

RECSiLICON

FOURTH QUARTER

2022

REPORT



FOURTH QUARTER HIGHLIGHTS

- > Revenues of \$31.6M and EBITDA loss of (\$23.6M)

- > December 31, 2022 cash balance of \$105.3M
 - Cash decrease of \$41.5M
 - Cash outflows from operating activities of \$22.2M

- > Silicon gas sales
 - Sales volume of 515MT
 - Price increase of 1.3% vs. Q3 2022

- > Semiconductor segment polysilicon sales
 - Semiconductor grade polysilicon sales of 226MT
 - Total polysilicon sales of 302MT
 - Total average price (including byproduct) increase of 12.8% vs. Q3 2022

- > Moses Lake restart
 - Modification of FBR reactors underway
 - First production target of Q4 2023 Unchanged

- > Market for solar grade polysilicon and silane gas
 - Polysilicon MOU with Hanwha Solutions Executed
 - Discussions underway for silane to LIB anodes with Hanwha Corporation

FINANCIAL HIGHLIGHTS

Key Financials - REC Silicon Group

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Revenues	31.6	43.2	147.8	143.2	36.7
EBITDA	-23.6	-0.4	-34.9	7.7	-13.8
EBITDA margin	-74.7%	-1.0%	-23.6%	5.4%	-37.7%
EBIT excluding impairment charges	-27.3	-7.4	-58.0	-20.5	-19.6
Impairment charges	0.0	0.0	-0.3	-0.3	0.0
EBIT	-27.3	-7.4	-58.3	-20.8	-19.6
EBIT margin	-86.3%	-17.1%	-39.4%	-14.5%	-53.4%
Profit/loss from continuing operations before tax	-26.0	-13.1	-87.0	-43.5	-28.6
Profit/loss from continuing operations	-26.0	-13.1	-87.0	-43.5	-28.6
Profit/loss from discontinued operations, net of tax	0.0	0.0	0.1	13.4	0.0
Earnings per share from continuing operations, basic and diluted (USD)	-0.06	-0.04	-0.21	-0.12	-0.07
Polysilicon production in MT (Siemens and granular)	252	316	1,375	1,225	362
Polysilicon sales in MT (Siemens and granular)	302	481	1,428	1,636	389
Silicon gas sales in MT	515	750	2,718	3,078	586

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. The Company is executing a plan to realize FBR production from its plant in Moses Lake 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 below).

Revenues for the fourth quarter of 2022 were USD 31.6 million compared to USD 36.7 million for the third quarter of 2022.

Total polysilicon production volume for the fourth quarter of 2022 was 252MT compared to 362MT during the third quarter of 2022.

EBITDA for the fourth quarter of 2022 was a loss of USD 23.6 million compared to a loss of USD 13.8 million during the third quarter of 2022. The decrease in EBITDA can primarily be attributed to lower EBITDA contribution from the semiconductor segment. Specifically, decreased revenues and increased costs associated with increased energy and raw material costs.

MARKET DEVELOPMENT

Markets for semiconductor grade polysilicon remained strong during the fourth quarter of 2022. Higher grade products remained in demand,

even as the market started working towards year-end inventory control. Silicon wafer growth started to slow as downstream demand outlook weakened. Large diameter wafer capacity was stable as the smaller diameters continued to soften as mentioned in the third quarter report.

Demand for silicon gases started the fourth quarter stable and in line with the third quarter sales projections. Continued demand in leading-edge semiconductor applications remained the driving force in the gas market despite softening in other end user markets. The demand for silicon gases in flat panel display applications continued to decline throughout the fourth quarter as end users reduced factory utilization and focused on inventory control. Silicon gas inventory in the supply chain started to stagnate leading to orders being cancelled and lower shipments of silane gas at the end of the quarter. A softer forecast with regards to solar PV for the first quarter of 2023 contributed to a lower shipment profile by the end of the year. The China market concentrated efforts on supply inside the country to combat inventory concerns and global logistics. Weakening demand in memory devices also added to the reduction in silicon gas sales. Market sentiment and concern focused on the potential of a global slowdown and recession leading end users to adjust order points to lower levels, however, by the end of the quarter, there were improvements in shipping times and freight costs.

