

RECSiLICON

THIRD QUARTER

2022

REPORT



THIRD QUARTER HIGHLIGHTS

- > Revenues of \$36.7M and EBITDA loss of (\$13.8M)

- > September 30, 2022 cash balance of \$146.8M
 - Cash decrease of \$26.2M

- > Silicon gas sales
 - Sales volume of 586MT
 - Silane gas price increase of 0.6% vs. Q2 2022

- > Semiconductor segment polysilicon sales
 - Semiconductor grade polysilicon sales of 299MT
 - Total polysilicon sales of 389MT
 - Total average price (Excl. byproducts) increase of 3.1% vs. Q2 2022

- > Moses Lake restart
 - Modification of FBR reactors ongoing
 - First production target of Q4 2023 unchanged

FINANCIAL HIGHLIGHTS

Key Financials - REC Silicon Group

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021	Q2 2022
Revenues	36.7	36.2	116.2	99.9	143.2	45.0
EBITDA	-13.8	-3.7	-11.3	8.2	7.7	-1.1
EBITDA margin	-37.7%	-10.3%	-9.8%	8.2%	5.4%	-2.4%
EBIT excluding impairment charges	-19.6	-10.7	-30.8	-13.1	-20.5	-7.7
Impairment charges	0.0	0.0	-0.3	-0.3	-0.3	0.0
EBIT	-19.6	-10.7	-31.0	-13.4	-20.8	-7.7
EBIT margin	-53.4%	-29.5%	-26.7%	-13.4%	-14.5%	-17.2%
Profit/loss from continuing operations before tax	-28.6	-16.4	-61.0	-30.4	-43.5	-23.6
Profit/loss from continuing operations	-28.6	-16.4	-61.0	-30.4	-43.5	-23.6
Profit/loss from discontinued operations, net of tax	0.0	13.4	0.1	13.4	13.4	0.0
Earnings per share from continuing operations, basic and diluted (USD)	-0.07	-0.04	-0.15	-0.08	-0.12	-0.06
Polysilicon production in MT (Siemens and granular)	362	295	1,123	909	1,225	390
Polysilicon sales in MT (Siemens and granular)	389	397	1,127	1,155	1,636	471
Silicon gas sales in MT	586	728	2,203	2,328	3,078	852

REC SILICON GROUP

REC Silicon produces polysilicon and silicon gases for the solar and electronics industries at plants in Moses Lake, Washington and in Butte, Montana. Impacts of Chinese tariffs on polysilicon manufactured in the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon resulted in the shutdown of the FBR plant in Moses Lake, Washington during 2019. The Company is executing a plan to realize FBR production in Q4 of 2023. Current activities include execution of engineering, procurement, and construction for FBR upgrades. The company is targeting a ramp to 50 percent operation during Q2 2024 and a ramp to 100 percent operation during Q4 2024. (see Risks and Uncertainties on page 6).

Revenues for the third quarter of 2022 were USD 36.7 million compared to USD 45.0 million for the second quarter of 2022.

Total polysilicon production volume for the third quarter of 2022 was 362MT compared to 390MT during the second quarter of 2022.

EBITDA for the third quarter of 2022 was a loss of USD 13.8 million compared to a loss of USD 1.1 million during the second quarter of 2022. The decrease in EBITDA can primarily be attributed to lower EBITDA contribution from the semiconductor segment. Specifically increased costs associated the planned maintenance shutdown along with increased energy and raw material costs.

Summary of results by segment

(USD IN MILLION)	Q3 2022		Q3 2021		YEAR 2021		Q2 2022	
	REVENUES	EBITDA	REVENUES	EBITDA	REVENUES	EBITDA	REVENUES	EBITDA
Semiconductor Materials	36.6	-5.3	36.2	1.8	142.8	33.4	44.9	7.5
Solar Materials	0.1	-3.3	0.0	-2.3	0.1	-5.7	0.0	-3.3
Other & Eliminations	0.1	-5.2	0.1	-3.3	0.2	-20.0	0.1	-5.2
Total	36.7	-13.8	36.2	-3.7	143.2	7.7	45.0	-1.1

MARKET DEVELOPMENT

Markets for semiconductor grade polysilicon remained dominated by long-term sales contracts. During the third quarter of 2022, REC Silicon's total shipments were consistent with anticipated seasonality for the quarter and effects related to our maintenance shut down.

Demand for silicon wafers continued to grow, particularly for large diameter wafers intended for use in memory and advanced logic applications. Although capacity expansions have been announced, demand for large diameter wafers remained limited by wafer manufacturing capacity. Demand for smaller diameter wafers began to soften for some applications. Overall demand for REC polysilicon products in the third quarter was greater than REC's ability to supply during the period.

Demand for silicon gases remained high from semiconductor applications as production remained at full capacity utilization, specifically for gases used in advanced semiconductor applications. Demand for silicon gases in flat panel display applications sharply and rapidly weakened across a broad range of applications and entered a low order visibility environment. REC Silicon's sales of silicon gases continued to be adversely affected during the third quarter by delays in returning containers due to global shipping delays, port congestion, and availability of container booking. Demand for silicon gases in solar PV and older technology flat panel display applications in China accelerated the decline as manufacturers disengage from supply arrangements with the United States and the flat panel display market rapidly reacted to lower demand.

During the third quarter of 2022, demand for PV installations continued to be strong. The United States started seeing some impacts from the Withhold Release Orders and the Uyghurs Forced Labor Prevention Act. This caused some analysts to adjust installation forecasts down for the United States. Europe continued to see strong imports as module imports once again outpaced installations and as a result, installation forecasts were adjusted down and up during the third quarter. Concerns around supply chain issues and geopolitical issues have kept the market feeling uncertain, however, third quarter saw more optimism around installation growth. According to PV Insights, polysilicon prices started the quarter at USD 37.5/kg rising to a high of around USD 42/kg before finishing the quarter at USD 38.8/kg, an increase of approximately 3.5 percent over the second quarter. New polysilicon capacity started to come online but the effects in the market remain to be seen.

SEGMENT INFORMATION

SEMICONDUCTOR MATERIALS

REC Silicon manufactures polysilicon and silicon gases for semiconductor markets from its manufacturing facility in Butte, Montana. This facility is the world's largest supplier of silicon gases for semiconductor, flat panel display, and solar applications. The facility uses a silane based siemens polysilicon processing technology to produce the highest quality (FZ) polysilicon for use in the semiconductor industry. The Butte plant has a capacity of approximately 4,500MT of silicon gas loading and 2,000MT polysilicon production.

