

RECSiLICON

FOURTH QUARTER

2023

REPORT



FOURTH QUARTER HIGHLIGHTS

- > Revenues of \$40.5M and EBITDA loss of (\$31.2M)

- > December 31, 2023 cash balance of \$170.9M
 - Cash increase of \$49.2M

- > Silicon gas sales
 - Sales volume of 832MT
 - Price increase of 2.0% vs. Q3 2023

- > Semiconductor segment polysilicon sales
 - Semiconductor grade polysilicon sales of 145MT
 - Total polysilicon sales of 182MT
 - Total average price increase of 35.6% vs. Q3 2023
 - Discontinuing EG polysilicon production during 2024

- > Yulin JV sale completed
 - Gross proceeds of \$136.1M received in December 2023

- > Moses Lake start-up process commenced. First delivery in Q1 2024 and full capacity by year end 2024

FINANCIAL HIGHLIGHTS

Key Financials - REC Silicon Group

(USD IN MILLION)	Q4 2023	Q4 2022	DEC 31, 2023	DEC 31, 2022	YEAR 2022	Q3 2023
Revenues	40.5	31.6	141.1	147.8	147.8	34.8
EBITDA	-31.2	-23.6	-80.5	-34.9	-34.9	-17.8
EBITDA margin	-77.0%	-74.7%	-57.0%	-23.6%	-23.6%	-51.2%
EBIT excluding impairment charges	-34.9	-27.3	-94.9	-58.0	-58.0	-21.4
Impairment charges	-7.7	0.0	-8.1	-0.3	-0.3	0.0
EBIT	-42.6	-27.3	-102.9	-58.3	-58.3	-21.4
EBIT margin	-105.2%	-86.3%	-72.9%	-39.4%	-39.4%	-61.6%
Profit/loss from continuing operations before tax	104.4	-26.0	30.5	-87.0	-87.0	-24.8
Profit/loss from continuing operations	104.4	-26.0	30.5	-87.0	-87.0	-24.8
Profit/loss from discontinued operations, net of tax	0.0	0.0	0.0	0.1	0.1	0.0
Earnings per share from continuing operations, basic and diluted (USD)	0.25	-0.06	0.07	-0.21	-0.21	-0.06
Polysilicon production in MT (Siemens and granular)	276	267	1,103	1,456	1,456	281
Polysilicon sales in MT (Siemens and granular)	182	302	749	1,502	1,502	199
Silicon gas sales in MT	832	515	3,075	2,718	2,718	754

REC SILICON GROUP

REC Silicon is a leading producer of advanced silicon materials, delivering high-purity polysilicon and silicon gas to the solar and electronics industries worldwide. REC Silicon produces polysilicon and silicon gases from its US manufacturing plants in Moses Lake, Washington and in Butte, Montana.

The Company restarted FBR production from its plant in Moses Lake in Q4 of 2023. The company is targeting a ramp to 50 percent operation during Q2 2024 and a ramp to 100 percent operation during Q4 2024. (see Risks and Uncertainties below).

Revenues for the fourth quarter of 2023 were USD 40.5 million compared to USD 34.8 million for the third quarter of 2023. Polysilicon production volume for the fourth quarter was 276MT compared to 281MT during the third quarter of 2023. EBITDA for the fourth quarter of 2023 was a loss of USD 31.2 million compared to a loss of USD 17.8 million during the third quarter of 2023.

MARKET DEVELOPMENT

The power device market remained strong in the fourth quarter of 2023 helping to drive demand for Float Zone semiconductor polysilicon. Demand for Czochralski-grade semiconductor polysilicon continued to stay depressed as downstream wafer inventories showed signs of further inventory building. The rapid growth in mobile applications, along with renewable energy and the push for electric vehicles helped to keep

demand up for advanced power devices in this sector. Power devices are playing a larger part in everyday technology and while that strength was evident in the market for 2023, we have yet to see the demand increase for integrated circuits used in consumer electronics. Issues in China included falling real estate prices and lower foreign investments continuing to cool the market demand while Semiconductor Fabs have been cutting utilization rates in an effort to slow re-building inventories. Memory and integrated circuits sectors remained weak as geopolitical issues and global inflation worries continued.

Silane gas for the PV market continued with solid demand in the fourth quarter of 2023. The flat panel display market remained down after showing stronger signs in the second quarter and then weakness in the third quarter. Specialty gases saw an uptick in demand towards the end of the fourth quarter and pointed to the first signals that downstream demand for some devices might be improving. Many industry analysts discussed the possibility that the trending had reached bottom and market demand should start to gradually increase. Improvements in logistics were seen early in the fourth quarter but then slowed again as the Red Sea Crisis affected scheduling and freight costs in European routes.

While global PV demand was solid in the fourth quarter 2023, actual installation numbers remain to be seen as shipments of modules continued to increase above projected installation demand. Industry analysts reported increased inventory build of modules in both the United States and Europe as other major markets including India and Brazil witnessed increased imports of modules during the fourth quarter. Modules prices continued their decline as shipments from Southeast

REC Group - Summary of results by segment

(USD IN MILLION)	Q4 2023		Q4 2022		YEAR 2023		YEAR 2022	
	REVENUES	EBITDA	REVENUES	EBITDA	REVENUES	EBITDA	REVENUES	EBITDA
Semiconductor Materials	40.3	1.1	31.5	-6.5	140.6	14.0	147.4	6.3
Solar Materials	0.1	-25.8	0.1	-10.5	0.4	-64.8	0.2	-19.9
Other	0.0	-6.5	0.1	-6.6	0.2	-29.7	0.2	-21.3
Total	40.5	-31.2	31.6	-23.6	141.1	-80.5	147.8	-34.9

Asia to the United States increased ahead of 2024 and the potential ending of the anticircumvention exemption later in the year. China is anticipated to have exported over 200GW of modules in 2023. China cell exports in 2023 also increased as ROW module capacity grew.

Solar grade polysilicon prices, both inside and outside China, declined slightly in the fourth quarter. Prices inside China declined from USD 8.3/kg at the end of the third quarter to USD 8.0/kg at the end of the fourth quarter. Wafer factory utilization rates declined towards the end of the fourth quarter as the expected seasonal demand declined going into the new year leading to a slowdown in purchases of polysilicon. Between the anticipated demand decrease in first quarter 2024 and the increase in polysilicon supply, buyers for wafer factories controlled their purchases in anticipation of better pricing in early 2024. The fourth quarter also saw a stronger shift away from P-type wafer production to N-type wafer production driving up demand for higher quality polysilicon, but not enough to drive the overall prices back up for the quarter. Prices for polysilicon produced outside China saw a slight decline and bifurcation of material between P-type and N-type polysilicon continued. ASP for P-type polysilicon went from USD 22.7/kg at the beginning of the quarter to USD 21.7/kg at the end of the quarter as N-type polysilicon started the quarter at USD 25.6/kg and finished the quarter at USD 24.3/kg.

