

REC Silicon does not maintain a particular system to prevent, detect and address allegations or incidents of corruption and bribery. Pursuant to the Code of Conduct, it is every employee’s duty to report any violation of the principles of the Code of Conduct, and the whistleblower system exists for this purpose.

Partnerships and political engagement

REC Silicon political engagement efforts focus on various legislative means for policy changes to support market demand for the products of both REC Silicon and its customers. This involves pushing for industry standards that support demand, tax incentives to grow the industry, and trade rules to ensure a fair market for all players.

REC Silicon is currently part of three groups that are working on promoting US manufacturing:

1. SEMA Coalition (Solar Energy Manufacturing for America).

This group worked to get the IRA passed, which includes the 45X production tax credits that REC Silicon is set to receive for FBR solar grade polysilicon and silane for silicon anodes. With the decision to shut down solar grade polysilicon production at Moses Lake, it is expected that this engagement will be reduced.

2. BMTC (Battery Materials Technology Coalition).

This group helped pass the Bipartisan Infrastructure Law, that had USD 6 billion in support for battery manufacturing in the US, providing funding for current and prospective US clients. The group works on protecting trade, increasing US battery manufacturing, improving permitting to allow for responsible mining of critical minerals in the US.

3. ULCSA (Ultra Low Carbon Solar Alliance)

This group works on expanding market awareness and deployment of ultra-low carbon solar. The group has worked to create the ECO Epeat label for ultra-low carbon solar production and inputs to enable certification of purchased materials. There is also work to require the US government to purchase ultra-low solar products.

REC Silicon has also had more sporadic alliances pertaining to specific trade matters, such as:

- **America Alliance for Solar Manufacturing Trade Committee**, which is a seven-member group that filed a trade petition against four Southeast Asia countries for illegal trade practices by allowing Chinese headquartered companies to circumvent US trade regulations. The alliance represents the leading manufacturers working to build and re-shore the US solar industry.

Data protection and cyber security

REC implemented significant measures in 2024 to enhance its cybersecurity program, addressing the evolving landscape of cyber threats.

The Company has conducted a comprehensive review and enhancement of its cybersecurity policies, with the implementation phase already underway and projected to continue throughout 2025.

Leveraging new technologies and methodologies, REC Silicon has ensured that these policies are not only implemented but also effectively enforced. This proactive approach ensures that the Company remains resilient against current and future cyber challenges, maintaining the integrity and security of its operations and data.

An annual review of core security services has been performed, and REC is diligently working on incorporating the recommendations. Notably, the Company has prioritized advancements in remote access and authentication methods, with a particular emphasis on zero trust principles. These efforts are set to extend into 2025, ensuring robust and resilient cybersecurity defences.

By continuously improving its cybersecurity posture and employing innovative technologies, REC Silicon demonstrates a commitment to protecting its assets and stakeholders, ultimately contributing to the Company's long-term sustainability and success.

Appendix – Transparency Act Statement

REC Silicon Transparency Act Statement 2024

Introduction

General description of the Company’s structure and area of operations, please see the following:

- Company description, [page 7](#)
- Material IROs and their interaction with strategy and business model, [page 32](#)

Descriptions of REC Silicon commitments to internationally recognized human and labor rights standards

- People Strategy, [page 58](#)
- REC Silicon’s approach to supply chain management, [page 64](#)

Governance and oversight

- Sustainability governance, [page 67](#)

Policies

- REC Silicon’s approach to supply chain management, [page 64](#)

Impacts and risks

- REC Silicon’s approach to supply chain management, [page 64](#)

Actions and action plans

- Supply chain actions and plans, [page 65](#)

Board of Directors' report on Corporate Governance

REC Silicon ASA (the “Company” or “REC Silicon”) and its subsidiaries (together “REC Silicon Group” or the “Group”), endorses the Norwegian Code of Practice for Corporate Governance (“Code of Practice”) issued by the Norwegian Corporate Governance Board, most recently revised on October 14, 2021.

1. Implementation and reporting on corporate governance

The Board of Directors of REC Silicon (“Board”) has prepared the following report that explains the Group’s corporate governance practices and how it has complied with the Code of Practice in the preceding year. The application of the Code of Practice is based on the “comply or explain” principle and deviations from the code, if any, is explained under the relevant item. The Group’s corporate governance practices are subject to annual reviews and discussions by the Board.

REC Silicon Group deviated from the recommendations in the Code of Practice on two sections at year-end 2024. These deviations pertained to separate proxy voting for candidates to the Board (Section 6) and separate regulations for takeover bids (Section 14).

The following sections provides a discussion of the Company’s corporate governance in relation to each section of the Code of Practice.

2. Business

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

The Company announced that it ceased production at its Moses Lake facility on December 30, 2024. REC Silicon also announced that the production of polysilicon was discontinued at the Moses Lake facility, while the equipment involved in production of silicon gases would be maintained in a safe and recoverable mode to allow for silane gas production to restart with reasonable notice to capitalize on future customer demand for silicon anode or other gases while minimizing near-term operational costs.

The December 30, 2024, announcement follows the Company’s decision to shut down polysilicon production at its Butte, Montana facility in February 2024. With the shutdown of the Moses Lake facility, REC Silicon completely discontinued the production of commercial volumes of polysilicon at both facilities.

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

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

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

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

REC Silicon's business corresponds with the purpose of the Company which is described in its Articles of Association § 3: "The Company's purpose is development and sale of products and services related to renewable energy sources, and to perform other financial operations related to such. The Company may, through subscription of shares or in any other ways, including granting of loans, acquire interests in other companies with identical or similar purposes".

The Board has defined clear strategies, business goals and a risk profile for the Company's business activities, to create value for its shareholders in a sustainable manner considering financial, social and environmental factors. This includes efficient and responsible utilization of resources to the benefit of all its stakeholders.

Sustainability is at the core of REC Silicon's business model and the Company acknowledges its responsibilities toward the environment, society, and the local communities in which it operates. The Board carries the responsibility to secure acceptable sustainability performance and has implemented various policies providing business practice guidance and reporting procedures to ensure continuous improvement. An account of the Company's sustainability performance is included in the Sustainability report in the annual report.

The Company's strategies, business goals and risk profile are reviewed on an annual basis and presented in the annual report, quarterly reports, and at various investor meetings.

3. Equity and dividends

The Group's consolidated equity was negative USD 378.1 million on December 31, 2024. The debt-to-equity ratio on December 31, 2024, was negative 1.5. The Board monitors the Group's capital structure and takes actions necessary to ensure that it is appropriate for the current objectives, strategy, and risk profile. Reference is also made to the consolidated financial statements

[note 3.3](#) regarding capital structure and financing and [note 3.1](#) regarding financial risk and to the report of the Board.

The Company will need to have additional funding to support its operations throughout 2025. A key challenge arises as debt obligations begin to mature in January 2026, and the Company will not be able to generate sufficient cash from operations to meet these repayments. The company may face challenges in generating adequate operating cash flows in the subsequent period. Significant doubt has been raised regarding the Company's ability to secure sufficient funding to sustain its operations for the next 12 months without the continued support of the major shareholder, Hanwha, or additional sources of capital. Additional information is included in the going concern section of the annual report.

Management and the Board of Directors believe that the Company will be successful in obtaining the capital necessary to meet obligations and believes that the financial goals for 2025 are achievable. Given the cash flow estimates outlined in this report and the fact that Hanwha, as the largest shareholder and the primary creditor, has guaranteed all bank loans and provided the shareholder loans, the Board and management of the Company further believe that continued operations are aligned with Hanwha's best interest. The Board intends to monitor these conditions and is prepared to take appropriate action as necessary.

The Group's ambition is to give its shareholders a high and stable return on their investment and to be competitive compared with alternative investment opportunities with comparable risk. To

support committed investments and productivity improvements, the Board's view so far has been that retained earnings should be used within the Company. Accordingly, there has been no distribution of dividends to the shareholders since the Company was publicly listed in 2006, and no proposed dividend payments for the financial year 2024.

The Board will continue to assess the capital structure based on the goals, strategies, risk profile, and the financial situation of the Company.

At the Annual General Meeting on May 14, 2024 (the "AGM"), the Board was granted the following authorities:

- Authority to increase the share capital with up to NOK 84,125,000 through one or several share capital increases. The authorization to acquire shares may be used for one or more of the following purposes:
 - in connection with investments, acquisitions, or other corporate purposes
 - for use for incentive programs for employees
- Authority to acquire treasury shares in the Company (up to a maximum of ten percent of the face value of the share capital). As of December 31, 2024, the authorization has not been used.

These authorities were restricted for defined purposes and each mandate was considered separately. They are valid until the AGM in 2025 or no later than 15 months from the date of the 2024 AGM.

For further information about the mandates given to the Board, reference is made to the minutes from the AGM, which are available on the Company's website (www.recsilicon.com).

4. Equal treatment of shareholders and transactions with related parties

The Company seeks to conform to the principles for equal treatment of shareholders. In the event of a share capital increase based on authorization from the general meeting, where the pre-emptive rights of shareholders are set aside, grounds will be provided in the stock exchange notice in which the share capital increase is announced.

In the event of a share buy-back program, the Board will aim to ensure that all related transactions are carried out either through the trading system or at prevailing prices at Oslo Børs. The Board will consider Company and shareholders' interests and aim to maintain transparency and equal treatment of all shareholders. In the event of limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders. There were no transactions in own shares during 2024.

5. Freely negotiable shares

REC Silicon has one class of shares, and each share confers one voting right at the general meetings. The Company's shares are listed on the Oslo Stock Exchange, where they are freely transferable. There are no restrictions on owning, trading, or voting for shares in the Articles of Association.

6. General meetings

The Board shall ensure that as many of the Company's shareholders as possible are able to exercise their voting rights at the Company's general meetings, and that the general meeting is an effective forum for shareholders and the Board. Extraordinary general meetings (an "EGM") can be called by the Board of Directors if deemed necessary or be requested by the Company's auditor or shareholders representing at least 5% of the Company's share capital.

Notification

The Board ensures that the resolutions and supporting information distributed are sufficiently detailed, comprehensive, and specific, allowing shareholders to form a view on all matters to be considered at the meeting. The notice of the general meeting and supporting documents are made available on the Company's website no later than 3 weeks prior to the date of the meeting. The deadline for shareholders to give attendance

notice is set as close to the date of the meeting as possible, and minimum 5 days prior to the general meeting.

Shareholders may request that specific matters be considered by a general meeting by written notice to the Board within 7 days prior to the time limit for notice of the general meeting together with a proposal for resolution and reasons why the matter is proposed for consideration. If the notice has already been distributed, a new notice shall be distributed if the time limit for notice to the general meeting has not expired.

Participation and execution

The Chairman of the Board, the Board members, the auditor, and the members of the Nomination Committee are normally present at the general meeting. All Board members are encouraged to attend the meeting.

The Chairman of the Board nominates an independent chair for election to lead the meeting.

The right to participate and vote at the general meeting may only be exercised by shareholders whose shareholdings are entered in the Norwegian Central Securities Depository (the “VPS”), on the fifth day prior to the general meeting, as stipulated by the Articles of Association in accordance with statutory law. Instead of participating at the general meeting, shareholders may vote in advance or grant a proxy, with or without voting instructions as further described in this notice.

The annual general meeting is held by the end of June every year in the municipality where the Company has its registered business address or in Oslo. If required, the Board may hold the annual general meeting digitally. The 2024 AGM was held digitally on May 14th, with 43.77% of the Company’s shares represented.

Deviation from the Code of Practice

The Code of Practice recommends separate voting for candidates to the Board. However, it is not possible to vote separately on each candidate nominated to the Board because the composition of the Board must be in accordance with applicable legislation regarding gender representation and qualifications for committee assignments. The nomination committee’s proposal is given with respect to such legislation. Should a situation arise where the composition of the Board might conflict with applicable legislation, the situation, and consequences of electing a board contrary to legislation should be discussed at the General Meeting and shareholders should base their votes on the views discussed.

7. Nomination committee

The Nomination Committee is governed by the Articles of Association section 6. The 2023 AGM elected the following three members for the Nomination Committee for the period until the AGM in 2025: Mr. Junghey Chae (chair), Dr. Sungchoon Kang, and Dr. Jieun Lee.

The Nomination Committee does not include any executive personnel or any member of the Board. Mr. Junghey Chae is an employee of the Company’s main shareholders. The remaining members of the Nomination Committee are independent of the Board and the executive management of the Company (“Group Management”).

The general meeting stipulates the rules of procedure for the Nomination Committee and determines the Committees’ remuneration.

The Nomination Committee gives its recommendation for the general meeting on election of and compensation to members of the Board, in addition to election of members of the Nomination Committee. Each proposal is justified on an individual basis. All shareholders are entitled to nominate candidates to the Board, and information on how to propose candidates can be found on the Company’s website.

8. Board of Directors: Composition and independence

Pursuant to the Articles of Association section 6, the Company’s Board shall consist of three to twelve members. On December 31, 2024, the Board consisted of five members (see table below), of which three were female and three were independent from the main shareholders. The directorsDirectors are elected by the general meeting for a term of one year and may be

Overview of the Board on December 31, 2024

Name	Role	Considered independent of main share-holders	Independent of Group Management	Independent of material business contacts	Served since	Term expires	Participation Board meetings 2024
Tae Won Jun	Chair	No	Yes	No	21-Oct-2022	AGM 2025	14 of 16
Jooyong Chung	Deputy Chair	No	Yes	No	14-May-2024	AGM 2025	14 of 16
Dr. Renate Oberhoffer-Fritz	Board member	Yes	Yes	Yes	02-May-2022	AGM 2025	16 of 16
Paraskevi (Vivian) Bertseka	Board member	Yes	Yes	Yes	21-Oct-2022	AGM 2025	16 of 16
Robert Neuhauser	Board Member	Yes	Yes	Yes	14-May-2024	AGM 2025	13 of 16

re-elected. Information concerning the Company’s policies for equality and diversity with respect to gender and other matters for the Company’s governing bodies are described in the sustainability reporting in the financial statements.

The 2024 annual general meeting elected Tae Won Jun (Chair), Jooyong Chung (Deputy Chair), Renate Oberhoffer-Fritz, Paraskevi (Vivian) Bertseka and Robert Neuhauser as the Company’s Board for a period until the annual general meeting of 2025.

All members of the Board are considered independent of Group Management and the Company’s material business contacts.

The Company’s annual report and the website provides information to illustrate the expertise of the members of the Board. The Board considers its composition to be diverse and represent required competencies including financial and industrial experience. Board members are encouraged to own shares in the

Company. An overview of Board members’ share ownership in the Company is available in [note 16](#) to the consolidated financial statements.

9. Work of the Board of Directors

The Board has the ultimate responsibility for the management of the Company and the Group and for supervising Group Management.

The Board has adopted “Rules of procedures for the Board of Directors,” which regulates the Board’s responsibilities, duties, and administrative procedures as well as the tasks and duties of the Chief Executive Officer. The Board has also adopted a Chart of Authority regulating matters that are to be decided by the Board and matters that may be decided by Group Management. The Chart of Authority distinguishes between investment decisions, customer contracts, procurement contracts,

compensation, and finance and is reviewed on an annual basis. The Board holds at least one meeting per year with the auditor and without any members of Group Management or administration present.

The Board has adopted guidelines to ensure it is informed of and how to handle potential transactions and matters to be considered by the Board, in which members of the Board, Group Management or close associates are involved. The Board must review and approve all transactions between the Group and Group Management or the Board.

The Board has established two committees: an Audit Committee and a Compensation Committee.

Audit Committee

The Company’s Audit Committee is governed by the Norwegian Public Limited Liability Companies Act and the Audit Committee Charter, which sets out the tasks and rules of procedure of the Committee.

The Audit Committee members are appointed by and among the Board. On December 31, 2024, the Audit Committee members were Ms. Jooyong Chung, Dr. Renate Oberhoffer-Fritz, and Ms. Paraskevi (Vivian) Bertseka. The Audit Committee held six meetings in 2024.

The Audit Committee supports the Board with the assessment and control of financial risk, financial reporting, sustainability

reporting, auditing, control, and prepares discussions and resolutions for Board meetings. It has no decision-making authority. The Audit Committee reviews complaints regarding accounting, internal controls, and auditing matters. In addition, under the whistle-blower procedure, complaints from employees and other concerned parties are received and followed up by the Audit Committee.

The Audit Committee makes recommendations to the Board with respect to the Group auditor and the auditor’s fees, as assessing the auditor’s independence, including considering any non-audit-related services provided.

Compensation Committee

The Compensation Committee is governed by the Norwegian Public Limited Liability Companies Act and the Compensation Committee Charter, which sets out the tasks and procedures of the Committee. The Compensation Committee members are appointed by and among the Board of Directors. On December 31, 2024, the Compensation Committee members were Tae Won Jun and Robert Neuhauser, both independent of the Group Management. During 2024, the Compensation Committee met once.

The Compensation Committee supports the Board by preparing resolutions on the terms and conditions of employment for the Chief Executive Officer and the general principles and strategies for compensation of Group Management including bonus and share based compensation as well as other personnel matters.

10. Risk management and internal control

The Group’s risk management system shall ensure that the Group has a systematic and uniform approach to risk management. The system defines roles, responsibilities, processes and procedures, standards, tools, and documentation, including considerations related to integrating stakeholders in relation to the Company’s value creation.

Group Management sets the context in which risks are managed and supervises the risk management process. Group Management performs separate risk evaluations based on a top-down approach. Risk assessments are presented to the Audit Committee and the Board. The Board performs a review of risks in connection with the approval of the annual budget.

Group Management regularly updates the Board including operational reviews, HSE (Health, Safety and Environment) measures, financial highlights, and key performance indicators. Prior to each Board meeting, the Chief Executive Officer prepares a report to the Board, which includes this information in addition to any items requested by Board members and items requiring action by the Board. The Chief Executive Officer also has pre-meetings and informal discussions with the Board throughout the year.

Because the Group operates internationally, it is required to comply with numerous national and international laws and

regulations. All business activities and processes must be conducted in accordance with laws, and regulations.

To strengthen internal control, the Group has established an Anticorruption Policy and procedures, provided training to employees and managers, and performed a fraud risk assessment. Whistleblower complaints and other internal control activities are presented to the Audit Committee according to the Audit Committee charter.

To ensure consistent financial reporting throughout the Group, financial information is reported through a computerized financial reporting system utilizing a common chart of accounts and procedures designed to ensure the consistency of information reported. Subsidiaries accumulate transactional information, period end balances, and performance statistics through ERP systems designed to meet the business requirements of each operation. Quarterly and year-end reporting processes are expanded to meet various supplementary requirements.

The quarterly and yearly reporting process and significant accounting and reporting issues are discussed with the Audit Committee in the presence of the external auditor.

The Group’s financial risk management is described in the consolidated financial statements ([note 3](#)). Reference is also made to the Board of Directors’ report that includes an analysis of the financial statements and the risk factors.

11. Remuneration of the Board of Directors

The members of the Board receive remuneration in accordance with their individual roles. Prior to May 12, 2020, Board members who participate in the Audit Committee or the Compensation Committee received additional compensation.

Board remuneration is not linked to Company performance and Board members are not granted share options.

Details on the remuneration of the Board are disclosed in the consolidated financial statements ([note 16](#)).

Members of the Board and/or related companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board, but if they do, this shall be disclosed to the full Board. The remuneration for such additional duties will be approved by the Board. There were no such assignments in 2024.

12. Remuneration of the Group Management

The guidelines for salary and other compensation to Group Management was presented at the AGM in May 2024. The policy was last updated in 2023 and was approved by the general meeting. The Board determines remuneration of the Chief Executive Officer while remuneration of Group Management is determined according to guidelines. The Board's statement

regarding compensation of leading employees, required by accounting act §7-31b, is included in [note 16](#) of the consolidated financial statements.

The remuneration of the Group Management consists of a basic salary, relevant additional benefits and membership in the Company's pension and insurance schemes. The remuneration also includes performance bonuses for selected individuals based on an annual performance related compensation system. In addition, the Board has adopted an incentive program for retaining key personnel. The performance bonuses are linked to the Group's financial performance and defined KPI's over time and includes incentives related to performance the employees can influence.

Details on the remuneration of the Chief Executive Officer and other members of Group Management are disclosed in the consolidated financial statements ([note 16](#)).