Semiconductor segment revenues were USD 36.6 million during the third quarter of 2022 compared to USD 44.9 million during the second quarter of 2022.

Total polysilicon sales volumes decreased by 81MT to 389MT in the third quarter of 2022 compared to 471MT during the second quarter

of 2022. Semiconductor grade polysilicon sales volumes decreased by 34MT to 299MT. Solar grade polysilicon sales volumes decreased by 47MT to 90MT.

Average polysilicon prices for the third quarter increased by 3.1 percent compared to the prior quarter due to product mix.

Total silicon gas sales volumes decreased by 266MT to 586MT during the third quarter of 2022. Sales prices realized by REC Silicon for silane gas increased by 0.6 percent during the third quarter primarily due to the mix of sales.

Total polysilicon production volume for the third quarter was 362MT compared to 390MT for the second quarter of 2022.

The Semiconductor Materials segment contributed a loss of USD 5.3 million to the Company's EBITDA during the third quarter of 2022 compared to income of USD 7.5 million during the second quarter of 2022. The decrease is due to a planned maintenance outage as well as increased electricity and other and raw material costs.

SOLAR MATERIALS

REC Silicon is working on the restart of manufacturing polysilicon for the solar energy markets from its facility in Moses Lake, Washington.

Impacts of Chinese tariffs on polysilicon manufactured in the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon resulted in the shutdown of the FBR plant in Moses Lake, Washington during 2019. The Company is executing a plan to restart FBR production in Q4 of 2023. Current activities include execution of engineering, procurement, and construction for FBR upgrades. The company is targeting a ramp to 50 percent operation during Q3 2023 and a ramp to 100 percent operation during Q4 2024.

Key Financials - Semiconductor Materials

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021	Q2 2022
Revenues	36.6	36.2	116.0	99.7	142.8	44.9
EBITDA contribution	-5.3	1.8	12.8	24.1	33.4	7.5
Contribution margin	-14.6%	5.1%	11.1%	24.2%	23.4%	16.7%
Polysilicon production in MT (Siemens)	362	295	1,123	909	1,225	390
Polysilicon sales in MT (Siemens)	389	397	1,127	1,090	1,570	471
Silicon gas sales in MT	586	728	2,203	2,328	3,078	852

Key Financials - Solar Materials

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021	Q2 2022
Revenues	0.1	0.0	0.1	0.1	0.1	0.0
EBITDA contribution	-3.3	-2.3	-9.4	-3.0	-5.7	-3.3
Polysilicon production in MT (Siemens and granular)	0	0	0	0	0	0
Polysilicon sales in MT (Siemens and granular)	0	0	0	65	65	0

Key Financials - Other and Eliminations

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021	Q2 2022
Revenues	0.1	0.1	0.2	0.2	0.2	0.1
EBITDA contribution	-5.2	-3.3	-14.8	-12.9	-20.0	-5.2
Silicon gas sales in MT	0	0	0	0	0	0

The Solar Materials segment contributed an EBITDA loss of USD 3.3 million during the third quarter compared to an EBITDA loss of USD 3.3 million during the second quarter of 2022.

Expenditures in the Solar Materials segment include expenditures required to maintain the plant as well as preparation for startup.

OTHER AND ELIMINATIONS

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

Net operating costs in Other and Eliminations were USD 5.2 million during the third quarter of 2022 compared to net operating costs of USD 5.2 million during the second quarter of 2022.

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES

Capital expenditures were USD 14.6 million during the third quarter of 2022 compared to USD 12.8 million during the second quarter. Capital spending during the third quarter was primarily associated with FBR modifications which will enable the restart of Moses Lake production in Q4 2023. Other capital spending included the Dichlorosilane (DCS) gas expansion project, and upgrades to semiconductor polysilicon production. The DCS expansion project is expected to be complete near the end of 2022. The project will result in an increase in DCS production capacity of approximately 200MT per year.

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

FINANCIAL ITEMS

Net financial expenses are primarily associated with interest expense on borrowings, interest expense on lease liabilities, and the amortization of up-front fees for the Senior Secured Bonds which mature in April 2023.

During the third quarter of 2022, the Company recognized interest expense on borrowings of USD 3.4 million, including USD 3.2 million

associated with the Senior Secured Bonds and USD 0.2M associated with a note with Grant County, Washington to settle disputed property taxes.

The Company recognized interest expense of USD 2.1 million on imputed liabilities for leased assets during third quarter. See note 4 for additional information on leases.

Net currency gains and (losses) are primarily related to the impact of exchange rate fluctuations between transaction currencies and the USD which is the primary functional currency for the group. Net currency losses during the third quarter of 2022 were the result of losses on cash deposits in NOK due to the impact of a significantly stronger USD compared to NOK.

See note 8 for additional information on borrowings.

INCOME TAX

The loss from total operations of USD 28.6 million during the third quarter of 2022 resulted in no effective tax impact due to the REC Silicon's unrecognized deferred tax asset. Losses increase the Company's unrecognized deferred tax asset. The losses will continue to be available to offset taxable income during future periods subject to certain limitations.

See note 18 to the consolidated financial statements for 2021 for additional information on income taxes.

CASH FLOW

Net cash outflows from operating activities were USD 7.4 million during the third quarter of 2022. Operating activities consisted of the loss from operations of USD 28.6 million, of which USD 5.8 million from depreciation. Trade receivables decreased by USD 4.8 million. This included a payment from the Yulin JV for USD 2.4 million (see note 5). Prepaid revenue from customers increased by USD 0.4 million, inventories decreased by USD 2.7 million, prepaid expenses increased by USD 0.6 million. A payment of USD 4.7 million was made to SNF as part of the JV settlement (see note 5). Remaining trade and other liabilities increased by USD 6.8 million. Other changes to assets and liabilities resulted in a USD 0.2 million increase to cash. Cash outflows included interest payments on leases of USD 2.8 million. There was also an effect of USD 4.6 million on cash balances due to foreign exchange rates.

Financial Items - REC Silicon Group

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021	Q2 2022
Financial income	0.8	0.0	1.0	0.1	0.1	0.0
Interest expenses on borrowings	-3.4	-3.4	-10.0	-10.1	-13.6	-3.3
Interest expense on leases	-2.1	-2.2	-6.5	-6.6	-8.8	-2.2
Capitalized borrowing cost	0.9	0.0	1.8	0.2	0.4	0.5
Net change in fair value of financial equity investment through profit and loss	-0.0	0.0	-0.0	0.0	0.0	0.0
Expensing of up-front fees and costs	-0.1	-0.1	-0.3	-0.3	-0.4	-0.1
Other financial expenses	-0.3	-0.3	-1.0	-1.0	-1.3	-0.3
Net financial expenses	-5.0	-6.0	-16.0	-17.9	-23.6	-5.4
Net currency gains/losses	-4.7	0.3	-14.9	0.8	0.8	-10.5
Net financial items	-9.0	-5.7	-29.9	-17.0	-22.7	-15.9

Cash outflows from investing activities were USD 13.5 million and were a result of capital expenditures of USD 14.6 million offset by the receipt of USD 1.1 million of a finance receivable.