SEGMENT INFORMATION

SEMICONDUCTOR MATERIALS

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. The Butte plant has a capacity of approximately 5,240MT of silicon gas loading and 1,600MT of electronic grade polysilicon production.

Semiconductor segment revenues were USD 40.3 million during the fourth quarter of 2023 compared to USD 34.7 million during the third quarter of 2023.

Total polysilicon sales volumes, including by-products, were 182MT in the fourth quarter of 2023 compared to 199MT during the third quarter of 2023. Semiconductor grade polysilicon sales volumes increased by 5MT to 145MT. Other grade polysilicon sales volumes decreased by 22MT to 37MT.

Average polysilicon prices for the fourth quarter increased by 35.6 percent compared to the prior quarter. Average prices realized for semiconductor grade polysilicon increased by 20.9 percent compared to the prior quarter.

Total silicon gas sales volumes increased by 78MT to 832MT during the fourth quarter of 2023. Sales prices realized by REC Silicon for silicon gas increased by 2.0 percent from the previous quarter.

Total polysilicon production volume, including by-products, was 276MT for the fourth quarter compared to 281MT for the third quarter of 2023.

The Semiconductor Materials segment contributed USD 1.1 million to the Company's EBITDA during the fourth quarter of 2023 compared to USD 6.1 million during the third quarter of 2023.

On February 7, 2024 REC Silicon announced that REC Advanced Silicon Materials LLC will be shutting down its polysilicon production capacity at its Butte, Montana facility. The polysilicon business will continue to produce for approximately six to nine months to fulfill polysilicon supply obligations to the company's customers. After the supply obligations are satisfied, the company expects that the workforce in Butte will be reduced accordingly. The company is working out the details with respect to the shutdown and will provide additional information to impacted stakeholders as it becomes available. See note 13.

Key Financials - Semiconductor Materials

(USD IN MILLION)	Q4 2023	Q4 2022	DEC 31, 2023	DEC 31, 2022	YEAR 2022	Q3 2023
Revenues	40.3	31.5	140.6	147.4	147.4	34.7
EBITDA contribution	1.1	-6.5	14.0	6.3	6.3	6.1
Contribution margin	2.7%	-20.7%	9.9%	4.3%	4.3%	17.7%
Polysilicon production in MT (Siemens)	276	267	1,101	1,453	1,453	279
Polysilicon sales in MT (Siemens)	182	302	745	1,502	1,502	199
Silicon gas sales in MT	832	515	3,075	2,718	2,718	754

Key Financials - Solar Materials

(USD IN MILLION)	Q4 2023	Q4 2022	DEC 31, 2023	DEC 31, 2022	YEAR 2022	Q3 2023
Revenues	0.1	0.1	0.4	0.2	0.2	0.1
EBITDA contribution	-25.8	-10.5	-64.8	-19.9	-19.9	-16.0
Polysilicon production in MT (Siemens and granular)	0	0	3	3	3	2
Polysilicon sales in MT (Siemens and granular)	0	0	4	0	0	0

Key Financials - Other and Eliminations

(USD IN MILLION)	Q4 2023	Q4 2022	DEC 31, 2023	DEC 31, 2022	YEAR 2022	Q3 2023
Revenues	0.0	0.1	0.2	0.2	0.2	0.1
EBITDA contribution	-6.5	-6.6	-29.7	-21.3	-21.3	-8.0

SOLAR MATERIALS

REC Silicon restarted the of manufacturing polysilicon for the solar energy markets from its facility in Moses Lake, Washington during the fourth quarter of 2023. This facility uses best-in-class proprietary Fluidized Bed Reactor (FBR) technology to produce low cost high purity polysilicon for the solar industry.

The Company restarted FBR production in Q4 of 2023. The company is targeting a ramp to 50 percent operation during Q2 2024 and a ramp to 100 percent operation during Q4 2024.

The Solar Materials segment contributed an EBITDA loss of USD 25.8 million during the fourth quarter compared to an EBITDA loss of USD 16.0 million during the third quarter of 2023.

Expenditures in the Solar Materials segment included expenditures related to the preparation for startup.

OTHER AND ELIMINATIONS

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

Net operating costs in Other and Eliminations were USD 6.5 million during the fourth quarter of 2023 compared to net operating costs of USD 8.0 million during the third quarter of 2023.

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES

Capital expenditures were USD 40.2 million during the fourth quarter of 2023 compared to USD 40.8 million during the third quarter of 2023. Capital spending was primarily associated with FBR modifications which enabled the restart of Moses Lake and ramp to full production.

Capital expenditures also include cost savings and improvement initiatives, routine replacement of production equipment, and capital necessary to maintain safe and reliable operations.

FINANCIAL ITEMS

In the fourth quarter Net financial items are primarily associated with the sale of the Yulin JV. In December 2023, REC completed the sale transaction and net proceeds were USD 135.5M. See note 5 for additional information on the sale of the Yulin JV.

During the fourth quarter of 2023, the Company recognized interest expense on borrowings of USD 4.8 million, including USD 4.6 million associated with term loans, and USD 0.1 million associated with a note with Grant County, Washington, and expense of up-front fees and costs of USD 0.8 million. See note 7 for more information on borrowings and note 12 for more information on related parties.

The Company recognized an interest expense of USD 2.2 million on imputed liabilities for leased assets during the fourth quarter. See note 4 for additional information on leases.

Up-front fees and costs are related to the guarantee fees charged by Hanwha associated with term loans. See note 7 for more information on borrowings and note 12 for more information on related parties.

Net currency gains reported for the fourth quarter are USD 15.9 million. The gain is primarily the result of the repayment of capital between REC companies.

INCOME TAX

The profit from total operations of USD 104.4 million during the fourth quarter of 2023 resulted in no effective tax impact due to REC Silicon's unrecognized deferred tax asset. The losses will continue to be available to offset taxable income during future periods subject to certain limitations.

See note 18 to the consolidated financial statements for 2022 for additional information on income taxes.

CASH FLOW

During the fourth quarter of 2023 cash balances increased by USD 49.2 million to USD 170.9 million at December 31, 2023.

