

REC Silicon - Announces the Close of a USD 40M Term Loan and Termination of Granular Polysilicon Supply Agreement

Moses Lake, Washington USA - January 24, 2025: REC Silicon Inc, a wholly owned subsidiary of REC Silicon ASA ("REC Silicon"), announced today that it has entered into a USD 40 million term loan with Hanwha International LLC, supporting REC Silicon's capital needs during the shutdown process at Moses Lake and the Company's transition into a pure play silicon gas provider.

Further, the bridge loans of USD 25 and USD 25 million with Hanwha International LLC will be rolled up into this loan at their maturity dates on February 2 and February 4, 2025, respectively.

The terms of the loan are generally in line with the financial terms of the Company's existing bank loan agreements, secured by the assets of the Company. The maturity date is January 24, 2026.

REC Silicon also announced today that its US affiliate and QCells, its customer for granular polysilicon produced at Moses Lake, entered into a mutually agreeable termination agreement. Per the agreement, the reimbursement of the prepayment of USD 30 million by REC Silicon to QCells has been delayed for one year without interest and without any further obligation by either party, including the payment of any liquidated damages.

Together, both the loan and the termination of the Polysilicon Supply Agreement are important steps that will enable the Company to concentrate on its silicon gas business. Proceeds from the loan will strengthen REC Silicon's liquidity position and provide it with the capital necessary to cease production at Moses Lake safely and in compliance with applicable regulations.

Moving forward, REC Silicon is focused on driving costs out of its silicon gas assets and optimizing production at the Butte facility. REC Silicon's legacy business is a leading producer of silicon gas and has a strong market position for silane and specialty gases in the semiconductor and solar PV industries. Further, maintaining silane capacity at Moses Lake in a recoverable mode, gives the Company the flexibility to leverage future customer demand for Silicon Anode or other gases. The Company is working to capitalize on these industry presences and ultimately return to profitability.

The Company's day-to-day operations, including ongoing initiatives to cease production at Moses Lake, may require additional financing beyond the loan closed today. As previously disclosed, REC Silicon is undergoing a strategic review to address financial and operational challenges and is therefore considering additional cost reduction activities, financing options, and other mitigative actions.

Hanwha International LLC is an affiliate of the Company's two largest shareholders, Hanwha Solutions and Hanwha Corporation.

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About REC Silicon

REC Silicon is a leading producer of advanced silicon materials, delivering high-purity silicon gases to the solar and electronics industries worldwide. We combine over 40 years of experience and proprietary technology with the needs of our customers. Listed on the Oslo Stock Exchange (ticker: RECSI), the Company is headquartered in Lysaker, Norway.

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

This information is subject to disclosure under the Norwegian Securities Trading Act, §5-12. The information was submitted for publication at 2025-01-24 21:54 CET.

Attachments

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