ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	977 258 561
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	REC SILICON ASA
Forretningsadresse:	3. etg Lysaker torg 5 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Trygve Strand
Dato for fastsettelse av årsregnskapet:	14.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2025

Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	H	215 000	159 000
Annen driftskostnad	J	2 485 000	2 253 000
Sum kostnader		**2 700 000**	**2 412 000**
Driftsresultat		**-2 700 000**	**-2 412 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		722 000	1 813 000
Sum finansinntekter		**722 000**	**1 813 000**
Nedskrivning av finansielle eiendeler	M	-72 145 000	68 709 000
Annen rentekostnad	K	9 920 000	13 119 000
Annen finanskostnad	K	8 000	9 000
Netto valuta		4 592 000	7 140 000
Sum finanskostnader		**-57 625 000**	**88 977 000**
Netto finans		**58 347 000**	**-87 164 000**
Ordinært resultat før skattekostnad		**55 647 000**	**-89 576 000**
Ordinært resultat etter skattekostnad		**55 647 000**	**-89 576 000**
Gevinst fra virksomhet som er fraregnet			147 000
Årsresultat		**55 647 000**	**-89 429 000**
Overføringer og disponeringer			
Udekket tap		55 647 000	-89 429 000
Sum overføringer og disponeringer		**55 647 000**	**-89 429 000**

Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		30 000	30 000
Sum varige driftsmidler		**30 000**	**30 000**
Finansielle anleggsmidler			
Investering i datterselskap	C	133 000	133 000
Lån til foretak i samme konsern		336 820 000	210 000 000
Sum finansielle anleggsmidler		**336 953 000**	**210 133 000**
Sum anleggsmidler		**336 983 000**	**210 163 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		375 000	362 000
Bundne midler, kort		13 000	214 000
Sum fordringer		**388 000**	**576 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	E	17 027 000	90 841 000
Sum bankinnskudd, kontanter og lignende		**17 027 000**	**90 841 000**
Sum omløpsmidler		**17 415 000**	**91 417 000**
SUM EIENDELER		**354 398 000**	**301 580 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Balanse

Beløp i: USD	Note	2023	2022
Selskapskapital	G	49 629 000	49 629 000
Overkurs	G	199 677 000	199 677 000
Sum innskutt egenkapital		**249 306 000**	**249 306 000**
Opptjent egenkapital			
Udekket tap	G	5 223 000	60 870 000
Sum opptjent egenkapital		**-5 223 000**	**-60 870 000**
Sum egenkapital		**244 083 000**	**188 436 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	F	110 000 000	
Sum annen langsiktig gjeld		**110 000 000**	
Sum langsiktig gjeld		**110 000 000**	**0**
Kortsiktig gjeld			
Rentebærende gjeld	F	0	109 857 000
Leverandørgjeld		15 000	212 000
Skyldige offentlige avgifter		57 000	30 000
Annen kortsiktig gjeld	L	243 000	3 045 000
Sum kortsiktig gjeld		**315 000**	**113 144 000**
Sum gjeld		**110 315 000**	**113 144 000**
SUM EGENKAPITAL OG GJELD		**354 398 000**	**301 580 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5	141 000 000	148 000 000
Sum inntekter		**141 000 000**	**148 000 000**
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		-12 000 000	4 000 000
Varekostnad		30 000 000	27 000 000
Lønnskostnad	16,24, 32	70 000 000	44 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	11 000 000	20 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7,8	8 000 000	0
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7,8	3 000 000	3 000 000
Annen driftskostnad	22	143 000 000	107 000 000
Andre inntekter og kostnader	23	-9 000 000	1 000 000
Sum kostnader		**244 000 000**	**206 000 000**
Driftsresultat		**-103 000 000**	**-58 000 000**
Finansinntekter og finanskostnader			
Annen finansinntekt	25	4 000 000	2 000 000
Inntekt fra salg av datterselskap	9	135 000 000	0
Sum finansinntekter		**139 000 000**	**2 000 000**
Annen rentekostnad	9,25	18 000 000	21 000 000
Valuta	25	-13 000 000	10 000 000
Sum finanskostnader		**5 000 000**	**31 000 000**
Netto finans		**134 000 000**	**-29 000 000**
Ordinært resultat før skattekostnad		**31 000 000**	**-87 000 000**
Ordinært resultat etter skattekostnad		**31 000 000**	**-87 000 000**
Årsresultat		**31 000 000**	**-87 000 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		31 000 000	-87 000 000
Sum overføringer og disponeringer		**31 000 000**	**-87 000 000**

Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	6	1 000 000	1 000 000
Sum immaterielle eiendeler		**1 000 000**	**1 000 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	34 000 000	31 000 000
Maskiner og anlegg	6	40 000 000	25 000 000
Andre varige driftsmidler	6	4 000 000	3 000 000
Varer under tilvirkning	6	181 000 000	62 000 000
Bruksretteiendel	7	32 000 000	30 000 000
Sum varige driftsmidler		**291 000 000**	**151 000 000**
Sum anleggsmidler		**292 000 000**	**152 000 000**
Omløpsmidler			
Varer			
Inventar	13	59 000 000	38 000 000
Sum varer		**59 000 000**	**38 000 000**
Fordringer			
Kundefordringer	12	30 000 000	24 000 000
Sum fordringer		**30 000 000**	**24 000 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	171 000 000	105 000 000
Bankkonto bundet	14	1 000 000	1 000 000
Sum bankinnskudd, kontanter og lignende		**172 000 000**	**106 000 000**
Sum omløpsmidler		**261 000 000**	**168 000 000**
SUM EIENDELER		**553 000 000**	**320 000 000**

BALANSE - EGENKAPITAL OG GJELD

Konsernets balanse

Beløp i: USD	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Selskapskapital		3 027 000 000	3 027 000 000
Sum innskutt egenkapital		**3 027 000 000**	**3 027 000 000**
Opptjent egenkapital			
Udekket tap		2 951 000 000	2 967 000 000
Sum opptjent egenkapital		**-2 951 000 000**	**-2 967 000 000**
Sum egenkapital		**76 000 000**	**60 000 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	18	7 000 000	9 000 000
Andre avsetninger for forpliktelser	20	24 000 000	19 000 000
Sum avsetninger for forpliktelser		**31 000 000**	**28 000 000**
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		1 000 000	1 000 000
Rentebærende langsiktig gjeld	17	253 000 000	4 000 000
Leieforpliktelser	7	62 000 000	66 000 000
Forskuddsbetalinger	20	25 000 000	0
Sum annen langsiktig gjeld		**341 000 000**	**71 000 000**
Sum langsiktig gjeld		**372 000 000**	**99 000 000**
Kortsiktig gjeld			
Kortsiktig rentebærende gjeld	17	31 000 000	111 000 000
Leieforpliktelser, kort	7	7 000 000	3 000 000
Leverandørgjeld	20	61 000 000	47 000 000
Forskuddsbetalinger, kortsiktige	20	6 000 000	0
Sum kortsiktig gjeld		**105 000 000**	**161 000 000**
Sum gjeld		**477 000 000**	**260 000 000**
SUM EGENKAPITAL OG GJELD		**553 000 000**	**320 000 000**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jan Hoelstad	29.09.2010	06.10.2010
Telefon	Deres referanse	Vår referanse
22077325	Kristine Ryssdal	2010/980397

RENEWABLE ENERGY CORPORATION ASA
Postboks 594
1302 SANDVIKA

Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk for Renewable Energy Corporation ASA, org. nr: 977 258 561

Det vises til Deres brev av 29. september 2010 samt tidligere telefonsamtale i sakens anledning. De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Renewable Energy Corporation ASA (REC).

Bakgrunn:
Det opplyses i søknaden at selskapet er et internasjonalt konsern innen solenergi hjemmehørende i Norge, men med virksomhet i mange land og med profesjonelle kontraktsmotparter. Selskapet har produksjon i en rekke land i tillegg til Norge, samt salgskontorer og kunder i en rekke land i Europa, USA og Asia. Norge er ikke et marked for RECs produkter. RECs interne og eksterne arbeidsspråk er derfor engelsk. Det er opplyst at flesteparten av de ansatte ikke behersker norsk. Alle sakspapirer i styre og konsernledelse er på engelsk. En rekke av de personer som utarbeider grunnlagsdata for årsregnskap og årsberetning behersker ikke norsk.

Selskapet er notert på Oslo Børs, men er innvilget dispensasjon etter vphl § 5-13 til å benytte engelsk språk for børsrapportering og –informasjon. Selskapets aksjonærer anses derfor å måtte beherske engelsk for å kunne følge med selskapet alt i dag. Det er opplyst at 85 % av aksjonærene i dag kan klassifiseres som profesjonelle investorer eller utenlandske. Da det er en engelsk versjon av årsregnskapet og -beretningen som vil bli benyttet for alle praktiske formål, og den norske kun utarbeides for å tilfredsstille regnskapslovens krav, anses nytten i forhold til kostnaden ved å utarbeide et norsk årsregnskap og -beretning som liten. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon
Etter regnskapsloven § 3-4 tredje ledd *skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:
"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Fredrik Selmers vei 4	800 80 000
0134 Oslo	Org. nr: 974761076	Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60

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Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet operer innen en bransje med internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk. Selskapet er innvilget fritak fra Oslo Børs fra å benytte norsk ved rapportering av informasjon til dem. Aksjonærene må derfor beherske engelsk språk for å følge selskapet.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Renewable Energy Corporation ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad

KPMG

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N-0306 Oslo

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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 2023, 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, and
- The consolidated financial statements of REC Silicon ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2023, 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 2023, 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 the Company for 23 years from the election by the general meeting of the shareholders on 14 May 2001 for the accounting year 2001.

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 the current period. 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.

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Asset Impairment

Refer to the section "Risk Factors" in the Board of Director's report, the accounting policies in note 2.8, the critical accounting judgments and key sources of estimation uncertainty described in Note 4, and Note 8 in the consolidated financial statements and parent company financial statements note M.

The key audit matter	*How the matter was addressed in our audit*
The impairment assessment of the Solar Materials CGU with a total net carrying value of USD 145.2 million is considered a risk area due to recurring net operating losses, increased raw material prices, changes in markets for solar grade polysilicon, changes to the discount rate and uncertainties related to the restart of FBR production at the Moses Lake production facility. The recoverable amount is determined based on value in use calculations which rely on external factors, management's assumptions, and estimated future performance. Key assumptions applied in management's assessment are 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 restart of the Moses Lake production facility. Significant professional judgement is required when evaluating whether management's assessments are reasonable and supportable. In the parent company financial statements, impairment assessment resulted in a net reversal of impairment on financial assets of USD 72.1 million. In the consolidated financial statements, no additional impairment or reversal of impairment was recognized.	Our audit procedures in this area included: - We evaluated the historical accuracy of management's budgets and forecasts and challenged management on the current year cash flow forecasts as well as the timing of future cash flows; - We evaluated the growth assumptions and management's future business plan assumptions; - We engaged our own valuation specialists to assess the mathematical and methodological integrity of management's impairment models and the discount rates applied with reference to market data; - We evaluated management's sensitivity analysis to determine the impact of reasonably possible changes and by comparing to our own sensitivity analysis; - We considered the impairment disclosures in light of the requirements and if information regarding key assumptions and sensitivities adequately reflected the underlying assets impairment assessments; and - We compared the carrying value of loans to the subsidiaries with the calculated value of the assets, to assess if valuation of loans is consistent with the value of the assets.

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.

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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 appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report 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 opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Sustainability Report.

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 consolidated 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. 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

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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 "549300VPZURYDFG0AB60-2023-12-31-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 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, 21 March 2024
KPMG AS

Øyvind Skorgevik

Øyvind Skorgevik
State Authorised Public Accountant

REC

Annual report 2023

Start reading

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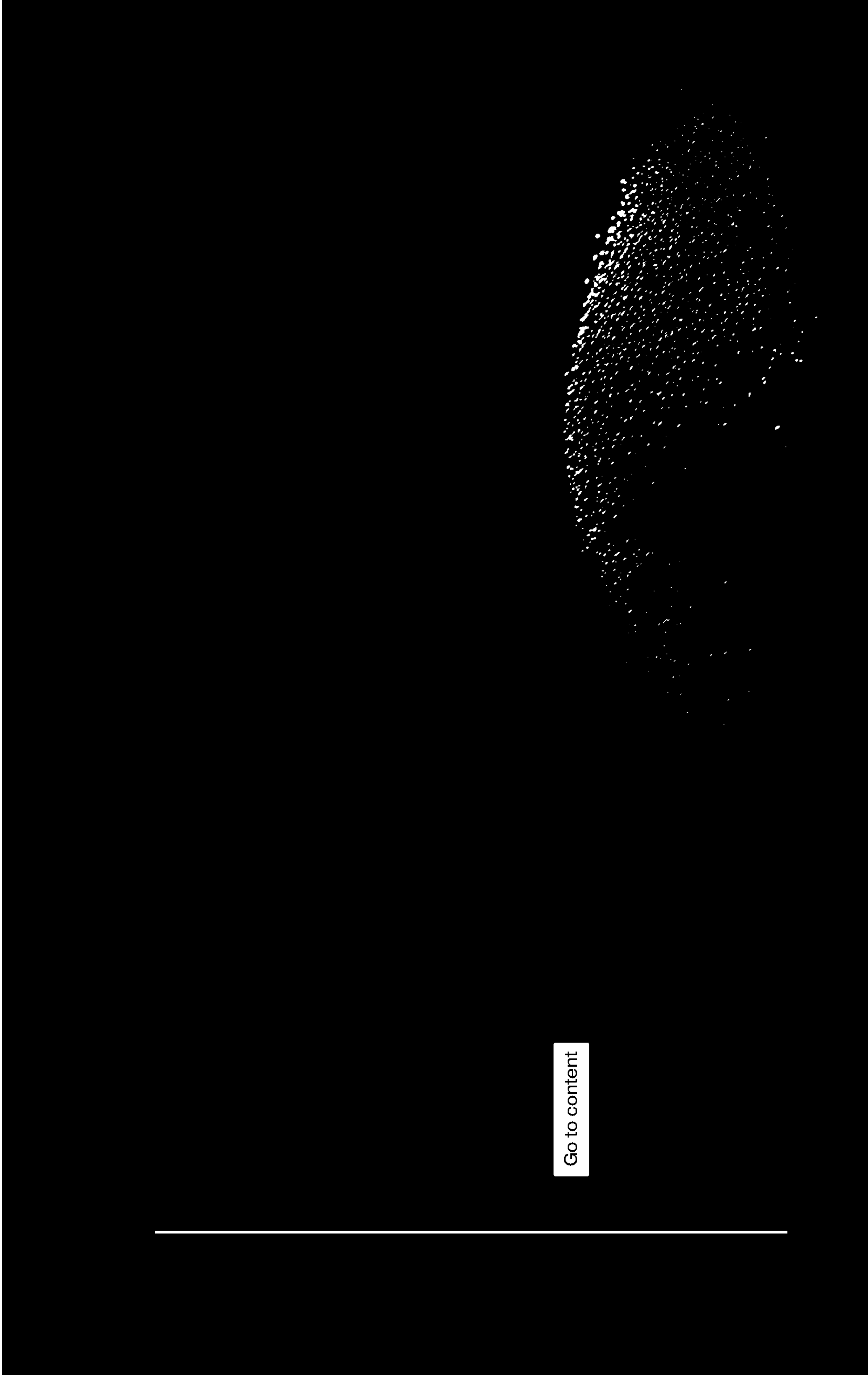
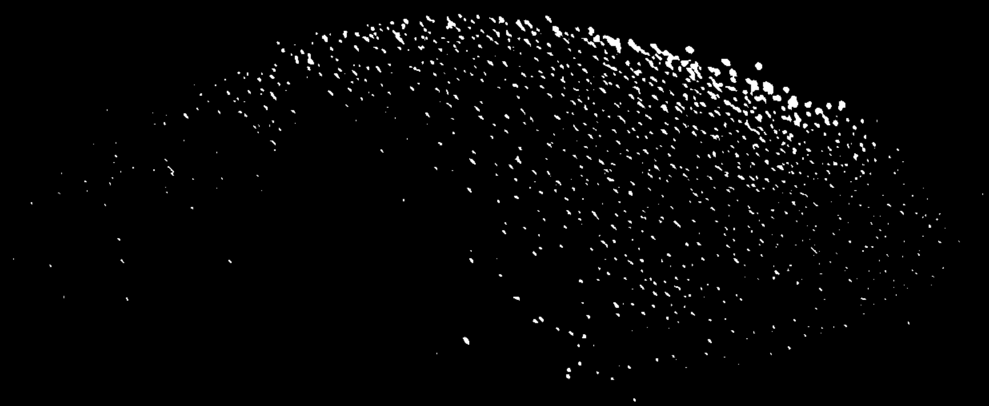




Highlights and key figures

- Retired USD 110 million corporate bond
- Secured long-term corporate financing
- Signed FBR Offtake contract securing sustainable Moses Lake operation
- Moses Lake production re-start in November 2023, process on time for first delivery in late Q1 or early Q2 2024, and full capacity by YE 2024
- Optimizing Butte operations, capacity expansions for specialty gases, EG polysilicon production to be discontinued during 2024
- Yulin JV sale completed, gross proceeds of USD 136.1 million
- December 2023 cash balance of USD 170.9 million

Revenues

141.1

USDm

EBITDA

-80.5

USDm

USD IN MILLION	2023	20
Revenues	141.1	147
EBITDA	-80.5	-34
EBITDA margin	-57.0%	-23.6
EBIT excluding impairment charges	-94.9	-58
Impairment charges	-8.1	-0
EBIT	-102.9	-58
EBIT margin	-72.9%	-39.4
Profit/loss from continuing operations before tax	30.5	-87
Profit/loss from continuing operations	30.5	-87
Profit/loss from discontinued operations, net of tax	0.0	0
Earnings per share, basic and diluted (USD)	0.07	-0.2
Polysilicon production in MT (Siemens and granular)	1,103	1,45
Polysilicon sales in MT (Siemens and granular)	749	1,50
Silicon gas sales in MT	3,075	2,7

LETTER FROM THE CEO

Following on the heels of the positive momentum of 2022 that included the support from a new largest shareholder and announcements of "things to come", numerous important milestones were accomplished in 2023 that sets REC Silicon up for success. The Company is now on firmer footing than we have been in many years due to the successful conclusion of all the strategic initiatives that we stated would be our objectives for 2023.

One of the first highlights achieved for the Company in 2023 was the retirement of the USD 110 million senior secured bond with a corporate debt financing of USD 110 million. The loan was based on favorable terms that were fully guaranteed by the Company's largest shareholder Hanwha Solutions. The Company also closed three additional corporate loans in the amounts of USD 30 million, USD 100 million, and USD 40 million to fully fund the restart of the Moses Lake facility and to fund other capital projects in Butte. These loans allowed the Company to restart Moses Lake and to take advantage of opportunities in the silicon gases business to increase shareholder value. Next, the Company entered into a long-term supply agreement between the Company's subsidiary, REC Solar Grade Silicon LLC and Hanwha Q Cells Georgia, Inc., a wholly owned subsidiary of Hanwha Solutions for the sale of all the high purity granular polysilicon produced from the Moses Lake facility for the next 10 years. The agreement is fully secured with pricing that is index based subject to both a price minimum and maximum and adjusted for a premium for US-sourced low-carbon material. The Moses Lake facility will also benefit from a USD 3 per kilogram tax credit from the Inflation Reduction Act for the sales of high purity granular polysilicon. The offtake agreement not only provided the Company with an influx of cash from significant prepayments, but also balances the downside risks and allows for upside opportunities. Most significant is that our counterparty is a high-quality industrial partner, well positioned in their market and we look forward to opportunities to continue to support their growth as a key partner.

With the funding in place, the Company successfully restarted the Moses Lake facility in November after being shut down since 2019. The short planning horizon and accelerated timing made for an increased degree of difficulty for such an intrinsically difficult endeavor to begin with. The initiation of the restart was due in large part to our talented and dedicated workforce that achieved the restart within the time frame that we

2024 looks brighter for t... Company an... the prospect... future years... even better.

consistently shared with stakeholders since the commencement of our restart strategy. We have also started up our Dichlorosilane (DCS) expansion in Butte. This will increase our capacity by 3X and allow us to regain market share as we will be able to follow our key customers' expansions. Combined with investments in container capacity, our ability to follow the strong market trends and recovery is further enhanced. Lastly, the Company closed on the sale of its shares in its Yulin JV for gross proceeds of approximately USD 136 million. As I stated before, the closing of this important transaction not only strengthened the Company's financial position but also allowed us to continue to focus our efforts on our US assets, particularly our recently started high purity granular polysilicon from the Moses Lake facility, a key piece of the development of a solar value chain in the US, along with available funds for investments in our gases business at the Butte facility to support the growth of the Semiconductor industry so that we will be in a strong position to take advantage of opportunities presented by significant macro trends, government policies, our key products and our location within the US.

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 to provide crucial material inputs in support of the IRA, Chips and Infrastructure Acts, Re-shoring to the United States and to supply our key customers globally. The Company has developed a strong market position in the semiconductor industry based on its operations in Butte. The restart of the Moses Lake facility has enabled the Company to provide high purity polysilicon to an emerging US solar value chain. This, together with the silicon gases business in Butte, the Company anticipates it will be a key resource to companies that are positioned to supply the necessary products required to actualize on the promise of these macro trends and initiatives.

Despite these exciting developments, REC Silicon also experienced challenges during 2023 that were largely outside of our control, however that did not preclude us from our duty to make necessary actions to mitigate what we could control. First, the semiconductor industry continued the downturn started in the latter half of 2022, which impacted sale prices and volumes of silicon gases during the year. However, our expectation is that the weakness has reached a stabilized bottom and is now showing signs of improvement for the coming quarters. We were able to shift into some markets that are not our primary focus to give buoyancy to our sales/production volumes. Second, our production costs increased, especially with respect to the cost of power for our Butte facility. We did everything we could to mitigate the precipitous power increase by raising our product prices, modifying our operations, and entering power hedges.

2024 looks brighter for the Company and the prospects for future years look even better. Our focus will remain on executing; continuing the ramp for Moses La
ifying customers for our new DCS
in Butte, pursuing opportunities t
the nascent silicon anode materia
targeting key contracts to suppor
gases growth. I continue to belie
are ideally positioned with our pro
technology and location to take a
new markets, new supply chains a
tives in the US, and growth oppor
existing industries. REC Silicon ha
assets, in the right place at the rig
very optimistic that we will continu
plish what we set out to do and im
every aspect that we can control t
heights in the coming years.

Kurt Levens
President and CEO

This is REC Silicon

REC Silicon is a global leader in silane-based high purity silicon materials, with more than 40 years history in the industry. The company provides silicon materials for the energy transition

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 is a leading energy and technology provider in shaping the future with advanced materials.

The base 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 anode material for 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.

Silane gas - The core feedstock

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, giving REC Silicon exposure to transition megatrends, including digitalization, renewable energy and energy storage.

The Silane gas is core feedstock for REC Silicon's p
of specialty gases and silicon materials product line
supplied as pure gas, distributed through the comp
specialized container fleet.

Starting with metallurgical grade silicon that is abou
silicon, REC Silicon uses patented and proprietary h
tion and distillation processes that remove the impu
levels measured in parts per trillion. The process is
meaning continuous while also recycling byproduct
chemistry process. This results in optimal efficiency
process waste.

The result is the purest form of silicon in the world a
to our product lines.

A silicon gases compan providing enabling materials for the energy transition

The business opportunity

Secular growth trends within in 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.

For REC Silicon this is further enhanced by concerns around supply security and embedded competence that is driving major efforts towards re-shoring industries that where first developed and commercialized in the United States, such as Photovoltaics and Semiconductors. Along with underlying growth trends, the Inflation Reduction Act, Chips Act and the Infrastructure Act all create clear pathways for REC Silicon to run its assets towards full utilization as well as expand in areas where the company has strong and distinct positions.

As the largest producer of Silane Gas and High Purity Granular Polysilicon outside of China, and the only one located in the United States, REC Silicon's is uniquely positioned to translate these circumstances into value for its shareholders.

Strategy

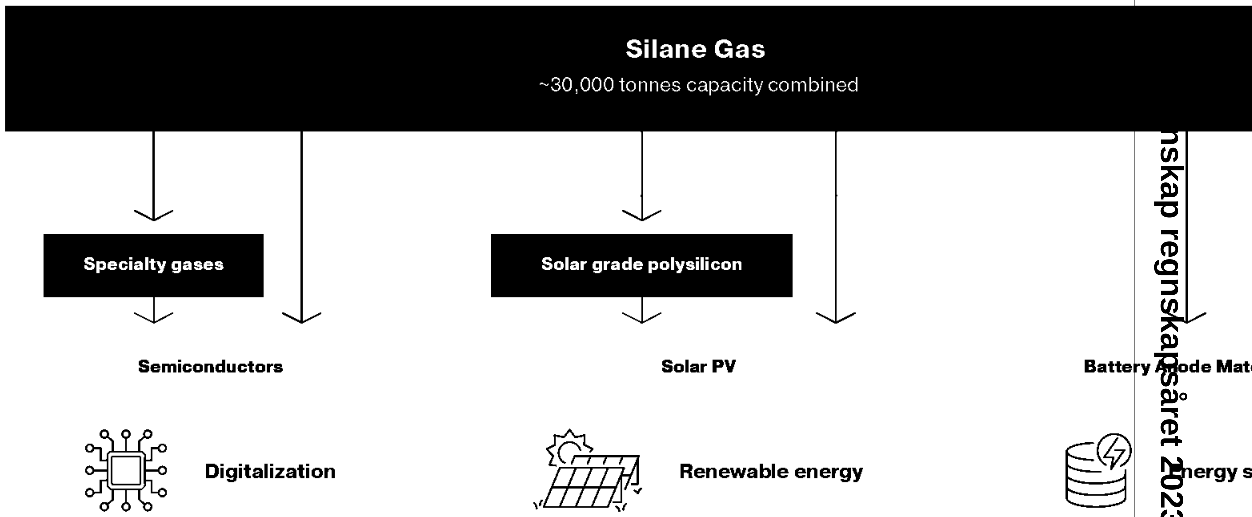
REC Silicon aim to continuously optimize utilisation of available silane gas capacity, high grading its product portfolio to maximize operational and to optimize its financial performance.

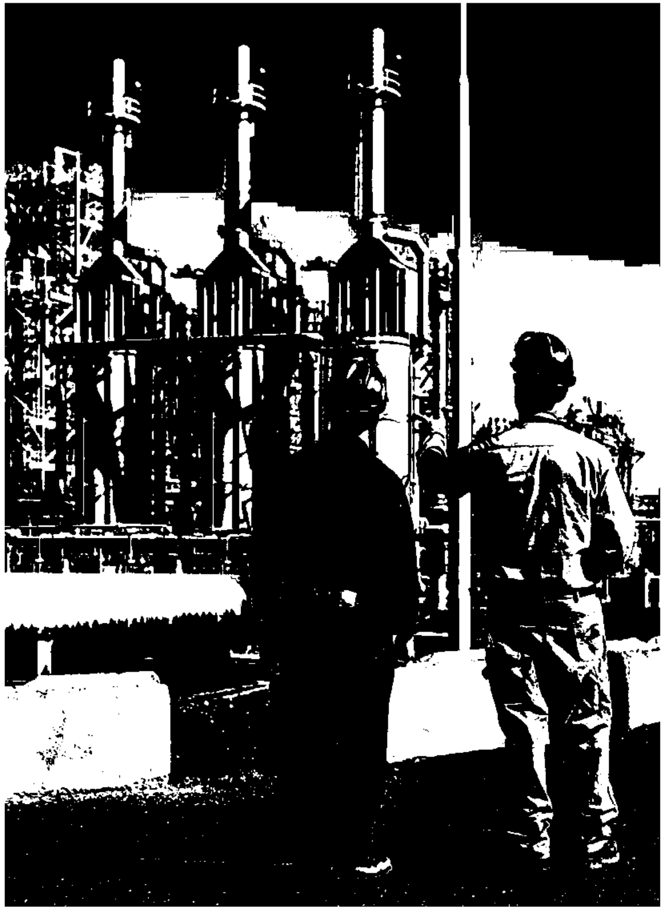
Supported by key legislative initiatives, the company is taking several steps to position itself with low-carbon products, targeting energy transition megatrends.