Financial Items - REC Silicon Group

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022	Q3 2023
Financial income	1.2	0.9	3.6	1.9	1.6
Interest expenses on borrowings	-4.8	-3.4	-14.9	-13.4	-4.2
Interest expense on leases	-2.2	-2.1	-8.5	-8.6	-2.1
Capitalized borrowing cost	2.7	1.2	8.4	3.0	2.1
Expensing of up-front fees and costs	-0.8	-0.1	-1.8	-0.5	-0.6
Other financial expenses	-0.5	-0.3	-1.5	-1.4	-0.3
Net financial expenses	-5.6	-4.8	-18.3	-20.9	-5.1
Net currency gains/losses	15.9	5.2	12.7	-9.7	0.2
Gain from sale of Yulin JV	135.5	0.0	135.5	0.0	0.0
Net financial items	147.0	1.3	133.5	-28.7	-3.4

After deducting USD 136.1 million in gross proceeds from the sale of the Yulin JV, net cash outflows from operating activities were USD 43.3 million during the fourth quarter of 2023. Depreciation amortization and impairment were USD 11.4 million. Trade receivables and customer prepayments increased by USD 6.7 million. Inventories increased by USD 9.1 million. Changes in payables and other items increased by USD 7.9 million. There was also a decrease effect of USD 15.5 million related to foreign exchange rates. This is primarily due to the previously mentioned USD 15.9 million gain related to the sale of the Yulin JV (see Financial Items above). Cash outflows included interest payments on leases of USD 2.2 million and interest on debt of USD 5.1 million.

Cash inflows from investing activities were USD 96.0 million and were a result of gross proceeds from the sale of the Yulin JV of USD 136.1, the release of USD 0.2 million of restricted cash offset by capital expenditures of USD 40.2 million.

Cash outflows from financing activities were USD 2.0 million and were the result of a decrease in lease liabilities of USD 0.9 million and a principal payment of USD 1.1 million on the Grant County WA property tax note. (see notes 4 and 7).

FINANCIAL POSITION

Shareholders' equity increased to USD 76.4 million (13.8 percent equity ratio) at December 31, 2023, compared to negative USD 12.4 million (negative 2.8 percent equity ratio) at September 30, 2023. This increase was the result of the gain from total operations of USD 104.4 million during the fourth quarter of 2023 and currency translation differences.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. At December 31, 2023, net debt was USD 182.8 million, which consisted of USD 284.2 million total carrying value of the Company's debt (from note 7) plus USD 69.9 million current and non-current lease liabilities (from the balance sheet) less USD 170.9 million in cash and cash equivalents.

Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. At December 31, 2023, nominal net debt was USD 183.2 million.

See note 17 to the consolidated financial statements for 2022 and note 7 to this report for further information on interest bearing liabilities.

RISKS AND UNCERTAINTIES

Please refer to the annual report for 2022, specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

GOING CONCERN

The Company has completed additional financing to address capital requirements. See note 7.

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

RESTART OF PRODUCTION FACILITY IN MOSES LAKE

The Company restarted FBR production in Q4 of 2023. The company is targeting a ramp to 50 percent operation during Q2 of 2024 and a ramp to 100 percent operation during Q4 2024.

Successful execution of the Company's plan to fully ramp production at the Moses Lake facility could require reversal of previous impairment.

Additional impairments and provisions would likely be required if the Moses Lake facility is not successfully ramped to full capacity.

MARKET OUTLOOK

Initially, an increase in silicon gas demand for the semiconductor industry was expected in the third quarter but did not materialize. By the fourth quarter, new market signals led analysts to project that we have officially hit the bottom and will now start the anticipated upward market trend. The current expectation is that a noticeable change in demand and market recovery is expected in the second half of 2024. There are still some concerns with global developments impacting costs of goods and potentially supply that could alter the market trajectory. However, overall market sentiment is that the demand will increase, and growth is just a few quarters away. Inflation appears to be heading in a direction that United States and European Central Banks like. Work is still needed to control inflation for 2024 and the European Central Bank has lowered the forecast for real GDP in 2024 while projecting unemployment to hold steady. Longer term, semiconductor market growth is still projected to follow the historical average of around 6 percent.

Silicon gas demand in 2024 is expected to increase compared to 2023 as downstream demand pulls upward through the year. PV market demand will continue to be a major contributor as strong growth in PV installations is forecasted for 2024. Inventory of specialty gases appears to have declined enough that orders have started to increase. The market is projecting an increase in memory market demand as the year progresses, with an increase in consumer electronic demand in the second half of the year. Wafer production capacity will start to increase throughout the year and is projected to be back to 2022 levels by the end of the year setting up 2025 as a solid growth year. Automotive and cloud storage will continue to drive demand with AI quickly growing to have a larger share of the market in the next several years. As previously forecasted, the return to pre-pandemic purchasing patterns and replacement cycles of electronic goods is starting to show signs of returning.

As previously stated, Semiconductor polysilicon demand for logic and memory devices is expected to remain weak in the first half of 2024 while demand for silicon for discrete power devices is expected to remain strong. China will continue its push for localization of semiconductor supply, and this will affect polysilicon demand over the next several years. Demand for memory devices is expected to increase in 2024 but the wafer inventory supply will take longer to deplete. Therefore, the specialty silicon gases segment will likely see the memory market improvement first as it is used further downstream. The integrated circuit market should see growth overall. In the long term, market indications point to stratification with devices, especially in the power segment with different applications of silicon materials filling different levels, and other materials like silicon carbide, silicon nitride, and gallium nitride, all playing larger roles.

The United States Inflation Reduction Act continues to drive investment while policies around it continues to be defined. As these policies are completed more investments are anticipated. The semiconductor CHIPS Act not only spurred investments in the United States but has also led to other countries developing similar policies. These policies will help drive the global growth with semiconductor manufacturing and the requirement for more specialty gases. Meanwhile, additional battery industry grant opportunities created from the Bipartisan Infrastructure Legislation has been released and is expected to bring even more growth for battery manufacturing in the United States.

Globally, PV installations for 2024 are expected to exceed 450GW with overall demand above 500GW. Global inventories grew in 2023 continuing the pressure on pricing and this pressure is expected to continue to influence the entire supply chain. China doubled its polysilicon capacity from 2022 to 2023 with production up over 70 percent for the same time frame. While Siemens remains the mainstream technology, GCL in China is working aggressively to penetrate the market with the ramp-up of four large FBR granular polysilicon production bases. Polysilicon capacity will otherwise continue to slow as ramping of both polysilicon plants and wafer plants are now being delayed. Polysilicon prices will remain suppressed as long as oversupply persists. For 2024 the decline in demand for P-type wafers and increase in demand for N-type will create a potential shortage of higher quality polysilicon.