During the fourth quarter of 2022, demand for PV installations globally continued to be strong. Europe continued to see increased imports for PV modules as concerns around energy supply and high natural gas pricing drove demand. However, the United States saw a decline in

REC Group - Reconciliation of Segments

(USD IN MILLION)	Q4 2022		Q4 2021		YEAR 2022		YEAR 2021	
	REVENUES	EBITDA	REVENUES	EBITDA	REVENUES	EBITDA	REVENUES	EBITDA
Semiconductor Materials	31.5	-6.5	43.2	9.3	147.4	6.3	142.8	33.4
Solar Materials	0.1	-10.5	0.0	-2.6	0.2	-19.9	0.1	-5.7
Other	0.1	-6.6	0.1	-7.1	0.2	-21.3	0.2	-20.0
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	31.6	-23.6	43.2	-0.4	147.8	-34.9	143.2	7.7

installations as impacts of the Uyghurs Forced Labor Prevention Act were felt. China saw record exports of modules in 2022 as regions like Europe and South America balanced out lower importing countries like the United States and India. Polysilicon supply in China continued to increase as new capacity came online. Overall, the market saw monthly supply of polysilicon increase past 30GW and then nearing 40GW by the end of the year. Factory utilizations for wafers declined as the quarter ended in anticipation of lower polysilicon prices ahead of Lunar New Year and inventory draw down. PV Insights showed polysilicon prices started the quarter at USD 38.8/kg then slowly declined as new capacity was released. Polysilicon finished the quarter at USD 23.2/kg, a decrease of approximately 40 percent from the third quarter.

SEGMENT INFORMATION

SEMICONDUCTOR MATERIALS

REC Silicon manufactures polysilicon and silicon gases for semiconductor markets from its manufacturing facility in Butte, Montana. This facility is the world's largest supplier of silicon gases for semiconductor, flat panel display, and solar applications. The facility uses a silane based siemens polysilicon processing technology to produce the highest quality (FZ) polysilicon for use in the semiconductor industry. The Butte plant has a capacity of approximately 5,240MT of silicon gas loading and 1,600MT of electronic grade polysilicon production.

Semiconductor segment revenues were USD 31.5 million during the fourth quarter of 2022 compared to USD 36.6 million during the third quarter of 2022.

Total polysilicon sales volumes decreased by 87MT to 302MT in the fourth quarter of 2022 compared to 389MT during the third quarter of 2022. Semiconductor grade polysilicon sales volumes decreased by 73MT to 226MT. Solar grade polysilicon sales volumes decreased by 14MT to 76MT.

Key Financials - Semiconductor Materials

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Revenues	31.5	43.2	147.4	142.8	36.6
EBITDA contribution	-6.5	9.3	6.3	33.4	-5.3
Contribution margin	-20.7%	21.5%	4.3%	23.4%	-14.6%
Polysilicon production in MT (Siemens)	252	316	1,375	1,225	362
Polysilicon sales in MT (Siemens)	302	481	1,428	1,570	389
Silicon gas sales in MT	515	750	2,718	3,078	586

Key Financials - Solar Materials

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Revenues	0.1	0.0	0.2	0.1	0.1
EBITDA contribution	-10.5	-2.6	-19.9	-5.7	-3.3
Polysilicon production in MT (Siemens and granular)	0	0	0	0	0
Polysilicon sales in MT (Siemens and granular)	0	0	0	65	0

Key Financials - Other and Eliminations

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Revenues	0.1	0.1	0.2	0.2	0.1
EBITDA contribution	-6.6	-7.1	-21.3	-20.0	-5.2
Silicon gas sales in MT	0	0	0	0	0

Excluding byproducts, average polysilicon prices for the fourth quarter increased by 3.2 percent compared to the prior quarter. Average prices realized for individual semiconductor grade polysilicon increased by 1.6 percent compared to the prior quarter. Average prices for solar grade polysilicon increased by 31.8 percent compared to the prior quarter.

Total silicon gas sales volumes decreased by 71MT to 515MT during the fourth quarter of 2022. Sales prices realized by REC Silicon for silane gas increased by 4.2 percent during the fourth quarter primarily due to the mix of sales.

Total polysilicon production volume for the fourth quarter was 252MT compared to 362MT for the third quarter of 2022.

The Semiconductor Materials segment contributed a loss of USD 6.5 million to the Company's EBITDA during the fourth quarter of 2022 compared to a loss of USD 5.3 million during the third quarter of 2022. The increased loss is due to lower revenue and 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.

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 Q2 2024 and a ramp to 100 percent operation during Q4 2024.

The Solar Materials segment contributed an EBITDA loss of USD 10.5 million during the fourth quarter compared to an EBITDA loss of USD 3.3 million during the third quarter of 2022. The decrease is due to increased restart activities.

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 6.6 million during the fourth quarter of 2022 compared to net operating costs of USD 5.2 million during the third quarter of 2022.

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES

Capital expenditures were USD 22.7 million during the fourth quarter of 2022 compared to USD 14.6 million during the third quarter. Capital spending during the fourth 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 business. The DCS expansion project is expected to be completed in Q2 2023. The DCS project has been delayed as a result of materials and equipment delays. 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 fourth 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.