The Board extended the long-term incentive program for retaining key personnel, whereby employees' entitlements are linked to the share price development of the Company's shares. The share-based program was introduced in 2014 and includes a lock-up period for shares awarded and an absolute limit for the maximum gain in each calendar year, however, no shares were issued in 2024. Further details on the incentive program are disclosed in [note 32](#) of the consolidated financial statements.

The 2024 AGM voted separately on the compensation to leading employees and the statement regarding long-term incentive plans.

13. Information and communication

The Company treats its investors equally. Timely information is published simultaneously to all investors in accordance with applicable legislation and regulation in order to provide the best possible basis for evaluation of Company performance. All information is provided in English.

The Board adopted an Investor Relations ("IR") policy specifying, among other things, who is entitled to speak on behalf of the Company on various subjects and with guidelines for the Company's contact with shareholders other than through general meetings.

Interim reports are published on a quarterly basis, in line with Oslo Stock Exchange's recommendations. Interim reports include presentations to provide an overview of operational and financial developments, market outlook, and the Company's prospects. The presentations are open to the public and made available through a webcast. The Chief Executive Officer, the Chief Financial Officer and the IR Officer are normally present at the quarterly presentations. Furthermore, the Company keeps an ongoing dialogue with its investors and makes presentations

to analysts and investors through various conferences and events.

The Company observes a “Silent Period” extending from the last day of the quarter until operating results are released publicly. During this period, Group Management is not available for discussions with investors or analysts. The IR Officer is available on a limited basis to provide material previously released and to facilitate the collection and distribution of consensus forecasts. The Investor Relations function oversees coordinating the Company’s communications to the market and to existing and potential investors of the Company. The IR Officer is an independent contractor that reports to the Chief Financial Officer.

14. Take-overs

The Company has no defence mechanism to prevent take-over bids. The Board is open to initiatives that are commercially and financially attractive for the shareholders. The Board will assess potential offers in accordance with applicable legislation and Code of Practice requirements in due course.

Any transaction that effectively constitutes a disposal of a majority of the Company’s activities will be decided by the general meeting.

Deviation from the Code of Practice

The Board has not established separate guidelines in the event of a take-over bid as recommended by the Code of Practice. Take-over bids are usually specific, one-off, events which makes preparation of guidelines challenging. In the event of a take-over process, the Board will ensure that the Company’s shareholders are treated equally, and that the Company’s activities are not unnecessarily interrupted. The Board will further seek to comply with the relevant recommendations from the Code of Practice.

15. Auditor

The Company’s external auditor was KPMG until May 14, 2024, at which time Deloitte was appointed external auditor. Both KPMG and Deloitte are independent from the Company.

The auditor participates at Board meetings with respect to the Annual Financial Statements. The auditor comments on any material changes in the Company’s accounting principles, material estimates used to calculate accounting figures, and reports disagreements between the auditor and Group Management.

The auditor presents significant identified weaknesses and proposals for improvements of the internal control procedures annually to the Board with an annual confirmation that the auditor has satisfied the requirements for independence together with a summary of all services provided to the Group. The auditor meets with the Audit Committee and the Board at least once a year without the Chief Executive Officer or any other member of the Group Management present.

The auditor is also required to participate in meetings of the Audit Committee and present the main features of the audit plan to the Audit Committee.

Remuneration of the auditor is approved by the general meeting. The auditor provides a break-down between audit and non-audit services, and information is provided to the general meeting about non-audit services provided by the auditor. The Board has issued guidelines regarding Group Management’s use of the auditor for services other than the audit. These guidelines include a list of services that are preapproved for fees up to NOK 500,000 and requires audit committee approval for all other non-audit services or if fees are more than NOK 500,000. For more information about remuneration to the auditor, see [note 22](#) to the consolidated financial statements.

The auditor participates at the AGM and presents the independent auditor’s report.

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Consolidated financial statements

REC Silicon Group

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Consolidated statement of financial position

USD in million	Notes	2024	2023
ASSETS			
Non-current assets			
Intangible assets	<u>6</u>	0.0	0.8
Land and buildings	<u>6</u>	31.1	33.6
Machinery and production equipment	<u>6</u>	31.0	40.2
Other tangible assets	<u>6</u>	2.3	4.0
Assets under construction	<u>6</u>	20.3	180.9
Property, plant and equipment	<u>6</u>	84.7	258.7
Right of use assets	<u>7</u>	23.4	32.2
Other non-current receivables	<u>12</u>	0.2	0.4
Financial assets and prepayments		0.2	0.4
Total non-current assets		108.3	292.2
Current assets			
Inventories	<u>13</u>	27.4	58.5
Trade and other receivables	<u>12</u>	16.2	21.9
Prepaid costs	<u>12</u>	9.4	8.7
Restricted bank accounts	<u>14</u>	0.6	0.6
Cash and cash equivalents	<u>14</u>	10.3	170.9
Total current assets		63.8	260.7
Total assets		172.1	552.9

USD in million	Notes	2024	2023
EQUITY AND LIABILITIES			
Shareholders' equity			
	<u>15</u>		
Paid-in capital		3027.7	3027.7
Other equity and retained earnings		-3405.7	-2951.3
Total shareholders' equity		-378.1	76.4
Non-current liabilities			
Retirement benefit obligations	<u>19</u>	3.3	7.0
Non-current provision, interest calculation	<u>20</u>	26.3	23.8
Non-current financial liabilities, interest bearing	<u>17</u>	251.6	253.0
Non-current lease liabilities	<u>7</u>	56.1	62.4
Non-current prepayments	<u>20</u>	33.4	24.9
Other non-current liabilities, not interest bearing	<u>32</u>	0.0	0.7
Total non-current liabilities		370.6	371.7
Current liabilities			
Trade payables and other liabilities	<u>20</u>	60.2	60.7
Provisions	<u>20</u>	8.2	0.0
Current financial liabilities, interest bearing	<u>17</u>	101.0	30.9
Current lease liabilities	<u>7</u>	9.0	7.5
Current prepayments	<u>20</u>	1.2	5.7
Total current liabilities		179.6	104.8
		550.2	476.5
Total equity and liabilities		172.1	552.9

Lysaker, March 24, 2025
Board of Directors

Document is signed electronically

Tae Won Jun
Chairman of the Board

Jooyong Chung
Deputy Chair

Vivian Bertseka
Member of the Board

Robert Neuhauser
Member of the Board

Dr. Renate Oberhoffer-Fritz
Member of the Board

William K. Levens
President and CEO

Consolidated statement of income

USD in million	Notes	2024	2023
Revenues	<u>5</u>	140.8	140.8
Cost of materials		-20.7	-26.9
Changes in inventories		-15.9	7.1
Employee benefit expenses	<u>16, 24, 32</u>	-43.6	-43.5
Other operating expenses	<u>22</u>	-77.8	-98.0
Other income and expenses	<u>23</u>	-0.7	4.7
EBITDA ¹		-17.9	-15.7
Depreciation	<u>6</u>	-8.7	-10.2
Amortization	<u>6</u>	0.0	0.0
Depreciation of right of use assets	<u>7</u>	-2.6	-2.6
Impairment	<u>6, 7, 8</u>	-49.7	-7.0
Total depreciation, amortization and impairment		-61.0	-19.8
EBIT ²		-78.9	-35.5
Financial income	<u>25</u>	3.1	3.4
Net financial expenses	<u>9, 25</u>	-28.4	-20.1
Net currency gains/losses	<u>25</u>	0.1	12.7
Gain from sale of Yulin JV	<u>25</u>	0.0	135.5
Net financial items		-25.3	131.5

USD in million	Notes	2024	2023
Profit/loss before tax from continuing operations		-104.2	95.9
Income tax expense/benefit from continuing operations	<u>18</u>	0.0	0.0
Profit/loss from continuing operations		-104.2	95.9
Profit/loss from discontinued operations	<u>11</u>	-353.1	-65.4
Profit/loss from total operations		-457.4	30.5
Attributable to:			
Owners of REC Silicon ASA		-457.4	30.5
Earnings per share			
Earnings per share (In USD) from continuing operations - basic	<u>26</u>	-0.25	0.23
Earnings per share (In USD) from continuing operations - diluted	<u>26</u>	-0.25	0.23
Earnings per share			
Earnings per share (In USD) from total operations - basic	<u>26</u>	-1.09	0.07
Earnings per share (In USD) from total operations - diluted	<u>26</u>	-1.09	0.07

¹ EBITDA - EBIT excluding depreciation, amortization and impairment.
² EBIT - Profit/loss excluding income tax expense/benefit, net financial items.

Consolidated statement of comprehensive income

USD in million	2024	2023
Profit/loss	-457.4	30.5
Other comprehensive income, net of tax:		
Remeasurement of defined benefit plans	2.9	0.9
Currency translation effects	0.0	0.0
Sum items that will not be reclassified to profit or loss	2.9	0.9
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	0.0	-15.4
Sum items that may be reclassified subsequently to profit or loss	0.0	-15.4
Total other comprehensive income	2.9	-14.5
Total comprehensive income	-454.4	16.0
Total comprehensive income attributable to:		
Owners of REC Silicon ASA	-454.4	16.0

Consolidated statement of changes in equity

		Attributable to equity holders of REC Silicon ASA						
USD in million	Notes	Share capital	Share premium	Other paid-in capital	Total paid-in capital	Other equity	Comprehensive income	Total equity
Year 2023								
On January 1, 2023		59.2	2,926.7	41.8	3,027.7	539.0	-3,506.3	60.4
Total comprehensive income		0.0	0.0	0.0	0.0	0.0	16.0	16.0
On December 31, 2023		59.2	2,926.7	41.8	3,027.7	539.0	-3,490.3	76.4
Year 2024								
On January 1, 2024		59.2	2,926.7	41.8	3,027.7	539.0	-3,490.3	76.4
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

Details of consolidated comprehensive income

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

Consolidated statement of cash flows

USD in million	Notes	2024	2023
Cash flows from operating activities			
Profit/loss before tax ¹		-457.4	30.5
Depreciation, amortization and impairment	<u>6, 7, 8</u>	270.9	22.4
Proceeds from sale of Yulin JV	<u>9</u>	0.0	-136.1
Changes in receivables, prepayments from customers etc.	<u>12</u>	9.6	25.1
Changes in inventories	<u>13</u>	31.1	-20.3
Changes in payables, accrued and prepaid expenses	<u>20</u>	4.3	3.0
Changes in provisions	<u>20</u>	8.2	0.0
Changes in VAT and other public taxes and duties	<u>20</u>	1.3	1.3
Currency effects not cash flow or not related to operating activities	<u>25</u>	0.0	-12.3
Other items		-0.1	0.2
Net cash flow from operating activities		-132.0	-86.0
Cash flows from investing activities			
Proceeds from sale of Yulin JV	<u>9</u>	0.0	136.1
Proceeds/Payments finance receivables and restricted cash	<u>14</u>	0.1	0.2
Proceeds from sale of property, plant and equipment and intangible assets	<u>6</u>	1.6	0.7
Payments for property, plant and equipment and intangible assets	<u>6</u>	-91.3	-145.7
Net cash flow from investing activities		-89.6	-8.7

USD in million	Notes	2024	2023
Cash flows from financing activities			
Payments of lease liabilities	<u>7</u>	-7.9	-3.9
Payments of borrowings and up-front/waiver loan fees	<u>17</u>	-31.2	-111.1
Proceeds from borrowings	<u>17</u>	100.0	280.0
Net cash flow from financing activities		60.9	165.0
Effect on cash and cash equivalents of changes in foreign exchange rates	<u>25</u>	0.0	-4.6
Net increase/decrease in cash and cash equivalents		-160.7	65.7
Cash and cash equivalents at the beginning of the period		170.9	105.3
Cash and cash equivalents at the end of the period		10.3	170.9
¹ Profit/loss before tax consists of			
Profit/loss before tax from continuing operations		-104.2	95.9
Profit/loss before tax from discontinued operations	<u>11</u>	-353.1	-65.4
Profit/loss before tax from total operations		-457.4	30.5
¹ Profit/loss before tax from total operations includes			
Interest Paid		-30.3	-16.5
Interest Received		3.1	3.6

Notes to the consolidated financial statements

Note 01 General information

REC Silicon ASA was established in Norway on December 3, 1996. The Company is headquartered in Lysaker, Norway.

The Company is a public limited liability company incorporated and domiciled in Norway. The address of its registered office is Lysaker Torg 5, 3. etg, Lysaker, Norway.

Subsidiaries of the Company including ownership and voting rights are presented below.

Subsidiaries of REC Silicon ASA

Company	Ownership/ voting right	Business office
REC Silicon AS	100%	Bærum
REC Silicon Inc	100%	Moses Lake, USA
REC Solar Grade Silicon LLC	100%	Moses Lake, USA
REC Advanced Silicon Materials LLC	100%	Butte, USA
REC Silicon Pte. Ltd.	100%	Singapore
REC Solar AS	100%	Bærum

These consolidated financial statements have been approved for issue by the Board of Directors on March 19, 2025 and are subject to approval by the Annual General Meeting scheduled for May 8, 2025.

Note 02 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation and statement of compliance

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.

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, relevant interpretations, and the Norwegian Accounting Act. The consolidated financial statements have been prepared under the historical cost convention except for shareholdings at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Actual outcomes may differ substantially. It also requires management to exercise judgment in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas where assumptions and estimates have a significant impact are disclosed in [note 4](#).

2.2 Consolidation

(A) Subsidiaries

Subsidiaries are entities controlled by the Group. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date control is obtained until the date that control ceases.

All subsidiaries are owned 100 percent and there are no non-controlling interests.

Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated.

(B) Joint ventures

A joint venture is an arrangement where two or more parties have joint control. Joint control exists only when decisions require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for by the equity method of accounting.

(C) Associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for by the equity method of accounting.

2.3 Segment reporting

REC Silicon produces silicon gas for the semiconductor industries at its manufacturing facility in Butte, Montana. The Company restarted production of polysilicon for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington in the fourth quarter of 2023. The company discontinued polysilicon production at its Moses Lake facility as of December 30, 2024. 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: Solar Materials (Moses Lake, Washington) and Semiconductor Materials (Butte, Montana). The operating segments include revenues less cost of manufacturing. Cost of manufacturing includes direct and indirect manufacturing costs and does not include general, administrative, and selling expenses. Other includes general, administrative, and selling expenses which support both operating segments in addition to administrative costs for the Company’s headquarters in Lysaker, Norway. Eliminations include the reversal of the impact of transactions between group members and affiliates. The results of the operating segments plus Other and Eliminations taken together reconcile to total EBITDA and EBIT for the Group.

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

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

2.4 Foreign currency translation

(A) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Group’s reporting currency continues to be USD. Accordingly, these consolidated financial statements are presented in USD.

(B) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates on the reporting date. Foreign exchange gains and losses resulting from the settlement, or the translation of monetary assets and liabilities are recognized in the statement of income, except when deferred in equity as qualifying hedges or as a part of a net investment.

(C) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate;
- (ii) Income and expenses for each statement of income are translated at average exchange rates for the reporting period (based on monthly average rates); and
- (iii) All resulting exchange differences from translation are recognized as a separate component of other comprehensive income (OCI).

On consolidation, exchange differences arising from the translation of the net investment in subsidiaries, including monetary items that are regarded as a

part of the net investment, are included in OCI. When a subsidiary is disposed of, exchange differences are recognized in the statement of income as part of the gain or loss on sale. On December 31, 2024, an intercompany loan from REC Silicon ASA to REC Silicon, Inc of USD 122.8 million was regarded as a part of the net investment. On December 31, 2023 this loan amount was USD 116.8 million.

2.5 Current/non-current

Assets and liabilities are classified as current when they are expected to be realized or settled within 12 months after the reporting date.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and un-reversed impairment losses. Cost includes expenditures that are directly attributable to the acquisition, construction, or installation of the item. Borrowing costs incurred for the construction of qualifying assets are capitalized during the period required to complete and prepare the asset for its intended use. Costs are included in an asset’s carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and costs can be measured reliably.

Depreciation is calculated using the straight-line method based on the costs of the assets less any residual value over their estimated useful lives.

2.7 Intangible assets

(A) Goodwill

On December 31, 2024 and 2023 the Group had no goodwill.

(B) Other intangible assets

Other intangible assets that have finite useful lives are carried at cost less accumulated amortization and un-reversed impairment. Amortization is calculated using the straight-line method on the costs of assets over their estimated useful lives from the date they are available for use. The Group has no intangible assets with indefinite useful lives.

(C) Research and development

Research expenditures are recognized in expense as incurred. Development expenditures (relating to the design, construction and testing of a chosen alternative for new or improved materials, devices, products, processes, or systems) are capitalized when it is probable that the project will be successful considering its commercial and technological feasibility. Costs expensed in prior reporting periods are not later capitalized. Other development expenditures are recognized in expense as incurred.

2.8 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized in the statement of income for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which cash inflows that are largely independent from the cash inflows associated with other assets can be identified (cash-generating units). Generally, any impairment is allocated to goodwill first, then proportionately to other non-current assets within a cash-generating unit. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment includes losses associated with assets determined to have no future economic benefits and assets that are replaced prior to the end of their useful lives.

2.9 Financial assets and liabilities

Financial assets are classified and subsequently measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income based on both the use of the assets within the entity's business model and the nature of the cash flows. A financial asset is derecognized when expired or when the entity no longer has control of the cash flows related to the assets. Any rights or obligations retained in any transfer of

assets are booked separately as assets or liabilities. Financial liabilities are classified and subsequently measured at amortized cost, except for financial liabilities (including derivatives) which are classified at fair value.

2.10 Accounting for derivative financial instruments and hedging activities

On December 31, 2024 and 2023 the Group had no derivatives.

2.11 Trade receivables

Trade receivables that do not have a significant financing component are recognized at transaction price and subsequently measured at amortized cost, less impairment. A provision for the impairment of trade receivables is recognized based upon lifetime expected credit losses (ECLs). The Group calculates ECLs based upon the Group's historic credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. In addition, provisions are recorded for accounts which are greater than 60 days past due unless there is a clear indication that payment will be received. Balances are written off when collection efforts have been exhausted and the probability of recovery is unlikely.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks, and money market funds with terms less than three months.

2.13 Paid-in equity capital

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of any income tax, from the proceeds.

2.14 Borrowings

Borrowings are recognized initially at fair value. Borrowings that are not maintained at fair value through profit or loss are recognized net of transaction costs and subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period the borrowings are

outstanding using the effective interest method. Commitment fees for bank credit facilities are recognized as part of interest expenses as incurred.

A financial liability is removed from the statement of financial position when the obligation is discharged, cancelled, or expires. Substantial modifications to the terms of existing financial liabilities or an exchange of debt instruments with an existing lender at substantially different terms are treated as extinguishments of the original liability. The difference between the carrying amount of a financial liability and the consideration paid to extinguish the liability is recognized in profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost or net realizable value (NRV).

Purchased inventories are stated at average cost less estimated obsolescence. Reserves for obsolescence include the write down of items no longer required (held for disposal) and the estimated decline in NRV caused by slow moving items.

The cost of finished goods and work in progress inventories are determined on a first in, first out basis and consists of raw materials, direct labour, other direct costs, and related indirect overheads. Costs associated with abnormal waste or unused normal operating capacity are not included in inventories. NRV is the estimated sales price less incremental costs to complete and sell the item. Net adjustments to reduce inventory to the lower of cost or NRV are recognized in inventory changes in the statement of income.

2.16 Income tax

Income tax expense (benefit) includes current and deferred tax. Income tax expense (benefit) is recognized in profit or loss except to the extent it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the estimated tax payable or receivable on the taxable income or loss for the year, and any adjustments to tax payable for previous years. Deferred tax includes the effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax also includes the carry forward of unused net operating losses and credits.

Current and deferred tax amounts are determined using rates and laws that have been enacted or substantially enacted at the reporting date or are expected to apply when temporary differences reverse. Net deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which deferred amounts can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and the Group intends to settle its current tax assets and liabilities on a net basis.

Utilization of net operating losses and tax credit carry forwards are subject to certain limitations under Section 382 and 383 of the Internal Revenue Code of the United States in the event of a change in the Company's ownership.

2.17 Provisions

Provisions for product warranties, onerous contracts, asset retirement obligations, restructuring costs, termination benefits, environmental restoration, and legal claims are recognized when: The Group has a present or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are discounted only when the effect is material and the distribution in time can be reliably estimated.