Prices for these two types of polysilicon quality will continue to develop separately. The United States market will continue with its strong PV installation growth and efforts to grow its supply chain sustainably while partnering with countries that support strong environmental, sustainability, and human rights policies.

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 the Group's activities described in the section "Risks and Uncertainties" above and in REC Silicon's Annual Report for 2022, including the section Risk Factors in the Board of Directors' Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	DEC 31, 2023	SEP 30, 2023	DEC 31, 2022
ASSETS				
Non-current assets				
Intangible assets	3	0.8	0.9	1.0
Land and buildings	3	33.6	34.2	31.1
Machinery and production equipment	3	40.2	37.4	24.6
Other tangible assets	3	4.0	3.0	2.7
Assets under construction	3	180.9	146.7	62.4
Property, plant and equipment	3	258.7	221.1	120.9
Right of use assets	4	32.2	29.2	30.4
Other non-current receivables		0.4	0.4	0.1
Financial assets and prepayments		0.4	0.4	0.1
Total non-current assets		292.2	251.7	152.3
Current assets				
Inventories	7	58.5	49.4	38.3
Trade and other receivables	11	30.7	20.1	23.2
Restricted bank accounts		0.6	0.8	0.8
Cash and cash equivalents		170.9	121.7	105.3
Total current assets		260.7	191.9	167.5
Total assets		552.9	443.6	319.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	DEC 31, 2023	SEP 30, 2023	DEC 31, 2022
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3,027.7	3,027.7	3,027.7
Other equity and retained earnings		-2,951.3	-3,040.0	-2,967.3
Total shareholders' equity		76.4	-12.4	60.4
Non-current liabilities				
Retirement benefit obligations		7.0	8.1	8.6
Non-current provision, interest calculation	9	23.8	20.0	19.3
Non-current financial liabilities, interest bearing	7	253.0	254.2	4.2
Non-current lease liabilities	4	62.4	61.4	65.8
Non-current prepayments		24.9	26.2	0.0
Other non-current liabilities, not interest bearing		0.7	0.7	1.3
Total non-current liabilities		371.7	370.6	99.1
Current liabilities				
Trade payables and other liabilities		60.7	45.0	46.5
Current financial liabilities, interest bearing	7	30.9	30.6	111.0
Current lease liabilities	4	7.5	6.0	2.8
Current prepayments, interest calculation		5.7	3.8	0.1
Total current liabilities		104.8	85.4	160.3
Total liabilities		476.5	455.9	259.5
Total equity and liabilities		552.9	443.6	319.9

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
Revenues		40.5	31.6	141.1	147.8
Cost of materials	6	-10.6	-6.5	-30.5	-27.3
Changes in inventories	6	1.4	1.6	12.5	-3.8
Employee benefit expenses		-21.0	-12.1	-69.6	-44.1
Other operating expenses		-41.5	-38.3	-142.9	-107.1
Other income and expense ¹⁾		0.0	0.0	9.0	-0.5
EBITDA		-31.2	-23.6	-80.5	-34.9
Depreciation	3	-2.7	-2.9	-10.9	-19.9
Amortization	3	0.0	0.0	0.0	0.0
Depreciation of right of use assets	4	-1.0	-0.8	-3.4	-3.1
Impairment ²⁾	3, 4, 6	-7.7	0.0	-8.1	-0.3
Total depreciation, amortization and impairment		-11.4	-3.7	-22.4	-23.4
EBIT		-42.6	-27.3	-102.9	-58.3
Financial income		1.2	0.9	3.6	1.9
Net financial expenses		-5.6	-4.8	-18.3	-20.9
Net currency gains/losses	5	15.9	5.2	12.7	-9.7
Gain from sale of Yulin JV	5	135.5	0.0	135.5	0.0
Net financial items ³⁾		147.0	1.3	133.5	-28.7
Profit/loss before tax from continuing operations		104.4	-26.0	30.5	-87.0
Income tax expense/benefit from continuing operations		0.0	0.0	0.0	0.0
Profit/loss from continuing operations		104.4	-26.0	30.5	-87.0
Profit/loss from discontinued operations, net of tax ⁴⁾		0.0	0.0	0.0	0.1
Profit/loss from total operations		104.4	-26.0	30.5	-86.8
Attributable to:					
Owners of REC Silicon ASA		104.4	-26.0	30.5	-86.8
Earnings per share (In USD)					
From continuing operations					
- basic		0.25	-0.06	0.07	-0.21
- diluted		0.25	-0.06	0.07	-0.21
Earnings per share (In USD)					
From total operations					
- basic		0.25	-0.06	0.07	-0.21
- diluted		0.25	-0.06	0.07	-0.21

1) Amounts reported for 2023 include USD 6.0M related to Employee Retention Credit (ERC) and USD 2.6M related to insurance proceeds

2) Amounts reported for 2023 include USD 0.6M related to items removed from service and USD 7.5M related to the writedown of polysilicon assets

3) See financial items table in part 1 of this report

4) Amounts reported for 2022 are related to the settlement of the indemnification loans.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REC SILICON GROUP

(USD IN MILLION)	Q4 2023	Q4 2022	DEC 31, 2023	DEC 31, 2022
Profit/loss from total operations	104.4	-26.0	30.5	-86.8
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.9	3.5	0.9	3.5
Currency translation effects	2.5	-0.3	2.6	0.0
Sum items that will not be reclassified to profit or loss	3.3	3.2	3.5	3.5
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences				
- taken to equity	-26.9	-5.5	-18.0	0.9
Sum items that may be reclassified subsequently to profit or loss	-26.9	-5.5	-18.0	0.9
Total other comprehensive income	-23.5	-2.3	-14.5	4.4
Total comprehensive income	80.9	-28.2	16.0	-82.4
Total comprehensive income attributable to:				
Owners of REC Silicon ASA	80.9	-28.2	16.0	-82.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY REC SILICON GROUP

(USD IN MILLION)	ATTRIBUTABLE TO EQUITY HOLDERS OF REC SILICON ASA						
	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	OTHER EQUITY	COMPREHENSIVE INCOME	TOTAL EQUITY
Year 2022							
At January 1, 2022	53.6	2,822.7	41.8	2,918.2	539.0	-3,423.9	33.2
Share issue	5.5	104.0	0.0	109.5	0.0	0.0	109.5
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-82.4	-82.4
At December 31, 2022	59.2	2,926.7	41.8	3,027.7	539.0	-3,506.3	60.4
Year 2023							
At January 1, 2023	59.2	2,926.7	41.8	3,027.7	539.03	-3,506.3	60.4
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	16.0	16.0
At December 31, 2023	59.2	2,926.7	41.8	3,027.7	539.0	-3,490.3	76.4