The Company recognized interest expense of USD 2.1 million on imputed liabilities for leased assets during fourth 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 gains during the fourth quarter of 2022 were the result of gains on cash deposits in NOK due to the impact of a weaker USD compared to NOK.

See note 8 for additional information on borrowings.

INCOME TAX

The loss from total operations of USD 26.0 million during the fourth 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 22.2 million during the fourth quarter of 2022. Operating activities consisted of the loss from operations of USD 26.0 million, of which USD 3.7 million from depreciation. Trade receivables decreased by USD 3.8 million, offset by a decrease in prepayments from customers of USD 1.0 million. Inventories increased by USD 3.0 million. prepaid expenses increased by USD 1.4 million. Remaining trade and other liabilities increased by USD 6.9 million. Cash outflows included interest payments on leases of USD 2.1 million. There was also an increase effect of USD 5.1 million on cash balances due to foreign exchange rates.

Cash outflows from investing activities were USD 22.7 million and were a result of capital expenditures of USD 22.7 million.

Cash outflows from financing activities were USD 1.7 million and were the result of a payment of USD 1.0 million for the Grant County property tax note (see note 8). In addition, there was a net decrease in lease liabilities based upon the requirement of IFRS 16 Leases of USD 0.7 million. (see note 4).

Financial Items - REC Silicon Group

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	DEC 31, 2021	YEAR 2021	Q3 2022
Financial income	0.9	0.0	1.9	0.1	0.1	0.8
Interest expenses on borrowings	-3.4	-3.4	-13.4	-13.6	-13.6	-3.4
Interest expense on leases	-2.1	-2.2	-8.6	-8.8	-8.8	-2.1
Capitalized borrowing cost	1.2	0.2	3.0	0.4	0.4	0.9
Expensing of up-front fees and costs	-0.1	-0.1	-0.5	-0.4	-0.4	-0.1
Other financial expenses	-0.3	-0.2	-1.4	-1.3	-1.3	-0.3
Net financial expenses	-4.8	-5.7	-20.9	-23.6	-23.6	-5.0
Net currency gains/losses	5.2	-0.0	-9.7	0.8	0.8	-4.7
Net financial items	1.3	-5.7	-28.7	-22.7	-22.7	-9.0

During the fourth quarter of 2022 cash balances decreased by USD 41.5 million to USD 105.3 million at December 31, 2022.

FINANCIAL POSITION

In the fourth quarter, shareholders' equity decreased to USD 60.4 million (18.9 percent equity ratio) at December 31, 2022, compared to USD 88.6 million (26.0 percent equity ratio) at September 30, 2022. This decrease was the result of the loss from total operations of USD 26.0 million during the quarter, currency effects of USD 5.8 million which were offset by a remeasurement of defined benefit plan of USD 3.5 million.

Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. At December 31, 2022, net debt was USD 78.5 million, which consisted of USD 115.2 million total carrying value of the Company's debt (from note 8) plus USD 68.6 million current and non-current lease liabilities (from the balance sheet) less USD 105.3 million in cash and cash equivalents.

Nominal net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents. At December 31, 2022, nominal net debt was USD 78.6 million or USD 115.3 million contractual repayment values of the Company's debt (from note 8) plus USD 68.6 million current and non-current lease liabilities (from the balance sheet) less USD 105.3 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.

GOING CONCERN

The Company is working on a financing solution to address capital requirements. A solution is expected to be completed well before the bond maturity date in April. Additional information will be provided when finalized.

Management and the Board of Directors believes that the Company will be successful in attracting the capital necessary to meet debt maturity obligations and continue as a going concern. Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern.

RESTART OF PRODUCTION FACILITY IN MOSES LAKE

The Company 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. REC Silicon will convert NOK to USD as needed.

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

Indications point towards a softening in the silicon gas markets. This is mainly driven by the decline in the market for memory and flat panel displays. The market had previously seen a significant demand increase during the early months of the pandemic. This caused a sharp increase in purchases of home computing devices, laptops, and monitors, as examples, and subsequently amplified the normal purchase cycle for these products. This demand, along with automotive demand, caused strain in the supply chain as manufacturers tried to increase supply. With demand waning post Covid, the market is now seeing increased inventories.

The revised expectation is the silicon gases market will slow and clear inventory in the first half of 2023 while silane gas demand will remain flat. Inventory of memory and computing devices will be drawn down by mid-year and allow for recovery of silicon gases demand in the second half of the year. By the second half of 2023, market demand is also expected to return to normal growth projections over the next couple of years. Solar PV demand is expected to stay robust as capacity for cell and module increases both inside and outside China. More moderate growth is expected starting in 2024. Costs for logistics should also continue to see improvements throughout 2023 as demand eases in the first half.