Priorities to pursue this strategy is the ongoing re-opening of the previously mothballed silane gas and polysilicon production in Moses Lake and investments in enhanced capacity for silane gas loading and specialty gases production at Butte.

Operations

From its production sites in Moses Lake, Washingto
Montana, REC Silicon has a combined annual name
gas production capacity of over 30,000MT, utilized
tion of specialty gases, solar- and electronic grade
or sold in its pure.





Moses Lake

The Moses Lake facility has a nameplate capacity of around 24,000 tons of silane gas. The majority of the capacity will be used as for production of some 16,000 tons of monograde PV polysilicon.

The excess silane gas capacity is available for alternative purposes, including anode material in silane-based batteries.

Moses Lake uses a fluidized bed reactor technology (FBR) for production of polysilicon. FBR uses seed granules that are continuously fed into a chamber with heated silane gas. The circulation of gas causes the seed granules to flow like liquid as the silane gas breaks down and deposits silicon layers on the granules as the hydrogen is removed and recycled. Over time, the granules grow larger, heavier, and eventually finish out of the bottom of the reactor, ready to use. The FBR technology, use one-tenth of the electricity needed compared to the traditional Siemens technology, affords low-cost material and ultra-low carbon footprint, making its solar module value chain all that more sustainable.

The Moses Lake facility has been shut down since 2019, but is currently in the process of restarting, with full capacity utilization expected by year end 2024.

Butte

The Butte facility has an annual silane gas productic of 7,400 tons. Parts of this volume is sold as pure si while some goes into production of high-purity spec and ultra-pure electronic grade polysilicon. In recer company has invested in additional capacity for spe including dichlorosilane (DCS), monochlorosilane (disilane. The capacity increase was finalized during

The polysilicon production at Butte is based on the sive Siemens technology. Following recent years in energy prices in the region, production of polysilico financially sustainable, and in early 2024, REC Silic to discontinue production of polysilicon at Butte. Th business will continue to produce for approximately months to fulfill polysilicon supply obligations to the customers.

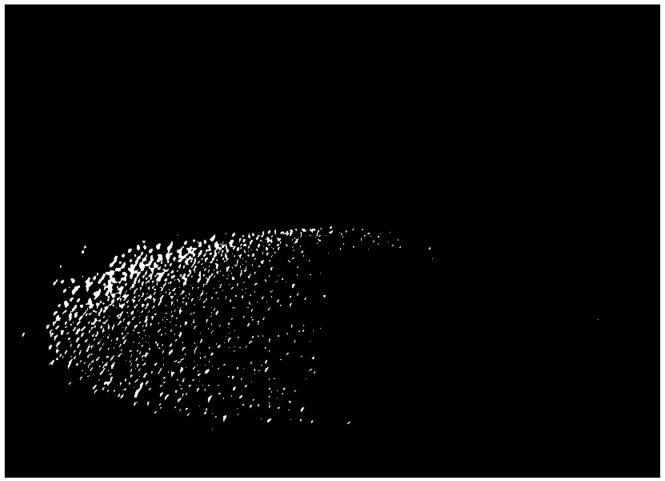
The shut down will free up significant incremental si capacity.

Markets

Renewable energy – PV market

Strong impact from IRA

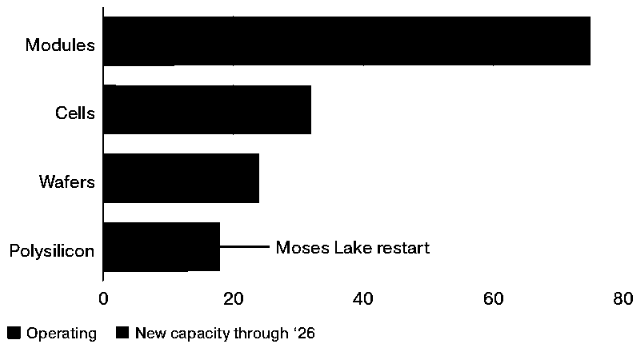
- 35% increase in expected installations in 2022-27 from the introduction of the Inflation Reduction Act (IRA)
- USD 100 billion of investments already announced from companies in the US, Asia and Europe
- Full impact throughout the US value chain



Value chain explosion

- Limited existing value chain for PV in the US
- Significant expansion is required, and announced for major value chain components
- REC Silicon has the only announced expansion of solar grade polysilicon capacity (Moses Lake)

PV value chain capacity additions by 2026

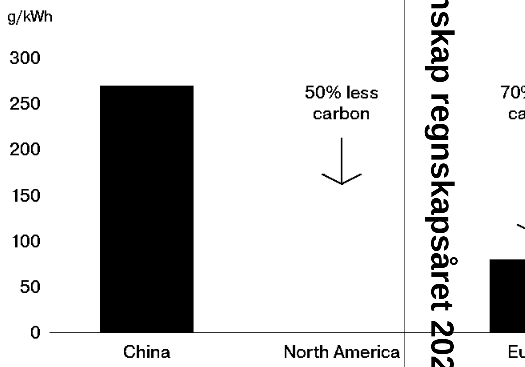


Source: Rystad Energy

The quest for low cost and low carbon

- Strong demand from end users and module prod
  a low carbon PV supply chain
- Moses Lake has ~70% lower carbon intensity thar
  polysilicon which accounts for ~40% of the total
  footprint
- With IRA initiatives, Moses Lake is also competitiv
  Chinese producers on a cost per kg basi

PV manufacturing carbon footprint



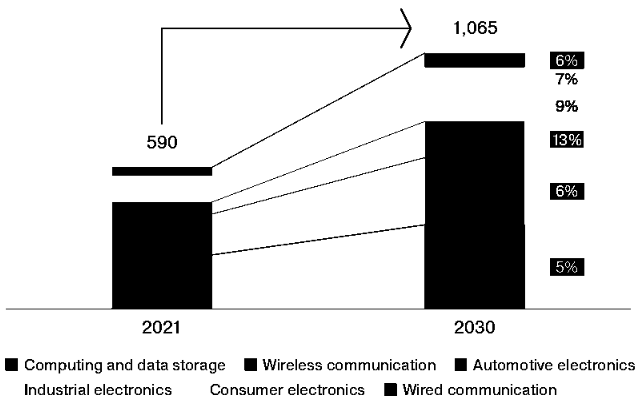
Source: The Ultra Low Carbon Solar Alliance

Semiconductor market

Trillion-dollar industry by 2030

- 7% annual growth towards 2030
- 75% of growth from automotive electronics, wireless communication and computing/data storage
- US market accounts for 34% of current demand

Semiconductor 2030 outlook

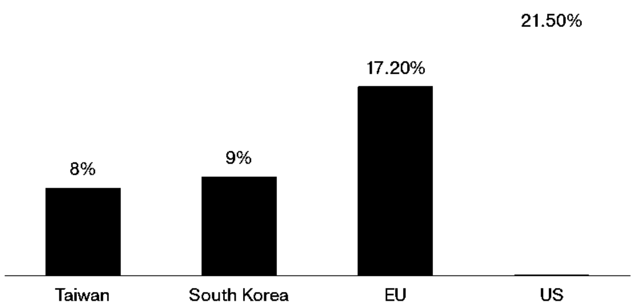


Source: McKinsey & Company

Manufacturers struggling to go green

- Strong net zero pledges among all major players
- Lack of realistic clean energy options for growth among Taiwanese and South Korean producers
- US has some of the largest access to renewable energy, to be increased further by the IRA

Renewables share of energy mix in 2022



Source: FT, Korea Electric Power Corp, Taiwan Bureau of Energy, US EIA, Eurostat

Taking back supply chain control

- Strong US reliance on semiconductor imports
- CHIPS Act main motive to re-shore production an[d] reduce supply/demand gap
- USD 200 billion of chip manufacturing investment[s] already announced

Energy Storage– Silane gas

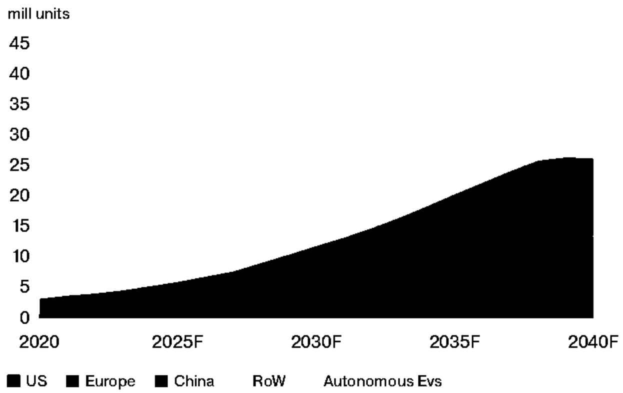
Driving battery storage growth

- Global battery storage demand expected to grow 7x from 2022-2030
- Battery storage demand for mobility is set to account for more than 90% of the growth
- Battery storage demand in the US set to outpace Chinese growth with 26% p.a.

Electric mobility growth

- Global EV sales expected to growth 13% p.a. 2020-40
- Silane gas has strong potential as anode material in mobility battery storage
- Mobility growth also positive for semiconductor and electronics industries

Global EV Sales Forecast

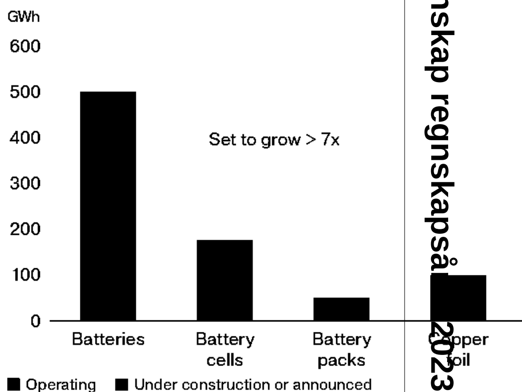


Source: The Ultra Low Carbon Solar Alliance

US supply chain response

- China dominates the battery markets
- Substantial initiatives in IRA have been met with ra
response
- Battery storage supply chain in the US set to grow
than 7x, driven by mobility and utility scale storage
demand

US battery storage supply chain



Source: The Ultra Low Carbon Solar Alliance

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 Yeonsei 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

Dong Kwan Kim
Director

Key Experience
Currently Chief Executive Officer of the Strategy Division at Hanwha Corp. and Hanwha Solutions since Jan 2020.

Previously held multiple executive positions at Hanwha QCELLS Group

Education
Harvard University, 2006
Artium Baccalaureus, Government

Dr. Renate Oberhoffer-Fritz
Director

Member of the Board of Directors since May 2022.

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

Roberta Benede
Director

Key Experience
Currently Senior advisor
and renewables with mor
years of experience in the
sector. NED/Chairman in
unlisted European compa
expertise in Governance,
Sustainability and Compl

Previously held multiple e
positions at Enel (1998-2
(2006-2016), and ANEV (

Education
Degree in Economics, Un
of Florence (Italy), and ex
at Ryerson Polytechnic U
(Canada)

Board of Directors' report

2023 Highlights (compared to 2022)

- Revenues of $141.1M compared to $147.8M in 2022
- EBITDA of loss of ($80.5M) compared to loss of ($34.9M) in 2022
- Cash balance of $170.9M on December 31, 2023
  - Cash increase of $65.7M in 2023
  - Cash outflows from operations of $86.0M
  - Cash outflows from investing activities of $8.7M
  - Cash inflows from financing activities of $165.0M
  - Decrease effect on cash of changes in foreign exchange rates of $4.6M

- Silicon gas sales volumes of 3,075MT compared to 2,718MT in 2022
  - 13.2% Increase in sales volume
  - 10.1% Decrease in average silicon gas prices
- Total polysilicon sales volumes of 749MT compared to 1,502MT in 2022
  - Semiconductor grade polysilicon sales of 524MT compared to 1,045MT in 2022
  - Average semiconductor grade polysilicon price increase of 96.1%
  - Polysilicon inventory increase of 355MT
- Finalized Corporate Bank loans
  - $280M in term loans all guaranteed by Hanwha Solutions

- Signed full form FBR offtake agreeme
  - 10 year take or pay agreement with Ha QCells Georgia, Inc
  - Received $30M advance payment
- Yulin JV sale completed
  - Gross proceeds of $136.1M
- Moses Lake start-up process comme
  - First product delivery in late Q1 or early and full capacity by year end 2024

Business Activities

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

REC Silicon is a global leader in silane-based, high-purity silicon materials, delivering high-purity polysilicon and silicon gases to the solar and electronics industries.

REC Silicon 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 United States. REC Silicon's sales and marketing activities for sales of solar grade polysilicon, semiconductor grade silicon and silicon gases are carried out in China, Japan, Korea, Taiwan, and in the United States.

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:

- Fully ramp-up high purity granular polysilicon production in Moses Lake
- 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

2023 Summary

Financial highlights

Key Financials – REC Silicon Group

USD IN MILLION	2023	2022
Revenues	141.1	147.8
EBITDA	-80.5	-34.9
EBITDA margin	-57.0%	-23.6%
EBIT excluding impairment charges	-94.9	-58.0
Impairment charges	-8.1	-0.3
EBIT	-102.9	-58.3
EBIT margin	-72.9%	-39.4%
Profit/loss from continuing operations before tax	30.5	-87.0
Profit/loss from continuing operations	30.5	-87.0
Profit/loss from discontinued operations, net of tax	0.0	0.1
Earnings per share, basic and diluted (USD)	0.07	-0.21
Polysilicon production in MT (Siemens and granular)	1,103	1,456
Polysilicon sales in MT (Siemens and granular)	749	1,502
Silicon gas sales in MT	3,075	2,718

Revenues

Total revenues decreased by 4.5 percent from USD in 2022 to USD 141.1 million during 2023. This decr primarily due to decreased sales for semiconductor silicon. Nearly all revenues reported are in the Semi Materials segment and decreased by 4.6 percent fr USD 147.4 million in 2022 to USD 140.6 million in 20

Operations

During 2023 finished polysilicon produced by REC S manufactured in the Semiconductor Materials segm plant in Butte, Montana. The Company restarted FB from its plant in Moses Lake in Q4 of 2023.

Total polysilicon production decreased by 353MT (-24.2 percent) to 1,103MT in 2023 compared to 1, 2022. Essentially all production in 2023 and 2022 wa semiconductor materials segment.

Total polysilicon inventories increased by 355MT in

Earnings

Earnings Before Financial Items and Income taxes (for 2023 was a loss of USD 102.9 million. This repre increased loss compared to an EBIT loss of USD 58 2022.

EBITDA for 2023 was a loss of USD 80.5 million com EBITDA of USD 34.9 million in 2022. The decrease i compared to 2022 is primarily the result of restart activities in the Solar Materials segment. EBITDA contributed by the Semiconductor Materials segment increased by USD 7.6 million to USD 14.0 million in 2023 due primarily increased silicon gas sales. EBITDA contributed by the Solar Materials segment decreased by USD 44.8 million due to restart activities. In Other and Eliminations, net operating costs increased by USD 8.4 million due to restart activities.

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 our products to add value to our customers and further enhance our competitive position.

During 2023, research and development efforts were focused on maintaining minimum research lab operations to support the silicon gas and semiconductor grade polysilicon businesses.

Cash expenditures for research and development were USD 1.3 million in 2023 compared to USD 1.5 million in 2022. Total expenditures including depreciation were USD 1.7 million in 2023 and USD 1.9 million in 2022.

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. On February 7, 2024, it was announced that REC Advanced Silicon Materials LLC will be shutting 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.

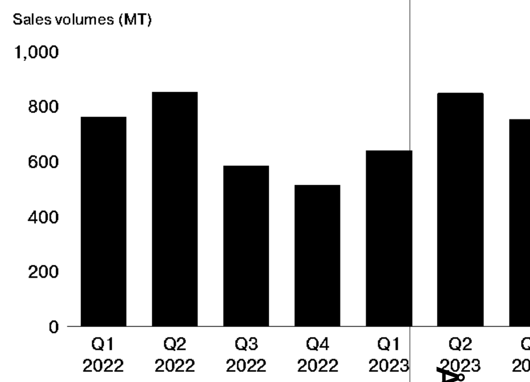
Key Financials – Semiconductor Materials

USD IN MILLION	2023	2022
Revenues	140.6	147.4
EBITDA contribution	14.0	6.3
Contribution margin	9.9%	4.3%
Polysilicon production in MT (Siemens)	1,101	1,453
Polysilicon sales in MT (Siemens)	745	1,502
Silicon gas sales in MT	3,075	2,718

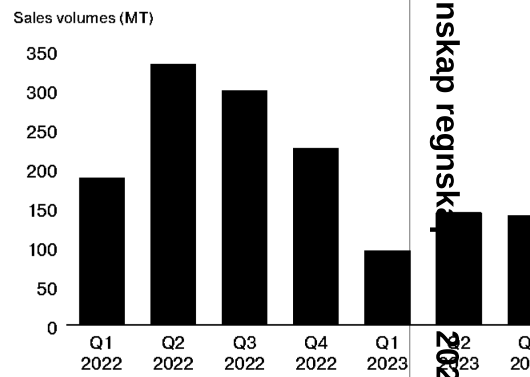
Markets

The power device market was strong in 2023 helping to drive demand for Float Zone semiconductor polysilicon. However, demand for Czochralski-grade semiconductor polysilicon remained depressed. The rapid growth in mobile applications,

Silicon Gas Sales



Semiconductor Polysilicon Sales



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 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 had solid demand in the fourth quarter of 2023. The flat panel display market was down at the end of 2023 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 2023 and pointed to the first signals that downstream demand for some devices might be improving. Many industry analysts discussed the possibility that the trend 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.

Financial Performance
In 2023, revenues for the Semiconductor Materials segment were USD 140.6 million compared to USD 147.4 million in 2022; a decrease of 4.6 percent.

Revenues from polysilicon sales decreased by 10.5 percent in 2023 compared to 2022. Total polysilicon sales volumes decreased by 50.4 percent from 1,502MT in 2022 to 745MT in 2023. The underlying sales volumes of semiconductor grade polysilicon were 524MT during 2023 compared to 1,045MT during 2022. Average prices realized for semiconductor grade polysilicon increased by 96.1 percent as the company focused on high grade FZ production and sales.

Revenues from silicon gas sales increased by 1.7 percent in 2023 compared to 2022. Silicon gas sales volumes were 3,075MT, a 13.2 percent increase compared to 2,718MT in 2022. Average annual prices for silicon gas decreased by 10.1 percent.

Total polysilicon production in the Semiconductor Materials segment decreased by 353MT to 1,101MT in 2023 compared to 1,453MT in 2022. The underlying production volumes of semiconductor grade polysilicon decreased by 288MT to 704MT for 2023. Inventories of polysilicon in the Semiconductor Materials segment increased by 355MT in 2023.

The Semiconductor Materials segment contributed USD 14.0 million of income to EBITDA during 2023. This compares to an EBITDA of USD 6.3 million in 2022.

Income contributed by the Semiconductor Materials segment represents revenues less production costs for products sold

during the period and excludes depreciation, amort
impairment, and selling, general, and administrative

Solar Materials segment
REC Silicon manufactures polysilicon for the solar e
markets from its manufacturing facility in Moses Lak
Washington.

Key Financials – Solar Materials

USD IN MILLION	2
Revenues	
EBITDA contribution	-6
Contribution margin	
Polysilicon production in MT (Siemens and granular)	
Polysilicon sales in MT (Siemens and granular)	

The Company restarted FBR production from its pla
Moses Lake in Q4 of 2023. The company is targetin
50 percent operation during Q2 2024 and ramp to
operation during Q4 2024. (see Risk Factors below)

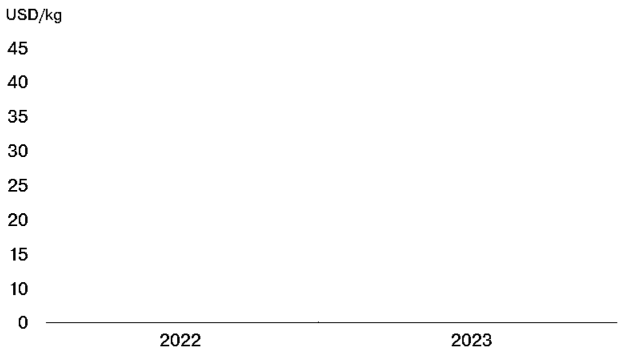
Markets
Solar grade polysilicon prices inside China declined s
from 24.8/kg to $8.0/kg by the end of 2023. Polysilico
in China increased to record levels as new capacity ca
This led to a rapid price collapse of Chinese polysilico
The rapid drop in polysilicon prices shifted the pricing

downstream as wafer prices also declined resulting in the expectation that the value chain will control costs to improve margins.

Wafer factory utilization rates declined towards the end of 2023 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 end of 2023 saw a strong shift away from P-type wafer production to N-type wafer production driving up demand for higher quality polysilicon. Prices for polysilicon produced outside China saw a slight decline and bifurcation of material between P-type (positive) and N-type (negative) polysilicon continued.

Polysilicon Spot Price Development



* PV Insights – Mono-crystalline polysilicon prices

ASP for P-type polysilicon ended the year at USD $21.7/kg and N-type at USD 25.6/kg.

Financial Performance
Revenues for the Solar Materials segment were USD 0.4 million during 2023 compared to USD 0.2 million in 2022.

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

The Solar Materials segment contributed a loss of USD 64.8 million to the Company's EBITDA during 2023. This compares to a loss of USD 19.9 million in 2022. The increased expenses are related to restart activities.

The loss contributed by the Solar Materials segment represents costs associated with restart activities and excludes depreciation, amortization, impairment, and selling, general, and administrative expenses.

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 Taiwan, Korea, China, and the United States.

Key Financials – Other and Eliminations

USD IN MILLION	2
Revenues	
EBITDA contribution	-2

Other and Eliminations EBITDA decreased to negati
million during 2023 compared to negative USD 21.3
2022. Costs exclude depreciation, amortization and

Investments (Yulin JV)
In the fourth quarter of 2023 The Group closed the s
15 percent equity interest in the Shaanxi Non-Ferro
REC Silicon Materials Co., Ltd joint venture Yulin JV

All regulations and government approvals China f
transaction have been completed. REC Silicon rece
proceeds of USD 136.1 million. Proceeds were redu
transaction costs of USD 0.6M. This sale generated
ring gain for the company in 2023 in the amount of U
million. The purchase price was based upon a third-
appraisal of the valuation of the Yulin JV of approxim
6.8 billion implying gross proceeds before transacti
approximately RMB 1 billion for REC Silicon's 15 pe

Financial items

Key Financials – REC Silicon Group

USD IN MILLION	2023	2022
Financial income	3.6	1.9
Interest expenses on borrowings	-14.9	-13.4
Expensing of up-front fees and costs	-1.8	-0.5
Interest expense on leases	-8.5	-8.6
Capitalized borrowing cost	8.4	3.0
Other financial expenses	-1.5	-1.4
Net financial expenses	-18.3	-20.9
Net currency gains/losses	12.7	-9.7
Gain from sale of Yulin JV	135.5	0.0
Net financial items	133.5	-28.7

Net financial items were a gain of USD 133.5 million in 2023 compared to an expense of USD 28.7 million in 2022. 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.

Net currency gains/losses are primarily related to the impact of exchange rate changes on the repayment of capital between REC companies. Additionally impacts on liabilities and cash deposits denominated in NOK. Net currency gains/losses include fluctuations between transaction currencies and the USD which is the reporting currency for the group.

Interest expenses on borrowings were USD 14.9 million in 2023 compared to USD 13.4 million in 2022. Interest expense on borrowings includes interest on the Company's senior secured bond for both years presented. The senior secured bond was repaid in April 2023. The company obtained USD 280 million in term loans during 2023, all guaranteed by Hanwha Solutions. Expense related to term loans was USD 10.8 million and expense related to guarantee fees were USD 1.8 million in 2023. Interest expense includes interest expense 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 on leases was USD 8.5 million in 2023 compared to USD 8.6 million in 2022. This decrease can be attributed to increased principal lease payments (See Note 7 and 25 to the consolidated financial statements).

Capitalized borrowing costs were USD 8.4 million in 2023 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 8.1 percent.

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

Income tax

The profit before tax from continuing operations of U
million in 2023 and the loss of USD 87.0 million in 20
in no effective tax impact since it is offset by change
ognized deferred tax assets. The profit in 2023 is of
in the Company's unrecognized deferred tax asset.
will continue to be available to offset taxable income
future periods.

See note 18 to the consolidated financial statement

Profit and loss

The profit from total operations was USD [illegible].5 millio
compared to a loss of USD 86.8 million in 2022.

Cash flow

Net cash outflows from operating activities were US
million in 2023 compared to USD 42.1 million in 202
outflows included USD 16.5 million of interest paym
USD 1.3 million contribution to the defined benefit p
in the United States.

Net cash outflows from investing activities were USD
in 2023 compared to cash outflows of USD [illegible]4.8 mill

2022. Gross proceeds from the sale of the Yulin JV were 136.1 million in 2023. Proceeds from the sale of non-core assets were USD 0.7 million in 2023. Payments of capital expenditures were USD 145.7 million in 2023 and were primarily associated with FBR modifications which enabled the restart of Moses Lake production in Q4 of 2023. Other capital spending included the Dichlorosilane (DCS) gas expansion project in the Butte production facility.

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

In addition, cash inflows included USD 0.2 million in 2023 and was the result of the release of restricted cash.

Cash inflows from financing activities were USD 165.0 million in 2023 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. Cash inflows from financing activities in 2022 were USD 98.8 million and included payments of USD 0.9 million on the property tax note and USD 2.6 million payments of lease liabilities. These payments in 2022 were offset by proceeds from the issue of share capital in the amount of USD 109.5 million

There was also a negative effect of USD 4.6 million in 2023 due to cash balances held in NOK.

In total, cash balances increased by USD 65.7 million in 2023 to USD 170.9 million on December 31, 2023.

Financial position

Shareholders' equity increased to USD 76.4 million (13.8 percent equity ratio) on December 31, 2023, compared to USD 60.4 million (18.9 percent equity ratio) on December 31, 2022.

This increase was primarily the result of the profit from total operations of USD 30.5 million, a remeasurement of the pension of USD 0.9 million and USD 15.4 million of currency translation effects taken to equity.

Net debt increased by USD 104.3 million to USD 182.8 million on December 31, 2023, from USD 78.5 million on December 31, 2022. This increase was primarily the result of the increase in term loans of USD 280 million offset by the repayment of the senior secured bond of USD 110 million, and the increase in cash balance of USD 65.7 million, payment of USD 1.1 million in the Grant County WA property tax note and increase in lease liabilities of USD 1.3 million.

Net debt includes unamortized loan fees. Excluding unamortized capitalized borrowing costs, nominal net debt was USD 183.2 million on December 31, 2023, which represents an increase of USD 104.6 million from USD 78.6 million on Decem
(See note 17 to the consolidated financial statemen

Going concern

The Board of Directors confirms that the Financial S
have been prepared under the assumption that the
going concern, and that this assumption was realist
of the accounts.