This table presents details of comprehensive income

(USD IN MILLION)	TRANSLATION DIFFERENCES THAT CAN BE TRANSFERRED TO PROFIT AND LOSS	ACQUISITION	RETAINED EARNINGS	TOTAL
Year 2022				
Accumulated at January 1, 2022	27.9	20.9	-3,472.7	-3,423.9
Profit/loss	0.0	0.0	-86.8	-86.8
Other comprehensive income:				
Remeasurement of defined benefit plans	0.0	0.0	3.5	3.5
Sum items that will not be reclassified to profit or loss	0.0	0.0	3.5	3.5
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	0.9	0.0	0.0	0.9
Sum items that may be reclassified to profit or loss	0.9	0.0	0.0	0.9
Total other comprehensive income for the period	0.9	0.0	3.5	4.4
Total comprehensive income for the period	0.9	0.0	-83.3	-82.4
Accumulated at December 31, 2022	28.8	20.9	-3,556.0	-3,506.3
Year 2023				
Accumulated at 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:				
Remeasurement of defined benefit plans	0.0	0.0	0.9	0.9
Currency translation effects	0.0	0.0	2.6	2.6
Sum items that will not be reclassified to profit or loss	0.0	0.0	3.5	3.5
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	-18.0	0.0	0.0	-18.0
Sum items that may be reclassified to profit or loss	-18.0	0.0	0.0	-18.0
Total other comprehensive income for the period	-18.0	0.0	3.5	-14.5
Total comprehensive income for the period	-18.0	0.0	34.0	16.0
Accumulated at December 31, 2023	10.8	20.9	-3,522.0	-3,490.3

CONSOLIDATED STATEMENT OF CASH FLOWS

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q4 2023	Q4 2022	DEC 31, 2023	SEP 30, 2022	YEAR 2022
Cash flows from operating activities						
Profit/loss before tax ¹⁾		104.4	-28.6	30.5	-61.0	-87.0
Proceeds from sale of Yulin JV	5	-136.1	0.0	-136.1	0.0	0.0
Depreciation, amortization and impairment	3, 4	11.4	5.8	22.4	19.7	23.4
Changes in receivables, prepayments from customers etc.	11	-6.7	5.2	25.1	3.2	5.9
Changes in inventories	6	-9.1	2.7	-20.3	-2.2	-5.2
Changes in payables, accrued and prepaid expenses		9.0	2.8	3.0	3.2	10.9
Changes in VAT and other public taxes and duties		-1.1	0.1	1.3	2.1	0.0
Currency effects not cash flow or not related to operating activities		-15.5	0.0	-12.3	3.0	10.2
Other items		0.3	-0.1	0.2	-0.2	-0.3
Net cash flow from operating activities		-43.3	-12.0	-86.0	-32.2	-42.1
Cash flows from investing activities						
Proceeds from sale of Yulin JV	5	136.1	0.0	136.1	0.0	0.0
Proceeds/Payments finance receivables and restricted cash		0.2	1.1	0.2	1.2	1.1
Proceeds from sale of property, plant and equipment and intangible assets	3	0.0	0.0	0.7	0.0	0.0
Payments for property, plant and equipment and intangible assets	3	-40.2	-14.6	-145.7	-33.2	-55.9
Net cash flow from investing activities		96.0	-13.5	-8.7	-32.0	-54.8
Cash flows from financing activities						
Proceeds from issue of share capital		0.0	0.0	0.0	109.5	109.5
Payments of lease liabilities	4	-0.9	-0.7	-3.9	-1.9	-2.6
Payments of borrowings ²⁾	7	-1.1	0.0	-111.1	-7.1	-8.1
Proceeds from borrowings	7	0.0	0.0	280.0	0.0	0.0
Net cash flow from financing activities		-2.0	-0.7	165.0	100.5	98.8
Effect on cash and cash equivalents of changes in foreign exchange rates		-1.4	0.0	-4.6	0.0	-7.2
Net increase/decrease in cash and cash equivalents		49.2	-26.2	65.7	36.3	-5.2
Cash and cash equivalents at the beginning of the period		121.7	173.0	105.3	110.5	110.5
Cash and cash equivalents at the end of the period		170.9	146.8	170.9	146.8	105.3
1) PROFIT/LOSS BEFORE TAX FROM TOTAL OPERATIONS CONSISTS OF						
Profit/loss before tax from continuing operations		104.4	-28.6	30.5	-61.0	-87.0
Profit/loss before tax from discontinued operations		0.0	0.0	0.0	0.1	0.1
Profit/loss before tax from total operations		104.4	-28.6	30.5	-60.8	-86.8

2) In Q4 2023 payment of borrowings was for the Grant County Washington property tax settlement note.

NOTES

1 GENERAL

THE GROUP

REC Silicon ASA (the Company) and its subsidiaries (together REC Silicon Group, REC Silicon, or the Group) are a leading producer of advanced silicon materials, delivering high-purity polysilicon and silicon gases to the solar and electronics industries worldwide.

REC Silicon ASA is headquartered in Lysaker, Norway and operates manufacturing facilities in Moses Lake, Washington and Butte, Montana in the USA. REC Silicon's subsidiaries include REC Silicon Inc., REC Solar Grade Silicon LLC, and REC Advanced Silicon Materials LLC in the US. REC Silicon's marketing activities for sales of solar grade polysilicon, semiconductor grade silicon and silicon gases are carried out in Japan, Taiwan, Korea, Singapore, China, and the United States. The Group's investment in the Yulin JV is held in REC Silicon Pte Ltd in Singapore.

BASIS OF PREPARATION

The financial statements are presented in USD, rounded to the nearest tenth of million, unless otherwise stated. As a result, of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

FINANCIAL STATEMENTS

These consolidated interim financial statements, combined with other relevant financial information in this report, have been prepared in accordance with IAS 34. They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2022. The consolidated financial statements for 2022 are available upon request from the Company's registered office in Lysaker, Norway or at www.recsilicon.com.

The Board of Directors has prepared these interim financial statements under the assumption that the Company is a going concern and is of the opinion that this assumption was realistic at the date of the accounts.

ACCOUNTING POLICIES

The consolidated financial statements for 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The accounting policies adopted by the Company are consistent with those of the previous fiscal year. See note 2.24 to the consolidated financial statements for 2022.