Semiconductor polysilicon is forecasted to see stable demand with high-end devices for automobile and power control devices seeing continued growth throughout the year. Forecasts for data transmission and storage along with higher-power computing and communications still show growth in these markets.

The United States Department of Commerce will be releasing guidance for the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022 during the first half of 2023. This is expected

to spur opportunities for expansion of semiconductor manufacturing in the United States. The first to be targeted will be “front end” semiconductor manufacturing and “back end” packaging facilities. In Q2 2023, the expectation is also for opportunities for material suppliers and equipment manufacturers.

Solar grade polysilicon prices finished the fourth quarter at USD 23.2/kg, down from USD 38.8/kg and market forecasts are for prices to continue to decline as more capacity comes online. In response, expectations are that both polysilicon and wafer manufacturers will try to hold prices up as long as possible via slowing capacity expansions, lowering factory utilizations, or inventory controls measures to hold up supply. Final solar PV installation demand for 2022 is still being calculated but is currently forecasted to have 20 percent growth compared to 2021, putting installations over 225GW for the year. For 2023, early projections are for another strong double-digit growth year nearing or surpassing 300GW of installations. The supply side will continue seeing expansions and availability of material may still be in oversupply with polysilicon, wafer, cell, and module, however, it would not be surprising to see the strength of the market enable prices to hold for longer periods than forecasted.

The United States Government continues to work on the implementation of the Inflation Reduction Act. Announcements around capacity expansions continued to be made both inside the United States as well as other countries outside of China. Demand in the United States is expected to be strong, and imports should start to flow smoother as manufacturing capacity in the United States increases. Europe will continue its strong support for renewables as it continues to move away from its dependence on natural gas while India’s efforts to increase

domestic supply and limit imports, along with incentive programs, will support increased installations.

The battery market is seeing increased activities as the US Department of Energy grants are implemented. Rules and regulations around domestic content along with manufacturing cluster support should see more facilities being announced and developed this year. The demand for battery powered automobiles will drive the process to improve efficiency around battery capacity for total miles driven per charge or the time it takes to recharge the battery. Expectation is that improvements in these areas will create increasing demand for these vehicles, a cyclical process that will support increased capacity for the materials that supply the market.

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	DEC 31, 2022	SEP 30, 2022	DEC 31, 2021
ASSETS				
Non-current assets				
Intangible assets	3	1.0	1.0	0.9
Land and buildings	3	31.1	31.7	33.3
Machinery and production equipment	3	24.6	20.0	34.7
Other tangible assets	3	2.7	2.6	2.6
Assets under construction	3	62.4	46.0	12.5
Property, plant and equipment	3	120.9	100.3	83.1
Right of use assets	4	30.4	31.6	33.2
Other non-current receivables		0.1	0.0	0.0
Financial assets and prepayments		0.1	0.0	0.0
Total non-current assets		152.3	133.0	117.3
Current assets				
Inventories	7	38.3	35.3	33.1
Trade and other receivables	12	23.2	25.6	29.6
Restricted bank accounts		0.8	0.8	4.4
Cash and cash equivalents		105.3	146.8	110.5
Total current assets		167.5	208.4	177.6
Total assets		319.9	341.4	294.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REC SILICON GROUP

(USD IN MILLION)	NOTES	DEC 31, 2022	SEP 30, 2022	DEC 31, 2021
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital		3,027.7	3,027.7	2,918.2
Other equity and retained earnings		-2,967.3	-2,939.0	-2,884.9
Total shareholders' equity		60.4	88.6	33.3
Non-current liabilities				
Retirement benefit obligations		8.6	12.5	13.4
Non-current provision, interest calculation	10	19.3	20.9	20.2
Non-current financial liabilities, interest bearing	8	4.2	5.3	115.2
Non-current lease liabilities	4	65.8	66.5	67.9
Other non-current liabilities, not interest bearing		1.3	1.0	1.6
Total non-current liabilities		99.1	106.1	218.2
Current liabilities				
Trade payables and other liabilities		46.5	32.1	29.4
Current financial liabilities, interest bearing	8	111.0	110.7	11.3
Current lease liabilities	4	2.8	2.8	2.6
Current prepayments, interest calculation		0.1	1.0	0.2
Total current liabilities		160.3	146.6	43.5
Total liabilities		259.5	252.8	261.6
Total equity and liabilities		319.9	341.4	294.9