Rec Silicon ASA (NGAAP)

Financial review

In 2023, REC Silicon ASA had a negative EBIT of US
compared to a negative EBIT of USD 2.4 million in 2
Company recorded a net income of USD 5.6 millio
The net income included net financial expenses of U
million which includes reversal of impairment of inte
USD 72.1 million, interest income of USD 0.7 million
expenses of USD 9.9 million. Other major remaining
financial items were net currency losses of USD 4.6
to cash balances held in NOK. Interest income from
was suspended for 2023 and 2022 due to the financ
and outlook of the borrowing companies. In 2022 Th
included net financial expenses of USD 87.2 million
includes impairment of loans to US subsidiaries of U
million, and interest expenses of USD 13.1 million. C

remaining items of net financial items were net currency losses of USD 7.1 million and interest income of USD 1.8 million. (See note M to the financial statements for REC Silicon ASA).

Total equity for the parent Company was USD 244.1 million on December 31, 2023, compared to USD 188.4 million on December 31, 2022. This increase is a result of the net income of USD 55.6 million discussed above.

Allocation of the Net Income for the Parent Company
The Board proposes that the net income for the year of USD 55.6 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. A broader risk assessment strategy will be developed in the future.

Market risk
On September 6, 2023, the Company announced 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 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 th
Agreement will be determined by market indices (re
of markets outside and inside of China) adjusted for
for US-sourced low-carbon material. The high-purit
granular polysilicon will also benefit from the $3 per
credit from the Inflation Reduction Act. The first five
agreement, the base price is subject to both a price
and maximum that protects REC Silicon against pot
market prices in the near term. The second five yea
agreement, there is no minimum or maximum price,
provides the Company with upside to benefit from h
icon market prices in the future.

On February 7, 2024, REC Silicon announced that R
Advanced Silicon Materials LLC will be shutting dow
silicon production capacity at its Butte, Montana fac
polysilicon business will continue to produce for app
six to nine months to fulfill polysilicon supply obligat
company's customers. After the supply obligations
the company expects that the workforce in Butte wil
accordingly. The company is working out the details
to the shutdown and will provide additional informat
impacted stakeholders as it becomes available.

Operational risk
The Group's production processes involve manufac
processing, storage, use, handling, distribution and
of silane gas and other substances of an explosive c
nature. Accidents or mishandlings involving these su

could cause property damage or injury, which could lead to significant liabilities and costs for the Group. The occurrence of a catastrophic event at one of the Group's polysilicon production facilities 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 to one of the Group's manufacturing facilities 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.

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 up 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.

Liquidity risk
Debt maturities in 2024 include USD 30 million for the Standard Chartered term loan, USD 1.2 million for the Grant County Property Tax note and USD 7.5 million for lease liabilities. On December 31, 2023, the Group has sufficient available cash to meet debt service and other anticipated operating cash flow requirements. Management's estimates of future cash requirements can be met from current working capital and cash flows generated by operations. (see note 7,17, 29 and 33).

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. Prior to 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 54.9 million on December 31, 2023. The guarantees will decrease annually and will expire in entirety in 2039.

Currency risk
The Company's net cash flows from continuing ope
primarily in USD. Debt is denominated in USD. The C
currency risk relates primarily to cash balances held
cies other than USD. The Group does not currently h
hedging instruments to offset the risk of changes in
rates between the USD and NOK.

Corporate governance

Good corporate governance is essential to ensure t
business is run in a way that protects the long-term
of all stakeholders. The Board of Directors has appr
implemented corporate governance principles endo
and complying with the Norwegian Accounting Act a
Norwegian Code of Practice for Corporate Governa
Group's compliance with the Code of Practice is de
report on Corporate Governance for 2023 which is i
this Annual Report.

The Company has directors' and officers' liability ins
insurance covers the Board of Directors as well as o
the company from legal personal liability for financia
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

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 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 on the 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. The 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
investment while policies around it continues to be c
these policies are completed more investments are
The semiconductor CHiPS Act not only spurred inve
the Unites States but has also led to other countries
similar policies. These policies will help drive the glo
with semiconductor manufacturing and the requirem
more specialty gases. Meanwhile, additional battery
grant opportunities created from the Bipartisan Infra
Legislation have been released and are expected to
more growth for battery manufacturing in the United

Globally, PV installations for 2024 are expected to e
450GW with overall demand above 500GW. Global i
grew in 2023 continuing the pressure on pricing and
sure is expected to continue to influence the entire s
China doubled it polysilicon capacity from 2022 to 2
production up over 70 percent for the same time fra
Siemens remains the mainstream technology, GCL
working aggressively to penetrate the market with t
of four large FBR granular polysilicon production ba
Polysilicon capacity will otherwise continue to slow a
both polysilicon plants and wafer plants are now bei
Polysilicon prices will remain suppressed as long as
persists. For 2024 the decline in demand for P-type
wafers and increase in demand for N-type negative
a potential shortage of higher quality polysilicon. Pri
these two types of polysilicon quality will continue to
separately. The United States market will continue w
strong PV installation growth and efforts to grow its

sustainably while partnering with countries that support strong environmental, sustainability, and human rights policies.

Events after the balance sheet date

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.

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 20, 2024
Board of Directors

Document is signed electronically

Tae Won Jun Chairman of the Board	Dong Kwan Kim Deputy Chair	Vivian Bertseka Member of the Board
Roberta Benedetti Member of the Board	Dr. Renate Oberhoffer-Fritz Member of the Board	William K. Levens President and CEO

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, 2023.

The consolidated financial statements of the Group have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and additional disclosure requirements as stated in the Norwegian Accounting Act that are applicable on December 31, 2023. 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, 2023. 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, 2023.

We confirm that, to the best of our knowledge:

- The financial statements for the Group and the Co
  the year ending December 31, 2023 have been pr
  accordance with applicable accounting standards
- The information in the financial statements gives a
  fair view of the Group's and the Company's assets
  financial position, and results of operations for the
  December 31, 2023, and
- The report from the Board of Directors for the yea
  December 31, 2023 includes a fair review of:
  – The development, results of operations and pos
    Group and the Company, and
  – The principal risks and uncertainties for the Gro
    Company.

Lysaker, March 20, 2024
Board of Directors

Document is signed electronically

Tae Won Jun Chairman of the Board	Dong Kwan Kim Deputy Chair	Vivian Bertseka Member of the Board
Roberta Benedetti Member of the Board	Dr. Renate Oberhoffer-Fritz Member of the Board	William K. Levens President and CEO

Sustainability report

General

About this report (basis for preparation)

REC Silicon's Sustainability Report for the fiscal year 2023 (1 January 2023 to 31 December 2023) is based on the European Union's Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS). The Report is not yet fully aligned with the ESRS, but generally follows the same structure and prescribed contents. The Company is expected to be subject to these standards from the fiscal year 2025, at the latest.

This report has been reviewed by the Company's Audit Committee before being approved by the Board of Directors.

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 follows the time horizons defined in ESRS for medium- and long-term horizons. Short-term is defined as 0-2 years, medium-term 3-5 years and long-term more than 5 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 CO_2e 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 2023 reports thus refer to 2021 emission factors. The emission data for 2021, 2022 and 2023 are therefore calculated using 2021 emission factors and the data for 2021 and 2022 have been updated from 2020 emission factors, as a result. The difference between the previously reported data for 2021 and 2022 is not significant and therefore not specified separately.

Sustainability governance

Oversight over sustainability matters

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

The composition of the Board of Directors is detaile
Corporate Governance Report (page 63) and the ro
responsibilities of the board members are outlined c

REC Silicon Board of Directors

Independent Directors
Total Directors
% Independent
Female Directors
% Female
Employee representation

The members of the Board have strong sustainabilit
tials, either as executives of renewable energy comp
as experts and advisors within climate-related and r
energy-related NGOs and investment businesses.

The Audit Committee is appointed by the Board of Directors and is the highest governing body responsible for the oversight of the Company's sustainability reporting. The Audit Committee is currently reviewing its responsibilities towards sustainability matters to make this more clearly defined.

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.

The below table outlines the frequency of the Board of Directors and the Audit Committee's consideration of sustainability matters during 2023 and which items that 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.

Integration with management

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

REC Silicon is looking to establish an internal position tasked with establishing and implementing sustainability-related strategies, the setting of KPIs and the performance management of these, as well as with preparing external and internal quarterly and annual reporting on sustainability matters and performance. All targets and related KPIs will be approved by the Board of Directors.

Sustainability-related incentive schemes

The Company has not adopted any 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, such as solar grade polysilicon production, silane gas and specialty gas sales, as well as contracts to supply anode material to energy storage companies.

Risk management and internal controls

The Company operates an operationally focused risk management system, which consists of two parts:

- Business continuity plan, which identifies all risks related to the continuation of operations and the corresponding mitigating efforts. This plan was finalised during 2023 in con with the Company being certified pursuant to the standard.
- Process management system, which is PSM certi US Occupational Safety and Health Administratio covering health and safety and containing require the management of hazards associated with proc highly hazardous chemicals.

REC Silicon is also ISO 9001 Quality Management S certified, which is due for renewal in 2024. On an en level, there is currently no overriding risk managem addressing risks of a more strategic nature. Howeve lishment of a proper ERM system is on the agenda a system will, if implemented, include sustainability re

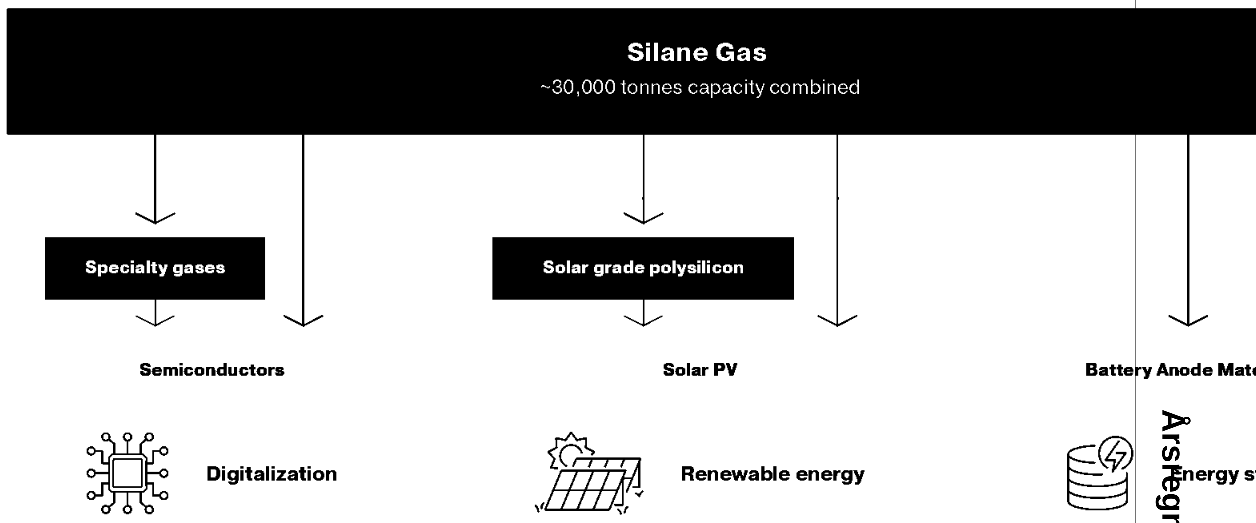
Statement on due diligence

REC Silicon regularly conduct risk-based due dilige business partners, including partners, agents and v may include an assessment of their own compliance and procedures and commitment to ethical busines During 2023, a human rights due diligence was con the Company's supply chain. The results of this are described on page 55.

REC Silicon engages external advisors within the leg cial, tax, insurance and risk areas as needed. In par and other capital providers conduct their own due d processes with the support of independent advisors

Strategy, business model and value chain

REC Silicon is a silicon materials company providing enabling products for the green energy transition. The base product is silane gas, which is based on metallurgical grade silicon. Silane gas is used as a stand-alone product for use in semiconductors, flat panel displays, solar panels and as anode material for batteries. It is also processed into solar grade polysilicon or refined into specialty gases for more advanced uses in the semiconductor and solar PV industries.



Strategy

The Company is in the process of adapting the overall corporate strategy to restore and maintain profitability after several years of losses. The objective is to position REC Silicon with low-carbon products targeting business opportunities in energy transition megatrends such as digitalisation, renewable energy and energy storage. These are markets that are expected to exhibit strong growth in the medium- to long-term.

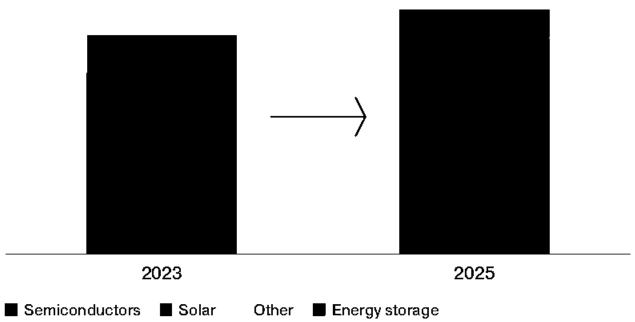
Moreover, the strategic direction has strong support from key legislative initiatives such as the Inflation Reduction Act 2022 and the Infrastructure Investment & Jobs Act 2022, where the objectives are to build up US value chains to drive the energy transition. These initiatives include financial incentives that REC Silicon intends to capture.

The two key strategic steps taken by REC Silicon are:
- Re-opening the previously mothballed silane and polysilicon facility in Moses Lake, which uses a low-energy production technology for low-carbon polysilicon for the solar PV industry
- Investing in enhanced production capacity for silane gas and specialty gases targeting various sectors involved in the energy transition
- Shutting down the energy-intensive and high-carbon polysilicon production in Butte, thus exiting the markets for polysilicon for the semiconductor industry

To this effect, REC Silicon is investing substantial fi
resources. The Moses Lake re-start has an investm
of around USD 170 million, the enhanced silane gas
USD 14 million, while the Butte polysilicon has resul
impairment charge of USD 7.5 million (Note 6 in the
Financial Statements, page 89).

At full capacity, the Moses Lake operations are expe
generate USD 100 – 300 million of annual EBITDA, c
to several years of losses (Note 5 in the Financial St

REC Silicon Market Exposure



page 87). The Butte polysilicon shutdown is expected to increase annual EBITDA by USD 10-13 million, after this business' profitability has been rather subdued in recent years (Note 5 in the Financial Statements, page 87).

This process has been underway since 2022 and will continue through 2025. While it is driven by a clear business rationale to increase and maintain long-term profitability, another key outcome will be a significant increase in the exposure to renewable energy and energy storage. The exposure towards the semiconductor industry, flat panel providers and other industries will still be significant but represent less of the overall market exposure.

These industries are all focusing on driving down the embedded carbon footprint of their products throughout the value chain. Hence, providing low-carbon products is an integral part of REC Silicon's strategy going forward, making issues such as energy use, energy sourcing and carbon emissions from the supply chain and own operations key parameters for success for the Company.

Business model and value chain
The main raw material for silane gas is metallurgical grade silicon (MGS), which is processed from quartz or gravel mining and typically sourced from miners in Brazil, the US, Australia and western Europe.

The MGS is processed into silane gas using a hydrogenation process followed by a reactive distillation process using energy, hydrogen and natural gas.

The further processing into solar grade polysilicon uses the fluidized bed reactor (FBR) technology that combines heat and silane gas to produce granular polysilicon. The FBR technology uses 80%-90% less energy than traditional methods and therefore has significantly lower carbon intensity, reducing value chain GHG emissions by around 6%.

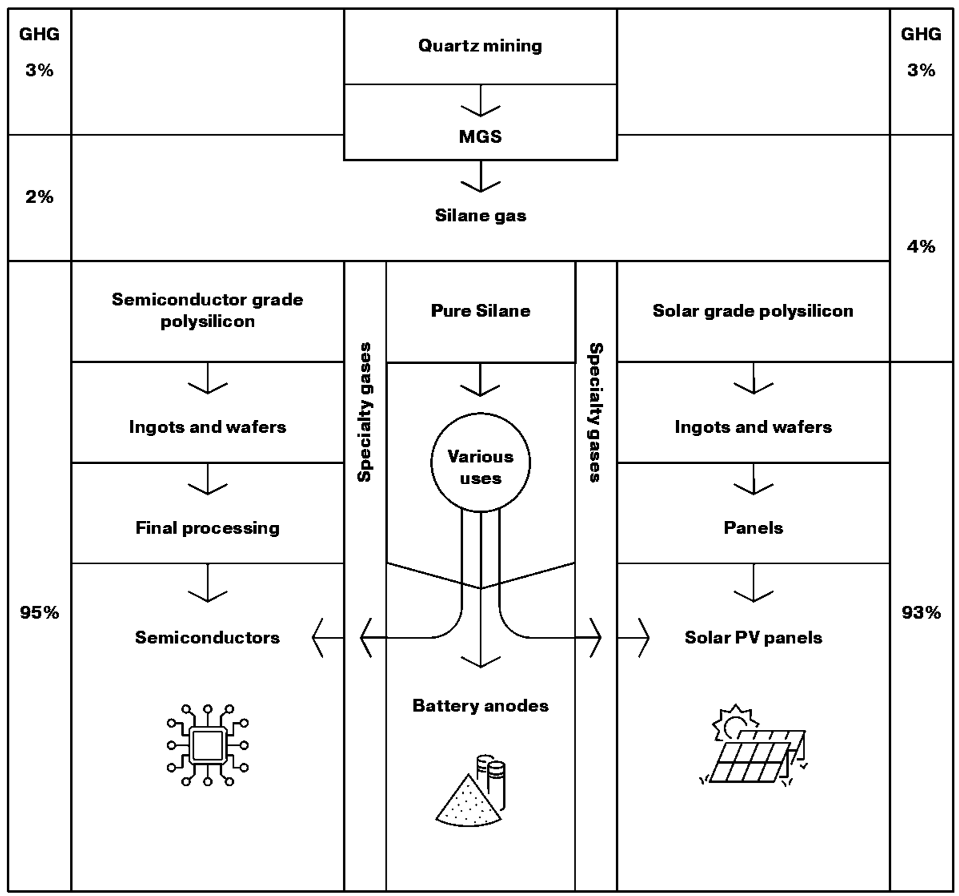
The solar grade polysilicon is sold directly to producers of silicon ingots and wafers used in solar PV panels. The silane gas is sold to a variety of users within several industries and is distributed using silane containers, where REC Silicon owns the largest

global fleet. The pricing of the products is set in competitive markets and contracts for delivery can be both short- and long-term.

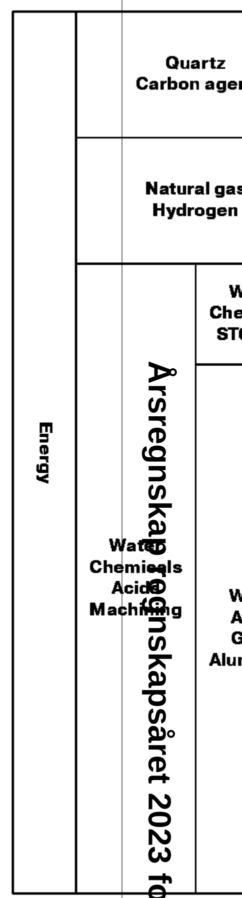
Silane gas and specialty gases are used in memory processors, lithium-ion batteries, thin film depositions on flat panel displays and solar cells. The granular polysilicon is used for multicrystalline and monocrystalline solar ingot and wafer production in the manufacturing of solar modules.

The value chain and REC Silicon's positioning is illustrated to the right. This also includes a depiction of the carbon intensity of the value chains and the key inputs that go into the main products.

REC Silicon Value Chain and GHG emissions



Value Chain In



Interests and views of stakeholders

REC Silicon maintains a constant dialogue with its stakeholders as part of its normal business operations. To date, the Company has not engaged in any structured stakeholder engagement process and has not performed any stakeholder mapping to formalise the stakeholders' inputs with regards to sustainability matters.

As part of the preparation for ESRS compliance, REC Silicon will undertake a stakeholder mapping and engagement in connection with a Double Materiality Assessment (DMA) during 2024. The target will be to provide clear inputs to the DMA to determine which sustainability matters that are material to the Company.

The primary stakeholders to be engaged with include:

- Employees
- Clients and end-users
- Suppliers
- Lenders
- Shareholders
- The local community
- The Board of Directors
- The management

During 2023, a process was started to engage with
chain on human rights risks, which will continue and
the coming years. Pursuant to the Company's targe
climate change, there will be further engagement w
chain on carbon emissions.

REC Silicon engages with the downstream value cha
its participation in the Ultra-low Carbon Solar Allianc
Supply Chain Energy Program (DISC-e), labelling so
certify low carbon solar panels, as well as governme
tives to prioritise low-carbon suppliers in public tend

During 2023, significant efforts were made to secur
support for the strategic direction of the Company,
resulted in the previously mentioned off-take agree
low-carbon solar grade polysilicon, as well as oppor
to supply silane gas as anode material to several US
manufacturers of battery storage solutions. This eng
makes it clear that low-carbon products and solutio
important.

The employee engagement is constant, with the pri
health and safety. Due to the recruitment drive on th
the re-start of production at Moses Lake, employee
and the attractiveness as an employer has been hig
to the Company and employee turnover has been in
one of the KPIs for the management incentive schen

Material impacts, risks and opportunities

The DMA to be conducted during 2024 will provide a broad and granular description of the material impacts, risks and opportunities ("IROs"). However, REC Silicon has for the past years implemented the more obvious ones in its strategy and business model with a dedicated policy framework and operational KPIs. This has been based on a general review of the business and strategy, feedback from stakeholders and the use of recognised frameworks from organisations such as SASB and MSCI.

The impacts are partly found in the Company's own operations. For example, health and safety is important as the production process involves dangerous and toxic products, while the processes themselves involve significant energy use, with a corresponding carbon footprint, as well as the release of air pollutants and discharged water. Health and safety are also highly relevant in the upstream value chain.

The entire value chain is exposed to rising energy prices and carbon prices due to the high energy intensity. Some risks are more closely related to the Company's own operations, such as physical climate change risks, clients demanding low-carbon products, waste recycling and human rights breaches.

The opportunities are related to REC Silicon's own operations and its downstream value chain in the form of energy transition demand growth and a preference for low-carbon products. These are already part of the Company's strategy as outlined in this report.

REC Silicon - Key impacts, risks and opportunities

	Impact	Risk	Opportunity	Value chain
Climate change				
GHG emissions	●			Up and downstrea
Physical climate change				REC operations
Energy prices				Up and downstrea
Carbon pricing				Up and downstrea
Market demand			●	REC operations
Renewable energy			●	REC operations
Pollution				Value chain
Emissions to air	●			REC operations
Water discharges	●			REC operations
Water and marine resources				Value chain
Water consumption	●			Downstream
Resource use and circular economy				Value chain
Waste volumes	●			REC operations
Waste recycling and reuse				REC operations
Own workforce and workers in the value chain				Value chain
Health and safety	●			REC operations, up
Human rights breaches	●			REC operations, up
Business conduct				Value chain
Corruption and bribery				Up and downstrea

Climate change

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
GHG emissions	Silane gas and polysilicon value chains are energy intensive
Energy consumption	Silane gas and polysilicon value chains are energy intensive
Risks	
Energy prices	Energy is a major cost component
Carbon prices	Direct impact on energy costs
Clients demand for low carbon products	Investments required in production lines and products
Extreme weather	Potential operational disruptions
Water scarcity	Potential operational disruptions
Emission restrictions	Cost impact
Opportunities	
Clients demand low carbon products	Low-carbon solar grade polysilicon from Moses Lake
Energy transition growth	Silane gas and specialty gases production, solar grade polysilicon from Moses Lake
Renewable energy sources	Hydropower access at Moses Lake

Further details can be found in the TCFD Report in the Appendix on page 58.

Climate change transition plan

REC Silicon's ongoing strategic positioning is undertaken to capture business opportunities in connection with the energy transition. This is also a core element in global efforts of climate change mitigation.

The Company expects its exposure to shift from about two thirds towards semiconductors to about two thirds renewable energy and energy storage as a result.

To be successful in this strategic positioning, it is essential for REC Silicon to provide cost-efficient products that are also low in carbon-intensity. This is resulting in product portfolio changes that raise product margins through reduced energy intensity, while targeting markets where demand is expected to grow significantly. This builds enhanced business resilience through reduced exposure to energy prices, while at the same time significantly lowers the carbon-intensity of REC Silicon's product portfolio.

The key building blocks of the strategic positioning i following:

- The re-opening of the energy efficient and low-ca tion facility at Moses Lake to supply products to th energy sector and the energy storage sector
- The shutdown of energy- and carbon intensive po production at Butte to free up silane gas producti industries enabling the energy transition, with add capacity expansion for specialty gases.

REC Silicon has allocated significant capital resourc efforts and will continue to do so in the period 2022-

In 2022, REC Silicon adopted a target to reduce the 2 carbon intensity of its products by 40% by 2027, w result of the implementation of the new business pla

Recognising that the clients require a reduction of th carbon emissions in their value chains, REC Silicon target to engage with most of its suppliers to reduce intensity. For example, research shows that the use with lower embodied carbon and energy efficient ma processes can reduce the life cycle carbon footprin systems by 40% or more.

Policies, regulations and commitments

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:

- Reducing the carbon intensity of the polysilicon production
- Increasing the use of renewable energy in the production processes
- Sourcing of raw materials from suppliers using low-carbon production methods

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 and the Bipartisan Infrastructure Law, aiming to take advantage of the incentives that are built into these two initiatives. These include tax credits for low-carbon production of solar grade polysilicon, 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.

As a member of the Ultra-low Carbon Solar Alliance, REC Silicon is committed to pursuing the development and production of ultra-low carbon inputs for the Solar PV industry. Part of this also involves efforts to establish industry wide labelling of products to guarantee a low carbon content.

Actions and resources

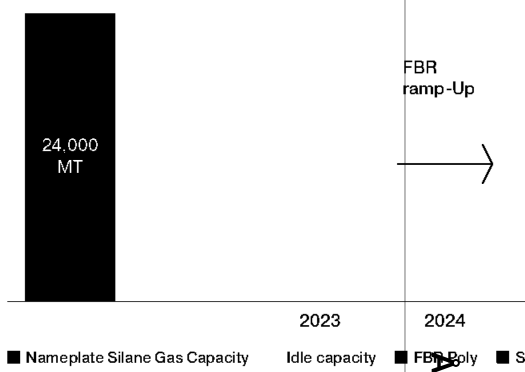
REC Silicon's actions and resources related to climate change are part of the ongoing strategic positioning of the Company. The primary objective is to exploit opportunities related to climate change mitigation through targeting energy transition enabling industries. An additional outcome of this is the reduction of the energy- and carbon intensity of REC Silicon's own operations. The purpose of these actions and their resource allocations are as follows:

Moses Lake restart

A decision was made in 2022 to restart the mothballed Moses Lake facility with operations starting in the fourth quarter of 2023.

The facility has a capacity of around 24,000 tons of silane gas, of which the majority will be used as input to supply around 16,000 tons of solar grade polysilicon annually. The facility uses the FBR technology for polysilicon which uses 80%-90% less energy than traditional production methods and significantly less volumes of water.

Moses Lake



The excess silane gas capacity primarily targets ene[...]
companies as silane gas is a potent anode material [...]

The benefits of Moses Lake are strengthened by the [...]
it has access to renewable power from nearby hydro[...]
sources.

To ensure commercial visibility for the re-start proje[...]
Silicon has entered into a 10-year offtake agreemen[...]
Hanwha Q-Cells, a leading manufacturer of solar pa[...]
deliveries within the US. The company is negotiating [...]
several battery manufacturers on contracts for the [...]
silane gas.

The facility is expected to reach full capacity utilisati[...]
end of 2024.