2.18 Share-based compensation

The Group grants synthetic share options to certain employees. The cost of these share-based options (settled in cash) is recalculated at each reporting date. using the Black Scholes option pricing model (see [note 32](#)).

2.19 Pension/post retirement obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

Re-measurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity via other comprehensive income in the period in which they arise.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs.

Obligations for contributions to defined contribution pension plans are recognized as an expense during the period incurred.

2.20 Revenue recognition

REC Silicon's primary performance obligation is related to sale of goods in which the performance obligations are the delivery of an agreed volume of products within an agreed specification. REC Silicon has both short term and long-term contracts. Spot market sales, normally one month, cover delivery of an agreed volume at market price at the date the order is placed. The short-term contracts cover a period of a few months and up to one year, where the prices normally are fixed within a volume range. REC Silicon also has some long-term frame contracts that cover a period longer than one year. In these contracts the prices are normally negotiated on an annual basis.

Revenue is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which REC Silicon expects to be entitled in exchange for those goods or services. Control is transferred to the buyer, according to the agreed delivery term for

each sale. Delivery terms are based on Incoterms specified within sales contracts. Generally, the main terms are "Ex Works" and "FCA". REC Silicon can receive prepayments in advance of fulfilling contractual obligations for delivering goods. This prepaid revenue is recorded as a liability until such time that revenue is recognized.

The Group recognizes a provision for discounts and expected returns when a discount provisions or a right of return is specified in purchase contracts. The Group recognizes revenue from the sale of goods measured at the fair value of consideration received or receivable, which includes a provision of allowances for discounts and expected returns.

Goods are normally sold with standard warranties that the goods comply with the agreed-upon specifications. These standard warranties are accounted for using IAS 37 Provisions, Contingent Liabilities and Contingent Assets. REC Silicon does not have any other significant obligations for returns or refunds.

2.21 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, right-of-use assets are periodically adjusted for impairment losses, if any, and for certain remeasurements of the associated lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments are amortized to interest expense and to reduce the associated lease liability based upon the present value calculation used at inception to determine the lease liability.

Leases of ‘low-value’ assets and short-term leases (lease terms of 12 months or less) are recognized as expense in profit or loss when incurred.

2.22 Government grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and that the Group will comply with attached conditions. Government grants related to assets are presented in the statement of financial position as a reduction to the carrying amount of the assets and reduce depreciation in the statement of income. Government grants relating to income are listed separately under other income.

Government grant assets are recognized for the unsettled portions of grants and are discounted if the effect of discounting is significant. Significant changes to estimates of timing of utilization or discount rates are recognized as a change in the grant asset and offset to production assets or expenses based on the classification at the inception of the grant (see [note 21](#)).

2.23 Statement of cash flows

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid are reported as a part of operating activities, except borrowing costs capitalized as part of the construction of a non-current asset that are included in investing activities, and payment of up-front and loan fees that are reported as part of financing activities.

Operating activities include all cash flow effects from derivatives. Currency gains and losses are recognized in the statement of income. Amounts related to borrowing (financing activities), non-current financial assets and investments (investing activities) and unrealized gains or losses on cash and cash equivalents held at the end of the periods are reclassified in a separate line item under operating activities.

Financing activities include the repayment of prepayments received from customers on which interest is calculated.

2.24 Adoption of new and revised standards and interpretations

The Group, in practice, adopts new and amended standards and interpretations, issued by the IASB and approved by the EU, that are relevant to its operations as effective. New standards that were effective beginning January 1, 2024 did not have a material effect on the Group’s financial statement.

Note 03 Financial risk management

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks, including currency risk, interest-rate risk, liquidity risk, credit risk, and others.

The goals for the Group finance policy and the treasury operations are primarily to minimize the risk of financial distress, secure long-term funding, manage currency risk of expected future net cash flows, and manage interest rate risk. The Company’s finance policy sets the framework and limits for hedging activities in the Group. It defines risk management objectives, responsibilities, and operational requirements.

The disclosures that are required regarding financial risks below focus on the risks that arise from financial instruments and how they have been managed. Derivative financial instruments may be used to reduce risks from commercial transactions; the existence of derivative financial instruments exposes the Company to additional risks.

(A) Currency risk

The Company operates internationally and is exposed to currency risk. On December 31, 2024, the Group’s working capital is a combination of USD and NOK, equity is in NOK, and debt is in USD. Currency risk arises from transactions in currencies other than the Group’s reporting currency and cash denominated in NOK. Currency risk relates primarily to a portion of cash balances denominated in NOK.

Net cash flow is defined as the consolidated external cash flows of the Group. The Group’s policy provides the ability to hedge external net cash flows with a maximum time horizon of 24 months. The purpose is to reduce the currency risk of expected future net cash flows. The Company manages currency risk on an overall level.

On December 31, 2024, and 2023, the Group did not hold any derivative financial instruments related to mitigating currency risks.

(B) Credit risk

Credit risk is the risk of loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and is primarily related to trade receivables and guarantees provided for discontinued operations. The Group maintains policies to ensure that credit is extended to customers with appropriate liquidity and credit histories in combination with requiring guarantees when appropriate (see [note 30](#))

(C) Liquidity risk and going concern

Liquidity risk is measured by subtracting the Group’s liabilities from cash considering historic and anticipated operating results. Liquidity risk management requires maintaining sufficient available cash or access to capital markets to compensate for anticipated volatility in operating cash flows or to fund additional investments.

Liquidity risk is impacted by changes in market conditions, potential claims against the Company, and uncertainty associated with critical judgements used to arrive at accounting estimates. In addition, the Company’s access to capital markets may be impacted by overall market conditions ([notes 4, 17, and 30](#)).

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 January 24, 2025, the Company announced a new credit agreement with Hanwha International. As part of the terms of the Credit Agreement, the Company and Hanwha International LLC

(HWI) agreed to roll up the existing loans, which mature on February 2, 2025, for USD 25 million and on February 4, 2025, for USD 25 million, respectively, into the terms of the Credit Agreement. On December 31, 2024, 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 first half 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 Semiconductor segment. (see [notes 7, 17, 29 and 33](#) to the consolidated financial statements).

Due to the shutdown of the polysilicon operations at the Moses Lake facility in December 2024, the polysilicon business has been classified as discontinued operations. Activities related to the removal of chemicals from the polysilicon production facilities and facility cleanup will continue until March 2025. Additionally, workforce restructuring activities will be completed by March 2025.

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.

On January 24, 2025, the Company announced that it had entered into a USD 40 million term loan (the “credit Agreement”) 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. As part of this agreement, USD 25.6 million was drawn in January, with the remaining USD 14.4 million drawn in March.

As part of the terms of the Credit Agreement, the Company and Hanwha International LLC (HWI) agreed to roll up the existing loans, which mature on February 2, 2025, for USD 25 million and on February 4, 2025, for USD 25 million, respectively, into the terms of the Credit Agreement. The Company and HWI amended the existing loan documentation to reflect the roll-up into the Credit Agreement on February 5, 2025. The term loan matures in January 2026. Additionally, USD 50 million loan from Standard Chartered Bank, which matures in June 2025, needs to be rolled over, and USD 30 million prepayment received under the offtake agreement with Hanwha QCells Georgia Inc. is waived for repayment without interest until January 2026, with the due date subject to extension upon mutual agreement of the parties.

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.

Management acknowledges the importance of assumptions related to the going concern assessment and has carefully projected the outlook for 2025. Management believes that the financial goals for 2025 are achievable. Given the cash flow estimates outlined above and the fact that Hanwha, as the largest shareholder and the primary creditor, has guaranteed all bank loans and provided the shareholder loans, management and the Board believe that the Company’s continued operations are aligned with Hanwha’s best interest.

The Board considers the Company’s current liquidity position and the estimated results of operations sufficient to meet the operating cash flow requirements for remaining operations and to refinance the current bank loans for the upcoming years.

The Board of Directors confirms that the Financial Statements have been prepared under the assumption that the Company is a going concern, and that this assumption was realistic at the date of the accounts. The Board intends to monitor these conditions and is prepared to take appropriate action as necessary. Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern.

(D) Interest rate risk

Changes in market interest rates affect the fair value of assets and liabilities or the variability in cash payments. The Group is exposed to interest rate risk through funding and cash management activities, both in REC Silicon ASA and REC Silicon Inc. Cash in bank accounts and liabilities have primarily carried variable interest rates.

Interest income and interest expense in the statement of income, as well as interest receipts and payments, are influenced by interest rate changes for financial instruments that carry variable interest rates. See [note 30](#) for interest rate sensitivity.

(E) Hedging of risk related to supply of raw material/commodities

When the Group is exposed to changes in the total costs from specific input factors it may hedge the associated risk. As of year-end 2024 no hedges were in place.

3.2 Fair value estimation

Fair value estimation is discussed in [notes 9](#) and [30](#).

3.3 Capital structure and financing

In determining the appropriate capital structure for the Group, various factors have been considered. These include risks associated with the Group’s business profile and the fact that the polysilicon production has high capital intensity.

The Group’s goal is to maintain sufficient capital to maintain current operating cash flow requirements and to meet debt service obligations.

Note 04 Critical accounting judgments and key sources of estimation uncertainty

4.1 Critical judgments in applying the Group's accounting policies

Management's judgments in applying the Group's accounting policies which have the most significant effect on the financial statements are discussed below and in the relevant notes.

(A) Functional currencies

The Group's presentation currency is USD. The functional currencies of REC Silicon AS and REC Solar AS are NOK. The functional currency of all other group companies is USD. The activities of the Group are primarily in the subsidiaries in the USA. Functional currency affects the reporting of currency gains and losses and exchange differences as well as hedging strategies and effects. Facts or circumstances may change in the future.

(B) Cash-generating units for impairment testing

The selection of cash generating units for impairment testing is a critical and difficult judgement. For impairment testing REC Silicon consisted of two cash generating units.

(C) Environmental liability

The Group's operations are subject to environmental laws and regulations. These laws and regulations and their interpretations are subject to change. Changes may require investment and/or increased costs to meet more stringent standards or to take remedial actions related to past activities. 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 (note 20).

(D) Discontinued operations

As a result of shutting down operations in Moses Lake, the Solar Materials segment has been reported as discontinued operations as of December 30, 2024. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain amounts included in REC Group's financial statements and related disclosures must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A critical accounting estimate is one which is both important to the portrayal of the company's financial condition and results and requires management to make estimates about the effect of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis, based upon historical results and experience utilizing trends and other methods considered reasonable.

4.2 Key sources of estimation uncertainty – critical accounting estimates

The preparation of financial statements in accordance with IFRS® Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain amounts included in or affecting the Group's financial statements and related disclosures must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared.

(A) Impairments and bad debt provisions

Changes in facts and in management's evaluations and assumptions may give rise to further impairment losses, or reversals. The estimated recoverable amounts of the Group's assets are sensitive to small changes to key assumptions. The Company uses internal business plans that include estimates on raw material and energy prices, discount rates, and external market and industry analysis. There could be changes in environmental regulations impacting the company going forward, but no related legislation has been passed at the current time that is expected to impact the group. (notes 6, 7 and 8).

Financial assets are also periodically reviewed for impairment. Provisions for losses on trade receivables have been made using a provision matrix based on the Group's historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. Actual losses may turn out significantly different from the evaluations made based on the knowledge and assumptions at the time of approving the accounts.

(B) Asset retirement obligations

The company has an obligation for eventual cleanup of its manufacturing operations in Moses Lake, Washington and Butte Montana. Changes in facts and in management's evaluations and assumptions may give rise to changes in provisions for asset retirement obligations (AROs). Provisions may change due to changes in amounts or timing of estimated expenditures to restore production sites or changes in governmental regulations governing restoration requirements. The restoration of production sites is subject to significant uncertainty due to variability in restoration requirements that may be imposed by regulatory authorities as well as timing of the restoration. In addition, estimates of provisions are sensitive to changes in discount rates used to calculate provisions for AROs reported by the Group. (note 20)

Note 05 Segment and revenue information

Revenues from customers constituting more than ten percent of total revenues for year ended December 31, 2024

	Semiconductor materials		Solar materials		Other	REC Silicon	
USD in million	%		%		%	%	
Customer 1	44.9	31.9%				44.9	31.9%
Customer 2	33.3	23.7%				33.3	23.7%
Customer 3	18.2	12.9%				18.2	12.9%

Revenues from customers constituting more than ten percent of total revenues for year ended December 31, 2023

	Semiconductor materials		Solar materials		Other	REC Silicon	
USD in million	%		%		%	%	
Customer 1	32.8	23.4%				32.8	23.4%
Customer 2	27.6	19.6%				27.6	19.6%
Customer 3	17.9	12.7%				17.9	12.7%

Geographic distribution of revenues based on customer location for year ended December 31, 2024

	Semiconductor materials		Solar materials		Other		REC Silicon	
USD in million	%		%		%		%	
Denmark	44.9	31.9%	0.0	0.0%	0.0	0.0%	44.9	31.9%
USA	29.7	21.1%	0.0	0.0%	0.1	100.0%	29.8	21.1%
China	18.5	13.1%	0.0	0.0%	0.0	0.0%	18.5	13.1%
Korea	18.3	13.0%	0.0	0.0%	0.0	0.0%	18.3	13.0%
Taiwan	10.0	7.1%	0.0	0.0%	0.0	0.0%	10.0	7.1%
Japan	5.3	3.7%	0.0	0.0%	0.0	0.0%	5.3	3.7%
Singapore	3.4	2.5%	0.0	0.0%	0.0	0.0%	3.4	2.4%
Vietnam	2.6	1.9%	0.0	0.0%	0.0	0.0%	2.6	1.9%
France	2.3	1.7%	0.0	0.0%	0.0	0.0%	2.3	1.7%
Malaysia	2.0	1.5%	0.0	0.0%	0.0	0.0%	2.0	1.5%
Belgium	1.0	0.7%	0.0	0.0%	0.0	0.0%	1.0	0.7%
India	0.7	0.5%	0.0	0.0%	0.0	0.0%	0.7	0.5%
Other	0.7	0.5%	0.0	0.0%	0.0	0.0%	0.7	0.5%
Thailand	0.6	0.4%	0.0	0.0%	0.0	0.0%	0.6	0.4%
Ireland	0.3	0.2%	0.0	0.0%	0.0	0.0%	0.3	0.2%
Czech Republic	0.3	0.2%	0.0	0.0%	0.0	0.0%	0.3	0.2%
Total revenues	140.7	100.0%			0.1	100.0%	140.8	100.0%

Geographic distribution of revenues based on customer location for year ended December 31, 2023

USD in million	Semiconductor materials		Solar materials		Other		REC Silicon	
		%		%		%		%
Denmark	27.6	19.6%	0.0	0.0%	0.0	0.0%	27.6	19.6%
China	27.5	19.5%	0.0	0.0%	0.0	0.0%	27.5	19.5%
USA	18.0	12.8%	0.0	0.0%	0.2	100.0%	18.2	12.9%
Singapore	16.8	12.0%	0.0	0.0%	0.0	0.0%	16.8	11.9%
Korea	16.2	11.6%	0.0	0.0%	0.0	0.0%	16.2	11.5%
Taiwan	15.4	11.0%	0.0	0.0%	0.0	0.0%	15.4	11.0%
Japan	10.4	7.4%	0.0	0.0%	0.0	0.0%	10.4	7.4%
Other	6.1	4.3%	0.0	0.0%	0.0	0.0%	6.1	4.3%
Belgium	0.9	0.6%	0.0	0.0%	0.0	0.0%	0.9	0.6%
France	0.7	0.5%	0.0	0.0%	0.0	0.0%	0.7	0.5%
Czech Republic	0.6	0.4%	0.0	0.0%	0.0	0.0%	0.6	0.4%
Norway	0.1	0.1%	0.0	0.0%	0.0	0.0%	0.1	0.1%
Germany	0.1	0.1%	0.0	0.0%	0.0	0.0%	0.1	0.1%
Canada	0.1	0.1%	0.0	0.0%	0.0	0.0%	0.1	0.1%
Total revenues	140.6	100.0%			0.2	100.0%	140.8	100.0%

Customer location is based on the sales ship-to address. Customers may distribute the products to other countries.

Revenues by category for year ended December 31, 2024

USD in million	Semiconductor materials		Solar materials		Other		REC Silicon	
		%		%		%		%
Silicon gas	81.1	57.6%	0.0	0.0%	0.0	0.0%	81.1	57.6%
Polysilicon	59.7	42.4%	0.0	0.0%	0.0	0.0%	59.7	42.4%
Other	0.0	0.0%	0.0	0.0%	0.1	100.0%	0.1	0.0%
Total revenues	140.7	100.0%	0.0	0.0%	0.1	100.0%	140.8	100.0%

Revenues by category for year ended December 31, 2023

USD in million	Semiconductor materials		Solar materials		Other		REC Silicon	
		%		%		%		%
Silicon gas	86.6	61.6%	0.0	0.0%	0.0	0.0%	86.6	61.5%
Polysilicon	54.0	38.4%	0.0	0.0%	0.0	0.0%	54.1	38.4%
Other	0.0	0.0%	0.0	0.0%	0.2	100.0%	0.2	0.1%
Total revenues	140.6	100.0%	0.0	0.0%	0.2	100.0%	140.8	100.0%

The amounts for 2023 are re-presented for discontinued operations, see [note 11](#).

The segment results in the tables below are the primary results used by the Chief Operating Decision Maker (CODM) to evaluate performance and allocate resources. EBITDA contribution includes all items that are included in EBITDA for the segments. The solar materials segment has been discontinued, however assets related to silane gas have potential future use and will be part of continuing segment going forward. For 2024 USD 49.8 million of impairment is for silane gas assets. The segment “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.

Segment information for the year ended December 31, 2024

USD in million	Semiconductor materials	Solar materials	Other	Total
Revenues	140.7	0.0	0.1	140.8
Cost of materials	-20.6	0.0	-0.1	-20.7
Change in inventories	-15.8	0.0	-0.1	-15.9
Employee benefit expense	-30.3	0.0	-13.3	-43.6
Other operating expenses	-60.6	0.0	-17.2	-77.8
Other income and expenses	-0.6	0.0	-0.1	-0.7
Total current costs	-127.8	0.0	-30.8	-158.7
EBITDA contribution	12.9	0.0	-30.8	-17.9
Depreciation of fixed Assets	-8.3	0.0	-0.4	-8.7
Amortization	0.0	0.0	0.0	0.0
Depreciation of leased Assets	-2.6	0.0	0.0	-2.6
Impairment	0.1	-49.8	0.0	-49.7
Total depreciation, amortization, and impairment	-10.8	-49.8	-0.5	-61.0
EBIT contribution	2.1	-49.8	-31.3	-78.9

Segment information for the year ended December 31, 2023

USD in million	Semiconductor materials	Solar materials	Other	Total
Revenues	140.6	0.0	0.2	140.8
Cost of materials	-26.8	0.0	-0.1	-26.9
Change in inventories	7.2	0.0	-0.1	7.1
Employee benefit expense	-30.1	0.0	-13.4	-43.5
Other operating expenses	-81.3	0.0	-16.7	-98.0
Other income and expenses	4.4	0.0	0.3	4.7
Total current costs	-126.6	0.0	-29.9	-156.5
EBITDA contribution	14.0	0.0	-29.7	-15.7
Depreciation of fixed Assets	-9.8	0.0	-0.5	-10.2
Amortization	0.0	0.0	0.0	0.0
Depreciation of leased Assets	-2.6	0.0	0.0	-2.6
Impairment	-7.0	0.0	0.0	-7.0
Total depreciation, amortization, and impairment	-19.3	0.0	-0.5	-19.8
EBIT contribution	-5.4	0.0	-30.2	-35.5

The amounts for 2023 are re-presented for discontinued operations, see [note 11](#).

Substantially all of the Group’s non-current assets are located in the United States.

The following table disaggregates revenues by category and reconciles to total revenues.

