

REC SILICON - FURTHER UPDATE ON THE FINANCIAL SITUATION

Reference is made to the stock exchange announcement by REC Silicon ASA ("REC" or the "Company") on 7 July 2025 (the "Update"), where the board of directors (the "Board") provided an update on the Company's critical financial situation and certain other issues related to the voluntary offer process for all outstanding shares in the Company (the "Offer" as previously announced), made by Anchor AS (the "Offeror"), a company owned by entities within the Hanwha Group ("Hanwha").

On 11 July 2025, the Offeror announced that it had received acceptances which, together with shares held by Hanwha, represented approximately 43.94% of the issued and outstanding shares in the Company. On 14 July 2025, the Offeror announced that the voluntary offer had been completed and that a mandatory offer will be launched within the deadline set out in section 6-10 (1) of the Norwegian Securities Trading Act.

The Board has received an updated liquidity forecast from the Company's management, showing that the Company needs at least USD 6.5 million in the latter part of July to continue its operations and cover its expenses through July and into the first week of August. This includes the making of essential payments such as salaries and wages, interest, insurance and critical vendor items. The Company continues to actively manage and monitor its cash position and aggressively implement all available cost cutting measures.

The Board acknowledges the challenging situation and the expectations of the shareholders who proposed and elected the Board at the Company's Annual General Meeting on 25 June 2025. Since its election, the Board has worked diligently, had frequent meetings, and initiated a number of processes, in the best interests of the Company and all shareholders. The Board has been advised by Wikborg Rein Advokatfirma AS as Norwegian counsel.

As stated in the Update, there are no realistic or available alternatives for financing or strategic options other than continued financial support from Hanwha at this time. This is due to the limited time available, legal restrictions on the Board's ability to seek other financing or strategic options under the Transaction Agreement (as defined in the Update) until closing of the Offer on 14 July 2025, and certain legal restrictions under Norwegian statutory law that will continue to apply.

Since financial support from Hanwha remains the only realistic financing alternative for the Company in this critical situation, the Board has, after the Offeror announced its intention to complete the Offer, entered into discussions with Hanwha to address the Company's current financial situation. These discussions are ongoing, with the aim of securing necessary short-term financing from Hanwha.

As part of these discussions the Board has, recognizing the situation with Hanwha as the only realistic provider of necessary financial support and to accommodate such critical support from

Hanwha, considered the election of a new board to be in the best interest for the Company and its shareholders. Hanwha has informed the Board of its intention to propose a new board of directors to be elected at an extraordinary general meeting to be held during the week starting 4 August 2025 ('EGM'). In connection with this EGM, the independent board member Jens Ulltveit-Moe and the Company's second largest shareholder, Water Street Capital, have in the best interest of the Company and its shareholders, agreed to support the election of a new board of directors, including a new chairman, to be proposed by Hanwha, provided that a binding agreement is entered into pertaining to Hanwha's potential financing of at least USD 6.5 million by 21 July 2025. The Board will issue a separate notice for the EGM.

Contacts

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

About REC Silicon

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

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

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Attachments

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