Butte reconfiguration

A decision was made in 2021 to increase the capacity for specialty gases, such as dichlorosilane (DCS), monochlorosilane (MCS) and disilane. These are used in the manufacturing of flat panel displays, semiconductors and solar cells. The capacity increase was finalised during 2023 at a cost of around USD 14 million. Capacity for silane gas and specialty gases may be raised going forward, depending on market growth.

In early 2024, a decision was made to discontinue the production of electronic grade polysilicon at Butte. This was partly driven by the fact that the Siemens-based production method at Butte is highly energy intensive and thus exposed to rising energy prices in the State of Montana. The shut-down will free up significant incremental silane gas capacity targeting the traditional markets for silane gas and specialty gases and energy storage manufacturers, providing further penetration of energy transition-related markets.

The reconfiguration of Butte will result in a nameplate capacity of 7,400 tons of silane gas and a significant uplift in the capacity to supply specialty gases. It will reduce the energy costs significantly and strongly improve both the energy- and carbon intensity of the products supplied.

Impact on energy and carbon intensity

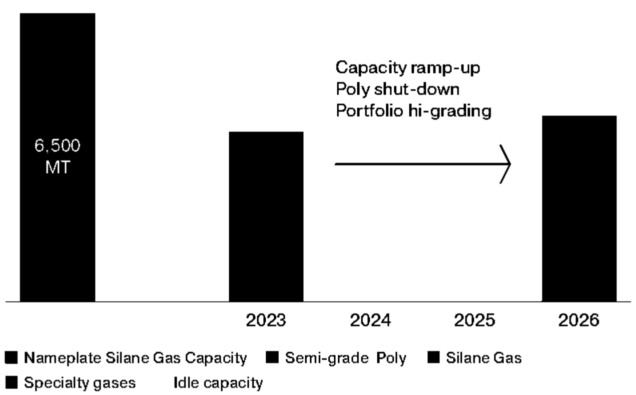
REC Silicon is targeting a significant volume growth in the coming years, with the business plan aiming for approximately 5x volume growth in the next 2-3 years. The production mix will change significantly with Moses Lake going from ze
of production in 2022 and 2023 to about 75% of pro
volumes in 2025 and onwards.

In addition, the product mix at Butte will change sig
due to the shutdown of the highly energy intensive p
production, resulting in a meaningful reduction in e

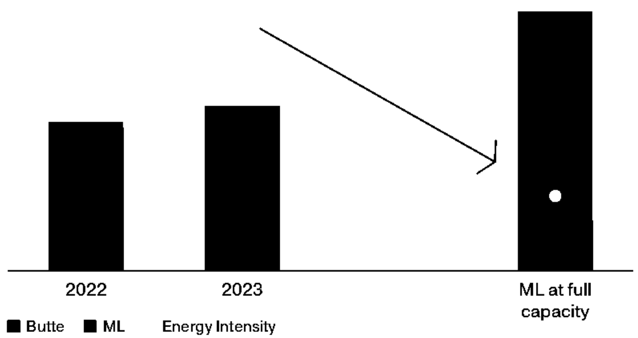
With Moses Lake at full capacity, the overall energy u
REC Silicon is expected to increase, but with the tota
product increasing five-fold, the energy intensity will

The carbon emissions from REC Silicon's operation
a similar path, as they are primarily tied to the use o

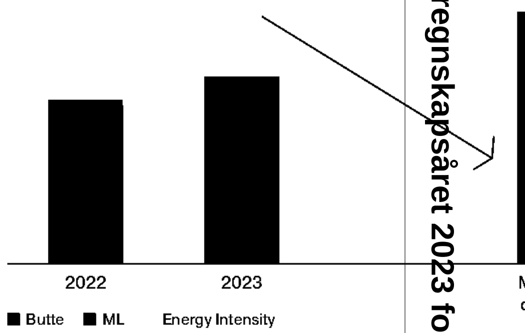
Butte



Energy use and energy intensity



Scope 1+2 emissions and intensity



Overall GHG emissions (Scope 1+2) are expected to increase, but with production growing five-fold, the carbon intensity will drop.

Engaging with suppliers on GHG emissions
In 2022, REC Silicon committed to start engaging with its supply chain to reduce the embedded GHG emissions of its products. During 2023, preparatory work was undertaken as part of a wider supply chain due diligence project, which resulted in a comprehensive mapping of about 75% of the vendor business volume. Resources have been dedicated to engaging with suppliers both on human rights risks and on the mapping the suppliers' GHG emissions. The latter is an integral part of the strategy to provide low-carbon products going forward and will enable REC Silicon to source its key raw materials from suppliers that can guarantee low-carbon inputs.

Targets and performance

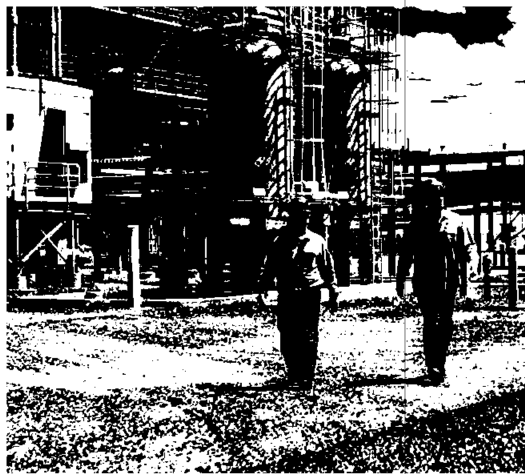
The company has two specific targets relating to climate change:

1. Reducing the Scope 1 and 2 carbon intensity per ton of product by 40% by 2027 (baseline 2021)
The target is based on the plan to restart the Moses Lake facility. Since this project implies a significant increase in overall production, it was decided that a carbon intensity target was more meaningful than a target to reduce absolute emissions.

The target and performance are illustrated in the chart to the right. The performance since the adoption of the target has been negative, primarily because Moses Lake is yet to produce on-spec volumes of low-carbon polysilicon, but also due to increased resource use, including energy, connected to the restart project itself, as well as lower-than-expected volumes at Butte. It is expected that the carbon intensity will show a clear, positive development from 2024 and onwards with an additional contribution from the shut-down of polysilicon production at Butte.

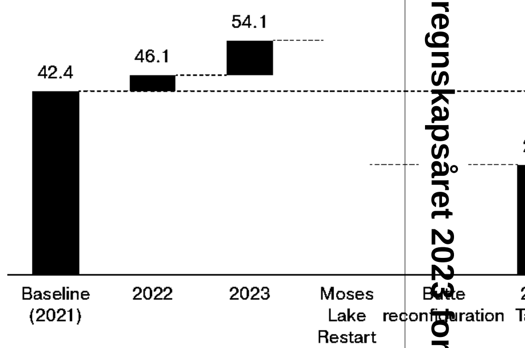
2. Mapping upstream Scope 3 emissions to reduce value chain carbon intensity
REC Silicon intends to work directly with the major suppliers to calculate the carbon footprints of the products and/or services delivered to the Company and use internal data where applicable and possible. The Company will adhere to the GHG Corporate Value Chain Accounting in calculating upstream Scope 3 emissions.

The work will be based on the supply chain mapping that was done in 2023 and will be initiated during 2024. The objective of the target is to further document the low-carbon nature of REC Silicon's products and to ensure that efforts are initiated to drive down the embedded GHG emissions to strengthen the climate credentials of the energy transition.



REC Silicon Carbon Intensity Target

(tCO_2e per ton of product produced)



Performance metrics

Energy	Unit	2021	2022	2023
Fuel consumption from coal and coal products	MWh	0	0	0
Fuel consumption from crude oil and petroleum products	MWh	459	527	901
Fuel consumption from natural gas	MWh	179,924	180,236	241,649
Fuel consumption from other fossil sources	MWh	57	21	80
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	563,179	595,022	618,248
Total fossil energy consumption	MWh	743,619	775,806	860,878
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%	[illegible]%
Total energy consumption	MWh	743,619	775,806	860,[illegible]78
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	5,193	5,249	6,[illegible]01
Energy intensity in own operations	MWh/Mt	165	179	[illegible]05
Total energy consumption from activities in high climate impact sectors	MWh	743,619	775,806	860,[illegible]78
Net revenue from activities in high climate impact sectors	USDm	143	148	[illegible]41
Net revenue from activities other than in high climate impact sectors	USDm	0	0	0

GHG emissions	Unit	Retrospective 2021	2022	2023	Change	Milestones and targets 2027
Scope 1 GHG Emissions						
Gross Scope 1 GHG emissions	tCO_2e	32,608	32,799	49,100	50%	
- Scope 1 emissions intensity	tCO_2e/Mt	7.7	7.2	7.6	4%	
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_2e	154,240	162,960	179,064	10%	
- Scope 2 location-based emissions intensity	tCO_2e/Mt	33.7	34.2	37.5	10%	
Gross market-based Scope 2 emissions	tCO_2e	158,358	167,311	177,960	6%	
- Scope 2 market-based emissions intensity	tCO_2e/Mt	34.6	35.1	38.5	10%	
Significant Scope 3 Emissions						
Fuel and energy-related activities (not included in Scope 1 and 2)	tCO_2e	13,279	15,032	17,369	16%	
Waste generated in operations	tCO_2e	n.a.	75	90	19%	
Total Scope 3 Emissions	tCO_2e	13,279	15,107	17,459	16%	
Total GHG emissions (Location Based)	tCO_2e	200,127	210,866	245,624	16%	
Total GHG emissions (Market Based)	tCO_2e	204,245	215,217	244,519	14%	
GHG emission intensity						
Net revenue	USDm	143.2	147.8	141.1	-5%	
GHG emissions intensity - location based, Scope 1+2+3	tCO_2e/USDm	1,398	1,427	1,741	22%	
GHG emissions intensity - market based, Scope 1+2+3	tCO_2e/USDm	1,426	1,456	1,733	19%	
Metric tons produced	Mt	4,507	4,343	4,196	-3%	
GHG emissions intensity - location based, Scope 1 + 2	tCO_2e/Mt	41.5	45.1	54.4	21%	
GHG emissions intensity - market based, Scope 1 + 2	tCO_2e/Mt	42.4	46.1	54.1	17%	

Production numbers	Unit	2021	2022	2023	Change
Polysilicon production	Mt	1,307	1,453	1,187	-18%
Net Silane gases production	Mt	3,200	2,890	3,009	4%
Total production	Mt	4,507	4,343	4,196	-3%

Pollution

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
Emissions to air	The production of silane gas and polysilicon results in emissions of SO_x, NO_x, CO, VOCs and particulate matter
Emissions to water	The production results in significant discharges of water
Risks	
Permit breaches	Repeated or severe breaches may result in fines or loss of permits
Accidental release or spills	May result in damage to air, water or soil and lead to significant fines or liabilities for damages
Tighter regulations	May result in incremental investments in equipment or systems to prevent pollution
Opportunities	
Maintain strong reputation	Important for client and employee retainment and relations with local communities

Policies related to pollution

REC Silicon's Code of Conduct and Sustainability Policy addresses pollution as part of the objective of protecting the environment.

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.

Accordingly, the Company is obligated to ensure that all required environmental permits are maintained and kept current. Chemicals and other potentially hazardous materials are to be identified to ensure their safe handling, movement, storage, use and disposal. The Code also requires a systematic approach to identify, manage, and track air emissions. Finally, the Code requires REC Silicon to maintain close relations and constant dialogue with the local communities and authorities to ensure that any concerns can be raised and that the impact of the operations on the local communities and environment are minimized.

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 storm management permits.

REC Silicon has a Pollution Prevention Plan and a Process Safety Management plan to ensure that any unwanted pollution, releases or spills are contained.

Actions and resources

REC Silicon uses scrubbers to capture air pollution production processes. The emissions to air are mea 3rd party and reported to the state authorities at leas The emissions to air of non-GHG gases are reported performance metrics section.

In connection with the ramp-up of the Moses Lake p the Company has renewed and updated the necess for air, water and industrial waste for this facility.

Wastewater from the Butte facility is filtered to remo effluents and ensure that it is at least on par with dri quality before being discharged. This is subject to m effluent toxicity (WET) testing by a 3rd party which is to the state authorities. Any solid waste recovered fr filtering process is disposed of as non-hazardous w

The Butte facility maintains a stormwater basin to pr flooding which is subject to the same environmental regime to prevent any pollution to soil.

Wastewater from the Moses Lake facility is discharg rate on-site containment basins for evaporation. Re waste is recovered and disposed of. The facility is a charge site.

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 sp leakages for several years, in line with its target.

To date, there has been no process to develop furth tion-related targets other than staying within the env permits.

Performance metrics

ESRS E2 – Pollution	Unit	2021	2022
Emissions to air by pollutant			
SO_x sulphur dioxide emissions	Mt	n.a.	0.4
NO_x nitrogen oxides emissions	Mt	n.a.	50.8
CO carbon mono$_x$ide emissions	Mt	n.a.	30.4
Volatile organic compounds (VOC)	Mt	n.a.	2.1
Particulate matter	Mt	n.a.	13.6
Coarse particulate matter (PM10)	Mt	n.a.	5.2
Fine particulate matter (PM2.5)	Mt	n.a.	2.9
Other	Mt	n.a.	4.6

Water and marine resources

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
Water consumption	The production process consumes 250 cubic meters per ton of product
Water discharges	The production process releases 350 cubic meters of water per ton of product
Risks	
Permit breaches	Water discharges in Butte need to be above drinking water quality, risk of fines or loss of permits
Accidents	Could result in significant damage to water resources and/or result in financial damages
Extreme weather	High precipitation could result in flooding and release of water pollutants
Opportunities	
Maintain strong reputation	Important for client and employee retainment and relations with local communities

Policies related to water

Through the Code of Conduct and Sustainability Policy REC Silicon has a commitment to employ a systematic approach to identify, manage and track storm water management. There are otherwise no other policies specifically targeting water consumption, other than restricting water discharge pollution, as outlined in the previous chapter.

Water permits are issued by the state authorities Montana Department of Environmental Quality and Washington State Department of Ecology for Butte and Moses Lake, respectively. According to the WWF Water Risk Filter, none of the facilities are located in areas of high or extremely high water baseline stress.

Actions and resources

The shut-down of polysilicon production in Butte is expected to result in a significant reduction of water use and water discharge. The ramp-up of production at Moses Lake will offset some, but the production process for polysilicon in Moses Lake is more water efficient than at Butte so the overall water intensity is expected to go down meaningfully.

A project is expected to start in 2024 to rebuild the w management system in Butte due to the change in p mix. The solution will most likely be separate contai for wastewater evaporation, reducing the release of to soil.

Targets related to water

There are no targets related to water consumption, is a target of no breaches of environmental permits water discharges, as outlined in the previous chapte

Performance metrics

ESRS E3 - Water and marine resources	Unit	2021	2022	2023
Surface water withdrawn from freshwater	Mill m^3	2.2	2.4	2.4
Produced water withdrawn from freshwater	Mill m^3	0.1	0.1	0.1
A - Total water withdrawal	Mill m^3	2.3	2.5	2.5
Water discharge to surface water	Mill m^3	1.5	1.5	1.5
Water discharge to groundwater	Mill m^3	0.0	0.0	0.0
Water discharge to third-party water	Mill m^3	0.0	0.0	0.0
B - Total water discharge	Mill m^3	1.5	1.5	1.5
Total water consumption (A-B)	Mill m^3	0.8	1.0	1.0
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	%	64%	59%	59%
Water consumption per produced unit	'000 m^3/Mt	0.18	0.24	0.25
Waste water discharge per produced unit	'000 m^3/Mt	0.33	0.34	0.35

Resource use and circular economy

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
Waste volumes	The production process produces about 1.4 tons of waste per ton of product
Waste disposal	Nearly all waste is solid waste that goes to landfilling
Risks	
Waste disposal regulations	Could imply higher waste disposal costs and require incremental investments in waste handling
Opportunities	
Increase recycling or re-use	Solid waste from emissions scrubbers could have alternative uses and value
Maintain strong reputation	Important for client and employee retainment and relations with local communities

Policies related to resource use and circular economy

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

A project to consider alternative uses of the solid waste harvested from the air pollution scrubbers has been considered for some time but is yet to be processed forward.

Targets related to resource use and circular economy

There are no targets related to resource use and/or circular economy other than the general obligation to reduce waste, as outlined in the Code of Conduct and Sustainability Policy.

Performance metrics

During 2023, non-hazardous waste increased by 14%, while hazardous waste was flat year-on-year. Waste per ton of product was up 18%. The increase in total volume reflect preparations for the restart at Moses Lake and the higher increase in waste intensity reflects the fact that Moses Lake did not have any production during the year. The recycling rate increased but is still very low.

The waste streams generated are typical for the physical and chemical processing of non-metalliferous minerals, as silicon is a non-metal.

The non-hazardous waste mostly consists of industrial special waste that goes to landfill, such as:
- Filter press solids, consisting of dewatered material from wastewater treatment and primarily containing non-metallic minerals (spent silicon and lime) from emission control wet scrubbers
- Neutralised dryer material solids, which is a by-product of the hydrogenation process containing a mixture of trace metals and non-metallic minerals (spent silicon, sodium carbonates, neutralised metal chlorides and oxides).

The other waste that goes to landfill is mixed ordinary waste and office refuse.

Some non-hazardous is recycled, such as:
- Wood, paper, cardboard, used oil and aluminium
- Scrap metal, including scrap iron, tin, insulated w
  low-grade electric motors, stainless steel and alu
- Hazardous waste subject to reclamation and reco
  includes:
  - Metals, (EPA code H010), such as used batteri
    lamps and mercury containing articles
  - Energy materials (H050, H061) such as used oi
    methanol and activated carbon.

Miscellaneous hazardous small items are incinerate
debris (absorbents) goes to landfill after prior treatr
liquid wastes such as washout water are applied on
treatment.

ESRS E5 - Resource use and circular economy	Unit	2021	2022	2023
Waste				
Hazardous waste generated	Mt	1.4	1.1	0.1
Hazardous waste diverted from disposal	Mt	n.a.	0.1	0.1
Hazardous waste directed to disposal	Mt	n.a.	1.0	0.0
Non-hazardous waste generated	Mt	5,315	5,209	5,934
Non-hazardous waste diverted from disposal	Mt	n.a.	95	82
- Non-hazardous waste diverted from disposal due to recycling	Mt	n.a.	32	39
- Non-hazardous waste diverted from disposal due to other recovery operations	Mt	n.a.	63	42
Non-hazardous waste directed to disposal	Mt	n.a.	5,115	5,853
Total waste generated	Mt	5,316	5,210	5,934
Total waste diverted from disposal	Mt	n.a.	95	82
Total waste directed to disposal	Mt	n.a.	5,116	5,853
Non-recycled waste	Mt	n.a.	5,179	5,813
Recycled waste	Mt	n.a.	32	39
Percentage non-recycled waste	%	n.a.	99%	98%
Waste Intensity				
Total waste per produced unit	Mt	1.2	1.2	1.4

Own workforce

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
Health and safety	The production processes include the handling of dangerous substances and exposure to high temperatures
Gender balance	The workforce is male dominated and could result in insufficient consideration of gender rights
Business stability	Highly competitive business environment with volatility that could result in permanent or temporary layoffs or loss of jobs
Risks	
Injuries, fatalities or ill health	Resulting from exposure to dangerous substances or high temperatures, also potentially resulting in damage to assets and production equipment
Workplace harassment or violence	Could result in legal action, loss of reputation and failure to attract and retain personnel
Insufficient pay or excessive working hours	Could result in failure to attract and retain personnel
Opportunities	
Training to ensure high quality operations	Build strong relations with clients, workforce and local communities
Job creation	REC Silicon is a large employer in the communities where it operates

Policies related to own workforce

The Code of Conduct and Sustainability Policy contains extensive requirements relating to the Company's own workforce. REC Silicon supports and acknowledges recognised human and labor rights standards as set out in:

- The International Bill of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- The ten principles of the UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The International Labour Organisation Declaration on Fundamental Principles and Rights at Work

The objective of the Code is to provide a working environment free from any form of discrimination and abuse and to support all employees to fully develop their potential.

The Code also includes important requirements when it comes to Health and Safety, where the objective is to achieve zero harm to employees, contractors, customers, and the public.

The aim is for every activity to be carried out safely and securely, complying with the highest international health, safety and security standards and the prevailing laws and regulations where REC Silicon operates.

Engagement with own workforce

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

Management meetings are also held twice a year in
and Moses Lake to address topics at the manageria

Butte holds quarterly roundtable meetings for safet
and human resource matters for all employees. This
initiated at Moses Lake in 2024.

Finally, both facilities hold monthly safety meetings
employees to discuss safety issues, which also act a
to raise any concerns regarding health and safety.

Whistleblower and grievance mechanisms in place

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

As part of a formal investigation process, all reports
submitted to a review manager for further dissemina

relevant reviewer based on the nature of the report. matters would be reported to the CFO and/or the Au Committee, while operational matters will be review relevant senior manager. The review includes interv persons involved with the matter. Subject to the sev any report or incident, there will be corrective action could include the termination of employment for sev Remedy to any affected party will be determined on case basis.

Actions and action plans

Most actions are health and safety related as this is riding focus of the daily operations. Health and Safe and plans are continuous efforts that focus on:

- Design, engineering practices, administrative con safe work practices
- Personal protective equipment
- Educational materials and continuous safety train
- Obligation for employees to report all safety conc
- On-site emergency teams and off-site back up re teams
- Safe job analysis and hazard recognition audits
- Visible safety information in all facilities with upda visible to all employees

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

These actions are designed to meet the objectives of the Code of Conduct and Sustainability Policy and help the Company achieve its targets for health and safety matters.

In connection with the announcement in early 2024 to shut down the Butte polysilicon production, REC Silicon will take action to ensure proper treatment of the workforce affected by this decision, which is likely to result in redundancies.

Targets relating to own workforce

Health and safety have the highest priority and REC Silicon aims to prevent all work-related accidents, injuries, and occupational illnesses.

The target is zero incidents, zero injuries, and no harm to employees, contractors, partners, customers, and communities. Maintaining a strong health and safety performance represents the Company's license to operate.

Characteristics of REC Silicon's employees

With the project to restart production at Moses Lake, the workforce has grown significantly in recent years. Please see the information on page 51.

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. Please see the information on page 51.

Collective bargaining coverage

REC Silicon does not maintain any collective bargaining agreements with its workforce. However, the Policies state 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 51.

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 disabil

REC Silicon does not have the legal right to obtain in the employees' disabilities, so this is not disclosed.

Training and skills development indic

The Company provides regular training to its emplo average training hours per employee increased sha 2023 due to the requirements related to the reopen Lake.

The training courses are online based and cover a w health and safety matters, where all employees are 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, th Safety Management system, and on the Environmen Management System.

All employees also undertake annual training on the of workplace harassment and violence, on the whist reporting system and on the Code of Conduct and S Policy.

Health and safety management

REC Silicon's Health Management System covers all employees. The system is based on risk analysis, risk and hazard mitigation and risk management, which is followed up with training on a variety of aspects.

1) Health-related aspects from the impact of the operations on the physical, mental and social well-being of individuals are managed through training, IH evaluations, labelling and employee assistance programs covering:

- Workplace environment and conditions (ergonomics, air quality, noise and lighting)
- Chemical hazards (substance exposure)
- Physical hazards (radiation and temperatures)
- Psychosocial factors (stress, violence and harassment)
- Lifestyle factors (nutrition, physical activity, substance abuse)
- Product safety (consumer health risks)

2) Illness prevention aspects are managed through risks assessments, incident response processes, health surveillance and monitoring, preventive health practices and emergency preparedness and response.

3) Risk management from prevention and mitigation through training, evaluations and procedures for:

- Ergonomics training
- IH evaluations for noise, chemical and radiation exposure and air quality
- Hazard analyses for physical hazards
- Programs and systems for air quality
- Wellness programs for lifestyle-related risks
- Stress and mental health improvements

4) Physical and mental well-being aspects are managed through wellness committees and programs, with information and guidance provided to the employees through flyers, toolkits, and forms.

REC Silicon has an extensive set of HSE procedures, safety departments at each facility, and employee-driven processes that monitor, audit and further develop safety procedures, practices, and protocols.

The Company maintains an updated compliance certificate for its products for hazard substances, substances of very high concern and other environmentally restricted substances.

REC Silicon's management system is ISO 9001:2015 certified (July 2021) and the environmental management system is ISO 14001:2015 certified (October 2023).

REC Silicon's health and safety performance has had a positive development in the past two years and is well within the national average for its industry. Further details are in the data supplement.

Work-life balance metrics

92% of the employees are entitled to take family-rel
and 3% of those took such leave during 2023.

Remuneration metrics

The female employees have an average salary equa
of the average salary of male employees.

The total remuneration ratio between the Company'
paid individual and the median remuneration ratio is

Incidents of discrimination

The company recorded no incidents of discriminatio
2023. The number of complaints filed through chan
people to raise concerns amounted to 11. This is the
where this has been recorded. There were no mater
penalties or compensation paid for damages becau
rights violations.

Performance metrics

ESRS S1 - Own workforce	Unit	2021	2022	2023
Characteristics of own workforce				
Total number of permanent employees	#	289	360	495
- Female	#	48	54	77
- Male	#	241	306	419
Temporary employees	#	n.a.	5	12
- Female	#	n.a.	n.a.	6
- Male	#	n.a.	n.a.	6
Non-guaranteed hours employees	#	n.a.	0	0
- Female	#	n.a.	n.a.	n.a.
- Male	#	n.a.	n.a.	n.a.
Total new hires	#	n.a.	99	186
Number of employee turnover (leavers)	#	n.a.	n.a.	45
Peromanent employee turnover rate	%	n.a.	4.6%	9.0%
Total number of non-employees in own workforce	#	n.a.	n.a.	20
- of which self-employed people	#	n.a.	n.a.	2
- of which provided by undertakings primarily engaged in employment activities	#	n.a.	n.a.	20
Percentage of employees covered by collective bargaining agreements	%	0%	0%	0%
Number of employees (head count) at top management level	#	n.a.	8	11
- Female	%	n.a.	20%	18%
- Male	%	n.a.	80%	82%
Employees - by age				
< 30	#	n.a.	30	65
30-50	#	n.a.	171	230
> 50	#	n.a.	164	199
< 30	%	n.a.	8%	13%
30-50	%	n.a.	46%	47%
> 50	%	n.a.	44%	40%

ESRS S1 - Own workforce	Unit	2021	2022	2023
Percentage of employees that are paid an adequate wage	%	n.a.	n.a.	100%
Percentage of employees covered by social protection	%	n.a.	n.a.	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.	n.a.	0%
- Female	%	n.a.	n.a.	n.a.
- Male	%	n.a.	n.a.	n.a.
Average number of training hours per employee	#	n.a.	19	98
- Female	#	n.a.	n.a.	85
- Male	#	n.a.	n.a.	101
Health and safety metrics				
Percentage of own workforce covered by health and safety management system	%	n.a.	n.a.	100%
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	8	7
Rate of recordable work-related accidents for own workforce (TRIF)	# / mn hrs	14.8	13.5	8.2
Number of cases of recordable work-related ill health of employees	#	n.a.	n.a.	0
Number of days lost to work-related injuries, fatalities or ill health (LTI)	#	4	1	1
Rate of days lost to work-related injuries (LTIF)	# / mn hrs	7.4	1.7	1.2
Serious incidents (SI)	#	0	0	0
Serious incidents frequency (SIF)	# / mn hrs	0	0	0
Hours worked for own workforce	#	538,758	592,816	857,308
Safe Job Analyses	#	299	281	1,250
Hazard Recognition Audits	#	331	349	503
Work-life balance				
Percentage of employees entitled to take family-related leave	%	n.a.	n.a.	92%
Percentage of entitled employees that took family-related leave	%	n.a.	n.a.	3%
- Female	#	n.a.	n.a.	1
- Male	#	n.a.	n.a.	11

ESRS S1 - Own workforce	Unit	2021	2022	2023
Remuneration metrics				
Average annual pay female employees	USD '000			44.7
Average annual pay male employees	USD '000			47.1
Gender pay gap	%	n.a.	90%	95%
Remuneration for the highest paid individual	USD	n.a.	n.a.	863,156
Median annual remuneration for all employees	USD	n.a.	n.a.	101,084
Annual total remuneration ratio	%	n.a.	n.a.	854%
Incidents, complaints and severe human rights impacts				
Incidents of discrimination	#	0	0	0
Number of complaints filed through channels for people in own workforce to raise concerns	#	n.a.	n.a.	11
Amount of material fines, penalties and compensation for damages as a result of human rights violations	USD '000	n.a.	n.a.	0

Workers in the value chain

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
Health and safety	MGS is sourced from the mining industry
Human rights	About 20% of the company's purchase volumes are sourced from countries that rank high on human rights risks
Risks	
Accidents	Delivery disruptions of critical raw materials
Human rights breaches	Reputational risk as purchaser, instability in the supply chain
Client demands	Possible loss of business for failure to monitor human rights risks in the supply chain
Opportunities	
Stable supply chain	Engagement with suppliers leads to better and more stable relationships

Policies related to workers in the value chain

REC Silicon's Code of Conduct and Sustainability Policy extends to the supply chain workers, explicitly stating that suppliers and business partners are required to share REC Silicon's approach to human rights and are required to follow all security practices and ensure sufficient human rights training of their staff. REC Silicon also requires its suppliers and business partners to share its commitment to health and safety.