Net cash flows from financing activities were USD 0.7 million and were the result of a decrease in lease liabilities. (See note 4).

During the third quarter of 2022 cash balances decreased by USD 26.2 million to USD 146.8 million at September 30, 2022.

FINANCIAL POSITION

In the third quarter, shareholders' equity decreased to USD 88.6 million (26.0 percent equity ratio) at September 30, 2022, compared to USD 113.2 million (30.8 percent equity ratio) at June 30, 2022. This decrease was the result of the loss from total operations of USD 28.6 million during the quarter, offset by currency translation differences taken to equity in the amount of USD 3.9 million.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. At September 30, 2022, net debt was USD 38.5 million, which consisted of USD 116.0 million total carrying value of the Company's debt (from note 8) plus USD 69.3 million current and non-current lease liabilities (from the balance sheet) less USD 146.8 million in cash and cash equivalents.

Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. At September 30, 2022, nominal net debt was USD 38.8 million or USD 116.3 million contractual repayment values of the Company's debt (from note 8) plus USD 69.3 million current and non-current lease liabilities (from the balance sheet) less USD 146.8 million in cash and cash equivalents.

See note 17 to the consolidated financial statements for 2021 and note 8 to this report for further information on interest bearing liabilities.

RISKS AND UNCERTAINTIES

Please refer to the annual report for 2021, specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

ANTICIPATED RESTART OF PRODUCTION FACILITY IN MOSES LAKE

The Company is executing a plan to realize FBR production in Q4 of 2023. Current activities include execution of engineering, procurement, and construction for FBR upgrades. The company is targeting a ramp to 50 percent operation during Q2 2024 and a ramp to 100 percent operation during Q4 2024.

Successful execution of the Company's plan to restart production at the Moses Lake facility would likely require reversal of impairment.

Additional impairments and provisions would be required if the Moses Lake facility is not restarted.

GLOBAL UNCERTAINTY

The Russian invasion of Ukraine has increased risks to global markets. The war has had significant impacts to energy costs. These increased energy costs have had a negative effect on REC Silicon's profitability as the semiconductor materials segment is dependent on electricity and natural gas as direct material inputs. REC Silicon has limited direct exposure in the region and is complying with all imposed sanctions. It is likely that pricing volatility will continue in the energy markets.

Volatility in the foreign currency market has had a negative impact on REC's cash position. REC Silicon holds a portion of its cash in NOK. The weakening of NOK compared to the USD has resulted in currency loss in 2022. Management is monitoring exchange rates and will consider converting NOK to USD.

Furthermore, rising interest rates, high inflation, and continued logistical challenges, add to uncertainty.

IMPACT OF COVID-19 GLOBAL PANDEMIC

Company management and the Board of Directors continue to monitor the situation and will take appropriate action as additional developments occur.

MARKET OUTLOOK

Continued global shipping delays and port congestion is expected to result in the delay of shipments. The outlook for markets provided below is focused on the long-term development of markets and assumes that economies recover from the COVID-19 pandemic.

Semiconductor supply chain participants and industry analysts are indicating that demand for some semiconductor devices is softening through the second half of 2022, particularly for commodity memory devices. This, combined with increasing softness in the commodity flat panel display segment may result in lower shipments of silane gas. Order fulfillment and execution may be adversely affected by delays in the global logistics supply chain and could continue to represent a volume limiter. REC Silicon will continue to mitigate, as much as possible, any disruption to our customers and revenue expectations.

In the fourth quarter of 2022 demand for REC Silicon's silane is expected to be in the range of the previous quarter's shipments with some risk to the lower end due to the softening factors observed. Other silicon gases demand remains strong due to its linkage to leading edge processes and the current capacity coming online globally, with limitations primarily due to packaging and logistics. While polysilicon demand remains strong, shipments will be affected by ongoing maintenance activities. Over the long run, macro demand factors associated with data transmission and storage, mobility, and increasing silicon content in automobiles and other consumer goods are expected to result in demand growth. The increasing trend towards electrification and the adoption of new technologies is also expected to increase demand for REC Silicon's advanced silicon products.

Recent developments in United States legislation may improve market outlook. The recent passing of the Creating Helpful Incentives to

Produce Semiconductors (CHIPS) and Science Act of 2022, is anticipated to bolster more American-made manufacturing along the semiconductor value chain. Additionally, recent grant awards from the Infrastructure Investment and Jobs Act, to silane based silicon anode material producers could create more demand for silane.

Solar grade polysilicon prices finished the third quarter on a downward trend at USD 38.8/kg. While this was better than second quarter it was below the third quarter peak of around USD 42/kg. With polysilicon capacity expansions coming online during the third and fourth quarters, expectations are that prices will continue to decline. Demand remains strong and wafer capacity expansions continue but the concern of oversupply is starting to temper the market. The aggressive purchasing of polysilicon and wafers seems to have given way to caution and inventory control discussions.

Global installation forecasts have been increased going into fourth quarter as fears around government supply and supply chain issues start to subside. The outlook remains strong and expectations are that each major geographical market will see growth in 2022. This growth is projected to continue throughout 2023. The supply expansion for polysilicon and wafers is forecasted to cause price declines which should support downstream pricing movements with modules. A decline in module prices will help to offset the investment pressures that are coming with the higher interest rates.

The United States Government continues to work on the implementation of the Inflation Reduction Act. There are now strong expectations around

supply chain growth in the United States. Some companies have already made new capacity announcements, and more are expected. As the United States, Europe, and India look towards a higher percentage of renewable energy for their total energy supply, manufacturing growth outside of China to support supply chain diversity is expected.

Optimism in the battery sector is expected to continue to increase as the US Department of Energy announced the first round of grant awards to support the development of a United States battery supply chain. USD 2.8 Billion was awarded, with USD 250 million going to companies that manufacture silicon anode material.