SEGMENT INFORMATION

REC Silicon produces silicon gas and polysilicon for the semiconductor industries at its manufacturing facility in Butte, Montana. The Company also has the capability to produce polysilicon for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington.

The Company restarted FBR production in Q4 of 2023. The company is targeting a ramp to 50 percent operation during Q2 2024 and a ramp to 100 percent operation during Q4 2024. (see note 10 below). Accordingly, there are two operating segments: Solar Materials and Semiconductor Materials. The operating segments include revenues less cost of manufacturing excluding depreciation for products sold. 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 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.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). REC Silicon AS and REC Solar AS have a functional currency of NOK. The Company and its remaining subsidiaries have a functional currency of USD. The Group's reporting currency is USD. See note 2.4 to the consolidated financial statements for 2022.

ESTIMATES AND JUDGMENTS

Preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 to the consolidated financial statements for 2022.

2 SEGMENT INFORMATION

See notes 2.3 and 5 to the consolidated financial statements for 2022 and note 1 to these financial statements for further information on segments.

The following table summarizes key financial results by segment:

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
REVENUES				
Semiconductor Materials	40.3	31.5	140.6	147.4
Solar Materials	0.1	0.1	0.4	0.2
Other	0.0	0.1	0.2	0.2
Total	40.5	31.6	141.1	147.8
EBITDA				
Semiconductor Materials	1.1	-6.5	14.0	6.3
Solar Materials	-25.8	-10.5	-64.8	-19.9
Other	-6.5	-6.6	-29.7	-21.3
Total	-31.2	-23.6	-80.5	-34.9
EBIT				
Semiconductor Materials	-8.8	-9.9	-5.4	-7.6
Solar Materials	-27.1	-10.7	-67.4	-28.9
Other	-6.7	-6.7	-30.2	-21.8
Total	-42.6	-27.3	-102.9	-58.3

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

Semiconductor Materials - Segment

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
Revenues	40.3	31.5	140.6	147.4
Cost of materials	-7.8	-6.4	-26.8	-26.9
Change in inventories	-2.3	1.6	7.2	-4.7
Employee benefit expense	-8.6	-5.0	-30.1	-25.7
Other operating expenses	-20.6	-28.1	-81.3	-83.8
Other income and expenses	0.0	0.0	4.4	0.0
Total current costs	-39.2	-38.0	-126.6	-141.1
EBITDA contribution	1.1	-6.5	14.0	6.3
Depreciation of fixed assets	-2.3	-2.7	-9.8	-11.1
Depreciation of leased assets	-0.6	-0.6	-2.6	-2.6
Impairment	-6.9	0.0	-7.0	-0.3
Total depreciation, amortization, and impairment	-9.9	-3.4	-19.3	-13.9
EBIT contribution	-8.8	-9.9	-5.4	-7.6

Solar Materials - Segment

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
Revenues	0.1	0.1	0.4	0.2
Cost of materials	-2.8	-0.1	-3.6	-0.4
Change in inventories	3.7	0.5	5.4	1.4
Employee benefit expense	-9.6	-4.4	-26.2	-8.8
Other operating expenses	-17.2	-6.6	-45.0	-12.3
Other income and expenses	0.0	0.0	4.2	0.0
Total current costs	-25.9	-10.6	-65.1	-20.1
EBITDA contribution	-25.8	-10.5	-64.8	-19.9
Depreciation of fixed assets	-0.2	0.0	-0.7	-8.4
Amortization	0.0	0.0	0.0	0.0
Depreciation of leased assets	-0.4	-0.1	-0.8	-0.6
Impairment	-0.8	0.0	-1.1	0.0
Total depreciation, amortization, and impairment	-1.4	-0.2	-2.6	-9.0
EBIT contribution	-27.1	-10.7	-67.4	-28.9

The following table disaggregates revenues by contract type and reconciles to total revenues.

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
Spot Contract Revenue	16.7	21.8	74.1	93.9
Structured (Regional/Volume pricing)	20.9	7.3	57.9	44.8
Tiered (Volume pricing)	2.9	2.4	9.2	9.1
Total	40.5	31.6	141.1	147.8

3 FIXED ASSETS

See note 6 to the consolidated financial statements for 2022.

Property, plant and equipment and intangible assets

(USD IN MILLION)	LAND AND BUILDINGS	MACHINERY AND PRODUCTION EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL PROPERTY, PLANT AND EQUIPMENT	TOTAL INTANGIBLE ASSETS	TOTAL
Carrying value at January 1, 2023	31.1	24.6	2.7	62.4	120.9	1.0	121.8
Net additions ¹⁾	5.1	24.3	1.8	126.1	157.2	-0.1	157.2
Disposals	-0.3	0.0	0.0	0.0	-0.4	0.0	-0.4
Depreciation and amortization	-2.2	-8.1	-0.6	0.0	-10.9	0.0	-11.0
Impairment ²⁾	0.0	-0.6	0.0	-7.5	-8.1	0.0	-8.1
Carrying value at December 31, 2023	33.6	40.2	4.0	180.9	258.7	0.8	259.6
At December 31, 2023							
Historical cost	145.4	2,179.7	72.1	230.0	2,627.2	68.7	2,695.9
Accumulated depreciation/amortization/impairment	-111.7	-2,139.5	-68.1	-49.1	-2,368.4	-67.9	-2,436.3
Carrying value at December 31, 2023	33.6	40.2	4.0	180.9	258.7	0.8	259.6

1) Net additions include transfers from assets under construction

2) Amounts reported for 2023 include USD 0.6M related to items removed from service and USD 7.5M related to the writedown of polysilicon assets which are under construction.

IMPAIRMENT REVIEWS

See note 8 to the consolidated financial statements for 2022.

Management has determined that the Group continues to consist of two cash generating units (CGUs). The Company's CGUs are derived from the reported segments for Solar Materials and Semiconductor Materials. Financial attributes associated with Other and Eliminations have been allocated to the individual CGUs based upon estimated activity, volume, and revenue factors.

The Company conducted a review of impairment indicators at December 31, 2023. Management concluded that changes in markets for solar grade polysilicon, the restart of Moses Lake FBR facility, and changes to the discount rate are sufficient to indicate a potential change in the valuation of the long-lived assets of the Solar Materials CGU.

This review included the impacts of entering into a 10 year take-or-pay supply agreement with Hanwha QCells Georgia, Inc. The Offtake provides for the sale to Hanwha Solutions of 100 percent of the prime FBR production from the Moses Lake facility.