A specific Business Partner Code of Conduct was established in 2023 as part of a supply chain due diligence project to map the human rights risks in the supply chain. This Code makes explicit requirements for suppliers and business partners, based on the same principles as REC Silicon's own Code of Conduct and Sustainability Policy. Suppliers and business partners are expected to formally sign their commitment to the requirements of the Code. The process to get suppliers to sign off on the requirements of the Code was started in 2023.

Engagement with workers in the value chain

The engagement has been limited to date. The next step in the supply chain due diligence project is to get suppliers and business partners to sign off on the requirements of the Business Partner Code of Conduct. This will be followed up th
engagement with suppliers on human rights, includi
and monitoring. At such stage, REC Silicon expects
more formal engagement with the workers and/or t
sentatives, at least as part of the monitoring.

Channels or processes for value chain workers to raise concerns

REC Silicon's whistleblower system is available to a
the supply chain and to business partners in genera
there have been no attempts thus far to disseminate
of its availability to these groups. This will be addres
the next steps in the supply chain due diligence proj

Actions and action plans

The supply chain due diligence project follows the C
Diligence Guideline which includes six steps. The fir
were performed in 2023, involving i) the embedding
sible business conduct into policies and manageme
and ii) identifying and assessing adverse impacts. A
REC Silicon now has a comprehensive overview of it

chain with risk assessments performed for vendors representing about 75% of the purchase volume in a normal business year.

The next step, to be performed in 2024, involves a process to cease, prevent or mitigate impacts. REC Silicon is starting this by asking the large and important suppliers to sign off on the requirements of the Business Partner Code of Conduct. High risk suppliers are asked to provide documentation on key risks, such as collective bargaining/freedom of association, child/forced labor, discrimination in workforce, wages, and a statement/ position on corruption. All large suppliers will also be asked to commit to annual self-assessments on human risks.

This will lead on to more regular engagement with the suppliers and their workforce, with a monitoring system to be established, along with clearer communication on the availability of the Company's whistleblower system. Further actions to cease, prevent or mitigate will be considered based on the documentation provided by the suppliers considered high risk.

The process and completion of steps to date are illustrated in the table to the right.

More details on the supply chain due diligence will be reported in the annual Transparency Report, which will be released within 30 June 2024.

Scope of 2023 project	1.	Embed responsible business conduct into policies and management systems
	2.	Identify and assess adverse impacts (update at least anually)
Next steps 2024	3.	Cease, prevent or mitigate impacts
Future steps (except 5)	4.	Track implementation and results of actions and plans
	5	Communicate how impacts are addressed
	6.	Provide for or cooperate in remediation when appropriate

Targets relating to value chain worke

REC Silicon has a 2024 target of getting around 50 s representing a cumulative vendor volume of approx USD 100m to sign off on the requirements of the Bu Partner Code of Conduct and to provide documenta human rights risk.

Business Conduct

Impacts, risks and opportunities

	Link to strategy and business model
Impacts	
Corruption and bribery incidents	The Company's supply chain is partly found in countries that rank high on corruption risk
Risks	
Corruption and bribery incidents	Could involve REC Silicon personnel, resulting in fines or damages or loss of business
Violation of laws	Could result in fines, damages or loss of business
Human rights breaches	A meaningful part of the supply chain is found in countries that rank high on human rights risks

Policies related to business conduct

The Code of Conduct and Sustainability Policy clearly states that 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.

REC Silicon has zero tolerance for any form of corruption, without exception. Rules and controls have been adopted to prevent and combat the risk of corruption in the performance of activities.

Non-compliance is treated as a serious violation and a disciplinary matter. Employees shall be protected against any sanctions from REC Silicon or any representative of the Company for refusing to participate in any action that is or can be perceived as corruption, bribery, or facilitation payment.

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. REC Silicon creates value by supporting a competitive market, operating fairly, and fighting illegal practices.

The Company promotes and supports active dialogue and cooperation with international, national, and local authorities and institutions. REC Silicon investigates all potenti[...] concerns and cooperates fully with the relevant aut[...]

REC Silicon protects confidential information and in[...] property with written agreements with third parties [...] the correct management, internally and externally, [...] confidential information, which, if improperly disclo[...] undermine corporate competitiveness and damage [...] reputation.

Promotion and dissemination of the Code of Condu[...] Sustainability Policy is made available to all stakeho[...] may be retrieved on REC Silicon's website and intra[...] delivered to all of REC Silicon's employees upon hi[...] be disseminated when updates or changes occur.

REC Silicon has a whistle-blower service, and all em[...] a right and duty to report any violations of the princi[...] Code of Conduct. Information shared through the w[...] process will be shared only with those who have a n[...] and will be kept confidential. For a more detailed de[...] of the processes, see the disclosures under whistle[...] grievance function on page page 47.

The employees should always feel free to express fe[...] attention to actions with possible ethical implication[...]

Silicon will not tolerate, under any circumstances, any form of retaliation against any person who has raised concerns in good faith and in no case will take or threaten any adverse action or discrimination of any kind against those who report wrongdoings or express concerns regarding ethical issues.

Relationships with suppliers

Large and critical suppliers make up about 75% of the annual purchase volume for REC Silicon. About half are suppliers of critical raw materials and the remainder spread across manu-facturing of machinery and components, engineering and construction and various services.

Most of the vendors are large corporations with significant global exposure where REC Silicon typically buys from US subsidiaries, based on long term relationships. REC Silicon is particularly attentive to supply chain disruptions for critical raw materials, as well as potential human rights risks, as outlined in the previous section. Material human rights risks will be considered when establishing or maintaining relationships with certain suppliers.

Small suppliers make up 25% of the annual purchase volumes and the majority are local or regional companies providing various services or specialised parts or components. Most have been suppliers to REC Silicon for several years and represent an important part of the Company's contribution to the local communities and economies. There is no specific p criteria regarding small suppliers.

Anti-corruption and anti-bribery train

Employees undertake annual training on anti-corrup anti-bribery as part of the training on the Code of Co Sustainability Policy.

REC Silicon does not maintain a particular system to detect and address allegations or incidents of corru bribery. Pursuant to the Code of Conduct, it is every ee's duty to report any violation of the principles of t Conduct, and the whistleblower system exists for th

Incidents of corruption and bribery

There were no incidents of corruption reported duri line with the performance in previous years.

TCFD Disclosure

Governance

Describe the board's oversight of climate-related risks and opportunities

The ultimate responsibility for sustainability-related matters lies with the Board of Directors. The Audit Committee is appointed by the Board of Directors and is the highest governing body responsible for the oversight of the Company's sustainability reporting. The Audit Committee is currently reviewing its responsibilities towards sustainability matters to make this more clearly defined. Sustainability matters are considered at least quarterly, including performance metrics and general policy, reporting or strategic matters of relevance. Climate-related opportunities are part of the overall corporate strategy, which involves a strategic positioning of REC Silicon as a provider of silicon materials to industries that enable the energy transition, such as the semiconductor industry, the solar PV industry and the energy storage industry.

Describe the management's role in assessing and managing climate-related risks and opportunities

Project and operational risks, generally related to health and process safety, are reported monthly to the management along with related KPIs. Other climate-related risks and performance metrics are reported quarterly and considered before being presented to the Audit Committee. Climate-related opportunities are part of the Company's ongoing business and strategy and has resulted in major strategic decisions being presented to the Board of Directors for approval. REC Silicon is in the process of establishing an internal position tasked with establishing and implementing sustainability-related strategies, the setting of KPIs and the performance management of these, as well as with preparing external and internal quarterly and annual reporting on sustainability matters and performance. All targets and related KPIs are approved by the Board of Directors.

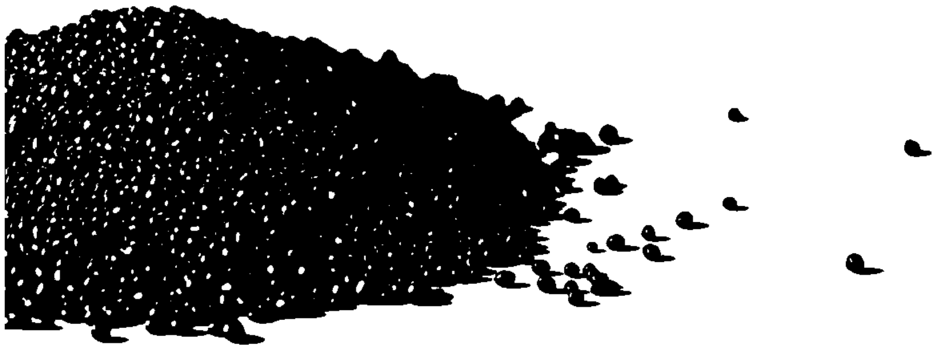
Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

See risks and opportunity table on page 61. REC Silicon defines s
0-2 years, medium term 3-5 years and long term more than 5 yea
aligned with the definitions of the CSRD. Rising energy prices is a
short to medium term and has already resulted in the decision to
the polysilicon production at Butte. Carbon prices could represen
medium to long term through driving up costs for key inputs to the
process and the Company's own production costs. In parallel, clie
is expected to swing towards low-carbon products, which could r
Silicon having to change its product mix and invest in new produc
technologies. This process has already been underway since 202
of the Company's strategy to capture opportunities related to clin
through providing low-carbon products to energy transition enabl
such as the semiconductor industries, solar PV industries and ene
industries. These risks will be subject to a thorough review in conn
Double Materiality Assessment, which REC Silicon will undertake

Describe the impact of climate related risks and opportunities on the organization's business, strategy and financial planning

The decision to re-open Moses Lake to produce low-carbon polys
US solar PV industry and the decision to discontinue the energy-i
silicon production at Butte to free up silane gas production capac
semiconductors, solar panels and energy storage industry are cle
of how REC Silicon is adapting its business strategy and financial
mitigate risks and capture opportunities related to climate change
is committing substantial financial resources to this strategic posi
will span several years from 2022 through 2025. This also fits with
regulatory environments which is focused on reducing the carbon
of value chains that drive the energy transition and REC Silicon is
strategic steps to take its share of the burden and thereby captur
business opportunities going forward.



Strategy

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 20C or lower scenario

The Company has undertaken scenario analyses for the demand
PV industry, as part of its long-term strategy. In particular, the var
published by the International Energy Agency (IEA) have been con
inform the Company's strategy with regards to growth opportuniti
as the need to secure access to raw materials and inputs, as well
sources, that are resilient to both physical and transition risks. Tig
involving global warming in line with the Paris Agreement (1.50C)
provide substantial growth opportunities for the Company's produ
the solar PV industry. Looser scenarios implying increased levels
warming are also likely to result in significant market growth for th
products. In both cases, the lowered energy intensity of the opera
the Company's exposure to risks related to energy prices in gene
taxes on fossil fuel sources in particular. Moreover, the reposition
Company's product portfolio towards low-carbon products speci
the energy transition is expected to result in a solid platform for fu

Risk management

Describe the organization's processes for identifying and assessing climate-related risks	Risks of a more strategic nature are identified and assessed through continuous stakeholder dialogue, participation in collaboration and initiatives across the value chain and through following up on key legislative initiatives such as the Inflation Reduction Act 2022. The supply chain has been mapped and will be used to source low-carbon raw materials produced with a high degree of renewable energy sources. Operational climate-related risks are identified and assessed continuously as part of the risk management system.
Describe the organization's processes for managing climate-related risks	The key strategic risk element is to ensure low-carbon raw materials and energy sources. Raw materials are sourced through long-term frame agreements with key suppliers that are chosen on the basis of security of supply and low carbon footprints. Energy for the production processes is, where possible, secured from renewable sources. Generic risks related to operations are managed as part of the overall safety and risk management system. Risks related to extreme weather events are managed through a Pollution Prevention Plan, a Process Safety Plan and a Stormwater Management Plan. The environmental risk management system was ISO 14001 certified in 2023.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Generic risks are managed at group level through the general risk management system, including physical climate risks like adverse weather conditions which could result in operational stoppages and unwanted pollution and spills. Longer term risks, like transition risks, are part of the overall strategic framework of the Company and are integrated into long-term planning, along with the corresponding climate-related opportunities. As mentioned above, such risks and opportunities have already been implemented into the long-term strategy of the Company.

Metrics and targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	The key metric used is Scope 1 + 2 GHG emissions per ton of pro This also involves sub metrics such as energy intensity per ton of produced and the percentage of renewable energy used in produ emissions are market based. The GHG emissions are calculated i GHG Protocol.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	GHG emissions have been reported annually since 2011 (Scope 1 Climate Disclosures in this report. The Company has also commit upstream Scope 3 emissions within 2027.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	The Company has a target to reduce the GHG intensity of its prod 1 and 2) by 40% by 2027 with 2021 as the baseline. The Company its supply chain and will use this to start a process to map its upst emissions. Targets relating to this will be set in due course.

Climate related risks

Risk type	Classification	Description	Likelihood	Mitigation
Physical	Acute	Increased severity and frequency of extreme weather like storms and drought leading to disruption of operations and the supply of raw materials and lead to unwanted spills and pollution	More likely than not	• Emergency response preparedness • Risk management systems • Inventory management
	Chronic	Water scarcity affecting operations	About as likely as not	• Reduce water intensity of operations
Transition	Policy and legal	Higher carbon pricing levels impacting the cost of natural gas and electricity from non-renewable sources	Very likely	• Energy efficiency improvements • Focus on low-energy products like silane gas, specialty gases and polysilicon from Moses Lake • Source electricity from renewable sources
		Restrictions on emission levels	Likely	• Ensure production is energy efficient and low carbon • Non GHG-emissions absorption measures
		Transportation costs increase due to higher carbon prices	Likely	• Conscious supplier choices • Fossil-free transportation solutions
	Technology	Polysilicon is replaced as a key conducting material in the electronics or solar industry with other solutions that are less energy intensive	About as likely as not	• Explore alternative uses for polysilicon • Expand the uses of silane gas and specialty gases, for example as battery anode material
	Market	Buyers of polysilicon continue to require lower embodied carbon emission of polysilicon	Very likely	• Maintain production of low-carbon polysilicon at Moses Lake • Source raw materials from low-carbon producers
	Reputation	Stigmatization of industry sectors with high energy usage and emissions	More likely than not	• Focus products on sectors driving or enabling the energy transition

Time Horizons: **ST** (short-term) 0-2 years, **MT** (medium term) 3-5 years, **LT** (long term)

Climate related opportunities

Opportunity type	Classification	Description	Likelihood	Driver
Resource efficiency	Energy efficiency	Use the FBR at Moses Lake technology to produce poly-silicon, this technology requires 80%-90% less energy per ton of product than the Siemens technology (90% of world production)	Very likely	• Production at Moses Lake facility restarted in Q4'23 (solely FBR production • Secure long-term offtake contracts with solar industry • Shutdown of Butte polysilicon operations
	Reuse of raw materials	Reuse solid waste from processing	About as likely as not	• R&D into alternative uses for the solid waste created from processing MGS into silane and polysilicon
Energy sources	Lower emission sources	Source electricity required in production from renewable energy sources	Very likely	• Moses Lake facility has access to hydropower
		Source MGS from suppliers with access to renewable energy	Very likely	• Direct purchasing volumes to producers of low-carbon MGS • Require suppliers to switch to renewable energy
Products and services	Diversification	Develop more uses of silane gas and specialty gases	Very likely	• Contracts for delivery of silane gas as anode material for batteries • Expand market penetration of silane gas for uses in semiconductor and solar PV industries
Markets	Solar PV industry	Capture the substantial growth in the deployment of solar panels as a key renewable energy source	Very likely	• Restart Moses Lake • US regulatory initiatives (such as the Inflation Reduction Act) • Low-carbon value chain
	Semiconductor industry	Capture the substantial growth associated with the digital-ization of society	Very likely	• Expand silane gas capacity at Butte • R&D investments to improve product portfolio
Resilience	Energy transition	Firmly placed in value chains that are key enablers in the energy transition	Very likely	• Continue to develop capacity in line with market growth • R&D investments to improve product portfolio

Time Horizons: **ST** (short-term) 0-2 years, **MT** (medium term) 3-5 years, **LT** (long term

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 2023. 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 believes the solar industry plays a key r
term supplier of sustainable energy and its business
on the production of polysilicon and silicon gases fo
and electronics industries. To make solar electricity
with traditional energy sources, the Group focuses o
improvements and cost (including energy) reductio
the introduction of new process and product techno
well as continuous productivity enhancement and te
development.

The Group's business corresponds with the purpose
Company which is described in its Articles of Associ
"The Company's purpose is development and sale o
and services related to renewable energy sources, a
perform other financial operations related to such. T
may, through subscription of shares or in any other
including granting of loans, acquire interests in othe
with identical or similar purposes".

The Board has defined clear strategies, business go
risk profile for the Group's business activities, to cre
its shareholders in a sustainable manner considerin

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 Group'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 USD 76.4 million on December 31, 2023, which represented 13.8 percent of total assets. The debt-to-equity ratio was 6.2. 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 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 2023.

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 11, 2023 (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, 2023, the authorization has not been used.

These authorities were restricted for defined purpos each mandate was considered separately. They are the AGM in 2024 or no later than 15 months from th 2023 AGM.

For further information about the mandates given to reference is made to the minutes from the AGM, wh able on the Company's website (www.recsilicon.co

4. Equal treatment of shareholders and transactions with close associates

The Company seeks to conform to the principles fo ment of shareholders. In the event of a share capita based on authorization from the general meeting, w pre-emptive rights of shareholders are set aside, gr provided in the stock exchange notice in which the s increase is announced.

In the event of a share buy-back program, the Boar to ensure that all related transactions are carried ou through the trading system or at prevailing prices at The Board will consider company's and shareholder and aim to maintain transparency and equal treatme shareholders. In the event of limited liquidity in the C shares, the Company shall consider other ways to e treatment of all shareholders. There were no transa shares during 2023.

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 percent 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 2023 AGM wa
tally on May 11th, with 20.86 percent of the Compan
represented.

Deviation from the Code of Practice

The Code of Practice recommends separate voting
dates to the Board. However, it is not possible to vo
on each candidate nominated to the Board because
composition of the Board must be in accordance wi
legislation regarding gender representation and qua
committee assignments. The nomination committee
is given with respect to such legislation. Should a si
where the composition of the Board might conflict w
cable legislation, the situation, and consequences o
board contrary to legislation should be discussed at
Meeting and shareholders should base their votes o
discussed.

7. Nomination committee

The Nomination Committee is governed by the Artic
Association section 6. The 2023 AGM elected the fo
members for the Nomination Committee for the per
AGM in 2025: Mr. Junghey Chae (chair), Dr. Sungch
and Dr. Jieun Lee.

The Nomination Committee does not include any ex
personnel or any member of the Board. Mr. Junghe
employee of the Company's main shareholders. The
members of the Nomination Committee are indepen

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, 2023, the Board consisted of five members (see table below), of which three were female and independent from the main shareholders. The directors are elected by the general meeting for a term of one year and may be re-elected.

The AGM elected Tae Won Jun (Chair), Dong Kwan Kim (Deputy Chair), Renate Oberhoffer-Fritz, Paraskevi (Vivian) Bertseka and Roberta Benedetti as the Company's Board for a period until the annual general meeting of 2024.

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.

Overview of the Board on December 31, 2023

Name	Role	Considered independent of main shareholders	Independent of Group Management	Independent of material business contacts	Served since	Term expires	Participation Board meetings 2023
Tae Won JUN	Chair	No	Yes	No	21-Oct-2022	AGM 2024	3 of 5
Dong Kwan KIM	Board Member	No	Yes	No	21-Oct-2022	AGM 2024	2 of 5
Dr. Renate Oberhoffer-Fritz	Board member	Yes	Yes	Yes	02-May-2022	AGM 2024	5 of 5
Paraskevi (Vivian) Bertseka	Board member	Yes	Yes	Yes	21-Oct-2022	AGM 2024	5 of 5
Roberta Benedetti	Board Member	Yes	Yes	Yes	22-Dec-22	AGM 2024	5 of 5

9. Work of the Board of Directors

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

The Board has adopted "Rules of procedures for th
Directors," which regulates the Board's responsibili
and administrative procedures as well as the tasks a
the Chief Executive Officer. The Board has also ado
of Authority regulating matters that are to be decide
Board and matters that may be decided by Group M
The Chart of Authority distinguishes between invest
decisions, customer contracts, procurement contra
compensation, and finance and is reviewed on an a
The Board holds at least one meeting per year with
and without any members of Group Management o
tion present.

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

The Company uses independent third-party valuatio
of significant transactions with closely related partie
are not to be considered by the general meeting. Th
two agreements announced in 2023 between the G

shareholders, directors, Group Management or other related parties that could be described as a material transaction. Details on the related-party transactions are disclosed in the consolidated financial statements, note 10 and corresponding Section 3-19 announcements issued by the Board for such transactions may be found on the Company's website.

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, 2023, the Audit Committee members were Dr. Renate Oberhoffer-Fritz, Ms. Paraskevi (Vivian) Bertseka, and Ms. Roberta Benedetti. The Audit Committee held 5 meetings in 2023.

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, 2023, the Compensation Committee members were Tae Won JUN and Dong Kwan KIM, both independent of the Group Management. During 2023, the Compensation Committee met three times.

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, i
considerations related to integrating stakeholders i
the Company's value creation.

Group Management sets the context in which risks a
managed and supervises the risk management proc
Management performs separate risk evaluations ba
top-down approach. Risk assessments are present
Audit Committee and the Board. The Board perform
risks in connection with the approval of the annual b

Group Management regularly updates the Board inc
operational reviews, HSE (Health, Safety and Enviro
measures, financial highlights, and key performanc
tors. Prior to each Board meeting, the Chief Executi
prepares a report to the Board, which includes this i
in addition to any items requested by Board membe
requiring action by the Board. The Chief Executive C
has pre-meetings and informal discussions with the
throughout the year.

Because the Group operates internationally, it is rec
comply with numerous national and international law
lations. All business activities and processes must b
in accordance with laws, and regulations.

To strengthen internal control, the Group has establ
an Anticorruption Policy and procedures, provided t
to employees and managers, and performed a frau

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 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 2023.

12. Remuneration of the Group management

The guidelines for salary and other compensation to Group Management was presented at the AGM in May 2023. 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
the Group's financial performance and defined KPI'
and includes incentives related to performance the
can influence.

Details on the remuneration of the Chief Executive C
other members of Group Management are disclose
consolidated financial statements (note 16).

The Board extended the long-term incentive progra
retaining key personnel, whereby employees' entitl
linked to the share price development of the Compa
The share-based program was introduced in 2014 a
a lock-up period for shares awarded and a absolut
the maximum gain in each calendar year, however,
were issued in 2023. Further details on the incentive
disclosed in note 32 of the consolidated financial st

The 2023 AGM voted separately on the compensati
employees and the statement regarding long-term i
plans.

13. Information and communication

The Company treats its investors equally. Timely inf
is published simultaneously to all investors in accor
applicable legislation and regulation in order to prov
possible basis for evaluation of Company performan
mation 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 is in charge of 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, KPMG, is appointed by the general meeting and is 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 weakness
proposals for improvements of the internal control p
annually to the Board with an annual confirmation th
has satisfied the requirements for independence to
a summary of all services provided to the Group. Th
meets with the Audit Committee and the Board at le
year without the Chief Executive Officer or any other
the Group Management present.

The auditor is also required to participate in meeting
Audit Committee and present the main features of t
to the Audit Committee.

Remuneration of the auditor is approved by the gen
The auditor provides a break-down between audit a
services, and information is provided to the general
about non-audit services provided by the auditor. T
has issued guidelines regarding Group Managemen
the auditor for services other than the audit. These g
include a list of services that are preapproved for fe
NOK 500,000 and requires audit committee approva
non-audit services or if fees are more than NOK 500
more information about remuneration to the auditor
to the consolidated financial statements.

The auditor participates at the AGM and presents th
pendent auditor's report.