FORWARD LOOKING STATEMENTS

This report contains statements regarding the future in connection with the Group's growth initiatives, profit figures, outlook, strategies, and objectives. In particular, the section "Market Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to the Group's activities described in the section "Risks and Uncertainties" above and in REC Silicon's Annual Report for 2021, including the section Risk Factors in the Board of Directors' Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	SEP 30, 2022	SEP 30, 2021	DEC 31, 2021
ASSETS				
Non-current assets				
Intangible assets	3	1.0	0.9	0.9
Land and buildings	3	31.7	33.9	33.3
Machinery and production equipment	3	20.0	33.8	34.7
Other tangible assets	3	2.6	2.7	2.6
Assets under construction	3	46.0	9.7	12.5
Property, plant and equipment	3	100.3	80.1	83.1
Right of use assets	4	31.6	33.9	33.2
Other non-current receivables		0.0	0.0	0.0
Financial assets and prepayments		0.0	0.0	0.0
Total non-current assets		133.0	115.0	117.3
Current assets				
Inventories	7	35.3	38.2	33.1
Trade and other receivables	12	25.6	23.0	29.6
Restricted bank accounts		0.8	4.4	4.4
Cash and cash equivalents		146.8	126.3	110.5
Total current assets		208.4	192.0	177.6
Total assets		341.4	307.0	294.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	SEP 30, 2022	SEP 30, 2021	DEC 31, 2021
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3,027.7	2,918.2	2,918.2
Other equity and retained earnings		-2,939.0	-2,876.1	-2,884.9
Total shareholders' equity		88.6	42.0	33.3
Non-current liabilities				
Retirement benefit obligations		12.5	18.3	13.4
Non-current provision, interest calculation	10	20.9	15.3	20.2
Non-current financial liabilities, interest bearing	8, 14	5.3	116.0	115.2
Non-current lease liabilities	4	66.5	68.3	67.9
Other non-current liabilities, not interest bearing		1.0	0.9	1.6
Total non-current liabilities		106.1	218.9	218.2
Current liabilities				
Trade payables and other liabilities		32.1	30.5	29.4
Derivatives	6	0.0	0.0	0.0
Current financial liabilities, interest bearing	8, 14	110.7	11.2	11.3
Current lease liabilities	4	2.8	2.3	2.6
Current prepayments, interest calculation		1.0	2.1	0.2
Total current liabilities		146.6	46.1	43.5
Total liabilities		252.8	264.9	261.6
Total equity and liabilities		341.4	307.0	294.9

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Revenues		36.7	36.2	116.2	99.9	143.2
Cost of materials	7	-6.8	-4.4	-20.9	-12.8	-17.1
Changes in inventories	7	-5.9	-7.9	-5.4	-3.8	-8.9
Employee benefit expenses		-11.4	-8.6	-32.0	-29.4	-41.7
Other operating expenses		-25.8	-19.0	-68.8	-54.0	-75.6
Other income and expense 1)	14	-0.5	0.0	-0.5	8.3	7.9
EBITDA		-13.8	-3.7	-11.3	8.2	7.7
Depreciation	3	-4.9	-6.2	-17.1	-19.0	-25.2
Amortization	3	0.0	0.0	0.0	0.0	0.0
Depreciation of right of use assets	4	-0.8	-0.7	-2.3	-2.2	-3.0
Impairment ²⁾	3, 4, 7	0.0	0.0	-0.3	-0.3	-0.3
Total depreciation, amortization and impairment		-5.8	-7.0	-19.7	-21.6	-28.5
EBIT		-19.6	-10.7	-31.0	-13.4	-20.8
Financial income		0.8	0.0	1.0	0.1	0.1
Net financial expenses		-5.0	-6.0	-16.0	-17.9	-23.6
Net currency gains/losses		-4.7	0.3	-14.9	0.8	0.8
Net financial items ³⁾		-9.0	-5.7	-29.9	-17.0	-22.7
Profit/loss before tax from continuing operations		-28.6	-16.4	-61.0	-30.4	-43.5
Income tax expense/benefit from continuing operations		0.0	0.0	0.0	0.0	0.0
Profit/loss from continuing operations		-28.6	-16.4	-61.0	-30.4	-43.5
Profit/loss from discontinued operations, net of tax ⁴⁾	8	0.0	13.4	0.1	13.4	13.4
Profit/loss from total operations		-28.6	-3.0	-60.8	-17.0	-30.1
Attributable to:						
Owners of REC Silicon ASA		-28.6	-3.0	-60.8	-17.0	-30.1
Earnings per share (In USD)						
From continuing operations						
-basic		-0.07	-0.04	-0.15	-0.08	-0.12
-diluted		-0.07	-0.04	-0.15	-0.08	-0.12
Earnings per share (In USD)						
From total operations						
-basic		-0.07	-0.01	-0.15	-0.05	-0.08
-diluted		-0.07	-0.01	-0.15	-0.05	-0.08

1) Amounts for Q3 2022 are for employee termination benefits. See annual financial statements for information on amounts reported for 2021.

2) Amounts reported for 2022 include USD 0.2M related to software that will not be implemented

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REC SILICON GROUP

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Profit/loss from total operations	-28.6	-3.0	-60.8	-17.0	-30.1
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	0.0	0.0	0.0	0.0	4.3
Currency translation effects	0.1	0.0	0.3	0.0	0.0
Sum items that will not be reclassified to profit or loss	0.1	0.0	0.3	0.0	4.4
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences					
- taken to equity	3.9	0.0	6.4	0.0	0.0
Sum items that may be reclassified subsequently to profit or loss	3.9	0.0	6.4	0.0	0.0
Total other comprehensive income	4.0	0.0	6.7	0.0	4.3
Total comprehensive income	-24.5	-3.0	-54.2	-17.0	-25.7
Total comprehensive income attributable to:					
Owners of REC Silicon ASA	-24.5	-3.0	-54.2	-17.0	-25.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY REC SILICON GROUP

(USD IN MILLION)	NOTES	ATTRIBUTABLE TO EQUITY HOLDERS OF REC SILICON ASA						
		SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	OTHER EQUITY	COMPREHENSIVE INCOME	TOTAL EQUITY
September 30, 2022								
At January 1, 2021		53.6	2,822.7	41.8	2,918.2	539.0	-3,398.2	59.0
Share issue		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income		0.0	0.0	0.0	0.0	0.0	-16.9	-16.9
At September 30, 2021		53.6	2,822.7	41.8	2,918.2	539.0	-3,415.2	42.0
Year 2021								
At January 1, 2021		53.6	2,822.7	41.8	2,918.2	539.0	-3,398.2	59.0
Share issue		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income		0.0	0.0	0.0	0.0	0.0	-25.7	-25.7
At December 31, 2021		53.6	2,822.7	41.8	2,918.2	539.0	-3,423.9	33.3
September 30, 2022								
At January 1, 2022		53.6	2,822.7	41.8	2,918.2	539.0	-3,423.9	33.2
Share issue		5.5	104.0	0.0	109.5	0.0	0.0	109.5
Total comprehensive income		0.0	0.0	0.0	0.0	0.0	-54.2	-54.2
At September 30, 2022		59.2	2,926.7	41.8	3,027.7	539.0	-3,478.1	88.6