USD in million	2024	2023
Silicon gas	81.1	86.6
Polysilicon	59.7	54.1
Other	0.1	0.2
Total revenues	140.8	140.8

Note 06 Fixed assets

Property, plant and equipment

USD in million	Land and buildings	Machinery and equipment	Other tangible fixed assets	Assets under construction	Total property, plant and equipment
Carrying value on January 1, 2024	33.6	40.2	4.0	180.9	258.7
Net additions ¹	-0.1	57.9	2.9	25.3	86.0
Disposals	0.0	-0.3	-0.7	0.0	-1.0
Depreciation and amortization	-2.0	-6.1	-0.6	0.0	-8.7
Depreciation and amortization - discontinued operations	-0.3	-10.7	-0.6	0.0	-11.7
Impairment	-0.1	-12.6	0.0	-29.6	-42.3
Impairment - discontinued operations ²	-0.1	-37.3	-2.6	-156.3	-196.4
Carrying value on December 31, 2024	31.1	31.0	2.3	20.3	84.7
On December 31, 2024					
Historical cost	104.5	1,674.3	63.8	73.8	1,916.4
Accumulated depreciation/amortization/impairment	-73.4	-1,643.2	-61.6	-53.5	-1,831.7
Carrying value on December 31, 2024	31.1	31.0	2.3	20.3	84.7
Carrying value on January 1, 2023	31.1	24.6	2.7	62.4	120.9
Net additions ¹	5.1	24.3	1.8	126.1	157.2
Disposals	-0.3	0.0	0.0	0.0	-0.4
Depreciation and amortization	-2.2	-7.4	-0.6	0.0	-10.2
Depreciation and amortization - discontinued operations	0.0	-0.7	0.0	0.0	-0.7
Impairment	0.0	-0.6	0.0	-7.5	-8.1
Impairment - discontinued operations	0.0	0.0	0.0	0.0	0.0
Carrying value on December 31, 2023	33.6	40.2	4.0	180.9	258.7
On December 31, 2023					
Historical cost	145.4	2,179.7	72.1	230.0	2,627.2
Accumulated depreciation/amortization/impairment	-111.7	-2,139.5	-68.1	-49.1	-2,368.4
Carrying value on December 31, 2023	33.6	40.2	4.0	180.9	258.7

Specification of useful lives and depreciation

At year-end 2024, estimated useful lives by asset class were as follows:

- Land and Buildings 0-30 years (weighted average approximately 14.6 years)
- Machinery and equipment 0-20 years (weighted average approximately 13.7 years)
- Other tangible fixed assets (weighted average approximately 9.0 years)

With the Solar Materials Segment being discontinued the above useful lives relate to assets within the Semiconductor Materials Segment.

Assets under construction are not yet ready for their intended use or have not reached a condition capable of operating in the manner intended by management and depreciation has not started.

Reviews of estimated useful lives of property, plant, and equipment for 2024 and 2023 resulted in only minor changes.

¹ Net additions include transfers from assets under construction.

² Impairment for discontinued operations recorded in 2024 is related to the write down of assets in the solar materials segment because of the announced exit from the granular polysilicon business line. Impairment of discontinued operations for assets under construction is related to the Moses Lake restart project that remained in under construction as the facility had not reached a condition capable of operating in the manner intended by management.

Intangible assets

USD in million	Assets under development	Other	Total intangible assets
Carrying value on January 1, 2024	0.5	0.3	0.8
Disposals	-0.5	-0.2	-0.8
Depreciation and amortization - discontinued operations	0.0	0.0	0.0
Carrying value on December 31, 2024	0.0	0.0	0.0
On December 31, 2024			
Historical cost	0.0	45.1	45.1
Accumulated amortization/impairment	0.0	-45.1	-45.1
Carrying value on December 31, 2024	0.0	0.0	0.0
Carrying value on January 1, 2023	0.6	0.3	1.0
Internal Development	-0.1	0.0	-0.1
Amortization	0.0	0.0	0.0
Carrying value on December 31, 2023	0.5	0.3	0.8
On December 31, 2023			
Historical cost	0.8	67.9	68.7
Accumulated amortization/impairment	-0.3	-67.6	-67.9
Carrying value on December 31, 2023	0.5	0.3	0.8

Intangible assets above have estimated useful lives, over which the assets are amortized on a straight-line basis. Intangible assets under development are not ready for their intended use, and consequently amortization has not started.

Disposed Intangible asset under develop were related to internally developed software. Historical cost intangible assets are the result of internally developed software that continues to be in use, but is fully amortized.

Reviews of estimated useful lives of intangible assets for 2024 and 2023 resulted no changes.

Note 07 Leases

Right of use Assets

USD in million	Land and buildings	Machinery	Gas plants	Other	Total
Balance at January 1, 2024	0.0	0.4	31.7	0.1	32.3
Depreciation	-0.2	-0.1	-2.2	-0.2	-2.6
Depreciation - discontinued operations	0.0	0.0	-1.7	0.0	-1.7
Additions	1.3	0.0	0.1	0.7	2.2
Modification of existing leases	0.1	0.0	0.7	0.0	0.8
Impairment	-1.2	-0.3	-5.3	-0.7	-7.5
Balance at December 31, 2024	0.0	0.0	23.4	0.0	23.4
Balance on January 1, 2023	0.0	0.5	29.9	0.0	30.4
Depreciation	-0.1	-0.1	-2.4	0.0	-2.6
Depreciation - discontinued operations	0.0	0.0	-0.8	0.0	-0.8
Additions	0.0	0.0	0.1	0.1	0.3
Adjustments	0.1	0.0	4.9	0.0	5.0
Balance on December 31, 2023	0.0	0.4	31.7	0.1	32.3

Adjustments during 2023 consist of USD 5.0 million related to contractual increases in lease payments tied to economic indices.

Lease Liabilities

USD in million	2024	2023
Maturity analysis - contractual undiscounted cash flows		
Less than 1 year	16.4	15.6
1 - 2 years	16.3	15.6
2 - 3 year	16.3	15.5
3 - 4 years	16.1	15.5
4 - 5 years	6.0	15.5
More than 5 years	25.1	30.4
Total undiscounted lease liabilities on December 31	96.3	108.2
Lease liabilities included in the statement of financial position on December 31	65.1	70.0
Current	9.0	7.5
Non-current	56.1	62.5

The Company includes rights to extend or terminate leases in the lease term when the Company intends to exercise a right to extend or terminate a lease. The Company is not a party to any lease that includes material rights to extend or terminate the term of a lease.

The weighted average incremental borrowing rate applied to lease liabilities is 13.2 percent on December 31, 2024 and December 31, 2023.

Leases recognized in profit or loss

USD in million	2024	2023
Interest	4.2	4.3
Interest - discontinued operations	4.2	4.2
Depreciation	2.6	2.6
Depreciation - discontinued operations	1.7	0.8
Impairment	7.5	0.0
Gain(-)/loss(+) due to terminations, purchases, impairments, and other changes	0.0	0.0
Expenses relating to short-term leases	0.6	0.6
Expenses relating to short-term leases - Discontinued	0.9	0.5

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

In 2024, the Group made lease payments totalling USD 16.2 million, comprised of USD 7.9 million of lease liability payments and USD 8.3 million imputed interest. See [note 25](#) below.

In addition, payments of USD 1.5 million related to leases for low-value-assets and short-term durations which are exempt under IFRS 16 have been expensed in 2024. See [notes 11](#) and [22](#) below.

Note 08 Impairments of cash-generating units

REC Silicon routinely monitors assets for indications that the carrying values of assets are no longer recoverable. If impairment indicators exist, impairment tests will be carried out to determine whether the carrying value of affected assets can be justified. If estimates conclude that asset values are no longer recoverable, the assets are written down to the recoverable amount which is the greater of fair value less cost to sell and value in use (discounted cash flows).

Cash-generating units

REC Silicon consisted of two cash generating units on December 31, 2024 and 2023.

Management has performed an evaluation of the Company’s operations and determined that the Group consisted of two cash generating units (CGUs) based upon the Company’s operations and management structures. This determination included consideration for segment reporting which includes segments for Solar Materials and Semiconductor Materials which were determined by management to represent the smallest units for which cash flows can be reasonably determined. Net Costs associated with Other have been allocated to the individual CGUs based upon estimated activity, volume, and revenue factors.

Summary of impairment tests

REC Silicon’s management has continuously assessed impairment indicators, considering both factors related to the company and the markets in which it operates, as well as current transactions and events. Management has determined that the shutdown of the polysilicon facility in the Solar Materials CGU is a significant factor that might impact the value of the company or its ability to operate. Management has determined that the rising costs of raw materials and increased manufacturing expenses,

leading to a decline in profitability, combined with changes to the discount rate, are sufficient to indicate a potential change in the valuation of the long-lived assets of the Semiconductor Materials CGU.

Consequently, impairment testing for both the Solar Materials CGU and the Semiconductor materials CGU were conducted as of December 31, 2024.

The current carrying value of the Solar Materials CGU is -60.2 million USD as of December 31, 2024. The assets related to polysilicon were impaired to zero due to the recognition of a 100 percent impairment loss. As a result, the value of the related assets became lower than the amount of the associated liabilities, leading to a negative carrying value. Management considers this scenario appropriate for use in supporting the carrying value of the Solar Materials CGU and has performed impairment testing using this forecast.

The carrying value of the Semiconductor materials CGU was USD 88.0 million as of December 31, 2024. The analysis conducted estimates the net present value (NPV) of the Semiconductor Materials CGU, including the deduction of lease liabilities, to exceed the carrying value of the Semiconductor Materials CGU and no impairment is necessary. REC Silicon management believes that the assumptions in this analysis are reasonable and represent their best estimate of the results the Semiconductor Materials CGU will achieve for the periods presented.

Basis for the impairment tests

The calculation reflects the expected development in the cost of emission quotas based on the current regulatory framework. There could be changes in environmental regulations impacting the company going forward, but no related legislation has been passed at the current time that is expected to impact the group. The impairment assessment is based on the expectation

that any increase in cost due to new legislation will be covered by increased sales prices.

Recoverable amounts for each cash-generating unit subject to impairment testing are based on value in use. Value in use has been estimated using discounted cash flows over a 6-year period with the last year used as a basis for estimating terminal value.

Future cash flows are estimated based on the budget for the next year and the subsequent five forecast years. A terminal value is calculated from the estimated cash flows generated in the last forecast year. A growth rate of one percent has been used during the terminal period for both the 2024 and 2023 analysis. EBITDA less capital expenditures and changes in working capital have been used to estimate future cash flows.

Assets under construction for which investment has been committed are included with estimated expenditures to complete and estimated cash flows from their operations.

The carrying amounts of cash-generating units include tangible fixed assets, right of use assets, intangible assets, and net working capital only.

Discount rate

The discount rate used for this analysis was prepared by a 3rd party subject matter expert. This discount rate was prepared on a basis consistent with its status as a standalone company with the majority of its cash flows generated in the US but with its stakeholders located in Norway. The methodology to arrive at this estimate has not changed from that used by the Company for prior periods.

The discount rate used for this analysis is 13.1 percent. This rate was estimated using the entity’s after tax weighted average cost of capital (WACC) as a starting point. The study used to arrive at this estimate of WACC resulted in a range from 11.8 percent to 14.4 percent.

REC management believes that the discount rates are reasonable for use in this analysis.. The discount rates used on December 31, 2024 and 2023 are reflected in the table below:

Discount rates (%)

	2024		2023	
	Post-tax	Pre-tax	Post-tax	Pre-tax
Solar Materials and Semiconductor Materials CGU	13.1	15.0	12.7	13.9

Key assumptions and sensitivities

Key assumptions for the solar materials segment include no future sales. REC Silicon will incur maintenance costs to maintain the Moses Lake silane facilities in a state that would allow for the restart of silane production. However, there are currently no legally binding sales contracts or approved binding investment plans.

Key assumptions for the semiconductor materials segment include increased sales in the US due to new semiconductor fab capacity being brought online.

The tables below present the estimated change in impairment for each CGU due to an isolated change in the key assumption for all years. Spending includes variable manufacturing costs, fixed manufacturing costs, selling general and administrative expenses, and capital expenditures in total. The estimates are based on the assumptions used in the December 31, 2024 impairment analysis.

Sensitivities for 2024

Solar Materials CGU		Estimated change in impairment
USD in million	Change	
Post-tax discount rate	+/- 1% point	-6.7/+5.7
Sales prices	+/- 2%	NA
Volume (production and sales)	+/- 2%	NA
Spending	+/- 2%	-/+11.4

Semiconductor Materials CGU		Estimated change in impairment
USD in million	Change	
Post-tax discount rate	+/- 1% point	-18.3/+21.5
Sales prices	+/- 2%	+/-21.2
Volume (production and sales)	+/- 2%	+/- 15.1
Spending	+/- 2%	-/+11.4

Negative amounts represent an estimated increase in impairment.

Carrying value

The tables below reflect the development of carrying values for each cash generating unit.

On December 31, 2024

USD in million	Semiconductor materials	Solar Materials	Other	Total
Trade and other receivables	14.4	5.4	5.8	25.5
Inventories	22.2	5.2	0.0	27.4
Current assets	36.6	10.6	5.8	52.9
Long term assets	97.9	5.1	5.1	108.1
Trade payables and other current liabilities	-13.7	-41.9	-9.3	-64.9
Long term liabilities	-3.3	0.0	0.0	-3.3
Allocation of other	1.5	0.0	-1.5	0.0
Subtract leasing	-31.0	-34.0	0.0	-65.1
Carrying values	88.0	-60.2	0.0	27.8

On December 31, 2023

USD in million	Semiconductor materials	Solar Materials	Other	Total
Trade and other receivables	24.1	1.1	5.4	30.7
Inventories	35.9	22.7	0.0	58.5
Current assets	60.0	23.7	5.4	89.2
Long term assets	94.2	190.5	6.2	291.0
Trade payables and other current liabilities	-16.4	-32.0	-10.5	-59.0
Long term liabilities	-7.0	0.0	0.0	-7.0
Allocation of other	0.4	0.6	-1.1	0.0
Subtract leasing	-32.3	-37.6	0.0	-69.9
Carrying values	99.0	145.2	0.0	244.3

Note 09 Investments

Other investments

In the fourth quarter of 2023 The Group closed the sale of its 15 percent equity interest in the Shaanxi Non-Ferrous Tian Hong REC Silicon Materials Co., Ltd joint venture, Yulin JV. REC Silicon received gross proceeds of USD 136.1 million. Proceeds were reduced by transaction costs of USD 0.6M. This sale generated a non-recurring gain for the company in 2023 in the amount of USD 135.5 million. Ater the close of this transaction the group has no investments.

Note 10 Related party transaction

The Group has related party relationships with its subsidiaries, associates, joint ventures and with its Group Management and Board of Directors. Transactions with subsidiaries have been eliminated on consolidation and are not reported as related party transactions in the consolidated financial statements for the Group.

Key management compensation, shareholdings, loans etc.

Group Management and Board of Directors' compensation, ownership of REC Silicon ASA shares, options and bonds, loan agreements and guarantees are shown in [note 16](#).

Related companies

Hanwha Solutions together with its affiliate Hanwha Corporation control 33.3 percent of the shares in REC Silicon ASA and is represented at the board of directors by Tae Won Jun, CSO Hanwha Corporation, as the board chair and Jooyong Chung, Head of M&A and Executive Vice President of Hanwha Aerospace, as deputy chair.

On August 2, 2024, REC Silicon Inc entered a USD 25 million short-term loan with Hanwha International LLC. On November 4, 2024, REC Silicon Inc, and REC Silicon Inc's wholly owned subsidiaries entered an additional USD 25 million short-term loan with Hanwha International LLC. Hanwha International LLC is an affiliate of the company's two largest shareholders Hanwha Solutions and Hanwha Corporation. Interest paid to Hanwha international for these two loans amounted to USD 0.7 million in 2024. (see [note 17](#))

On January 24, 2025, REC Silicon ASA entered into an additional 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.

In 2024, REC Silicon paid Hanwha Solutions USD 3.1 million for guarantee and letter of credit fees related to bank loans. In 2023, REC Silicon paid Hanwha Solutions USD 2.0 million for guarantee and letter of credit fees related to bank loans. (see [note 17](#))

REC Silicon has an agreement with Hanwha Solutions and Hanwha subsidiaries to provide services to REC Silicon. In 2023 REC Silicon received USD 2.9 million in services. In 2023 REC Silicon received USD 1.4 million in services.

Note 11 Discontinued operations

On December 30, 2024, the Company announced that it ceased production at its Moses Lake, Washington facility, abandoning all of its polysilicon assets, which constitute a major line of business. In the financial statement for the year ended December 31 2024, results and cash flows of the polysilicon business are treated as discontinuing operations. The equipment involved in the production of silicon gases will be maintained in a safe and recoverable mode that incurs minimal interim costs, allowing the unit to restart with reasonable notice. This will give the Company the flexibility to capitalize on future customer demand for Silicon Anode or other gases while minimizing near-term operational costs.

Due to this, the silicon gas assets are not abandoned and the impairment is presented as continuing business.

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

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

The shutdown of the Moses Lake facility follows numerous, previously disclosed efforts to improve the level of some key impurities that resulted primarily from the post-reactor product finishing and handling systems. Initiatives included changing contact materials, procedures, operating conditions and parameters, passivation measures and bypassing equipment; and bringing in third-party resources to assist in evaluating and mitigating the situation. However, the Company was unsuccessful in its attempts to fully rectify the issues and ultimately received an unsuccessful qualification test, as announced on December 17, 2024 (see [note 8](#)).

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

Analysis of discontinued operations

Consolidated statement of income	Dec 31, 2024			Dec 31, 2023		
	Total operations	Of which discontinued	Continued	Total operations	Of which discontinued	Continued
USD in million						
Revenues	143.6	2.8	140.8	141.1	0.4	140.8
Cost of materials	-56.1	-35.4	-20.7	-30.5	-3.6	-26.9
Changes in inventories	-27.9	-11.9	-15.9	12.5	5.4	7.1
Employee benefit expenses	-80.7	-37.1	-43.6	-69.6	-26.2	-43.5
Other operating expenses	-144.1	-66.4	-77.8	-142.9	-45.0	-98.0
Other income and expense	-3.6	-3.0	-0.7	9.0	4.2	4.7
EBITDA	-168.8	-150.9	-17.9	-80.5	-64.8	-15.7
Depreciation	-20.4	-11.7	-8.7	-10.9	-0.7	-10.2
Amortization	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation of right of use assets	-4.3	-1.7	-2.6	-3.4	-0.8	-2.6
Impairment	-246.1	-196.4	-49.7	-8.1	-1.1	-7.0
Total depreciation, amortization and impairment	-270.9	-209.8	-61.0	-22.4	-2.6	-19.8
EBIT	-439.7	-360.7	-78.9	-102.9	-67.4	-35.5
Financial income	3.1	0.0	3.1	3.6	0.2	3.4
Net financial expenses	-20.8	7.6	-28.4	-18.3	1.8	-20.1
Net currency gains/losses	0.1	0.0	0.1	12.7	0.0	12.7
Gain from sale of Yulin JV	0.0	0.0	0.0	135.5	0.0	135.5
Net financial items	-17.7	7.6	-25.3	133.5	2.0	131.5
Profit/loss before tax	-457.4	-353.1	-104.2	30.5	-65.4	95.9
Income tax expense/benefit from continuing operations	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss from continuing operations			-104.2			95.9
Profit/loss from discontinued operations		-353.1			-65.4	
Profit/loss from total operations	-457.4			30.5		
	Total	Discontinued	Continuing	Total	Discontinued	Continuing
Profit/loss attributable to owners of REC Silicon ASA	-457.4	-353.1	-104.2	30.5	-65.4	95.9
Comprehensive income attributable to owners of REC Silicon ASA	-454.4	-353.1	-101.3	16.0	-65.4	81.4
Earnings per share (In USD)						
-basic	-1.09	-0.84	-0.25	0.07	-0.16	0.23
-diluted	-1.09	-0.84	-0.25	0.07	-0.16	0.23

Cashflows of discontinued operations

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

USD in million	2024	2023
Net cash flow from operating activities	-113.6	-41.1
Net cash flow from investing activities	-77.2	-125.6
Net cash flow from financing activities	190.5	166.7
Cash and cash equivalents at the beginning of the period	0.2	0.2
Cash and cash equivalents at the end of the period	0.0	0.2

Note 12 Receivables and prepayments

USD in million	2024	2023
Trade receivables and accrued revenues	12.7	24.7
Provision for loss on trade recivables	-0.7	-2.7
Trade receivables - net	12.1	21.9
Prepaid costs	9.4	8.7
Other non-current and current receivables	4.1	0.0
Total receivables and prepayments	25.5	30.7

Specification of provision for loss on trade receivables

USD in million	2024	2023
On January 1	-2.7	-9.6
Change in provisions	2.1	6.9
On December 31	-0.7	-2.7

The provision for doubtful accounts includes the review of expected credit losses (ECL) based upon historical experience.