Areas of estimation include but are not limited to future revenues (sales prices and sales volume), cost of major inputs, conversion costs and yield ratio (production volume), government grants expected to be received from the US Inflation Reduction Act, and maintenance capital expenditures, in addition to the successful ramp-up of the FBR facility. A conservative pricing estimate was used and resulted in estimated values in use that approximated the carrying value of the Solar Materials CGU. Consequently, no additional impairment or reversal of impairment was recognized in 2023. Additional impairment of the Solar Materials CGU would be required if the FBR facility is not ramped to full production.

In February 2024, REC Silicon announced that REC Advanced Silicon Materials LLC will be shutting down its polysilicon production capacity at its Butte, Montana facility. The polysilicon business will continue to produce for approximately six to nine months to fulfill polysilicon supply obligations to the company's customers. Consequently, in 2023 the company wrote down assets specific to the production of polysilicon at its Butte facility. Impairment recorded related to the shutdown of Siemens polysilicon was USD 7.5M in Q4 and is mainly related to assets under construction. See note 13

Additionally, the Company recognized impairment of USD 0.6M as a result of its annual asset review.

See note 11, claims, disputes, contingent liabilities, and contingent assets below.

4 LEASES

See note 7 to the consolidated financial statements for 2022.

Right-of-Use assets

(USD IN MILLION)	LAND AND BUILDINGS	MACHINERY	GAS PLANTS	OTHER LEASED ASSETS	TOTAL
Balance at January 1, 2023	0.0	0.5	29.9	0.0	30.4
Depreciation	-0.1	-0.1	-3.2	0.0	-3.4
Additions	0.0	0.0	0.1	0.1	0.3
Modification of existing leases	0.1	0.0	4.9	0.0	5.0
Balance at December 31, 2023	0.0	0.4	31.7	0.1	32.3

Lease Liabilities

(USD IN MILLION)	TOTAL FUTURE LEASE PAYMENTS	MATURITY ANALYSIS - CONTRACTUAL PAYMENTS TO BE MADE					
		2024	2025	2026	2027	2028	AFTER 2028
Lease liabilities at December 31, 2023 ¹⁾	108,2	15,6	15,6	15,5	15,5	15,5	30,4

1) Amounts listed are undiscounted

The weighted average incremental borrowing rate applied to lease liabilities at December 31, 2023 and December 31, 2022 is 13.2 percent.

Amounts recognized in profit or loss

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
Interest on lease liabilities	2.1	2.1	8.5	8.6
Depreciation of right-of-use assets	1.0	0.8	3.4	3.1
Gains (-) and losses (+) due to terminations, purchases, impairments, and other changes	0.0	0.5	0.0	0.5
Expenses relating to short-term leases	0.0	0.0	0.1	0.1
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.0	0.0	0.0	0.0

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

Amounts recognized in the statement of cash flow

(USD IN MILLION)	Q4 2023	Q4 2022	YEAR 2023	YEAR 2022
Total cash outflow for leases	3.6	2.8	12.4	11.2

5 INVESTMENTS

OTHER INVESTMENTS

See note 9 to the consolidated financial statements for 2022.

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.

All regulations and government approvals in China for the transaction have been completed. 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. The purchase price was based upon a third-party appraisal of the valuation of the Yulin JV of approximately RMB 6.8 billion implying gross proceeds before transaction costs of approximately RMB 1 billion for REC Silicon's 15 percent share.

6 INVENTORIES

See note 13 to the consolidated financial statements for 2022.

Inventories at end of period

(USD IN MILLION)	DEC 31, 2023			DEC 31, 2022		
	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS
Stock of raw materials	18.1	0.0	18.1	12.1	0.0	12.1
Spare parts	44.3	-33.1	11.2	42.8	-33.4	9.4
Work in progress	12.8	-2.3	10.5	9.4	-2.3	7.1
Finished goods	25.1	-6.4	18.7	12.8	-3.1	9.7
Total	100.4	-41.8	58.5	77.1	-38.8	38.3

7 BORROWINGS AND GUARANTEES

See notes 17, 29, and 30 to the consolidated financial statements for 2022.

Carrying amounts of interest-bearing liabilities at December 31, 2023 and contractual repayments (excluding interest payments) are specified in the table below.

(USD IN MILLION)	BORROWER	MATURITY	INTEREST RATE	CARRYING	CONTRACTUAL PAYMENTS,					
				AMOUNT	TOTAL	2024	2025	2026	AFTER 2026	
Capitalized Borrowing Cost, current ¹⁾				-0.4						
Bank Loan - Hana Bank	REC Silicon ASA	2026	3 mon SOFR+1.8%	110.0	110.0				110.0	
Bank Loan - Hana Bank	REC Silicon Inc	2026	3 mon SOFR+1.5%	100.0	100.0				100.0	
Bank Loan - Standard Chartered	REC Silicon Inc	2024	1 mon SOFR+2.2%	30.0	30.0	30.0				
Bank Loan - NongHyup	REC Silicon Inc	2026	3 mon SOFR+2.0%	40.0	40.0				40.0	
Grant County WA tax settlement	REC Solar Grade Silicon LLC	2026	11.5%	4.2	4.2	1.2	1.4	1.6		0.0
Total				283.8	284.2	31.2	1.4	251.6		0.0

1) Amortized as part of effective interest

Guarantees

See note 29 to the consolidated financial statements for 2022.

At December 31, 2023, the Company has provided parent company guarantees related to the performance of solar panels and systems sold by the REC Solar Group. These guarantees were USD 54.9 million at December 31, 2023 and December 31, 2022. The guarantees will decrease from 2024 to 2039 when they will expire in their entirety.

8 COMMITMENTS

Contractual purchase obligations and minimum operating lease payments at September 30, 2023

(USD IN MILLION)	TOTAL FUTURE PAYMENTS	2024	2025	2026	2027	2028	AFTER 2028
Purchase of goods and services	119.1	119.0	0.0	0.0	0.0	0.0	0.0
Minimum operating lease payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total purchase obligations and minimum lease payments	119.1	119.0	0.0	0.0	0.0	0.0	0.0

Commitments primarily represent costs necessary for the restart and ramp of Moses Lake as well as the purchase of raw materials.

9 PROVISIONS

(USD IN MILLION)	Q4 2023	2023	2022
Carrying value at beginning of period	20.0	19.3	20.2
Change in estimate to asset retirement obligation	3.5	3.5	-1.8
Net periodic interest on asset retirement obligation	0.3	1.0	0.9
Carrying value at end of period	23.8	23.8	19.3

See note 20 to the consolidated financial statements for 2022.