This table presents details of comprehensive income

(USD IN MILLION)	TRANSLATION DIFFERENCES THAT CAN BE TRANSFERRED TO PROFIT AND LOSS	ACQUISITION	RETAINED EARNINGS	TOTAL
September 30, 2021				
Accumulated at January 1, 2021	27.9	20.9	-3,447.0	-3,398.2
Profit/loss from total operations	0.0	0.0	-17.0	-17.0
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Currency translation effects	0.0	0.0	0.0	0.0
Sum items that will not be reclassified to profit or loss	0.0	0.0	0.0	0.0
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	0.0	0.0	0.0	0.0
Sum items that may be reclassified to profit or loss	0.0	0.0	0.0	0.0
Total other comprehensive income for the period	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	-17.0	-17.0
Accumulated at September 30, 2021	27.9	20.9	-3,464.0	-3,415.2
Year 2021				
Accumulated at January 1, 2021	27.9	20.9	-3,447.0	-3,398.2
Profit/loss	0.0	0.0	-30.1	-30.1
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	4.3	4.3
Currency translation effects	0.0	0.0	0.0	0.0
Sum items that will not be reclassified to profit or loss	0.0	0.0	4.4	4.4
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	0.0	0.0	0.0	0.0
Sum items that may be reclassified to profit or loss	0.0	0.0	0.0	0.0
Total other comprehensive income for the period	0.0	0.0	4.4	4.3
Total comprehensive income for the period	0.0	0.0	-25.7	-25.7
Accumulated at December 31, 2021	27.9	20.9	-3,472.7	-3,423.9
September 30, 2022				
Accumulated at January 1, 2022	27.9	20.9	-3,472.7	-3,423.9
Profit/loss from total operations	0.0	0.0	-60.8	-60.8
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Currency translation effects	0.0	0.0	0.3	0.3
Sum items that will not be reclassified to profit or loss	0.0	0.0	0.3	0.3
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	6.4	0.0	0.0	6.4
Sum items that may be reclassified to profit or loss	6.4	0.0	0.0	6.4
Total other comprehensive income for the period	6.4	0.0	0.3	6.7
Total comprehensive income for the period	6.4	0.0	-60.5	-54.2
Accumulated at September 30, 2022	34.3	20.9	-3,533.2	-3,478.1

CONSOLIDATED STATEMENT OF CASH FLOWS

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Cash flows from operating activities						
Profit/loss before tax ¹⁾		-28.6	-16.4	-61.0	-30.4	-43.5
Less: Government grant (forgiveness of C.A.R.E.S. Act Loan)		0.0	0.0	0.0	-8.3	-8.3
Income taxes paid/received		0.0	0.0	0.0	0.0	0.0
Depreciation, amortization and impairment	3, 4	5.8	7.0	19.7	21.6	28.5
Changes in receivables, prepayments from customers etc. ²⁾	5, 12	5.2	3.9	3.2	5.0	-2.4
Changes in inventories	7	2.7	6.8	-2.2	2.8	7.9
Changes in payables, accrued and prepaid expenses ³⁾	5	2.8	3.2	3.2	4.3	4.6
Changes in VAT and other public taxes and duties		0.1	-0.1	2.1	2.0	-0.6
Currency effects not cash flow or not related to operating activities		4.6	-0.6	15.2	-0.7	-0.7
Other items		-0.1	0.1	-0.2	0.3	0.0
Net cash flow from operating activities		-7.4	3.8	-20.0	-3.5	-14.6
Cash flows from investing activities						
Proceeds/Payments finance receivables and restricted cash		1.1	1.4	1.2	1.5	1.5
Payments for property, plant and equipment and intangible assets	3	-14.6	-2.1	-33.2	-4.9	-8.3
Net cash flow from investing activities		-13.5	-0.6	-32.0	-3.5	-6.8
Cash flows from financing activities						
Increase in equity		0.0	0.0	109.5	0.0	0.0
Payments of lease liabilities	4	-0.7	-0.5	-1.9	-1.6	-2.1
Payments of borrowings ⁴⁾	8	0.0	0.0	-7.1	0.0	-0.9
Net cash flow from financing activities		-0.7	-0.5	100.5	-1.6	-3.0
Effect on cash and cash equivalents of changes in foreign exchange rates		-4.6	0.0	-12.2	0.0	0.0
Net increase/decrease in cash and cash equivalents		-26.2	2.7	36.3	-8.6	-24.4
Cash and cash equivalents at the beginning of the period		173.0	123.6	110.5	134.9	134.9
Cash and cash equivalents at the end of the period		146.8	126.3	146.8	126.3	110.5

¹⁾ PROFIT/LOSS BEFORE TAX FROM TOTAL OPERATIONS CONSISTS OF

Profit/loss before tax from continuing operations		-28.6	-5.4	-61.0	-14.0	-43.5
Profit/loss before tax from discontinued operations		0.0	0.0	0.1	0.0	13.4
Profit/loss before tax from total operations		-28.6	-5.4	-60.8	-14.0	-30.1

2) Includes receipt of USD 2.4 million from the Yulin JV (see note 5)

3) Includes payment of USD 4.7 million to SNF (see note 5)

4) In 2022 Payment of borrowings is the net payment of the indemnification loan. Total payment was USD 10.7 million with USD 3.6 million from restricted cash. In 2021 payment of borrowings was for the Grant County Washington property tax settlement note.

NOTES

1 GENERAL

THE GROUP

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

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

BASIS OF PREPARATION

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

FINANCIAL STATEMENTS

These consolidated interim financial statements, combined with other relevant financial information in this report, have been prepared in accordance with IAS 34. They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2021. The consolidated financial statements for 2021 are available upon request from the Company's registered office in Lysaker, Norway or at www.recsilicon.com.

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

ACCOUNTING POLICIES

The consolidated financial statements for 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The accounting policies adopted by the Company are consistent with those of the previous fiscal year. See note 2.24 to the consolidated financial statements for 2021.