In the fourth quarter of 2024 REC Silicon exhausted efforts to collect from previously impaired customers. As a result, the company wrote off USD 2.1 million in receivables as well as reversed the provision for the same amount. This resulted in a net zero change to receivables. There was no bad debt expense recorded in 2024. The remaining provision of USD 0.7 million is the result of expected credit loss. On December 31, 2024, the review of the provision included the fact that the Company has not experienced any bad debt since 2018.

Note 13 Inventories

Inventories in the statement of financial position

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

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 14 Cash and cash equivalents and restricted bank accounts

Cash and cash equivalents are primarily bank deposits.

Restricted bank accounts (not included as cash and cash equivalents)

USD in million	2024	2023
Restricted bank accounts current	0.6	0.6
Total restricted bank accounts	0.6	0.6

On December 31, 2024 and 2023 restricted bank accounts consisted of USD restricted cash for the US subsidiaries of USD 0.6 million.

Note 15 Shareholder information

The following shareholders held one percent or more of the total outstanding shares in REC Silicon ASA on December 31.

Name of shareholders		2024		2023	
		No. of shares	Ownership	No. of shares	Ownership
HANWHA ¹		140,208,552	33.33%	140,208,552	33.33%
MORGAN STANLEY & Co. LLC ²	Nominee	30,244,369	7.19%	22,028,592	5.24%
NORDNET LIVSFORSIKRING AS	Nominee	4,149,382	0.99%	4,367,214	1.04%
SKANDINAVISKA ENSKILDA BANKEN AB	Ordinary	0	0.00%	4,219,281	1.00%
TOTAL SHARES OUTSTANDING		420,625,659		420,625,659	

¹ Hanwha Solutions and Hanwha Corporation, (together “Hanwha”) holds shares via two nominee accounts, Citibank N.A. 89,733,473 shares, Hongkong and Shanghai Banking Corp 50,475,079 shares.

² On December 31, 2024 Water Street Capital Inc holds 22,602,654 shares through a nominee account with Morgan Stanley.

The list of shareholdings above is based on the VPS shareholder register on December 31, 2024 and 2023. Actual shareholding may deviate due to the use of nominee accounts, share lending, forward contracts or other contractual arrangements.

On December 31, 2024, REC Silicon ASA had 31,883 shareholders (34,318 on December 31, 2023). The total number of outstanding shares was 420,625,659 on December 31, 2024, and December 31, 2023, each with a par value of NOK 1.

At the Annual General Meeting on May 14, 2024, the Board was authorized to increase the share capital with up to NOK 84,125,000, which was approximately 20 percent of the share capital at that time, through one or more increases in the share capital. The Annual General meeting also authorized the Board to acquire treasury shares in the Company (up to a maximum of ten percent of the nominal value of the existing share capital). Shares may be acquired at minimum NOK 1 per share and maximum NOK 150 per share. The authorization to acquire treasury shares has not been used and remained available on December 31, 2024. Both authorizations were valid until the 2025 Annual General Meeting, but in any event not longer than 15 months.

Note 16 Management and Board of Directors’ compensation, loans, shares, bonds

The Board’s statement on executive management remuneration (the “statement”) has been prepared in accordance with the provisions of the Norwegian Public Companies Act (PLA), the Norwegian Accounting Act, and the Norwegian Code of Practice for Corporate Governance

REC Silicon’s board has prepared proposed guidelines for the company’s executive remuneration policy in accordance with the provision in section 6-16 (a). The proposed guidelines, which provide a broader and deeper discussion of the principles for remuneration to key management, were effective from 2021 onwards. The guidelines are available on REC Silicon’s website. The executive management remuneration report in accordance with regulations will be prepared for the for the Annual General Meeting in 2025.

The guidelines for determination of salary and other compensation for leading employees, as outlined in the annual general meeting in 2024, have been complied with in 2024. See www.recsilicon.com/investors/agm for the Remuneration Report.

The Board of Directors had previously implemented incentive programs during previous periods whereby employee entitlements are linked to the share price development of the Company’s shares. There were no shares granted in 2024. See [note 32](#) for details of share-based compensation programs.

Salary and other compensation to the Group’s Board of Directors and Management for 2024 and 2023 are described below.

Compensation of the Group Management for 2024

Amounts in USD						
Name	Base salary	Bonus earned and max %	Share based compensation earned	Share based compensation paid	Pension benefits	Other taxable benefits
Kurt Levens President and CEO	765,000	0 50%	-92,906	13,708	34,500	77,517
Jack Yun CFO	156,020	0 NA	0	0	0	256,280
Dylan Jung Chief Strategy Officer	88,683	0 NA	0	0	0	143,962
Total 2024	1,009,703	0	-92,906	13,708	34,500	477,760

Compensation of the Group Management for 2023

Amounts in USD						
Name	Base salary	Bonus earned and max %	Share based compensation earned	Share based compensation paid	Pension benefits	Other taxable benefits
Kurt Levens President and CEO	643,653	165,237 50%	-60,491	82,418	33,000	103,822
Jack Yun CFO	196,402	84,472 NA	0	0	0	163,591
Dylan Jung Chief Strategy Officer	92,304	25,227 NA	0	0	0	103,859
Total 2023	932,360	274,936	-60,491	82,418	33,000	371,271

All amounts are exclusive of social security tax. There were no payments and benefits from the Group for services outside their functions as Group Management. Base salary represents the amount, including holiday pay that was paid in the year.

Bonus amounts represent bonuses earned during each year and are normally paid and reported as taxable income for the employee in the subsequent year.

Share-based compensation amounts represent synthetic share option programs further described in [note 32](#). The estimated fair value of the options is expensed over the estimated vesting periods. The amounts shown above as earned are the amounts expensed in the relevant year. Amounts reported as share-based compensation earned are derived using the Black Scholes option pricing model and may not match actual payments made depending upon the market value of the Company’s stock on the exercise date. During 2024 there was a total of USD 0.1 million in cash payments made with respect to share-based compensation to all eligible participants, and USD 0.7 million in 2023.

Pension benefits include benefits earned with respect to defined benefit plans and contributions related to defined contribution plans.

Other taxable benefits include housing, company car, cash in lieu of paid time off, and certain other benefits. The benefits vary, and the amounts in the table are the amounts that are taxable based on rules and regulations in the relevant tax jurisdictions.

Compensation of the Board of Directors paid in 2024

Amounts in USD		
Name	Member at December 31, 2024	Board compensation
Tae Won Jun	Yes	0
Jooyong Chung	Yes	0
Renate Oberhoffer-Fritz	Yes	86,116
Vivian Bertseka	Yes	87,569
Robert Neuhauser	Yes	52,698
Dong Kwan Kim	No	0
Roberta Benedetti	No	32,216
Total 2024		258,600

Compensation of the Board of Directors paid in 2023

Amounts in USD		
Name	Member at December 31, 2023	Board compensation
Tae Won Jun	Yes	0
Dong Kwan Kim	Yes	0
Renate Oberhoffer-Fritz	Yes	86,647
Vivian Bertseka	Yes	88,559
Roberta Benedetti	Yes	86,055
Total 2023		261,261

Loans and guarantees for Group Management, Board of Directors and shareholders

On December 31, 2024 and 2023 there was a loan in the amount of USD 40 thousand to Dylan Jung. The loan originated on December 13, 2022 in the amount of USD 40 thousand and has a term of forty months with and interest rate of zero.

Shareholdings, options and bonds

The number of shares and options owned by members of the Board of Directors and the Group Management, including closely related parties, are shown in the table below. The table includes board members and key management on December 31, 2024, and 2023. Refer to [note 32](#) for details of the share option program.

The table includes those that were members on December 31, 2024

Name		Options	Shares
Kurt Levens	Group Management	173,813	440
Jack Yun	Group Management	0	0
Dylan Jung	Group Management	0	0
Tae Won Jun	Board of Directors	0	0
Jooyong Chung	Board of Directors	0	0
Dr. Renate Oberhoffer-Fritz	Board of Directors	0	0
Vivian Bertseka	Board of Directors	0	0
Robert Neuhauser	Board of Directors	0	0

The table includes those that were members on December 31, 2023

Name		Options	Shares
Kurt Levens	Group Management	255,613	440
Jeong Ryul Yun	Group Management	0	0
Donglin Jung	Group Management	0	0
Tae Won Jun	Board of Directors	0	0
Dong Kwan Kim	Board of Directors	0	0
Dr. Renate Oberhoffer-Fritz	Board of Directors	0	0
Vivian Bertseka	Board of Directors	0	0
Roberta Benedetti	Board of Directors	0	0

Details of options outstanding on December 31, 2024

Kurt Levens, CEO					Information regarding the reported financial year				
					Opening balance	During the year		Closing balance	
Specification of plan	Plan period	Award date	Vesting Dates	End of holding period	Shares previously awarded	Shares awarded/ (expired)	Shares exercised / Settled in Cash	Shares subject to a performance condition	Shares awarded and unexercised at year end subject to a holding period / Value
2021 Plan - Strike Price NOK 17.5	2021 - June 30 2026	May 11, 2021	June 30, 2024 33.33%	July 1, 2026	133,279	0	0	133,279	133,279
			June 30, 2025 33.33%				\$0		\$4,572
			June 30, 2026 33.33%						
2020 Plan - Strike Price NOK 3.5	2020 - June 30 2025	May 12, 2020	June 30, 2023 33.33%	July 1, 2025	81,068	0	40,534	40,534	40,534
			June 30, 2024 33.33%				\$13,708		\$5,490
			June 30, 2025 33.33%						
2019 Plan - Strike Price NOK 8.1	2019 - June 30 2024	May 9, 2019	June 30, 2022 33.33%	July 1, 2024	41,266	-41,266	0	0	0
			June 30, 2023 33.33%				\$0		\$0
			June 30, 2024 33.33%						
Total Shares					255,613	-41,266	40,534	173,813	173,813
Total USD					\$116,675		\$13,708		\$10,062

Note 17 Borrowings

Financial liabilities, interest bearing

USD in million	2024	2023
Non-current financial liabilities, interest bearing		
Bank Loan - Hana Bank	110.0	110.0
Bank Loan - Hana Bank	100.0	100.0
Bank Loan - NongHyup	40.0	40.0
Grant County WA tax settlement (USD)	1.6	3.0
Total non-current financial liabilities, interest bearing	251.6	253.0
Current financial liabilities, interest bearing		
Capitalized Borrowing Cost ¹	-0.4	-0.4
Bank Loan - Standard Chartered	50.0	30.0
Related Party Loan - Hanwha International	50.0	0.0
Grant County WA tax settlement (USD)	1.4	1.2
Total current financial liabilities, interest bearing	101.0	30.9

¹ Amortized as part of effective interest.

Movements in borrowing

USD in million	Bank loans	Related party loan	Tax settlement note	Total
Balance on January 1, 2024	279.6	0.0	4.2	283.8
Proceeds from borrowings	50.0	50.0	0.0	100.0
Payments of borrowings	-30.0	0.0	-1.2	-31.2
Change capitalized borrowing cost	0.0	0.0	0.0	0.0
Balance on December 31, 2024	299.6	50.0	3.0	352.6

USD in million	Bank loans	USD senior secured bond	Tax settlement note	Total
Balance on January 1, 2023	0.0	109.9	5.3	115.2
Proceeds from borrowings	280.0	0.0	0.0	280.0
Payments of borrowings	0.0	-110.0	-1.1	-111.1
Change capitalized borrowing cost	-0.4	0.1	0.0	-0.2
Balance on December 31, 2023	279.6	0.0	4.2	283.8

In June 2024 REC Silicon Inc extended its USD 30 million facility loan from standard Chartered Bank in New York. The facility is fully guaranteed by REC Silicon’s largest shareholder Hanwha Solutions and will mature on June 13, 2025.

On August 16, 2024, REC Silicon Inc entered into an additional USD 20 million facility loan from Standard Chartered Bank in New York through an amendment to the existing facility loan of USD 30 million. This additional facility loan is fully guaranteed by REC Silicon’s largest shareholder Hanwha Solutions and will mature on June 13, 2025, the same date as the existing facility loan.

On August 2, 2024, REC Silicon Inc entered into a USD 25 million short-term loan with Hanwha International LLC, for the purpose of supporting the capital needs of REC Silicon. On November 4, 2024, REC Silicon Inc, and REC Silicon Inc’s wholly owned subsidiaries entered into a USD 25 million short-term loan with Hanwha International LLC to meet the near-term capital requirements.

On January 24, 2025, REC Silicon ASA 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. See [note 10](#)

On October 14, 2020, the Company entered into a settlement agreement with Grant County, Washington settling its property tax dispute for tax years 2012 through 2015. REC Silicon agreed to pay Grant County USD 3.0 million by December 15, 2020, and USD 1.75 million each year for the next six years. The settlement resulted in the recognition of a note payable using an interest rate of 11.5 percent used to impute the value of the liability. The note is effectively secured, as a matter of law, by the real property at the Moses Lake plant. On December 31, 2024, the remaining fair value of the property tax note was USD 3.0 million. Total remaining undiscounted payments on the property tax note are USD 3.5 million.

The Company does not have any financial covenants but is subject to restrictions on additional debt, pledging assets, and other actions that may affect repayment ability without preapproval from the lenders.

The following are the contractual maturities of financial instruments excluding provisions and retirement benefit obligations:

On December 31, 2024

USD in million	Carrying amount	Total	Maturity analysis - contractual payments to be made, including interest						After 2029
			0-6 Months	7-12 Months	2026	2027	2028	2029	
Bank Loan - KEB Hana Bank	110.0	110.0	0.0	0.0	110.0				
Bank Loan - KEB Hana Bank	100.0	100.0	0.0	0.0	100.0				
Bank Loan - Standard Chartered	50.0	50.0	50.0						
Bank Loan - NongHyup	40.0	40.0	0.0	0.0	40.0				
Related Party Loan - Hanwha International ¹	50.0	50.0	50.0						
Grant County WA tax settlement	3.0	3.5	0.0	1.8	1.8				
Accrued Finance Costs	3.6	3.6	3.6						
Trade payables and other liabilities	60.2	60.2	60.2						
Lease Liabilities	65.1	96.3	8.2	8.2	16.3	16.3	16.1	6.0	25.1
Total	481.8	513.6	172.0	9.9	268.1	16.3	16.1	6.0	25.1

¹ In January 2025 REC Silicon Inc and Hanwha agreed additional loans and to consolidate existing loans with a due date of January 2026

On December 31, 2023

USD in million	Carrying amount	Total	Maturity analysis - contractual payments to be made, including interest						After 2028
			0-6 Months	7-12 Months	2025	2026	2027	2028	
Bank Loan - KEB Hana Bank	110.0	110.0	0.0	0.0	0.0	110.0			
Bank Loan - KEB Hana Bank	100.0	100.0	0.0	0.0	0.0	100.0			
Bank Loan - Standard Chartered	30.0	30.0	30.0						
Bank Loan - NongHyup	40.0	40.0	0.0	0.0	0.0	40.0			
Grant County WA tax settlement	4.2	5.3	0.0	1.8	1.8	1.8			
Accrued Finance Costs	1.6	1.6	1.6						
Trade payables and other liabilities	44.8	60.7	60.7	0.0	0.0	0.0			
Lease Liabilities	70.0	108.2	7.8	7.8	15.6	15.5	15.5	15.5	30.4
Total	400.6	455.8	100.2	9.6	17.3	267.3	15.5	15.5	30.4

For information regarding provisions see [note 20](#). For information regarding retirement benefit obligations see [note 19](#).

The differences between carrying amounts and total expected payments in the tables above are due to the effect of discounting. All cash flows are undiscounted.

The nominal interest rates and currency distribution on December 31, 2024 were as follows

	Interest rate (%)	Currency	Amounts in million	Maturity	Borrower
Bank Loan - Hana Bank	3 mon SOFR+1.8%	USD	110.0	2026	REC Silicon ASA
Bank Loan - Hana Bank	3 mon SOFR+1.5%	USD	100.0	2026	REC Silicon Inc
Bank Loan - Standard Chartered	1 mon SOFR+2.0%	USD	50.0	2025	REC Silicon Inc
Bank Loan - NongHyup	3 mon SOFR+2.0%	USD	40.0	2026	REC Silicon Inc
Related Party Loan - Hanwha International	1 mon SOFR+2.2%	USD	50.0	2025	REC Silicon Inc
Grant County WA tax settlement	11.5% Fixed	USD	3.0	2026	REC Solar Grade Silicon LLC

The nominal interest rates and currency distribution on December 31, 2023 were as follows

	Interest rate (%)	Currency	Amounts in million	Maturity	Borrower
Bank Loan - Hana Bank	3 mon SOFR+1.8%	USD	110.0	2026	REC Silicon ASA
Bank Loan - Hana Bank	3 mon SOFR+1.5%	USD	100.0	2026	REC Silicon Inc
Bank Loan - Standard Chartered	1 mon SOFR+2.2%	USD	30.0	2024	REC Silicon Inc
Bank Loan - NongHyup	3 mon SOFR+2.0%	USD	40.0	2026	REC Silicon Inc
Grant County WA tax settlement	11.5% Fixed	USD	4.2	2026	REC Solar Grade Silicon LLC

Note 18 Income tax expense and deferred tax assets and liabilities

Recognized income tax expense

USD in million	2024	2023
Current income tax expense (-) / benefit (+)	0.0	0.0
Deferred tax expense (-) / benefit (+)	0.0	0.0
Total income tax expense (-) / benefit (+) in the statement of income	0.0	0.0

Relationship of income tax expense/benefit to profit/loss from total operations

USD in million	2024	2023
Profit/loss before tax from total operations	-457.4	30.5
Tax calculated at domestic tax rates applicable to profits /losses in the respective countries	96.2	-3.5
Effects of changes in tax rates and use of another tax rate for parts of profits /losses	8.0	2.4
Expenses not deductible for tax purposes	-2.3	1.2
Effects of not recognized deferred tax assets, including reversal of previous years	-101.8	-0.2
Total income tax expense (-) / benefit (+) in the statement of income	0.0	0.0
Effective tax rate	0%	0%

The income tax calculation for the Group is primarily based on blended corporate income tax rates of 22 percent in Norway and approximately 23.1 percent in the USA.

Income tax for REC Silicon in the USA is based on nominal 21 percent federal tax rate plus estimated state taxes. The effective tax rate for REC Silicon in the USA was 0 percent in 2024 and 2023. Income tax in the US is filed on a consolidated basis under REC Silicon Inc with REC Solar Grade Silicon LLC and REC Advanced Silicon Materials LLC being considered disregarded entities.

Income tax assets and liabilities in the statement of financial position

USD in million	2024	2023
Current tax assets	0.0	0.0
Current tax liabilities	0.0	0.0
Net current tax assets (+) / liabilities (-)	0.0	0.0
Deferred tax assets	0.0	0.0
Deferred tax liabilities	0.0	0.0
Net deferred tax assets (+) / liabilities (-)	0.0	0.0

Accumulated income taxes recognized to equity on December 31

USD in million	2024	2023
Effect of transition to IAS 39 on January 1, 2005	2.3	2.3
Effect of actuarial gains and losses	-4.8	-4.8
Effect of conversion of convertible bonds	-61.0	-61.0
Effect of costs for capital increase	12.9	12.9
Effect of translation differences on loans as part of net investment	12.6	12.6
Total deferred tax	-37.9	-37.9
Current tax - effect of costs for capital increase	13.1	13.1
Total	-24.8	-24.8

Amounts in table above exclude translation differences on deferred tax. Negative numbers are a reduction to equity.

The following main deferred tax assets have not been recognized on December 31

USD in million	2024	2023
Total non-current assets	143.6	82.4
Total current assets	1.2	-0.4
Total non-current liabilities	-16.7	18.7
Total current liabilities	-12.2	9.8
Tax losses carry forward	429.9	371.3
Total	545.8	481.7

Distribution of the deferred tax assets that have not been recognized on December 31

USD in million	2024	2023
REC Silicon ASA (Norway)	3.1	33.5
REC Solar AS (Norway)	145.6	154.3
REC Silicon US operations	393.6	289.9
Other	3.5	4.1
Total	545.8	481.7

The deferred tax asset in the United States was generated due to net operating losses on a tax basis, the accelerated reversal of book to tax differences for depreciation caused by the recognition of impairment (financial statement only), and other taxable temporary differences which are expected to reverse on a more definite schedule. The deferred tax asset in the United States associated with net operating losses was USD 208.7 million on December 31, 2024 includes USD 122.9 million associated with net operating losses generated in 2017 and prior years which expire between 2031 and 2037. Deferred tax assets of USD 85.8 million are due to net operating losses generated after 2017 which do not expire.