The asset retirement obligations (AROs) represent the present value of estimated future costs discounted between 5.0 to 5.4 percent and between 5 and 36.5 years. The change in estimate recorded in the fourth quarter was due to a change in estimated future inflation as well as changes to the estimated discount rate.

10 CLAIMS, DISPUTES, AND RISKS

Please refer to the annual report for 2022, specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

GOING CONCERN

The Company has completed additional financing to address capital requirements. See notes 7 and 12.

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

RESTART OF PRODUCTION FACILITY IN MOSES LAKE

The Company restarted FBR production in Q4 of 2023. The company is targeting a ramp to 50 percent operation during Q2 of 2024 and a ramp to 100 percent operation during Q4 2024.

Successful execution of the Company's plan to fully ramp production at the Moses Lake facility could require reversal of previous impairment.

Additional impairments and provisions would likely be required if the Moses Lake facility is not successfully ramped to full capacity.

11 RECEIVABLES AND PREPAYMENTS

See notes 12 and 30 to the consolidated financial statements for 2022.

Aging of receivables at December 31, 2023

(USD IN MILLION)	TOTAL CARRYING AMOUNT	NOT DUE	AGING OF RECEIVABLES THAT ARE NOT IMPAIRED PAST DUE				IMPAIRED
			< 30 DAYS	>30<90 DAYS	>90<365 DAYS	>365 DAYS	
Trade receivables and accrued revenues	24.7	15.6	4.0	2.3	0.0	0.0	2.7
Provision for loss on trade receivables	-2.7	0.0	0.0	0.0	0.0	0.0	-2.7
Other current receivables	0.0	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	0.0
Prepaid Costs	8.7						
Total trade and other receivables	30.7						

In the fourth quarter REC Silicon exhausted efforts to collect from four previously impaired customers. As a result, the company wrote off USD 6.8 million of receivables as well as corresponding impaired receivable. This resulted in a net zero change to receivables. REC will continue to seek all collection options on remaining impaired accounts. There was no bad debt expense recorded for the fourth quarter of 2023.

12 TRANSACTIONS WITH RELATED PARTIES

See notes 10 and 16 to the consolidated financial statements for 2022.

In the fourth quarter of 2023, REC Silicon Inc. received services from Hanwha and Hanwha subsidiaries, in the amount of USD 0.4 million.

In the fourth quarter of 2023, REC Silicon paid Hanwha Solutions USD 0.8 million for guarantee and letter of credit fees related to bank loans. See note 7.

13 EVENTS AFTER THE REPORTING PERIOD

On February 7, 2024 REC Silicon announced that REC Advanced Silicon Materials LLC will be shutting down its polysilicon production capacity at its Butte, Montana facility. The polysilicon business will continue to produce for approximately six to nine months to fulfill polysilicon supply obligations to the company's customers. After the supply obligations are satisfied, the company expects that the workforce in Butte will be reduced accordingly. The company is working out the details with respect to the shutdown and will provide additional information to impacted stakeholders as it becomes available.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

An Alternative Performance Measure (APM) is a measure of historic or future financial performance, financial position, or cash flows other than a financial measure defined or specified in the applicable financial reporting framework.

The Company has identified the following APMs used in reporting:

EBIT - EBIT is an acronym for Earnings Before Tax and represents profit/loss from total operations excluding income tax expense/benefit, net financial items, and share of profit/loss from investments in associates.

EBIT is reflected on the consolidated statement of income on the line titled EBIT. EBIT has been reported as a loss of USD 42.6 million for the fourth quarter of 2023.

EBIT Margin - EBIT margin is calculated by dividing EBIT by revenues. EBIT and revenues are reflected on the Company's statement of income, in note 2 segments, and in the financial highlight tables in this report in lines titled similarly.

EBIT margin has been calculated and is reported in the financial highlight tables for REC Silicon Group.

EBIT Contribution - EBIT contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBIT. For the operating segments, EBIT contributions represent revenues less cost of manufacturing including depreciation and amortization. For other, EBIT contribution represents primarily operating costs.

A table reconciling the EBIT contribution of each operating segment along with other and eliminations to the Company's total EBIT can be found in note 2 segments.

EBITDA - EBITDA is an acronym for Earnings Before Tax, Depreciation, and Amortization. EBITDA is EBIT excluding depreciation, amortization, and impairment.

EBITDA is reflected on the consolidated statement of income on the line titled EBITDA. An EBITDA loss of USD 31.2 million has been reported for the fourth quarter of 2023.

EBITDA Margin - EBITDA margin is calculated by dividing EBITDA by revenues. EBITDA and revenues are reflected on the Company's statement of income, in note 2 segments, and in the financial highlight tables in this report in lines similarly titled.

EBITDA margin has been calculated and is reported in the financial highlight tables for REC Silicon Group, in the key financials table for each operating segment, and in note 2 segments.

EBITDA Contribution - EBITDA contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBITDA. For the operating segments, EBITDA contributions represent revenues less cost of manufacturing excluding depreciation and amortization. For other, EBITDA contribution represents primarily operating costs.

A table reconciling the EBITDA contribution of each operating segment along with other and eliminations to the Company's total EBITDA can be found in note 2 segments.

EBIT Contribution - EBIT contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBIT. For the operating segments, EBIT contributions represent revenues less cost of manufacturing including depreciation and amortization. For other, EBIT contribution represents primarily operating costs.

A table reconciling the EBIT contribution of each operating segment along with other and eliminations to the Company's total EBIT can be found in note 2 segments.

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.

At 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 (including financing leases) less cash and cash equivalents.

The carrying value of debt can be found in note 7 borrowing in the table under the caption carrying amount, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

At 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 7) plus USD 69.9 million current and non-current lease liabilities (from the balance sheet) less USD 170.9 million in cash and cash equivalents.

Nominal Net Debt – Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.

The contractual repayment values of debt can be found in note 7 borrowing in the table under the caption contractual repayments excluding interest, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

At December 31, 2023, nominal net debt was USD 183.2 million or USD 284.2 million contractual repayment values of the Company's debt (from note 7) plus USD 69.9 million current and non-current lease liabilities (from the balance sheet) less USD 170.9 million in cash and cash equivalents.

FOR FURTHER INFORMATION, PLEASE CONTACT

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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 over 30 years experience and best-in-class proprietary technology to deliver on customer expectations. Our two U.S. based plants have a capacity of more than 20,000 MT high-purity polysilicon. 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