SEGMENT INFORMATION

REC Silicon produces silicon gas and polysilicon for the semiconductor industries at its manufacturing facility in Butte, Montana. The Company also has the capability to produce polysilicon for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington. Due to uncertain market conditions and impacts of Chinese tariffs on polysilicon manufactured in the United States, the manufacturing facility in Moses Lake, Washington is not currently operating (see note 11 below). Accordingly, there are two operating segments: Solar Materials and Semiconductor Materials. The operating segments include revenues less cost of manufacturing excluding depreciation for products sold. Other includes general, administrative, and selling expenses which support both operating segments in addition to administrative costs for the Company's headquarters in Lysaker, Norway. Eliminations include the reversal of the impact of transactions between group members and affiliates. The results of the operating segments plus Other and Eliminations taken together reconcile to total EBITDA for the Group.

Group Management is headed by the Chief Executive Officer (CEO), and the CEO makes decisions regarding the allocation of resources and performance assessment for all segments. Accordingly, the CEO is regarded as the Chief Operating Decision Maker (CODM).

An operating segment is a distinguishable component of the Group that is engaged in providing products that are subject to similar risks and returns and corresponds to management reporting.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). REC Silicon AS and REC Solar AS have a functional currency of NOK. The Company and its remaining subsidiaries have a functional currency of USD. The Group's reporting currency is USD. See note 2.4 to the consolidated financial statements for 2021.

ESTIMATES AND JUDGMENTS

Preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 to the consolidated financial statements for 2021.

2 SEGMENT INFORMATION

See notes 2.3 and 5 to the consolidated financial statements for 2021 and note 1 to these financial statements for further information on segments.

The following table summarizes key financial results by segment:

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
REVENUES					
Semiconductor Materials	36.6	36.2	116.0	99.7	142.8
Solar Materials	0.1	0.0	0.1	0.1	0.1
Other	0.1	0.1	0.2	0.2	0.2
Total	36.7	36.2	116.3	99.9	143.2
EBITDA					
Semiconductor Materials	-5.3	1.8	12.8	24.1	33.4
Solar Materials	-3.3	-2.3	-9.4	-3.0	-5.7
Other	-5.2	-3.3	-14.8	-12.9	-20.0
Total	-13.8	-3.7	-11.3	8.2	7.7
EBIT					
Semiconductor Materials	-8.6	-1.7	2.3	13.2	18.9
Solar Materials	-5.7	-5.5	-18.2	-13.1	-19.0
Other	-5.3	-3.4	-15.1	-13.4	-20.6
Total	-19.6	-10.7	-31.0	-13.4	-20.8

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

Semiconductor Materials - Segment

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Revenues	36.6	36.2	116.0	99.7	142.8
Cost of materials	-6.6	-4.3	-20.5	-12.6	-16.9
Change in inventories	-8.7	-11.3	-6.6	-12.7	-21.2
Writedowns on inventories	2.6	3.0	0.4	7.4	10.4
Change in inventories	-6.1	-8.4	-6.3	-5.3	-10.8
Employee benefit expense	-8.4	-5.7	-20.7	-17.6	-24.2
Other operating expenses	-20.8	-16.0	-55.7	-44.5	-62.1
Other income and expenses	0.0	0.0	0.0	4.5	4.5
Total current costs	-41.9	-34.4	-103.1	-75.5	-109.4
EBITDA contribution	-5.3	1.8	12.8	24.1	33.4
Depreciation of fixed assets	-2.7	-3.0	-8.4	-9.2	-12.1
Depreciation of leased assets	-0.6	-0.6	-1.9	-1.8	-2.4
Impairment	0.0	0.0	-0.3	0.0	0.0
Total depreciation, amortization, and impairment	-3.3	-3.6	-10.5	-11.0	-14.6
EBIT contribution	-8.6	-1.7	2.3	13.2	18.9

Solar Materials - Segment

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Revenues	0.1	0.0	0.1	0.1	0.1
Cost of materials	-0.1	-0.1	-0.3	-0.2	-0.2
Change in inventories	0.2	0.4	0.9	1.1	1.5
Writedowns on inventories	0.0	0.0	0.0	0.4	0.4
Change in inventories	0.2	0.4	0.9	1.4	1.9
Employee benefit expense	-0.7	-1.5	-4.5	-4.9	-6.8
Other operating expenses	-2.7	-1.1	-5.7	-3.3	-4.6
Other income and expenses	0.0	0.0	0.0	3.9	3.9
Total current costs	-3.4	-2.3	-9.5	-3.1	-5.8
EBITDA contribution	-3.3	-2.3	-9.4	-3.0	-5.7
Depreciation of fixed assets	-2.2	-3.1	-8.3	-9.4	-12.4
Amortization	0.0	0.0	0.0	0.0	0.0
Depreciation of leased assets	-0.1	-0.1	-0.4	-0.4	-0.6
Impairment	0.0	0.0	0.0	-0.3	-0.3
Total depreciation, amortization, and impairment	-2.3	-3.2	-8.8	-10.1	-13.3
EBIT contribution	-5.7	-5.5	-18.2	-13.1	-19.0

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

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Non-Contract Revenue	22.6	24.6	72.1	63.6	92.7
Structured (Regional/Volume pricing)	11.4	10.4	37.5	32.5	45.1
Tiered (Volume pricing)	2.7	1.2	6.7	3.7	5.3
Contract Revenue	14.1	11.6	44.2	36.3	50.5
Total	36.7	36.2	116.3	100.0	143.2

3 FIXED ASSETS

See note 6 to the consolidated financial statements for 2021.

Property, plant and equipment and intangible assets

(USD IN MILLION)	LAND AND BUILDINGS	MACHINERY AND PRODUCTION EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL PROPERTY, PLANT AND EQUIPMENT	TOTAL INTANGIBLE ASSETS	TOTAL
Carrying value at January 1, 2021	33.3	34.7	2.6	12.5	83.1	0.9	84.0
Net additions ¹⁾	0.0	0.5	0.5	33.6	34.5	0.1	34.6
Depreciation and amortization	-1.7	-15.1	-0.3	0.0	-17.1	0.0	-17.1
Impairment ²⁾	0.0	0.0	-0.2	0.0	-0.2	0.0	-0.2
Carrying value at September 30, 2022	31.7	20.0	2.6	46.0	100.3	1.0	101.3
At September 30, 2022							
Historical cost	140.9	2,154.9	73.4	87.6	2,456.8	68.8	2,525.5
Accumulated depreciation/amortization/impairment	-109.2	-2,134.9	-70.8	-41.6	-2,356.4	-67.8	-2,424.2
Carrying value at September 30, 2022	31.7	20.0	2.6	46.0	100.3	1.0	101.3

1) Net additions include transfers from assets under construction

IMPAIRMENT REVIEWS

See note 8 to the consolidated financial statements for 2021.