In the United States, in the event of a change in the ultimate company’s ownership, utilization of net operating losses and tax credit carry forwards are subject to certain limitations under Section 382 of the Internal Revenue Code. The company initiated a study in 2022. The study was completed in 2023, and the table above represents the results of the study.

The deferred tax asset in Norway was generated due to net operating losses on a tax basis and other taxable temporary differences which are expected to reverse on a more definite schedule. The Norwegian Tax office has changed the company’s income tax assessment for the years 2019-2022 during 2024. The basis for this change where an ongoing tax audit relating to whether interest should have been charged on loans provided from REC Silicon ASA to Rec Silicon Inc and Rec Solar Grade Silicon LLC. As a temporary measure, due to the financial situation in these subsidiaries, the company has not charged interest on the loans in the period 2019 to 2024. The company has not made any preliminary tax provisions for this matter in the periods 2023 and 2024 as the Norwegian Tax office has yet to review these years in their assessment with their estimates for the subsidiaries debt bearing capacity in this period. The company has not recognized any deferred tax asset relating to its tax losses carry forward.

Deferred tax assets have not been recognized due to requirements in IAS 12 for convincing evidence of available future taxable income to offset prior tax losses. In Norway, net operating losses do not expire.

Note 19 Retirement benefit obligations and expenses

The cost of defined pension benefit plans is expensed in the period that the employee renders services and becomes eligible to receive benefits. The cost of defined contribution plans is expensed as contributions become payable.

REC Silicon has an employer-sponsored defined contribution retirement plan (401 (k)) for employees in the United States. The REC Silicon subsidiary REC Advanced Silicon Materials LLC (ASiMI) in the United States had defined benefit plans at the time it was acquired in 2005. At that time, these plans were frozen, and no future benefits are accruing to the members of the plans. Previous pension rights remain unchanged and are fully vested. The tables below for defined benefit plans are related to Advanced Silicon Materials LLC only.

For defined benefit plans, the plan assets and the projected benefit obligations were measured on December 31, 2024 and 2023. An independent actuary performed actuarial calculations. The present value of the projected defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Defined benefit plans

USD in million	2024	2023
Gross retirement benefit obligations on January 1	34.2	33.5
Interest cost on pension obligations	1.6	1.7
Remeasurements recognized through OCI	-2.8	0.8
Benefits paid, paid-up policies and disability obligation	-1.8	-1.7
Gross retirement benefit obligations on December 31	31.2	34.2
Fair values of plan assets on January 1	27.3	24.8
Actuarial return on plan assets	1.2	2.9
Pension premiums	1.3	1.3
Benefits paid, paid-up policies and disability reserve	-1.8	-1.7
Fair value of plan assets on December 31	28.0	27.3
Funded status on December 31	3.3	7.0
Net retirement benefit obligations on December 31	3.3	7.0

The plan assets relate to one of three ASiMI plans and are currently invested in a mix of 45% equity funds and 55% fixed income funds.

Retirement benefit obligations in the statement of financial position

USD in million	2024	2023
Net retirement benefit obligations on January 1	7.0	8.6
Net periodic benefit costs including net interest	0.4	-0.5
Remeasurements recognized through OCI	-2.9	-0.9
Pension premiums and benefits paid	-1.2	-1.3
Net retirement benefit obligations on December 31	3.3	7.0

The amounts recognized in the statement of income are as follows

USD in million	2024	2023
Total benefit plans	0.0	0.0
Defined Contribution	3.8	3.5
Total contribution expenses (see note 24)	3.8	3.5
Net interest expense	0.4	0.5

Remeasurements of the net defined benefit liability recognized through Other Comprehensive Income (gains (-)/losses (+))

USD in million	2024	2023
Experience adjustments	-0.4	0.0
Effects of changes in assumptions	-2.5	0.9
Total remeasurements (gains (-)/losses (+)) on gross retirement benefit obligations	-2.8	0.8
Return on plan assets, excluding amounts included in interest	-0.1	-1.7
Total remeasurements (gains (-)/losses (+)) recognized through Other Comprehensive Income	-2.9	-0.9

During 2024 the effects of changes in assumptions were due to an increase in discount rate and changes in financial and demographic assumptions for the ASiMI plans.

The cumulative re-measurement loss recognized to equity through other comprehensive income was USD 13.9 million before income taxes on December 31, 2024. Of this, a loss of USD 16.8 million was related to ASiMI (excluding translation difference).

On December 31, 2024, the mortality table was based on Pri-2012 total dataset base rate mortality table with projected generationally using MP-2021. The Society of Actuaries (SOA) is an actuarial organization that periodically reviews mortality data and publishes mortality tables and improvement scales. In October 2019, the SOA released the Pri-2012 Mortality Tables for private-sector retirement plans in the U.S. The Pri-2012 report contains different sets of mortality tables based on complete dataset or various subsets. The Total dataset base rate table was selected.

The principal actuarial assumptions used to determine retirement benefit obligations on December 31

	2024	2023
Discount rate	5.50	4.85
Future salary increases	NA	NA
Future pension increases	NA	NA
Future increase in social security base amount	NA	NA
Future turnover	NA	NA

The assumptions used to determine the benefit cost for the year are determined at the beginning of the year. The expected return for the ASiMI plans equals the discount rate.

The expected remaining service life until retirement for participants of the defined benefit obligation for the ASiMI plans are approximately 7.3 years at both December 31, 2024 and December 31, 2023. Pension premiums of USD 1.5 million are expected to be paid during 2024 to the ASiMI defined benefit plans.

The maturity profile includes the weighted average duration of the defined benefit obligations and includes items such as timing of the benefit payments. The weighted average duration of the defined benefit obligation is 11 years at both December 31, 2024 and December 31, 2023.

For the ASiMI benefit plans, a one percentage point increase (decrease) in discount rate is estimated to decrease (increase) the pension obligation by approximately USD 0.1/(0.1) million on December 31, 2024.

Note 20 Trade payables, provisions and other liabilities

Non-financial liabilities

USD in million	2024	2023
Non-current prepayments	33.4	24.9
Current portion of prepayments	1.2	5.7
Total prepayments	34.5	30.7

Trade payables and other liabilities

USD in million	2024	2023
Trade and other payables	41.8	41.4
Accrued costs for capex	0.0	0.0
VAT and other public taxes and duties payables	5.5	4.2
Accrued operating costs	8.7	12.0
Accrued finance costs	3.6	1.6
Other non-interest bearing liabilities	0.8	1.5
Trade payables and other liabilities	60.2	60.7

Provisions

USD in million	2024	2023
Provisions, current	8.2	0.0
Provisions non-current - interest bearing	26.3	23.8
Total provision	34.5	23.8

Specification of provisions

USD in million	2024	2023
on January 1	23.8	19.3
Restructuring costs	8.2	0.0
Change in estimate in asset retirement obligation	1.3	3.5
Net periodic asset retirement obligation costs including net interest	1.3	1.0
on December 31	34.5	23.8

Current provisions

As a result of shutting down polysilicon production in Moses Lake in December 2024 the Company recorded a provision for employee termination benefits in the amount of USD 8.2 million. At the time of the announcement on December 30, 2024 the company had a detailed plan for the shutdown and restructuring of Moses Lake. Impacted employees were eligible for termination benefits ranging from 8-13 weeks of their salary. Payments to impacted employees will take place during the first half of 2025.

Non-current provisions

During 2024 the Company recorded an increased provision for asset retirement obligations (ARO) of USD 1.3 million. This was primarily due to a change in estimated cleanup costs. On December 31, 2024, the Company has recorded USD 26.3 million in AROs. These obligations consist of USD 3.0 million to restore leased wastewater containment ponds to conditions specified in the lease agreement and USD 23.3 million for the eventual cleanup of the Company's manufacturing operations in Moses Lake, Washington and Butte, Montana.

Estimates are sensitive to changes in discount rates used to calculate provisions for AROs. On December 31, 2024, a one percent increase to the discount rates would decrease the provision by USD 6.7 million, while a one percent decrease to the discount rates would increase the provision by USD 9.4 million.

On December 31, 2024, the AROs represent the present value of estimated future costs discounted at 5.2 percent for 4 years for the wastewater containment ponds. The restoration of the production sites is discounted at 6.0 percent for 35.5 years. Total undiscounted amounts were USD 3.7 million for the ponds, and 183.9 million for the production sites.

On December 31, 2023, the AROs represent the present value of estimated future costs discounted at 5.0 percent for 5 years for the wastewater containment ponds. The restoration of the production sites is discounted at 5.4 percent for 36.5 years. Total undiscounted amounts were USD 3.1 million for the ponds, and 133.5 million for the production sites.

Relevant regulations to climate related risk have been considered in the calculation of the ARO. There could be changes in environmental regulations impacting the company going forward, but no related legislation has been passed at the current time that is expected to impact the group.

The restoration of production sites is subject to significant uncertainty due to variability in restoration requirements imposed by regulatory authorities as well as the timing of restoration.

Note 21 Government grants

There were no government grants receivables recognized on December 31, 2024. There was no Government grant income in 2024. Government grant income in 2023 was USD 6.0 million and was the result of refunds received from the United States Government for Employee Retention Credit. The Employee Retention Credit (ERC) – sometimes called the Employee Retention Tax Credit or ERTC – is a refundable tax credit for eligible businesses that had employees and were affected during the COVID-19 pandemic. The credit is a broad-based refundable tax credit designed to encourage employers to keep employees on their payroll. (see [note 23](#)).

Note 22 Other operating expenses

USD in million	2024	2023
Freight, postage and transportation	3.1	3.6
Energy and water	31.3	52.6
Lease and rental expenses	0.7	0.6
Total operating, service and maintenance costs	22.1	19.7
Consultancy and auditor fees	12.3	12.1
Own work capitalized on fixed assets	-0.6	-0.4
IT and telecommunications costs	2.4	3.0
Travel and entertainment costs	0.7	1.0
Insurance costs	3.5	3.5
Other operating costs	2.3	2.3
Other operating expenses	77.8	98.0

The amounts for 2023 are re-presented for discontinued operations, see [note 11](#).

Auditor’s remuneration

USD in million	2024	2023
Statutory Audit (only relating to statutory auditor) Deloitte	0.4	0.0
Statutory Audit (only relating to statutory auditor) KPMG	0.4	0.7
Other assurance services (only relating to statutory auditor)	0.0	0.1
Tax advisory services (only relating to statutory auditor) KPMG	0.0	0.0
Other non-audit services (only relating to statutory auditor) Deloitte	0.0	0.0
Total auditors remuneration	0.8	0.8

Note 23 Other income and expenses

USD in million	2024	2023
Restructuring cost and employee termination benefits	-1.8	0.0
Other	0.1	0.0
Employee Retention Credit	0.0	4.4
Insurance proceeds	0.0	0.0
Gains on disposal of non-current asset	1.0	0.3
Total other income and expenses	-0.7	4.7

The amounts for 2023 are re-presented for discontinued operations, see [note 11](#).

In 2024 other expense primarily relates to employee termination benefits as a result on shutting down polysilicon production in the Semiconductor Materials Segment in Butte. Gain on disposal of non-current asset is the result of selling non-core assets in 2024.

Note 24 Employee benefits

USD in million	2024	2023
Salaries	32.3	30.8
Bonus and sales commission - employees	2.2	5.0
Share option expense	-0.7	-0.6
Social security tax	2.2	2.4
Defined Contribution	3.8	3.5
Other employee related costs	3.9	2.3
Employee benefit expenses	43.6	43.5

The amounts for 2023 are re-presented for discontinued operations, see [note 11](#).

Excluding the Solar Materials Segment the average number of permanent employees during 2024 was 249. The average number of permanent employees during 2023 was 260.

There were loans provided to employees in the amount of USD 0.1 million on December 31, 2024 (see [note 16](#)) and 0.1 on December 31, 2023. There were no guarantees provided to employees on December 31, 2024 or 2023.

Note 25 Financial income and expenses

USD in million	2024	2023
Interest income from financial assets not at fair value through profit or loss	3.1	3.4
Total income from financial assets not at fair value through profit or loss	3.1	3.4
Interest expenses for USD Senior Secured Bond	0.0	-3.5
Interest expenses for Property Tax dispute	-0.6	-0.6
Interest expenses for term loans	-20.6	-10.2
Expensing of up-front fees and costs	-3.1	-1.8
Interest on lease liabilities	-4.2	-4.3
Calculated/imputed interest other - added to principal - external	-0.3	-0.3
Capitalization of borrowing costs	0.8	1.0
Other expenses from financial assets and liabilities	-0.4	-0.4
Net financial expenses	-28.4	-20.1
Net currency gains/losses	0.1	12.7
Gain from sale of Yulin JV	0.0	135.5
Net financial items	-25.3	131.5

The amounts for 2023 are re-presented for discontinued operations, see [note 11](#).

Interest income in 2024 includes interest on cash deposits of USD 3.1 million.

Expensing of up-front fees and costs is primarily related to letter of credit and loan guarantee charged by Hanwha Solutions. (See [notes 10](#) and [17](#))

Calculated interest is interest calculated on asset retirement obligations (see [note 20](#)).

Additional information to the statement of cash flows on interest, up-front fees, and other costs paid

Interest paid is approximately USD 30.3 million in 2024 and USD 16.5 million in 2023.

Note 26 Earnings per share

Basic

Basic earnings per share (EPS) is calculated by dividing the profit/loss attributable to equity holders of the Company by the weighted average number of ordinary shares issued during the year, excluding treasury shares.

Earnings per share

	2024	2023
Profit/loss from continuing operations (USD IN MILLION)	-104.2	95.9
Profit/loss from discontinued operations (USD IN MILLION)	-353.1	-65.4
Profit/loss from total operations (USD IN MILLION)	-457.4	30.5
Weighted average number of ordinary shares in issue (IN MILLION)	420.6	420.6
Basic earnings per share from continuing operations (USD per share)	-0.25	0.23
Basic earnings per share from discontinued operations (USD per share)	-0.84	-0.16
Basic earnings per share from total operations (USD per share)	-1.09	0.07

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding. If the effect increases EPS from continuing operations, it is anti-dilutive and is then not included in diluted EPS.

Dilutive EPS equals basic EPS for both years.

Note 27 Dividends per share

The Board of Directors did not propose any dividend payments for financial years 2024 or 2023.

Note 28 Research and development

USD in million	2024	2023
Research and development expense	3.4	1.7
Development capitalized	0.0	0.0
Total research and development	3.4	1.7

REC Silicon’s long-term competitive position is based on cost efficiency and industry-leading product performance. REC Silicon’s research and technology development activities are designed to enhance quality, improve efficiency, and reduce production costs of its products to add value to its customers and further enhance its competitive position.

During 2024, research and development efforts were focused on lab operations to support silicon gas businesses.

Cash expenditures for research and development were USD 3.0 million in 2024, compared to USD 1.3 million in 2023. Total expenditures, including depreciation, were USD 3.4 million in 2024 and USD 1.7 million in 2023.

Note 29 Commitments, guarantees, pledges

Purchase obligations consist of significant items for which the Group is contractually obligated to purchase from third parties on December 31, 2024. Operating lease payments show contractual minimum future payments.

In cases where contracts can be terminated or reduced, the reduced amount has been included as estimated payments in the first period after the reporting period. Consequently, the amounts presented in the table represent the estimated unavoidable portion of the Group’s expected future costs related to purchase obligations and lease payments. It does not reflect the Group’s expected future cash outflows.

Purchase obligations and operating lease payments are undiscounted and exclude the payment of amounts recognized for other assets, liabilities, and investments.

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

USD in million	Total	2025	2026	2027	2028	2029	After 2029
Total purchase of goods, services	42.2	42.1	0.0	0.0	0.0	0.0	0.0
Total minimum operating lease payments	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total purchase obligations and minimum operating lease payments	42.3	42.2	0.1	0.1	0.0	0.0	0.0

Purchase obligations consist primarily of contracts for Metallurgical Grade Silicon. Operating leases are short-term or low-value leases that meet the exceptions in IFRS 16 Leases.

Guarantees and pledges

Bank guarantees on December 31, 2024, were zero and on December 31, 2023.

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

Note 30 Other information financial instruments

Fair values of financial instruments

For all financial assets and liabilities, the carrying amounts represent a reasonable approximation of fair value.

Credit risk

The maximum credit risks related to financial assets are estimated in the table below.

USD in million	2024		2023	
	Carrying amount	Max. Exposure	Carrying amount	Max. Exposure
Cash and bank (incl. restricted bank accounts)	10.9	10.9	171.5	171.5
Trade receivables and accrued revenues	12.1	12.1	21.9	21.9
Other non-current and current receivables	4.1	4.1	0.0	0.0
Finance receivables and short-term loans	0.0	0.0	0.0	0.0
Total	27.0	27.0	193.4	193.4

The Group is dependent on a small number of customers. In 2024, three customers represented approximately 69 percent of revenue for the Group. In 2023 three customers represented 56 percent.

Three customers represented approximately 84 percent of total trade receivables for The Group on December 31, 2023 (three customers represented approximately 64 percent on December 31, 2023).

See [note 5](#) Segment Information above.

Shared characteristics that identify each concentration of trade receivables on December 31

Geographical	2024	2023	Sector	2024	2023	Industry	2024	2023
Europe	25%	43%	Wholesale	72%	33%	Electronic	100%	92%
North America	24%	11%	Manufacturing	28%	67%	Solar	0%	8%
Malaysia	19%	0%	Other	0%	0%	Other	0%	0%
Korea	19%	17%						
Taiwan	6%	10%						
Japan	3%	11%						
Other Asia	2%	2%						
Singapore	1%	3%						
China	1%	4%						
Total	100%	100%		100%	100%		100%	100%

The table above is calculated with respect to gross trade receivables

Amounts overdue but not impaired between 90 and 365 days were zero in 2023 and 2022. (see table below)

Analysis of aging of receivables on December 31, 2024

USD in million	Total carrying amount	Aging of receivables past due				
		Not due	< 30 Days	>30<90 Days	>90<365 Days	>365 Days
Trade receivables	12.7	7.7	4.7	0.3	0.0	0.0
Provision for loss on trade recivables	-0.7	0.0	-0.4	-0.3	0.0	0.0
Other non-current and current receivables	4.1	4.1	0.0	0.0	0.0	0.0
Total receivables	16.2	11.8	4.3	0.0	0.0	0.0

Analysis of aging of receivables on December 31, 2023

USD in million	Total carrying amount	Aging of receivables past due				
		Not due	< 30 Days	>30<90 Days	>90<365 Days	>365 Days
Trade receivables	24.7	15.6	4.0	2.3	0.0	2.7
Provision for loss on trade recivables	-2.7	0.0	0.0	0.0	0.0	-2.7
Other non-current and current receivables	0.0	0.0	0.0	0.0	0.0	0.0
Total receivables	21.9	15.6	4.0	2.3	0.0	0.0

The provision for doubtful accounts includes the impact of expected credit losses (ECL) based upon historical experience. The Company has prepared analyses to calculate an ECL estimated at 0.21 percent of sales. However, because expected credit losses are low and accounts receivable consists of relatively large outstanding balances, use of the ECL to record credit losses at the time of sale would result in provisions for losses on trade receivables that are collected. Therefore, the Company uses the ECL rate as a guideline and evaluates the potential that balances will not be received based upon days outstanding, customer payment histories, and other information regarding past due balances. In general, provisions are recorded for accounts which are greater than 60 days past due unless there is a clear indication that payment will be received.

On December 31, 2024, approximately 2 percent of the not due receivables were secured by bank guarantees with no past due receivables secured by credit insurance. On December 31, 2023, approximately 19 percent of not due trade receivables were secured by bank guarantees.

Sensitivities

Interest rate sensitivity

A change in interest rates will affect interest payments on variable interest rate liabilities, cash, and restricted cash. The net effect of a one percentage point increase (decrease) in interest rates is estimated to affect profit or loss for the year by USD 3.4 (-3.4) million calculated on outstanding amounts on December 31, 2024.