CONSOLIDATED STATEMENT OF INCOME

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021
Revenues		31.6	43.2	147.8	143.2
Cost of materials	7	-6.5	-4.3	-27.3	-17.1
Changes in inventories	7	1.6	-5.1	-3.8	-8.9
Employee benefit expenses		-12.1	-12.2	-44.1	-41.7
Other operating expenses		-38.3	-21.6	-107.1	-75.6
Other income and expense ¹⁾	14	0.0	-0.4	-0.5	7.9
EBITDA		-23.6	-0.4	-34.9	7.7
Depreciation	3	-2.9	-6.2	-19.9	-25.2
Amortization	3	0.0	0.0	0.0	0.0
Depreciation of right of use assets	4	-0.8	-0.8	-3.1	-3.0
Impairment ²⁾	3, 4, 7	0.0	0.0	-0.3	-0.3
Total depreciation, amortization and impairment		-3.7	-6.9	-23.4	-28.5
EBIT		-27.3	-7.4	-58.3	-20.8
Financial income		0.9	0.0	1.9	0.1
Net financial expenses		-4.8	-5.7	-20.9	-23.6
Net currency gains/losses		5.2	0.0	-9.7	0.8
Net financial items ³⁾		1.3	-5.7	-28.7	-22.7
Profit/loss before tax from continuing operations		-26.0	-13.1	-87.0	-43.5
Income tax expense/benefit from continuing operations		0.0	0.0	0.0	0.0
Profit/loss from continuing operations		-26.0	-13.1	-87.0	-43.5
Profit/loss from discontinued operations, net of tax 4)	8	0.0	0.0	0.1	13.4
Profit/loss from total operations		-26.0	-13.1	-86.8	-30.1
Attributable to:					
Owners of REC Silicon ASA		-26.0	-13.1	-86.8	-30.1
Earnings per share (In USD)					
From continuing operations					
-basic		-0.06	-0.04	-0.21	-0.12
-diluted		-0.06	-0.04	-0.21	-0.12
Earnings per share (In USD)					
From total operations					
-basic		-0.06	-0.04	-0.21	-0.08
-diluted		-0.06	-0.04	-0.21	-0.08

1) Amounts for 2022 include 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 related to the settlement of the indemnification loans.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REC SILICON GROUP

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021
Profit/loss from total operations	-26.0	-13.1	-86.8	-30.1
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	3.5	4.3	3.5	4.3
Currency translation effects	-0.3	0.0	0.0	0.0
Sum items that will not be reclassified to profit or loss	3.2	4.3	3.5	4.4
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences				
- taken to equity	-5.5	0.0	0.9	0.0
Sum items that may be reclassified subsequently to profit or loss	-5.5	0.0	0.9	0.0
Total other comprehensive income	-2.3	4.3	4.4	4.3
Total comprehensive income	-28.2	-8.7	-82.4	-25.7
Total comprehensive income attributable to:				
Owners of REC Silicon ASA	-28.2	-8.7	-82.4	-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
Year 2021								
At January 1, 2021		53.6	2,822.7	41.8	2,918.2	539.0	-3,398.2	59.0
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
Year 2022								
At January 1, 2022		53.6	2,822.7	41.8	2,918.2	539.0	-3,423.9	33.2
Share issue		5.5	104.0	0.0	109.5	0.0	0.0	109.5
Total comprehensive income		0.0	0.0	0.0	0.0	0.0	-82.4	-82.4
At December 31, 2022		59.2	2,926.7	41.8	3,027.7	539.0	-3,506.3	60.4

This table presents details of comprehensive income

(USD IN MILLION)	TRANSLATION DIFFERENCES THAT CAN BE TRANSFERRED TO PROFIT AND LOSS	ACQUISITION	RETAINED EARNINGS	TOTAL
Year 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	-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
Year 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	-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
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	3.5	3.5
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	0.9	0.0	0.0	0.9
Sum items that may be reclassified to profit or loss	0.9	0.0	0.0	0.9
Total other comprehensive income for the period	0.9	0.0	3.5	4.4
Total comprehensive income for the period	0.9	0.0	-83.3	-82.4
Accumulated at December 31, 2022	28.8	20.9	-3,556.0	-3,506.3

