

REC Silicon – Signed full form FBR offtake agreement

REC Silicon ASA ("REC Silicon" or the "Company") announces the entering into a full-form supply agreement between its subsidiary REC Solar Grade Silicon LLC and Hanwha Q Cells Georgia, Inc., ("Hanwha") a wholly owned subsidiary of Hanwha Solutions for a 10-year take-or-pay supply agreement for high purity FBR granular polysilicon produced from REC Silicon's facility at Moses Lake, Washington (the "Supply Agreement").

To secure the Supply Agreement obligations and to support the restart of the Moses Lake facility, Hanwha will make sizeable prepayments at the time of the signing of the Supply Agreement and at first delivery.

- The prepayments are important to REC Silicon's overall financing plan, and the full-form supply agreement was an imperative milestone for the reopening of the Moses Lake facility. As previously stated, it was important to have a high-quality offtake partner and we have that in Hanwha Q Cells. We are pleased with the terms and now look forward to a successful restart of the plant. The process remains on schedule and budget for a re-start by November 1, 2023, with an ambition to reach full capacity utilization by year end 2024, says Kurt Levens CEO of REC Silicon.

The Supply Agreement provides for the sale to Hanwha of 100% of the prime high-purity granular production from the facility and replaces the binding term sheet between the parties that was announced on January 31, 2023. Prepayments will be credited against purchases of polysilicon pursuant to a linear reimbursement schedule over the 10-year term. The estimated total value of the Supply Agreement for the duration of the arrangement will fluctuate depending on market prices, which are currently estimated to be approximately \$3 billion.

The base price for the FBR granular polysilicon in the Supply Agreement will be determined by market indices (representative of markets outside and inside of China) adjusted for a premium for US-sourced low-carbon material. The high-purity FBR granular polysilicon will also benefit from the \$3 per kilogram tax credit from the Inflation Reduction Act. For the first five years of the agreement, the base price is subject to both a price minimum and maximum that protects REC Silicon against potential low market prices in the near term. For the second five years of the agreement, there is no minimum or maximum price, which provides the Company with upside to benefit from higher polysilicon market prices in the future.

As a leading producer of Silicon Gases and High Purity Polysilicon, REC Silicon is well positioned to capitalize on the global megatrends of digitalization, energy transition and energy storage and provide crucial material inputs to the IRA, Chips and Infrastructure Acts. The company has developed a strong market position in the Semiconductor industry based on its operations in Butte. The re-opening of the Moses Lake operations will enable REC Silicon to provide High Purity Polysilicon to an emerging US solar value chain and together with the Butte operation potentially supply Silane gas for anode material to a fast-growing battery industry.

Please find attached an announcement as required pursuant to Section 3-19 of the Norwegian Public Limited Liability Companies Act, which regulation applies whenever a subsidiary of a public company such as REC Silicon ASA enters into a qualifying material agreement with a related party. The announcement will also be available on the Company's website.

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About Us

REC Silicon is a leading producer of advanced silicon materials, delivering high-purity polysilicon and silicon gas to the solar and electronics industries worldwide. We combine over 30 years of experience and proprietary technology with the needs of our customers, with annual production capacity of more than 20,000 MT of polysilicon from our two US-based manufacturing plants. Listed on the Oslo Stock Exchange (ticker: RECSI), the Company is headquartered in Lysaker, Norway.

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

This information has been submitted pursuant to the Securities Trading Act § 5-12 and MAR Article 19 no. 3. The information was submitted for publication at 2023-09-06 08:20 CEST.

Attachments

[REC Silicon – Signed full form FBR offtake agreement](#)
[Fully Executed Hanwha FBR Supply Agreement Section 3.19 Announcement](#)