The Company conducted a review of impairment indicators at September 30, 2022 and did not identify any indicators which might give rise to a change in impairment compared to June 30, 2022. Indicators reviewed included, but were not limited to, the restart of FBR, and changes in market capitalization.

4 LEASES

See note 7 to the consolidated financial statements for 2021.

Right-of-Use assets

(USD IN MILLION)	LAND AND BUILDINGS	MACHINERY	GAS PLANTS	COMPUTER HW/SW	MOTOR VEHICLES	OFFICE EQUIPMENT	TOTAL
Balance at January 1, 2022	0.0	1.1	30.9	0.0	0.0	0.0	32.1
Depreciation	0.0	0.0	-0.7	0.0	0.0	0.0	-0.8
Modification of existing leases	0.0	0.0	0.4	0.0	0.0	0.0	0.4
Balance at September 30, 2022	0.0	1.0	30.5	0.0	0.0	0.0	31.6

Lease Liabilities

(USD IN MILLION)	TOTAL FUTURE LEASE PAYMENTS	MATURITY ANALYSIS - CONTRACTUAL PAYMENTS TO BE MADE					
		2022	2023	2024	2025	2026	AFTER 2026
Lease liabilities at September 30, 2022 ¹⁾	116.3	2.8	11.1	14.5	14.5	14.5	58.8

1) Amounts listed are undiscounted

The weighted average incremental borrowing rate applied to lease liabilities at September 30, 2022 and December 31, 2021 is 13.2 percent.

Amounts recognized in profit or loss

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Interest on lease liabilities	2.1	2.2	6.5	6.6	8.8
Depreciation of right-of-use assets	0.8	0.7	2.3	2.2	3.0
Gains (-) and losses (+) due to terminations, purchases, impairments, and other changes	0.0	0.0	0.0	0.0	0.3
Expenses relating to short-term leases	0.0	0.0	0.1	0.2	0.2
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.0	0.0	0.0	0.0	0.0

Right-of-use assets associated with contracts with a low value or terms of less than 12 months, at the time of initiation, are expensed in accordance with the low-value assets and short-term lease exemptions available upon implementation of IFRS 16.

Amounts recognized in the statement of cash flow

(USD IN MILLION)	Q3 2022	Q3 2021	SEP 30, 2022	SEP 30, 2021	YEAR 2021
Total cash outflow for leases	2.8	2.7	8.4	8.1	10.9

5 INVESTMENTS

OTHER INVESTMENTS

See note 9 to the consolidated financial statements for 2021.

The Group has an investment in China; Shaanxi Non-Ferrous Tian Hong REC Silicon Materials Co., Ltd. (Yulin JV). REC Silicon's ownership is 15 percent of the Yulin JV. The Company has designated the investment in the Yulin JV as an equity security at fair value through profit/loss (FVTPL).

REC Silicon's investment in the Yulin JV has been reported in the statement of financial position at a value of zero which is unchanged from the prior period.

During the Group's review of impairment indicators, no impairment indicators were identified that might give rise to a change in the valuation of the Company's investment in the Yulin JV.

On August 3, 2022, the Yulin JV passed performance testing requirements as outlined in the Technology Transfer Agreement (TTA). On August 4, 2022 REC Silicon received a Certificate of Completion stating all aspects of performance test passed and all performance guarantees are satisfied. Additionally, REC Silicon, the Yulin JV, and Shaanxi Non-Ferrous Tian Hong New Energy Co. Ltd. (SNF) agreed upon an exchange of payments. The Yulin JV paid USD 2.4 million to REC Silicon for invoices related to engineering and project services, REC Silicon made the final payment in the amount of USD 4.7 million to SNF in order to resolve the 2018 supplemental equity settlement agreement.

6 DERIVATIVES

After the settlement of the indemnification loans in Q1 2022, REC Silicon no longer has any material derivatives. See notes 3, 11, 17 and 30 to the consolidated financial statements for 2021.

7 INVENTORIES

See note 13 to the consolidated financial statements for 2021.

Inventories at end of period

(USD IN MILLION)	SEP 30, 2022			DEC 31, 2021		
	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS
Stock of raw materials	10.5	0.0	10.5	3.3	0.0	3.3
Spare parts	43.0	-33.5	9.5	42.6	-33.7	8.9
Work in progress	6.5	-1.7	4.9	11.9	-2.0	9.9
Finished goods	14.8	-4.4	10.5	15.4	-4.4	11.0
Total	74.8	-39.5	35.3	73.1	-40.1	33.1

8 BORROWINGS AND GUARANTEES

See notes 17, 29, and 30 to the consolidated financial statements for 2021.

Carrying amounts of interest-bearing liabilities at September 30, 2022 and contractual repayments (excluding interest payments) are specified in the table below.

(USD IN MILLION)	CARRYING AMOUNT		CONTRACTUAL PAYMENTS, EXCLUDING INTEREST					
	CURRENCY	USD	TOTAL	2022	2023	2024	2025	AFTER 2025
Capitalized Borrowing Cost, non-current (USD) ¹⁾	0.0	0.0						
Capitalized Borrowing Cost, current (USD) ¹⁾	-0.3	-0.3						
Senior secured bond (USD)	110.0	110.0	110.0		110.0			
Grant County WA tax settlement (USD)	6.3	6.3	6.3	1.0	1.1	1.2	1.4	1.6
Total		116.0	116.3	1.0	111.1	1.2	1.4	1.6

1) Amortized as part of effective interest

Guarantees

See note 29 to the consolidated financial statements for 2021.

At September 30, 2022, the Company had provided USD 1.1 million in bank guarantees for the benefit of REC Solar against which the Company has pledged USD 0.2 million of restricted cash as security.

The Company has also provided parent company guarantees related to the performance of solar panels and systems sold by the REC Solar Group. These guarantees were USD 54.7 million on September 30, 2022 and December 31, 2021.

Fair values of financial instruments

See note 30 to the consolidated financial statements for 2021.

The fair value of the USD senior secured bond at September 30, 2022 is estimated at 101.5 percent of nominal value. The USD senior secured bond is subject to level 2 of the fair value hierarchy of IFRS 13.