CONSOLIDATED STATEMENT OF CASH FLOWS

REC SILICON GROUP

(USD IN MILLION)	NOTES	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021
Cash flows from operating activities					
Profit/loss before tax from total operations ¹⁾		-26.0	-13.1	-87.0	-30.1
Government grant ³⁾		0.0	-0.1	0.0	-0.7
Income taxes paid/received		0.0	0.0	0.0	-8.3
Depreciation, amortization and impairment	3, 4	3.7	0.0	23.4	0.0
Changes in receivables, prepayments from customers etc.	12	2.7	0.0	5.9	-13.4
Changes in inventories	7	-3.0	-7.4	-5.2	-2.4
Changes in payables, accrued and prepaid expenses		7.6	5.2	10.9	7.9
Changes in VAT and other public taxes and duties		-2.1	0.0	0.0	0.0
Currency effects not cash flow or not related to operating activities		-5.0	0.0	10.2	0.0
Other items		-0.1	-0.3	-0.3	0.0
Net cash flow from operating activities		-22.2	-11.0	-42.1	-14.6
Cash flows from investing activities					
Proceeds/Payments finance receivables and restricted cash		0.0	0.0	1.1	1.5
Payments for property, plant and equipment and intangible assets	3	-22.7	-3.4	-55.9	-8.3
Net cash flow from investing activities		-22.7	-3.4	-54.8	-6.8
Cash flows from financing activities					
Increase in equity		0.0	0.0	109.5	0.0
Payments of lease liabilities	4	-0.7	-0.6	-2.6	-2.1
Payments of borrowings ²⁾		-1.0	-0.9	-8.1	-0.9
Net cash flow from financing activities		-1.7	-1.4	98.8	-3.0
Effect on cash and cash equivalents of changes in foreign exchange rates		5.1	0.0	-7.2	0.0
Net increase/decrease in cash and cash equivalents		-41.5	-15.9	-5.2	-24.4
Cash and cash equivalents at the beginning of the period		146.8	126.3	110.5	134.9
Cash and cash equivalents at the end of the period		105.3	110.5	105.3	110.5
¹⁾ PROFIT/LOSS BEFORE TAX FROM TOTAL OPERATIONS CONSISTS OF					
Profit/loss before tax from continuing operations		-26.0	-13.1	-87.0	-43.5
Profit/loss before tax from discontinued operations		0.0	0.0	0.1	13.4
Profit/loss before tax from total operations		-26.0	-13.1	-86.8	-30.1

2) In 2022 Payment of borrowings includes the net payment of the indemnification loan as well as payment 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)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
REVENUES					
Semiconductor Materials	31.5	43.2	147.4	142.8	36.6
Solar Materials	0.1	0.0	0.2	0.1	0.1
Other	0.1	0.1	0.2	0.2	0.1
Total	31.6	43.2	147.8	143.2	36.7
EBITDA					
Semiconductor Materials	-6.5	9.3	6.3	33.4	-5.3
Solar Materials	-10.5	-2.6	-19.9	-5.7	-3.3
Other	-6.6	-7.1	-21.3	-20.0	-5.2
Total	-23.6	-0.4	-34.9	7.7	-13.8
EBIT					
Semiconductor Materials	-9.9	5.7	-7.6	18.9	-8.6
Solar Materials	-10.7	-5.9	-28.9	-19.0	-5.7
Other	-6.7	-7.2	-21.8	-20.6	-5.3
Total	-27.3	-7.4	-58.3	-20.8	-19.6

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

Semiconductor Materials - Segment

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Revenues	31.5	43.2	147.4	142.8	36.6
Cost of materials	-6.4	-4.3	-26.9	-16.9	-6.6
Change in inventories	0.9	-8.5	-5.8	-21.2	-8.7
Writedowns on inventories	0.7	2.9	1.1	10.4	2.6
Change in inventories	1.6	-5.5	-4.7	-10.8	-6.1
Employee benefit expense	-5.0	-6.6	-25.7	-24.2	-8.4
Other operating expenses	-28.1	-17.5	-83.8	-62.1	-20.8
Other income and expenses	0.0	0.0	0.0	4.5	0.0
Total current costs	-38.0	-33.9	-141.1	-109.4	-41.9
EBITDA contribution	-6.5	9.3	6.3	33.4	-5.3
Depreciation of fixed assets	-2.7	-3.0	-11.1	-12.1	-2.7
Depreciation of leased assets	-0.6	-0.6	-2.6	-2.4	-0.6
Impairment	0.0	0.0	-0.3	0.0	0.0
Total depreciation, amortization, and impairment	-3.4	-3.6	-13.9	-14.6	-3.3
EBIT contribution	-9.9	5.7	-7.6	18.9	-8.6

Solar Materials - Segment

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Revenues	0.1	0.0	0.2	0.1	0.1
Cost of materials	-0.1	-0.1	-0.4	-0.2	-0.1
Change in inventories	0.5	0.5	1.4	1.5	0.2
Writedowns on inventories	0.0	0.0	0.1	0.4	0.0
Change in inventories	0.5	0.5	1.4	1.9	0.2
Employee benefit expense	-4.4	-1.8	-8.8	-6.8	-0.7
Other operating expenses	-6.6	-1.2	-12.3	-4.6	-2.7
Other income and expenses	0.0	0.0	0.0	3.9	0.0
Total current costs	-10.6	-2.6	-20.1	-5.8	-3.4
EBITDA contribution	-10.5	-2.6	-19.9	-5.7	-3.3
Depreciation of fixed assets	0.0	-3.1	-8.4	-12.4	-2.2
Amortization	0.0	0.0	0.0	0.0	0.0
Depreciation of leased assets	-0.1	-0.1	-0.6	-0.6	-0.1
Impairment	0.0	0.0	0.0	-0.3	0.0
Total depreciation, amortization, and impairment	-0.2	-3.2	-9.0	-13.3	-2.3
EBIT contribution	-10.7	-5.9	-28.9	-19.0	-5.7