Consolidated financial statements

Consolidated statement of financial position

USD in million	Notes	2023	2022
ASSETS			
Non-current assets			
Intangible assets	6	0.8	1.0
Land and buildings	6	33.6	31.1
Machinery and production equipment	6	40.2	24.6
Other tangible assets	6	4.0	2.7
Assets under construction	6	180.9	62.4
Property, plant and equipment	6	258.7	120.9
Right of use assets	7	32.2	30.4
Other non-current receivables	12	0.4	0.1
Financial assets and prepayments		0.4	0.1
Total non-current assets		292.2	152.3
Current assets			
Inventories	13	58.5	38.3
Receivables and prepayments	12, 30	30.7	23.2
Restricted bank accounts	14	0.6	0.8
Cash and cash equivalents	14	170.9	105.3
Total current assets		260.7	167.5
Total assets		552.9	319.9

USD in million	Notes	2023
EQUITY AND LIABILITIES		
Shareholders' equity	15	
Paid-in capital		3,027.7
Other equity and retained earnings		-2,951.3
Total shareholders' equity		76.4
Non-current liabilities		
Retirement benefit obligations	19	7.0
Non-current provision, interest calculation	20	23.8
Non-current financial liabilities, interest bearing	17	253.0
Non-current lease liabilities	7	62.4
Non-current prepayments	20	24.9
Other non-current liabilities, not interest bearing	32	0.7
Total non-current liabilities		371.7
Current liabilities		
Trade payables and other liabilities	20	60.7
Current financial liabilities, interest bearing	17	30.9
Current lease liabilities	7	7.5
Current prepayments	20	5.7
Total current liabilities		104.8
Total liabilities		476.5
Total equity and liabilities		552.9

Lysaker, March 20, 2024
Board of Directors

Document is signed electronically

Tae Won Jun
Chairman of the Board

Dong Kwan Kim
Deputy Chair

Vivian Bertseka
Member of the Board

Roberta Benedetti
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	2023	2022
Revenues	5	141.1	147.8
Cost of materials		-30.5	-27.3
Changes in inventories		12.5	-3.8
Employee benefit expenses	16, 24, 32	-69.6	-44.1
Other operating expenses	22	-142.9	-107.1
Other income and expenses	23	9.0	-0.5
EBITDA [1]		-80.5	-34.9
Depreciation	6	-10.9	-19.9
Amortization	6	0.0	0.0
Depreciation of right of use assets	7	-3.4	-3.1
Impairment	6, 7, 8	-8.1	-0.3
Total depreciation, amortization and impairment		-22.4	-23.4
EBIT [2]		-102.9	-58.3
Financial income	25	3.6	1.9
Net financial expenses	9, 25	-18.3	-20.9
Net currency gains/losses	25	12.7	-9.7
Gain from sale of Yulin JV	9	135.5	0.0
Net financial items		133.5	-28.7

USD in million	Notes	2023
Profit/loss before tax from continuing operations		30.5
Income tax expense/benefit from continuing operations	18	0.0
Profit/loss from continuing operations		30.5
Profit/loss from discontinued operations, net of tax [1]	17, 30	0.0
Profit/loss from total operations		30.5
Attributable to:		
Owners of REC Silicon ASA		30.5
Earnings per share (In USD)		
From total operations		
-basic	26	0.07
-diluted	26	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	2023	2022
Profit/loss	30.5	-86.8
Other comprehensive income, net of tax:		
Remeasurement of defined benefit plans	0.9	3.5
Sum items that will not be reclassified to profit or loss	0.9	3.5
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	-15.4	0.9
Sum items that may be reclassified subsequently to profit or loss	-15.4	0.9
Total other comprehensive income	-14.5	4.4
Total comprehensive income	16.0	-82.4
Total comprehensive income attributable to:		
Owners of REC Silicon ASA	16.0	-82.4

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 2022								
On January 1, 2022		53.6	2,822.7	41.8	2,918.2	539.0	-3,423.9	33.3
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
On December 31, 2022		59.2	2,926.7	41.8	3,027.7	539.0	-3,506.3	60.4
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

Details of consolidated comprehensive income

USD in million	Translation differences that can be transferred to profit and loss	Acquisition	Retained earnings	Total
YEAR 2022				
Accumulated on 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:				
Items that will not be reclassified to profit or loss:				
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 on December 31, 2022	28.8	20.9	-3,556.0	-3,506.3
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
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

Consolidated statement of cash flows

USD in million	Notes	2023	2022
Cash flows from operating activities			
Profit/loss before tax[1]		30.5	-87.0
Depreciation, amortization and impairment	6, 7, 8	22.4	23.4
Proceeds from sale of Yulin JV	9	-136.1	0.0
Changes in receivables, prepayments from customers etc.	12	25.1	5.9
Changes in inventories	13	-20.3	-5.2
Changes in payables, accrued and prepaid expenses	20	3.0	10.9
Changes in VAT and other public taxes and duties	20	1.3	0.0
Currency effects not cash flow or not related to operating activities	25	-12.3	10.2
Other items		0.2	-0.3
Net cash flow from operating activities		-86.0	-42.1
Cash flows from investing activities			
Proceeds from sale of Yulin JV	9	136.1	0.0
Proceeds/Payments finance receivables and restricted cash	14	0.2	1.1
Proceeds from sale of property, plant and equipment and intangible assets	6	0.7	0.0
Payments for property, plant and equipment and intangible assets	6	-145.7	-55.9
Net cash flow from investing activities		-8.7	-54.8

USD in million	Notes	2023
Cash flows from financing activities		
Proceeds from issue of share capital	15	0.0
Payments of lease liabilities	7	-3.9
Payments of borrowings and up-front/waiver loan fees	17	-111.1
Proceeds from borrowings	17	280.0
Net cash flow from financing activities		165.0
Effect on cash and cash equivalents of changes in foreign exchange rates	25	-4.6
Net increase/decrease in cash and cash equivalents		65.7
Cash and cash equivalents at the beginning of the period		105.3
Cash and cash equivalents at the end of the period		170.9
[1] **Profit/loss before tax from operations includes**		
Interest Paid		-16.5
Interest Received		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.

Company and its subsidiaries (together, REC Silicon Group or Group) have a presence in the international solar energy industry. Group operations are focused on the production of polysilicon and silicon gases for the solar and electronics industries.

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.

These consolidated financial statements have been approved for issue by the Board of Directors on March 20, 2024 and are subject to approval by the Annual General Meeting scheduled for May 14, 2024.

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 Compa
an investee when it is exposed, or has rights, to variable retu
involvement with the investee and has the ability to affect tho
through its power over the investee. Subsidiaries are consoli
date control is obtained until the date that control ceases.

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

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

(B) Joint ventures

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

(C) Associates

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

2.3 Segment reporting

REC Silicon produces silicon gas and polysilicon for the semiconductor industries at its manufacturing facility in Butte, Montana. The Company also produces polysilicon for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington. 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, 2023, an intercompany loan from REC Silicon ASA to REC Silicon, Inc. of USD 116.8 million, and a loan from REC Silicon ASA to REC Silicon AS of million (converted to equity in 2023) were regarded as a part investment.

2.5 Current/non-current

Assets and liabilities are classified as current when they are e 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 accum ciation and un-reversed impairment losses. Cost includes ex are directly attributable to the acquisition, construction, or in item. Borrowing costs incurred for the construction of qualify capitalized during the period required to complete and prepa its intended use. Costs are included in an asset's carrying an probable that future economic benefits associated with the it the Group and costs can be measured reliably.

Depreciation is calculated using the straight-line method bas of the assets less any residual value over their estimated use

2.7 Intangible assets

(A) Goodwill

Goodwill represents the excess of the cost of an acquisition c value of the Group's share of the net identifiable assets. Goo at cost less accumulated impairment losses. Goodwill related accounted investments is included in the carrying value of inv December 31, 2023 and 2022 the Group had no goodwill.

(B) Other intangible assets

Other intangible assets that have finite useful lives are carrie accumulated amortization and un-reversed impairment. Amo calculated using the straight-line method on the costs of ass 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

Derivatives are recognized at fair value on the date a derivative contract is entered into and are subsequently measured for changes in fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative unless the Group has the intention and ability to settle the contracts net. The method of recognizing resulting gains or losses depends on whether the derivative is designated and qualifies as a hedging instrument and the nature of the item being hedged. Derivatives are categorized as held for trading unless they are designated and qualify as hedging instruments. See note 11.

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 sha
in equity as a deduction, net of any income tax, from the proc

2.14 Borrowings

Borrowings are recognized initially at fair value. Borrowings t
maintained at fair value through profit or loss are recognized
action costs and subsequently stated at amortized cost. Any
between the proceeds (net of transaction costs) and the red
is recognized in the statement of income over the period the
outstanding using the effective interest method. Commitmen
credit facilities are recognized as part of interest expenses as

A financial liability is removed from the statement of financial
the obligation is discharged, cancelled, or expires. Substanti
to the terms of existing financial liabilities or an exchange of d
ments with an existing lender at substantially different terms
extinguishments of the original liability. The difference betwe
amount of a financial liability and the consideration paid to ex
liability is recognized in profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost or net realizable va

Purchased inventories are stated at average cost less estima
cence. Reserves for obsolescence include the write down of
required (held for disposal) and the estimated decline in NRV
slow moving items.

The cost of finished goods and work in progress inventories a
on a first in, first out basis and consists of raw materials, dire
other direct costs, and related indirect overheads. Costs ass
abnormal waste or unused normal operating capacity are not
in inventories. NRV is the estimated sales price less incremen

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
where the prices normally are fixed within a volume range. RE
has some long-term frame contracts that cover a period long
year. In these contracts the prices are normally negotiated o
basis.

Revenue is recognized when control of the goods is transferr
customer at an amount that reflects the consideration to whi
expects to be entitled in exchange for those goods or service
is transferred to the buyer, according to the agreed delivery t
each sale. Delivery terms are based on Incoterms specified w
contracts. Generally, the main terms are "Ex Works" and "FC
can receive prepayments in advance of fulfilling contractual o
delivering goods. This prepaid revenue is recorded as a liabil
time that revenue is recognized.

The Group recognizes a provision for discounts and expecte
a discount provisions or a right of return is specified in purch
The Group recognizes revenue from the sale of goods measu
value of consideration received or receivable, which includes
allowances for discounts and expected returns.

Goods are normally sold with standard warranties that the go
with the agreed-upon specifications. These standard warran
accounted for using IAS 37 Provisions, Contingent liabilities
Assets. REC Silicon does not have any other significant oblig
returns or refunds.

2.21 Leases

At the inception of a contract, the Group assesses whether a
contains a lease. A lease exists if the contract conveys the rig
the use of an identified asset for a period of time in exchange
ation. The Group recognizes a right-of-use asset and a lease
lease commencement date. The right-of-use asset is initially

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. A number of changes to standards were effective beginning January 1, 2023 but they did not have a material effect on the Group's financial statement.

Note 03 Financial risk managen

3.1 Financial risk factors

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

The goals for the Group finance policy and the treasury opera primarily to minimize the risk of financial distress, secure long manage currency risk of expected future net cash flows, and interest rate risk. The Company's finance policy sets the fram limits for hedging activities in the Group. It defines risk manag tives, responsibilities, and operational requirements.

The disclosures that are required regarding financial risks be on the risks that arise from financial instruments and how the managed. Derivative financial instruments may be used to re commercial transactions; the existence of derivative financia exposes the Company to additional risks.

(A) Currency risk

The Company operates internationally and is exposed to curr December 31, 2023, the Group's working capital is a combin and NOK, equity is in NOK, and debt is in USD. Currency risk transactions in currencies other than the Group's reporting c cash denominated in NOK. Currency risk relates primarily to cash balances denominated in NOK.

Net cash flow is defined as the consolidated external cash flo Group. The Group's policy provides the ability to hedge exter flows with a maximum time horizon of 24 months. The purpos the currency risk of expected future net cash flows. The Com currency risk on an overall level.

On December 31, 2023 and 2022, 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.

(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).

During 2023, the Company announced a corporate debt financing totaling USD 280 million. REC Silicon's largest shareholder Hanwha Solutions has fully guaranteed the debt financing resulting in favorable terms compared to other financing alternatives.

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, the '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

(see note 9, 17, 29)

Accordingly, 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 is appropriate at the date of the accounts.

(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 2023 the Group had hedged a portion of its electricity needs for its semiconductor segment business for own use.

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 Grou
factors have been considered. These include risks associate
Group's business profile and the fact that the polysilicon pro
high capital intensity.

The Group's goal is to maintain sufficient capital to maintain
ating cash flow requirements and to meet debt service oblig

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).

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 8 and 9).

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 ma
operations in Moses Lake, Washington and Butte Montana. C
and in management's evaluations and assumptions may give
in provisions for asset retirement obligations (AROs). Provisio
change due to changes in amounts or timing of estimated ex
restore production sites or changes in governmental regulati
restoration requirements. The restoration of production sites
significant uncertainty due to variability in restoration require
be imposed by regulatory authorities as well as timing of the
addition, estimates of provisions are sensitive to changes in c
used to calculate provisions for AROs reported by the Group.

Note 05 Segment and revenue information

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	32.4	23.0%					32.4	22.9%
Customer 2	27.6	19.6%					27.6	19.6%
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, 2022

	Semiconductor materials		Solar materials		Other		REC Silicon	
USD in million		%		%		%		%
Customer 1	39.7	26.9%					39.7	26.9%
Customer 2	23.2	15.7%					23.2	15.7%

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

	Semiconductor materials		Solar materials		Other	
USD in million		%		%		%
Denmark	27.6	19.6%	0.0	0.0%	0.0	0.0%
China	27.5	19.5%	0.0	0.0%	0.0	0.0%
USA	18.0	12.8%	0.3	86.4%	0.2	100.0%
Singapore	16.8	12.0%	0.0	0.0%	0.0	0.0%
Korea	16.2	11.6%	0.0	0.0%	0.0	0.0%
Taiwan	15.4	11.0%	0.0	13.6%	0.0	0.0%
Japan	10.4	7.4%	0.0	0.0%	0.0	0.0%
Other	6.1	4.3%	0.0	0.0%	0.0	0.0%
Belgium	0.9	0.6%	0.0	0.0%	0.0	0.0%
France	0.7	0.5%	0.0	0.0%	0.0	0.0%
Czech Republic	0.6	0.4%	0.0	0.0%	0.0	0.0%
Norway	0.1	0.1%	0.0	0.0%	0.0	0.0%
Germany	0.1	0.1%	0.0	0.0%	0.0	0.0%
Canada	0.1	0.1%	0.0	0.0%	0.0	0.0%
Total revenues	140.6	100.0%	0.4	100.0%	0.2	100.0%

Geographic distribution of revenues based on customer location for year ended December 31, 2022

USD in million	Semiconductor materials	%	Solar materials	%	Other	%	REC Silicon	%
China	40.1	27.2%	0.0	0.0%	0.0	0.0%	40.1	27.1%
USA	21.5	14.6%	0.2	100.0%	0.2	100.0%	21.9	14.8%
Taiwan	21.3	14.5%	0.0	0.0%	0.0	0.0%	21.3	14.4%
Korea	20.8	14.1%	0.0	0.0%	0.0	0.0%	20.8	14.1%
Singapore	18.4	12.5%	0.0	0.0%	0.0	0.0%	18.4	12.5%
Denmark	11.2	7.6%	0.0	0.0%	0.0	0.0%	11.2	7.6%
Japan	8.4	5.7%	0.0	0.0%	0.0	0.0%	8.4	5.7%
Other	1.8	1.2%	0.0	0.0%	0.0	0.0%	1.8	1.2%
Belgium	1.4	0.9%	0.0	0.0%	0.0	0.0%	1.4	0.9%
France	0.9	0.6%	0.0	0.0%	0.0	0.0%	0.9	0.6%
Hong Kong	0.8	0.6%	0.0	0.0%	0.0	0.0%	0.8	0.6%
Czech Republic	0.7	0.5%	0.0	0.0%	0.0	0.0%	0.7	0.5%
Canada	0.1	0.0%	0.0	0.0%	0.0	0.0%	0.1	0.0%
Switzerland	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Germany	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total revenues	147.4	100.0%	0.2	100.0%	0.2	100.0%	147.8	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, 2023

USD in million	Semiconductor materials	%	Solar materials	%	Other	%	
Silicon gas	86.6	61.6%	0.0	0.0%	0.0	0.0%	8
Polysilicon	54.0	38.4%	0.0	13.6%	0.0	0.0%	5
Other	0.0	0.0%	0.3	86.4%	0.2	100.0%	
Total revenues	140.6	100.0%	0.4	100.0%	0.2	100.0%	14

Revenues by category for year ended December 31, 2022

USD in million	Semiconductor materials	%	Solar materials	%	Other	%	
Silicon gas	86.5	58.7%	0.0	0.0%	0.0	0.0%	8
Polysilicon	61.0	41.3%	0.0	0.0%	0.0	0.0%	6
Other	0.0	0.0%	0.2	100.0%	0.2	100.0%	
Total revenues	147.4	100.0%	0.2	100.0%	0.2	100.0%	14

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 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, 2023

USD in million	Semiconductor materials	Solar materials	Other	Total
Revenues	140.6	0.4	0.2	141.1
Cost of materials	-26.8	-3.6	-0.1	-30.5
Change in inventories	7.2	5.4	-0.1	12.5
Employee benefit expense	-30.1	-26.2	-13.4	-69.6
Other operating expenses	-81.3	-45.0	-16.7	-142.9
Other income and expenses	4.4	4.2	0.3	9.0
Total current costs	-126.6	-65.1	-29.9	-221.6
	0.0	0.0	0.0	0.0
EBITDA contribution	14.0	-64.8	-29.7	-80.5
Depreciation of fixed Assets	-9.8	-0.7	-0.5	-10.9
Amortization	0.0	0.0	0.0	0.0
Depreciation of leased Assets	-2.6	-0.8	0.0	-3.4
Impairment	-7.0	-1.1	0.0	-8.1
Total depreciation, amortization, and impairment	-19.3	-2.6	-0.5	-22.4
EBIT contribution	-5.4	-67.4	-30.2	-102.9

Segment information for the year ended December 31, 2022

USD in million	Semiconductor materials	Solar materials	Other
Revenues	147.4	0.2	0.2
Cost of materials	-26.9	-0.4	0.0
Change in inventories	-4.7	1.4	-0.5
Employee benefit expense	-25.7	-8.8	-9.5
Other operating expenses	-83.8	-12.3	-11.0
Other income and expenses	0.0	0.0	-0.5
Total costs	-141.1	-20.1	-21.5
EBITDA contribution	6.3	-19.9	-21.3
Depreciation of fixed Assets	-11.1	-8.4	-0.5
Amortization	0.0	0.0	0.0
Depreciation of leased Assets	-2.6	-0.6	0.0
Impairment	-0.3	0.0	0.0
Total depreciation, amortization, and impairment	-13.9	-9.0	-0.5
EBIT contribution	-7.6	-28.9	-21.8

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

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

USD in million	2023
Spot Contract Revenue	74.1
Structured (Regional/Volume pricing)	57.9
Tiered (Volume pricing)	9.2
Total	141.1

New contract with a customer

On September 6, 2023. REC Solar Grade Silicon LLC, a subsidiary of Silicon ASA entered into a full form supply agreement with Hanwha Q Cells Georgia, Inc., a wholly owned subsidiary of Hanwha Solutions for a 10 year take-or pay supply agreement for high purity granular polysilicon produced from REC Silicon's facility at Moses Lake, Washington utilizing its proprietary FBR process. The Supply Agreement will provide the Company with a 10-year secure offtake for all the prime high purity granular production from the Moses Lake facility. The estimated total value of the Supply Agreement for the duration of the arrangement will fluctuate depending upon market prices, which are currently estimated to be approximately $3 billion.

The contract specifies an annual committed volume, which serves as the base volume for the offtake agreement. The first delivery is scheduled for 2024. Therefore, as of December 31, 2023, the performance obligation does not apply, implying that the total transaction price will be fully realized in the contracted future years. Similar to other sales, we will recognize revenue as products are delivered.

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 agreement includes a penalty clause for the supplier if a minimum quantity is not met.

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. The high purity FBR granular polysilicon will also benefit from the $3 per kilogram tax credit from the Inflation Reduction Act.

To secure the Supply Agreement obligations and to support the restart of the Moses Lake facility, Hanwha made a USD 30 million prepayment at the time of the signing (see note 10) and will make an additional USD 50 million prepayment upon the first delivery. The prepayment will be credited against purchases of high purity granular polysilicon pursuant to a linear reimbursement schedule over the 10-year term. As of December 31, 2023, there has been no high purity granular polysilicon delivered to the customer. Consequently, no revenue has been recognized in the fiscal year 2023, and no prepayment has been credited.

The table below represents the prepayment received from Hanwha Q Cells Georgia, Inc

Prepayment received from contracts with customers

USD in million	2023
On January 1	0.0
Addition	30.0
Revenue recognized	0.0
On December 31	30.0

The relevance of a significant financing component is determined by its financing benefits relative to the action volume and other factors. The prepayment's impact on the benefits and significance in accountin deemed negligible, consequently the prepayments are not considered to result in a significant financing

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, 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	-8.1	-0.6	0.0	-10.9
Impairment[2]	0.0	-0.6	0.0	-7.5	-8.1
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
Carrying value on January 1, 2022	33.3	34.7	2.6	12.5	83.1
Net additions[1]	0.0	7.2	0.8	49.9	58.0
Disposals	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	-2.2	-17.3	-0.4	0.0	-19.9
Impairment[2]	0.0	0.0	-0.2	0.0	-0.3
Carrying value on December 31, 2022	31.1	24.6	2.7	62.4	120.9
On December 31, 2022					
Historical cost	140.9	2,161.3	73.4	104.0	2,479.6
Accumulated depreciation/amortization/impairment	-109.7	-2,136.7	-70.7	-41.6	-2,358.7
Carrying value on December 31, 2022	31.1	24.6	2.7	62.4	120.9

[1] Net additions include transfers from assets under construction.
[2] Impairment recorded in 2023 is primarily related to the writedown of assets in the semiconductor segment as a result of the announced exit from the polysilicon business line. The majority of the impairment is related to an ongoing project under construction.

Specification of useful lives and depreciation
At year-end 2023, estimated useful lives by asset class were as follows:
- Land and Buildings 0-27.5 years (weighted average approximately 16.3 years)
- Machinery and equipment 0-26.5 years (weighted average approximately 4.5 years)
- Other tangible fixed assets (weighted average approximately 5.5 years)

Assets under construction are not yet ready for their intended use and depreciation has not started.

Reviews of estimated useful lives of property, plant, and equipment for 2023 and 2022 resulted in only n

Intangible assets

USD in million	Assets under development	Other	Total intangible assets
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
Carrying value on January 1, 2022	0.5	0.4	0.9
Internal Development	0.1	0.0	0.1
Amortization	0.0	0.0	0.0
Carrying value on December 31, 2022	0.6	0.3	1.0
On December 31, 2022			
Historical cost	0.9	67.9	68.8
Accumulated amortization/impairment	-0.3	-67.5	-67.8
Carrying value on December 31, 2022	0.6	0.3	1.0

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.

Intangible assets are primarily related FBR technology in REC Silicon (2-9 years).

Reviews of estimated useful lives of intangible assets for 2023 and 2022 resulted in only minor changes.

Note 07 Leases

Right of use Assets

USD in million	Land and buildings	Machinery	Gas plants	Ot
Balance on January 1, 2023	0.0	0.5	29.9	0
Depreciation	-0.1	-0.1	-3.2	0
Additions	0.0	0.0	0.1	0
Adjustments	0.1	0.0	4.9	0
Balance on December 31, 2023	0.0	0.4	31.7	0
Balance on January 1, 2022	0.1	1.2	32.0	0
Depreciation	-0.1	-0.2	-2.8	-0
Additions	0.0	0.0	0.[illegible]	0
Impairments	0.0	0.0	0.[illegible]	0
Adjustments	0.0	-0.5	0.7	0
Balance on December 31, 2022	0.0	0.5	29.[illegible]	0

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

Lease Liabilities

USD in million	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Less than 1 year	15.6	11.1
1 - 2 years	15.6	14.5
2 - 3 year	15.5	14.5
3 - 4 years	15.5	14.5
4 - 5 years	15.5	14.5
More than 5 years	30.4	44.4
Total undiscounted lease liabilities on December 31	108.2	113.6
Lease liabilities included in the statement of financial position on December 31	70.0	68.6
Current	7.5	2.8
Non-current	62.5	65.8

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, 2023 and December 31, 2022.

Leases recognized in profit or loss

USD in million	2023
Interest on lease liabilities	8.5
Depreciation of right-of-use assets	3.4
Gain(-)/loss(+) due to terminations, purchases, impairments, and other changes	0.0
Expenses relating to short-term leases	0.1
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.0

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

In 2023, the Group made lease payments totaling USD 12.4 million, comprised of USD 3.9 million of leas payments and USD 8.5 million imputed interest. See note 25 below.

In addition, payments of USD 0.1 million related to leases for low-value-assets and short-term durations exempt under IFRS 16 have been expensed in 2023. See note 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, 2023 and 2022.

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
Management has concluded that changes in markets for solar grade poly-silicon, the restart of Moses Lake FBR facility, and changes to the discount rate were sufficient to indicate a potential change in the valuation of the long-lived assets of the Solar Materials CGU.

REC Solar Grade Silicon LLC and Hanwha Q Cells Georgia, Inc. entered into a 10 year take-or pay supply agreement for high purity FBR granular polysilicon produced at REC Silicon's facility at Moses Lake. The Offtake provides for the sale to Hanwha Q Cells Georgia Inc. of 100% of the prime FBR production from the facility.

The base price for the Offtake will be determined by market indices adjusted for a premium for US-sourced low carbon material. The base price is also subject to both a minimum and maximum that protects REC Silicon against potential future low market prices that could otherwise threaten the long-term prospects for the Company. (See note 10)

The Company performed an evaluation of potential operating scenarios including the supply agreement and various market prices to perform impairment testing. The results of Impairment testing on the Solar Materials CGU 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.

The Company will monitor developments associated with the restart of the Moses Lake production facility to determine if estimated recoverable amounts associated with the Solar Materials CGU increase significantly during future reporting periods.

For the semiconductor segment, impairment indicators considered were exiting the polysilicon business, a change to discount rate and high energy costs. After impairing specific polysilicon production assets (see note 6) it was determined that low book values on remaining assets compared to market cap and assumed stand alone price of the segment resulted in no impairment test.

Basis for the impairment tests
The calculation reflects the expected development in the cos
quotas based on the current regulatory framework. There co
in environmental regulations impacting the company going fo
related legislation has been passed at the current time that is
impact the group. The impairment assessment is based on th
that any increase in cost due to new legislation will be covere
sales prices, full or partial compensation by incentive scheme
effectiveness resulting in limited impact on operating cash flo
Inflation Reduction Act has a $3 per kilogram tax credit for th
of solar-grade polysilicon, with these tax credits being accou
cash flows.

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

Future cash flows are estimated based on the budget for the
the subsequent five forecast years. A terminal value is calcula
estimated cash flows generated in the last forecast year. A gr
of one percent has been used during the terminal period for
presented. EBITDA less capital expenditures and changes in
have been used to estimate future cash flows.

Assets under construction for which investment has been co
included with estimated expenditures to complete and estima
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 applied is based on the Company's cost of capital which has been estimated using the weighted average of the required rates of return for the Company's equity and debt (WACC). The required rate of return for the Company's equity is estimated using the capital assets pricing model (CAPM). The required rate of return on debt is estimated on the basis of a risk-free rate of return plus a credit risk premium derived from analysis of the debt costs and loading of public companies similar to REC Silicon. The discount rate is estimated on an after-tax basis and adjusted to estimate the equivalent before tax discount rate using the Company's estimated before and after-tax cash flows and evaluated for reasonableness. The discount rates used on December 31, 2023 and 2022 are reflected in the table below:

Discount rates (%)

	2023		2022	
	Post-tax	Pre-tax	Post-tax	Pre-tax
Solar Materials CGU	12.7	13.9	14.4	17.5

Key assumptions and sensitivities

Key assumptions include future revenues (sales prices and sales volume), cost of major inputs, conversion costs and efficiency (production volume), and maintenance capital expenditures.

The base price for the Offtake will be determined by market indices adjusted for a premium for US-sourced low carbon material. The base price is also subject to both a minimum and maximum that protects REC Silicon against potential future low market prices that could otherwise threaten the long-term prospects for the Company. (See note 10)

Costs have been estimated using contractual obligations, third party indexes when appropriate, and historical spending trends adjusted for inflation.

Capital expenditures required to fully restart and ramp the Moses Lake FBR facility have been included in the analysis.

The table below presents the estimated change in impairmen
Materials CGU due to an isolated change in the key assumpti
Spending includes variable manufacturing costs, fixed manu
selling general and administrative expenses, and capital expe
total. The estimates are based on the assumptions used in th
31, 2023 impairment analysis.

Key assumptions for 2023

USD in million	Change
Post-tax discount rate	+/-1% poin
Sales prices	+/-2%
Volume (production and sales)	+/-2%
Spending	+/-2%

Negative amounts represent an estimated increase in impair

Carrying value

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

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

On December 31, 2022

USD in million	Semiconductor materials	Solar Materials	Other	Total
Trade and other receivables	18.9	0.7	3.6	23.2
Inventories	33.7	4.6	0.0	38.3
Current assets	52.5	5.3	3.6	61.5
Long term assets	93.3	51.4	7.5	152.2
Trade payables and other current liabilities	-30.1	-9.3	-4.4	-43.7
Long term liabilities	-8.6	0.0	0.0	-8.6
Allocation of other	4.7	2.1	-6.8	0.0
Carrying values	111.8	49.5	0.0	161.3

Note 09 Investments

Other investments

The Group entered into a joint arrangement in China; Shaanxi Non-Ferrous Tian Hong REC Silicon Mate
(Yulin JV) in February 2014. On February 1, 2018, REC Silicon Pte. Ltd (REC Silicon) and Shaanxi Non-F
Hong New Energy Co. Ltd. (SNF) entered into a supplemental agreement in relation to outstanding capi
tions. This supplemental agreement reduced REC Silicon's equity ownership to 15 percent.