USD senior secured bond

(USD IN MILLION)	SEP 30, 2022	JUN 30, 2022	MAR 31, 2022	DEC 31, 2021
Nominal value	0.0	0.0	110.0	110.0
Capitalized Borrowing Cost, non-current ¹⁾	0.0	0.0	0.0	-0.1
Net carrying amount, non-current	0.0	0.0	110.0	109.9
Capitalized Borrowing Cost, current ¹⁾	-0.3	-0.4	-0.5	-0.5
Bonds, current portion	110.0	110.0	0.0	0.0
Net carrying amount	109.7	109.6	109.5	109.4

1) Amortized as part of effective interest

The USD senior secured bond matures in April of 2023. REC Silicon is actively working on strategies to refinance the bond.

9 COMMITMENTS

Contractual purchase obligations and minimum operating lease payments at September 30, 2022

(USD IN MILLION)	TOTAL FUTURE PAYMENTS	REMAINING 2022	2023	2024	2025	2026	2027	AFTER 2027
Purchase of goods and services	61.9	37.5	23.0	1.3	0.0	0.0	0.0	0.0
Minimum operating lease payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total purchase obligations and minimum lease payments	61.9	37.5	23.0	1.3	0.0	0.0	0.0	0.0

10 PROVISIONS

(USD IN MILLION)	Q3 2022	2022	2021
Carrying value at beginning of period	20.6	20.2	14.7
Change in estimate to asset retirement obligation	0.0	0.0	4.7
Net periodic interest on asset retirement obligation	0.2	0.7	0.8
Carrying value at end of period	20.9	20.9	20.2

See note 20 to the consolidated financial statements for 2021.

The asset retirement obligations (AROs) represent the present value of estimated future costs discounted between 3.5 to 4.8 percent and between 6.3 and 39.0 years.

11 CLAIMS, DISPUTES, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

Please refer to the annual report for 2021, specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

ANTICIPATED RESTART OF PRODUCTION FACILITY IN MOSES LAKE

The Company is executing a plan to realize FBR production in Q4 of 2023. Current activities include execution of engineering, procurement, and construction for FBR upgrades. The company is targeting a ramp to 50 percent operation during Q2 2024 and a ramp to 100 percent operation during Q4 2024.

Successful execution of the Company's plan to restart production at the Moses Lake facility would likely require reversal of impairment.

Additional impairments and provisions would be required if the Moses Lake facility is not restarted.

GLOBAL UNCERTAINTY

The Russian invasion of Ukraine has increased risks to global markets. The war has had significant impacts to energy costs. These increased energy costs have had a negative effect on REC Silicon's profitability as the semiconductor materials segment is dependent on electricity and natural gas as direct material inputs. REC Silicon has limited direct exposure in the region and is complying with all imposed sanctions. It is likely that pricing volatility will continue in the energy markets.

Volatility in the foreign currency market has had a negative impact on REC's cash position. REC Silicon holds a portion of its cash in NOK. The weakening of NOK compared to the USD has resulted in currency loss in 2022. Management is monitoring exchange rates and will consider converting NOK to USD.

Furthermore, rising interest rates, high inflation, and continued logistical challenges, add to uncertainty.

IMPACT OF COVID-19 GLOBAL PANDEMIC

Company management and the Board of Directors continue to monitor the situation and will take appropriate action as additional developments occur.

12 RECEIVABLES

See notes 12 and 30 to the consolidated financial statements for 2021.

Aging of receivables at March 31, 2021

(USD IN MILLION)	TOTAL CARRYING AMOUNT	AGING OF RECEIVABLES THAT ARE NOT IMPAIRED PAST DUE					IMPAIRED
		NOT DUE	< 30 DAYS	>30<90 DAYS	>90<365 DAYS	>365 DAYS	
Trade receivables and accrued revenues	30.2	16.9	2.2	1.4	0.0	0.0	9.6
Provision for loss on trade receivables	-9.6	0.0	0.0	0.0	0.0	0.0	-9.6
Other current receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total receivables	20.6	16.9	2.2	1.4	0.0	0.0	0.0
Prepaid Costs	4.9						
Total trade and other receivables	25.5						

In the third quarter REC Silicon exhausted efforts to collect from a previously impaired customer. As a result, the company wrote off USD 4.8 million of receivables as well as corresponding impaired receivable. This resulted in a net zero change to receivables. REC will continue to seek all collection options on remaining impaired accounts. There was no bad debt expense recorded for the Third quarter of 2022.

13 TRANSACTIONS WITH RELATED PARTIES

See notes 10 and 16 to the consolidated financial statements for 2021.

In the third quarter of 2022, REC Silicon invoiced USD 0.1 million in engineering and project services to the Yulin JV.

14 EVENTS AFTER THE REPORTING PERIOD

On October 21, 2022 REC Silicon ASA held an Extraordinary General Meeting and elected three new board members. The new members are Mr. Tae Won Jun (chair), Mr. Dong Kwan Kim (deputy chair), and Ms. Vivian Bertseka.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

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

The Company has identified the following APMs used in reporting:

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

EBIT is reflected on the consolidated statement of income on the line titled EBIT. EBIT has been reported as a loss of USD 19.6 million for the third quarter of 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 2 segments, and in the financial highlight tables in this report in lines titled similarly.

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

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

EBITDA is reflected on the consolidated statement of income on the line titled EBITDA. An EBITDA loss of USD 13.8 million has been reported for the third quarter of 2022.

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

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

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

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

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

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

Equity Ratio - The equity ratio is calculated by dividing total shareholders' equity by total assets. Total shareholders' equity and total assets are reflected on lines similarly titled on the Company's statement of financial position.

At September 30, 2022, the equity ratio is 26.0 percent and is calculated by dividing USD 88.6 million total shareholders' equity by USD 341.4 million in total assets.

Net Debt – Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.

The carrying value of debt can be found in note 8 borrowing in the table under the caption carrying amount, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

At September 30, 2022, net debt was USD 38.5 million or USD 116.0 million total carrying value of the Company's debt (from note 8) plus USD 69.3 million current and non-current lease liabilities (from the balance sheet) less USD 146.8 million in cash and cash equivalents.

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

The contractual repayment values of debt can be found in note 8 borrowing in the table under the caption contractual repayments excluding interest, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.

At September 30, 2022, nominal net debt was USD 38.8 million or USD 116.3 million contractual repayment values of the Company's debt (from note 8) plus USD 69.3 million current and non-current lease liabilities (from the balance sheet) less USD 146.8 million in cash and cash equivalents.

FOR FURTHER INFORMATION, PLEASE CONTACT

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About REC Silicon

REC Silicon ASA is a leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide. We combine over 30 years experience and best-in-class proprietary technology to deliver on customer expectations. Our two U.S. based plants have a capacity of more than 20,000 MT high-purity polysilicon. REC Silicon is headquartered in Lysaker, Norway and listed on the Oslo stock exchange under the ticker: RECSI.

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