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

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021	Q3 2022
Non-Contract Revenue	21.8	29.0	93.9	92.7	22.6
Structured (Regional/Volume pricing)	7.3	12.6	44.8	45.1	11.4
Tiered (Volume pricing)	2.4	1.6	9.1	5.3	2.7
Contract Revenue	9.7	14.2	53.9	50.5	14.1
Total	31.6	43.2	147.8	143.2	36.7

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, 2022	33.3	34.7	2.6	12.5	83.1	0.9	84.0
Net additions ¹⁾	0.0	7.2	0.8	49.9	58.0	0.1	58.0
Depreciation and amortization	-2.2	-17.3	-0.4	0.0	-19.9	0.0	-20.0
Impairment ²⁾	0.0	0.0	-0.2	0.0	-0.3	0.0	-0.3
Carrying value at December 31, 2022	31.1	24.6	2.7	62.4	120.9	1.0	121.8
At December 31, 2022							
Historical cost	140.9	2,161.3	73.4	104.0	2,479.6	68.8	2,548.4
Accumulated depreciation/amortization/impairment	-109.7	-2,136.7	-70.7	-41.6	-2,358.7	-67.8	-2,426.5
Carrying value at December 31, 2022	31.1	24.6	2.7	62.4	120.9	1.0	121.8

1) Net additions include transfers from assets under construction

IMPAIRMENT REVIEWS

See note 8 to the consolidated financial statements for 2021.

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

The Company conducted a review of impairment indicators at December 31, 2022. For the Solar CGU, impairment indicators were identified that could give rise to a change in impairment included changes in the discount rate, recurring net operating losses, and increases in the carrying value due to assets under construction.

This review included the estimated impacts of entering into a binding term sheet with Hanwha Solutions to supply FBR material and is dependent on the restart of the FBR plant in Moses Lake in 2023. An increase in fair value due to this agreement is difficult to estimate before a full form supply agreement is in place as the fair value is significantly influenced by long term cash flows. A full form supply agreement is expected to be executed in 2023. Areas of estimation include but are not limited to sales price, discount rate, and cost inputs. A conservative pricing estimate was used and the resulting value in use of the Solar Materials CGU is estimated to approximate the carrying value at December 31, 2022. Therefore, no additional impairment or reversal of impairment has been recognized.

Additional impairment of the Solar Materials CGU would be required if the FBR facility is not restarted. Conversely, a full form supply agreement and successful restart of the would likely require a reversal of impairment.

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

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	0.1	1.2	32.0	0.0	0.0	0.0	33.3
Depreciation	-0.1	-0.2	-2.8	0.0	0.0	0.0	-3.1
Modification of existing leases	0.0	-0.5	0.7	0.0	0.0	0.0	0.3
Balance at December 31, 2022	0.0	0.5	29.9	0.0	0.0	0.0	30.4

Lease Liabilities

(USD IN MILLION)	TOTAL FUTURE LEASE PAYMENTS	MATURITY ANALYSIS - CONTRACTUAL PAYMENTS TO BE MADE					
		2023	2024	2025	2026	2027	AFTER 2027
Lease liabilities at December 31, 2022 ¹⁾	113.6	11.1	14.5	14.5	14.5	14.5	44.4

1) Amounts listed are undiscounted

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

Amounts recognized in profit or loss

(USD IN MILLION)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021
Interest on lease liabilities	2.1	2.2	8.6	8.8
Depreciation of right-of-use assets	0.8	0.8	3.1	3.0
Gains (-) and losses (+) due to terminations, purchases, impairments, and other changes	0.5	0.3	0.5	0.3
Expenses relating to short-term leases	0.0	0.0	0.1	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

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)	Q4 2022	Q4 2021	YEAR 2022	YEAR 2021
Total cash outflow for leases	2.8	2.7	11.2	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.