Exchange rate sensitivity

The table below shows the estimated impact of a 10 percent increase in foreign currency rates compared to functional currencies for each entity. A decrease in the same percentage would create the opposite effect. The amounts calculated in the table below are for REC Silicon ASA at period end and do not reflect fluctuations during the year. The table below shows the effects of changes in exchange rates on positions denominated in NOK for 2024 and 2023.

Exchange rate sensitivity on financial instruments on December 31

USD in million	Change + 10% compared to functional currencies	
	2024	2023
Financial assets	0.1	0.1
Financial liabilities	-0.1	-0.1
Total	0.0	0.0
Of which to equity		
USD receivables as part of net investment	0.0	0.0
Rest is to profit or loss	0.0	0.0

Note 31 Claims, disputes, contingent liabilities and contingent assets and risks

The Group is involved in legal disputes in the ordinary course of business. Provisions are recognized for the expected outcomes in accordance with applicable accounting rules. Provisions are based on Group Management’s estimate of likely outcomes based on prior experience, the source, and the facts and circumstances of a claim. The final outcomes of such disputes and litigation are subject to significant uncertainty and actual outcomes may vary from provisions recognized. Provisions are adjusted to reflect the most recent facts and circumstances.

Risk Factors

Market risk

In January 2025, REC Silicon announced that its US affiliate QCells, its customer for granular polysilicon produced at Moses Lake, entered into a mutually agreeable termination agreement. Per the agreement, the reimbursement of the prepayment of USD 30 million by REC Silicon to QCells has been delayed for one year without interest and without any further obligation by either party, including the payment of any liquidated damages.

On February 7, 2024, REC Silicon announced that REC Advanced Silicon Materials LLC was shutting down its polysilicon production capacity at its Butte, Montana facility. The polysilicon business continued to produce for approximately nine months to fulfill polysilicon supply obligations to the company’s customers.

Operational risk

The Group’s production processes involve manufacturing, processing, storage, use, handling, distribution and transport of silane gas and other substances of an explosive or hazardous nature. Accidents or mishandlings involving these substances could cause property damage or injury, which could lead to significant liabilities and costs for the Group. The occurrence of a catastrophic event at the silane gas production facilities at Butte could adversely impact production capacity at such facility for a significant period of time. In addition, an interruption in the supply of materials and services could disrupt production capacity for a significant period of time. Despite insurance coverage, the Group could incur uninsured losses and liabilities arising from such events, and/or suffer substantial losses in operational capacity, which could have a significant adverse effect on the Group’s business, prospects, financial results, and results of operations.

The production process for the Butte facility is energy intensive and subject to risk from high energy prices.

Liquidity risk

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 December 31, 2024, 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 first half 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. (see [notes 7, 17, 29 and 33](#) to the consolidated financial statements).

Credit risk

Credit risk is primarily related to trade receivables and guarantees provided for discontinued operations. In trade receivables, sources of credit risk include geographic, industry and customer concentrations, and risks related to the collection. Policies and procedures are in place for managing credit risk, including obtaining securities where possible. Market and customer specific developments affect credit risk.

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

Climate risk

The Company evaluates the risks and opportunities arising from climate change, which may impact its financial statement items, including assets, liabilities, and profitability.

The Company monitors the potential impact of climate-related policies, legal changes, and shifts in consumer trends on its financial statements. For the current fiscal year, no assets have been impaired, or costs recognized due to climate-related risks. Impairments may arise in the future due to changes in climate-related regulations and market conditions, and the company will continue to monitor these risks.

Note 32 Share-based compensation

The share-based incentive program is intended to award and incentivize outstanding performance by eligible employees and to attract and retain strong talent in business-critical functions.

The synthetic options under this Program entitle the holder to receive a cash payment equivalent to the difference between a specific number of options multiplied by the strike price for such options and the same number of REC shares multiplied by the weighted average market price of REC shares on the disbursement dates. The options entitlement does not need to be exercised by any action by the eligible employee and will be automatically disbursed by REC following the applicable disbursement date for such year.

The cash payment is limited to a maximum amount in each calendar year. The maximum amount is each employee's base salary effective January 1 in the year of the relevant disbursement date.

The value of unvested options is calculated using the Black Scholes option pricing model and may not match actual payments made depending upon the market value of the Company's stock on the exercise date. During 2024 zero share options were granted. In 2019, 2020 and 2021, 1,200,000 share options were granted to certain key employees. The first three years are a lock-up period. The vesting of the options for eligible employees will take place in equal parts after the third, fourth and fifth years of each program, on each June 30 of each year. The options were granted at a strike price of NOK 8.1 in 2019, 3.5 in 2020, and 17.5 in 2021. Any unexercised options are forfeited upon termination of employment, unless the employee retires, in which case options are maintained.

Fair values are estimated each reporting date using the Black-Scholes option price model.

Options outstanding on December 31, 2024

Program	Exercise price (nok)	No. options	Total fair value (USD million)	Remaining contractual life (year)	Total expensed (USD million)
2020	3.5	329,707	0.0	0.5	0.0
2021	17.5	1,089,900	0.0	1.5	0.0
Total		1,419,607	0.1		0.1

Options outstanding on December 31, 2023

Program	Exercise price (nok)	No. options	Total fair value (USD million)	Remaining contractual life (year)	Total expensed (USD million)
2019	8.1	328,736	0.3	0.5	0.3
2020	3.5	659,415	0.6	1.5	0.5
2021	17.5	1,089,900	0.2	2.5	0.1
Total		2,078,051	1.2		0.9

Differences between the number of options granted for each year and the number of outstanding options in the table above are due to options that have been forfeited upon termination of employment, and by options exercised. Options forfeited for 2024 and 2023 were zero and 82,210 respectively. During 2024 the total amount of shares exercised were 329,708 from program year 2020. During 2024 328,736 options from program year expired.

The amount recognized in the statement of income for share-based compensation was a credit of USD 0.7 million in 2024 and USD 0.6 million in 2023. On December 31, 2024, USD 0.0 million has been reported in the line other non-current liabilities on the statement of financial position and USD 0.1 million in accrued operating costs (see [note 20](#)). The liabilities associated with share-based compensation are derived using the Black Scholes option pricing model and may not match actual payments made depending upon the market value of the Company's stock on the exercise date. During 2024 there was USD 0.1 million in cash payments made with respect to share-based compensation, and USD 0.7 million in 2023.

Note 33 Events after the reporting period

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

Further, the bridge loans of USD 25 million and USD 25 million with Hanwha International LLC rolled up into this loan at their maturity dates on February 2 and February 4, 2025, respectively. The terms of the loan are generally in line with the financial terms of the Company’s existing bank loan agreements, secured by the assets of the Company. The maturity date is January 24, 2026.

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

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

Statement of compliance

The Board of Directors and the Chief Executive Officer (CEO) have today considered and approved the report from the Board of Directors and CEO, the financial statements for the Group and for the parent company REC Silicon ASA (the Company) for the year ending December 31, 2024.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements as stated in the Norwegian Accounting Act that are applicable on December 31, 2024. The financial statements for the Company have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway that are applicable on December 31, 2024. The report from the Board of Directors and CEO, including the report on corporate governance and sustainability, for the Group and the Company has been prepared in accordance with the Norwegian Accounting Act and the Norwegian Accounting Standard no. 16 applicable on December 31, 2024.

We confirm that, to the best of our knowledge:

- The financial statements for the Group and the Company for the year ending December 31, 2024 have been prepared in accordance with applicable accounting standards, and
- The information in the financial statements gives a true and fair view of the Group's and the Company's assets, liabilities, financial position, and results of operations for the year ending December 31, 2024, and
- The report from the Board of Directors for the year ending December 31, 2024 includes a fair review of:
- The development, results of operations and position for the Group and the Company, and
- The principal risks and uncertainties for the Group and the Company.

Lysaker, March 24, 2025
Board of Directors

Document is signed electronically

Tae Won Jun
Chairman of the Board

Jooyong Chung
Deputy Chair

Vivian Bertseka
Member of the Board

Robert Neuhauser
Member of the Board

Dr. Renate Oberhoffer-Fritz
Member of the Board

William K. Levens
President and CEO

Parent company financial statements

REC Silicon ASA

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Parent company balance sheet (NGAAP)

On December 31 (USD in thousand)	Notes	2024	2023
ASSETS			
Non-current assets			
Equipment and intangible assets	<u>B</u>	30	30
Investments in subsidiaries	<u>C</u>	133	133
Non-current receivables from subsidiaries	<u>D, M</u>	125,492	336,820
Total non-current assets		125,655	336,983
Current assets			
Other receivables		327	375
Restricted bank accounts current	<u>E</u>	12	13
Total current receivables		339	388
Cash and cash equivalents	<u>E</u>	2,240	17,027
Total current assets		2,579	17,415
Total assets		128,234	354,398

On December 31 (USD in thousand)	Notes	2024	2023
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	<u>G</u>	49,629	49,629
Share premium	<u>G</u>	199,677	199,677
Total paid-in capital	<u>G</u>	249,306	249,306
Other equity and retained earnings	<u>G</u>	-233,182	-5,223
Total shareholders' equity	<u>G</u>	16,124	244,083
Non-current liabilities			
Interest-bearing liabilities	<u>F</u>	110,000	110,000
Total non-current liabilities		110,000	110,000
Current liabilities			
Trade payables		136	15
Social security tax, VAT and other taxes		34	57
Other current liabilities	<u>L</u>	1,940	243
Total current liabilities		2,110	315
Total liabilities		112,110	110,315
Total equity and liabilities		128,234	354,398

Lysaker, March 24, 2025
Board of Directors

Document is signed electronically

Tae Won Jun
Chairman of the Board

Joo-Yong Chung
Deputy Chair

Vivian Bertseka
Member of the Board

Robert Nauhauser
Member of the Board

Dr. Renate Oberhoffer-Fritz
Member of the Board

William K. Levens
President and CEO

Parent company income statement (NGAAP)

Year ended December 31 (USD in thousand)	Notes	2024	2023
Revenues		0	0
Employee benefit expenses	<u>H</u>	-328	-215
Other operating expenses	<u>J</u>	-1,921	-2,485
EBIT		-2,249	-2,700
Interest income, external		386	722
Interest expense, external	<u>K</u>	-8,748	-9,920
Other financial expenses	<u>K</u>	0	-8
Net currency gains/losses	<u>K</u>	52	-4,592
(Impairment)/reversal of impairment of financial assets	<u>D, M</u>	-217,400	72,145
Net financial items		-225,710	58,347
Profit/loss before income tax		-227,959	55,647
Income tax expenses	<u>I</u>	0	0
Profit/ loss		-227 959	55 647
Profit/loss for the year is distributed as follows			
Other equity (uncovered loss)	<u>G</u>	-227,959	55,647
Total distributed		-227,959	55,647

Parent company statement of cash flows (NGAAP)

Year ended December 31 (USD in thousand)	2024	2023
Cash flows from operating activities		
Profit (Loss) before tax	-227,959	55,647
Impairment gains or losses on financial assets ¹	217,400	-72,145
Changes in receivables external	48	-13
Changes in payables	98	-170
Currency effects not cash flow or not related to operating activities ²	1	183
Other items ³	1,697	-2,641
Net cash flow from operating activities	-8,715	-19,139
Cash flow from investing activities		
Proceeds from finance receivables and restricted cash	4,000	20,208
Payments of receivables internal ¹	-10,072	-74,883
Net cash flow from investing activities	-6,072	-54,675
Cash flow from financing activities		
Increase in equity	0	0
Payment of loans	0	-110,000
Proceeds from new loans	0	110,000
Net cash flow from financing activities	0	0
Net increase/decrease in cash and cash equivalents	-14,787	-73,814
Cash and cash equivalents at the beginning of the period	17,027	90,841
Cash and cash equivalents at the end of the period	2,240	17,027

¹ Impairment gains and losses on financial assets. See [note M](#).
² The Currency gains and losses are primarily related to bank accounts in NOK revalued.
³ Other items consist of the expensing of up-front loan fees and amortization of interests and other items.

Notes to the Parent company financial statements

Note A Summary of significant accounting principles and general

REC Silicon ASA (the Company) is a holding company with corporate management and financial functions.

The financial statements have been prepared in compliance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP) in effect on December 31, 2024. The Company's reporting and functional currency is in US Dollar (USD).

The reporting currency used in the consolidated financial statements is US Dollar (USD). The consolidated financial statements of the Group have been prepared in accordance with IFRS. The Company's accounting principles are similar to the accounting principles for the Group unless otherwise noted. Financial statement disclosures for the Company that are substantially different from the disclosures for the Group are shown below. See notes to the consolidated financial statements.

Group contributions and dividends that are subject to approval by the Annual General Meeting are recognized according to IFRS in the consolidated financial statements at the time of approval. For the Company's financial statements according to NGAAP, these are recognized in the fiscal year they relate to. Group contributions to subsidiaries are recognized as investment in shares in subsidiaries, net of tax.

Subsidiaries, jointly controlled entities, and associates are carried at the lower of cost or estimated recoverable amount in the Company's financial

statements. In the consolidated financial statements, these are consolidated or accounted for using the equity method.

While intercompany receivables are presented as assets in the company's NGAAP financial statements, they are eliminated in the IFRS consolidated financial statements. Intercompany receivables are recognized at nominal value at initial recognition, adjusted for any identified losses or uncertainties regarding settlement. Intercompany receivables are assessed for impairment if there are indications of potential credit losses. Any impairment losses are recognized in the income statement when identified.

In the Company's financial statements, payments expected to be made during the next 12 months on non-current financial assets or liabilities are reclassified to current financial assets or liabilities.

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

The financial statements of the Company have been approved for issue by the Board of Directors on March 19, 2025 and are subject to approval by the Annual General Meeting scheduled for May 8, 2025.

Note B Equipment and intangible assets

Equipment and intangible assets consist of office equipment and furniture. There has been no addition and disposal during 2024 and 2023. The tangible assets were fully depreciated on December 31, 2020.

Note C Shares in subsidiaries

Company	Ownership/ voting right	Business office	Carrying amount on December 31 (USD in thousand)	
			2024	2023
REC SILICON AS	100%	Bærum	11	11
REC SOLAR AS	100%	Bærum	122	122
Total			133	133

Sub-subsidiaries	Ownership/ voiting right	Business office
REC Silicon AS subsidiaries		
REC Silicon Inc	100%	Moses Lake, USA
REC Solar Grade Silicon LLC	100%	Moses Lake, USA
REC Advanced Silicon Materials LLC	100%	Butte, USA
REC Silicon Pte. Ltd.	100%	Singapore

Note D Receivables from subsidiaries

Non-current interest-bearing receivables from subsidiaries are USD loans to the subsidiaries with carrying value USD 125,400 thousand on December 31, 2024 and USD 336,800 thousand on December 31, 2023. In 2024 the Company impaired these receivables by USD 217,400 thousand.

In 2023 the Company reversed the impairment of these receivables by USD 158,100 thousand. These loans are not interest-bearing and is deemed as part of the long-term financing of the US operation. See [note M](#).

Other current receivables consist of receivable/ loan to REC Silicon Pte. Ltd. The Company had in previous years impaired the receivables/ loan to REC Silicon Pte. Ltd due to the subsidiary’s financial situation and obligations. In 2023 the impairment of USD 5,208 thousand was reversed as the receivable from REC Silicon Pte Ltd was repaid to REC Silicon ASA. See [note M](#).

Note E Cash and cash equivalents and restricted bank accounts

Cash and cash equivalents consist of bank deposits.

Restricted bank accounts (not included as cash and cash equivalents)

On December 31 (USD in thousand)	2024	2023
Current	12	13
Total restricted bank accounts	12	13

On December 31, 2024, current restricted bank accounts consist of USD 12 thousand to secure employees' tax deductions in REC Silicon ASA.

On December 31, 2023, current restricted bank accounts include USD 13 thousand to secure employees' tax deductions in REC Silicon ASA.

See [note 14](#) to the consolidated financial statements for a description of restricted bank accounts.

Note F Interest bearing liabilities

On December 31 (USD in thousand)	2024	2023
Non-current		
USD bank loan	110,000	110,000
Total non-current interest bearing liabilities	110,000	110,000
Current		
Total non-current interest bearing liabilities	0	0
Total interest bearing liabilities	110,000	110,000

In March 2023 the company entered into a bank loan of USD 110 million from KEB Hana Bank. The maturity date for the loan is 3 April, 2026. The loan has an interest with basis rate 3-month SOFR plus the applicable margin of 1.8%.The loan from KEB Hana Bank was fully guaranteed by Hanwha Solutions, REC Silicon ASA’s major shareholder. In April 2023 the company repaid the REC 04 Bond loan of USD 110 million.

Covenants imposed by the loan include a change of control provision which grants the bank an option entitling them to cancel the commitments and declare all outstanding amounts and accrued unpaid interest due and payable if a shareholder or a group of shareholders gains control of the share capital other than the current main shareholder, Hanwha Solutions.

In addition, the loan agreement provides limitations on borrowing, asset sales, and other transactions under certain conditions. The loan agreement includes a cross-default clause should the Company default on any financial indebtedness above certain threshold amounts.

On December 31, 2024 and 2023, the Company had complied with all financial covenants and other restrictions in the loan.

See [note 17](#) to the consolidated financial statements for details of the Company’s interest-bearing liabilities.

Note G Equity

USD in thousand	Share capital	Share premium	Other equity and retained earnings (uncovered losses)	Total
Equity on January 1, 2023	49,629	199,677	-60,870	188,436
Profit for the year	0	0	55,647	55,647
Equity on December 31, 2023	49,629	199,677	-5,223	244,083
Loss for the year	0	0	-227,959	-227,959
Equity on December 31, 2024	49,629	199,677	-233,182	16,124

On December 31, 2024, REC Silicon ASA had 31,883 shareholders (34,318 on December 31, 2023). The total number of outstanding shares was 420,625,659 on December 31, 2024 and 2023, each with a par value of NOK 1.

Note H Employee benefits

Employee benefit expenses

USD in thousand	2024	2023
Payroll	-290	-184
Social security tax	-38	-31
Pension expense including social security tax	0	0
Other employee related costs	0	0
Employee benefit expenses	-328	-215

The average number of employees measured in man-years was 1.0 during 2024 and 0.3 for 2023. There were no loans or guarantees to employees on December 31, 2024 and 2023.

Payroll includes compensation to Board of Directors. The CEO of REC Silicon ASA is employed in REC Silicon Inc and receives remuneration from the subsidiary. For compensation and shareholdings for Group management and Board of Directors see [note 16](#) to the consolidated financial statements. Additionally, the executive management remuneration report prepared in accordance with the provisions of the Norwegian Public Companies Act will be prepared for the Annual General Meeting in 2025.

Pension plans

On December 31, 2024, and 2023 the Company has one employee in Denmark and no employees located in Norway and had thereby stopped maintaining a defined contribution pension plan for employees. As long as the company had employees located in Norway, the company maintained a contribution plan that fulfilled the requirements of Norwegian law: “Lov om obligatorisk tjenestepensjon”.

Note I Income taxes

Recognized income tax expense

USD in thousand	2024	2023
Current income tax benefit (+) / expense (-) for the year	0	0
Total deferred tax benefit (+) / expense (-) for the year	0	0
Changes in estimates related to prior years	0	0
Total income tax benefit (+) / expense (-) for the year in the income statement	0	0

Relationships between income tax expense/benefit to profit/loss before taxes

USD in thousand	2024	2023
Profit/Loss for before taxes	-227,959	55,647
Tax calculated at domestic tax rate of 22%	50,151	-12,242
Expenses not deductible for tax (-) /reversal (+)(permanent differences) ¹	0	0
Impairment gain (loss) (permanent differences) ¹	-47,828	15,872
Other permanent differences ²	16,842	1,490
Effects of not recognized deferred tax assets, including reversal of previous years	-19,165	-5,119
Current income tax benefit (+) / expense (-) for the year	0	0
Changes in estimates related to prior years	0	0
Total income tax benefit (+) / expense (-) for the year in the income statement	0	0
Effective tax rate	0%	0%

¹ Impairment gains (losses) of financial assets.
² Other permanent differences consist of income and cost registered in USD financial statement, but not applicable for tax calculation, and income and cost registered in NOK Tax financial statement, but not applicable for the USD financial statement.

