

# REC Silicon - Ceasing of Production at Moses Lake, Washington Facility, Transitioning to Pure-Play Silicon Gas Producer

Moses Lake, Washington USA - December 30, 2024: REC Silicon ASA ("REC Silicon" or the "Company") announced that it is ceasing production at its Moses Lake, Washington facility.

Production of polysilicon will be discontinued at the Moses Lake facility, while equipment involved in 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.

This announcement follows the Company's decision to shut down polysilicon production at its Butte, Montana facility in February 2024. Once the shutdown process at the Moses Lake facility is complete, REC Silicon will have completely discontinued the production of polysilicon at both 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.

## **Production Issues at the Moses Lake Facility**

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.

After further discussion with its customer, the customer is not able to wait any longer for delivery of product that consistently meets the requirements at the correct levels and can be delivered at the needed volumes. There are currently no other customers in the USA and limited customers outside of China, all of which are not options at this time due to product quality, market and contract conditions and timing of potential need. The Company and its customer are therefore now in advanced discussions regarding the cancellation of its contract, including the elimination of any penalties and a deferral of the repayment of the initial pre-payment. REC Silicon will provide more information as it is available.

## **Strategic Review of Options**

REC Silicon immediately began a review of strategic options to address financial and operational challenges, including additional operational adjustments, contractual re-negotiations, financing options, and other mitigative actions. That review has yielded the following conclusions:

- Given the high fixed costs involved in operating the facility and uncertainty related to the timing and quantifiable success of further improvements in its product handling process, as well as the available customer base, a shutdown of the Moses Lake facility is the best way to maintain strategic optionality and financial flexibility.
- The Company sought additional financing options for support during this period of transition and to fund the shutdown process and the Company announced today that it is in advanced discussions with its largest shareholder regarding a potential short-term loan.

In keeping with its long relationships and significant continuing presence in the semiconductor materials supply chain, REC Silicon will execute the shutdown in a manner that balances the best interests of all stakeholders. The Company expects the shutdown of the Moses Lake facility to start immediately and could take about three months and that the workforce in Moses Lake, along with some other employees who support the Moses Lake business line, will be reduced accordingly. The Company will provide additional information to impacted stakeholders as it becomes available.

## Contacts

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Nils O. Kjerstad  
IR Contact  
Phone: +47 9135 6659  
Email: [nilskjerstad@recsilicon.com](mailto:nilskjerstad@recsilicon.com)

## About REC Silicon

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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](http://www.recsilicon.com)

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## Attachments

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