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)	DEC 31, 2022			DEC 31, 2021		
	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS
Stock of raw materials	12.1	0.0	12.1	3.3	0.0	3.3
Spare parts	42.8	-33.4	9.4	42.6	-33.7	8.9
Work in progress	9.4	-2.3	7.1	11.9	-2.0	9.9
Finished goods	12.8	-3.1	9.7	15.4	-4.4	11.0
Total	77.1	-38.8	38.3	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 December 31, 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	2023	2024	2025	2026	AFTER 2026
Capitalized Borrowing Cost, non-current (USD) ¹⁾	0.0	0.0						
Capitalized Borrowing Cost, current (USD) ¹⁾	-0.1	-0.1						
Senior secured bond (USD)	110.0	110.0	110.0	110.0				
Grant County WA tax settlement (USD)	5.3	5.3	5.3	1.1	1.2	1.4	1.6	0.0
Total		115.2	115.3	111.1	1.2	1.4	1.6	0.0

1) Amortized as part of effective interest

Guarantees

See note 29 to the consolidated financial statements for 2021.

At December 31, 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 December 31, 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 December 31, 2022 is estimated at 100.5 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)	DEC 31, 2022	SEP 30, 2022	JUN 30, 2022	MAR 31, 2022	DEC 31, 2021
Nominal value	0.0	0.0	0.0	110.0	110.0
Capitalized Borrowing Cost, non-current ¹⁾	0.0	0.0	0.0	0.0	-0.1
Net carrying amount, non-current	0.0	0.0	0.0	110.0	109.9
Capitalized Borrowing Cost, current ¹⁾	-0.1	-0.3	-0.4	-0.5	-0.5
Bonds, current portion	110.0	110.0	110.0	0.0	0.0
Net carrying amount	109.9	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 December 31, 2022

(USD IN MILLION)	TOTAL FUTURE PAYMENTS	2023	2024	2025	2026	2027	AFTER 2027
Purchase of goods and services	89.7	88.3	1.3	0.0	0.0	0.0	0.0
Minimum operating lease payments	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Total purchase obligations and minimum lease payments	89.8	88.4	1.3	0.0	0.0	0.0	0.0

10 PROVISIONS

(USD IN MILLION)	Q4 2022	2022	2021
Carrying value at beginning of period	20.9	20.2	14.7
Change in estimate to asset retirement obligation	-1.8	-1.8	4.7
Net periodic interest on asset retirement obligation	0.2	0.9	0.8
Carrying value at end of period	19.3	19.3	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 5.4 to 5.7 percent and between 6 and 37.5 years. The change in estimate in Q4 2022 was due to a change in estimated future inflation as well as changes to the estimate in discount rates.

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.

GOING CONCERN

The Company is working on a financing solution to address capital requirements. A solution is expected to be completed well before the bond maturity date in April. Additional information will be provided when finalized.

Management and the Board of Directors believes that the Company will be successful in attracting the capital necessary to meet debt maturity obligations and continue as a going concern. Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern.

RESTART OF PRODUCTION FACILITY IN MOSES LAKE

The Company 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. REC Silicon will convert NOK to USD as needed.

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 December 31, 2022

(USD IN MILLION)	TOTAL CARRYING AMOUNT	NOT DUE	AGING OF RECEIVABLES THAT ARE NOT IMPAIRED PAST DUE				IMPAIRED
			< 30 DAYS	>30<90 DAYS	>90<365 DAYS	>365 DAYS	
Trade receivables and accrued revenues	26.4	12.0	4.2	0.6	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	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Total receivables	16.9	12.1	4.2	0.6	0.0	0.0	0.0
Prepaid Costs	6.3						
Total trade and other receivables	23.2						

There was no bad debt expense recorded for the Fourth quarter of 2022.

13 TRANSACTIONS WITH RELATED PARTIES

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

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

In the fourth quarter of 2022, REC Silicon received services from QCells, a Hanwha subsidiary, in the amount of USD 0.2 million.

14 EVENTS AFTER THE REPORTING PERIOD

On January 31, 2023 REC Silicon ASA ("REC Silicon" or the "Company") announced the entering into of a binding term sheet between its subsidiary REC Solar Grade Silicon LLC and Hanwha Solutions for a 10 year take-or pay offtake for FBR polysilicon produced at REC Silicon's facility at Moses Lake, Washington (the "Offtake"). The Offtake provides for the sale to Hanwha Solutions 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. To secure the offtake obligations and to provide security in support of the restart of the Moses Lake facility, Hanwha Solutions will, upon entering into the full form agreement, make a significant prepayment (the "Prepayment"). The parties expect that a full form agreement including all operational details will be entered into in the coming months and will be announced when finalized.

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 27.3 million for the fourth 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 23.6 million has been reported for the fourth 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 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 (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 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 8) plus USD 68.6 million current and non-current lease liabilities (from the balance sheet) less USD 105.3 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 December 31, 2022, nominal net debt was USD 78.6 million or USD 115.3 million contractual repayment values of the Company's debt (from note 8) plus USD 68.6 million current and non-current lease liabilities (from the balance sheet) less USD 105.3 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