In the fourth quarter of 2023 The Group closed the sale of its 15 percent equity interest in the Shaanxi N
Hong REC Silicon Materials Co., Ltd joint venture, Yulin JV.

All regulations and government approvals in China for the transaction have been completed. REC Silico
gross proceeds of USD 136.1 million. Proceeds were reduced by transaction costs of USD 0.6M. This s
a non-recurring gain for the company in 2023 in the amount of USD 135.5 million. The purchase price w
a third-party appraisal of the valuation of the Yulin JV of approximately RMB 6.8 billion implying gross pr
transaction costs of approximately RMB 1 billion for REC Silicon's 15 percent share.

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
On September 6, 2023. REC Solar Grade Silicon LLC, a subsidiary of Silicon ASA entered into a full form supply agreement with Hanwha Q Cells Georgia, Inc., a wholly owned subsidiary of Hanwha Solutions for a 10 year take-or pay supply agreement for high purity granular polysilicon produced from REC Silicon's facility at Moses Lake, Washington utilizing its proprietary FBR process. The Supply Agreement provides for the sale to Hanwha of 100% of the prime high purity granular production from the facility. The Supply Agreement will provide the Company with a 10-year secure offtake for all the prime high purity granular production from the Moses Lake facility.

The base price for the polysilicon in the Supply Agreement will be determined by market indices 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.

The estimated total value of the Supply Agreement for the duration of the arrangement will fluctuate depending upon market prices, which were estimated to be approximately USD 3 billion at the time of signing.

To secure the Supply Agreement obligations and to support the restart of the Moses Lake facility, Hanw USD 30 million prepayment at the time of the signing see notes 5 and 20) and will make an additional pr at first delivery (see note 31). The Prepayment will be credited against purchases of high purity granular pursuant to a linear reimbursement schedule over the 10-year term.

Hanwha Solutions together with its affiliate Hanwha Corporation control 33.3% of the shares in REC Silic represented at the board of directors by Tae Won Jun, CSO Hanwha Corporation, as the board chair and Kim, CEO Hanwha Solutions, as deputy chair. Both chair Tae Won Jun and deputy chair Dong Kwan Kim themselves from discussing and voting on the Supply Agreement.

The Supply Agreement was assessed by two independent third-party experts in the industry that confirm REC Silicon ASA board of directors that the Supply Agreement is balanced, at arm's length, and contain commercial terms to other similar polysilicon Supply Agreement transactions in the industry. The Suppl presented an attractive opportunity compared to other commercial conversations after taking into acco considerations. The board of directors are therefore of the view that the Supply Agreement has been en arm's length market terms and in the best interests of REC Silicon ASA and its shareholders as a whole. is made to the announcements made in accordance with section 3-19 of the Norwegian Public Limited L Companies Act, published on January 31 and September 6, 2023.

In 2023, REC Silicon paid Hanwha Solutions USD 2.0 million for guarantee and letter of credit fees relate loans. (see note 17)

REC Silicon has an agreement with Hanwha Solutions and Hanwha subsidiaries to provide services to R 2023 REC Silicon received USD 1.4 million in services. In 2022 REC Silicon received USD 0.7 million in s

Note 11 Derivative financial instruments

See note 30 below for additional information on the fair value of financial instruments.

After the settlement of the indemnification loans in 2022, REC Silicon no longer has any material derivatives.

Note 12 Receivables and prepayments

USD in million	2023
Trade receivables and accrued revenues	24.7
Provision for loss on trade recivables	-2.7
Trade receivables - net	21.9
Prepaid costs	8.7
VAT and other public taxes and duties receivables	0.0
Other non-current and current receivables	0.0
Total receivables and prepayments	30.7

Specification of provision for loss on trade receivables

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

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

In the fourth quarter of 2023 REC Silicon exhausted efforts to collect from previously impaired customer
the company wrote off USD 6.9 million in receivables as well as reversed the provision for the same amo
resulted in a net zero change to receivables. REC will continue to seek all collection options on remainin
accounts. There was no bad debt expense recorded in 2023. The provision for loss on trade receivables
to a small number of customers and although unlikely that any funds will be collected, the provision will
all efforts are exhausted (see note 30). On December 31, 2023 the review of the provision included the
Company has not experienced any bad debt since 2018.

Note 13 Inventories

Inventories in the statement of financial position

USD in million	2023 Before writedowns	2023 Writedowns	2023 After writedowns	2022 Before writedowns	2022 Writedowns	2022 After writedowns
Stock of materials, merchandise, production supplies	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

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 a

Cash and cash equivalents are primarily bank deposits.

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

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

On December 31, 2023 restricted bank accounts consisted of USD restricted cash for the US subsidiari
million. On December 31, 2022, restricted bank accounts consisted of USD 0.2 million security for bank
REC Solar AS (a subsidiary of the Company) and restricted cash for the US subsidiaries of USD 0.6 milli

Note 15 Shareholder information

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

		2023		2022	
Name of shareholders		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	22,028,592	5.24%	9,614,334	2.29%
NORDNET LIVSFORSIKRING AS	Ordinary	4,367,214	1.04%	5,418,313	1.29%
SKANDINAVISKA ENSKILDA BANKEN AB	Ordinary	4,219,281	1.00%	345,693	0.08%
BNP PARIBAS - DUBLIN	Nominee	0	0.00%	12,619,185	3.00%
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, 2023 Water Street Capital Inc holds 21,209,077 shares through a nominee account with Morgan Stanley

The list of shareholdings above is based on the VPS shareholder register on December 31, 2023 and 20
shareholding may deviate due to the use of nominee accounts, share lending, forward contracts or othe
arrangements.

On December 31, 2023, REC Silicon ASA had 34,318 shareholders (37,280 on December 31, 2022). Th
of outstanding shares was 420,625,659 on December 31, 2023 and December 31, 2022 each with a pa
NOK 1.

At the Annual General Meeting on June 22, 2023, the Board was authorized to increase the share capita
NOK 84,125,000, which was approximately 20 percent of the share capital at that time, through one or r
in the share capital. The Annual General meeting also authorized the Board to acquire treasury shares ir
(up to a maximum of ten percent of the nominal value of the existing share capital). Shares may be acqu
minimum NOK 1 per share and maximum NOK 150 per share. The authorization to acquire treasury sha
been used and remained available on December 31, 2023. Both authorizations were valid until the 2024
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. Following amendments to the PLA, the statement is now subject to new and more detailed requirements for determining salaries and other remuneration. From January 1, 2021, the board is required to prepare both guidelines for such determinations (section 6-16 (a)) and a report that provides an overview of paid and outstanding remuneration (section 6-16(b)). The guidelines are forward-looking and are adopted by the Annual General Meeting through a binding vote, while the report is retrospective and is subject to an advisory vote at the Annual General Meeting

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 were presented to the Annual General Meeting in 2021, where a binding vote on these guidelines was held in accordance with the new regulations. 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 2024.

The guidelines for determination of salary and other compensation for leading employees, as outlined in the annual general meeting in 2023, have been complied with in 2023. 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 2023. See note 32 for details of share-based compensation programs.

Salary and other compensation to the Group's Board of Directors and Management for 2023 and 2022
below.

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	Ot taxa bene
Kurt Levens	643,653	165,237	-60,491	82,418	33,000	103,8
President and CEO		50%				
Jeong Ryul Yun	196,402	84,472	0	0	0	163,5
CFO		NA				
Dongjin Jung	92,304	25,227	0	0	[illegible]	103,8
Chief Strategy Officer		NA				
Total 2023	932,360	274,936	-60,491	82,418	35,942	371,2

Compensation of the Group Management for 2022

Amounts in USD

Name	Base salary	Bonus earned and max %	Share based compensation earned	Share based compensation paid	Pension benefits	Other taxable benefits	Severance
Kurt Levens	131,414	15,102	96,564	58,569	0	30,681	0
President and CEO from September 28, 2022		50%					
James A. May II	243,255	0	0	34,093	27,450	162,460	514,695
President and CEO to September 28, 2022		50%					
Jeong Ryul Yun	49,234	23,540	0	0	0	61,024	0
CFO From October 3, 2022		110%					
Douglas Moore	124,336	4,116	0	0	12,529	52,983	0
CFO to October 2, 2022		25%					
Dongjin Jung	14,497	4,921	0	0	0	15,094	0
Chief Strategy Officer from November 1, 2022		50%					
Total 2022	562,735	47,678	96,564	92,662	39,979	322,241	514,695

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 2023 there was a total of USD 0.7 million in cash payments made with respect to share-based compensation to all eligible participants, and USD 0.5 million in 2022.

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

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

Compensation of the Board of Directors paid in 2023

Amounts in USD

Name	Member a December 31, 2023
Tae Won Jun	Yes
Dong Kwan Kim	Yes
Renate Oberhoffer-Fritz	Yes
Vivian Bertseka	Yes
Roberta Benedetti	Yes
Total 2023	

Compensation of the Board of Directors paid in 2022

Amounts in USD

Name	Member a December 31, 2022
Tae Won Jun	Yes
Dong Kwan Kim	Yes
Renate Oberhoffer-Fritz	Yes
Vivian Bertseka	Yes
Roberta Benedetti	Yes
Koo Yung Lee	No
Maeng Yoon Kim	No
Seung Deok Park	No
Annette Malm Justad	No
Audun Stensvold	No
Heike Heiligtag	No
Total 2022	

Loans and guarantees for Group Management, Board of Directors and shareholders
On December 31, 2023 and 2022 there was a loan in the amount of USD 40 thousand to Dongjin Jung.

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, 2023 and 2023. Refer to note 32 for details of the share option program.

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
Dongjin 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

The table includes those that were members on December 31, 2022

Name		Options
Kurt Levens	Group Management	388,600
Jeong Ryul Yun	Group Management	0
Dongjin Jung	Group Management	0
Tae Won Jun	Board of Directors	0
Dong Kwan Kim	Board of Directors	0
Dr. Renate Oberhoffer-Fritz	Board of Directors	0
Vivian Bertseka	Board of Directors	0
Roberta Benedetti	Board of Directors	0

Details of options outstanding on December 31, 2023

Name	Number of options Kurt Levens
2021 Program	133,279
2020 Program	81,068
2019 Program	41,266
Total	255,613

Note 17 Borrowings

Financial liabilities, interest bearing

USD in million	2023	2022
Non-current financial liabilities, interest bearing		
Bank Loan - KEB Hana Bank	110.0	0.0
Bank Loan - KEB Hana Bank	100.0	0.0
Bank Loan - NongHyup	40.0	0.0
Grant County WA tax settlement (USD)	3.0	4.2
Total non-current financial liabilities, interest bearing	253.0	4.2
Current financial liabilities, interest bearing		
Senior Secured Bond	0.0	110.0
Bank Loan - Standard Chartered	30.0	0.0
Capitalized Borrowing Cost [1]	-0.4	-0.1
Grant County WA tax settlement (USD)	1.2	1.1
Total current financial liabilities, interest bearing	30.9	111.0

[1] Amortized as part of effective interest.

Movements in borrowing

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

On April 3, 2023 the Company completed a three-year corporate debt financing of USD 110 million from Bank for the purpose of retiring the senior secured bond that matured on April 13, 2023 which was repa has an interest rate of three-month SOFR + 1.8%. The financing is guaranteed by REC Silicon's largest Hanwha Solutions with a guarantee fee of 0.9% per year.

On June 14, 2023 REC Silicon ASA through its subsidiary REC Silicon Inc, signed an agreement for a on million facility loan from Standard Chartered Bank for the purpose of supporting the capital needs of the The loan has an interest rate of one-month SOFR + 2.2%. This facility loan is part of the overall financing company's ongoing restart and expansion initiatives and is fully guaranteed by REC Silicon's largest sha Hanwha Solutions with a guarantee fee of 0.9% per year.

On July 20, 2023 REC Silicon ASA through its subsidiary REC Silicon Inc, entered into a three-year loan USD 100 million term loan from KEB Hana Bank for the purpose of supporting capital needs of the comp loan is part of the overall financing plan for the company's ongoing restart of the Moses Lake FBR facilit an interest rate of three-month SOFR + 1.5%. The term loan is also fully guaranteed by REC Silicon's lar holder Hanwha Solutions with a guarantee fee of 0.9% and a 0.5% fee for a standby letter of credit

On September 15, 2023 REC Silicon ASA through its subsidiary REC Silicon Inc, entered into a three-ye for a USD 40 million term loan from Nonghyup Bank for the purpose of supporting the restart capital nee company. The loan has an interest rate of three-month SOFR + 2.0%. The term loan is also fully guarant Silicon's largest shareholder Hanwha Solutions with an annual guarantee fee of 0.9% per year (see not

On October 14, 2020, the Company entered into a settlement agreement with Grant County, Washingto property tax dispute for tax years 2012 through 2015. REC Silicon agreed to pay Grant County USD 3.0 December 15, 2020, and USD 1.75 million each year for the next six years. The settlement resulted in th of a note payable using an interest rate of 11.5 percent used to impute the value of the liability. The note secured, as a matter of law, by the real property at the Moses Lake plant. On December 31, 2023, the re value of the property tax note was USD 4.2 million. Total remaining undiscounted payments on the prop are USD 5.3 million.

In 2023 the Company repaid USD Senior Secured Bond (REC04, ISIN NO0010820590).

On December 31, 2023 and 2022, the Company had complied with all financial covenants and other restrictions in the loan agreements.

The following are the contractual maturities of financial instruments excluding provisions and retirement benefit obligations:

On December 31, 2023			Maturity analysis - contractural payments to be made, including interest						
USD in million	Carrying amount	Total	0-6 Months	7-12 Months	2025	2026	2027	2028	After 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

On December 31, 2022			Maturity analysis - contractural payments to be made, including interest						
USD in million	Carrying amount	Total	0-6 Months	7-12 Months	2024	2025	2026	2027	After 2027
USD Senior secured bond	109.9	110.0	110.0	0.0	0.0				
Grant County WA tax settlement	5.3	7.0	0.0	1.8	1.8	1.8	1.8		
Accrued Finance Costs	2.8	2.8	6.3						
Trade payables and other liabilities	44.8	44.8	43.5	0.0	1.3	0.0	0	0.0	
Lease Liabilities	68.6	113.6	5.6	5.6	14.5	14.5	14.5	14.5	44.4
Total	231.4	281.7	165.4	7.3	17.6	16.3	16.3	14.5	44.4

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, 2023 were as follows

	Interest rate (%)		Currency	Amounts in million	Maturity	Borrower
Bank Loan - KEB Hana Bank	3 mon SOFR+1.8%		USD	110.0	2026	REC Silicon ASA
Bank Loan - KEB 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	11.50	Fixed	USD	4.2	2026	REC Solar Grade Silicon

The nominal interest rates and currency distribution on December 31, 2022 were as follows

	Interest rate (%)		Currency	Amounts in million	Borrower
USD Senior Secured Bond	11.50	Fixed	USD	110.0	REC Silicon ASA
Grant County WA tax settlement	11.50	Fixed	USD	5.3	REC Solar Grade Silicon

Note 18 Income tax expense a nd deferred tax assets and

Recognized income tax expense

USD in million	2023
Current income tax expense (-) / benefit (+)	0.0
Deferred tax expense (-) / benefit (+)	0.0
Total income tax expense (-) / benefit (+) in the statement of income	0.0

Relationship of income tax expense/benefit to profit/loss from continuing operations

USD in million	2023
Profit/loss before tax	30.5
Tax calculated at domestic tax rates applicable to profits /losses in the respective countries	-3.5
Effects of changes in tax rates and use of another tax rate for parts of profits /losses	2.4
Expenses not deductible for tax purposes	1.2
Effects of not recognized deferred tax assets, including reversal of previous years	-0.2
Total income tax expense (-) / benefit (+) in the statement of income	0.0
Effective tax rate	0%

The income tax calculation for the Group is primarily based on blended corporate income tax rates of 22
Norway and approximately 22.5 percent in the USA.

Income tax for REC Silicon in the USA is based on nominal 21 percent federal tax rate plus estimated sta
effective tax rate for REC Silicon in the USA was 0 percent in 2023 and 2022.

Income tax assets and liabilities in the statement of financial position

USD in million	2023	2022
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

Deferred tax assets and liabilities, based on classification as current and non-current are as follows

USD in million	2023	2022
Deferred tax assets		
Deferred tax asset to be recovered after 12 months	88.7	61.4
Offset deferred tax assets and liabilities	-88.7	-61.4
Total	0.0	0.0
Deferred tax liabilities		
Deferred tax liability to be settled after 12 months	88.7	61.4
Offset deferred tax assets and liabilities	-88.7	-61.4
Total	0.0	0.0
Net deferred tax liabilities	0.0	0.0

Tax losses and tax credit carryforwards are presented as deferred tax assets to be recovered after 12 months in the table above.

The following are the major deferred tax liabilities (-) and assets (+) recognized by the Group and movements during 2023

USD in million	Balance Jan 1	Recognized in income	Recognized in OCI/equity	Translation difference
Total non-current assets	-59.6	-29.2	0.0	1.8
Total non-current liabilities	0.0	0.0	0.0	0.0
Total current liabilities	0.0	0.0	0.0	0.0
Tax losses and tax credits carry-forward recognized	59.6	29.2	0.0	-1.8
Total	0.0	0.0	0.0	0.0

The following are the major deferred tax liabilities (-) and assets (+) recognized by the Group and movements during 2022

USD in million	Balance Jan 1	Recognized in income	Recognized in OCI/equity	Translation difference
Total non-current assets	-58.2	-7.7	0.0	6.3
Total non-current liabilities	-0.1	0.1	0.0	0.0
Total current liabilities	2.4	-2.2	0.0	-0.2
Tax losses and tax credits carry-forward recognized	55.9	9.8	0.0	-6.1
Total	0.0	0.0	0.0	0.0

[1] Tax losses and tax credit carry-forwards recognized on December 31, 2023 related to REC Silicon in the USA were USD 0.0 USD 88.1 million related to REC Silicon ASA. Tax losses and tax credit carry-forwards recognized on December 31, 2023 rel in the USA were USD 0.0 million and USD 59.6 million related to REC Silicon ASA.

Accumulated income taxes recognized to equity on December 31

USD in million	2023	2022
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	2023	2022
Total non-current assets	82.4	79.1
Total current assets	-0.4	1.2
Total non-current liabilities	18.7	19.2
Total current liabilities	9.8	8.6
Tax losses carry forward	371.3	360.5
Total	481.7	468.6

Distribution of the deferred tax assets that have not been recognized on December 31

USD in million	2023	2022
REC Silicon ASA (Norway)	33.5	40.2
REC Solar AS (Norway)	154.3	177.9
REC Silicon US operations	289.9	266.7
Other	4.1	-16.3
Total	481.7	468.6

The deferred tax asset in the United States was generated due to net operating losses on a tax basis, th reversal of book to tax differences for depreciation caused by the recognition of impairment (financial s and other taxable temporary differences which are expected to reverse on a more definite schedule. Th asset in the United States associated with net operating losses was USD 169.8 million on December 31, USD 122.9 million associated with net operating losses generated in 2017 and prior years which expire and 2037. Deferred tax assets of USD 46.9 million are due to net operating losses generated after 2017 expire.

In the United States, in the event of a change in the ultimate company's ownership, utilization of net ope and tax credit carry forwards are subject to certain limitations under Section 382 of the Internal Revenue company initiated a study in 2022. The study was completed in 2023 and the table above represents the study.

The deferred tax asset in Norway was generated due to net operating losses on a tax basis and other tax differences which are expected to reverse on a more definite schedule. The Norwegian Tax office has n Silicon ASA that they consider to change the company's income tax assessment for the years 2019-202 for this notification is an ongoing tax audit relating to whether interest should have been charged on loan from REC Silicon ASA to Rec Silicon Inc. and Rec Solar Grade Silicon LLC. As a temporary measure, due situation in these subsidiaries, the company has not charged interest on the loans in the period under ta company has responded to the tax office's notification and the company maintains its view that the subs not had debt bearing capacity in this period. The company has not recognized any deferred tax asset re losses carry forward.

Deferred tax assets have not been recognized due to requirements in IAS 12 for convincing evidence of 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, 2023 and 2022. 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	2023	2022
Gross retirement benefit obligations on January 1	33.5	44.2
Interest cost on pension obligations	1.7	1.2
Remeasurements recognized through OCI	0.8	-10.3
Benefits paid, paid-up policies and disability obligation	-1.7	-1.6
Gross retirement benefit obligations on December 31	34.2	33.5
Fair values of plan assets on January 1	24.8	30.8
Actuarial return on plan assets	2.9	-6.0
Pension premiums	1.3	1.6
Benefits paid, paid-up policies and disability reserve	-1.7	-1.6
Fair value of plan assets on December 31	27.3	24.8
Funded status on December 31	7.0	8.6
Net retirement benefit obligations on December 31	7.0	8.6

The plan assets relate to one of three ASiMI plans and are currently invested in a mix of 45% equity fund income funds.

Retirement benefit obligations in the statement of financial position

USD in million	2023
Net retirement benefit obligations on January 1	8.6
Net periodic benefit costs including net interest	0.5
Remeasurements recognized through OCI	-0.9
Pension premiums and benefits paid	-1.3
Net retirement benefit obligations on December 31	7.0

The amounts recognized in the statement of income are as follows

USD in million	2023
Total benefit plans	0.0
Defined Contribution	3.5
Total contribution expenses (see note 24)	3.5
Net interest expense	0.4

Remeasurements of the net defined benefit liability recognized through Other Comprehensive Income (gains (-)/losses (+))

USD in million	2023	2022
Experience adjustments	0.0	0.2
Effects of changes in assumptions	0.9	-10.4
Total remeasurements (gains (-)/losses (+)) on gross retirement benefit obligations	0.8	-10.3
Return on plan assets, excluding amounts included in interest	-1.7	6.8
Total remeasurements (gains (-)/losses (+)) recognized through Other Comprehensive Income	-0.9	-3.5

During 2023 the effects of changes in assumptions were due to a dcrease 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 16.8 million before income taxes on December 31, 2023. Of this, a loss of USD 16.8 million was related to ASiMI (excluding translation difference).

On December 31, 2023, 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

	2023
Discount rate	4.85
Future salary increases	NA
Future pension increases	NA
Future increase in social security base amount	NA
Future turnover	NA

The assumptions used to determine the benefit cost for the year are determined at the beginning of 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 are approximately 7.3 years at both December 31, 2023 and December 31, 2022. Pension premiums of 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 obligation and incluc as timing of the benefit payments. The weighted average duration of the defined benefit obligation is 11 December 31, 2023 and December 31, 2022.

For the ASiMI benefit plans, a one percentage point increase (decrease) in discount rate is estimated to (increase) the pension obligation by approximately USD 3.1/(3.7) million on December 31, 2023.

Note 20 Trade payables, provisions and other liabilities

Non-financial liabilities

USD in million	2023	2022
Non-current prepayments	24.9	0.0
Current portion of prepayments	5.7	0.1
Total prepayments	**30.7**	**0.1**

Trade payables and other liabilities

USD in million	2023	2022
Trade and other payables	41.4	31.8
Accrued costs for capex	0.0	0.0
VAT and other public taxes and duties payables	4.2	2.9
Accrued operating costs	12.0	6.0
Accrued finance costs	1.6	2.8
Other non-interest bearing liabilities	1.5	3.0
Trade payables and other liabilities	**60.7**	**46.5**

Provisions

USD in million	2023
Provisions non-current - interest bearing	23.8
Total provision	**23.8**

Specification of provisions

USD in million	2023
On January 1	19.3
Change in estimate in asset retirement obligation	3.5
Net periodic asset retirement obligation costs including net interest	1.0
On December 31	**23.8**

Non-current provisions

During 2023 the Company recorded an increased provision for asset retirement obligations (ARO) of USD 3.5 million. This was primarily due to a change in discount rates. Discount rates decreased compared to the previous year due to fluctuations in market rates. On December 31, 2023 the Company has recorded USD 23.8 million in AROs. These obligations consist of USD 2.5 million to restore leased wastewater containment ponds to conditions specified in the lease agreement and USD 21.3 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, 2023, a one percent increase to the discount rates would decrease the provision by USD 6.3 million, while a one percent decrease to the discount rates would increase the provision by USD 9.0 million.

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.

On December 31, 2022, the AROs represent the present value of estimated future costs discounted at 5.4 percent for 6 years for the wastewater containment ponds. The restoration of the production sites is discounted at 5.7 percent for 37.5 years. Total undiscounted amounts were USD 3.8 million for the ponds, and 144.8 million for the production sites.

Climate related risk has 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 2023. Government grant inc
was USD 6.0 million and was the result of refunds received from the United States Government for Empl
Credit. The Employee Retention Credit (ERC) – sometimes called the Employee Retention Tax Credit or
refundable tax credit for eligible businesses that had employees and were affected during the COVID-1
The credit is a broad-based refundable tax credit designed to encourage employers to keep employees
payroll. (see note 23).

Note 22 Other operating expenses

USD in million	2023	2022
Freight, postage and transportation	3.8	4.3
Energy and water	56.2	55.0
Lease and rental expenses	1.1	0.6
Total operating, service and maintenance costs	48.1	29.1
Consultancy and auditor fees	22.4	9.4
Own work capitalized on fixed assets	-0.5	-0.3
IT and telecommunications costs	3.7	2.5
Travel and entertainment costs	1.1	0.6
Insurance costs	5.8	4.6
Other operating costs	1.2	1.3
Other operating expenses	142.9	107.1

Auditor's remuneration

USD in million	2023	2022
Statutory Audit (only relating to statutory auditor)	0.7	0.5
Other assurance services (only relating to statutory auditor)	0.0	0.1
Tax advisory services (only relating to statutory auditor)	0.1	0.0
Other non-audit services (only relating to statutory auditor)	0.0	0.0
Total auditors remuneration	0.8	0.6

Note 23 Other income and expenses

USD in million	2023
Restructuring cost and employee termination benefits	0.0
Other	0.1
Employee Retention Credit	6.0
Insurance proceeds	2.6
Gains on disposal of non-current asset	0.3
Total other income and expenses	9.0

In 2023 Other income and expense primarily relates a refundable tax credit received from the United Sta
Government and insurance proceeds received from the cleanup and restoration from equipment damag
2022. (see note 21).

Note 24 Employee benefits

USD in million	2023	2022
Salaries	49.1	32.0
Bonus and sales commission - employees	5.0	0.8
Share option expense	-0.6	0.4
Social security tax	3.8	2.2
Defined Contribution	3.5	2.4
Other employee related costs	8.8	6.2
Employee benefit expenses	69.6	44.1

The average number of permanent employees during 2023 was 432. The average number of permanent employees during 2022 was 311.

There were loans provided to employees in the amount of USD 0.1 million on December 31, 2023 (see note 16) and 0.1 on December 31, 2022. There were no guarantees provided to employees on December 31, 2023 or 2022

Note 25 Financial income and expenses

USD in million	2023
Interest income from financial assets not at fair value through profit or loss	3.6
Total income from financial assets not at fair value through profit or loss	3.6
Interest expenses for USD Senior Secured Bond	-3.5
Interest expenses for Property Tax dispute	-0.6
Interest expenses for term loans	-10.8
Expensing of up-front fees and costs	-1.8
Interest on leaase liabilities	-8.5
Calculated/imputed interest other - added to principal - external	-1.0
Capitalization of borrowing costs	8.4
Other expenses from financial assets and liabilities	-0.5
Net financial expenses	-18.3
Net currency gains/losses	12.7
Gain from sale of Yulin JV	135.5
Net financial items	133.5

Interest income in 2023 includes interest on cash deposits of USD 3.6 million

Expensing of up-front fees and costs is primarily related to letter of credit and loan guarantee charged b
Solutions. (See notes 10 and 17)

Calculated interest is interest calculated on asset retirement obligations (see note 20).