Current income tax

USD in thousand	2024	2023
Profit/Loss for before taxes	-227,959	55,647
Impairment gains and losses on shares and loans - permanent differences	217,400	-72,145
Expenses not deductible for tax (+) / reversal (-) (permanent differences)	0	0
Other permanent differnces ¹	97,675	39,767
Changes in temporary differences	-95,081	-47,598
Basis for income tax before utilization (-) / increase (+) of tax losses carried forward	-7,965	-24,329
Utilization (-) / increase (+) of tax losses carried forward	7,965	24,329
Basis for current tax in the income statement	0	0
Estimated 22 percent current income tax	0	0
Current income tax benefit (+) expense (-) for the year	0	0
Basis for current tax in the income statement	0	0
Cost for capital increase	0	0
Tax loss caried forward	0	0
Basis for current tax in balance sheet	0	0
Current tax asset (+) / liability (-)	0	0

¹ Other permanent differences consist of income and cost registered in USD financial statement, but not applicable for tax calculation, and income and cost registered in NOK Tax financial statement, but not applicable for the USD financial statement.

Specification of temporary differences and tax losses, deferred tax assets and liabilities

USD in thousand	2024	2023
Fixed assets	-5	-14
Up-front fee and Capitalized borrowing cost	0	0
Interest bearing liabilities	0	0
Derivatives	0	0
Net unrealized gains on non-current foreign exchange receivables and liabilities	451,023	402,977
Other	-7,046	-7,864
Tax losses carried forward	-457,417	-502,110
Total temporary differences and tax loss carried forward	-13,446	-107,012
Tax percentage	22%	22%
Deferred tax assets (-) / liabilities (+)	-2,958	-23,543
Deferred tax assets not recognized	2,958	23,543
Deferred tax assets (-) / liabilities (+) in the balance sheet	0	0
Change in deffered tax assets (-)/ liabilities (+) in the balance sheet	0	0
Total deferred tax benefit (-)/ expense (+) for the year	0	0

The deferred tax asset in Norway was generated due to net operating losses on a tax basis and other taxable temporary differences which are expected to reverse on a more definite schedule. The Norwegian Tax office has changed the company’s income tax assessment for the years 2019-2022 during 2024. The basis for this change where an ongoing tax audit relating to whether interest should have been charged on loans provided from REC Silicon ASA to Rec Silicon Inc and Rec Solar Grade Silicon LLC. As a temporary measure, due to the financial situation in these subsidiaries, the company has not charged interest on the loans in the period 2019 to 2024. The company has not made any preliminary tax provisions for this matter in the periods 2023 and 2024 as the Norwegian Tax office has yet to review these years in their assessment with their estimates for the subsidiaries debt bearing capacity in this period. The company has not recognized any deferred tax asset relating to its tax losses carry forward.

The following are the temporary differences and movement during 2024 and 2023

USD in thousand	Balance Jan 1, 2024	Recognized in income	Recognized in equity	Translation differences	Balance Dec 31, 2024
Fixed assets	-14	7	0	1	-5
Up-front fee and capitalized borrowing cost	0	0	0	0	0
Interest bearing liabilities	0	0	0	0	0
Net urealized gains on non-current foreign exchange receivables and liabilities	402,977	95,073	0	-47,027	451,023
Other	-7,864	0	0	818	-7,046
Tax losses carried forward	-502,110	-7,965	0	52,658	-457,417
Total	107,012	87,116	0	6,450	-13,446

USD in thousand	Balance Jan 1, 2023	Recognized in income	Recognized in equity	Translation differences	Balance Dec 31, 2023
Fixed assets	-25	10	0	1	-14
Up-front fee and capitalized borrowing cost	115	-107	0	-8	0
Interest bearing liabilities	0	0	0	0	0
Net urealized gains on non-current foreign exchange receivables and liabilities	364,740	47,695	0	-9,459	402,977
Other	-8,116	0	0	251	-7,864
Tax losses carried forward	-492,086	-24,329	0	14,305	-502,110
Total	135,371	23,269	0	5,091	-107,012

Note J Other operating expenses

Specification of other operating expenses

USD in thousand	2024	2023
Operating lease expenses	-22	-21
Audit remuneration	-260	-326
Consultancy fee	-1,045	-1,812
Insurance	-203	-242
Other operating expenses	-391	-84
Total Other operating expenses	-1,921	-2,485

Audit remuneration

USD in thousand	2024	2023
Statutory audit	-234	-264
Other non-audit services	-26	-62
Total auditor's remuneration expensed	-260	-326

The auditor's remuneration expensed for 2023 was in total related to KPMG. In 2024 Statutory audit consist of USD 171 thousand from Deloitte, elected as auditor on the general assembly in May 2024. The remaining USD 63 thousand In Statutory audit was relating to KPMG. Other non-audit services of USD 26 thousand were relating to KPMG.

Future payment obligations

The future aggregate minimum payment obligation is as follows.

USD in thousand	2024			2023		
	Operating lease	Other	Total	Operating lease	Other	Total
No later the 1 year	0	69	69	0	69	69
Later than 1 year but not later than 5 years	0		0	0	0	0
Later than 5 years	0	0	0	0	0	0
Total	0	69	69	0	69	69

Note K Interest and currency

Interest income, internal

The Company conducts financing for the Group. The Company has loans to the US operation. See [note D](#) and [M](#). In 2019 the Company and the US borrowers agreed to make addendums to the loan agreements. Due to the borrowers' financial position and outlook for the next two years (2019 and 2020) no interest should be calculated and paid. In 2021 the Company and the borrowers agreed to make new addendums to the loan agreements. Due to the borrowers' financial position and outlook for the next two years (2021 and 2022) no interest should be calculated and paid. The same addendum was applied in 2022 for 2023 and 2024 and in 2024 for 2025 and 2026. If the circumstances change during the period, the interest shall be changed back to the interest described in the loan agreements. No interest has been recognized in the period from 2019 to 2024

Interest expenses, external

Specification of interest expenses, external

USD in thousand	2024	2023
Interest USD senior secured bond and bank loan	-8,748	-9,920
Total Interest expenses, external	-8,748	-9,920

Interest expenses include expensing of upfront fees, see [note 25](#) to the consolidated financial statements.

Currency gains and losses

Specification of net currency gains and losses

USD in thousand	2024	2023
Net currency gains / losses on other	52	-4,592
Total Net currency gains and losses	52	-4,592

Note L Derivatives, other current liabilities

Derivatives

REC Silicon ASA had no derivative contracts in 2024 and 2023.

Specification of other current liabilities

On December 31 (USD in thousand)	2024	2023
Accrued interest on interest-bearing liabilities	1,799	0
Accrued operating costs	141	243
Total Other current liabilities	1,940	243

Note M Impairment of financial assets

2024

USD in thousand	Shares in REC Silicon AS	Receivables to US operations	Receivables on REC Silicon AS	Receivables related to REC Silicon Pte Ltd
Par value / cost on January 1	267,976	986,928	20	0
Accumulated impairment on January 1	-267,965	-650,128	0	0
Carrying value on January 1	11	336,800	20	0
Addition	0	10,000	72	0
Repayment	0	-4,000	0	0
Conversion from loan to equity			0	0
Impairment / reversal (+)	0	-217,400	0	0
Carrying value on December 31	11	125,400	92	0
Par value / cost on December 31	267,976	992,928	92	0
Accumulated impairment on December 31	-267,965	-867,528	0	0

2023

USD in thousand	Shares in REC Silicon AS	Receivables to US operations	Receivables on REC Silicon AS	Receivables related to REC Silicon Pte Ltd
Par value / cost on January 1	108,104	1,001,928	85,009	5,208
Accumulated impairment on January 1	-108,093	-808,228	-68,709	-5,208
Carrying value on January 1	11	193,700	16,300	0
Addition	159,872		74,883	0
Repayment	0	-15,000		-5,208
Conversion from loan to equity			-159,872	
Impairment / reversal (+)	-159,872	158,100	68,709	5,208
Carrying value on December 31	11	336,800	20	0
Par value / cost on December 31	267,976	986,928	20	0
Accumulated impairment on December 31	-267,965	-650,128	0	0

REC Silicon ASA owns all the shares in REC Silicon AS which owns REC Silicon Inc that is the holding company of the USA operations. In addition, REC Silicon AS owns all the shares in REC Silicon Pte Ltd.

In 2020 REC Silicon AS impaired the value of the shares in REC Silicon Pte Ltd with USD 12.9 million. As a consequence of the impairment loss in REC Silicon AS, REC Silicon ASA impaired their shares in REC Silicon AS.

In 2023 REC Silicon Pte Ltd repaid the receivables of USD 5.2 million. The repayment was made due to proceeds from the successful sale of shares in Yulin JV. The receivables related to REC Silicon Pte Ltd previously fully impaired, therefore in 2023 had an income of USD 5.2 million related to reversal of impairment of the loan.

REC Silicon AS shares in REC Silicon Inc, were impaired to zero in 2016.

The impairment loss in 2024 and gain in 2023 represents the book value in excess of the fair value of loans to REC Silicon ASA's subsidiaries.

Estimates of the value of US operations were calculated using the fair values of financial assets and liabilities held by the US entities and the net present value of cash flows of operations in the United States. Key assumptions in the model are represented by among other factors, the future sales volumes and prices relating to the company's strategy for future investments and production. Management of the company has thoroughly reviewed all the assumptions presented in the model, and believe the model is reasonable and represent the best estimate for the future values that the company will achieve during in the specified future period for the model. However, the estimated values include judgement from management and may represent uncertainty as the factors put in the model consist of both observable factors in the market, historical assumptions and estimates.

Note N Research and development

REC Silicon ASA did not conduct any activities associated with research and development during 2024 and 2023.

Note O Guarantees and bond

On December 31, 2024 and 2023 the company did not have any bank guarantees

The Company provided parent company guarantees for the REC Solar Group related to the performance of solar panels and systems and the sale of REC ScanModule AB. The Group has been provided with offsetting guarantees by REC Solar Holdings AS. The guarantees are valid for relevant warranty periods and are limited by warranties provided on solar panels and systems. Parent company guarantees for REC Solar were USD 28.1 million on December 31, 2023 and on December 31, 2022. The guarantees decrease from 2024 to 2039 when they will expire in their entirety.

Note P Related parties

Related parties' transactions for the Company are primarily loans to its subsidiaries (see [note D](#) and [M](#)). These loans are included in non-current receivables from subsidiaries (see the balance sheet). Since 2019 there has been no interest income calculation, see [note K](#). Guarantee fees to Hanwha Solutions, REC Silicon ASA's largest shareholder, are related to financial guarantees from Hanwha Solutions for a USD 110 million bank loan to REC Silicon ASA from KEB Hana Bank in 2023. Group Management and Board of Directors' compensation, ownership of shares and options, loan agreements and guarantees are shown in [note 16](#) to the consolidated financial statements.

Note Q Contingent liabilities

REC had no contingent liabilities on December 31, 2024.

Note R Going concern

The Company has prepared its financial statements based on the going concern assumption. However, there is significant doubt about the Company’s ability to maintain sufficient liquidity to sustain its operations over the next 12 months without continued financial support from its major subsidiary, REC Silicon Inc., or access to additional sources of capital.

The Company doesn’t have the capacity for cash flow generation from business operations and relies on repayments of intercompany loans from its US entities to cover its expenses and interest payments. The term loan of USD 110 million from KEB Hana Bank matures in April 2026 and needs to be rolled over or repaid.

Management acknowledges that the Company will not be able to generate sufficient cash flow from its operations to cover its expenses and interest payments for the next 12 months and meet the debt repayment in April 2026. There is significant doubt about the Company’s ability to secure sufficient funding from its US entities for the next 12 months due to the shutdown of the polysilicon operations at the Moses Lake facility in December 2024.

REC Silicon Inc has provided the Company with a support letter to confirm its commitment to ensuring that the Company continues as a going concern. However, there is uncertainty regarding the effectiveness of this support, as the cash flow generated by US entities is not sufficient to cover operating needs, and additional funding will be required. 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 the obligations and continue as a going concern.

Management acknowledges the importance of assumptions related to the going concern assessment and has carefully projected the outlook for 2025. Management believes that its US entities’ financial goals for 2025 are achievable. Given the cash flow estimates outlined above and the fact that Hanwha, as the largest shareholder and primary creditor, has guaranteed all bank loans and provided shareholder loans, management and the Board believe that the Group’s continued operations are aligned with Hanwha’s best interests.

The Board considers the Company’s current liquidity position and the estimated results of operations sufficient to meet the operating cash flow requirements. The Board of Directors confirms that the Financial Statements have been prepared under the assumption that the Company is a going concern, and that this assumption was realistic at the date of the accounts. The Board intends to monitor these conditions and is prepared to take appropriate action as necessary. Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern.



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To the General Meeting of Rec Silicon ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rec Silicon ASA, which comprise:

- The financial statements of the parent company Rec Silicon ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Rec Silicon ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Rec Silicon ASA for 1 years from the election by the general meeting of the shareholders on 14 May 2024 for the accounting year 2024.

Material Uncertainty Related to Going Concern

We draw attention to note 3.1, in the financial statement of the Group and note R in the financial statements of the Company and the Board of Directors' report, in which the management describes the uncertainties to the group and the company's operations and funding facilities. These uncertainties, along with other matters as set forth in notes and the Board of Directors' report indicate that a material uncertainty exists that may cast significant doubt on the Group and the

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Independent auditor's report
REC Silicon ASA

Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2024. These matters were addressed in the context of our audit of the financial statements as a whole,

and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Discontinued operations

Description of the Key Audit Matter	How the matter was addressed in the audit
<p>As disclosed in Note 11 to the financial statements, on 30 December 2024, Rec Silicon announced their decision to shut down the Solar Grade Material segment in Moses Lake. Management concluded that the abandonment should be presented as discontinued operations.</p> <p>This event is significant to our audit because the assessment of the classification as discontinued operations is complex and its accounting is non-routine and involves a certain level of management judgement. These include, amongst others, determining whether the abandonment of the Solar Grade Material segment meets the discontinued operations criteria, including that all activities were ceased, whether the Solar Grade Material segment represent a separate major line of business and the presentation of its results separately as discontinued operations in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.</p> <p>Furthermore, upon classification of the Solar Grade Material segment as discontinued operations, management decided to derecognize property, plant and equipment and recognize losses to the income statement.</p> <p>In the event of a misclassification of the abandonment, there may be a risk that it impairs the ability of the users of the financial statements to make informed decisions in the current and subsequent year.</p>	<p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none">• We evaluated relevant controls associated with the classification and presentation of discontinued operations.• We made an assessment of the appropriateness of the classification of the Solar Grade Material segment as discontinued operations. This involved review and evaluating management's memo in relation to the proposed accounting and disclosure of the Solar Grade Material segment and their conclusion that it represents a separate major line of business and that all activities were ceased as of year-end and as such finally abandoned.• We consulted our IFRS technical department on the fact pattern in relation to the abandonment and proposed accounting treatment by management.• Performed substantive testing procedures to verify that property, plant and equipment related to the Solar Grade Material segment have been derecognized and losses recognized in the income statement as discontinued operations.• Testing the completeness and accuracy of the underlying data used in the presentation and disclosure related to the presentation of discontinued operations.• Reviewed the disclosures in the critical accounting judgements section in note 4 of the consolidated financial statements.

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Non-current receivables from subsidiaries

Description of the Key Audit Matter	How the matter was addressed in the audit
<p>As disclosed in note M in the parent company's financial statement, the parent company has recognized non-current receivables from subsidiaries of USD 125.4 million. The non-current receivables shall be written down to their fair value in the case of a decline in value that is not expected to be temporary.</p> <p>Net impairment losses of USD 217.4 million were recognized in the year ended 31 December 2024.</p> <p>The fair value estimation is highly judgmental and changes in assumptions could have a material impact on the impairment recognized.</p> <p>The fair value calculation is based on estimate of assumptions that market participants would use when pricing the asset, including assumptions about credit risk.</p> <p>Due to the significant judgment involved in determining the fair value of the non-current receivables from subsidiaries we have assessed this to be a Key Audit Matter.</p>	<p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none">• We evaluated relevant controls associated with the determination of the fair value.• We assessed and challenged the Company's methodology to determine whether the relevant accounting regulation had been complied with.• We challenged management's key assumptions used in estimating the fair value, specifically the estimate in relation to the market capitalization of the company and the current market conditions.• We used internal valuation specialists in assessing the fair value model used by management.• We considered the adequacy of the disclosures provided by the parent in relation to the non-current receivables from subsidiaries.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report



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or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

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If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated

in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
Report on Compliance with Requirement on European Single Electronic Format (ESEF)
Opinion

As part of the audit of the financial statements of Rec Silicon ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 549300VPZURYDFG0AB60-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than

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audits or reviews of historical financial information”. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company’s processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether

the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management’s use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 24 March 2025
Deloitte AS

Espen Johansen
State Authorised Public Accountant
(electronically signed)

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:

EBITDA	<p>EBITDA is an acronym for Earnings Before Tax, Depreciation, and Amortization. EBITDA is EBIT excluding depreciation, amortization, and impairment.</p> <p>EBITDA from continuing operations is reflected on the consolidated statement of income on the line titled EBITDA. EBITDA has been reported as a loss of USD 17.9 million for the year ended December 31, 2024, and a loss of USD 15.7 million for the year ended December 31, 2023.</p>
EBITDA Margin	<p>EBITDA margin is calculated by dividing EBITDA by revenues. EBITDA and revenues are reflected on the Company’s statement of income, in note 5 Segment Information, and in the key financials table in this report in lines similarly titled.</p> <p>EBITDA margin from continuing operations has been calculated and is reported in the financial highlight tables for REC Silicon Group, in the key financials table for each operating segment.</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 from continuing operations contribution of each operating segment along with other and eliminations to the Company’s total EBITDA can be found in note 5 Segment Information.</p>

EBIT	<p>EBIT is an acronym for Earnings Before Tax and represents profit/loss excluding income tax expense/benefit, net financial items, and share of profit/loss from investments in associates.</p> <p>EBIT from continuing operations is reflected on the consolidated statement of income on the line titled EBIT. EBIT has been reported as a loss of USD 78.9 million for the year ended December 31, 2024, and a loss of USD 35.5 million for the year ended December 31, 2023.</p>
EBIT excluding impairment charges	<p>EBIT excluding impairment charges is calculated by taking EBIT and excluding impairment. For the year ended December 31, 2024 this is a loss of USD 29.2 million and for the year ended December 31, 2023 this is a loss of USD 35.5 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 5 Segment Information, and in the financial highlight tables in this report in lines titled similarly.</p> <p>EBIT margin from continuing operations has been calculated and is reported in the key financials table 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 represents 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 from continuing operations of each operating segment along with other and eliminations to the Company’s total EBIT can be found in note 5 Segment Information.</p>

Equity Ratio

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

On December 31, 2024, the equity ratio is negative 219.6 percent and is calculated by dividing negative USD 378.1 million total shareholders' equity by USD 172.1 million in total assets.

On December 31, 2023, the equity ratio is 13.8 percent and is calculated by dividing USD 76.4 million total shareholders' equity by USD 552.9 million in total assets.

Net Debt

Net debt is the carrying value of interest-bearing debt instruments less cash and cash equivalents.

The carrying value of debt can be found in [note 17](#) Borrowings in the table under the caption carrying amount and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

On December 31, 2024, net debt was USD 407.3 million or USD 352.5 million total carrying value of the Company's debt (from [note 17](#) Borrowings) plus 65.1 million current and non-current lease liabilities (from the statement of financial position) less USD 10.3 million in cash in cash equivalents.

On December 31, 2023, net debt was USD 182.8 million or USD 283.8 million total carrying value of the Company's debt (from [note 17](#) Borrowings) plus 69.9 million current and non-current lease liabilities (from the statement of financial position) less USD 170.9 million in cash in cash equivalents

Nominal Net Debt

Nominal Net debt is the contractual repayment values of interest-bearing debt instruments (excluding interest) less cash and cash equivalents.

The contractual repayment values of debt can be found in [note 17](#) Borrowings in the table under the caption contractual repayments including interest and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

On December 31, 2024, nominal net debt was USD 407.8 million or USD 353.0 million contractual repayment values of the Company's debt plus 65.1 million current and non-current lease liabilities (from the statement of financial position) less USD 10.3 million in cash in cash equivalents.

On December 31, 2023, nominal net debt was USD 183.2 million or USD 284.2 million contractual repayment values of the Company's debt plus 69.9 million current and non-current lease liabilities (from the statement of financial position) less USD 170.9 million in cash in cash equivalents.



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About REC Silicon

REC Silicon ASA is a leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide. We combine nearly 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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