Currency gains in 2023 were primarily the result of the repayment of capital between REC Silicon compa
was partially offset by a stronger USD compared to NOK on cash balances the company has in NOK.

Additional information to the statement of cash flows on interest, up-front fees, and other costs paid

Interest paid is approximately USD 16.5 million in 2023 and USD 22.0 million in 2022.

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

	2023	2022
Profit/loss from continuing operations (USD in million)	30.5	-87.0
Profit/loss from total operations (USD in million)	30.5	-86.8
Weighted average number of ordinary shares in issue (in million)	420.6	418.1
Basic earnings per share from continuing operations (USD per share)	0.07	-0.21
Basic earnings per share from total operations (USD per share)	0.07	-0.21

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 2023 or 2022.

Note 28 Research and development

USD in million	2023
Research and development expense	1.7
Development capitalized	0.0
Total research and development	1.7

Research and development activities consist of improvements to current production processes and equ
as activities designed to enhance quality, improve efficiency, and reduce production cost. Research and
expenses in the table above include depreciation of USD 0.4 million in 2023 and 2022.

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, 2023. 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 subsequent to 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, 2023

USD in million	Total	2024	2025	2026	2027	2028	After 2028
Total purchase of goods, services	80.0	79.9	0.0	0.0	0.0	0.0	0.0
Total purchase of CAPEX	39.0	39.0	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	119.1	119.0	0.0	0.0	0.0	0.0	0.0

Purchase obligations consist primarily of long-term contracts for the restart of granular production in Moses Lake as well as 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, 2023 were zero and on December 31, 2022 amounted to USD 1.1 m
USD 0.2 million of restricted cash as security.

The Group provided parent company guarantees for the REC Solar Group related to the performance of
and systems and the sale of REC ScanModule AB. The Group has been provided with offsetting guarant
Solar Holdings AS. The guarantees are valid for relevant warranty periods and are limited by warranties
solar panels and systems. Parent company guarantees for REC Solar were USD 28.1 million on Decemb
and USD 54.9 million on December 31, 2022. The guarantees will decrease from 2024 to 2039 when the
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.

	2023		2022	
USD in million	Carrying amount	Max. Exposure	Carrying amount	Max. Exposure
Cash and bank (incl. restricted bank accounts)	171.5	171.5	106.0	106.0
Trade receivables and accrued revenues	21.9	21.9	16.8	16.8
Other non-current and current receivables	0.0	0.0	0.1	0.1
Finance receivables and short-term loans	0.0	0.0	0.0	0.0
Total	193.4	193.4	123.0	123.0

Shared characteristics that identify each concentration of trade receivables on December 31

Geographical	2023	2022	Sector	2023	2022	Industry	2023	2022
Europe	43%	9%	Manufacturing	67%	61%	Electronic	92%	68%
Korea	17%	9%	Wholesale	33%	39%	Solar	8%	32%
Japan	11%	1%	Other	0%	0%	Other	0%	0%
North America	11%	14%						
Taiwan	10%	10%						
China	4%	54%						
Singapore	3%	2%						
Other Asia	2%	1%						
Total	100%	100%		100%	100%		100%	100%

The table above is calculated with respect to gross trade receivables. The provision for loss on trade rec
exclusively concentrated on customers in the solar industry in China and Taiwan.

The Group is dependent on a small number of customers. In 2023, three customers represented approx
55 percent of revenue for the Group. In 2022 four customers represented 57 percent. Since nearly all re
from the semiconductor segment, approximately 55 percent of the revenue in 2022 for the Semiconduc
consisted of three customers and four customers represented 57 percent in 2022. The Solar Materials s
represented by two customers in 2023 and one in 2022.

Three customers represented approximately 64 percent of total trade receivables for The Group on Dec
2023 (three customers represented approximately 60 percent on December 31, 2022).

Approximately 69 percent of the trade receivables for the Semiconductor segment consisted of three cu
2023 and 60 percent in 2022, while approximately 100 percent of the trade receivables for the Solar Ma
was represented by two customers in 2023 and three in 2022. See note 5 Segment Information above.

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, 2023

USD in million	Total carrying amount	Not due	Aging of receivables past 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
Prepaid Costs	8.7					
Total receivables and prepayments	30.7					

Analysis of aging of receivables on December 31, 2022

USD in million	Total carrying amount	Not due	Aging of receivables past due < 30 Days	>30<90 Days	>90<365 Days	>365 Days
Trade receivables	26.4	12.0	4.2	0.6	0.0	9.6
Provision for loss on trade recivables	-9.6	0.0	0.0	0.0	0.0	-9.6
Other non-current and current receivables	0.1	0.1	0.0	0.0	0.0	0.0
Total receivables	16.9	12.1	4.2	0.6	0.0	0.0
Prepaid Costs	6.3					
Total receivables and prepayments	23.2					

The provision for doubtful accounts includes the impact of adopting IFRS 9 which requires the Company to estimate expected credit losses (ECL) based upon historical experience. The Company has prepared analyses to calculate an ECL estimated at 0.22 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 ac are greater than 60 days past due unless there is a clear indication that payment will be received.

On December 31, 2023, approximately 19 percent of the not due receivables were secured by bank gua past due receivables secured by credit insurance. On December 31, 2022, approximately 33 percent o 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 restr net effect of a one percentage point increase (decrease) in interest rates is estimated to affect profit or by USD 1.1 (-1.1) million calculated on outstanding amounts on December 31, 2023 and 2022.

Exchange rate sensitivity

The table below shows the estimated impact of a 10 percent increase in foreign currency rates compare currencies for each entity. A decrease in the same percentage would create the opposite effect. The am lated in the table below are for REC Silicon ASA at period end and do not reflect fluctuations during the y below shows the effects of changes in exchange rates on positions denominated in NOK for 2023 and 2

Exchange rate sensitivity on financial instruments on December 31

USD in million	Change + 10% compared to fur 2023
Financial assets	0.1
Financial liabilities	-0.1
Total	0.0
Of which to equity	
USD receivables as part of net investment	0.0
Rest is to profit or loss	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.

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. First delivery to Hanwha Q Cells is expected in late Q1 or early Q2 2024. At first delivery, REC Silicon will receive a second prepayment from Hanwha Q Cells. (See notes 5 and 10)

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.

Note 32 Share-based compensation

The share-based incentive program is intended to award and incentivize outstanding performance by el
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
between a specific number of options multiplied by the strike price for such options and the same numb
shares multiplied by the weighted average market price of REC shares on the disbursement dates. The
ment does not need to be exercised by any action by the eligible employee and will be automatically dis
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
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 m
payments made depending upon the market value of the Company's stock on the exercise date. During
share options were granted. In 2018, 2019, 2020 and 2021, 1,200,000 share options were granted to ce
employees. The first three years are a lock-up period. The vesting of the options for eligible employees
in equal parts after the third, fourth and fifth years of each program, on each June 30 of each year. The
granted at a strike price of NOK 15.2 for 2018, 8.1 in 2019, 3.5 in 2020, and 17.5 in 2021. Any unexercis
forfeited upon termination of employment, unless the employee retires, in which case options are maint

Fair values are estimated each reporting date using the Black-Scholes option price model.

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

Options outstanding on December 31, 2022

Program	Exercise price (nok)	No. options	Total fair value (USD million)	Remaining contractual life (year)	Total expensed (USD million)
2018	15.2	342,371	0.1	0.5	0.1
2019	8.1	676,113	0.8	1.5	0.6
2020	3.5	1,015,787	1.5	2.5	1.0
2021	17.5	1,118,923	0.9	3.5	0.4
Total		3,153,194	3.4		2.1

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 also by options exercised. Options forfeited for 2023 and 2022 were 82,210 and 228,500 respectively. During 2023 the total amount of shares exercised were 334,488 from program year 2018, 328,737 from program year 2019, and 329,708 from program year 2020.

The amount recognized in the statement of income for share-based compensation was a credit of USD 0.6 million in 2023 and USD 0.4 million in 2022. On December 31, 2023, USD 0.6 million has been reported in the line other non-current liabilities on the statement of financial position and USD 0.3 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 2023 there was USD 0.7 million in cash payments made with respect to share-based compensation, and USD 0.5 million in 2022.

Note 33 Events after the reporting period

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

Parent company financial statements

Parent company balance sheet (NGAAP)

On December 31 (USD in thousand)	Notes	2023	2022
ASSETS			
Non-current assets			
Equipment and intangible assets	B	30	30
Investments in subsidiaries	C	133	133
Non-current receivables from subsidiaries	D	336,820	210,000
Total non-current assets		336,983	210,163
Current assets			
Other receivables		375	362
Restricted bank accounts current	E	13	214
Total current receivables		388	576
Cash and cash equivalents	E	17,027	90,841
Total current assets		17,415	91,417
Total assets		354,398	301,580

On December 31 (USD in thousand)	Notes	2023
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	G	49,629
Share premium	G	199,677
Total paid-in capital	G	249,306
Other equity and retained earnings	G	-5,223
Total shareholders' equity	G	244,083
Non-current liabilities		
Interest-bearing liablities	F	110,000
Total non-current liabilities		110,000
Current liabilities		
Trade payables		15
Social security tax, VAT and other taxes		57
Interest-bearing liabilities	F	0
Other current liabilities	L	243
Total current liabilites		315
Total liabilities		110,315
Total equity and liabilities		354,398

Lysaker, March 20, 2024
Board of Directors

Document is signed electronically

Tae Won Jun Chairman of the Board	Dong Kwan Kim Deputy Chair	Vivian Bertseka Member of the Board	Roberta Benedetti 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	2023	2022
Revenues		0	0
Employee benefit expenses	H	-215	-159
Other operating expenses	J	-2 485	-2 253
EBIT		-2 700	-2 412
Interest income, external		722	1 813
Interest expense, external	K	-9 920	-13 119
Other financial expenses	K	-8	-9
Net currency gains/losses	K	-4 592	-7 140
Impairment of financial assets	M	72,145	-68 709
Net financial items		58,347	-87 164
Profit/loss before income tax		55,647	-89 576
Income tax expenses from continuing operations	I	0	0
Profit / loss from continuing operations		55,647	-89 576
Profit / loss from discontinued operations, net of tax		0	147
Profit/ loss for the total operations		55,647	-89 429
Profit/loss for the year is distributed as follows			
Other equity (uncovered loss)	G	55,647	-89 429
Total distributed		55,647	-89 429

Parent company statement of cash flows (NGAAP)

Year ended December 31 (USD in thousand)	2023	2022
Cash flows from operating activities		
Loss before tax	55,647	-89,576
Impairment gains or losses on financial assets[1]	-72,145	68,709
Changes in receivables external	-13	-85
Changes in payables	-170	73
Reversal of derivatives and indemnification loan	0	147
Currency effects not cash flow or not related to operating activities[2]	183	-7,232
Other items3)	-2,641	7,839
Net cash flow from operating activities	-19,139	-20,125
Cash flow from investing activities		
Proceeds from finance receivables and restricted cash	20,208	0
Payments of receivables internal[1]	-74,883	-85,009
Net cash flow from investing activities	-54,675	-85,009
Cash flow from financing activities		
Increase in equity	0	109,511
Payment of loans	-110,000	-7,086
Proceeds from new loans	110,000	0
Net cash flow from financing activities	0	102,425
Net increase/decrease in cash and cash equivalents	-73,814	-2,709
Cash and cash equivalents at the beginning of the period	90,841	93,550
Cash and cash equivalents at the end of the period	17,027	90,841

[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, 2023 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.

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 20, 2024 and are subject to approval by the Annual General Meeting scheduled for May 14, 2024.

Note B Equipment and intangible

Equipment and intangible assets consist of office equipment

There has been no addition and disposal during 2023 and 20
The tangible assets were fully depreciated on December 31,

Note C Shares in subsidiaries

Company	Ownership/ voting right	Business office	Carrying amount on December 31 (USD in thousand) 2023	2022
REC SILICON AS	100%	Bærum	11	11
REC SOLAR AS	100%	Bærum	122	122
Total			133	133

Sub-subsidaries	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 carry
USD 336,800 thousand on December 31, 2023 and USD 193,700 thousand on December 31, 2022. In 2
Company reversed the impairment of these receivables by USD 158,100 thousand.

In 2022 the Company impaired these receivables by USD 68,709 thousand. These loans are not interest
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 previo
impaired the receivables/ loan to REC Silicon Pte. Ltd due to the subsidiary's financial situation and obli
the impairment of USD 5,208 thousand was reversed as the receivable from REC Silicon Pte Ltd was rep
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)	2023	2022
Current	13	214
Total restricted bank accounts	13	214

On December 31, 2023, current restricted bank accounts consist of USD 13 thousand to secure employees' tax deductions in REC Silicon ASA.

On December 31, 2022, 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)	2023
Non-current	
USD bank loan	110,000
Total non-current interest bearing liabilities	110,000
Current	
USD senior secured bond	0
Unamortized fees in relation to interest bearing liabilities	0
Total non-current interest bearing liabilities	0
Total interest bearing liabilities	110,000

In March 2023 the company entered into a bank loan of USD 110 million from KEB Hana Bank. The loan
Bank was fully guaranteed by Hanwha Solutions, REC Silicon ASA´s major shareholder. In April 2023 the
repaid the REC 04 Bond loan of USD 110 million.

See note 17 to the consolidated financial statements for details of the Company's interest-bearing liabil

Note G Equity

USD in thousand	Share capital	Share premium	Other equity and retained earnings (uncovered losses)	Total
Equity on January 1, 2022	44 125	95 670	28,559	168,354
Share issue	5 504	104 007	0	109,511
Loss for the year	0	0	-89,429	-89,429
Equity on December 31, 2022	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

On December 31, 2023, REC Silicon ASA had 34,318 shareholders (37,280 on December 31, 2022). The total number of outstanding shares was 420,625,659 on December 31, 2023 and 2022, each with a par value of NOK 1.

Capital increase/private placement

On January 19, 2022, the Company successfully completed a private placement of Equity with gross proceeds of NOK 964 million while issuing 48,213,001 new shares at NOK 20. The new share capital of the Company is NOK 420,625,659, divided into 420,625,659 shares, each with a par value of NOK 1.

Note H Employee benefits

Employee benefit expenses

USD in thousand	2023
Payroll	-184
Social security tax	-31
Pension expense including social security tax	0
Other employee related costs	0
Employee benefit expenses	-215

The average number of employees measured in man-years was 0.3 during 2023 and 0.0 for 2022. There or guarantees to employees on December 31, 2023 and 2022.

Payroll includes compensation to Board of Directors. For compensation and shareholdings for Group m Board of Directors see note 16 to the consolidated financial statements. Additionally, the executive man neration report prepared in accordance with the provisions of the Norwegian Public Companies Act will the Annual General Meeting in 2024.

Pension plans

On December 31, 2023, and 2022 the Company has one employee in Denmark and no employees locat and had thereby stopped maintaining a defined contribution pension plan for employees. As long as the employees located in Norway, the company maintained a contribution plan that fulfilled the requirement law: "Lov om obligatorisk tjenestepensjon".

Note I Income taxes

Recognized income tax expense

USD in thousand	2023	2022
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	2023	2022
Profit/Loss for before taxes	55,647	-89,429
Tax calculated at domestic tax rate of 22%	-12,242	19,674
Expenses not deductible for tax (-) /reversal (+)(permanent differences) [1]	0	0
Impairment gain (loss) (permanent differences) [1]	15,872	-15,116
Other permanent differences [2]	29,876	16,571
Effects of not recognized deferred tax assets, including reversal of previous years	-33,506	-21,130
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	2023
Profit/Loss for before taxes	55,647
Impairment gains and losses on shares and loans - permanent differences	-72,145
Expenses not deductible for tax (+) / reversal (-) (permanent differences)	0
Other permanent differnces [1]	17,558
Changes in temporary differences	23,269
Basis for income tax before utilization (-) / increase (+) of tax losses carried forward	-24,329
Utilization (-) / increase (+) of tax losses carried forward	24,329
Basis for current tax in the income statement	0
Estimated 22 percent current income tax	0
Current income tax benefit (+) expense (-) for the year	0
Basis for current tax in the income statement	0
Cost for capital increase	0
Tax loss caried forward	0
Basis for current tax in balance sheet	0
Current tax asset (+) / liability (-)	0

[1] Other permanent differences consist of income and cost registered in USD financial statement, but not applicable for tax cal
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	2023	2022
Fixed assets	-14	-25
Up-front fee and Capitalized borrowing cost	0	115
Interest bearing liabilities	0	0
Derivatives	0	0
Net urealized gains on non-current foreign exchange receivables and liabilities	402,977	364,740
Other	-7,864	-8,116
Tax losses carried forward	-547,398	-538,821
Total temporary differences and tax loss carried forward	-152,299	-182,106
Tax percentage	22%	22%
Deferred tax assets (-) / liabilities (+)	-33,506	-40,063
Deferred tax assets not recognized	33,506	40,063
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 notified REC Silicon ASA that they consider to change the company's income tax assessment for the years 2019-2022. The basis for this notification is 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 under tax audit. The company has responded to the tax office's notification and the company maintains its view that the subsidiaries have not had 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 deferred tax liabilities (+) and assets (-) recognized by the Company and movement during 2023 and 2022

USD in thousand	Balance Jan 1, 2023	Recognized in income	Recognized in equity	Translation differences
Fixed assets	-25	10	0	1
Up-front fee and capitalized borrowing cost	115	-107	0	-8
Interest bearing liabilities	0	0	0	0
Net urealized gains on non-current foreign exchange receivables and liabilities	364,740	47,695	0	-9,459
Other	-8,116	0	0	251
Tax losses carried forward	-538,821	-24,329	0	15,752
Total	182,106	23,269	0	6,538

USD in thousand	Balance Jan 1, 2022	Recognized in income	Recognized in equity	Translation differences
Fixed assets	-42	14	0	4
Up-front fee and capitalized borrowing cost	550	-386	0	-49
Interest bearing liabilities	-10,772	9,871	0	901
Net urealized gains on non-current foreign exchange receivables and liabilities	302,065	96,766	0	-34,090
Other	-9,071	-11	0	966
Tax losses carried forward	-590,949	-10,339	0	62,467
Total	308,219	95,913	0	30,199

Note J Other operating expenses

Specification of other operating expenses

USD in thousand	2023	2022
Operating lease expenses	-21	-17
Audit remuneration	-326	-268
Consultancy fee	-1,812	-771
Insurance	-242	-252
Other operating expenses	-84	-945
Total Other operating expenses	-2,485	-2,253

Audit remuneration

USD in thousand	2023	2022
Statutory audit	-264	-134
Other non-audit services	-62	-134
Total auditor´s remuneration expensed	-326	-268

Future payment obligations

The future aggregate minimum payment obligation is as follows.

	2023			20	
USD in thousand	Operating lease	Other	Total	Operating lease	Oth
No later the 1 year	0	69	69	0	7
Later than 1 year but not later than 5 years	0	0	0	0	
Later than 5 years	0	0	0	0	
Total	0	69	69	0	7

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. 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 2023.

Interest expenses, external

Specification of interest expenses, external

USD in thousand	2023
Interest USD senior secured bond and bank loan	-9,920
Total Interest expenses, external	-9,920

Interest expenses include expensing of upfront fees, see note 25 to the consolidated financial statemen

Currency gains and losses

Specification of net currency gains and losses

USD in thousand	2023
Net currency gains / losses on other - mainly bank deposit	-4,592
Total Net currency gains and losses	-4,592

Note L Derivatives, other current liabilities

Derivatives
REC Silicon ASA had no derivative contracts in 2023 and 2022.

Specification of other current liabilities

On December 31 (USD in thousand)	2023	2022
Accrued interest on interest-bearing liabilities	0	2,741
Accrued operating costs	243	304
Total Other current liabilities	243	3,045

Note M Impairment of financial assets

2023

USD in thousand	Shares in REC Silicon AS	Receivables to US operations	Receivables on REC Silicon AS
Par value / cost on January 1	108,104	1,001,928	85,009
Accumulated impairment on January 1	-108,093	-808,228	-68,709
Carrying value on January 1	11	193,700	16,300
Addition	159,872		74,883
Repayment	0	-15,000	
Conversion from loan to equity			-159,872
Impairment / reversal (+)	-159,872	158,100	68,709
Carrying value on December 31	11	336,800	20
Par value / cost on December 31	267,976	986,928	20
Accumulated impairment on December 31	-267,965	-650,128	0

2022

USD in thousand	Shares in REC Silicon AS	Receivables to US operations	Receivables on REC Silicon AS
Par value / cost on January 1	108,104	1,001,928	0
Accumulated impairment on January 1	-108,093	-808,228	0
Carrying value on January 1	11	193,700	0
Addition	0	0	85,009
Impairment	0	0	-68,709
Carrying value on December 31	11	193,700	16,300
Par value / cost on December 31	108,104	1,001,928	85,009
Accumulated impairment on December 31	-108,093	-808,228	-68,709

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 gain in 2023 and loss in 2022 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.

Note N Research and development

REC Silicon ASA did not conduct any activities associated with research and development during 2023 a

Note O Guarantees and bond

All Bank guarantees on December 31, 2023 have been terminated. Bank guarantees on December 31, 2022 amounted to USD 1.1 million with USD 0.2 million of restricted cash as security. This includes bank guarantees for the benefit of REC Solar AS of USD 1.1 million with USD 0.2 million of restricted cash as security.

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 USD 54.9 million on December 31, 2022. The guarantees decrease from 2024 to 2039 when they will expire in their entirety.

The Company and some of its subsidiaries where in 2022 jointly and severally liable for certain loans established by the Company.

- Relevant loan agreement on December 31, 2022 was as follows:
  - REC04: USD Senior Secured Callable bond, USD 110 million. The tenor is from April 13, 2018 to April 13, 2023.
- The Company and the following subsidiaries of the Company are jointly and several liable for the above-mentioned loan on December 31, 2022: REC Silicon AS, REC Silicon Inc., REC Advanced Silicon Materials LLC, REC Solar Grade Silicon LLC and REC Silicon Pte. Ltd.

In 2023 the bond loan REC04 were repaid and the abovementioned guarantees where removed. The new financing does not have guarantee clauses related to the subsidiaries of REC Silicon ASA, as the loan is guaranteed by Hanwha Solutions, the major owner of REC Silicon ASA.

Note P Related parties

Related parties' transactions for the Company are primarily l
subsidiaries (see note D and M)). These loans are included i
receivables from subsidiaries (see the balance sheet). Since
been no interest income calculation, see note K. Guarantee f
Solutions, REC Silicon ASA´s largest shareholder, are relate
guarantees from Hanwha Solutions for a USD 110 million ba
Silicon ASA from KEB Hana Bank in 2023. Group Manageme
of Directors' compensation, ownership of shares and option
ments and guarantees are shown in note 16 to the consolida
statements.

Note Q Contingent liabilities

REC had no contingent liabilities on December 31, 2023 and 2022.

Note R 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.

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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 2023, 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, and
- The consolidated financial statements of REC Silicon ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2023, 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 2023, 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 the Company for 23 years from the election by the general meeting of the shareholders on 14 May 2001 for the accounting year 2001.

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 the current period. 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.

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Asset Impairment

Refer to the section "Risk Factors" in the Board of Director's report, the accounting policies in note 2.8, the critical accounting judgments and key sources of estimation uncertainty described in Note 4, and Note 8 in the consolidated financial statements and parent company financial statements note M.

The key audit matter	*How the matter was addressed in our audit*
The impairment assessment of the Solar Materials CGU with a total net carrying value of USD 145.2 million is considered a risk area due to recurring net operating losses, increased raw material prices, changes in markets for solar grade polysilicon, changes to the discount rate and uncertainties related to the restart of FBR production at the Moses Lake production facility. The recoverable amount is determined based on value in use calculations which rely on external factors, management's assumptions, and estimated future performance. Key assumptions applied in management's assessment are 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 restart of the Moses Lake production facility. Significant professional judgement is required when evaluating whether management's assessments are reasonable and supportable. In the parent company financial statements, impairment assessment resulted in a net reversal of impairment on financial assets of USD 72.1 million. In the consolidated financial statements, no additional impairment or reversal of impairment was recognized.	Our audit procedures in this area included: - We evaluated the historical accuracy of management's budgets and forecasts and challenged management on the current year cash flow forecasts as well as the timing of future cash flows; - We evaluated the growth assumptions and management's future business plan assumptions; - We engaged our own valuation specialists to assess the mathematical and methodological integrity of management's impairment models and the discount rates applied with reference to market data; - We evaluated management's sensitivity analysis to determine the impact of reasonably possible changes and by comparing to our own sensitivity analysis; - We considered the impairment disclosures in light of the requirements and if information regarding key assumptions and sensitivities adequately reflected the underlying assets impairment assessments; and - We compared the carrying value of loans to the subsidiaries with the calculated value of the assets, to assess if valuation of loans is consistent with the value of the assets.

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.

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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 appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report 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 opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Sustainability Report.

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 consolidated 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. 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

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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 "549300VPZURYDFG0AB60-2023-12-31-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 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, 21 March 2024
KPMG AS

Øyvind Skorgevik

Øyvind Skorgevik
State Authorised Public Accountant

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 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 102.9 million for the year ended December 31, 2023, and a loss of USD 58.3 million for the year ended December 31, 2022.

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 5 Segment Information, 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.

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. EBITDA has been reported as a loss of USD 80.5 million for the year ended December 31, 2023, and a loss of USD 34.9 million for the year ended December 31, 2022.

EBITDA Margin

EBITDA margin is calculated by dividing EBITDA by revenues. EBITDA and revenu reflected on the Company's statement of income, in note 5 Segment Information financial highlight tables in this report in lines similarly titled.

EBITDA margin has been calculated and is reported in the financial highlight tabl Silicon Group, in the key financials table for each operating segment.

EBITDA Contribution

EBITDA contribution is used to describe the contribution of each of the operating other, and eliminations to the Company's total EBITDA. For the operating segme contributions represents revenues less cost of manufacturing excluding depreci amortization. For other, EBITDA contribution represents primarily operating cost

A table reconciling the EBITDA contribution of each operating segment along wit eliminations to the Company's total EBITDA can be found in note 5 Segment Info

EBIT Contribution

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

A table reconciling the EBIT contribution of each operating segment along with o eliminations to the Company's total EBIT can be found in note 5 Segment Informa

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, 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.

On December 31, 2022, the equity ratio is 18.9 percent and is calculated by dividing USD 60.4 million total shareholders' equity by USD 319.9 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, 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.

On December 31, 2022, net debt was USD 78.5 million or USD 115.2 million total carrying value of the Company's debt (from note 17 Borrowings) plus 68.6 million current and non-current lease liabilities (from the statement of financial position) less USD 105.3 million in cash in cash equivalents.

Nominal Net Debt

Nominal Net debt is the contractual repayment values of interest-bearing debt in (excluding interest) less cash and cash equivalents.

The contractual repayment values of debt can be found in note 17 Borrowings in the caption contractual repayments including interest and cash can be found in t financial position on the line titled cash and cash equivalents.

On December 31, 2023, nominal net debt was USD 183.2 million or USD 284.2 m contractual repayment values of the Company's debt plus 69.9 million current an lease liabilities (from the statement of financial position) less USD 170.9 million i equivalents.

On December 31, 2022, nominal net debt was USD 78.6 million or USD 115.3 mi repayment values of the Company's debt plus 68.6 million current and non-curre liabilities (from the statement of financial position) less USD 105.3 million in cash equivalents.

RECSiLICON

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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